



SUFFOLK COUNTY

Workforce Housing Commission

Accomplishments and Recommendations

2005

**Suffolk County Workforce Housing Commission
Accomplishments and Recommendations
2005**

Workforce Housing Commission

Steve Levy
Suffolk County Executive

Chairperson
Jim Morgo, Suffolk County Commissioner of Economic Development

Commissioners

Honorable Steve Bellone – Town of Babylon Supervisor
Honorable Patrick Heaney – Town of Southampton Supervisor
Honorable Joshua Horton – Town of Southold Supervisor
Honorable Dave Kapell – Village of Greenport Mayor
Honorable Frank Petrone – Town of Huntington Supervisor
Honorable Jay Schneiderman – Suffolk County Legislator
Honorable Dennis Suskind – Southampton Town Council
Honorable Vivian Vilorio-Fisher – Suffolk County Legislator
Eric Alexander – Vision Long Island
Len Axinn – Long Island Builders Institute
Tom Datre – Long Island Builders Institute
Theresa Elkowitz – Freudenthal & Elkowitz
Adrienne Esposito – Citizens Campaign for the Environment
Dan Guluzio - Consultant
Evelyn Holman – Bay Shore Schools Superintendent
John Kanas – North Fork Bank
Connie Kepert – Association of Brookhaven Civic Organizations
Kevin S. Law – Chief Deputy County Executive & General Counsel
Andrea Lohneiss – Town of Riverhead
Brian Madden – Liberty Title Agency
Antonio Martinez – Empire State Carpenters
Kevin McDonald – Nature Conservancy
Chris O'Connor - Long Island Neighborhood Network
Mike Oddo – Deer Park Board of Education
Jackie O'Garro – Fannie Mae of New York
Mitch Pally – Long Island Association
Brenda Prusinowski – Town of Brookhaven
Jimmy Rogers – AFL-CIO

Support Staff:

Michael Deering – Suffolk County Director of Environmental Affairs
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Joe Sanseverino – Suffolk County Community Development
Todd Stebbins – Commission Chief of Staff
Ben Wright – Suffolk County DPW-Sanitation
Marian Zucker – Suffolk County Director of Affordable Housing

Some of the original members of the Commission have stepped down for various reasons. We thank them for their input - these include: Jill Lewis and Kris LaGrange. We also thank the following individuals who frequently sit in the place of named members: Anne Marie Jones, Phillip Beltz, John White, Mike Fink and Philip Ingerman.

Workforce Housing Commission

December 2005

Dear County Executive Levy:

It is with great pleasure that we submit this report of the Workforce Housing Commission. Your foresight and leadership on this issue, which is so crucial to both the economic and social fabric of Suffolk County, has provided the foundation necessary to identify and implement strategies that have already moved us toward tangible solutions.

We salute the creation of the first Workforce Housing Commission in the county, designed with a broad representation of the diverse interests needed to promote the growth of workforce homes in Suffolk. The members include builders and labor leaders, town and village chief executives, civic leaders and environmentalists, business leaders and bank executives and school district representatives. Our experience has demonstrated that the composition of the Commission itself has proven to be a key part of the solution. The Commission members, drawn from these diverse professional backgrounds, have been willing, without abandoning, to set aside their individual and sometimes competing agendas on behalf of the greater good.

The workforce housing issue does not exist in a vacuum -- it is both the cause and result of many other issues confronting Long Island. The issue's complexity requires actions and compromises by the many layers of government, business, labor and special interest groups that influence our physical environment. The Commission's meetings provided a fertile atmosphere for these discussions. Our ability to come together and discuss fully the issues surrounding the workforce housing crisis has led us to solutions that meet the needs and concerns of this broad constituency.

This report reviews the operations of the Commission, its charges, accomplishments and recommendations for future actions. The Commission's notable accomplishments include:

- site identification;
- updating and improving the County's affordable housing program;
- streamlining the processing of workforce housing developments;
- several sewer and wastewater improvements including identifying sanitary flow credits, supporting the SOS referendum, especially its landmark provision that established the transfer of development rights for workforce housing, supporting funding and creation of sewage treatment facilities and supporting ways to broaden health department standards;
- supporting various legislative initiatives;
- creating endorsement guidelines;
- soliciting decreased building trade wages;
- creating a qualified builder's list;
- supporting improved EAHP standards;
- supporting new workforce housing developments;
- supporting efforts to maintain affordability of workforce homes;
- exploring strategies to encourage school district support of workforce homes and
- supporting efforts to expand the County's down payment assistance program.

In all of its efforts the Commission had the good fortune to be fully supported by members of several County departments. Our work would not have been possible without the high level of professional expertise they provided. Of course, given the gravity of the housing crisis, our work could continue into the foreseeable future. However, the Commission believes it has helped lay the groundwork for future successes and it is now time for the County, the Towns and the private sector to begin implementing our recommendations.

Thank you for this opportunity.
Members of the Workforce Housing Commission

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INTRODUCTION

Introduction

The baby-boom generation had ample opportunity to experience the American dream in Suffolk County. Unfortunately, the upcoming generation does not have that same level of opportunity. The Long Island Index notes that 47% of our population on Long Island does not have adequate means to buy a house today in this area. So many of our young people are just giving up and leaving for cheaper pastures elsewhere. Grandparents are robbed of the opportunity of seeing their grandchildren grow up. Companies lack skilled employees. And we created an outstanding school system only to see students go away to college and never come back. We need to create more workforce housing not just because it is the right thing to do, but because it is the smart thing to do for the long-term economic health of Suffolk County.

Suffolk County Executive Steve Levy
excerpt from his 2005 State of the County Address

Introduction

Overview

The dearth of affordable housing for Long Island's workforce is arguably the most important economic development issue facing the region. The reality is a grim one and the numbers are staggering. As first reported in the AFL/CIO study of Long Island and later reiterated in the Rausch Foundation's Long Island Index 2004 the Island's young people, tomorrow's workforce and core population, are leaving Long Island in droves. According to the study, more than 18,000 people aged 24-35 moved away from this area in 2001 alone. This migration not only disperses families and increases the median age of Long Island's overall population, but it has enormous impacts on the economics of the region. Businesses are finding it increasingly difficult to recruit and keep skilled workforces intact, creating a serious competitive disadvantage for local industry and our overall economy.

The cost of housing on Long Island has increased dramatically over the past 8 years. Between 1992 and 1998, housing on Long Island was fairly affordable with the ratio of home price to median family income at or below 2.5. With a median price of \$410,000 as of September 2005, the ratio now stands at 4.2 in Western Suffolk County, meaning that home prices in western Suffolk are now 4.2 times the median family income. The situation is even more severe in eastern Suffolk County, where the demand for second homes has pushed the median home price over \$680,000. At the same time, the statewide median purchase price is \$275,000 and the national median price is \$215,900 for the 3rd quarter of 2005.

The majority of Long Island homeowners could not now afford to purchase the home in which they currently live. Pearl Kamer, chief economist for the Long Island Association, recently stated "About 10% of Long Islanders on average can afford a median priced home today." Aspiring homeowners, especially our young people just starting out in the workforce and our middle class working families, are finding it increasingly difficult to find housing they can afford, causing many of them to seriously consider leaving for more affordable regions.

This is why Suffolk County Executive Steve Levy created the Commission to confront the mounting affordable housing crisis facing Long Island. The County Executive tapped a diverse and broad base of local talent to serve on the Commission, which includes representatives from various backgrounds and specialties including elected officials, civic leaders, environmentalists, community activists, builders, lenders and others committed to changing the affordable housing landscape.



Press conference announcing formation of Workforce Housing Commission. (Left to right) Antonio Martinez, Brian Madden, Mitch Pally, Supervisor Steve Bellone, Supervisor Frank Petrone, Supervisor Joshua Horton, County Executive Steve Levy, Commissioner Jim Morgo, Legislator Jay Schneiderman, Mayor Dave Kapell, Supervisor Patrick Heaney, Kevin McDonald, Ben Wright, Eric Alexander, Joe Sanseverino.

Introduction

Mission Statement and Charge of the Commission

The mission of the Commission is to promote new rental and ownership housing opportunities through the development of various programs and incentives that encourage an expansion of workforce homes in Suffolk County. The Commission has been charged with, among other things, streamlining the workforce housing permitting process, creating an inventory of potential sites for development of workforce housing and assisting the County Executive in implementing certain key recommendations made by his Transition Team's Workforce Housing Committee. These include:

- Create an inventory of potential sites for development of workforce housing.
- Streamline the workforce housing permitting process.
- Work with municipalities to refine or develop zoning codes to stimulate the creation of workforce homes.
- Improve the County's Affordable Housing Opportunities Program.
- Create a Comprehensive Workforce Housing Website that is a resource center for affordable housing programs.
- Offer incentives to builders who dedicate a percentage of new developments as affordable workforce homes.
- Schools/education – mitigate the perceived impact of workforce homes on school budgets.

Meetings and Organization

The Commission began meeting in February 2004. Once the members agreed on their mission, and organized into subcommittees, they aggressively attacked the agenda. The Commission's subcommittees include:

- 1) Sites
- 2) Streamlining
- 3) Zoning
- 4) County's Housing Program
- 5) Website
- 6) Builder's incentives, and
- 7) Schools and public education

The topics discussed ran a wide-gamut of housing related issues. Specific governmental initiatives were supported - the New York State Long Island Workforce Housing Initiative, for example - as well as opposed - the Bush Administration's attempt to reduce Community Development Block Grant (CDBG) funding. Extensive discussions were held concerning waste-water treatment facilities and their link to higher density homes, employer-assisted housing programs, inclusionary/exclusionary zoning practices, and methods of maintaining affordability. The Commission also spent considerable time discussing the need for public education about workforce housing and debating the merits of polling the public via a referendum to gauge the will to address this issue.

The Commission heard many presentations from staff on County initiatives relevant to workforce housing as well as from Commission members and other interested parties. These included: The Long Island Builders Institute, The Associated Brookhaven Civic Organizations, the Long Island Housing Partnership, the Community Development Corporation of Long Island, the Bay Shore School District Superintendent, Building trade representatives, L. I. Neighborhood Network, LIPA, Keyspan, Senator Clinton's Long Island representative, and the Mayors of Patchogue and Westhampton Beach, among others.

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1. ACTION - Site Identification

The Commission solicited suggested housing sites from all municipalities and successfully persuaded more than half of the 41 Towns and Villages in Suffolk County to submit a list of potential housing and mixed use sites. In total, over 250 parcels were submitted, together comprising 53 sites across Suffolk County.

Members of the Suffolk County Planning Department and the Suffolk County Director of Affordable Housing reviewed the site submissions to determine their suitability for workforce housing development. This process considered such factors as:

- Consistency with local community plans
- Compatibility with surrounding land uses
- Proximity to services including public transportation and commercial centers
- Environmental suitability including avoidance of sites with wetlands or other significant environmental features
- Significant redevelopment opportunities
- Sewer availability.

Staff ranked all submissions and began work on the top ranked sites. Initial contact was made with the relevant municipalities and the current owners of these sites. Unfortunately since most sites are privately held, acquisition has been difficult and all have not come to fruition. However several of the top ten sites are moving forward, including a “quintessential” smart growth workforce housing development in the middle of downtown Patchogue Village, close to public transportation and downtown businesses. The Commission has also reviewed and endorsed a 38 acre redevelopment initiative of Westhampton Village and a site sponsored by the Southold Community Land Trust that will contain ownership and rental units. Several other sites on this list are also in the early stage of predevelopment.



Tom Isles, Director of the Suffolk County Planning Department, explaining the site review process.

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2. ACTION - Updating and Improving the County's Affordable Housing Program

Since its creation 2001, the County's Affordable Housing Program, which provides funds to purchase land for affordable housing developments, had only been used twice. There was widespread agreement among Commission members that the program should be changed to increase its use. The Director of Affordable Housing presented several proposed changes to the Commission on April 22, 2004. The Commission reviewed, commented on and unanimously endorsed changes to the legislation governing the program. These changes were incorporated into legislation ultimately adopted by the Suffolk County Legislature and approved by the County Executive on June 28, 2004. These changes:

- Permit the funding of infrastructure improvements in addition to property acquisition.
- Allow for the funding of both mixed use and mixed income developments.
- Expand the income limits for workforce housing to include middle class working families whose incomes are as high as 120% of area median income and who are currently priced out of Suffolk County's housing market. In recognition of this need the County renamed the program the Workforce Housing Program.
- Increase the maximum rent levels to encourage more rental developments.

In addition, the Commission approved staff's proposed criteria for the ranking of workforce housing developments to receive County funds.

3. ACTION - Streamlining the Process

One of the Commission's most important goals was to streamline the lengthy and expensive permitting process. According to research by the National Association of Home Builders, unnecessary regulations and fees increase the average construction costs for new homes by 10%. Following the streamlining subcommittee's advice presented at the May 20, 2004 meeting, the Commission recommended that the County Executive name a "point person" in each of several departments. The following individuals were identified: Walter Hilbert in Health Services, Ben Wright in Public Works, and Marian Zucker in Economic Development and Workforce Housing. Similarly, the Commission requested each town identify a point person, each of whom will coordinate qualifying applications and shepherd identified workforce housing developments through the necessary town and County approvals. All towns have agreed to this request. Already, Courtyards at Southampton, a 50 unit mixed income development in the town of Southampton has benefitted from this policy change with fast-track approvals from several County agencies. Several other fast tracking requests have been approved including: 1) ten scattered site for-sale workforce homes and the 26 unit Springs Fireplace Road Apartments in East Hampton, 2) seven scattered site for-sale homes in Islip and 3) Bridgehampton Mews, a 12 unit for-sale and rental development in Southampton. Furthermore, to reduce backlogs in processing the SCDHS residential approvals, the County Executive authorized the hiring of five new workers as a part of his Red-Tape Reduction Program. As a result, the backlog in the Office of Wastewater Management for all three categories - subdivisions, commercial projects, and individual residential applications was reduced from 12-16 weeks to 4-5 weeks within several months.

The Commission also recommended convening a regional conference to address the streamlining issue. The County Executive has held his second meeting with Suffolk's town supervisors on this topic; he will soon unveil the next step: a coordinated and cooperative approach to streamline the County's and towns' municipal approval processes to cut the red tape on all levels of local government.

4. ACTION - SEWER AND WASTEWATER IMPROVEMENTS

The Commission engaged in several comprehensive discussions regarding the challenges and opportunities posed by the environmental constraints and infrastructure in Suffolk County. With the exception of the few areas served by existing sewage treatment systems (barely 35% of the County), development throughout the County is severely constrained not only by local zoning but by a county water management plan that limits density. In order to protect the environmental integrity of our sole source aquifer, the Suffolk County Department of Health Services ("SCDHS") enforces Sanitary Code standards that limit density to either one or two units per acre, depending on

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the ground water management zone. This density may be modified only through the use of transfer of sanitary flow credits (also referred to as transfer of development rights) or through the construction of a sewerage treatment facility. The Commission considered several measures that could mitigate this situation.



Vito Minei, Director of Environmental Quality, Suffolk County Department of Health Services, discusses current initiatives.

4-a. ACTION - Identifying available sanitary flow credits:

As one of its first actions, the Commission asked staff to research how and when sanitary flow credits could be stripped from county owned land, either that acquired through tax foreclosure or purchased for open space preservation. The County attorney reported back at the April 22, 2004 meeting, that credits could be harvested from parcels taken in tax foreclosure but not from the over 27,000 acres previously preserved for open space. The Planning Department Director at that same meeting reported that, based on prior experience, approximately 50 credits annually might be available from tax default parcels transferred to parks. A consensus was reached by the Commission that this policy should be pursued for future transfers into parks. The Commission also received an opinion as to how to harvest and bank development rights for workforce homes from prospective County land acquisitions. The Commission was advised that a County-wide policy could be established by Local Law stating that all future acquisitions would be subject to this banking of development rights. (see further discussion of SOS bond act below)

4-b. ACTION - Save Open Space Bond & Transfer of Development Rights

With the Commission's support and endorsement, and as introduced by one of the Commission members, Legislator Villoria-Fisher, the County successfully established a \$75 million landmark bond referendum that provided for both the acquisition of open space and the banking of development rights to be used to support workforce housing initiatives. This was the first time in Suffolk County government's history that workforce homes and open space acquisitions were linked in the same referendum.

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The Save Open Space Bond Act (“SOS”) will preserve open space, protect farmlands and create additional new parklands. It continues Suffolk County’s longstanding leadership in protecting significant lands and landscapes dating back more than three decades. The SOS program also provides an additional tool to address another critical public purpose: the construction of affordable ownership and rental workforce homes through the transfer of development rights to non-environmentally sensitive properties from properties acquired for open space and passive parkland purposes.

The overriding policy framework for this endeavor is to yield development credits from specifically authorized properties acquired for conservation purposes and re-use them in a manner consistent with:

- Enhancing regional conservation of open space;
- Continuing and/or expanding groundwater preservation initiatives;
- Reducing sprawl; and
- Creating affordable workforce homes.

The SOS program will result in preservation of open space lands and will permit the transfer of development rights to receiving parcels if certain conditions are met. These conditions will ensure the protection of environmentally sensitive lands on a site-specific level and of groundwater on a sub-regional level.

The credits derived from the Transfer of Development Rights program are to be used for the sole purpose of supporting development of affordable ownership and rental workforce homes as defined in Article 36 of the Suffolk County Administrative Code. Pursuant to the SOS program, there are a number of statutorily required steps that must be taken before any right is held or any right is transferred by the County. The requirements include:

- The transfer of Development Rights Program to be established will be subject to the approval of the County Legislature and the County Executive via legislative resolution.
- The transfer and use of each development right shall be subject to the approval of the County Legislature and the County Executive via legislative resolution.
- Each individual use of a development right shall be subject to the approval of the County Legislature and the County Executive via legislative resolution.

4-c. ACTION - Funding and supporting creation of sewage treatment facilities:

To fund the initiative contained in the improved Workforce Housing Program (see below), the County Executive established a \$15 million initiative to fund infrastructure improvements for workforce housing developments. This initiative will be funded in three consecutive annual borrowings of \$5 million each. The funds can be used to construct sewage treatment facilities as well as road, lighting and other site improvements.

In recognition that the protection of the environment and sustainable economic growth in Suffolk County needs available wastewater treatment capacity, the County Executive has also committed to expanding sewer availability through the County at a level not seen in more than two decades. Several projects were included in the Executive Capital Program Budget that relate to expanding service areas and upgrading of sewer capacity. These projects include the formation of Suffolk County sewer districts for the Gabreski Airport and Yaphank County Center, each of which will facilitate significant workforce housing development. In addition, the expansion of both Sewer District 18 in the Hauppauge Industrial Park, and Sewer District 3 known as the Southwest sewer district will allow for both economic growth and the development of homes workers can afford.

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4-d. ACTION - Examine possible ways to broaden health department standards:

The New York State Department of Environmental Control has approved the use of subsurface sewage treatment systems known as Cromaglass systems as they are manufactured by the Cromaglass Corporation. These systems have demonstrated the ability to protect the groundwater supply and provide cost effective treatment for housing developments of up to 50 units. The Commission reviewed SCDHS's proposed reduced set-back requirements for these systems and supported their implementation. The result of this policy change will decrease the required set backs from 150 feet to 75 feet and thus allow for increased housing yield on a given site and facilitate workforce housing production.

At the September 23, 2004 meeting, the Director of the Division of Environmental Quality presented the SCDHS's plan to update its Comprehensive Water Resources Management Plan completed in 1987. This plan provides the County with essential guidance not only on how to protect our vital "sole source aquifer" water supply and surface water resources, but also to allow the County to accommodate sustainable smart growth initiatives. As part of this plan, SCDHS expects to: 1) conduct pilot programs to evaluate smart growth and redevelopment opportunities including workforce housing in hamlet settings in each town and 2) explore creation of new and extension of existing sewerage treatment facilities. The Commission enthusiastically endorsed the update and expansion of this plan.

5. ACTION - Legislative Issues

The Commission was proactive in rejecting the federal government's proposal to eliminate the Community Development Block Grant Program. The Commission supported efforts by the County to lobby the Congressional delegation to block a proposal that would have combined the CDBG Program with 17 other federal programs and transferred the program from HUD to the Economic Development Administration. This proposal could have cut over \$9 million in federal CDBG funds to Suffolk County. CDBG funds play an integral part in the development of the infrastructure necessary to construct workforce housing. The program is used extensively by local governments to redevelop and revitalize neighborhoods and housing. The effort to prevent the elimination of the CDBG Program proved to be successful as both the U.S. Senate and House of Representatives voted to continue funding the CDBG Program in fiscal year 2006.

The Commission also advocated for the Long Island Workforce Housing Initiative bill sponsored by Assemblyman DiNapoli and Senator Balboni. This bill would require a 10% set-aside of workforce housing units in any subdivision of over 5 units. Although the bill passed unanimously in the Assembly for the second straight year, it has failed to achieve Senate support.

6. ACTION - Endorsement Guidelines

The Commission had several conversations considering whether to endorse specific developments. Some members felt it was necessary to advocate for specific developments since NIMBY opposition makes obtaining local approvals a major hurdle in producing workforce housing units. Others felt the Commission had no role in what they saw as a local decision. Ultimately, the Commission adopted a policy to endorse workforce housing developments that meet its stated goals. The endorsement preferences reflect the Commission's commitment to promote workforce housing while achieving other goals that contribute to a sustainable economy and vibrant communities.

CRITERIA USED TO SUPPORT WORKFORCE HOUSING DEVELOPMENTS

The Commission seeks to encourage homes for families earning no more than 120% of the area median income; a minimum of 50% of which must be available to families earning no more than 80% of the area median income. Its endorsement criteria are:

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Approved Guidelines:

Promote Livable Community Design

- Design attractive residential and mixed-use developments that are compatible with and enhance existing neighborhood and public spaces.
- Promote social interaction, pedestrian-friendly design, innovative parking arrangements, and other principles of urban village design.
- Provide projects at a size that are appropriate for the community.
- In mixed-income developments, equitably distribute income-eligible housing.

Promote Quality Construction

- Minimize construction, operational and maintenance expenses over the life of the housing.
- Use high quality, energy efficient products.
- Provide reasonable amenities, including good in-door environmental quality.
- Encourage participation of members of the Nassau-Suffolk Building Trades Council and the Long Island Builders Institute.

Encourage Compact, Mixed-Use Development

- Encourage the reinforcement of existing hamlet centers by directing compact, higher density in-fill development to existing infrastructure.
- Encourage the development of new hamlet centers along existing commercial corridors.
- In rural areas, protect open space and farmlands by clustering housing in appropriate landscapes and utilizing transfer of sanitary flow development rights.
- Take advantage of density bonuses for the provision of affordable housing.

Promote Use of Public Transit

- Wherever possible, locate housing developments near existing and planned public transportation.

Promote Economic Development and Sustainability

- Whenever possible, locate housing developments near employment centers.
- Encourage contractors to pay their employees the area wage & benefit standard for residential construction established by affiliates of the Building and Construction Trades Council of Nassau and Suffolk Counties, (referenced in ACTION 7. below).

7. ACTION - Decreased Building Trades wages

Labor representatives on the Commission stepped up to make their own contribution. Organized labor has made a commitment to provide the workforce for the development of housing sites at a reduced union rate, thus contributing to our local economy and increasing the quality of homes built throughout Suffolk County. The hourly rates agreed to by the building trades are as follows:

	<u>LI Prevailing Wage</u>	<u>Housing Rates</u>
Electrician	\$66.16	(at 47%) = \$31.12
Plumber	\$62.57	(at 46%) = \$28.75
Painter	\$52.14	(at 61%) = \$31.99
Drywall Taper	\$52.14	(at 61%) = \$31.99
Glazier	\$56.21	(at 53%) = \$30.00
Carpenter	\$56.21	(at 53%) = \$30.00
Laborer	\$46.99	(at 57%) = \$26.71

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County Executive Steve Levy leads the discussion at a typical Suffolk County Workforce Housing Commission meeting.

8. ACTION - Qualified Builders List

The sites identified by municipalities and submitted to the Commission are mostly in private hands. Because of the many steps necessary to obtain county funding, it is often difficult for the County to compete in the general market to obtain ownership of these sites. It was determined that the County should establish a list of qualified developers that could be brought in to partner with the County on securing these sites for workforce housing purposes. To this end, the County issued an RFP to qualified builders in May 2005. The County received 20 proposals for this service. Builders will be assigned to one of several possible lists, based on experience and area of expertise.

9. ACTION - Improve Employer Assisted Housing Program Standards

The Employer Assisted Housing Program (EAHP) was re-designed to reflect the increasing cost of housing and to increase the pool of eligible employers and employees. The improved EAHP standards include:

- a) Increasing the amount of public financing for the downpayment from \$3,000 to \$17,000.
- b) Increasing the income eligibility of employees to 120% of median income, thereby making the program available to a larger and more diverse labor pool.
- c) Increasing the amount of funds available for rehabilitation of a home from \$7,000 to \$15,000.
- d) Increasing the purchase price of a home to \$380,000 for federal assisted homes and to \$395,000 for state assisted homes.

As a result of these changes, the County was able to add 50 participating businesses to the program, with 4 additional companies currently considering participating in the program.

10. ACTION - Housing Construction

In keeping with the Commission's objective to promote workforce housing, the County successfully implemented new workforce housing construction using the HOME Investment Partnership Grants Program (HOME) funded through HUD. In the last 12 months, construction was completed on 21 workforce homes assisted with HOME funds. An additional 46 homes are under construction in the communities of Patchogue, North Bellport, East

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Hampton and Bridgehampton. Many of these homes are being built on former County-owned land transferred to the local municipalities.

11. ACTION - Maintaining Affordability

The Commission considered the policy of maintaining the affordability of homes that have been subsidized in some way, either through investment or increased density. As home prices have soared, previously developed affordable homes have been sold on the open market, creating windfall profits and losing a resource that has generally been difficult to create. The Long Island Housing Partnership was invited to present its strategies for maintaining affordability. Their goal is to prevent windfall profits, recapture and reuse subsidies, target future sales to eligible buyers, maintain the affordable housing supply, provide for shared appreciation and protect owner equity. At a subsequent meeting the Commission passed a resolution that supports maintaining affordability in perpetuity, without endorsing a specific formula.



Workforce Housing Commission at work.

12. ACTION - Energy Efficient Workforce Homes

According to the U.S. Department of Energy, the typical U.S. family spends \$1,300 a year on home energy bills. The average customer in the Long Island Region spends approximately \$4,000 a year on home energy bills. Home energy use can easily make affordable housing unaffordable and therefore, workforce housing programs should also consider the long-term cost of home ownership. After presentations by the Long Island Power Authority and the Long Island Neighborhood Network, the Commission recommended that all future workforce housing projects consider the total cost of home ownership including direct energy purchases, service and repairs in order for families continue to afford their home.

13. ACTION - School District Support of Workforce Housing

Often seen as the most serious impediment to the construction of workforce homes, the resistance of local school districts was examined. School districts resist workforce housing developments because of a fear that new workforce homes will generate additional children, to be educated at a cost to be borne by the districts. Although many commissioners judged this fear to be without merit, the Commission's Education and Zoning committees endorsed an incentive-based approach to encourage school districts to support workforce homes. The incentive-based approach was largely taken from Massachusetts Chapter 40(R) Smart Growth Zoning and Housing Production and its proposed Chandler Amendment, which essentially provides reimbursement to school districts that accept workforce housing developments into their districts.

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Committee members believed that financial incentives should be provided to motivate school districts to accept the construction of workforce homes within their boundaries. Specifically, the Commission's subcommittees recommended advocating for state legislation that would hold school districts harmless from the effects of workforce housing. This proposed legislation provides that the state shall hold school districts harmless from any actual additional net public school costs to which school districts become subject as a result of the impact of the location of a workforce housing development. The state shall calculate those additional net costs annually, using a formula it has developed in consultation with the department of education and the division of local services in the department of state and that has been approved by law. Any payments to school districts under this section shall be made on November 15 of each year.

14. ACTION - Down Payment Assistance

The County Executive was instrumental in having HUD raise its income limits for families who can benefit from Suffolk County's Down Payment Assistance program. The maximum benefit amount went from \$6,000 per family to \$12,000 and raised the maximum sales price of homes from \$280,000 to \$380,000. All these increases reflect the ever-escalating home prices in Suffolk County. From the program's beginning on May 2nd to May 17th of 2005, the County received 1,925 requests from Suffolk families for 2005 Down Payment Assistance. In addition, the County has closed on 52 homes since January with an additional 30 closings pending.

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Conclusion

Conclusion

The Commission had no illusion that it would solve the affordable housing crisis in Suffolk County. It is a crisis caused by many factors. The most elemental is that Suffolk County remains an attractive place to live, work and raise a family and those born and educated in Suffolk County want, for the most part, to remain here. They have a demand for homes that do not exist in sufficient supply. This supply is limited by the natural constraints imposed by the need to protect our single source aquifer as well as the island's geography as well as those imposed by man-made governmental zoning and regulatory constraints. Complicating these constraints is the fact that on Long Island all land-use regulations are made on the most local municipal level. In spite of these realities, the Commission believes progress can be made to increase the supply of homes workers can afford by recognizing these constraints and taking measures to either change them or deal with them.

The following recommendations, if pursued, will, go a very long way in making more homes available for more of Suffolk County's essential workforce.

Recommendations to the County Executive

- ***Focus on pursuing sites for future development, especially sites appropriate for higher density.*** County staff should continue to pursue the sites submitted by the various municipalities. As in the past, staff should focus its efforts on redevelopment opportunities including abandoned shopping malls and movie theaters.
- ***Provide continued support for proposed developments - Patchogue, Westhampton Beach and Southold.*** The County should continue to meet its pledge to provide financial and other possible means of support to ensure these proposed developments are brought to fruition.
- ***Implement incentives for workforce housing developments through legislation similar to Massachusetts Charter Law, Chapter 40R and its proposed Chandler amendment.*** In Suffolk County school districts wield considerable power to derail workforce housing proposals. Their stated fear is that housing, especially workforce housing will generate additional children and create a financial burden for their school district. The County should pursue, at the state level, legislation that would provide funds for school districts that accept workforce housing developments into their districts.
- ***Foster coordination between Towns & County on Municipal Processes*** – County staff and administration should continue to pursue this goal as a priority. The experience of fast tracking workforce developments through County processes has demonstrated that this endeavor can make a significant difference. The County should establish a coordinated review process with towns for workforce housing developments and should endeavor to have every municipality name a fast track point person.
- ***Comprehensive Water Resources Management Plan*** – Monitor and review the SCDHS progress on this plan. Support the effort to accomplish the multiple needs of additional housing densities, compact communities and groundwater/surface water resources protection. Support, in all possible ways, the creation of new and expansion of existing sewage treatment systems.
- ***Promote the TDR Program*** – The County should actively market the credits created by the SOS program to workforce housing developments.
- ***Bank sanitary flow credits from tax foreclosed properties*** - The County should harvest credits from future property transfers into parks for open space purposes and provide them to support workforce housing.

Conclusion

- ***Maintain Affordability of Workforce Homes by Supporting Increased Energy Efficiency Standards*** The County should continue to explore programs and grants that provide at little or no additional cost, for the construction of workforce homes at the current state-of-the-art energy efficiency standards. Consider creating an incentive program on either the State or local level to be administered by the County that encourages the construction of new Energy Star homes. Continue to work with LIPA, New York State and each Town to establish construction standards relating to energy use as a minimum requirement for County funding. The County should advocate at the State level to codify the “Life Cycle Analysis” to forecast near-term and long-term energy costs along with making energy education a part of the purchase process for all affordable housing.
- ***Streamline the Commission to focus on the actual development of homes at the submitted sites, endorsed sites, Yaphank and other appropriate locations.*** The Commission has made significant contributions to the County’s effort to address the workforce housing challenge. The Commission’s size and diversity of its members’ areas of expertise has proven invaluable in tackling the big picture issues. Now, however to move to the next phase – the actual development of sites and to deal with particular initiatives, the Commission should organize a small implementation task force that will focus on achieving a specific goal or bringing to completion particular sites. This ‘site specific/issue specific’ task force will be available to County staff to provide targeted assistance and oversight on an as-needed basis. The full Commission will meet on an as-needed basis to consider broader issues or actions.
- ***Actively market the County’s revamped EAHP program.*** Since launching the EAHP with the revised benefit and income guidelines the County has achieved success in attracting significant partners who are critical to the continued economic health of Long Island. Both Brookhaven National Labs and Northrup Grumman have committed to participate in the program which offers down payment assistance to needed Long Island workers.
- ***Undertake an ongoing public education campaign to debunk the myths of affordable housing through a County sponsored website and the use of the County Executive’s “bully pulpit”.***
- ***The County should work with the Towns and Villages to promote higher density zoning, relaxation of fees and other initiatives to promote and facilitate workforce housing.***

Respectfully submitted,

The Suffolk County Workforce Housing Commission