



TESTIMONY
2023 JOINT LEGISLATIVE BUDGET HEARING
HOUSING
Wednesday, March 1, 2023

Oral testimony delivered by Lori Bellingham, Vice President for Community Impact at Adirondack
Foundation

Written testimony submitted by the [Adirondack Foundation](#)



ADIRONDACK FOUNDATION

Adirondack Foundation appreciates the opportunity to submit oral and written testimony to the 2023 Joint Budget Hearing on Housing.

Our oral testimony is delivered by Lori Bellingham, Vice President for Community Impact at Adirondack Foundation. Our written testimony is derived from our work with county and municipal leaders, rural preservation companies, economic development agencies, nonprofit and for-profit developers, community housing task forces, employers, and community members across our region. Founded in 1997, Adirondack Foundation has invested more than \$72 million in grants to nonprofits and other community institutions that help our region thrive.

Through research, leadership, and strategic grantmaking, the Foundation plays a key role in identifying and addressing community problems such as food insecurity, lack of childcare, housing shortages, barriers to college, limited access to vocational training, and threats to economic vitality. We are the only organization whose mission compels us to look broadly at the vitality of our region and advance systemic equity and community resilience. Our unique position at the nexus of hundreds of nonprofits, community leaders, and donors wanting to make high impact grants allows Adirondack Foundation— like no other organization here— to marshal expertise, drive collaborations, encourage charitable giving, and utilize a systems level view to meet challenges of our region. It is in fact our obligation, given our region-wide position of trust, to develop tools and provide incentives that bolster the social and economic scaffolding of communities.

Our testimony will share the unique aspects of our community, highlight our workforce and affordable housing challenges, and present recommendations that we believe will benefit our community.

ADIRONDACK REGION

Adirondack Foundation’s service area is rural. The Adirondack region is as large as the State of Vermont and is home to more than 230,000 people dispersed across more than 6 million acres. Based on 2019 ACS data¹, the poverty rate in rural New York is 14.9% compared with 12.9% in urban areas of the state. In addition, approximately 44% of our population are “Asset Limited Income Constrained Employed” (ALICE) individuals and families. Nearly 60% of people in our region are challenged to earn enough income, acquire stable and safe housing, obtain nutritious food, gain reliable transportation, and access the social, medical, and mental health support they need to live vibrant lives and positively engage in their communities.

¹ American Community Survey - <https://www.census.gov/programs-surveys/acs>



While the median household income in the Adirondacks has risen by 6 - 9% between 2015 and 2018, the region continues to lag the state average (\$66,323) for median income and the rest of the United States (\$63,998).

Clinton \$55,178
Essex \$56,196,
Franklin \$51,696

Hamilton \$57,552
Warren \$59,813

Over 15% of the Adirondack region's population receives SNAP: that is 1 in every 7 people struggling to put food on their table, let alone fresh, healthy food. We note that 56% of households receiving SNAP have children under the age of 18.

We also serve an aging population; in the Adirondacks the median age has been rising at a rate that is outpacing the state and country overall; one third of our residents are projected to be over 60 by 2030.

Our region is suffering the consequences of significant underproduction of housing regionally with average new housing production (units permitted) having declined by 44% in the decade after the great recession - from 2006-2012.

In our rural region there has been an increase in pressures on the housing that does exist: Seasonal housing constitutes 24% of housing units in the region. However, in communities like Indian Lake, Keene and Essex it is as high as 70%. The Adirondack region has experienced a 43% growth in active short term rental listings since 2019.

AFFORDABLE HOUSING WORKFORCE CHALLENGES

Adirondack Foundation understands that stable, appealing, year-round housing to be a foundational driver for citizens' health, education, workforce, and becoming civically engaged in a community.

The 4.5 % loss of population described by the 2010 to 2020 census' reflects a persistent and unsustainable aging and hollowing out of our region's population. This loss includes a 13% decline in year-round households with children.

Yes, our region is home to multi-generational families and young people looking for a different quality of life. Our community needs first responders, primary healthcare workers, teachers, accountants, lawyers, park management, hospitality workers, etc. Unfortunately, we know of too many people who have looked for, and secured, jobs but had to turn them down as they couldn't access housing. We know of young adults who needed to move out of the region, away from their families because they couldn't afford any of the available housing options.



The cost to build a home that a dual income family with jobs in hospitality and healthcare can afford is not palatable. For example, a 1,200 sq ft home would cost approximately \$290,000 to build and would carry approx. mortgage payments of \$2,100 per month. In Essex County, a family making \$72,400 (100% AMI) annually can afford \$1,600 - \$1,900 per month. The monthly mortgage payment doesn't include initial down payment and ongoing property taxes.

The affordability gap is not only persistent but growing. In Clinton and Franklin Counties, 50% of families live in rent burdened households, as more than 30% of their gross income is spent on housing. And income has not kept up with housing prices. When looking at 2015 to 2020, Median Job Earning increased by 14%, and Median Household Income increased 15%, however, Median Home Prices increased 28%.

Until the gap between wages and affordability of housing come into balance our communities' critical workforce will continue to face challenges and our economy constrained. This combination of issues is closely linked and compounding. To build our workforce, we must have adequate housing. To attract and retain young people to our communities, we must have adequate housing.

HOUSING RECOMMENDATIONS

Affordable Homeownership Opportunity Program (AHOP)

Adirondack Foundation supports the Affordable Homeownership Opportunity Program (AHOP). The provision of significant gap financing of as much as \$200,000 per unit for new construction of small homeownership projects that are affordable to low- and moderate-income households is significant. The significance is not only in the size of subsidy. Also, critical to the hamlets and villages of the Adirondacks is priority for projects between 2-40 units; required community-specific marketing strategy; the recognition that subsidies increase with deeper affordability is appropriate and important is the inclusion of restrictions beyond 80% AMI.

Programs like AHOP are exactly what the rural communities of the Adirondacks need.

Adirondack Foundation recommends investing in AHOP at 2022-23 levels and increase restrictions of up to 200% AMI. This change will make it more feasible for builders and developers to participate in small to midsize projects across the region.

Small Rental Development Initiative (SRDI)

The Small Rental Development Initiative (SRDI) supports the creation and preservation of single-family housing with one to four units and small rental developments of fewer than 25 apartments. SRDI funds were made available through New York State Homes and Community



Renewal's (HCR) NYS HOME Local Program and were awarded to non-profits, community housing development organizations and housing authorities that own, develop, and long-term manage single-family and small rental development housing. SRDI was designed to meet the needs of both rural and urban communities by addressing the specific needs of small rental homes and developments. The program is flexible to account for the large variety of rental housing types and sizes present across New York's communities.

This program was perfectly designed to meet the needs of the Adirondack community and is one of the few housing initiatives scaled to the hamlets and villages of the Adirondacks. Sadly, funding is discontinued in the Executive's proposal. We urge the legislature to restore this vital program by allocating \$20 million.

In the Adirondack region, it is all too common for components of our essential workforce to live over an hour away from where they work due to a distinct lack of affordable housing. Because of the foregoing, we urge the legislature to adjust the program by allowing a greater AMI limit of up to 200%.

Infrastructure Investments

Funding for infrastructure necessary for housing is clearly recognized in the Executive budget. In the rural communities of the Adirondacks water, sewer, and often new road construction can be the decisive factor as to whether a property is viable for affordable housing. Predevelopment costs and necessary infrastructure often stymie a project before it can start. The Executive budget proposes \$250 million in housing infrastructure funding. Adirondack Foundation recommends allocating \$25 million for the Adirondack region and prioritizing projects between 2-50 units, with a percentage of units restricted up to 200% AMI.

Support of Land Banks

New York's first land banks were established after passage of the New York Land Bank Act in 2011. These nonprofit organizations partner with government entities to strengthen communities by acquiring, stabilizing, and facilitating the redevelopment of blighted and abandoned properties, returning them to productive use, and growing local property tax bases.

The last year's Enacted Budget included \$50 million to support services and expenses of Land Banks - allocated in two phases. Phase I provided \$12 million in essential funding for Land Bank operations and non-capital expenses and Phase II supported expenses including property acquisition, building stabilization, demolition, pre-development, technical assistance & capacity building for new Land Banks.

The FY 2023-24 Executive Budget proposal provides no continued support for Land Banks. We urge operational funding for Land Banks be restored and ask the legislature to include an additional \$12 million in this year's budget.



CLOSING

Adirondack Foundation has learned from the many stakeholders in our region that we cannot build our way out of this complex housing challenge. We need a variety of methodologies to combat the years of underproduction to increase the availability of affordable family housing for our essential workforce.

Support for Land Banks, Community Housing Trusts, examining predevelopment burdens on new construction, increasing the AMI limitations across programs, gap financing for small to midsize project construction (AHOP), and other interventions may all be necessary to incentivize builders to work with communities and municipalities to increase our stock of year-round workforce housing.

Our communities value the rural environment that they have chosen to live and work. They seek to improve their communities by ensuring that middle income families can live, work, and raise their families in the Adirondacks. The Adirondacks are different from communities or regions that have lost large industries. We have seen the boom and bust of the timber industry but have also seen a rise in tourism across the region and manufacturing to the north. Our region attracts people who would like to call it home and contribute to our local economies, however we cannot currently provide housing options that fit households across market demographics.

Thank you for the opportunity to submit testimony. Please feel free to reach out to Lori Bellingham at lori@adirondackfoundation.org with any questions.