



TESTIMONY
2024 JOINT LEGISLATIVE BUDGET HEARING
HOUSING

Wednesday, February 14, 2024

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

Written testimony submitted by [Adirondack Foundation](#)



ADIRONDACK FOUNDATION

Adirondack Foundation appreciates the opportunity to submit oral and written testimony to the 2024 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 \$79 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. It includes all of Clinton, Essex, Franklin, and Hamilton Counties with parts of St. Lawrence, Lewis, Herkimer, Fulton, Saratoga, and Washington Counties that are contained within the Adirondack Blue Line. 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 | Hamilton | \$57,552 |
| Essex | \$56,196, | Warren | \$59,813 |
| Franklin | \$51,696 | | |

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.

Our region is suffering the consequences of significant underproduction of housing regionally with average new housing production (units permitted) having declined by 39% in the in the past 10 years².

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. Even with this decline, a current regional housing assessment identified an existing need for new, improved, or alternative housing arrangements for at least 20,000 existing households in the region, and of that 7,500 new housing units³.

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 intending to move to the region, 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.

² Lake Champlain Lake George Regional Planning Board: Building Balanced Communities for the North Country, P. 12 - <https://www.lclgrpb.org/workforce-housing>.

³ Lake Champlain Lake George Regional Planning Board: Building Balanced Communities for the North Country, P.6 - <https://www.lclgrpb.org/workforce-housing>.



The cost of building a home that a dual income family with jobs in hospitality and healthcare can afford far exceeds affordability – 30% of income. 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 comes 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

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 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 multi-family rental projects. 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 well designed to meet the needs of Adirondack communities as it 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 and codify this vital program by approving S. 1685 Hinchey / A. 2956 Woerner and increasing the allocation from \$7 million to \$20 million. The bill ensures that funding is targeted to rural communities and additionally makes adjustments to improve feasibility of small projects.



Support for Rural Preservation Program

The Neighborhood and Rural Preservation Program (NPP and RPP) provides administrative funds to support community-based not-for-profit corporations known as Neighborhood and Rural Preservation Companies (NPCs and RPCs). Rural Preservation Program has provided financial and technical assistance to these companies with a goal of providing safe, healthy, and affordable housing for families throughout New York State.

The Adirondack Region has 10 RPCs. Aside from a few organizations that support historic preservation work, and our capacity strapped municipalities, there are few other organizations providing these services in the region: housing counseling, landlord and tenant mediation, septic and well upgrades, accessibility modification, mobile and manufactured home replacement, housing rehabilitation and preservation, and others.

Unfortunately, funding through the Mortgage Insurance Fund for the Rural Preservation Program was rolled back in the Executive Budget, we urge the legislature to at least maintain the 2023 funding levels of \$7.8 million for the rural preservation program (RPP).

Funding for Adirondack Community Housing Trust

The Adirondack Community Housing Trust (ACHT) is the only Housing Trust in the North Country region. And as such is the only organization that leverages the community land trust model, of shared equity, for housing projects which provides a mechanism to perpetually retain affordability.

Adirondack Foundation requests \$1 million from the Mortgage Insurance Fund, this reflects the previous allocation, for the Adirondack Community Housing Trust, with the ability for ACHT to support projects up to 120% AMI if appropriate.

Ineligibility of Truly Rural New York

The current eligibility scale for both number of units and area median income (AMI) of almost all public programs excludes most necessary housing projects in the Adirondack region. Most of our communities have fewer than 2,000 residents, with the top three occupations in the region making the lowest average annual earnings.

Regionally, in our villages and hamlets necessary housing projects are far fewer than 30 units and as small as 2, and an income eligibility capped at 80% AMI excludes teachers, municipal employees, hospital employees, and the like, all of whom are unable to afford market rate housing. The Affordable Housing



Opportunity Program (AHOP) and Small Rental Development Initiative (SRDI), while not yet codified, are excellent examples of appropriate programs for the scale of our region.

Epecially with the announcement of the Pro-Housing Community Program, Adirondack Foundation recommends adjustments to state grant program scoring criteria to prioritize infrastructure projects in the region, and to allow for projects with as few as 4 units and up to at least 120% AMI, for the purpose of workforce housing in rural communities.

North Country REDC Housing Solutions Plan: Accelerating Housing in the North Country

With the insecure eligibility of our communities listed above in mind Adirondack Foundation, and partners across the region recommend the creation of a public, private, nonprofit partnership. Together partners will fund a comprehensive program that accelerates small rural community eligibility as Pro Housing Communities, ready's properties for development, and incents local builders to realize workforce housing, up to 200% AMI, and including projects of 4 units and above, in the 7 counties of the North Country REDC region.

The program includes two funds:

\$338,000 Technical Assistance Fund managed by Lake Champlain Lake George Regional Planning Board (LCLGRP). This fund provides capacity for technical assistance for:

- Pro Housing Community readiness and certification
- DRI & New York Forward pre-application
- Increased use of existing housing density bonus
- Competitive infrastructure grant applications

\$6 million Predevelopment Grant and Loan Fund managed by Development Authority of the North Country (DANC). This fund provides pre-development grants to be matched by municipalities, and a flexible interest loan fund to attract local builders and developers. Important elements of this fund include:

- Matching funds grant for municipal pre-development & infrastructure
- Low interest loan fund for non-profit & for-profit housing developers
- \$1 million private funder partnership
- \$1.5 million municipal matches

The recommendation is to partner with private funders, municipalities, and leading economic development organizations to fund the first year of a comprehensive, replicable rural pilot program to accelerate the increase in workforce housing units in the North Country. The 2024 request is \$3,383,000 from New York State, \$3 million for the Predevelopment Grant and Loan fund and \$338,000 for the Technical Assistance Fund



CLOSING

Adirondack Foundation has learned from the many stakeholders in our region that it will take all sectors leveraging their unique tools to begin to address our 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.

It is also clear that rural solutions are hamstrung by the struggle to describe public funding program parameters that work for both urban and rural densities and economic variables such as income. To help deliver the housing promises the State wishes to advance, it's essential to retain and advance programs that work, like SRDI and the Rural Preservation Program. And finding other opportunities to provide truly rural communities with the tools that work for them, like Community Housing Trusts, and the comprehensive Accelerate Housing in the North Country North Country REDC plan.

Our residents 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.