

Housing Needs Study & Market Demand Analysis – Warren County, New York

Final Presentation

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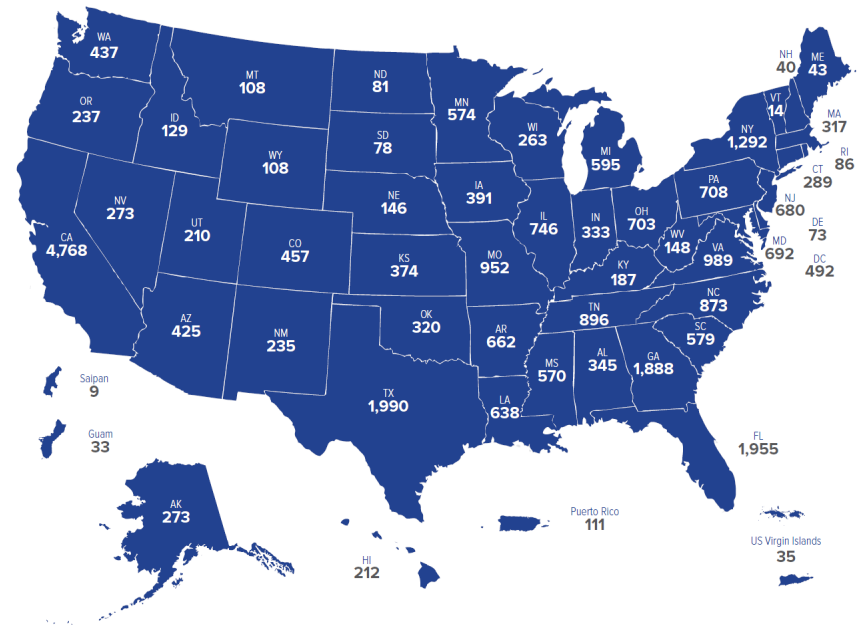


Industry experts, speak at a variety of national and local events, conduct webinars, etc.

The GoVal Group of Novogradac

The Government Consulting and Valuation Advisory (GoVal) Group of Novogradac provides valuation services including city, area, or county-wide housing need analysis, market study and appraisal services for market rate and affordable housing properties, both for sale and rental, GIS and demographic analysis, feasibility analysis, and rent comparability studies throughout the country. Reflecting this experience, the firm maintains client relationships with the leading housing sponsors in the industry.

APPROXIMATELY 30,000 ENGAGEMENTS COMPLETED



Number on map refers to number of engagements completed in that state thus far.

Personal Background



Kelly McNany Gorman is a partner with the Government Consulting and Valuation Advisory Services (GoVal) group of Novogradac in the Clark, New Jersey, office. Kelly has extensive experience performing appraisals, market studies, rent comparability studies and consulting services for a broad cross-section of clients including developers, lenders, syndicators, property managers and state agencies. Kelly received her degree in urban affairs and planning from Virginia Tech and is a licensed certified general real estate appraiser in CT, PA, NJ, and NY.



Tara Rial is a manager for the GoVal group of Novogradac. Tara has extensive experience in market analysis and valuation of multifamily developments in the affordable housing industry. Tara specializes in consulting for lenders, developers, syndicators, and state housing agencies. She has a bachelor's degree in business administration from Loyola University Maryland.



Julia Smith is a consultant with the GoVal group of Novogradac. Julia has worked as an employee or consultant with Novogradac since 2006, specializing in market feasibility and housing needs studies. Julia has a PhD in Sociology from the University of Arizona with a specialization in Methodology/Statistics, Public Administration, Social Policy, and Organizations/Networks.

Outline of Report & Outline of Presentation

Report

- Housing Needs
- Demographic & Economic Analysis
- Housing Inventory
- Market Demand Analysis
- Implementation Strategies & Recommendations

Presentation

- Objectives & Methodology
- Key Questions
 - What is the current state of the housing market?
 - What are the contributing factor(s)?
 - What are the implications?
 - What does the future hold?
 - What can Warren County do?

Objectives & Methodology

Objective

Housing Needs & Market Demand Analysis

- 1) Provide document targeting multiple audiences
- 2) Provide empirical data on current housing needs and demand in (and within) Warren County

Methodology

Mixed-Methods Research Design

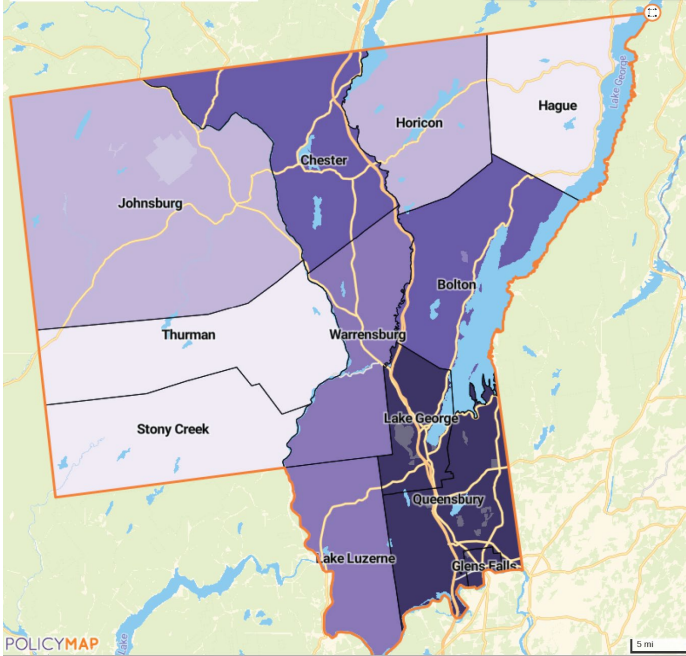
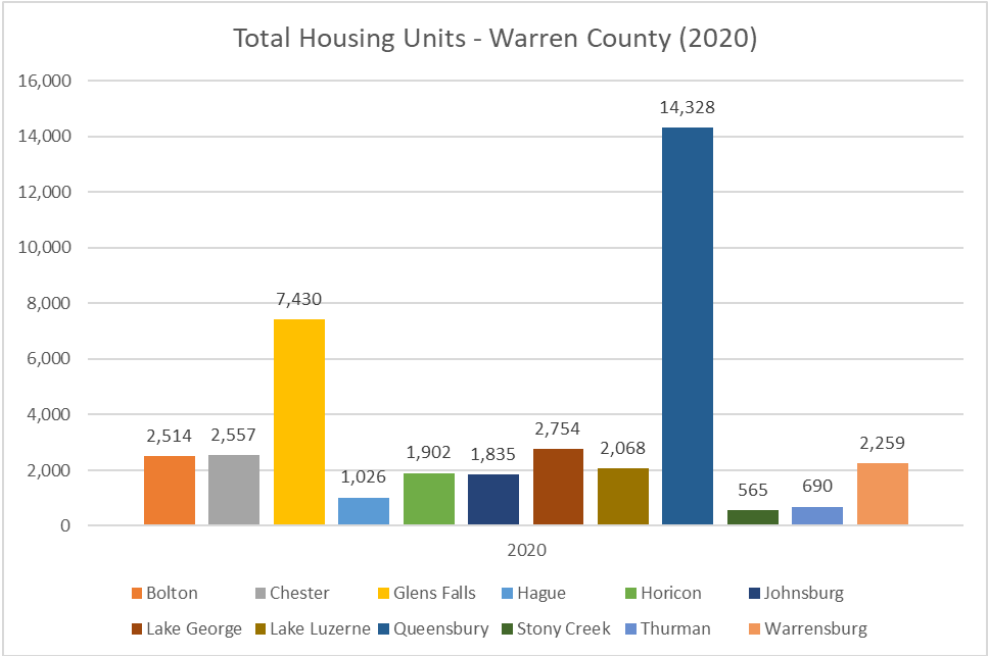
- **Secondary Data Analysis (Decennial Census, American Community Survey, Esri Demographics)**
- **In-Depth Stakeholder Interviews**
- **Site Visit**
- **Market Survey of Rental Supply**
- **Analysis of Sale Data (Zillow, MLS, Real Property Transfer Records)**
- **Reconciliation of Supply & Demand to Identify Housing Gaps**
- **Case Study Analysis to Identify Recommendations & Implementation Strategies**

What is the current state of housing market?

Housing Inventory

Total Units

Warren County: 39,928 housing units (2020)



Source: U.S. Census Bureau, 2020 Decennial Census

Housing Inventory

General Supply Characteristics

General Supply Characteristics

Age

- 30% built prior to 1950
- Homes built prior to 1950 are at or beyond typical life span absent substantial renovation

Size

- Most common is 3BR
- 59% have 3+ BRs
- Only 11% are 0BR & 1BR

Type

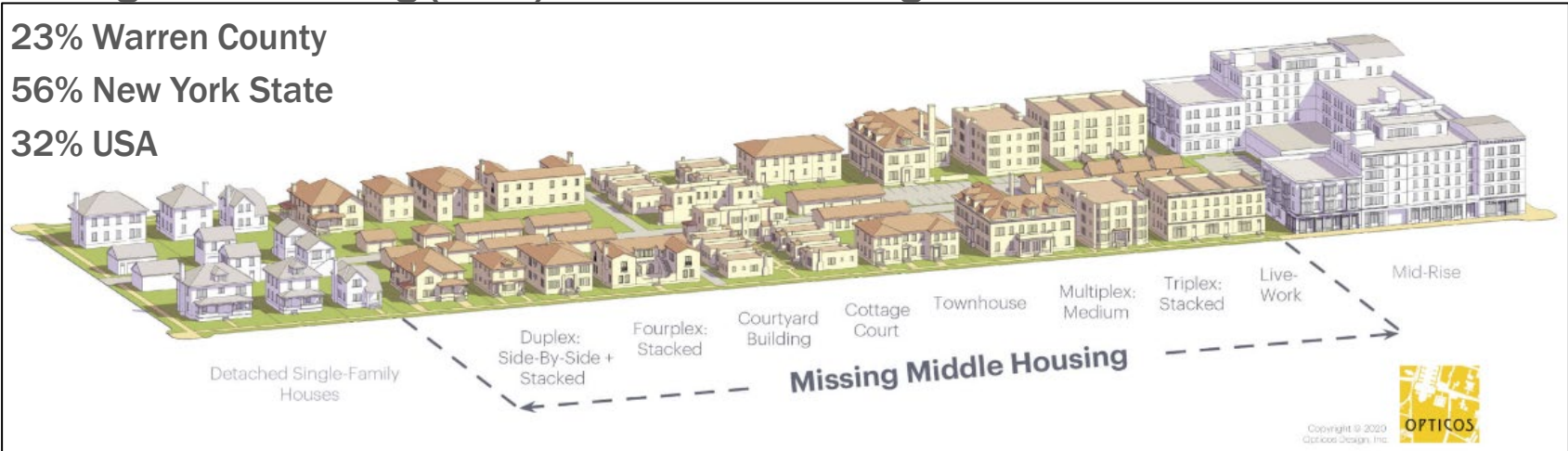
- 72% detached single-family homes
- Majority of large (20+) multifamily units are in Queensbury and Glens Falls

Housing Inventory

Type – Missing Middle Housing (MMI)

Missing Middle Housing (MMH) as % of Total Housing

23% Warren County
56% New York State
32% USA



Source: Missing Middle Housing, <https://missingmiddlehousing.com/>

Purpose: to provide a type of housing that can provide solutions to modern day housing challenges such as affordability, accessibility, and walkability, but also be compatible in scale with detached single-family homes.

Target market: seniors, students, young professionals, single/small families, households seeking lower, more affordable price points

Impediments/Barriers: zoning, parking requirements, impact fees, opposition to density, lack of understanding of concept

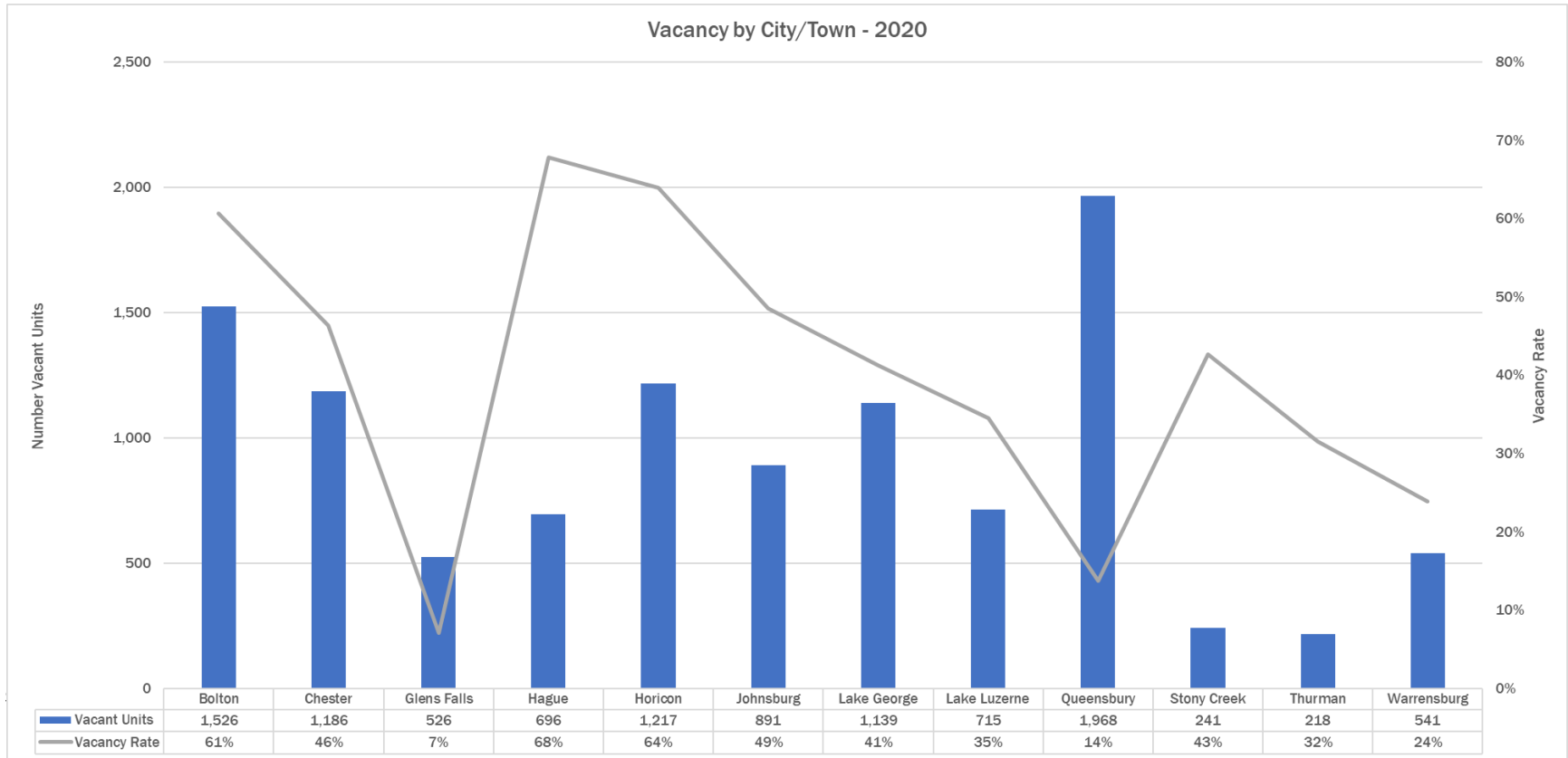
Housing Supply: Excess, Balanced, Shortage?

- Stakeholder Interviews → Shortage
- Secondary Data → Shortage, with caveats
- Real Time Data → Shortage

Housing Shortage – 2020 Census

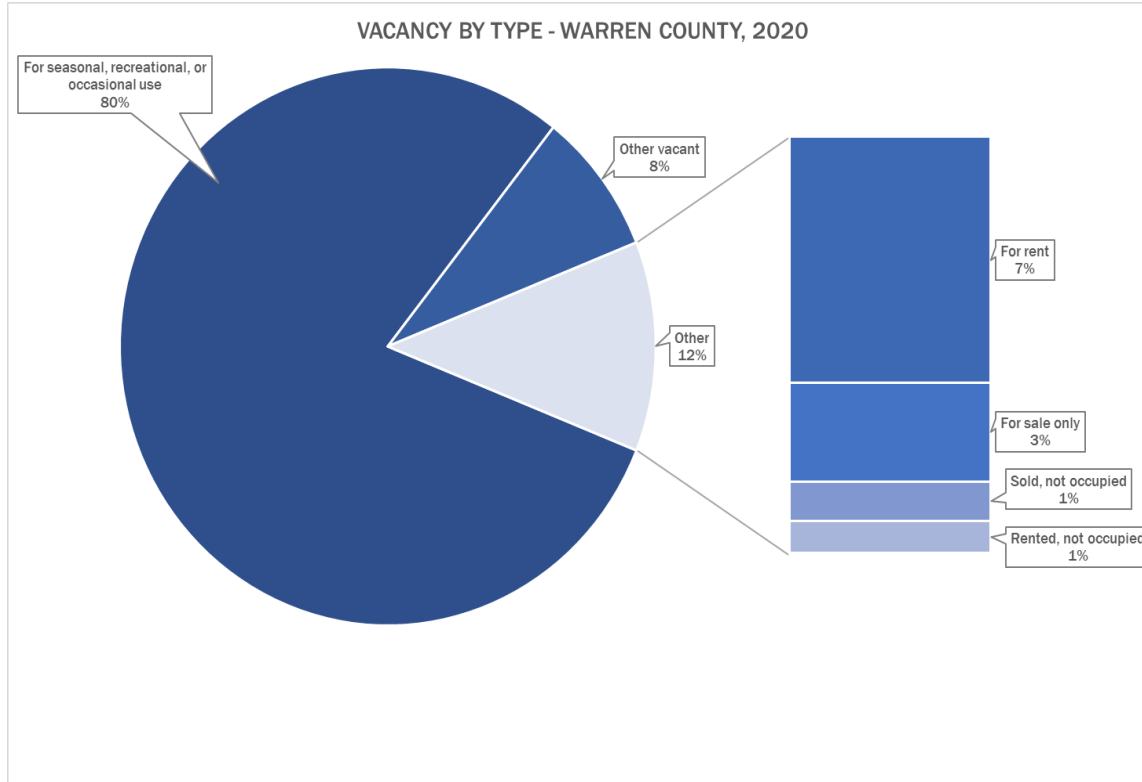
Official Housing Vacancy Count/Rate

Warren County, NY (2020 Census): 10,864 vacant units, 27.2% vacancy rate



Housing Shortage – 2020 Census

Official Housing Vacancy Count/Rate by Type



Source: U.S. Census Bureau, 2020 Decennial Census

BUT...

Majority of vacancy is either:

- a) seasonal, recreational, or for occasional use
- b) Other vacant
 - owner does not want to rent/sell,
 - used for storage,
 - occupant is elderly and living in a nursing home or with family members,
 - being held for settlement of an estate,
 - is being repaired or renovated
 - being foreclosed.

Housing Shortage – 2020 Census

Available Vacancy Rate



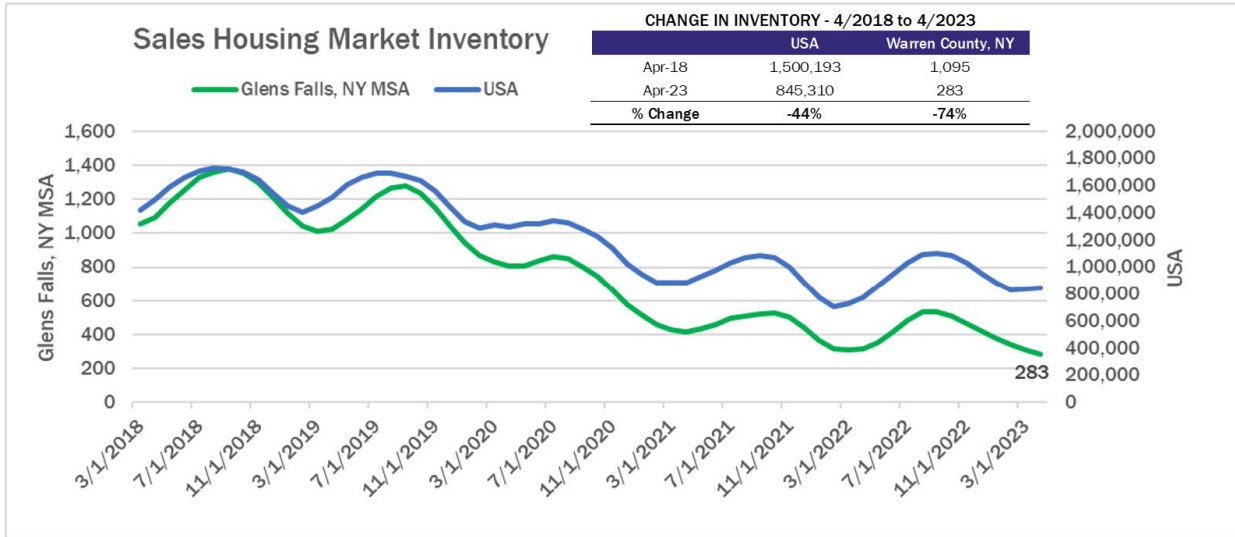
*Excludes units that are not available for new occupancy including seasonal/recreational/occasional use, other (the owner does not want to rent/sell, the unit is used for storage, the occupant is elderly and living in a nursing home or with family members, the unit is being held for settlement of an estate, is being repaired or renovated, or is being foreclosed), or rented/sold but not yet occupied.

Source: U.S. Census Bureau, 2020 Decennial Census

Housing Shortage – 2023 Market Survey

Sale Inventory

Glens Falls, NY MSA (Washington & Warren Counties)



Source: Zillow, retrieved May 2023

Key Findings:

- Sale inventory in the Glens Falls, New York MSA is at a 10-year low.
- Sale inventory in Warren County is lower than in prior years, majority is detached single-family homes, Queensbury & Lake George have largest available inventory

Warren County

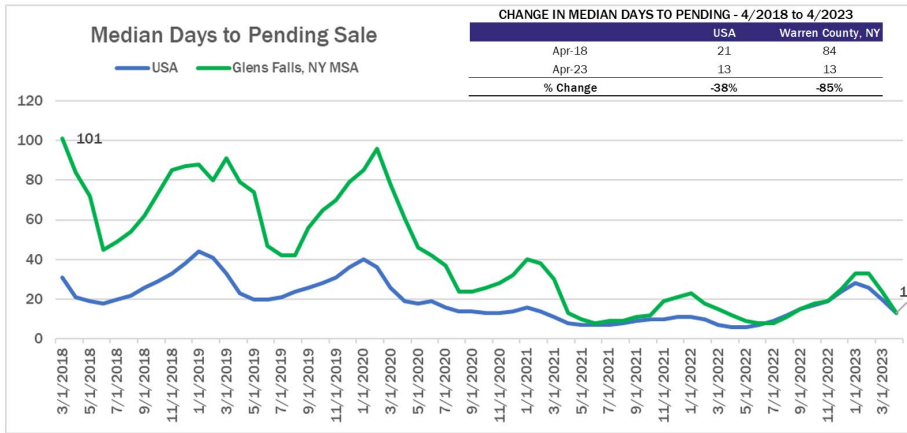
NUMBER OF ACTIVE LISTINGS	
Location/Structure	Number of Listings
Bolton	
Condominium	1
Single Family Residence	9
Townhouse	1
Chester	
Cabin	2
Single Family Residence	12
Glens Falls	
Single Family Residence	8
Hague	
Single Family Residence	2
Horicon	
Cabin	1
Single Family Residence	9
Johnsburg	
Single Family Residence	10
Townhouse	3
Lake George	
Condominium	10
Single Family Residence	17
Townhouse	5
Lake Luzerne	
Single Family Residence	8
Queensbury	
Single Family Residence	23
Story Creek	
Cabin	1
Single Family Residence	3
Thurman	
Single Family Residence	2
Warrensburg	
Single Family Residence	6
Grand Total	133

Housing Shortage – 2023 Market Survey

Sale Inventory

Glens Falls, NY MSA (Washington & Warren Counties)

Warren County



Source: Zillow, retrieved May 2023

	2019	2020	2021	2022	2023	Grand Total	2019 - 2022 Trend*
Bolton	136	222	153	73	238	156	
Brant	10					10	
Chester	174	195	103	61	70	136	
Glens Falls	68	36	28	20	48	38	
Hague	254	212	155	92	94	178	
Horicon	303	256	90	67	38	152	
Johnsburg	234	192	88	58	82	149	
Lake George	167	173	59	59	92	115	
Lake George Village	136	94	95	14		104	
Lake Luzerne	82	71	67	30	28	61	
Pottersville				35	43	38	
Queensbury	76	78	25	24	37	51	
Stony Creek	168	153	53	94	56	116	
Thurman	215	205	96	44	66	131	
Warrensburg	167	145	82	97	53	120	
Grand Total	117	124	57	41	55	84	

*Trends are presented by calendar year and for full locations with multiple full calendar years only. The low point is indicated with the red dot.

Source: Southern Adirondack Realtors Association, Inc., received May 2023

Key Findings:

- The median days to pending sale in the MSA decreased from 101 pre pandemic to 13.
- The average days on the market in Warren County decreased from 117 (2019) to 41 (2022).

Housing Shortage – 2023 Rental Survey

Affordable Rental Inventory

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	City/Town	Total Units	Vacant Units	Vacancy Rate
25 Larose	LIHTC, LIHTC/Section 8	Family	Glens Falls	54	0	0.0%
Broad Street Commons	LIHTC	Family	Glens Falls	71	0	0.0%
Cedars Senior Living	LIHTC/HOME	Senior	Queensbury	124	0	0.0%
Peaceful Valley Townhomes	LIHTC	Family	North Creek	20	0	0.0%
Montcalm Apartments ¹	LIHTC/Section 8/ Market	Family	Queensbury	226	1	0.4%
Cronin High Rise	LIHTC/RAD/Section 8	Senior	Glens Falls	101	2	2.0%
Stichman Towers ²	LIHTC/RAD/Section 8	Senior	Glens Falls	82	42	51.2%
Village Green Apartments	LIHTC/Section 8	Family, Senior (21)	Glens Falls	135	0	0.0%
White Water Manor	LIHTC/USDA/Section 8	Senior	North Creek	24	0	0.0%
Austin Perry Corners	LIHTC/ Section 8	Senior	Warrensburg	8	0	0.0%
Panther Mountain Senior Apartments	Section 8	Senior	Chestertown	4	0	0.0%
Solomon Heights	Section 8	Senior	Queensbury	39	0	0.0%
Subsidized¹				619	45	5.1%
LIHTC				269	0	0.0%
Total				888	45	5.1%
Total Online³				846	3	0.4%

¹ Includes units at Montcalm, which is primarily subsidized.

² All vacancies at Stichman Towers are offline due to ongoing renovations.

³ Excludes the 42 vacancies at Stichman Towers which are offline due to ongoing renovations.

WAITING LIST

Property Name	Rent Structure	Tenancy	City/Town	Waiting List Length
25 Larose	LIHTC, LIHTC/Section 8	Family	Glens Falls	Yes, up to 5 years
Broad Street Commons	LIHTC	Family	Glens Falls	Yes, three years in length.
Cedars Senior Living	LIHTC/HOME	Senior	Queensbury	Yes, length unknown
Peaceful Valley Townhomes	LIHTC	Family	North Creek	Yes, three to six months in length.
Montcalm Apartments	LIHTC/Section 8/ Market	Family	Queensbury	Yes, length unknown
Cronin High Rise	LIHTC/RAD/Section 8	Senior	Glens Falls	Yes, up to one year
Stichman Towers	LIHTC/RAD/Section 8	Senior	Glens Falls	Yes, up to one year
Village Green Apartments	LIHTC/Section 8	Family, Senior (21)	Glens Falls	N/Av
White Water Manor	LIHTC/USDA/Section 8	Senior	North Creek	Yes, three households
Austin Perry Corners	LIHTC/ Section 8	Senior	Warrensburg	N/Av
Panther Mountain Senior Apartments	Section 8	Senior	Chestertown	N/Av
Solomon Heights	Section 8	Senior	Queensbury	Yes, couple years in length

Key Findings

1. No vacancy at LIHTC properties
2. Limited vacancy at subsidized properties
3. Nearly all affordable properties have waiting lists, many are extensive

Housing Shortage – 2023 Rental Survey

Market Rate Rental Inventory

VACANCY & WAITING LIST

Comp #	Property Name	Tenancy	City/Town	Total Units	Vacant #	Vacant %	Waiting List
1	14 Hudson Apartments	Family	Glens Falls	87	0	0.0%	Yes, length unknown
2	21 Bay Street	Family	Glens Falls	37	0	0.0%	N/Av
3	221 Glen Street	Family	Glens Falls	29	0	0.0%	Yes, six months
4	Bayberry Place	Family	Queensbury	36	0	0.0%	None
5	Baybrook Townhomes	Family	Queensbury	48	0	0.0%	None
6	Canterbury Woods	Family	Queensbury	36	0	0.0%	None
7	Colonial Gardens Apartments	Family	Glens Falls	84	2	2.4%	N/Av
8	Colony Ridge	Family	Glens Falls	22	0	0.0%	None
9	Cottage Hill Townhomes	Family	Queensbury	114	0	0.0%	None
10	District 425	Family	Glens Falls	98	1	1.0%	None
11	Fowler Square	Family	Queensbury	172	3	1.7%	None
12	Hiland Springs	Family	Queensbury	120	0	0.0%	None
13	Hunterbrook	Family	Queensbury	66	0	0.0%	None
14	Mallard's Landing	Senior	Queensbury	36	0	0.0%	Yes, length unknown
15	Maple Wood Apartments	Family	Queensbury	60	0	0.0%	N/Av
16	Meadowbrook Park	Family	Queensbury	20	0	0.0%	None
17	Northbrook	Family	Queensbury	128	0	0.0%	None
18	Northern Lights Apartments	Family	Warrensburg	24	0	0.0%	N/Av
19	Olde Coach Manor	Family	Queensbury	42	0	0.0%	Yes, 15 to 20 households
20	Pinewood Village	Family	Queensbury	40	0	0.0%	None
21	Queensbury Gardens	Family	Queensbury	30	0	0.0%	None
22	Regency North Park	Family	Queensbury	296	0	0.0%	None
23	Robert Gardens North	Family	Queensbury	200	0	0.0%	Yes, length unknown
24	The Mill Of Glens Falls	Family	Glens Falls	52	0	0.0%	Yes, length unknown
25	The Willows Cottages & Apartments	Senior	Queensbury	80	1	1.3%	Yes, length unknown
26	Warren Street Square	Family	Glens Falls	27	0	0.0%	None
27	Wedgewood	Senior	Queensbury	56	0	0.0%	Yes, length unknown
28	Westbrook Apartments	Senior	Queensbury	100	2	2.0%	None
29	Whispering Pines	Family	Queensbury	189	0	0.0%	Yes, 15 to 20 HHs for each unit type
Total				2,329	9	0.4%	
By	Glens Falls			436	3	0.7%	
Location	Queensbury			1,869	6	0.3%	
By	Senior			272	3	1.1%	
Tenancy	General			2,057	6	0.3%	

Key Findings

1. All large market rate rental properties are located in Glens Falls or Queensbury
2. Limited vacancy
3. Several properties have waiting list; those that do not oftentimes do not because of very strong demand (versus lack thereof)

What are the contributing factors?

Contributing Factor(s)

- **Decrease in supply? No, total housing units have actually increased**
- **Increase in demand from residents (existing new household formation OR new residents)? No, number of households has remained fairly stable.**
- **Increase in demand from investors/second homeowners? Yes, there is evidence of growth in the short-term rental (STR) market as well as second homeowner market.**

Contributing Factor - Change in Demand

Short-Term Rentals

Total/
Average

County Licenses	Entire Homes	Private Rooms	Shared
850 (March 2023)			
934 (September 2023)	1,503	162	2

2020 Q1	2023 Q1	Growth
862	1,364	58%

Average Daily Rate (over past year)	Median Occupancy Rate (over past year)	Median Monthly Revenue (over past year)	Available Full- Time (available at least 181 days in past year)
\$339	56%	\$3,889	40%

Source: Warren County STR Registration List by Town as of March 29, 2023; AirDNA, <https://www.airdna.co/vacation-rental-data/app/us/new-york/bolton-landing/overview>, May 2023

Short Term Rentals (STR) Trends

Permitting / Size of Market

- 850 active STR licenses (Note: this increased to 923 as of September 2023)
- 1,503 listings (Source: AirDnA)
- Licensed units = 2% of housing supply;
AirDnA listings = 4% housing supply

Growth (1QTR2020 to 1QTR2023)

- # STR listings increased by 58%
- Sales price increased by 24%

Profitability

- STR: average monthly revenue of \$3,889
- Long-term rental: highest monthly rent of \$3,000; majority \$1,000 - \$2,000

Contributing Factor - Change in Demand

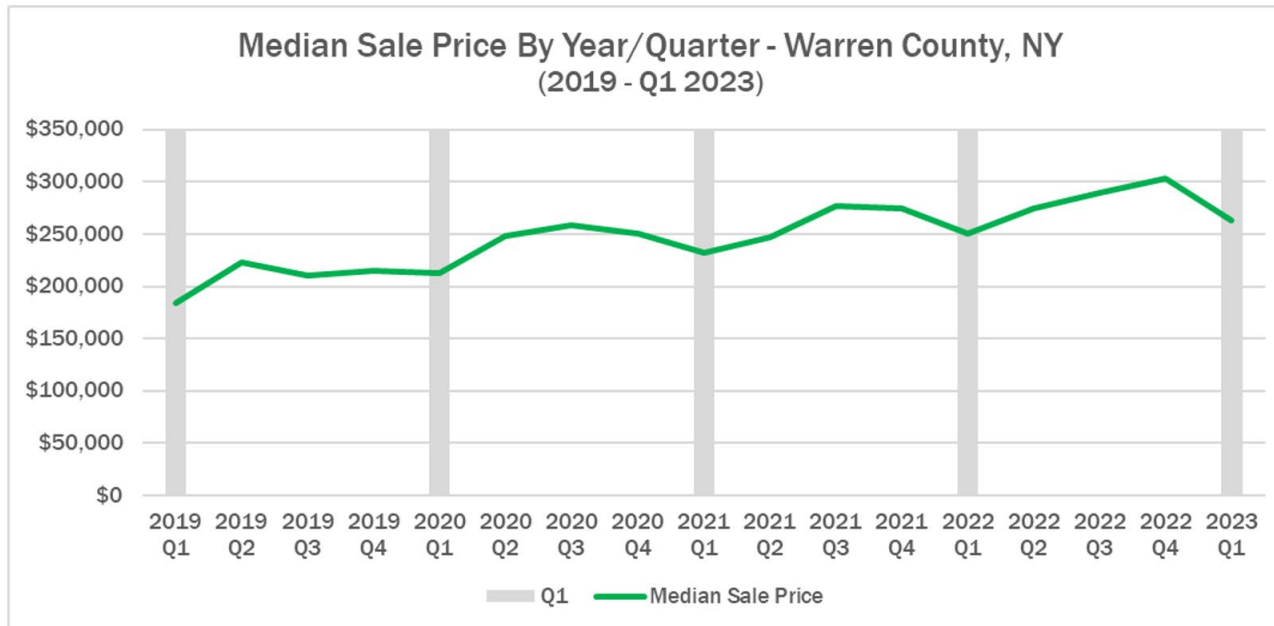
Housing demand in Warren County attributed to variety of factors:

1. Excellent interstate access → access to multiple employment centers and opportunities outside of Warren County
2. Southern gateway to the Adirondack Park → more exposure for Warren County
3. But southern portion of county is outside of the Adirondack Park → more housing units, employment opportunities, and amenities
4. Summer (Lake George, the Hudson River, and the Adirondack Park) and winter tourism (Gore Mountain),
5. Comparatively lower housing prices relative to larger nearby urban markets
6. General lack of short-term rentals (STRs) restrictions/regulations in place at the outset of the pandemic.

What are the implications?

Implications – Increase in Housing Prices

Sale Inventory



Source: Southern Adirondack Realtors Association, Inc., Global MLS data, received May 2023

Key Findings

1. Seasonality
2. On average, prices are increasing

Key contributing factors

1. Characteristics of supply (location, age, structure, size, unit type, etc.),
2. Changes in demand and market conditions

Implications – Increase in Housing Prices

Sale Inventory - Location

MEDIAN SALE PRICE

	MEDIAN SALE PRICE					GROWTH TRENDS (2019 - 2022)**			
	2019	2020	2021	2022	2023*	Overall	Trend Line	%	\$
Bolton	\$437,500	\$565,000	\$674,500	\$667,500	\$469,500	\$575,000		53%	\$230,000
Chester	\$126,000	\$248,745	\$279,900	\$275,000	\$370,000	\$232,500		118%	\$149,000
Glens Falls	\$162,750	\$171,725	\$189,750	\$213,500	\$192,500	\$180,000		31%	\$50,750
Hague	\$380,500	\$457,000	\$432,000	\$440,000	\$322,000	\$436,000		16%	\$59,500
Horicon	\$232,000	\$360,000	\$294,000	\$345,000	\$425,550	\$315,000		49%	\$113,000
Johnsburg	\$195,000	\$224,900	\$256,250	\$296,200	\$489,500	\$245,000		52%	\$101,200
Lake George***	\$285,000	\$387,000	\$334,000	\$375,000	\$374,900	\$350,000		32%	\$90,000
Lake Luzerne	\$210,450	\$185,500	\$240,000	\$262,500	\$177,500	\$218,000		25%	\$52,050
Queensbury	\$235,500	\$269,900	\$300,800	\$325,000	\$321,000	\$277,000		38%	\$89,500
Stony Creek	\$140,000	\$156,200	\$230,500	\$187,000	\$417,500	\$166,950		34%	\$47,000
Thurman	\$155,000	\$159,000	\$310,000	\$234,750	\$305,000	\$209,500		51%	\$79,750
Warrensburg	\$147,950	\$140,000	\$172,400	\$180,000	\$222,500	\$164,000		22%	\$32,050
Overall	\$210,000	\$248,000	\$259,450	\$280,000	\$279,000	\$248,000		33%	\$70,000

* Through April 2023.

** Growth trends are presented from 2019 to 2022; 2023 was excluded because of seasonality of the market and data is only through April and does not include the high season. The high point over the covered period is represented by a red dot.

*** The condominium sales in Lake George appear to be fractional ownership sales, which skews the overall Lake George average downward.

Highest median sale price over the entire period

Middle median sale price over the entire period

Lowest median sale price over the entire period

Source: Southern Adirondack Realtors Association Global MLS data, received May 2023

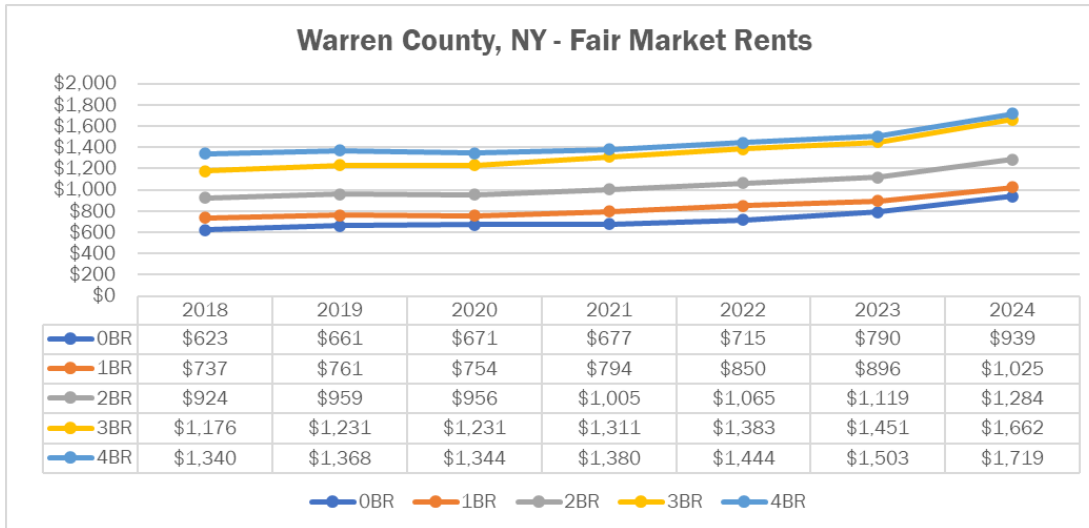
Implications – Increase in Rental Prices

Rental Inventory

Key Findings – Market Survey

1. LIHTC properties reported more limited rent increases citing preservation of affordability
2. Majority of market rate rental properties surveyed reported 5-8% increase from 2022 to 2023.
3. One market rate property increased rents 22 to 41% (depending on unit type) since 2020.

Supplemental Data – Trends in HUD Fair Market Rents



Key Findings

1. Increase of 26-42% since 2019
2. Increase of 14-19% from FY 2023 to FY 2024

Notes

- 1) Fair Market Rents (FMRs) are defined by the U.S. Department of Housing and Urban Development and are based on the MSA level, so this is for Washington and Warren Counties collectively. For Small Area FMRs defined at zip code level see next slide.
- 2) FY 2024 FMRs begin with the base year of 2017-2021 American Community Survey data, adjusted for inflation and trended forward (among other adjustments). For a detailed methodology see <https://www.huduser.gov/portal/datasets/fmr.html>

Implications – Increase in Rental Prices

Rental Inventory

2023 Fair Market Rents

Warren County, NY Advisory Small Area FMRs By Unit Bedrooms					
ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
12801	\$810	\$910	\$1,140	\$1,480	\$1,530
12804	\$940	\$1,070	\$1,330	\$1,730	\$1,790
12808	\$750	\$860	\$1,070	\$1,380	\$1,430
12810	\$790	\$900	\$1,120	\$1,450	\$1,500
12811	\$780	\$890	\$1,110	\$1,440	\$1,490
12814	\$760	\$860	\$1,080	\$1,400	\$1,450
12815	\$720	\$820	\$1,020	\$1,320	\$1,370
12817	\$650	\$770	\$960	\$1,250	\$1,300
12820	\$820	\$930	\$1,160	\$1,500	\$1,560
12824	\$780	\$880	\$1,100	\$1,430	\$1,480
12835	\$810	\$900	\$1,090	\$1,350	\$1,480
12836	\$770	\$870	\$1,090	\$1,410	\$1,460
12843	\$770	\$880	\$1,100	\$1,420	\$1,470
12844	\$770	\$880	\$1,090	\$1,420	\$1,470
12845	\$860	\$980	\$1,220	\$1,580	\$1,640
12846	\$910	\$1,030	\$1,290	\$1,670	\$1,730
12853	\$780	\$890	\$1,110	\$1,440	\$1,490
12856	\$820	\$930	\$1,160	\$1,500	\$1,560
12857	\$800	\$900	\$1,130	\$1,470	\$1,520
12860	\$740	\$840	\$1,050	\$1,360	\$1,410
12862	\$820	\$930	\$1,160	\$1,500	\$1,560
12870	\$780	\$890	\$1,110	\$1,440	\$1,490
12874	\$770	\$870	\$1,090	\$1,410	\$1,460
12878	\$650	\$770	\$960	\$1,250	\$1,300
12885	\$760	\$860	\$1,070	\$1,390	\$1,440
12886	\$780	\$880	\$1,100	\$1,430	\$1,480

2024 Fair Market Rents

Warren County, NY Advisory Small Area FMRs By Unit Bedrooms					
ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
12801	\$920	\$1,010	\$1,260	\$1,630	\$1,680
12804	\$1,110	\$1,210	\$1,520	\$1,970	\$2,020
12808	\$900	\$990	\$1,230	\$1,590	\$1,640
12810	\$940	\$1,020	\$1,280	\$1,660	\$1,700
12811	\$940	\$1,020	\$1,280	\$1,660	\$1,700
12814	\$950	\$1,040	\$1,300	\$1,680	\$1,730
12815	\$870	\$950	\$1,190	\$1,540	\$1,580
12817	\$760	\$830	\$1,040	\$1,350	\$1,390
12820	\$980	\$1,070	\$1,340	\$1,730	\$1,780
12824	\$950	\$1,030	\$1,300	\$1,680	\$1,730
12835	\$880	\$980	\$1,190	\$1,440	\$1,590
12836	\$940	\$1,030	\$1,290	\$1,670	\$1,720
12839	\$920	\$1,010	\$1,260	\$1,630	\$1,680
12843	\$940	\$1,020	\$1,280	\$1,650	\$1,700
12844	\$920	\$1,000	\$1,250	\$1,620	\$1,670
12845	\$1,010	\$1,100	\$1,380	\$1,790	\$1,840
12846	\$1,030	\$1,130	\$1,410	\$1,830	\$1,880
12853	\$940	\$1,020	\$1,280	\$1,660	\$1,700
12856	\$980	\$1,070	\$1,340	\$1,730	\$1,780
12857	\$920	\$1,010	\$1,260	\$1,630	\$1,680
12860	\$880	\$960	\$1,200	\$1,560	\$1,600
12862	\$940	\$1,020	\$1,270	\$1,650	\$1,690
12870	\$920	\$1,010	\$1,260	\$1,630	\$1,680
12874	\$940	\$1,030	\$1,290	\$1,670	\$1,720
12878	\$770	\$840	\$1,050	\$1,360	\$1,400
12885	\$930	\$1,010	\$1,270	\$1,640	\$1,690
12886	\$940	\$1,020	\$1,280	\$1,660	\$1,700

What does the future hold?

Reconciling Supply & Demand – Housing Gaps

(1) Housing design/type gaps

- Missing middle housing (MMH)
- Senior friendly supply
- Property amenities at much of the market rate rental supply

(2) Demographic housing gaps

- Affordable starter homes for first time homebuyers and young professionals and families
- Homeownership opportunities and program assistance for 80 to 150 percent AMI households
- Rental housing for seasonal workers and small households
- Affordable housing for renters, particularly for renters with incomes at the bottom of the income distribution

(3) Price point gaps

- Ownership options priced at \$300,000 and below
- Rentals priced at \$700 and below, which is generally in line with the rent that would be affordable for someone working full-time at minimum wage, and only a few properties offer market rents of below \$1,000

(4) Geographic gaps

- Rental housing outside of Queensbury and Glens Falls
- Affordable ownership options in the lakeshore communities
- Newly constructed/renovated housing supply in towns west of Lake George

Supply Pipeline

Key Findings

- 956 units in pipeline
- Majority of pipeline in Queensbury and Bolton are planned owner-occupied developments
- Those in Glens Falls and Lake George are primarily proposed rental units

SUMMARY OF ADDITIONS TO SUPPLY - WARREN COUNTY, NY

City/Town	Under Construction	Approved	Pipeline	Planned
Glens Falls	36	-	-	93
Queensbury	-	127	-	62
Bolton	-	14	62	-
Lake George	92	16	195	256
Chestertown	-	-	-	1
Warrensburg	-	-	-	2
Total	128	157	257	414

Key Conclusions

- Novogradac's 2023 market survey and demand analysis confirms tightening of both the rental and sales markets since 2020
- While there are 956 units in the development pipeline, only 13 percent are under construction; the majority, if built, are two or more years out before market entry.
- Absent new additions to the housing supply, current shortages are expected to continue in the near term.
- Absent an increase in supply, prices are expected to continue to rise.
- Absent policy/regulatory changes, the number of short-term rentals are also expected to continue to rise.

What can Warren County do?

Recommendations - Takeaways

What is the ultimate goal for Warren County's housing policy?

- Eliminate housing gaps?
- Prevent displacement?
- Attract new full-time residents?
- Attract new families to increase school enrollments?
- Diversify housing stock?
- Maximize tax base?
- Limit involvement in housing market?
- Promote economic development?

AND...

These are not mutually exclusive

Some projects/policies can accomplish multiple goals

Recommendations

Recommendation #1: Add Housing Supply with Focus on Addressing Identified Gaps

RECOMMENDATION # 1 - ADD NEW HOUSING UNITS

Recommendation	Action Item	Implementation
New Construction Housing	Add affordable (<80% AMI) rental units for low to moderate-income households	<ul style="list-style-type: none"> - Support Low Income Housing Tax Credit (LIHTC) Applications; these developments provide formally regulated affordable rental units to the low to moderate income workforce and would increase the number of voucher accepting landlords in Warren County - Promote New York Real Property Tax Law Section 420-a (RPTL § 420-a), which provides real property tax exemption for property owned by qualifying non-profit organizations when used for select purposes. For properties owned by not-for-profit housing companies, see RPTL § 422 for a complete description - Provide density bonus / fastrack zoning changes for fully affordable/workforce housing projects - Streamline development process - Use publicly owned property for affordable housing projects - Create Land Bank and provide donated/discounted land - Create Housing Trust to provide gap/below market financing for fully affordable/workforce housing projects - Share or secure grant for predevelopment costs - Extend infrastructure to/complete predevelopment site work for potential development sites
	Add workforce (80-120% AMI) rental units, including studio and one-bedroom units, in amenity rich (mixed-use developments) and/or in downtown/hamlet walkable areas	<ul style="list-style-type: none"> - Incentivize workforce units via tax discounts/PILOT, density bonus, shared/grant predevelopment costs, extend infrastructure/complete predevelopment site work, development sites secured via newly created Land Bank in exchange for adding affordable units (80 - 150% AMI units) to otherwise market rate projects - Use HOME/CDBG/Housing Trust Fund (HTF) funds as source of financing for construction - Promote New York Real Property Tax Law Section 420-a (RPTL § 420-a), which provides real property tax exemption for property owned by qualifying non-profit organizations when used for select purposes. For properties owned by not-for-profit housing companies, see RPTL § 422 for a complete description - Donate publicly owned or land bank acquired land - Share or secure grant for predevelopment costs - Extend infrastructure to/complete predevelopment site work for potential development sites
	Add market rate rental units, including studio and one-bedroom units, in amenity rich (mixed-use developments) and/or in downtown/hamlet walkable areas	<ul style="list-style-type: none"> - Incentivize affordable units (80 - 150% AMI) at market rate developments by offering tax discounts/PILOT, density bonus, shared/grant predevelopment costs, extend infrastructure/complete predevelopment site work, and/or provide or discount publicly owned or land bank acquired development sites in exchange for adding the affordable units to an otherwise fully market rate project - Revise zoning code to permit Accessory Dwelling Units (ADUs) when used for year-round occupancy - Share or secure grant for predevelopment costs - Extend infrastructure to/complete predevelopment site work for potential development sites
	Add affordable ownership options for first-time homebuyers, young families, workforce, and seniors looking to downsize	<ul style="list-style-type: none"> - Revise zoning code to permit missing middle housing structures in single-family districts - Revise zoning code to permit ADUs for year-round homeowners to help lower costs and/or for any unit if the occupant of the ADU will be a year-round occupant - Revise zoning codes to permit modular home construction and/or permanent tiny house village. - Expand first time homebuyer assistance programs - Use publicly owned property for affordable housing projects - Use Land Bank / Land Trust or Housing Trust with deed restrictions to acquire sites and improve with affordable housing in perpetuity - Provide incentives (land donation, tax discounts, density bonus, shared/grant predevelopment costs, extend infrastructure/complete predevelopment site work)

Recommendations

Recommendation #1: Add Housing Supply with Focus on Addressing Identified Gaps

Preserve Existing Housing Stock	Adaptive reuse of existing structures	<ul style="list-style-type: none"> - Consider commercial/office conversion to residential/mixed-use development. This could be micro-units where tenants have private bedroom/bathroom but share kitchen facilities (motel/hotel conversion) or private bedroom/kitchenette but share bathroom facilities (office conversion) - Explore options for purchase (and then weatherize for year-round occupancy) camping cottage or other currently seasonal use in tourism areas into year-round workforce housing - Incentivize through PILOT/tax incentives, density bonus, and/or share infrastructure/predevelopment costs
	Rehabilitate existing large vacant structures	<ul style="list-style-type: none"> - Downtown revitalization funds - Historic Tax Credits - Low Income Housing Tax Credits (LIHTC) - CDBG/HOME/HTF funds as financing sources - Recreation Economy for Rural Communities planning assistance program - Package a project and promote to Opportunity Zone investors / funds - Incentivize through PILOT/tax incentives, density bonus, and/or share infrastructure/predevelopment costs
	Rehabilitate/critical repairs/weatherize existing units	<ul style="list-style-type: none"> - Restart the Queensbury and Warren County CDBG/HOME funded repairs programs - Expand critical repairs services to Warren County residents by leveraging and coordinating action and administrative costs with the two Rural Preservation Corporations (RPCs) already working in Warren County - Rebuilding Together Saratoga County and PRIDE of Ticonderoga, Inc. - Work with newly established RPC (Warren-Hamilton ACEO, Inc.) on weatherization program for existing structures.

Recommendations

Recommendation #2: Manage/Proactively Respond to Changes in Demand

Short-term rentals (STRs)

- Develop monitoring system to enforce STR rules and regulations
- Cap STRs at a predetermined share of housing stock. Limited use exceptions, grandfather clauses, or lottery systems can be incorporated.
- Increase licensing fee and use proceeds for housing and transportation programs/services for year-round residents. This program has the added benefit of serving as a dedicated revenue stream for a local housing trust or some other managed housing fund.
- Reinvest proceeds from collected occupancy taxes from STRs into programs that offset the negative impacts of increased tourism and STRs on year-round residents and the year-round housing market.
- Develop incentive program for STR conversion to long-term housing unit or seasonal temporary workforce housing unit. The most common incentive is a cash subsidy covering gap between what would be affordable given current workforce incomes and the average monthly revenue for a STR in the market. These programs are typically funded with a combination of local tax revenue, employer contributions, and/or philanthropic dollars.

STR – Common Ordinances

Most common types of STR ordinances as well as the most common problems stemming from STRs and associated policy options.

Permitting Systems and/or Inspections

- Ensure code compliance
- Allows tracking of numbers and locations

Treat like a commercial business

- Allows taxation on revenue
- Less competition with conventional lodging

Limit numbers/location/density via zoning

- Helps maintain community character
- Allows some control over the type of STR

Differentiate “hosted” vs. “unhosted”

- Reduce regulation on owner-occupied STRs
- Better control of full-time investment STRs

Require local property manager

- Quicker response to issues
- Eliminate “absentee landlord” syndrome

Limit Days per Year

- Discourage full-time conversion of homes
- Reduces profitability

Source: Bailey, Adam. (2022). Municipal Short-Term Rental Analysis and Recommendations for Adirondack Communities.

STR – Common Problems and Associated Policy Options

Most common problems stemming from STRs and associated policy options.

Lack of information/ability to enforce

- Require registration or permits
- Fire safety/health code inspections

Loud Parties/Nuisances

- Place minimum stay-limits
- Owner occupancy requirements
- Limit to non-residential zones
- Parking mins/max

Too many investors

- Lower profitability of STRs
- Treat STRs like a business
- Local-ownership requirements
- Cap on number of STRs/owner

Rising home prices

- Lower profitability of STRs
- Limit to specific zoning districts
- Limit density or number of allowed STRs

Loss of long-term housing

- Maximum days per year
- Owner occupancy requirements
- Limit density or number of allowed STRs
- Restrict to ADUs or multi-family properties

Competition with hotels/motels/etc.

- Treat STRs like a business
- Implement and enforce occupancy tax
- Fire safety/health code inspection

Source: Bailey, Adam. (2022). Municipal Short-Term Rental Analysis and Recommendations for Adirondack Communities.

Recommendations

Recommendation #2: Manage/Proactively Respond to Changes in Demand

Second homeowners

- Implement impact or transfer fee and use proceeds for housing and transportation programs/services for year-round residents. This program has the added benefit of serving as a dedicated revenue stream for a local housing trust or some other managed housing fund.
- Develop incentive program for absentee second homeowners/investors to convert unit to a long-term housing unit or seasonal temporary workforce housing unit. This could include a cash subsidy or funds to use towards home improvements. These programs are typically funded with a combination of local tax revenue, employer contributions, and/or philanthropic dollars.

Landlords

- Develop incentive program (damage deposits, hold fees, one-time grants, low interest repair loans) to attract landlords back to the Section 8 Housing Choice Voucher program.

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QUESTIONS?

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