

## Exhibit IX.A.4 – Housing

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*Submit as Exhibit IX.A.4. an assessment of the likely impact on the housing stock in each Host Municipality and nearby municipalities resulting from the new jobs the Gaming Facility provides, and the Applicant's plans and commitments to remedy or mitigate any negative impacts. Provide copies of any contracts, agreements or other understandings evidencing such mitigation commitments.*

### Interviews with Housing Professionals

The issue of housing affordability has long been a problem for New York State.

As of 2012, more than 3 million households in New York State paid housing costs that were at or above the affordability threshold of 30 percent of household income. Within that group, more than 1.5 million households paid half or more of their income in housing costs.<sup>1</sup>

Statewide, the estimated percentage of rental households with rents above the affordability level increased from 40.5 percent in 2000 to 50.6 percent in 2012. The number of rental households in this category jumped by more than 25 percent over the period. In 2012, more than one in four rental households paid gross rents that consumed at least half of their household income – a level the Census Bureau describes as “severely housing cost burdened.”<sup>2</sup>

Among homeowners, the percentage of New York households with monthly owner costs above the affordability level increased from 26.4 percent in 2000 to 33.9 percent in 2012.<sup>3</sup>

The sharp rise in housing prices in the late 1990s and early 2000s significantly outpaced income growth, making home ownership impossible for far too many people. The result was a widening affordability gap — the difference between the cost of available housing and what people could afford to pay without devoting more than 30 percent of their income to housing.<sup>4</sup>

The Capital region has its own housing affordability issues. The percentage of households above the affordability ownership threshold is as follows:

- Albany County, 25%
- Schenectady County, 26.6%
- Saratoga County, 24%
- Rensselaer County, 24.9%

The percentage of households above the affordability rental threshold in the Capital region is as follows:

- Albany County, 45.7%
- Schenectady County, 49.1%
- Saratoga County, 42%
- Rensselaer County, 45.6%

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<sup>1</sup>Thomas P. Di Napoli, New York State Comptroller, “*Housing Affordability in New York State*,” March 2014, p.1

<sup>2</sup>Ibid

<sup>3</sup>Ibid

<sup>4</sup>A Three County Regional Needs Assessment: Orange, Dutchess and Ulster Counties from 2006 to 2020, The Planning Departments of Orange, Dutchess and Ulster Counties



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The lack of affordable housing has consequences for employers seeking to relocate or build in a specific market as employers may find it difficult to attract and retain well-qualified workers if these workers are unable to buy or rent homes in the region. Housing affordability also affects the amount of income that households have available for other non-discretionary and discretionary spending, as well as for investments in savings or businesses.<sup>5</sup>

At issue is whether the presence of a casino in East Greenbush would aggravate the housing affordability issue as it did with the two casino destination resorts in southeastern Connecticut. Planners we spoke with in the Capital region said a problem would develop depending on the amount of employees hired from outside the area. The casino developer, however, has indicated that more than 99% of the hires would be made locally as the only out-of-the region hires are expected to be the casino's top management team. The East Greenbush casino is expected to employ more than 1,200 people with as much as one-third of them earning \$50,000 a year or more.

Susan Cotner, executive director of the Affordable Housing Partnership of the Capital Region Inc., is one of those planners who envision a casino in East Greenbush aggravating an already tight housing market but she noted that her position would change if the casino owner was able to meet the 99% goal of hiring from within the Capital region.

Cotner noted that there is not all that much affordable housing in the East Greenbush area, and believes that employees from the casino who are not from the Capital region will most likely find housing in Albany, Troy or Rensselaer, where housing costs are lower than in many rural regions.

Rocco Ferraro, executive director of the Capital District Regional Planning Commission, told Spectrum in an interview that he too has concerns about the impact of a casino on the housing market.

Ferraro analyses each year an IRS database that collects information relating to the migration of taxpayers from one county to another. The database also reveals how much income was taken out of a county by those who left and how much income was brought in by those who moved into the county. The information for the four-county Capital District region appears on commission's web site, <http://www.cdrpc.org>.

In 2010, there was net loss of nearly 2,000 residents in the Capital region. The net loss in income was \$86.1 million. Ferraro further analyzed the data to determine where the region's new residents used to reside. He found that four of the top five counties exporting residents were from the New York City boroughs.

Brooklyn was home to 124 households that moved to Albany County. Their average household income was \$31,048. Queens County was home to 94 households, whose average household income was under \$25,000.<sup>6</sup>

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<sup>5</sup>Ibid

<sup>6</sup>Spectrum analysis of the IRS migration database, <http://www.irs.gov/pub/irs-soi/countyinflow1011.dat>, accessed May 15, 2014



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Ferraro noted that the New York City residents who moved to the Capital region did so, for the most part, to find better jobs and lower their housing costs. Ferraro noted that the unemployment rate for the region is 5.8% while the statewide rate is 7.3%.

“With a new casino in the area, that would be even more of an incentive for those folks to move here, which could stress the housing market and the school situation,” Ferraro said, “because they are bringing with them relatively low household incomes.”

Ferraro said the casino owner may have difficulty filling all of the unskilled casino positions from within the region in light of the relatively low unemployment rate in the Capital region. But if the casino succeeds in hiring from within the region, some of the under-employed or unemployed in the region would find employment, which Ferraro noted would be a good thing. Those unable to buy a home may be able to do so and those renting may be able to move into a better rental, Cotner said.

The lack of affordable housing in southeastern Connecticut resulted in serious code enforcement problems for communities near that state's two destination resort casinos – Foxwoods and Mohegan Sun. Area housing officials acknowledged they have been waging an unsuccessful battle to curb illegal conversions of single-family homes into rooming houses. Between 2002 and 2006, the number of building code violations increased from 137 to 503 in Norwich, Ct., which is adjacent to both casinos.<sup>7</sup>

The casino envisioned for East Greenbush is much smaller than either Foxwoods or Mohegan Sun yet the greater Albany area could experience similar pressures on housing if the casino owner has to go outside the region to hire employees. We believe it is prudent for towns in the region to expect to hire two additional code enforcement employees. We estimate their salaries with benefits to be \$100,000 a year.

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<sup>7</sup>Gambling in Connecticut: Analyzing the Economic and Social Impacts, Spectrum Gaming Group, June 22, 2009

