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**MASTER OF SUSTAINABLE
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Rethinking Suburban Housing

Advocating for Multi-Family Transit Oriented Development in Long Island

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Statement

This paper investigates high density multi-family development in suburban areas, looking specifically at Long Island, New York to identify the primary factors that contribute to the lack of such projects. My goal is to scrutinize ways that would promote advancement of the development of mixed-use multifamily projects in the area with focus on the urbanization of suburban space through retrofit projects and transit-oriented developments.

Abstract

Over the past century, suburban living has been a sign of prosperity and a manifestation of the American dream. Owning a large single-family home, a spacious yard and a car have become a measure of success. The trend towards suburban habitation has created a surge of sprawled development that has led to an inefficient built-environment

The attitudes, and lifestyles of the current young population are no longer the same; millennials are getting married and starting families later, with a greater demand to settle in urban areas. They are placing higher value towards living near jobs and walkable amenities and are choosing to wait longer on purchasing a home.

The increased demand for urban living has caused city rents to skyrocket. The percentage of individuals who live in urban areas is expected to increase by 20% in the next 35 years. The overpopulation of cities has caused a surge in housing costs - making urban settlement increasingly unaffordable. The suburbs fail to provide millennials and young professionals with an adequate supply of rental housing due to its dominate presence of single family homes. The expensive cost of cities, along with the lack of viable housing in the suburbs has many young professionals stuck, in search of a feasible place to live.

The suburbs have potential to be urbanized, and to provide a mix of housing types that accommodates a more diverse set of residents, however, there is a slew of pre-development hurdles that halt the process of high-density housing construction. This is especially seen in Long

Island, NY, where residents are hesitant to allow the production of multi-family projects in their backyard. Transit Oriented development can serve as a solution to this problem, by stimulating the growth of long island towns, minimizing traffic impact, and catering specifically to millennials and seniors. This would allow the built environment of areas outside of transit hubs to preserve their single-family character, and would have little effect on the existing structure of school districts

Introduction

The American suburban movement in the mid-nineteenth century allowed an immediate escape from the health hazards and over crowdedness cities. Suburban settlements were initially compact, and the notion to achieve a more private and quiet living environment with quick access to the city and its resources was successful. The invention of the car that soon followed, however, granted widespread ability for people to move to the suburbs, and exacerbated urban flight and suburban sprawl. The automobile unhinged the limitation of density and spurred excessive dispersion that now defines the national landscape. Suburbia has become made up of an agglomeration of self-sufficient individual hamlets that inherit homogeneity and a lack of vital town centers and public space that immerses residents.

Current cultural values have changed, and individuals are no longer rushing to settle in the suburbs. A higher portion of the population is choosing to live in urban settings. In 1950, the percentage of people that lived in urban areas was 30%, where it is now 50% and expected to reach 70% by 2050 (UN). With increasing demand, the cost of urban living is at an all-time high, making the suburbs the more affordable option. There is less of a rush for people to get married, and individuals are living by themselves into their 30's. Suburbia has historically been a place

for families, yet, people aren't purchasing homes as quickly as they once were. The suburbs must accommodate a more diverse demographic and provide a social infrastructure that young adults look for in cities. This paper seeks to investigate ways at which real estate development can mitigate these issues and adapt the built environment of suburban Long Island by introducing density, decreasing resident's dependency of cars and to promoting an environment with a more diverse group of individuals. It also highlights the complications towards developing high-density multi-family projects in the area, and ways that they can be improved

History of American Suburban Growth

The suburbs grew rapidly with the emergence of a large middle-class who soon realized they no longer wanted to settle alongside industry. The commercial activities associated with cities induce noise, and an intrusive atmosphere that people began to avoid. (Suburbs in Transition) There became a grimy connotation of cities, caused by excessive factory pollution, and over-crowdedness. In the early 1800's, New York and Boston have experienced an outbreak of disease, caused by their lack of sewage systems that exacerbated fifth, and health hazards. It became more desirable for people to live outside main urban centers (The end of the suburbs). Privacy became more valued, and the elite had yearned more for a closeness to nature (Changing Cities)

The construction of the first-steam-powered-rail systems in the 1830s granted upper classes the opportunity to depart from the cities. Rail and streetcar systems began developing wide-spread in large urban areas, and small residential enclaves began emerging in the midst of their surroundings. The population of Westchester County, a suburb of NY, had doubled between 1850, and 1870, and again between 1890, and 1910. (End of the suburbs)

The development of public transportation systems in the United States created the first-wave of excessive suburban sprawl, and urban flight. The suburbs at this point, consisted of a compact agglomeration of residences in order to maintain walking distance between every house, and their respective train station. America had adopted a British suburban model in the pre-automobile era. For suburban inhabitants, there became a strict separation between residential and commercial space and a complete dependence on the rail-system to take them to, and from work and commercial areas. They were able to live in a quieter, more private environment while maintaining access to the essential provisions of the city (end of the suburbs)

Automobiles relieved the need for a compact form in the suburbs and sprawled development began to persist in disproportion. In the Post-World War II era, the government implemented a plan to recover from the country's economic depression that ultimately redefined the identity of American suburbs. They mandated the distribution of greater home mortgages, with higher amortization rates and loan amounts. Industry's began adopting a system of mass production in order to reduce labor costs and increase efficiency. Homeownership became attainable to a much larger population (End of the Suburbs). The supply of better mortgages made it affordable for the middle class to buy homes; The mass production of automobiles allowed them the ability to afford cars. Ideals of the American dream had been strongly identified with opportunity of home and car ownership. The United States took advantage of this phenomenon. Their exploitation of automobiles caused the US to become more dispersed in comparison to other countries'. (suburbs in Transition)

Shift in Housing Trends

Towns on the urban fringe were originally designed to have a strict disconnection between uses, in order to achieve residential privacy, and a more productive environment within individual programs. “Housing, office, retail and industrial activities were all independent from each other, and only transferable through the automobile” (source). The failure to integrate uses has transformed the way in which space is commonly occupied. People aren’t enjoying the outdoors and aren’t immersing themselves in an urban experience. People’s dependence on cars have caused there to be a lack of street interaction amongst suburban residents. What seemed to be a healthy solution to the over crowdedness of cities has become an issue of immobility.

The social structure of the suburbs is not diverse within individual towns. They not only lack demographic diversity, but ethnic diversity as well. This is a result of the complete control that municipal governments have over their individual townships, which presents barriers towards adapting communities to satisfy a more diverse population. It constrains the progression of developments that could accommodate demands for rental housing and commercial growth in those areas. The control that local governments and community members have over their neighborhoods makes it hard to inject building typologies in suburban towns that don’t cohere with the single-family dominated structure that exists despite the cultural disconnect that it currently poses for millennials and seniors.

The suburbs have generally become more affordable than cities because of the high popular demand for urban living, however, suburbia is not accommodating for who aren’t looking to purchase a single-family home. In some cases, it is actually more expensive to live in the suburbs because of the lack of rental housing supply that influences more individuals to purchase a home, pay higher taxes and purchase or lease a car.

The status of the suburbs, has been an ever-changing response to American cultural changes as well as changes in land value. People's attraction to the suburbs has correlated with their changing preference of amenities and desire to escape industrial nuisances. upper classes chose to live in cities when it was essential and when dwelling alongside commerce was a requirement in order to access basic necessities and earn money. Once granted mobility, they recognized the opportunity of living on the urban fringe and amongst nature; away from all of the congestion of the metropolis. After the invention of the car, suburban settlements no longer needed to stay compact and individuals no longer needed to depend on public transit to access essential goods, which caused for an overly sprawled built environment that lacks walkable corridors and defined commercial nodes. As a result, society now holds less acclamation towards the suburbs as it once did; newer generations value living in areas that bear more urban qualities. That is not to say that they necessarily prefer to live in cities, but in areas that they can afford, and that provide density, defined downtowns and walkable amenities close to where they reside.

Multi-Family Housing in Long Island

More multi-family housing projects must be introduced to suburban environments to provide affordable housing and decrease the dependency of cars for young working age populations. By introducing density in the form of suburban retrofit projects, and the development of greenfield sites issues of diversity, mobility and economic stagnation can be tackled. High density, mixed use projects serve the potential to stimulate the suburban economy while simultaneously allowing them to retain a younger population.

The suburb of Nassau County does not provide an adequate supply of rental housing for millennials, and the high rents of Manhattan and Brooklyn are unaffordable. The median gross monthly rent in Manhattan is over double that of Nassau County for a fraction of the square footage. According to the American Community Survey, the average cost to rent in Manhattan is \$1,688 per month as opposed to \$785 per month in Nassau County. People who live in Nassau County, however, spend more on housing per month on average because of the predominantly owner-occupied market. The average monthly housing cost in Nassau County is \$2,799 per month, whereas it is only \$1,857 per month in Manhattan (without taking into account the costs of transportation). Manhattan is made up of 77% rental occupied units, whereas Nassau County is only made up of 20%. This causes millennials to be stuck; they can't afford the expensive rents of the city and are unable to find housing in the suburbs. 21% of Millennials live at home with their family in order to save money, or because they are unable to find adequate housing. There is an extreme demand for rental housing in the Nassau county because of its lack of supply. It can be provided at affordable rates, appeasing the needs of those who cannot afford the expensive rents of the city, and who aren't looking to purchase a home in the suburbs.

Despite the compromising aspects of suburbia, it has many advantageous qualities that are unavailable in urban areas in terms of space, and affordability. New York City is extremely dense, and over populated; there is an opportunity to provide apartment housing in Nassau County that introduces more density while also retaining a greater closeness to nature that people seek in suburban environments. The issue in creating more apartments in the county lies in the complication of developing multi-family affordable housing projects in Long Island. It is risky for developers because obtaining building approvals is a long, expensive process with an uncertain outcome. There is constant opposition from community members and the local

government, and the lands fragile landscape complicates environmental assessment procedures. Projects are constantly being put on hold, delayed, and terminated. The municipal government is corrupt (Town of Oyster Bay Supervisor John Venditto is being investigated by the FBI) , and the outcome of large housing developments is unpredictable.

Hurdles towards Long Island Multi-Family Housing Development

Multi-Family Housing development is essential towards invigorating the local economy of suburban areas by stimulating the growth of downtowns and commercial sectors, and by giving young-professionals a reason to stay within the area. More and more millennials are choosing to move out of Long Island; the population of people ages 18-34 have dropped 16% from 1990 to 2014 and 72% of young Long Islanders say they are likely to leave the area by 2020 (Long Island Index). The single-family housing structure that dominates the regions landscape and the lack of vital downtown areas apparent in the locality fails to suit their lifestyle.

There is a visible demand for rental housing in the region, given its lack of supply, and the opportunity it presents in providing affordable housing for younger residents, however, there has been little progress in the construction of such developments. It is a strenuous and lengthy process for developers to undergo the development of multi-family apartment housing in the region because of the extensive legal processes and environmental assessments they need to perform in order to obtain permitting as well as the inordinate backlash from community members that is often experienced.

It has been difficult for developers to break through the Long Island multi-family market; a substantial portion of large scale apartment projects have been completed at no ease by only a

select few developers who have steady funds, local experience and strong ambition to endure the headache necessary to fulfill the mission. The risk in developing these projects doesn't lie at all within the market; there is a more than suitable demand for apartment housing in Long Island. (In fact, because of the lack of such projects, AvalonBay Real Estate Investment Trust is able to charge 10% more for rents than other suburban communities in the New York Metropolitan area.) It is the procedural obstacles during predevelopment that make the execution of large scale apartment projects in the area tricky, and stagnant. Multi-family housing development in Long Island Counties are the lowest in comparison to other New York suburbs. Out of the 17,3000 apartments expected to be introduced in New York suburban areas in 2017 and 2018, fewer than 1,000 will be located on Long Island, according to CBRE (The Real Deal). In Nassau County, only 5.82% of housing units are in large apartment buildings, where 75.67% are single family detached units. (Policy Map) Nassau county is 20% renter occupied, significantly lower than its counterparts, with Northern New Jersey having 37% rental housing and Westchester, Rockland, and Orange counties having 34%. Nassau county currently only has 10 building permits for multi-family developments.

The reason multi-family housing development is so stagnant on the Island is because of the hesitation and opposition from local governments and residents who have total control over the areas policy making decisions. Long Island's current zoning is restrictive; designed to limit the development of large housing projects with the effort of preserving the existing nature of the areas suburban neighborhoods. A very small portion of the land is zoned for multi-family housing, making it a requirement for developers to go through the board of zoning adjustments when developing apartments(source). More often than not, developers have to propose a subdivision plan of the land.

Long Island is the nation's largest single-family suburb, and residents want it to stay that way. David Flynn, the Smithtown planning director stated that the process of rezoning alone adds a minimum of 1-2 years to the development process. AvalonBay, Long Islands most prominent Multi-Family developer typically spends at least 4 years undergoing predevelopment procedures prior to starting construction.

Project timelines are also significantly lengthened by the environmental assessments required for new developments. They are more extensive in Long Island than in typical areas because of the land's coastal character and the threat that new construction poses on contaminating the area's drinking water and surrounding waterways. The island doesn't consist of a standard sewerage system; the drinking water is produced from natural aquifers that are at risk of contamination during building construction and thereafter. Every new development on long island increases the possibility of contaminating its aquifer system; the chemicals that are used to treat lawns alone contributes towards the contamination of the water.

A great portion of the areas large developable sites are made up of brownfields because of island's industrial history. The environmental studies required for multifamily projects of these sites are comprehensive to ensure the safety of incoming residents. AvalonBay had to submit a 5,000-page environmental report for a project they completed in Smithtown.

A projects traffic impact is another major consideration, and obstacle in the predevelopment process; It's an issue that local residents are especially concerned about, and it's often responsible for the termination of many projects, including the proposal of a luxury mall by Taubman's company in Syosset, NY. Residents don't want an influx of neighboring populations navigating in and out of their town. Blumenfeld Development group had just continued working on the Redevelopment of Nassau Coliseum, a project that has been on and off hold for over 10

years because of community lobbyist groups opposition to the traffic it was introduce, followed by lawsuits between stakeholders in the project.

The arguably most significant concern of Long Islanders in regard to new multi-family projects is the affect they might have on their local school districts and how that may affect their property taxes. They are worried that the introduction of apartment buildings will attract too many new students into their children's schools and whether that will affect the organization of schools within their system. They are also concerned that an increase in student population within their area will cause their property taxes to increase. Nassau county has the 5th highest property taxes in the nation at \$11,545 (libn). That number could continue to increase if more students are introduced to local school districts that become required to hire more faculty members while also assuming additional increased expenses in order to sustain the growing student body.

Case Study: Avalon Bay

AvalonBay's experience developing multi-family housing projects in Long Island serves as a valuable case study in understanding the difficulty in undergoing such developments. It provides a meaningful explanation as to why there are so few apartment's in the area its static increase of rental housing options.

AvalonBay is a Real Estate Investment Trust with experience in developing 10 Multi-Family projects in Long Island, most of which had to undergo a series of obstacles along the way. Despite their success, they have been far from reaching their initial goals in the number of

units they aspired to develop. They started developing Multi-Family housing in the region in the 90's and expected to construct 2,000 apartments by the end of the decade. It took them 20 years to reach that mark where they had only built 903 units by 2003. Although the hurdles to develop apartments on long island are seen as too risky, expensive and fruitless for many developers, AvalonBay has had the determination to undergo the process of developing high-density multi-family projects in the area.

The firm has experience developing in many suburban areas in 10 different states across the US. Projects that they've developed in areas other than Long Island took a fraction of the time. It took them 2 years to get a building permit for a project they completed in Rockville Centre, NY where as it took them 16 months for a 14-story project in Westchester, and 7 months for a similar project in Arlington.

Two Projects that took unusually long include multi-family housing developments in the towns of Melville, and Smithtown. In Smithtown, what began as a medium-sized development of 100-150 apartments turned into a 6-phase development that took just over 30 years to complete because of mandated adjustments imposed by local governments. The project originated in 1985 from an individual developer, Vincent DiCanio, who bought 10 acres of land at an old concrete plant and planned to build garden apartments. Traffic concerns from local residents had required him to then buy an additional 78 acres of land behind his site to build an access road that would mitigate congestion. Since he had so much excess property and the real estate market was strong at the time, he decided to go forward with developing a large planned unit development with a mix of housing types and a commercial component. Since the project had increased so much in scale, the building approvals and environmental reports he needed to conduct were far more extensive, causing the process to take an additional 4 years. He was then required to establish a

new sewer district and build a self-sufficient treatment plan to serve all of the units. In the midst of all of this, the real estate market tanked, he ran out of funding and had to file for bankruptcy. After marketing this development, he was able to form a Joint-Venture with Trammell Crow Residential, which was then taken over by Avalon Properties (now AvalonBay). The 6th phase of the project has been completed in 2016, 30 years after the projects initial conception. The project was initially intended to provide affordable housing, however, after the complications that came up throughout its course the apartments became more luxurious in order to keep it feasible. Avalon submitted a site plan in November 1996 for a project in Melville, NY. The project seemed to assume little controversy because of its isolated location in a historically industrial site. The project, however, still took 8 years to begin construction, where it took 4 years to complete the environmental review process and get the land rezoned, and 2 years to find an investor willing to purchase the property on the condition of implementing the 30% affordable housing quota imposed by the town.

Case Study: Heartland

Jerry Wolkoff planned to develop the Heartland Town Square in Brentwood in 2002 and had finally received a zoning adjustment approval in July 2017 for the first phase of development. The project however, is still undergoing hurdles, with active opposition of civic groups and individual townships concerned with the traffic issues it would impose on surrounding areas. The project crosses the border of 3 towns; Huntington, Babylon and Smithtown. Huntington submitted an objection to the zoning approval primarily because of the effect it will have on traffic. Though the objection may have an effect on the future traffic plans of the project, it will not cause it to shut down. The first phase of development is on 113 acres,

and will include 3,504 apartments, 560,000 Square feet of retail space and 626,000 square feet of office space. The project is continuing to be protested by local residents, 100 of which have rallied in March to dispute its completion. Given the development's massive scale, and Long Islands fragile landscape Wokoff will have to pay \$37.5 Million in just connecting to the project to the local sewerage system if not awarded a discount. After 16 years of pursuing this mixed-use development, it is still far from being completed.

Case Study: Garvies Point

Garvies Point is a mixed-use development on the waterfront of Glen Cove. The project will be LEED Certified, and will include 569 condos', 541 apartments and 75,000 SF of commercial / retail space. The project will provide amenities for residents and is expected to attract people ages 50+. It is in a remote location that shouldn't majorly effect on traffic patterns in the area. The project has been approved for construction after 10 years of planning but is still receiving recurring backlash from municipal civic groups. 8 groups in particular have partnered together to oppose the development of the project because of its massive footprint, negative environmental impacts, incoherence with the architectural character of the neighborhood and the increased traffic patterns it may cause. A website has been made to protest the development's construction. Articles have been posted that discredit developer and support the opposition of the project.

Seritage Growth Properties

Seritage Growth Properties is a Real Estate Investment trust that Is a spin-off of Sears Holdings. They bought out all of sears properties and are transitioning out the company because

they can no longer manage their own assets. After taking over Sears Holdings, they release their properties back to sears with a mutual agreement to terminate the lease and redevelop the property as they choose. They decide which properties they will redevelop based on the length of the entitlement process, incremental and stabilized returns, cost of development, increased income from the property, ROI, value creation, and whether or not they will be able to absorb tenants. Seritage also has 43 Kmart Stores, and 50% interest in 28 additional properties through joint venture investments with General Growth Properties, Simon property group, and Macerich. Those properties are also master leased to sears. Warren buffet has invested in this company with just over 8% stock.

Seritage is currently redeveloping one of its sears properties in Hicksville, NY, a suburb of long island, into a mixed-use project with 275,000 commercial SF, and 596 Units. The projects site is along a commercial corridor, just outside of the town's train station. It is currently undergoing the approval process, which James Bry, the Vice President of Development and Construction expects to result in their favor. He did however mention the obstacles that exist within the process of obtaining building permits and undergoing environmental assessments. He believes the reason that this project is going to work out is because of its location near the train station, and away from any immediate existing neighborhoods.

Recommendations

The majority of the hurdles towards developing large-scale multi-family projects in long island stems their common requirement for rezoning, and from the concerns that residents have

in regard to their impact on traffic, school districts, and property taxes. These obstacles can be eased if multi-family projects are marketed and designed for millennials and seniors and are allocated near transit hubs within the Island. By doing this, these projects will have less of a negative impact on the existing residents of the communities that they are being built in and can perhaps provide them with some benefits. If Long Island municipalities rezone land near existing transit-hubs to allow high-density mixed-use housing projects, they will be able to minimize the controversy of large-scale residential developments. Designating them all into one area will minimize their effect on community members. This will also stimulate economic growth and help Long Island suburban downtowns rebuild and redefine an identity. Allocating these projects near transit hubs will attract residents who choose to rely on public transportation, and that value the opportunity to live near a commercial corridor that they can walk to. This will minimize the traffic impact that these projects would produce. This will also draw millennial and senior tenants which should influence the design of the apartments to consist of primarily 1-bedroom units and studios. That way, neighborhood residents will be less concerned with the influx of families within their communities, and the potential that that may have on their children's school districts.

Existing train stations in long island are surrounded by large areas of surface parking, that would be suitable for the development of mixed use projects. Long Island is currently gaining traction in transit-oriented developments throughout the region. The towns of Farmingdale, Wyandanch, and Mineola have all recently experienced the construction of transit-oriented affordable housing projects. Long Island municipalities are beginning to support this type of growth, introducing a 3rd line on the Long Island Rail Road between Queens and Penn station, and a second line between Farmingdale and Ronkonkoma.

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