Long Island Regional Planning Council
Summary Minutes

LIRPC Meeting – September 15, 2020
Zoom Virtual Meeting

LIPRC Members Present
John D. Cameron, Jr., Chair
Michael White, Vice Co-Chair
Jeffrey Kraut, Treasurer
Theresa Sanders, Secretary
Supervisor Don Clavin
Elizabeth Custodio
Mayor Barbara Donno
Nancy Engelhardt
Jeff Guillot
Mayor Robert Kennedy
Mayor Ralph Scordino

Staff and Guests Present
Richard V. Guardino, Jr., Executive Director
Elizabeth Cole, Deputy Executive Director
Missy Leder, Executive Assistant

Kendra Armstead
Alan Belniak
Mary Byrne
Melanie Cirillo
Jim Green
Amani Hosein
Larry Levy
Michael Montesano
Don Monti
Adam Moss
Keldy Ortiz
Todd Poole
August Ruckdeschel
Jenny Kate Schlagel
Rebecca Sinclair
Regina Zara

Meeting Commenced:

John D. Cameron, Jr., opened the meeting at approximately 10AM.

John Cameron: I would like to welcome you all to the September meeting of the Long Island Regional Planning Council, our second virtual meeting since the onset of the Covid-19 pandemic. I'd like to ask Rich Guardino, our Executive Director to do a roll call.

Roll Call
John D. Cameron, Jr., Chair
Micahel White, Vice Co-Chair
Jeffrey Kraut, Treasurer
Theresa Sanders, Secretary
Don Clavin
Elizabeth Custodio
Barbara Donno
Nancy Engelhardt
Jeff Guillot
Robert Kennedy
Ralph Scordino

John Cameron: Thank you. We're going to have Alan Belniak from VHB give us a little explanation of the technology will be using today and how the meeting is going to proceed. Alan.

Alan Belniak: It's good to see you all again. We have some business to take care of and then we have presentations to go through. When we get to the Q&A portion, which we're going to save until the end, there are a few ways for the attendees to interact. For those of you attending through Zoom, whether it's a PC, Mac, or on your mobile device, there should be a raise hand button down below. That signifies to us that you'd like to speak and so again, when we get to the Q&A portion, I will call on you by name in the order your hands were raised. I'll send a command to unmute your microphone and then you will have a chance to ask a question or share a comment and interact with the panel. I will then put you back on mute. If you have a second or third question, you can get back in line. We would like to try to give everyone a chance to speak. If you'd like to raise your hand from the telephone, you can press star nine and that will send the same command to us. Again, we'll go through the same process. I'll take you off mute and let you know that the microphone is yours. If you would like to ask a question or share a comment, but you're bashful or your audio connection isn't that great, you can use the Q&A feature down below where you can ask your question or share your comment. If we get both a mix of Q&A and hand raises, we'll go back and forth between the two to kind to mix it up to see if we can cycle through everything. Just a reminder to you all this meeting is being recorded. That should cover the rules of the road. Thanks.

Chairman's Report:
John Cameron
Thank you, Alan. I'll give a brief Chairman's report and then we'll proceed with the businesses of the Council. As we all know, these are challenging times for all of us and certainly more so for some than others. In addition to the public health concern, we also have significant financial concerns, whether they be in business, governmental, or on a personal basis. They are real and they are significant here on Long Island. The significant impacts still reside with us. Businesses, large and small, have had revenue significantly reduced and governmental budgets are so strained, that severe cutbacks, including personnel layoffs are being discussed. Many people are still out of work and many others are having difficulty paying their bills. Unfortunately, Congress is failing to address the responsibility of assisting impacted communities when a national disaster occurs, whether it be a hurricane, flood, tornado, forest fire, or yes, a pandemic. Our state and region were Ground Zero for the national spread of the coronavirus and our economy was most severely impacted. While most people are not expecting the Federal government to wipe out budget deficits that existed prior to the onset of the pandemic, it is highly reasonable to expect them to replenish lost revenues which resulted from the pandemic. New York, the financial capital of the nation and the largest net contributor of tax dollars to Washington D.C., cannot be left to drown. Regrettably, there are a host of other places presently experiencing the effects and many of them are intensifying in our nation's cities. New York City is going through some major challenges. The failure of the City's administration to address those social and economic problems is resulting in a flight of businesses and residents to the surrounding suburbs. Those suburbs include New Jersey, Connecticut, the lower Hudson Region, and Long Island. We should prepare for this

demographic and economic influx or that migration will opt for other more receptive and prepared suburban communities. Yes, indeed, these are challenging times. The regions that meet these challenges smartly and head-on will recover more rapidly and become stronger as a result. Those who would like to ignore the problems and challenges will suffer long term social and economic impacts. It is up to us as to which course we elect to choose for the future of our island. What we will leave for our children and grandchildren will depend upon how well we perform in the coming months and years. The decision is up to each of us. Let us move forward together. Thank you.

I'll turn it over to Rich.

Rich Guardino: Yes, thank you, John. The first order of business is the adoption of minutes of the June 18, 2020 virtual LIRPC meeting.

Adoption of the June 18, 2020 minutes.
Motion to Accept: Jeff Kraut
Seconded: Nancy Engelhardt
All in Favor: So moved.

Rich Guardino: The next order of business is Resolution 2020-107. This authorizes a contract extension agreement for one year with the partnership of Hofstra University and the Town of Hempstead to continue Water Quality Monitoring, Analysis and Reporting on the South Shore Estuary Reserve. The original contract agreement term was from February 15, 2019 through September 30, 2020, with costs not to exceed $240,000.

Nitrogen pollution has been identified as a key source of impairment to the Estuary. To address this problem, there are many infrastructure improvements being implemented that will radically alter the magnitude of nitrogen impacts to the Reserve from the wastewater treatment plants. Just briefly, they include: the Bay Park Conveyance Project, which will send treated effluent from the Bay Park Reclamation Facility to an ocean outfall pipe at the Cedar Creek Wastewater Treatment Plant, improvements to the Bay Park Reclamation Facility, which will reduce nutrient loads from the plant, the conversion of the Long Beach pollution control plant to a pump station so as to reroute to the Bay Park Reclamation Facility and the sewering of Point Lookout, which is currently using septic systems. The Monitoring Program provides baseline data to evaluate changes in nutrient loading that are expected over the next decade as a result of these infrastructure improvements.

The term of the contract extension is October 1, 2020, to September 30, 2021, with costs not to exceed $158,000. The Council is a recipient of a New York State Department of Conservation Environmental Conservation Grant to support this program.

Motion to Accept Resolution 2020-107: Ralph Scordino
Seconded: Michael White
Recused: Don Clavin and Jeff Kraut
All in Favor: So moved.

Rich Guardino: The next resolution is Resolution 2020-108 approving the Independent Auditor’s Report for the year 2019 by Long Island Financial Management Services. They are a certified women-owned business. The Council engaged the firm on February 27th of this year to perform an audit of the financial statements of the Council for 2019. The key finding of the audit is that the auditor did not find any deficiencies in internal control that would be considered a material weakness. The results of tests disclose no instance of non-compliance or other matters that require to be reported under government auditing standards. The officers of the Council met with the staff to review the audit and they recommend approval of the Independent Auditors Report and the 2019 financials.

Motion to Accept Resolution 2020-108: Jeff Kraut
Seconded: Elizabeth Custodio
All in Favor: So moved.

Rich Guardino: That completes the Council business for this meeting. We can now move on to the presentations and we're delighted to have Todd Poole join us once again. Todd did the presentation and the study on Patchogue. He is the President, Founder and Managing Principal of 4ward Planning Inc. with more than 27 years of economic development experience both in the private sector and the public sector. He has extensive experience in comprehensive master planning, transit-oriented development, economic and fiscal impact analysis, regional transportation planning, redevelopment, and neighborhood revitalization. This morning, Todd is going to present his analysis on the improvements that have been made in Farmingdale and then segue into a presentation: Land Use Planning, post COVID-19. We're absolutely delighted to have Todd join us once again.

Todd Poole: Rich, thank you very much. Good morning, everyone. I'm hoping that we'll be able to get this going without too much trouble. I'm going to share my screen. So as Richard said, I'm going to first take you through the presentation for Farmingdale. We've recently completed our study on the economic and fiscal impacts related to certain public and private investments in the Village of Farmingdale. This study is similar to and really born out of the work that we did for Patchogue about a year and a half ago. There is a material difference between what we found in Patchogue and what we found in Farmingdale, and how they went about their revitalization. I think it's constructive to say that towns can get to the same point of success and revitalization, not necessarily having to mimic or copy the same methods. That's important because every town is different and they're not going to be able to necessarily replicate what one town does, or even what a few other towns do. I think that is one of the lessons learned in this particular study.

First, we'd like to thank Nassau County for the support as they are very much a chief sponsor of this study. Thank you very much. Quickly, I'll discuss the methods employed. We can't do this work simply by looking at metrics on a screen or by just crunching numbers. We have to get out and kick the tires. I certainly did that spending several days in the Village of Farmingdale. We also conducted phone interviews. Here on the screen, you can see some of the representatives that we spoke to in terms of public officials, business representatives, county officials, real estate professionals, all of whom contributed very critical information to allow the study to be completed. The analysis for economic impacts looked at public subsidies, what the private sector brought to the table, and the private investment leveraged spending from new non-local households, new business operations, and of course, the residential development which was also incentivized to come into Farmingdale. Finally, as we did with Patchogue, we performed a fiscal impact analysis on the multifamily residential development that has been created over the last several years with a particular focus on a number of public school aged children and the net fiscal impacts to the local school district because, as you know, this has been of particular importance to communities when they see new residential development, particularly multifamily development.

One thing I will say is that in many recessions, housing generally leads the way out. I think it's important to be supportive of housing, particularly housing that facilitates a place for service workers who make a downtown thrive. The underpinning catalyst that we discovered, first and foremost, was the response of zoning. I think this is an important takeaway for a lot of communities. In this particular case, Farmingdale put zoning into effect back in 2011. The DMU, or downtown mixed-use zoning, is kind of a hallmark of successful commercial districts and downtowns throughout the United States. The village recognized that this would be a key driver of private investment. Developers chomping at the bit and encouraging the village to put this kind of zoning in place ultimately brought this to fruition. It has led to significant private investment projects for mixed-use residential infrastructure improvements, again very similar to what we saw in Patchogue. However, they were not at the same scale. Patchogue was much different in terms of the amount and the different types of public infrastructure. In the case of Farmingdale, the infrastructure included not only the repaving and expansion of surface parking, but also streetscape improvements, lighting, the creation of a pocket park and downtown. What these infrastructure improvements did was to make something that was a tired commercial district inviting and gave it some energy. In turn, it also made the area that much more attractive for private investment in this business-friendly environment. For a commercial district to realize its share of private investment, it must present a business-friendly face. In our interviews, and we interviewed a number of businesses both new and old, in the commercial district, all of the people we spoke to without hesitating said, if anything, Farmingdale is very friendly, very cooperative and has a can-do attitude. Finally, Farmingdale facilitating events, working in partnership with business and civic organizations is, again, very similar to the Patchogue story. It proves itself out when you have that kind of cooperative spirit and you're able to program throughout most of the year with different events. This brings in people who would otherwise perhaps not come to your locality. Effectively what you're doing is exporting your goods and services to a broader audience, which is what we want to achieve. You cannot have revitalization without having a champion. And in this case, it's Mayor Ralph Ekstrand who has been the champion, certainly in his role as mayor since 2012. He's done a lot of good for the commercial district and that was certainly echoed in many of our interviews. I want to tip my hat to Mayor Ralph on that.

This is kind of a Reader's Digest version of what we identified in this study. There have been 35 new businesses established in Farmingdale’s downtown since 2012. Just to give you some perspective, in the downtown, there are approximately 80 some odd businesses today. Nearly half of those businesses were established since 2012 and roughly six out of 10 of those businesses are either limited or full-service restaurants. This is no surprise. Many of the commercial districts that my firm studies, not only in the New York Region, but really throughout the United States, experience much of the revitalization effort driven by food establishments. Because of Covid-19 and the economic tumult that we currently find ourselves in, many of these same businesses are struggling, but the food service business has been a major boon to commercial and downtown revitalization and business districts.

The development of six multifamily residential projects containing a total 323 units, inclusive of affordable housing units, has also been part of the revitalization story in Farmingdale. We'll talk a little bit more about what that meant in terms of fiscal impacts. In terms of public investments and exclusive of land and equipment, because when you add the land and equipment piece to it, we're talking a little over $22 million. $18.5 million was spent on improvements to parking areas sidewalks, streets, lighting, and creation of the pocket park that I mentioned earlier. This is significant public investment that has taken place since 2012. Lest we not forget, obviously, the MTA did its part by revitalizing the Farmingdale train station and extending its hours. This has been significant. You have significant residential development as well as some other commercial development that probably would not have taken place without those improvements. Finally, the creation by the Farmingdale school districts of a sports complex. I will tell you, if you've not seen this complex, it is quite impressive that makes people want to be able to go back to high school. The complex is a combination of sports fields and just general athletic facilities that is beautiful. A complex like that certainly has the ability to bring in folks from a broader region, for tournaments and other related activities, which in turn, will bring discretionary spending to the commercial district.

Finally, as I mentioned, the village hosts a variety of events which can bring in thousands of people over the course of a two or three day weekend. And, again, this is somewhat similar to the Patchogue experience. They've helped to revitalize their downtown by bringing in folks from the region who in turn spend money on local shops and restaurants. In many cases, you'll have people that have never been to a particular community, like a Farmingdale, that will come in and see that maybe they too want to invest in this community or may want to move to this community having now seen it for the first time. There are a lot of good reasons for programming and having activities like these.

Our mission was to examine the fiscal impacts of residential developments and there were six significant multifamily residential developments that were developed in and around Main Street in Farmingdale. Of those six are total of 323 dwelling units. The estimate that we created used multipliers that were generated by the Real Estate Institute at Stony Brook University. What Stony Brook University did about a year ago was examine 14 different multifamily residential complexes in the Long Island region. They surveyed them to find out how many public-school aged children were generated by those residential projects and they came up with a multiplier. I want to say it was somewhere around .07 or .09, something like that, per 10 units. We used that particular multiplier to estimate, prior to speaking with the school district, how many public-school aged children likely resulted from these units. Now, you see here, it's 30. After we spoke to the school district, and more specifically to the business administrator, what we confirmed is that there were 21 total public-school aged children that were added from these six residential multifamily projects. The 21 public-school aged children were spread across grade levels, so K through 12, and not all 21 public-school aged children arrived in the same year. We've performed an analysis that assumes that they all arrive in the same year, which obviously has a slightly different fiscal impact than if they arrive in different years. The likelihood is they arrived in separate years, meaning that the positive benefit to the school district was even greater than what I'm about to show you. The fiscal impact analysis that we performed had to estimate what the total annual average cost per pupil was. We do not have enough time to go through the mechanics or the methodology underpinning this analysis, but it is fully documented in the report. I will summarize it here. When we know that there is room within a particular school district, that is to say that there is seating capacity and enough materials and personnel to handle new children arriving, we assume that the marginal cost associated with those students is only associated with providing new books or some other extra unit of material for that student. We exclude salaries, benefits, debt service and fund transfers, because they are typically unaffected by new student arriving. In most cases, having done many fiscal impact analyses over the years, we find that excluding those particular costs represents about 85% of a school district's budget, which is significant. What you see on the screen here is what we've estimated each one of the new students will cost which is an average of around $600 per new student. Then we summarize that in the very right-hand column.

Over the course of the period of time in which the particular residential building was open, and assuming that each one of those students arrived the first year that particular project opened, and considering the real estate tax revenues that were generated by each one of these projects, (you can see they vary by amount based on the scale of the project and its assessed value), we have a total of $2.1 million generated to the school district.

To break it down, the estimated service costs for these students is a little over $800,000 and we're showing you over the period of time in which these apartment complexes open that they contributed roughly $2.1 million strictly to the school district bringing a net surplus to the Farmingdale school district of approximately $1.3 million. It is unquestionably a positive metric. I think this is a pretty good argument for allowing residential development to occur in a school district or in a particular community where there is capacity. The other thing, and while I'm not showing this here, is that those 323 apartment units also bring a lot of discretionary income with them and a chunk of that gets spent in the commercial district. That's very important.

Let’s review the study takeaways for this project. I know I'm giving you the high level here and there is a lot more detail in the report. Public investments in the community’s infrastructure, in this case commuter rail improvements by the MTA, can leverage a significant amount of private investment and it's usually many times over what that original public investment is. Responsive zoning is critical and we see this everywhere. I will say it's more critical now than ever, as John Cameron mentioned in his opening remarks, as there are a lot of businesses that are going to be fleeing New York City and are heading to suburban locations and also to communities like a Farmingdale or like a Patchogue. In order for them to do so, they want to know that the zoning is going to be responsive to their needs and or be flexible to what they're trying to accomplish. In general, that can be achieved by understanding that this is not new. Look around at some of your neighboring communities where they have this kind of mixed-use development and see how that's been successful for them. It's a matter of saying “Do you have a similar type of zoning in place to facilitate development?” I liken it to being a good waiter. You're at the table. When somebody needs you and they're ready to order or they need a new utensil or napkin, they want you to be helpful, but otherwise they don't want you at the table. I think the same thing applies to government in the public sector generally. Be there when they need you and otherwise get out of their way. They know what they're going to do, and they know how to do it, so let them do it. That was a refrain that we heard in a number of our interviews with businesses that have set up shop in Farmingdale over the last several years.

Facilitating outdoor programming is very key, particularly right now and obviously with the weather still being decent. It can generate activity and discretionary spending in your community, but I will get back to that. As I've just shown, you cannot automatically assume that a new multifamily dwelling hundred-unit project will be a fiscal burden in your community. Without doing the analysis on it, without understanding what your current capacity is in your community to handle a number of new school aged kids, you can't automatically assume that it will be a net negative to the community. In most cases, and again we do a number of these studies, new residential development, as we showed in the Patchogue example, is actually a major net contributor to the public-school district as well as to businesses in the commercial district.

So that is a quick high-level overview of the Farmingdale study. Now I'm going to segue into preparing the plan for near and long-term trends post Covid-19. This is a report that is of particular interest to communities trying to figure out how to pivot and figure out what to do next or what to expect. We are going to do a quick overview of how post-Covid realities both near-term and long-term are going to influence or have impacts on housing, retail restaurants, entertainment venues, commercial office space, light industrial and ultimately, recreation.

When I speak of near-term land use impacts over the next 36 months for housing, we are talking about demand and values are going to be uneven. If you are in a more suburban location, as many of you realize right now, there's high demand for housing, particularly for single family housing, in both first ring and outer ring suburban communities. People are fleeing highly urbanized areas like New York City, but that will not go on indefinitely. Markets have been dominated by retail and restaurant employment, so obviously, you're going to see depressed residential values while there are closures or dislocation of those types of businesses. In New York City for example, there is a high concentration of restaurant and retail which really makes New York City what New York City is. As those businesses remain closed, the values of not only the buildings that they occupy, but nearby real estate or residential real estate too will see declining values. Homes in first ring suburban communities are going to see, at least in the near term, rising values as they offer something of an urban experience because they're walkable and you have the ability to get to a coffee house or a restaurant or the drycleaners or the post office without necessarily having to get in your car. Those communities that offer that experience are well positioned to receive a lot of the people leaving a more urbanized location like New York City. We foresee bank foreclosures on the rise and you'll probably come close to what we saw in the Great Recession, although perhaps not as great for the simple reason that the Great Recession was as much a housing crisis as anything else while this is obviously a pandemic. We do expect that foreclosures will rise as a result of people wanting to have more space. We believe people will be leaving urban areas where multifamily development has been the driving force of residential development. We're going to see reduced demand, at least in the near term, for studios and one-bedroom units as more people are going to start doubling up. Even before the pandemic set in, there has been a rise in multifamily or multigenerational living for a few decades documented by the Census Bureau. You're also seeing a rise in the number of 18 to 29-year olds who are living at home. It was most recently reported that more than 50% of 18 to 19-year olds in this country are living with either one or two parents right now and that has been rising over the last couple of decades.

You've all heard of the bankruptcy and closing announcements for a lot of large legacy retailers such as JC Penney's and Macy's. This will continue. The economic challenges of today are accelerating these trends. You will see more announcements of bankruptcies and closures. Most recently, Simon Property Group and Brookdale Property Group, two of the largest mall owners in the country, purchased JC Penney to bring it out of bankruptcy. We'll see how that goes long term. We expect based on our research and what we're seeing that as many as 50% of Mom and Pop retailers will permanently close their doors. Obviously, location matters in terms of where this will happen but, in places like New York City, and other high-density locations, this is probably the case. Mom and Pop businesses have very little cash cushion on which to survive. The uncertainty regarding long term employment is obviously going to result in people pulling back the reins on spending. Given that Congress did not authorize a supplement to the unemployment insurance, that $600 a week that ended back in July, there will be consequences. You're going to see that reverberate throughout most economies. We expect tax appeal activity will dramatically rise for shopping center properties. This is also going to be a wake-up call for a lot of communities whose major tax base was based on shopping centers and malls.

The hardest hit industries have been hospitality and the arts and entertainment. In this particular case, urban downtown's that have a large concentration of those businesses are going to feel that pain. Suburban shopping centers are likely to see a rise in their restaurant vacancies, perhaps not as great as urban locations, but nonetheless there will be closures, at least. Certainly, the ones that are serving outdoors will suffer once the weather gets cool and other will suffer because they are not conducive to doing takeout and pickup. There will be permanent closures for bowling alleys and cinemas. I know recently, AMC announced during an earnings call with analysts that they may not be a going concern a year out from now based on people not returning to movie theaters. So, like certain shopping centers, large multiplexes are also face a very uncertain future.

Dining establishments which offer outside seating and are conducive to take out are definitely going to be in a better position than those restaurants that cannot. For a moment, think about high-end restaurants. Typically, they don’t do offer drive-through service and they do a limited amount of takeout service. I would say that your higher end restaurants are going to be challenged to survive over the long term without some kind of financial assistance. Places like pizza parlors and ethnic restaurants like Chinese restaurants or Japanese restaurants that do a fair amount of takeout already will be in a better position to survive. It's not to say that they're going to come out of this fine, but they are better positioned than other restaurants, which were not inclined to offer those kind of services even before the pandemic. Suburban office vacancy, even urban office vacancy, was already at elevated levels and in some cases, increasing. The exception will be for medical office space which that will continue to grow. Nonetheless, you're going to see suburban office parks struggle and need to rethink in terms of what comes next. Some developers will, as a result, look at adaptively reusing those properties in some cases, including multifamily or mixed use, probably with a limited amount of remaining office space. It's not to say that all office will be replaced with another use, but it will be scaled back significantly.

Light industrial was kind of a darling of a real estate asset pre-Covid. It has become more so right now even though less demand for new space, in the near term, may be weak in certain markets. But, we are seeing that it's picking up dramatically as a result of the increase in e-commerce demand, same day and next day delivery. Owners of small office parks are going to be seeking zoning variances to utilize these sites for light industrial use for quick distribution to local areas over the next 36 months.

As a result of Covid and social distancing requirements, people are getting outside more than they probably did before Covid. They're bringing their families and they're taking advantage of municipal, county and state recreational facilities. This is going to continue and those who sell outdoor sporting goods and equipment are going to benefit. I know when Covid first struck there was a run on bicycles. Throughout the country bicycle manufacturers and sellers of bicycles quickly ran out of supply and there was a lot of backordering being done. That's just to suggest that a lot of people wanted to get outside to take advantage of being socially distanced from their neighbors. This is going to continue for some time. With that, we project that bicycle and pedestrian type amenities and infrastructure will be in high demand for the foreseeable future.

Again, we think first ring suburban communities that offer urban style amenities, coffee houses, restaurants and the like, they are going to benefit greatly. Even pre-Covid and with the exception of the years 2010 and 2011, I believe more people were moving into first ring suburban communities than were moving into cities. I think there's a misnomer that all the millennials were trekking to cities. While there were certainly a large share doing this, a lot of folks who couldn't afford to live in a place like in New York or San Francisco were choosing to move to a first ring suburban community that offered that kind of urban lifestyle and gave them access to get back into the city via mass transit. Communities that have a train station and have developed transit-oriented development type projects near that train station are going to be well positioned going into the future.

We talked about responsive zoning in the Farmingdale case as well as in the Patchogue case. This is going to be true all over communities on Long Island. We will need to think about how people will work going forward. Obviously, a lot of us are doing this at home with zoom meetings or some type of on online platform to participate in work or college or school meetings. That's going to continue as many folks will remain working remotely. This current zoning allows for that type of life-work relationship. Ultimately, demand for city living will improve, but it's not going to go back to the way it was pre-Covid for the next 10 years or so. Missing middle housing, for those of you not familiar with this term, and it's something of a double entendre. Missing middle refers to both housing that is really designed for middle income folks, middle class households, but also the type of housing that has not really been developed over the past 10 to 15, maybe even 20 years as a result of the cost of doing so, as you see in this graph. On the bottom, on the outer edges of this graphic, you have mid-rise, probably even add high-rise to that and on the right hand side, we consider kind of the luxury end of things. The type of multifamily that most of us have seen developed over the last 10 to 15 years, particularly in a place like in New York City, has been built because developers can make money out of these types of projects. On the other end of this graphic would be single family homes. In some cases, these are affordable homes that are subsidized. Again, that type of housing can be developed because developers can profit from it, either by the price of the house they're selling or by the subsidy they're receiving to build the house. What has been a challenge for developers to build is what you see in the middle here which is the typology of housing like duplexes or triplexes. They are what we refer to as multifamily style, low rise housing, courtyard apartments, bungalow courts, townhouses and the like. This is the housing stock that is in high demand where it gets built. It has been a challenge to build principally because of zoning and other regulatory hurdles in addition to the cost of the land on which to build. This is the type of development that we think has the ability to reinvent itself and do quite well, ultimately helping revitalize commercial districts on Long Island.

Retail property owners will be prepared for property owners to petition planning boards for overlays, zoning and form-based code zoning. Form based code is basically getting away from saying this type of use goes here, this type of use goes there. Instead, form-based code zoning says here, here's the box that you can build and this is the size, the setback, the height that you can build to create a business and or put housing in. It looks more at massing and focuses on how much space you have around the building as opposed to what kind of uses go in that building. It has been demonstrated to be successful in many communities around the country. Permit market receptive developments on economically obsolescent retail sites and former retail anchors will become fulfillment centers. We're already seeing that now as Amazon is in conversations with a large number of legacy retailers to take over some of their spaces. Additionally, you will see developers looking to create a mixed-use residential development on former shopping center sites. We see this as the next big thing, bigger than transit-oriented development simply by virtue of the fact that there are far more shopping center sites in America than there will ever be transit oriented development sites. Many suburban communities in Long Island will figure out that they have a number of these shopping center sites that can be repurposed and that they can increase their tax base.

In the near term, there will be fewer independent restaurants, bowling alleys, nightclubs. There will be an ability for some of these types of businesses to survive and maybe even thrive depending on their location. Nonetheless, village planners are going to have to think creatively about how these vacant restaurant and entertainment spaces are going to be adaptively reused. Our recommendation to our clients now is to consider pop up activity. Some of you are familiar with pop up retail. It is where you have a vacant storefront and while it's vacant, the owner of that store may allow for a temporary use to come in there for a month or so. It's almost like showcasing a specific type of business that ultimately may end up becoming permanent. An example of that is when you see the Halloween stores pop up in the month of October. That's a classic pop up retail type use. You could see that transferring over to restaurants where perhaps there is an entrepreneur trying to establish a new type of restaurant or eatery and they come into a vacant restaurant space and become a pop up for at least an interim period of time and possibly permanently depending on how successful they are. Some restaurants could be solely used as commercial kitchen spaces. Commercial kitchen spaces are in high demand right now for people who either want to try out a restaurant concept but don't want to open the restaurant yet or they are used by nonprofits for some of their food service delivery. Adaptive reuse activities for office complexes will have to take place, otherwise there will be a number of office complexes around the country that are going to sit vacant and ultimately drag down the real estate value of those that surround them. Wholesale redevelopment of office sites and office parks will occur and within those office sites you're going to see a smaller footprint of the traditional professional and medical office space, but you might see additional new spaces of retail and perhaps some workforce housing on those sites as well.

Unfortunately, not all office building sites or parks will able to be repurposed. Some will languish and what that means is that there has to be a triage type exercise that takes place. That is to say that regionally, local and county planners need to look at which office sites and parks can be repurposed in the near-term, which ones are kind of mid-term and which ones are really going to languish until someone figures out a new use for them. Light industrial expansion is going to continue to increase along with the demand for e-commerce and its related activities. Those communities that will most benefit will be close to or in proximity to two or more interstate highways and have a large population base.

Finally, on the recreation side, municipal county and state park recreational facilities will continue to remain popular. I will tell you that this will obviously require an increase in their operating and maintenance budgets as more people, residents and visitors use them. This will create an opportunity for public and private partnerships as more people discover what was always there. I think this makes for a great opportunity for local and county governments to enter into public and private partnerships whether that's through concessions or through fundraising activities to help support the mission of maintaining and programming these public spaces.

To summarize the takeaways for Long Island and what we've covered on the housing front, we need to be prepared to zone for missing middle housing typologies and to zone to facilitate life/work housing arrangements as not everyone will be returning back to an office even once Covid-19 is under control. There should be consideration of permitting of accessory dwelling units and this also fits into that missing middle housing typology. What I mean here is to accessorize a single-family dwelling unit by putting an apartment above a garage or building a granny flat on that housing unit. That's what accessory dwelling unit means. We need to be receptive to three-bedroom housing units, as multigenerational living is and will continue to be in demand. As a corollary to that, as fertility rates have been declining for more than a decade and are expected to remain low, the projected increase in public school aged children is also going to remain low, which means that the impact of local school district is likely to be modest at best. Retail needs to be prepared to create overlay zoning for economically challenged shopping center sites. I think this is critically important and must happen now as more and more retail struggles and is challenged by online retailers such as Amazon and Walmart.

Planning officials, particularly at the local level, but even at the county level, need to revisit their use restrictions within retail zoning districts and identify retail locations that would best be suited for either light industrial conversion or mixed-use residential conversion. Again, this type of strategic thinking needs to happen now. We need to anticipate pop up retail demand for shutter storefronts in the near-term. It creates energy in an area that would otherwise be a dead zone and also gives a prospective entrepreneur an opportunity to perhaps create something that's permanent. Additionally, it creates employment opportunities for those who have been recently dislocated. You want to think about permitting food truck clusters in underutilized parking areas such as a shopping center sites. We're starting to see that happen now. This is going to be particularly important. As we get into the winter months, certain restaurants might pivot to a food truck model in order to keep their business afloat allowing more outside seating in the near term as well as in the long term. While if we revisit this 36 months out this may change, the likelihood is there are going to be certain places where it becomes the new normal. To the extent where it doesn't create a parking challenge, it's probably a good thing. As mentioned earlier, permitting commercial kitchen operations in shuttered restaurants is another way to reutilize and recycle space as well as create energy on that portion of a block. We should think about expediting a zoning variance to allow for permitting and encouraging pop up drive-ins in parking lots. While people don't necessarily want to flock back to a movie houses, drive-in theaters have been making a comeback.

As I mentioned, planners need to identify office parks and sites which are best suited to be converted. In some cases, institutional uses and residential uses such as assisted living and skilled nursing facilities might be a promising use. We need to create a streamlined variance process anticipating that developers and businesses are going to come knocking on your door to get into a site sooner rather than later. Local jurisdictions that are prepared will be the ones who will benefit most. Again, identifying obsolescence shopping center properties will be critical and that thinking should be taking place now. Planners should also be reviewing existing parking requirements for light industrial zoning. In my experience, parking requirements for light industrial is frequently overkill. There's not nearly as many workers that are employed at light industrial sites for the simple reason that these sites have become much more automated requiring less labor, which in turn means that there are fewer people parking on the site freeing up land area that was formerly dedicated for parking. This means that something else can be built on that site which creates a greater rentable for the community.

Finally, recreation is going to continue to remain a significant factor over the coming years. As I mentioned, this will offer revenue generating opportunities for those communities and the counties to take advantage of. Outdoor ice rinks, rock climbing walls and mountain bike trails are just examples of some of the things that provide for socially distanced recreation and that municipalities can probably sponsor again under a public private partnership type of model.

John Cameron:
Thank you, Todd. I'd like to thank Todd for a very insightful perspective and I think very thought provoking presentation. It gives us a number of things to think about as we move forward with regard to planning on the Island and we have a number of zoning officials that are on our Council. I would like to open it up to the Council for any questions.

Don Clavin: I want to thank you very much. I think your presentation was great. We have a lot of development here in the town. In particular we have the Baldwin project with the state. What are your thoughts, particularly with the hub? I'm wondering your thoughts on the concept of shared units, where four people would share a common area. Do you think that strategy will change post pandemic?

Todd Poole: Pre-pandemic, there was increase in multi-generational living, which meant not moving to an apartment, but instead moving into something more like what we saw pre-World War II or even after World War II which were duplexes and triplexes. Mom and Dad might have lived on one side and the kids were renting from them on the other side. I think you're going to see more of that. I think you're going to see more low-rise residential with services, again, akin to a small commercial district being developed nearby. I think that that's what's going to be in demand. I don't see a large-scale amount of multifamily being developed the way it has been up to this moment in time. As a matter of fact, again even pre-Covid, there was a softening of the multifamily market because the market had gotten ahead of itself and it started to overbuild that product type. Now what you're going to see because of a combination of affordability issues and people wanting to share the expense of living will be these larger housing units in this missing middle housing typology becoming more favorable.

Nancy Engelhardt: I'm especially interested in the accessory dwelling units you mentioned. I had read an article last month talking about this. Although it certainly isn't a silver bullet to address the segregation on Long Island, our leaders and policymakers potentially approving and allowing the building of small dwelling units on larger properties and converting large McMansions into townhouse situations could really be an opportunity for Long Island to start breaking down or at least incrementally breaking down the institutional barriers that we have with regard to diversified communities. Is that something that you thought about? How difficult would it be for our policymakers and leaders?

Todd Poole: Just a quick note to a great point. Princeton, New Jersey, recently created permissive zoning to allow for accessory dwelling units to be developed on existing single-family lot properties for that very reason. So, you think about a place like Princeton, which is quite affluent. They are doing it for that precise reason. They are looking to right the inequality that has occurred in terms of diversity and the ability to afford to live there, particularly for the workers who work there. I think that would be a game changer. And the thing is, having such a policy is an easier way and while it shouldn't be the only way, it is an easier way to help address the affordability issue and inequality issue more quickly.

Theresa Sanders: Todd, thank you so much for the presentation. One of the challenges that we're looking at and that startled me is this shift of people moving back to suburban areas. What's your opinion in terms of the real impact of quality of life on Long Island? We already have an affordable housing shortage. Do you have people moving back to Long Island? Just tell me what your predicting?

Todd Poole: In the two studies that I did, in both Patchogue and Farmingdale the stories are mostly positive. The negative side of that story is that a lot of the service workers are being priced out of a place like a Patchogue and the same thing is happening to some of the service workers that I interviewed in Farmingdale. They're part of the success of a plan as these villages try to revitalize themselves. Unfortunately, the dark underbelly of the gentrification is that higher prices actually hurt the folks that you rely upon to make that place work. Long Island is going to become more popular, particularly as more people leave a place like New York City. However, unless it gets its housing policies in line with what's coming, they're going to be challenged. I tell all of my clients that housing policy and economic development policy are inextricably linked. You cannot have a strong economic development atmosphere and have a weak housing policy or strategy, because sooner or later, a weak housing policy or strategy undermines the economic strategy. All you have to do is think, if I run a restaurant or retail operation, and I have low and mid wage workers who can't afford to live close to where they work one of two things happens. Either I have to pay them more to retain them or they just end up having to leave to work closer to where they live. Neither one of those scenarios is a good one and it happens because the housing policy is not aligned with the long-term economic development strategy. So, to answer your question, I think Long Island needs to be prepared to aggressively address its housing policy, if it wants to continue its economic development success.

John Cameron: Thank you, Todd. Other questions from the council?

Alan Belniak: Just a quick reminder to all those who are may have tuned in a little bit late. If you would like to raise your hand for a question, please use the raise hand function down below or use the Q&A function. One more quick reminder that this meeting is being recorded.

I will read a question from Rebecca Sinclair from Suffolk County. The White House's current position is that any housing type other than single family erodes the quality and safety of our communities. With their attempts to erode well established federal fair housing laws, do you see a reduction in federal subsidies to create integrated affordable housing options or a lack of protection of housing choice as an impediment to the broad adoption of middle housing zoning?

Todd Poole: We have conducted several studies and there are many educational institutions such as the Harvard Kennedy School and others that have done studies that actually refute the fact that low income housing, even if it's multifamily erodes the value of single family housing. Now, let me qualify that this is true if it's well-built housing and the tenancy is monitored, and the property is well maintained. That is to say that if a property is subsidized, it does not necessarily have a deleterious effect on nearby single-family market rate housing. We know this because studies have been done to show the value change over time from those developments. In many cases they have demonstrated that single family housing units have still increased in value. That's number one. Number two, while I can't speak to what might happen at the federal level in terms of how subsidies might be impacted, I will say that given this current climate of challenged government budgets at all levels, I wouldn't expect that there's going to be any new money, at least not, presently. I think this is all the more reason that communities such as those on Long Island are going to have to get creative with their zoning. How do you do this? To the extent that you do allow for greater density in an area, and I'm not talking about doing a high rise necessarily, but where the zoning in some of these communities, villages and hamlets might allow for at best four units an acre or six units an acre, even doubling that to 12 units an acre, you could get easily 12 bungalows or smaller housing units on that acre and it does not have a negative impact on the character of the community. Again, thinking creatively without having to rely upon public subsidies will be key because often times what a developer wants most is the right type of zoning and the certainty that you're going to get out of their way once you've given them that zoning so that they can develop and meet that demand. This can be more important to them than subsidies.

Alan Belniak: Thank you, Mayor Scordino.

Mayor Scordino: Very good presentation, Todd, but there's some things that I really feel that that we're missing here. One is that people are leaving the city. They don't want to go back to the city, so they are looking for single family homes. Single family home values in the last three months have almost doubled in our communities that are down on the south shore and out east. Big property owners are satisfied living in Southhampton, Bridgehampton, and out into the North Fork. These people are buying up all these places and that's where they want to live. I feel that people are satisfied with the suburban like feel of all the south shore villages that we have including Farmingdale and places into Nassau County. I think when you start getting into apartments, whether they be three apartments, six apartments, 12 apartments, the demand is less. People are afraid to be confined to that type of living and it's going to be very, very difficult in established suburban villages to start expanding those types of diversified housing units. Getting to the pop ups, there are a lot of Chamber of Commerce's that feel, especially now, that pop up type restaurants or retail stores actually take away from their stores that are trying to survive. So, I don't know how that's going to be received in a lot of these communities.

Todd Poole: Right, Mayor if I can address the first point on the housing. I absolutely agree with what you just said about the increased demand and the purchasing that's happening on single family homes. But let me say this, 95% or more of that is happening with more upper income, affluent people that have the ability to make those purchases. The people that we're talking about that are going to be most impacted, in particularly leaving New York City, are the ones that don't have the resources to make that single-family purchase. Principally, these are going to be your younger prime age workers. I'm talking about the 25 to 44-year olds. Relatively few of them have had the ability to make those single-family housing purchases.

Mayor Scordino: I have to disagree with you. I have a realtor that's a trustee for us. She gives me the feedback. These people are the young people that have the cash that are buying these homes at $700,00 to $800,000. They're buying them and some of the buying is with cash. They're getting the money somewhere and they're using it. They are buying in areas where there is a railroad to go into the city, but preferably they are putting an office in their home to work. I really disagree with you. I think that the feel that I'm getting right now is the people, including my son, don't want to go into the city. People are really concerned. They're afraid to go back to the city.

Todd Poole: Right. We're in agreement on people not running back to the city, but I'm saying that there are young people in their 30s and 40s that are buying these houses in suburban downtown areas like Farmingdale, like Babylon, like Patchogue.

Alan Belniak: There are no hands raised and nothing in the Q&A at the moment. If anybody would like to ask a question, please raise your hand or you could submit a comment. Okay, I don't see anything.

John Cameron: Okay, fine. Rich, next on the agenda we have your Executive Director’s report.

Rich Guardino: Yes. Thank you, John. I wanted to let the members of the Council know that Kyle Rabin, who has been our Project Manager for the Long Island Nitrogen Action Plan is leaving us this month to take a position with the Alliance for Clean Energy in New York. We're going to miss Kyle. He has done a terrific job for us and we certainly wish him well in his new position.

You may recall that we retained Todd to do a study looking at multifamily housing impacts and analysis on school districts. We are looking to expand that beyond Patchogue and Farmingdale, particularly looking at the net revenue plus to the school districts. Todd is going to expand that study looking at three more hamlets or village areas in Suffolk and also in Nassau County. He has started that analysis. We're working with the counties to determine which communities he will be going into. At the same time, he's going to take a look at how multifamily housing impacts what the parking requirements are versus the actual usage. We found preliminarily, in some of the areas that he's already looked at, that the actual usage of the parking lots for multifamily was a lot less than the requirements. This certainly could have an impact going forward with future development. Todd is going to continue with that analysis looking at six more communities beyond Patchogue and Farmingdale.

I also want to let you know that our Chairman John Cameron has written letters to federal officials and both the chairs of the House Appropriations Committee and Congress requesting that the expenditure of funds deadline for water quality and for infrastructure projects including securing projects be extended due to the delays caused by Covid-19. These grants involve an enormous amount of money in the amount of $390 million and impact significant projects in Suffolk County and are critical to reducing nitrogen pollution. We're on record asking for an extension of time there.

There was a briefing for the Long Island Nitrogen Action Plan partners held via zoom, providing a detailed overview of the Hempstead Bay Water Quality Monitoring Program. We looked at the historical data analysis completed by the team at Hofstra. In attendance was LIRPC Council Member Supervisor Don Clavin, Representatives from Nassau County Executive’s Office, the United States Geological Survey, water quality protection groups, environmental advocacy groups, and the New York State DEC.

Finally, the Council partnered with the Peconic Estuary Partnership on a social media campaign aimed at educating the public about the Long Island Nitrogen Action Plan. The campaign features a pledge to reduce individual nitrogen pollution. Individuals who take the pledge will be recognized on our website. That completes my report.

John Cameron: Thank you Rich. Are there any other comments from the council? Alan, do we have anybody raising a hand for public comment on any topic?

Alan Belniak: There are no other hands raised or question hands raises the Q&A.

John Cameron: So I think on behalf of the Council, I'd like to thank Todd on his excellent presentation and for providing some good food for thought for us as the Council moves forward to try and address the challenges that we face. Rich, would you like to say anything else?

Rich Guardino: No, the only thing left is the motion to adjourn.

John Cameron: Motion to adjourn. So moved. All in favor.
Everybody stay well and stay safe. We'll see you next month. Thank you.