

Appendix I: Economic and Demographic Background-Long Term Population, Household and Job Projections
Ulster County Housing Strategies Report
Ulster County Housing Consortium
June 30, 2005

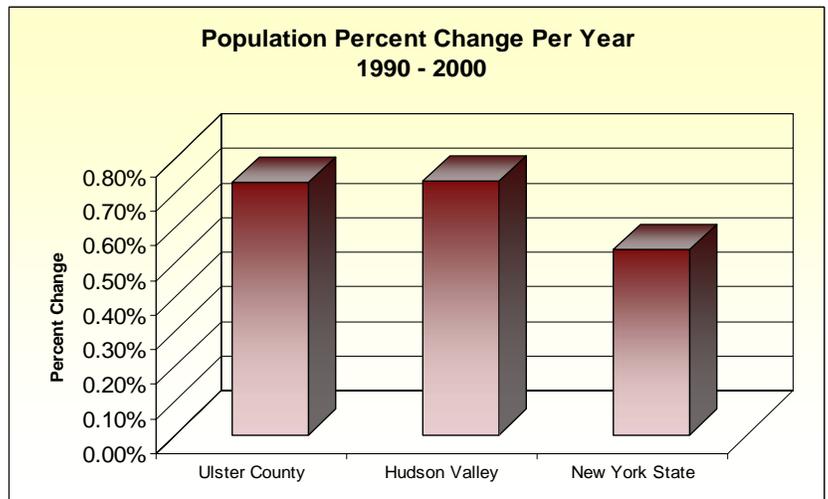
I. Economic and Demographic Overview

This first section of this Housing Strategies Study for the county presents an historical overview of some of the more significant economic and demographic trends in the study area that have affected and can be expected to affect housing demand and supply in the future. In addition, this initial starting point also includes a review-assessment of the county’s economic and demographic structure with an eye to prospective impacts on the housing situation in the county as well. All comments are made within the context of the greater Hudson Valley Labor Market Area (hereafter “HVLMA”) and New York State overall.

This review and assessment utilizes a variety of secondary data, including: (1) population, household, and housing unit data for the decennial census years from the U.S. Census Bureau, (2) household income and housing cost data from the Census Bureau (using the U.S. Census Bureau definition of money income for the years immediately preceding the decennial Census years), (3) commuting patterns data from the 2000 Census, (4) labor market information from the New York State Department of Labor, and other important secondary data that affect housing demand and supply in the region. Additional data and information such as “arms-length” real estate sales data are used and presented in subsequent parts of this study.

A. Summary Findings of Population Trends and Structure

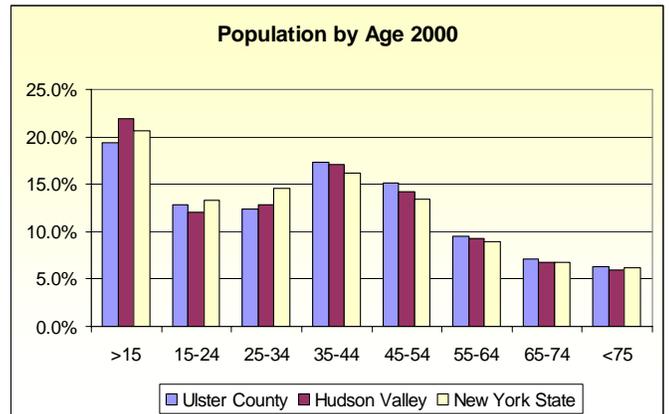
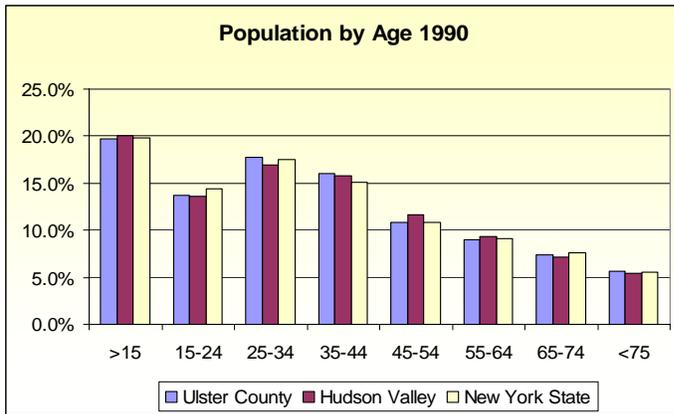
- Ulster County and the HVLMA experienced nearly identical (at +0.7%) per year and total rates (at 7.5%) of population growth between the Census years of 1990 and 2000. That rate of increase for the county and the HVLMA was just under 0.2 percentage points greater than the annual average rate of population growth for the state overall during the same ten-year period.



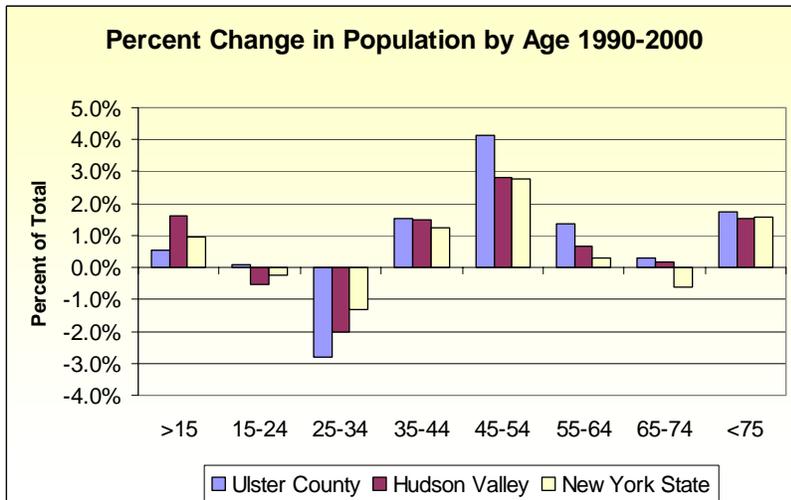
- Although the county and the HVLMA experienced identical annual average rates of population growth over the 1990-2000 period, Ulster County experienced a 0.3

percentage point decline in the percentage of its population under in the Age 15 Years category versus a 1.9 percentage point increase in the share of the population in the HVLMA (and a +0.8 percentage point increase statewide).

- Relative to the HVLMA and the state, the county also experienced a much more significant 5.3 percentage point decline in share of the total population in the Age 25 to 34 Years category over the period—an important demographic category for housing. This occurred in Ulster County in comparison to a 0.9 percentage point decline in share for the HVLMA as a whole, and a 3.0 percentage point decline for New York state overall.



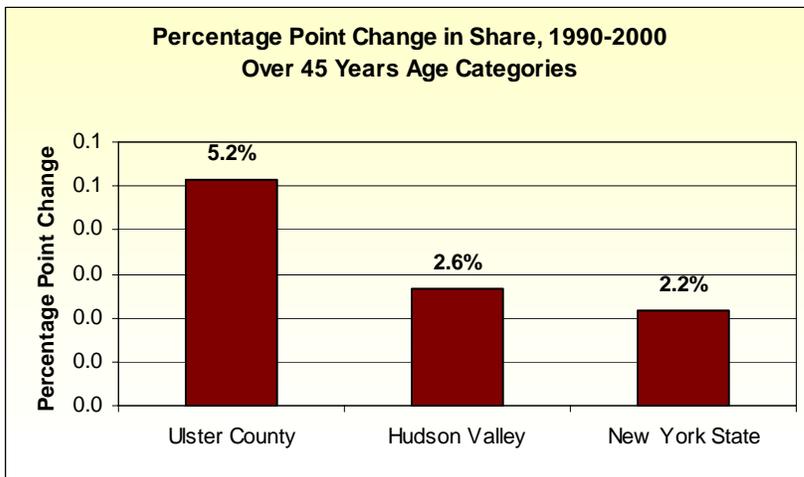
- On the other side of the population share ledger, the county experienced a small increase in the share of its population Aged 45 to 64 years (at a 0.2 percentage point increase in share) over the 1990-2000 period. In comparison, the HVLMA (at a 0.4 percentage point decline in share) and the state (at a 1.0 percentage point decline in share) both experienced a decline in the percentage of their respective populations in the Aged 45 to 64 years category over the same 10-year time frame.
- In the Over 65 years category, the county experienced a 0.3 percentage point increase in share over the 1990-2000 period. In contrast, the Over 65 Years age category for the HVLMA was unchanged (at a 0.0% change in share) over the 1990-



- 2000 period, while the share of the state's population in this age category experienced a -0.2 percentage point change in population share over the period.
- In the Age 35-44 Years category, the county and the HVLMA experienced similar +1.3 percentage point increases in share

over the 1990-2000 time period—reflecting the aging of the “baby boom” generation of the regional and state population. These increases in share were significantly greater than the 1.1 percentage point increase in share experience by the state in this age category over the 1990s.

- Looking at the comparative age distribution data, the county, the HVLMA and the state had remarkably similar population age structures in 1990. By 2000, the disparate experience and differing shifts in age structure share resulted in a significantly lower share for the county at the lower end of the age spectrum and a slightly higher share in the upper end of the age spectrum in 2000 structure when compared to the HVLMA and the state as a whole.
- Ulster County’s population relative increase in population share in the Age 45 Years and Up and Age 65 Years and Up demographic categories (including roughly double

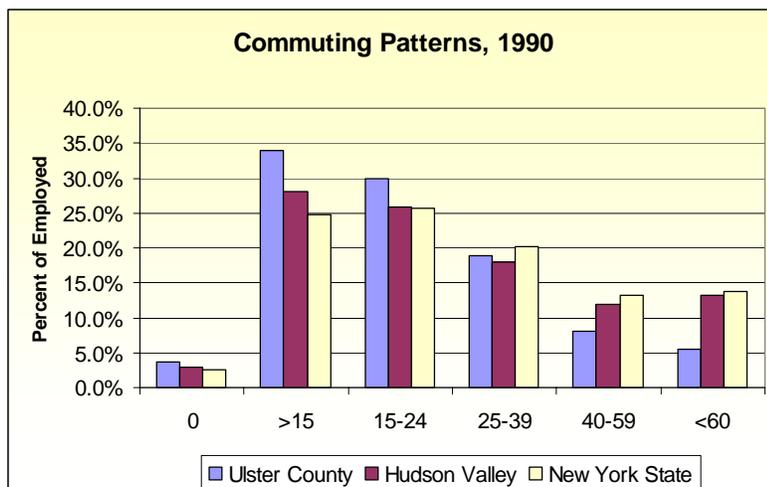


the rate of increase in share of the Age 45+ Years category in the county relative to the HVLMA and the state) will have significant implications for the demand and supply and affordability of the county’s current and prospective housing inventory

now and likely for a long period into the future for the county’s residents and their families.

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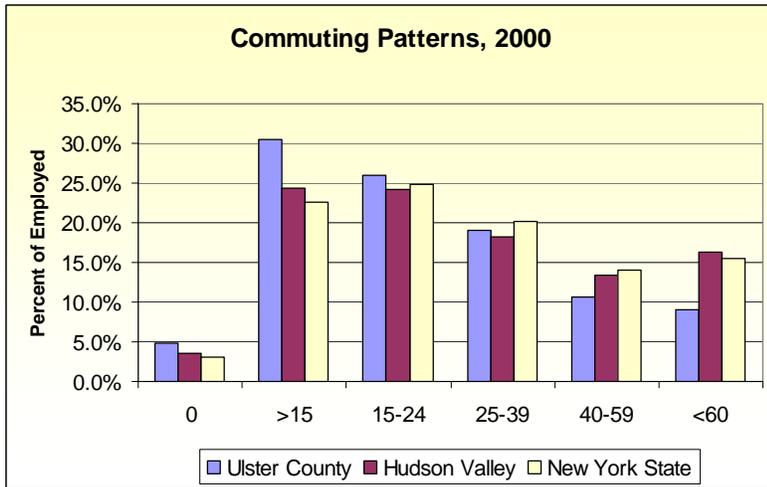
B. Summary Findings Regarding Commuting Patterns



- During the 1990s, the county experienced a decline in the percentage of total workers traveling under 24 minutes from their home to their place of work. This occurred at the same time the HVLMA as a whole experienced a mixed change in the two less than 24 minutes commuting time

categories. More specifically, the HVLMA on one side saw a decline in the percentage of its workers traveling under 15 minutes. On the other, the HVLMA experienced an increase in the percentage of workers traveling 15 to 24 minutes to work.

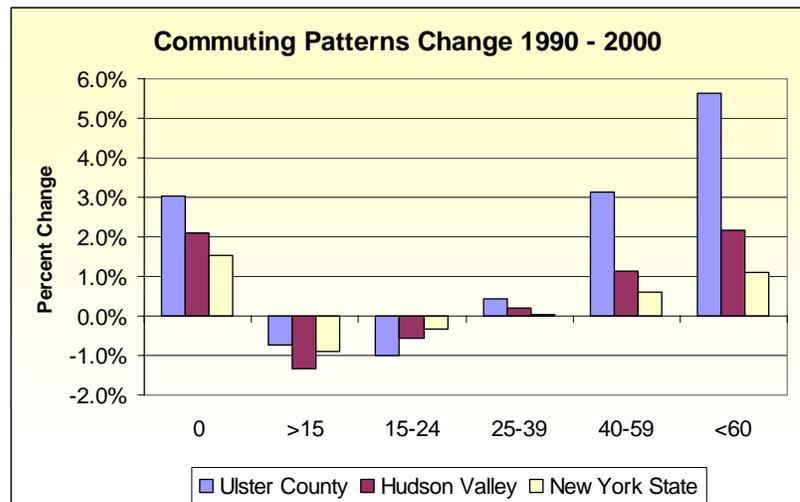
- In the 25 to 39 minutes commuting time category, the percentage of workers in the county, the HVLMA, and the state traveling to work all stayed relatively steady (in the 18.0% to 20.2% of total workers) over the ten year 1990-2000 period.



- Over the 1990-2000 time frame, the county has experienced a significant increase in the percentage of workers traveling greater than 40 minutes (including the 40 to 59 minutes and the greater than 60 minutes categories), mirroring the ten year changes in the HVLMA and the state overall.

- However, the percentage of commuters within Ulster County traveling greater than 40 minutes to their place of work changed at a significantly greater rate than either the HVLMA or the state, at 3.4 percentage points and 4.5 percentage points greater, respectively.

- At the other end of the commuting spectrum, all three peer group regions experienced a significant increase in the percentage of employed people with “zero” minutes commute—or those workers that appear to be working at home. Ulster County experienced a roughly 50% (relative to the HVLMA) to roughly double (relative to the state average) rate of increase in the number of workers having a “zero” minute commute.



- This change at the two extremes of the commuting time spectrum—where the data show a proportionally greater number of workers traveling further for employment and greater number of workers telecommuting and/or working from home—has

important short-term and long-term implications for workforce housing both in the county and regionally.

- According to the 2000 Census, Ulster County had 81,726 employed workers. Of these, 66.5% of Ulster County residents work within the county, and the remaining 33.5% work primarily in Dutchess and Orange Counties.
- Regionally, Dutchess County has the largest percentage of residents working within the same county with 69.3%, while Putnam has the smallest percentage of residence working and living in the same county at 28.8% in 2000.

Percent of County Employed Residence Working in Respective Hudson Valley LMA Counties, 2000

Place of Residence

	Dutchess	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester
Dutchess	69.3%	3.4%	3.1%	0.2%	0.9%	13.1%	0.3%
Orange	3.0%	65.5%	0.8%	1.3%	16.6%	10.6%	0.3%
Putnam	3.5%	0.3%	28.5%	0.1%	0.0%	0.3%	0.6%
Rockland	0.5%	6.4%	0.9%	54.4%	1.3%	0.7%	0.9%
Sullivan	0.0%	0.6%	0.0%	0.1%	67.4%	0.9%	0.0%
Ulster	2.7%	1.3%	0.1%	0.1%	3.8%	66.5%	0.1%
Westchester	11.6%	3.7%	41.6%	8.3%	0.9%	1.4%	62.9%
Outside LMA	9.5%	18.9%	25.0%	35.4%	9.2%	6.5%	35.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2000 US Census

As Prepared by Economic & Policy Resources, Inc.

Percent of County Workers Residing in Respective Hudson Valley LMA Counties, 2000

Place of Residence

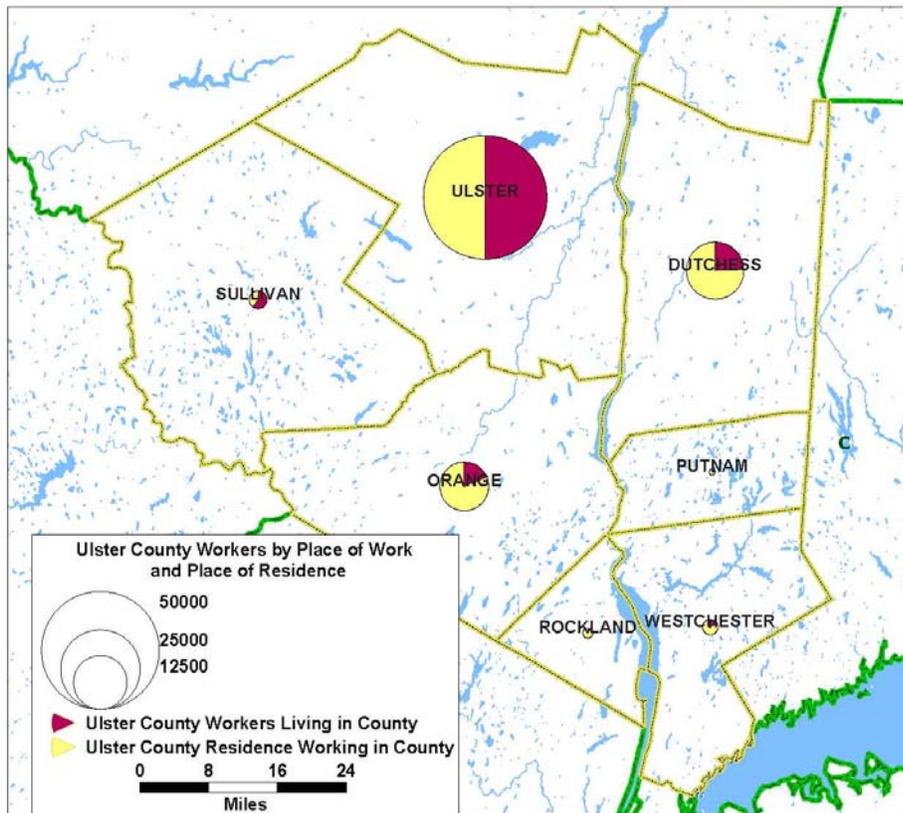
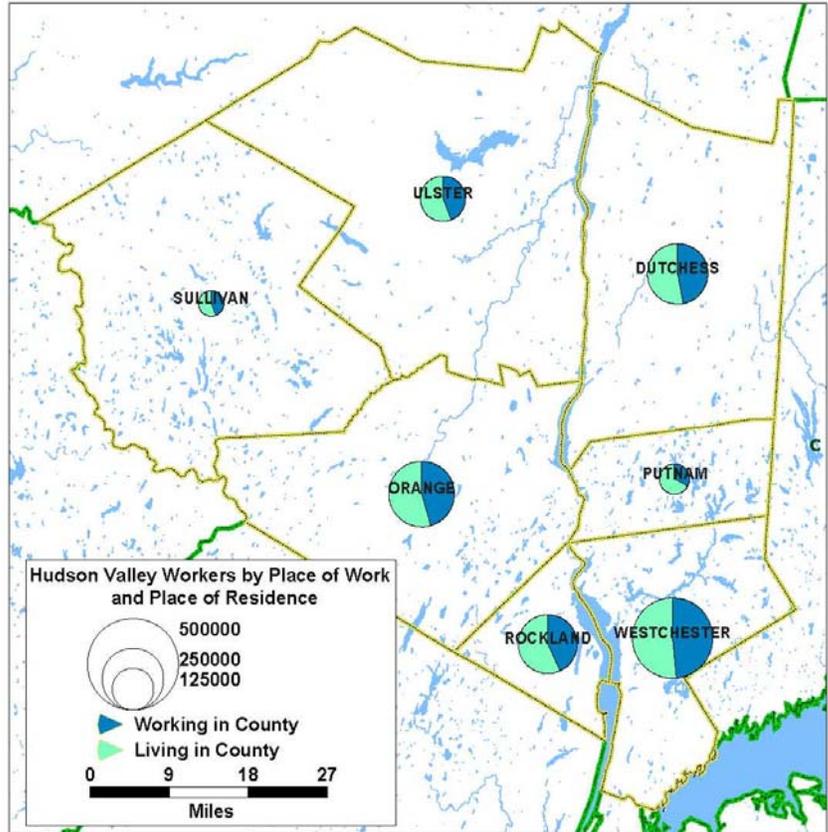
	Dutchess	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester	Outside LMA	Total
Dutchess	77.8%	4.5%	1.3%	0.2%	0.2%	9.3%	1.1%	5.4%	100.0%
Orange	3.0%	78.3%	0.3%	1.4%	3.8%	6.8%	1.0%	5.5%	100.0%
Putnam	18.7%	2.1%	57.2%	0.6%	0.0%	0.9%	10.4%	10.1%	100.0%
Rockland	0.6%	9.7%	0.4%	71.3%	0.4%	0.6%	3.6%	13.4%	100.0%
Sullivan	0.3%	3.7%	0.0%	0.8%	84.2%	3.1%	0.2%	7.8%	100.0%
Ulster	5.3%	3.1%	0.1%	0.1%	1.7%	84.0%	0.4%	5.3%	100.0%
Westchester	3.7%	1.4%	5.0%	2.7%	0.1%	0.3%	66.6%	20.2%	100.0%

Source: 2000 US Census

As Prepared by Economic & Policy Resources, Inc.

- Of Ulster County's 64,729 workers, 84.0% of the workers resided in the County. Within the HVLMA, only Sullivan County had a larger percentage of its workers residing within their same county of residence.
- As of the 2000 Census, the above table also shows that a total of only 13.7% of Ulster County workers reside in either Dutchess County, Orange County, or outside the LMA (adding 5.3% for Dutchess County, 3.1% for Orange County, and 5.3% for the Outside of the LMA categories) .
- Within the HVLMA, Putnam County has the smallest percentage of workers who reside the same county—with a total of only 57.2% of that county's workers actually living in the county. The above table shows that Putman County draws its workers principally from Dutchess County, Westchester County, and from outside the LMA.

- As illustrated in the accompanying maps and above tables, each individual county—including Ulster County and all of the counties within the HVLMA), has more employed residents than jobs. As such, it is apparent that county residents commute to job centers outside the geographic boundaries of each county and the HVLMA as a whole.
- Of the 64,729 employed residents of the county, only 54,373 work in the County, corresponding to roughly 2/3 (approximately 66.5%) of the county’s job opportunities. These data indicate the remaining

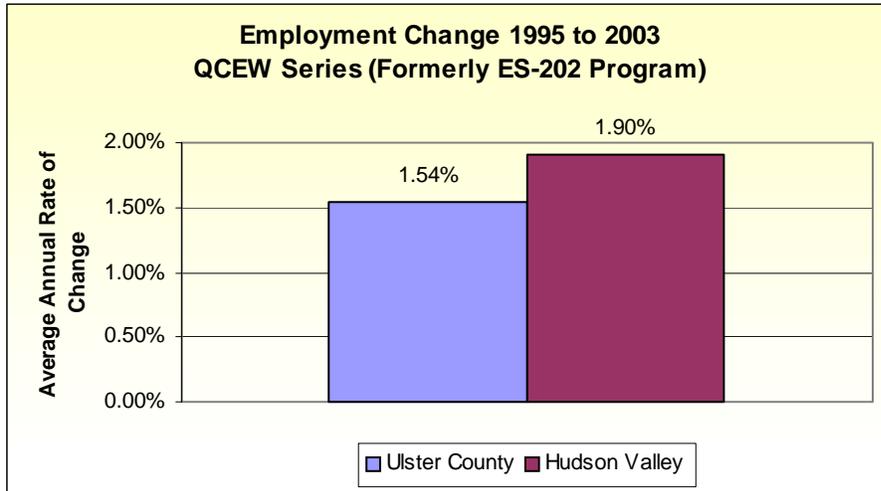


employment opportunities in the county are filled by persons who do not reside within the county.

- Dutchess County, Orange County, and Sullivan County employ the majority of Ulster county residents who work outside of the county.
- These data also show that Dutchess County, Orange County, and Sullivan County also are

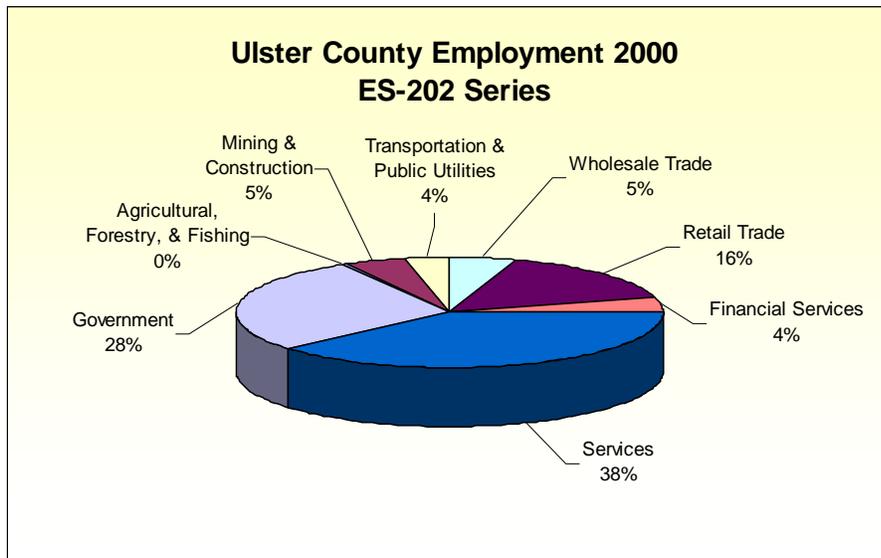
the place of residence for the majority of non-Ulster County workers who are employed within the county.

C. Summary Findings Regarding Employment



- Ulster County's total employment grew at a slightly slower rate between 1995 and 2003 when compared to the HVLMA as a whole—at 1.54% per year versus 1.9% per year, respectively.

In 2000, over 50% of Ulster County's employment was found in two industry sectors, Services (at 38%) and Government (at 28%). The Retail sector was the county's 3rd largest employment category, with a total of 16% of the county's employment base in 2000.



- The remaining five industry categories—corresponding to the Agricultural sector, the Construction sector, the Transportation sector, the Wholesale Trade sector, and the Financial Services sector, represented approximately

17% of Ulster County's total employment base in April of calendar year 2000.

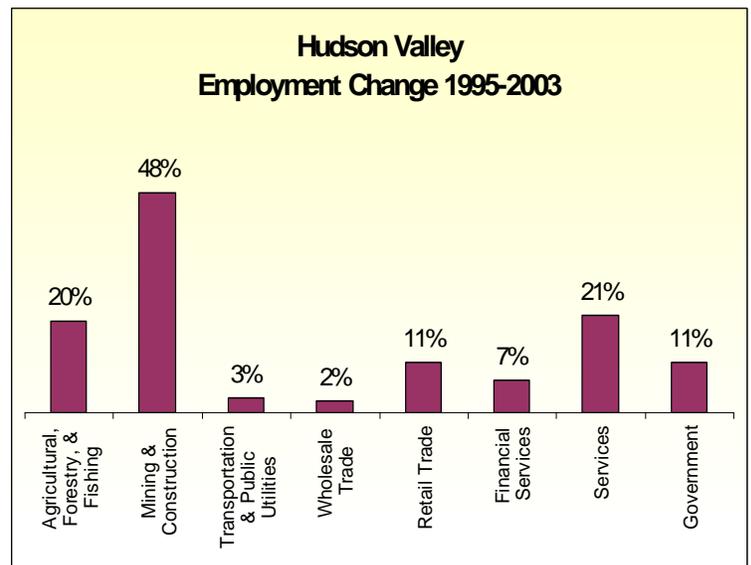
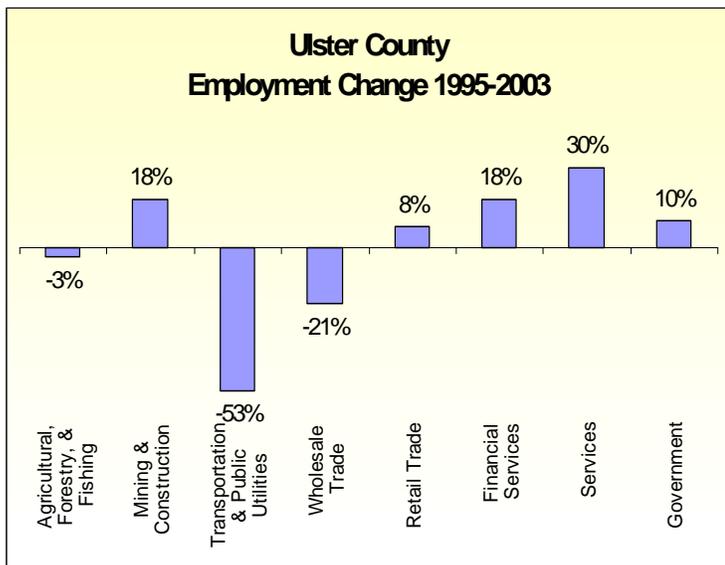
- A comparison of Ulster County's employment base to that of the HVLMA in 2003 indicated that the HVLMA has a significantly higher concentration in the Construction, Transportation, Wholesale Trade, Financial Services, and Services categories. Of the above-referenced sectors, the county has lost relative share vis-

à-vis the HVLMA over the 1995-2003 time period in the Construction, Transportation, and Wholesale Trade categories.

- In 2003, the data indicated Ulster County had a larger percentage or higher reliance on the employment in the Agricultural, Retail Trade, and Government employment sectors than the HVLMA. Of these employment categories, the county lost employment share (or prominence) relative to the HVLMA in the Agricultural employment sector and Retail Trade employment category over the 1995 to 2003 time period.

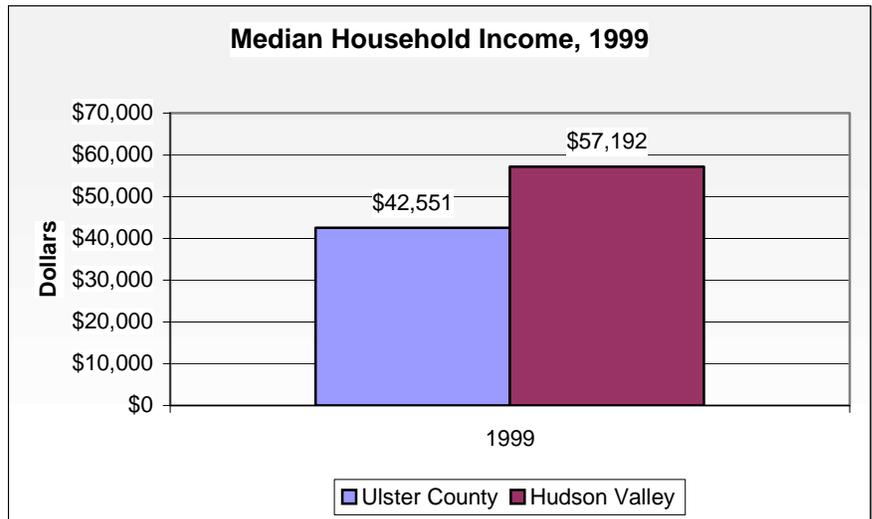
Comparison of Employment Structure: Ulster County and HVLMA		
Industry	Percent Of Total Employment-2003	
	Ulster County	Hudson Valley LMA
Agricultural, Forestry, & Fishing	0.30%	0.05%
Mining & Construction	4.20%	6.01%
Transportation & Public Utilities	1.84%	3.16%
Wholesale Trade	3.46%	4.71%
Retail Trade	17.40%	13.99%
Financial Services	4.64%	5.99%
Services	40.22%	45.18%
Government	27.95%	20.90%

- Over the 1995-2003 period, the county has increased relative employment share or prominence in two major sectors—the Financial Services sector and the Services sector. In each of these two employment sectors, the county added employment at a relatively faster pace than the HVLMA as a whole over the period (In the following charts Hudson Valley equals the HVLMA).

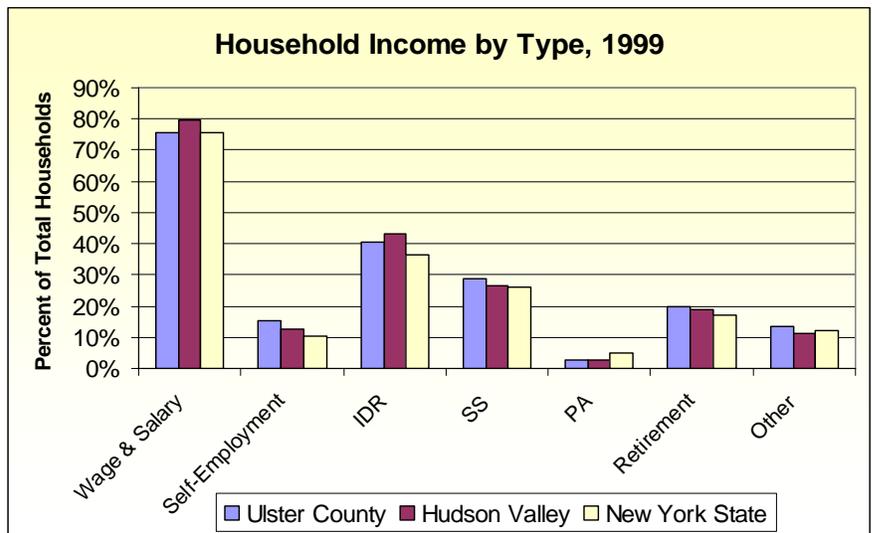


D. Summary Findings on Households and Housing

- According to the 2000 Census, the median household income in the HVLMA in calendar year 1999 was approximately 34% greater than that the median household income in the county—with a difference of roughly \$15,000 per household.



- Of the total number of households in all three peer geographic areas, over 75% of all households receive wage and salary income whether in Ulster County, the HVLMA, or statewide in calendar 1999.



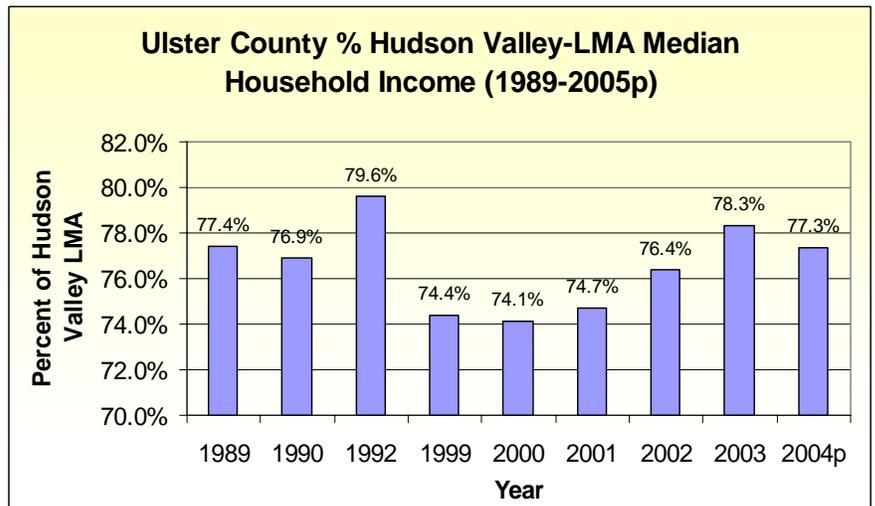
- The second highest category in calendar year 1999 in terms of percentage of households with reported income by source was the Interest, Dividends, and Rent (IDR) category. Among the three peer

regions, the HVLMA had a greatest percentage of its households receiving IDR relative to both Ulster County or the state as a whole.

- Social Security (SS) income was the third highest category in terms of the percentage of households reporting to have received such income in calendar 1999. Just under 30% of the households in all three peer geographic regions were reported to have received SS in calendar year 1999.
- Only 15% of the county's residents reported on their 2000 Census to have received income from Self-Employment—suggesting that the number of residents that were working at home were more likely to be telecommuting than were likely to be self-employed.

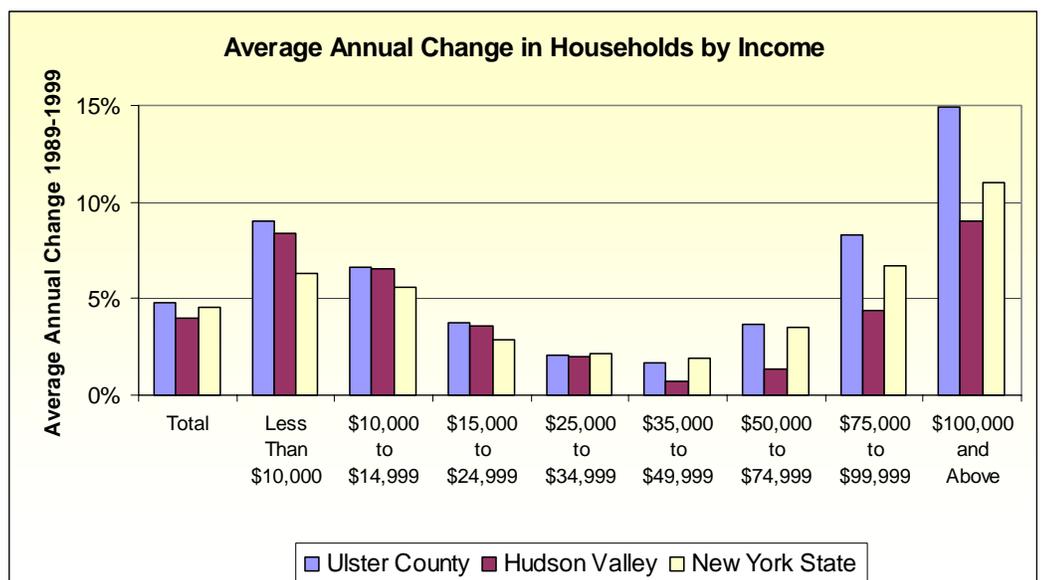
- The smallest income category reported by the peer geographic regions in calendar year 1999 in percentage terms was those households reporting to have received Public Assistance income (PA). Both Ulster County and the HVLMA had a relatively smaller percentage of their respective households receiving PA income than was the case in 1999 for New York State as a whole. This was an expected finding, given the likely urban area bias in this indicator for other parts of the state.

- Since 2001, Ulster County's median household income increased slightly compared to the HVLMA, rising nearly 4 percentage points between 2001 and 2003—or from 74.7% of the HVLMA average to 77.3% of the HVLMA average in 2003.

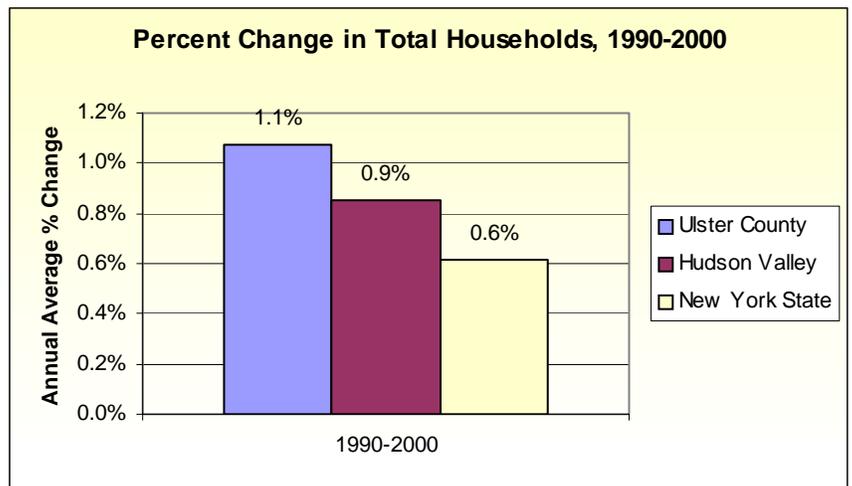
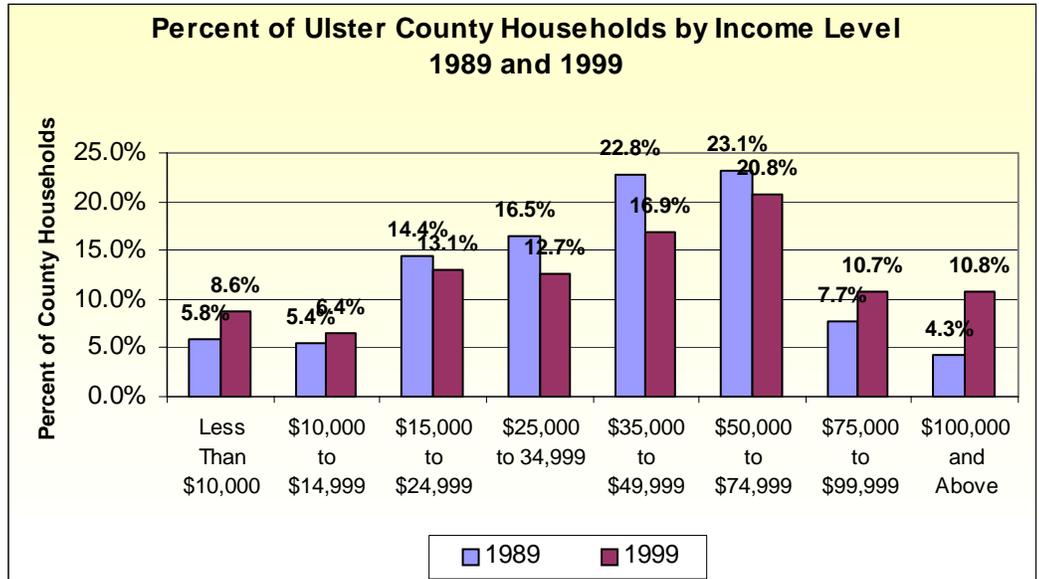


- Examining the change in the number of households among the different household income groupings for all three peer geographic regions showed that all income levels experienced an increase in the number of households within the each category level over the 1989 to 1999 time period.

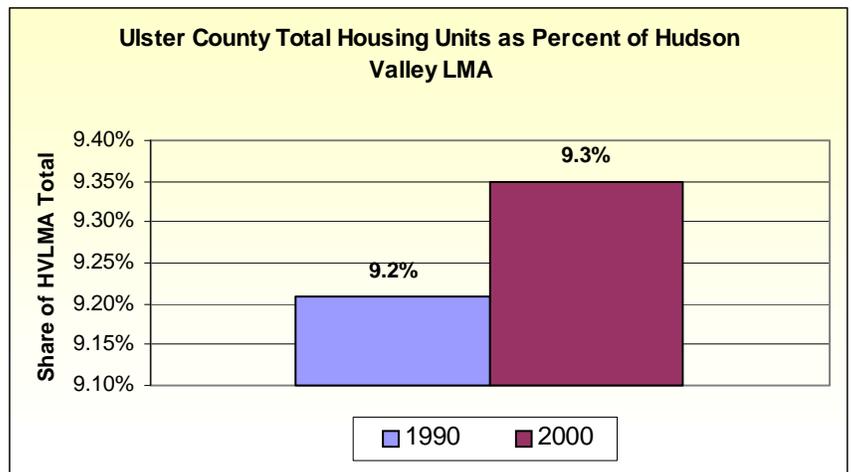
- In comparison to the HVLMA and the state as a whole, the county experienced a mix of higher and lower increases in household income level categories. The higher than average changes for the county occurred at each end of the household income spectrum. The largest relative change in share occurred in: (1) the less than \$10,000 annual income level on the lower household income end of the spectrum, and (2) in the \$50,000 to \$74,999, \$75,000 to \$99,999 and \$100,000 and above income levels on the higher end of the spectrum.



- These data suggest that the county may have experienced—and may be continuing to experience—a relative decline in middle-class, working family residents in the county. However, the apparent relative price attractiveness of the county’s housing inventory have—and may still be attracting—young families to the region. In addition, the relative price attractiveness of the county’s available land may also have encouraged—and may still be encouraging—upper income households to migrate to the county from less price attractive parts of the region. Each trend—if true—has major current and future housing market implications for the county.

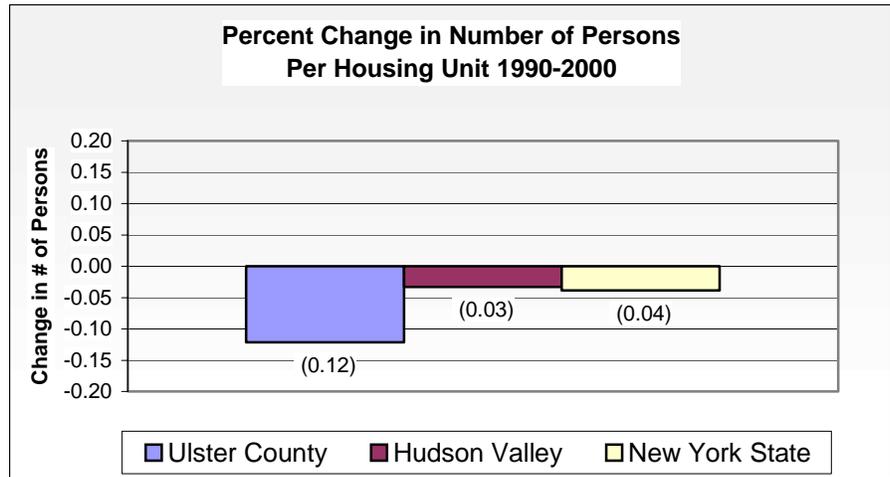


- Looking at the change in the number of households over the 1990s, the county experienced the largest percentage increase in the number of households of the three geographic peer groups used in this comparative economic-demographic analysis. Over the 1990 to 2000 time period. Over the period, the

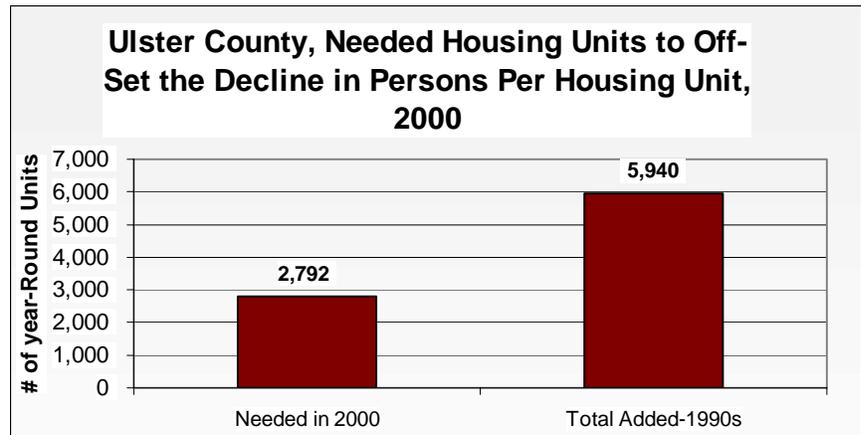


county added households at the rate of 1.1% per year—versus a 0.9% per year rate and a 0.6% per year rate for the HVLMA and the state as a whole, respectively.

- This higher than average increase in the number of households in the county carried over to the comparative growth in housing units over the 1990-2000 period for the three geographic peer regions. Overall, the county experienced a slight gain in share of housing units between 1990 and 2000, increasing from approximately 9.2% of the HVLMA’s total housing units in 1990 to 9.35% of the total housing units in 2000.
- One factor underpinning this relatively higher rate of increase in the county’s number of housing units may be the county’s proportionately larger decline in persons per housing unit over the 1990s. The county’s average number of persons per housing unit declined at a significantly faster rate than either the HVLMA or the New York State average, falling from 2.58 persons per housing unit in 1990 to 2.46 persons per housing unit in— a decline of 0.12 persons per unit over the period or roughly three to four times more than either the HVLMA or state averages, respectively.



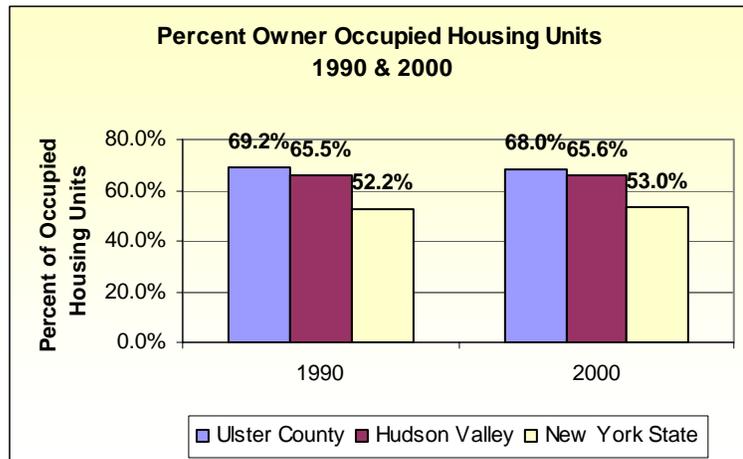
- Although those disparate change in persons per housing unit numbers do not appear to be significant in and of themselves, it should be noted that the persons per housing unit difference applies to a total of 77,656 housing units across the county. For example, the 0.09 person per housing unit decline translates into a need for an additional 2,791 housing units in the county in 2000—at 2.46 persons per housing unit—just to accommodate the greater than average decline in the average number of persons per housing unit versus the HVLMA during the 1990s. In comparison to the 5,940 housing units



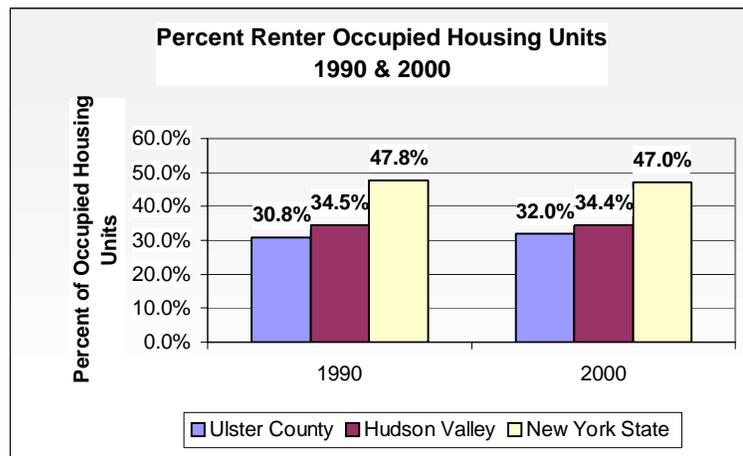
added to the county's housing inventory during the 1990-2000 time frame, that number corresponds to 47.0% of the total number of housing unit additions to the county's housing inventory during the entire decade of the 1990s.

- Declining household size and the corresponding decline in the average number of persons per housing unit means that the county's housing stock must work significantly harder per 1,000 persons in the population today than was the case back as recently as in 1990. This phenomenon, in part, begins to explain the reported housing cost pressures that have emerged in the county over the past 5 or so years as housing market price pressures have been reported to have intensified in the county and the broader HVLMA region.

- Looking at the trends in occupied housing units in the county, Ulster County had a slightly larger percentage of owner occupied housing units in comparison to the HVLMA. Both the county and the HVLMA, in turn, had a considerably higher percentage of owner occupied housing units when compared to the state average for both 1990 and 2000.

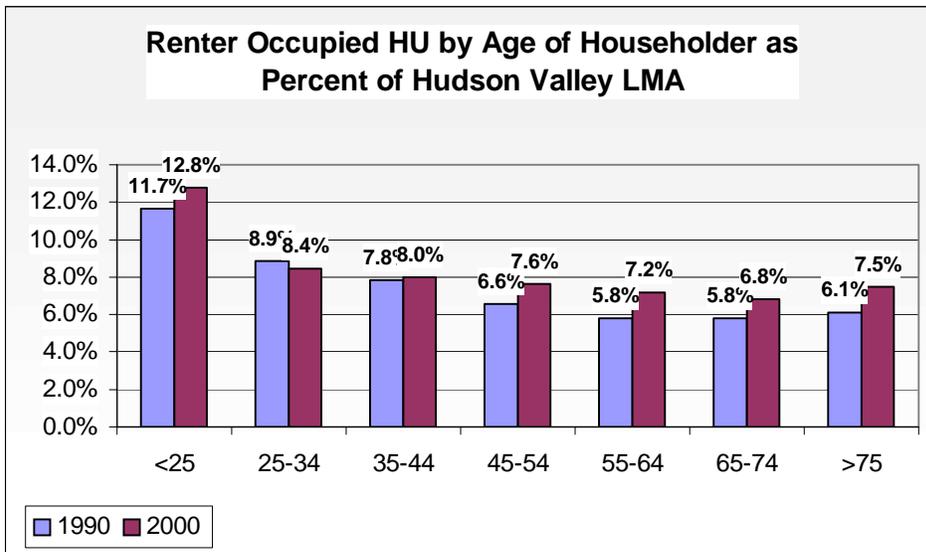
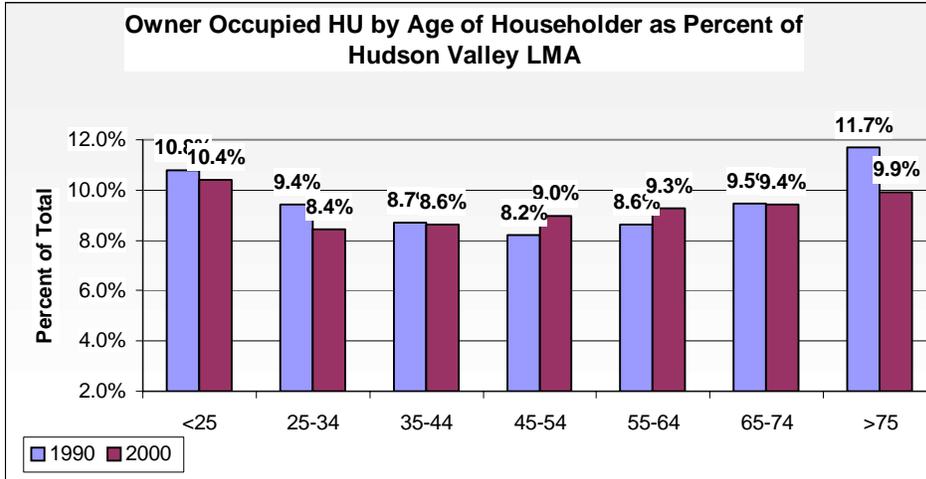


- Given the above, the opposite was true for renter occupied housing units for both the county and HVLMA peer regions, where each had a significantly smaller percentage of renter occupied housing units in comparison to the state as a whole during 1990 and 2000.



- However, all three peer geographic areas experienced an increase in the percentage of owner occupied housing units between 1990 and 2000, and a corresponding decline in the number of renter occupied housing units.
- Examining trends in the age profile of owner occupied housing units in the county and the HVLMA, the county gained share of the HVLMA total in terms of the

percentage of owner occupied housing units with households between the ages 45-64 over the 1990 to 2000 time period, while losing share of the 25-34 and over 75 age categories.



- Even as Ulster County experienced a reduction in the percentage of renter occupied housing units, the County gained share of Hudson Valley renter occupied housing units in almost all age categories excluding 25-44 year old householders over the same time period.

- Reflecting the difficult economic adjustments

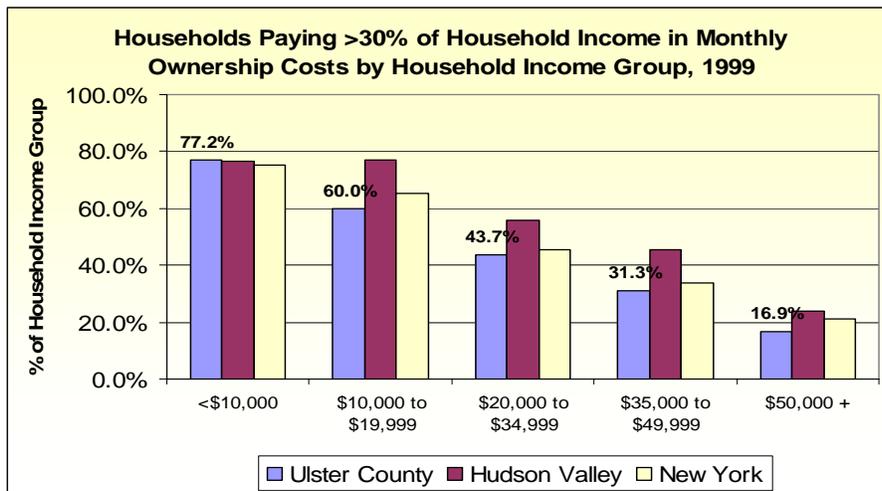
at major regional employers during the 1990s, the median value of Ulster County's owner occupied housing units experienced a -2.1% change in the median value over the 1990 to 2000 period. In contrast, both the HVLMA (at +1.1% change over the period) and the state as a whole (at +13.2% change over the period) experienced significant value increases across the 1990-2000 decade or over the same time period.

- With respect to the median value of owner occupied housing units, the median values of owner units in the county continued to lag behind both the HVLMA and state as a whole in 2000. The 2000 median value for owner occupied housing units for the county, the HVLMA and the state was \$111,500, \$150,800, and \$147,600,

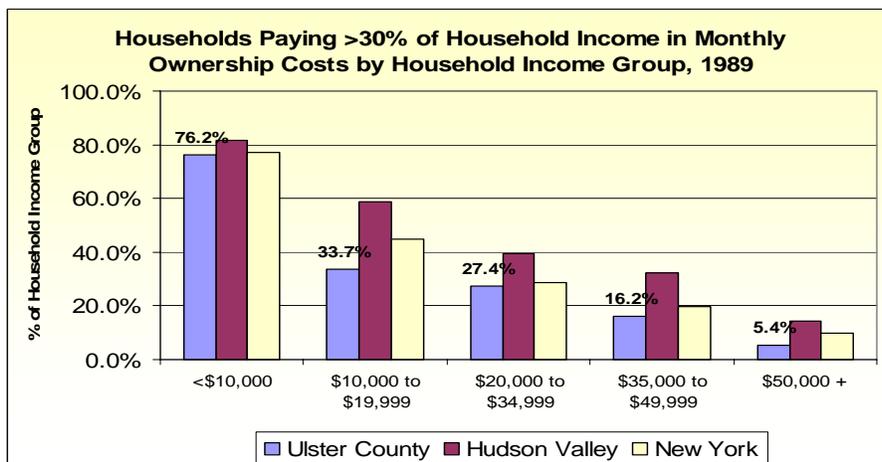
respectively. As a result, the county's median value of owner occupied housing units was a significant 26.1% below that of the median value of owner units in the HVLMA and a still significant 24.5% below that of the median value of owner units statewide.

E. Initial Evidence of Growing Housing Cost Stress in the County

- Following on the above analysis backdrop, this section reviews data from the 1990 and 2000 Censuses in order to take an initial snapshot of the 1990s trend in housing costs in the county for both owner and renter housing costs. This analysis examines trends in housing cost pressures using trends in owner and renter households that were reported in each Census to have been paying more than 30% of their household income on housing costs in the calendar year preceding the Censuses (that is calendar years 1989 and 1999). That 30% of household income benchmark is consistent with national and state level burden thresholds that are indicative of the potential for housing cost stress—even though this indicator has limitations such as for those households in the county where occupants were in retirement and/or had accumulated substantial levels of savings-wealth. Nevertheless, households paying more than 30% of their household income on housing costs (such as rent and utilities for renter households; or for mortgage payments, utilities, taxes, and



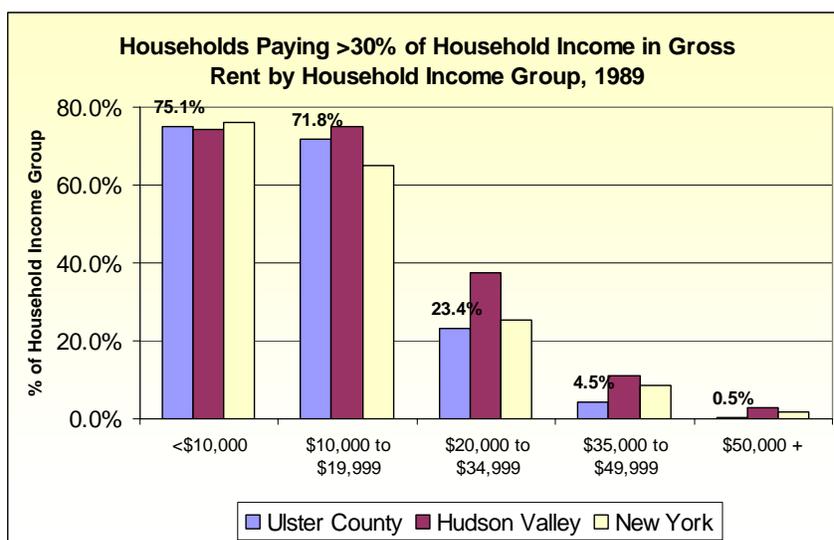
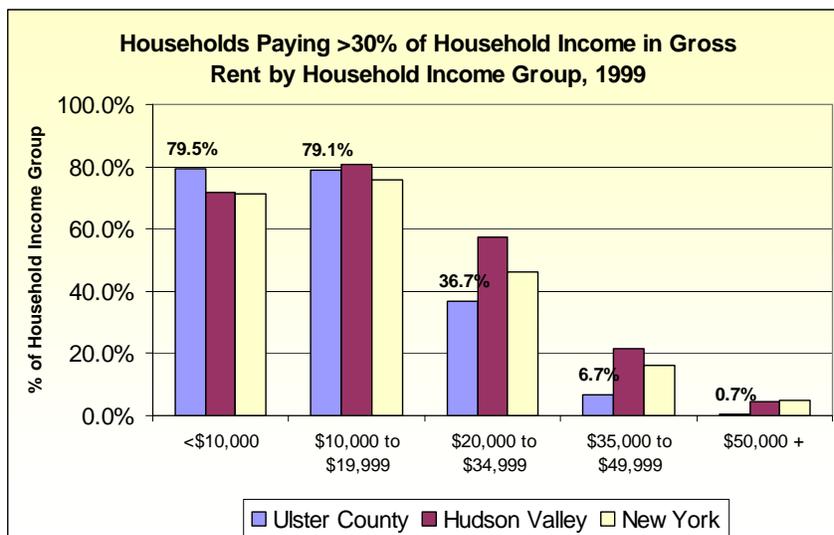
insurance costs for owners) are generally thought to be experiencing serious financial stress. At worst, those households are considered potentially “at risk” for not being able to afford their home over the longer term.



- The two graphs at left highlight the owner housing cost situation where all owner housing cost indicators worsened significantly over the 1989-1999 time period in all household income categories except for the Less Than

\$10,000 in Household Income category for the three peer geographic regions. Between the 1989 and 1999 calendar years, the percentage of households reported to have spent greater than 30% of their household income in 1999 actually declined versus the 1989 period for both the HVLMA and the state overall. For the county, this Less Than \$10,000 in Household Income category experienced only a relatively small one percentage point increase in the percentage of households who reported to have spent more than 30% of their household income on housing costs over the 1989-1999 period. There were significant declines in the absolute number of households reporting housing cost stress in all household income categories in all three peer geographic regions over the decade long time frame.

- The final two graphs below highlight the housing cost stress indicators for renter households over the 1989-1999 period. During the period, reported housing cost stress increased significantly in 12 of 15 total household income categories for the three peer geographic regions. Only the Less than \$10,000 Household income



categories for the HVLMA and the state as a whole actually improved somewhat—with small declines in the number of households reporting housing cost stress during the period. The third category was the very small 0.2 percentage point increase in the percentage of renter households reporting housing cost stress in the Greater than \$50,000 Household Income category for the county (from 0.5% of the households in 1989 to 0.7% of households in this category in 1999). Even so, it is worth noting that only two counties in the HVLMA—Ulster County and Dutchess

County—experienced an increase in the total number of renter households reported to be experiencing housing cost stress over the decade of the 1990s.

- These results show particularly sharp increases in owner housing cost stress in the \$20,000 to \$34,999 household income groups for both the county (from 27.4% of the households in 1989 to 43.7% of the total in 1999) and the state as a whole (from 28.7% of total households in 1989 to 45.6% of total households in this category in 1999). Similarly, reported owner housing cost stress also jumped in the \$35,000 to \$49,999 household income category for the county (almost doubling from 16.2% of the households in this category in 1989 to 31.3% of the households in this income category in 1999), in the HVLMA (from 32.2% of the total households in this household income category in 1989 to 45.7% of the households in this category in 1999), and for the state as a whole (from 19.9% of the households in this household income category in 1989 to 34.0% of the households in this household income category in 1999). The county also experienced a over three-fold increase in owner housing cost stress in the Over \$50,000 Household Income category over the 1989-1999 time frame, rising from 5.4% of the households to 16.9% of the total households by the end of the 10 year time frame.
- In the renter category, the sharpest rates of increase in housing cost stress occurred in the \$20,000 to \$35,999 Household Income and the \$35,000 to \$49,999 Household Income categories. Reported renter housing cost stress nearly doubled over the 1989-1999 period in the HVLMA and for the state as a whole, while the county experienced a proportionally lower rate of increase in housing cost stress from 4.5% of its households in 1989 to 6.7% of the total in 1999 (It is also worth noting that the level of renter housing cost stress in the HVLMA and the state as a whole were more than 3 times higher than the county in 1999 for renter households in the \$35,000 to \$49,999 Household Income category).
- Although the level of housing cost stress in the Less than \$10,000 Household Income category is high—at over 70% of the households in the county over the 1989-1999 period—the relatively more favorable trend statistics in this income category seem to indicate that programs for low income households may have made a positive contribution to improving housing affordability over the 1989-1999 period even though there is obviously much more housing cost stress to address.

F. Median Age of the Housing Stock

- According to the April 1, 2000 Census, Ulster County's median year built of housing stock was 1959, the second oldest in the HV LMA, but 5 years

Median Year Built of Housing Stock; Hudson Valley LMA, New York			
<u>Community</u>	<u>Year</u>	<u>Community</u>	<u>Year</u>
Dutchess County	1965	Sullivan County	1964
Orange County	1966	Ulster County	1959
Putnam County	1964	Westchester County	1954
Rockland County	1967	New York State	1954

2000 Census

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younger than the average year-built for the state as a whole. Westchester County’s median year-built of 1954 was the oldest in the HVLMA and equal to the state year-built median.

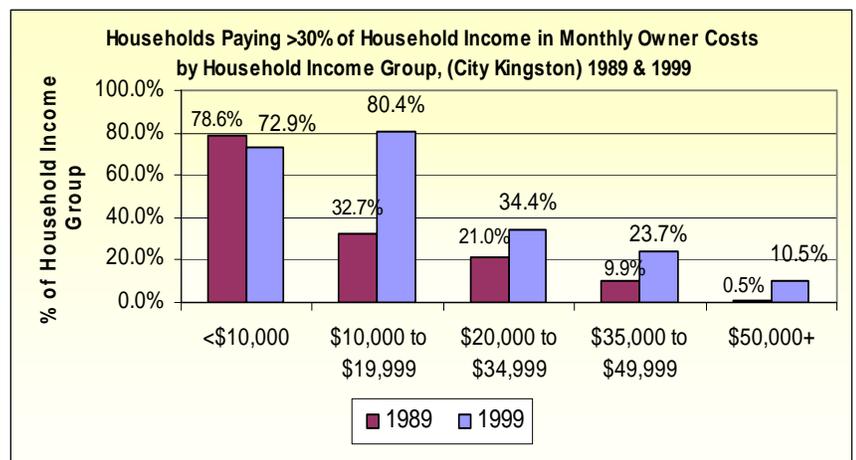
G. Evidence of Housing Cost Stress Among Sample Communities in the County

As part of this study, an analysis of Census data for 7 Ulster County municipalities was undertaken. Changes in owner and renter housing cost stress were calculated from 1990 and 2000 census data (which correspond to the years 1989 and 1999 respectively). This section of the analysis describes those changes. The 7 sample communities included in this analysis were: (1) the City of Kingston, (2) the Town of Marlborough, (3) the Town of New Paltz, (4) the Town of Saugerties, (5) the Town of Ulster, (6) the Town of Shawangunk, and (7) Town of Woodstock.

1. Overview of Owner Housing Cost Stress in Sample Communities:

a. Owner Housing Cost Stress in the City of Kingston

- In 1999, Census data indicates that the bottom two household income categories experienced the highest levels of housing cost stress—at 72.9% of all households in the less than \$10,000 category and a total of 80.4% of all households in the \$10,000 to \$19,999 household income category. Although, the percentage of households experiencing housing cost stress declined slightly over the 1989-1999 period, the

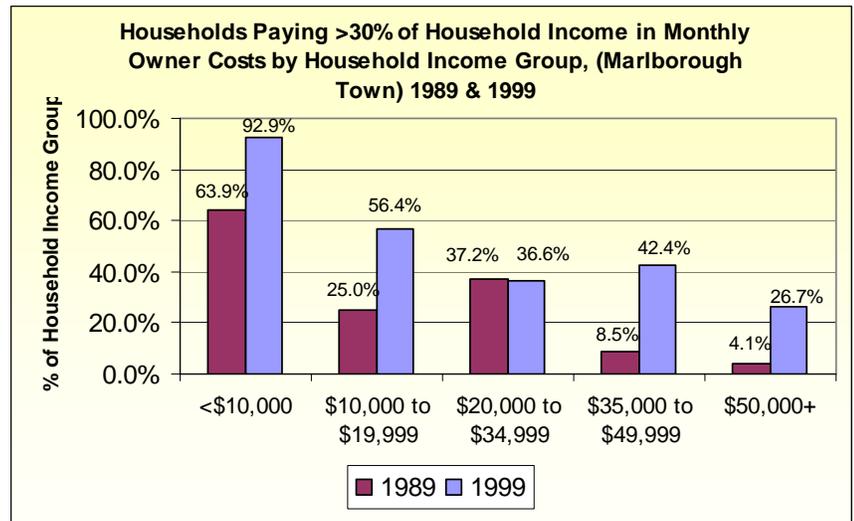


percentage of households experiencing housing cost stress in the \$10,000 to \$19,999 category rose significantly from just under a third (32.7%) of the households in 1989 to slightly more than 80% (80.4%) in 1999.

- The data show that all 3 of the City’s upper household income categories experienced significant increases in owner housing cost stress across the 1990s, even though all categories were well below the 40% level. The increase in owner housing cost stress across the 1990s was most significant in the \$50,000 and Higher household income category—where the percentage of stressed households rose from just 0.5% to 10.5% of total households.

b. Owner Housing Cost Stress in the Town of Marlborough

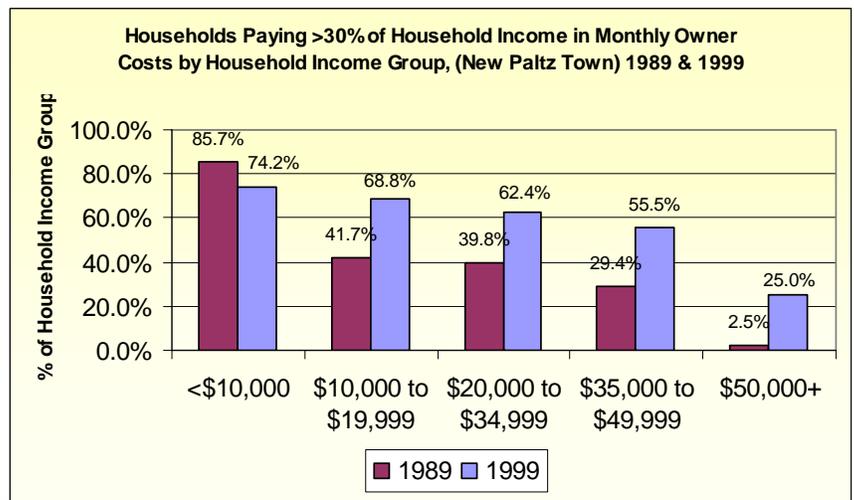
- In 1999, census data showed that nearly all of the households with household income of Less than \$10,000 in the Town of Marlborough experienced owner housing cost stress in 2000 (at 92.9% of the total). This represented an increase of 29 percentage points in the percentage of owner housing cost stressed households from 1989, when just under 2/3 of the owner households in this household income category that were experiencing owner housing cost at that point in time.



- In the Greater than \$10,000 to \$19,999 in household income category, there was a significant worsening in owner housing cost stress. Back in 1989, only ¼ (or 25.0%) of the households in this category were experiencing housing cost stress in the Town of Marlborough. By 1999, this housing cost stressed percentage had risen to 56.4% of the total households in this category. Similar and large increases in the percentage of households that were experiencing owner housing cost stress over the 1989-1999 period also occurred in the Greater than \$35,000 but Less Than \$49,999 in household income category and in the Greater than \$50,000 in household income and up category.
- Only the Greater than \$20,000 to \$34,999 household income category experienced a slight improvement in the percentage of households experiencing owner housing cost stress between 1989 (at 37.2% of the total) and 1999 (at 36.6% of the total) in the Town.

c. Owner Housing Cost Stress in the Town of New Paltz

- In 1999, 4 of 5 income categories in the Town of New Paltz (the exception being the \$50,000+ in household income category) had levels of owner housing cost stress that exceeded 50% of all households in each household income category. However, although the less than

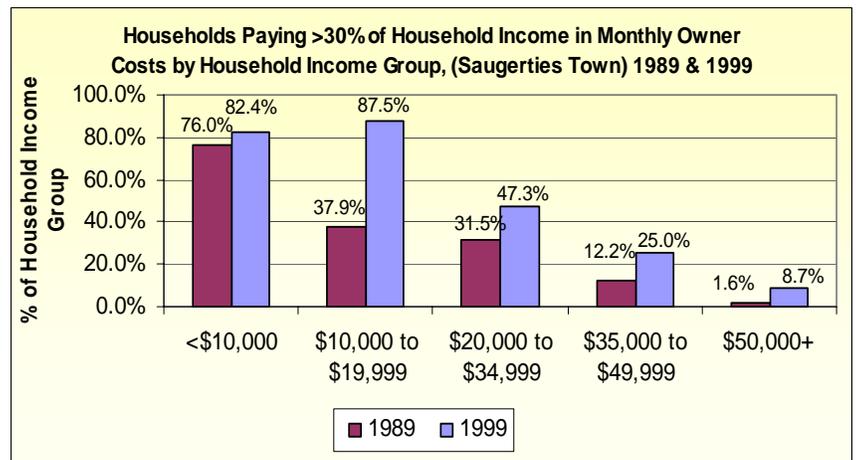


\$10,000 household income category had just under $\frac{3}{4}$ of its households experiencing owner housing cost stress in 1999, this percentage represented a decline of 11.5 percentage points from 1989 (corresponding to 85.7% in 1989 and 74.2% in 1999). Even so, with nearly $\frac{3}{4}$ of the households in that category remain “stressed” (at 74.2% of the total in 1999), and the lower percentage in 1999 represents a smaller percentage of more households overall in this category—rather than a decline in the overall number of households that were “owner housing cost stressed.”

- Looking at the other 4 household income categories in the Town of New Paltz, the level of owner housing cost stress in 1999 was in each case significantly higher than the level experienced in 1989. In the category with household income between \$10,000 and \$19,999, the level of owner housing cost stress increased by 27.1 percentage points. As similar increase of over 25 percentage points (+26.1 percentage points) occurred in the \$35,000 to \$49,999 household income category. In the \$50,000 and Higher household income category, the 1989-1999 increase in households experiencing owner housing cost stress still exceeded 20 percentage points (at +22.5 percentage points or from 2.5% of total households in that category in 1989 to 25.0% of the total in 1999).

d. Owner Housing Cost Stress in the Town of Saugerties

- Census data also indicate that all income categories in the Town of Saugerties experienced an increase in the level of owner housing cost stress over the 1989 to 1999 period. The largest percentage point increase in owner housing cost stress occurred in the \$10,000 to \$19,999 household income category at 49.6 percentage points (or from 37.9% of the total in 1989 and 87.5% of the total in 1999). The smallest percentage point increase occurred in the less than \$10,000 household income category at +6.4 percentage points (or from 76.0% in 1989 to 82.4% in 1999). This was followed very closely by the greater than \$50,000 household income category which experienced a 7.1 percentage point increase over the period (or from 1.6% of total households in 1989 to 8.7% of total households in 1999).

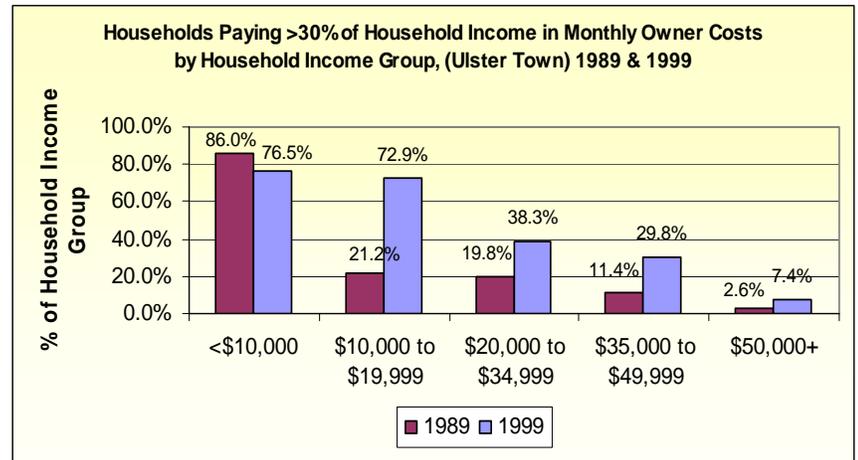


- Significant increases in owner housing cost stress were experienced in both the \$20,000 to \$34,999 and the \$35,000 to \$49,999 household income categories over the 1989 to 1999 period, at +15.8 percentage points and +12.8 percentage points respectively.

- These across the board higher levels of cost owner housing stress in all household income categories also corresponded to significant increases in the total number of households in each household income category—indicating that the absolute number of owner housing cost stressed households experienced a significant increase in the Town as well.

e. Owner Housing Cost Stress in the Town of Ulster

- In the Town of Ulster, the household income category of less than \$10,000 in household income experienced a significant decline over the 1989 to 1999 period from 86.0% of total households in 1989 to 76.5% of total households in the Town in 1999. At 86.0% of total households in owner housing cost stress for the category, the level of owner housing cost stress in this lowest household income category remained very high.

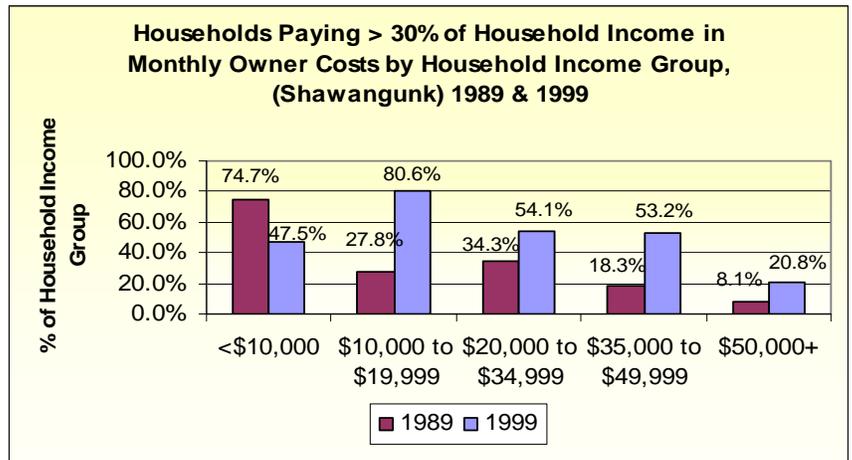


- All other major household income categories experienced significant increases in owner housing cost stress in the Town over the 1989-1999 period. The 1989-1999 increases in owner housing cost stress ranged from a high of over 50 percentage points in the \$10,000 to \$19,999 household income category (or from a total of 21.2% of total households in 1989 to 72.9% of total households in 1999) to a low of 4.8 percentage points in the Greater than \$50,000 in household income category (or from 2.6% of total households in 1989 to 7.4% of total households in 1999).
- The other 2 household income categories experienced a significant, but less dramatic increase in owner housing cost stress than the \$10,000-\$19,999 household income category. For the \$20,000-\$34,999 category, the increase in owner housing cost stress was 18.5 percentage points (or from 19.8% of the total households in this category in 1989 to 38.3% of total households in this income category in 1999). The \$35,000to \$49,999 in household income category experienced a 17.4 percentage point increase over the period (or from 11.4% of total households in this household income category in 1989 to 29.8% of total households in this income category in 1999).
- These trends did not necessary result in an increase in the total number of owner housing cost burdened households in the Town (or a decline in the number of owner housing cost stressed households in the Less than \$10,000 in household income

category), since the total number of households in all owner categories in the Town declined over the 1989-1999 period.

f. Owner Housing Cost Stress in the Town of Shawangunk

- Owner housing cost stress changes over the 1989-1999 period in the Town of Shawangunk followed the same general pattern as the Town of Ulster—a significant decline in the less than \$10,000 in household income category and significant increases in housing cost stress in all other categories. However, the decline in owner housing cost stress in the Town of Shawangunk in the less than \$10,000 in household income category was more dramatic at -27.2 percentage points.

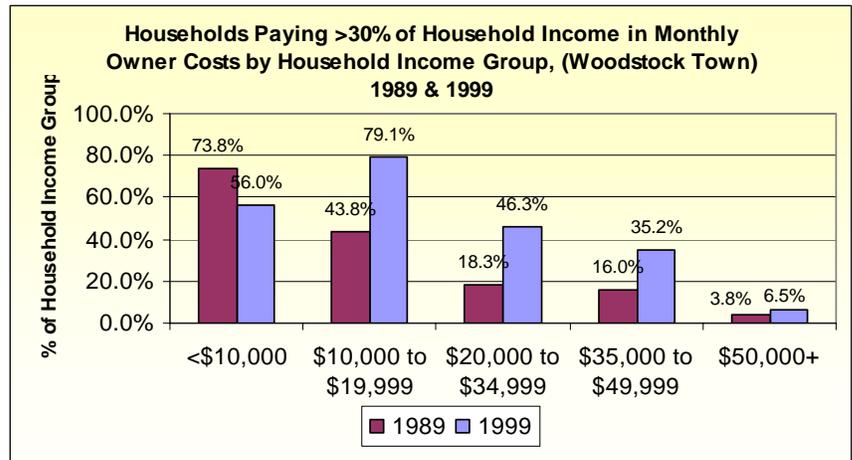


- All other household income categories in the Town of Shawangunk experienced significant increases in owner housing stress over the 1989 to 1999, with the largest percentage point increase in the \$10,000-\$19,999 in household income category—at 52.8 percentage points.
- In addition, all 3 middle household income categories, including the \$10,000 to \$19,999 in household income category; the \$20,000 to \$34,999 in household income category, and the \$35,000 to \$49,999 in household income category, had levels of owner housing cost stress that exceeded 50% of all households in those household income categories in 1999.
- Lastly, even though the number of owners households in the Town declined across all household income categories, this decline was not significant enough to off-set the large increases in the percentage of households that were owner housing cost stressed in 1999. This resulted in an increase in the absolute number of households that were housing cost stressed over the period.

g. Owner Housing Cost Stress in the Town of Woodstock

- The Town of Woodstock also experienced a significant -18.0 percentage point decline (to 56.0% of total households) in owner housing cost stress in the under \$10,000 in household income category over the 1989-1999 period as all other household income categories experienced a significant increase in housing cost stress.

- The household income category in the Town with the largest percentage point increase in owner housing cost stress was the \$10,000 to \$19,999 in household income category at +35.3 percentage points over the 1989 to 1999 period. The smallest percentage point increase in the Town occurred in the \$50,000 and higher household income category, at +2.7 percentage points. The percent may have declined from 73.8% in 1989 to 56.0% in 1999, still more than 50% of households encounter high cost owner housing stress.

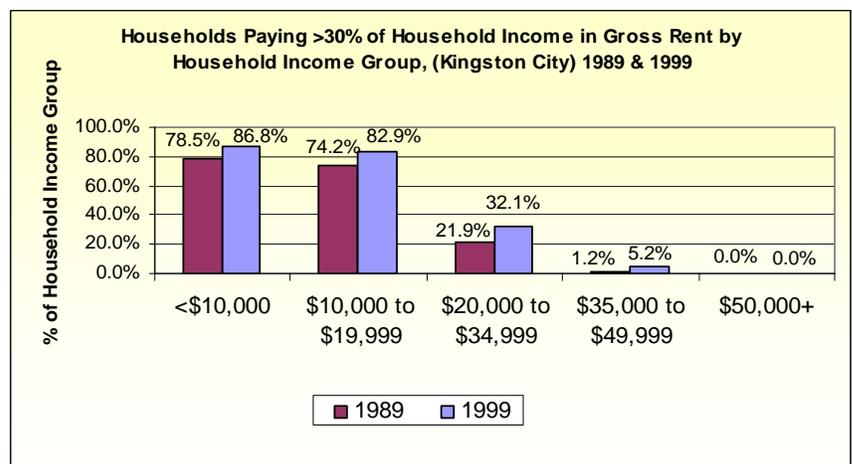


- The middle 2 household income categories also experienced higher levels of owner housing cost stress in 1999 relative to 1989—though less than the dramatic increase in the \$10,000 to \$19,999 household income category.
- The 19.2 percentage point increase in the \$35,000 to \$49,999 household income category over the 1989-1999 period also was accompanied by an 18.1% increase in the absolute number of owner households in the Town. Conversely, the 28.0 percentage point increase over the 1989-1999 period in the \$20,000 to \$34,999 household income category occurred at the same time the number of owner households fell by 7.6%.

2. Overview of Renter Housing Cost Stress in Sample Communities:

a. Rental Housing Cost Stress in the City of Kingston

- In 1999, all income categories in the City of Kingston except in the household income category of \$50,000+ experienced more housing cost stress in 1999 versus 1989. The first and the second household income categories that correspond to the Less than \$10,000 in household income category and the \$10,000

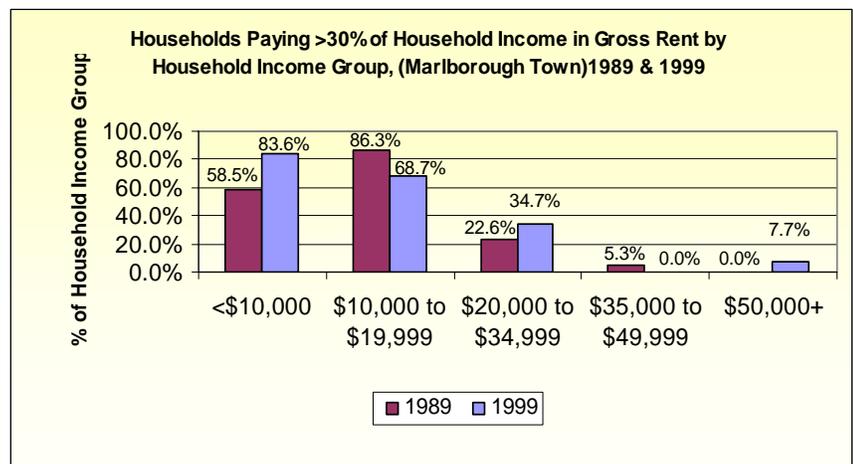


to \$19,999 household income both experienced significant increases in renter cost stress and continue to have the highest levels of housing cost stress among all income categories, at 86.8% and 82.9% of all renter households, respectively.

- The \$20,000 to \$34,999 household income category had the largest increase in the percentage of households stressed between 1989 and 1999 (at +10.2 percentage points).
- The two income categories above \$35,000 in household income continued to be largely unaffected by renter housing cost stress over the period.

b. Rental Housing Cost Stress in the Town of Marlborough

- In 1999, the lowest household income category of less than \$10,000 in the town of Marlborough experienced a significant increase in renter housing cost stress between 1989 and 1999—at 25.1 percentage points. In addition, more than 8 of every 10 households in this income category were “stressed” in 1999. In addition, the number of households actually more than doubled from 41 in 1989 to 110 in 1999 corresponding to 168.3% of increase.



- Two household income categories, the \$10,000 to \$19,999 and the \$35,000 to \$49,999 categories, experienced significant declines in renter housing cost stress over the period. This decline also was accompanied by a significant increase in the number of households overall, so this reduction in renter housing cost stress was not the result of a large drop in the number of households overall—a positive development

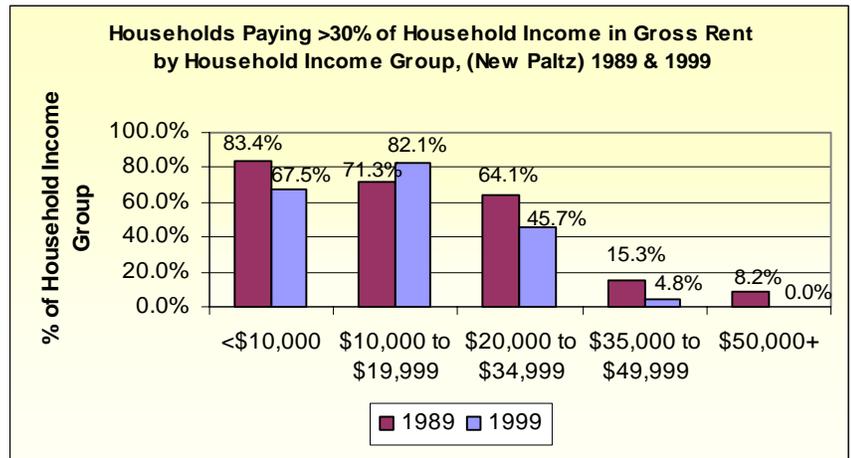
Number of Owner Households for all income categories
1989-1990 %

- The other two household income categories, the \$20,000 to \$34,999 and the \$50,000+ category experienced significant increases rental housing cost stress, increasing by 8.1 and 7.7 percentage points, respectively. This occurred as the number of households the \$50,000+ category increased by 49 (or 45.8%) and the number of households in the \$20,000 to \$34,999 experienced a decline of 95 households or 33.0%.

Marlborough town	1989	1999	Change
<\$10,000	41	110	168.3%
\$10,000 to \$19,999	146	201	37.7%
\$20,000 to \$34,999	288	193	-33.0%
\$35,000 to \$49,999:	152	207	36.2%
\$50,000+	107	156	45.8%

c. Rental Housing Cost Stress in the Town of New Paltz

- In 1999, all income categories except \$35,000 to \$49,999 and \$50,000+ household income categories had a level of housing cost stress that exceeded 45% of all households. In 1999, the highest cost of rental housing cost stress was in the \$10,000 to \$19,999 household income category—with 82.1% of total households experiencing stress. This category also was the only household income category to experience an increase in rental housing cost stress over the 1989-1999 period.



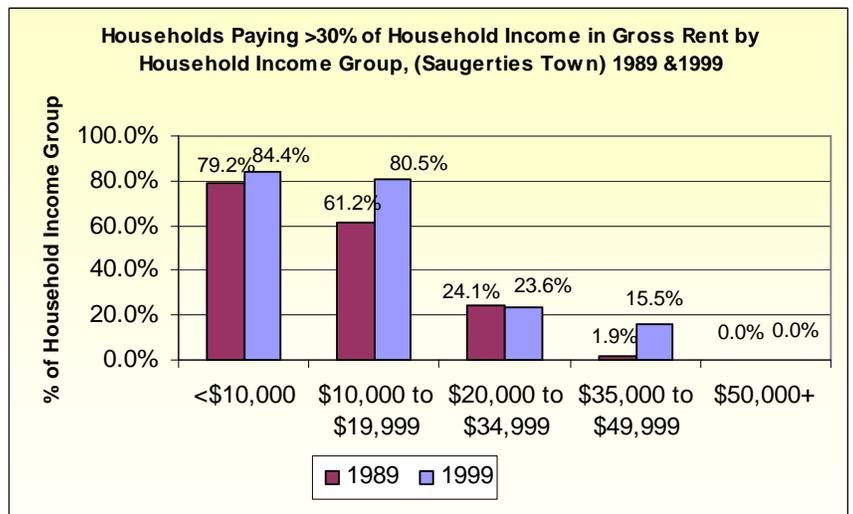
- Rental housing cost stress declined in all other household income categories with the \$50,000 in household income category declining to zero, despite increases in the number of renter households overall across all household income categories. The 77.3% increase in households (corresponding to an increase of 85 households) during the 1989-1999 period was particularly significant in the \$50,000+ in household income category.

Number of Owner Households for all income categories

New Paltz	1989-1990 %		
	1989	1999	Change
<\$10,000	409	587	43.5%
\$10,000 to \$19,999	363	420	15.7%
\$20,000 to \$34,999	354	416	17.5%
\$35,000 to \$49,999:	177	249	40.7%
\$50,000+	110	195	77.3%

d. Rental Housing Cost Stress in the Town of Saugerties

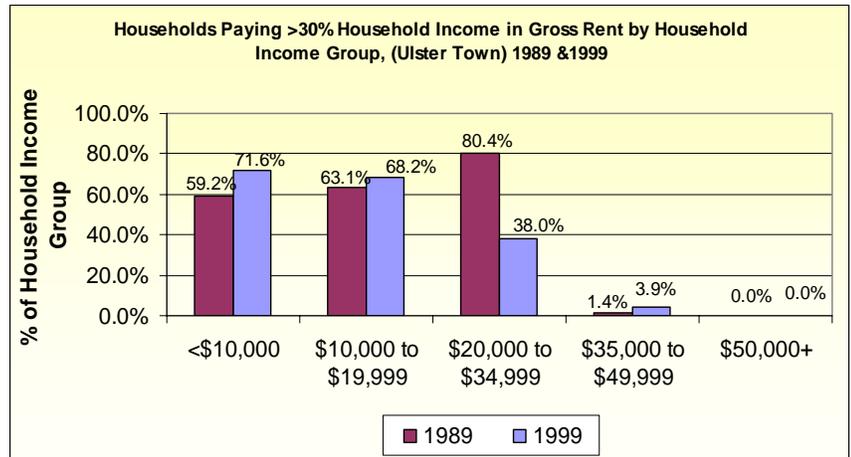
- The level of rental housing cost stress in the town of Saugerties increased in 4 of 6 household income categories. household income categories of < than \$10,000 and \$10,000 to \$19,999 experienced the highest cost of rental housing stress rising from 79.2% in 1989 to 84.4% for the first household income category and from 61.2% to 80.5% for the second household income category. Looking at the percent of households through all household income categories one can see a significant decline in household income



categories of \$20,000 to \$34,999 by 17.3% and a dramatic increase in percent of households for \$50,000+ by 137.6% - the percent has more than doubled

e. Rental Housing Cost Stress in the Town of Ulster

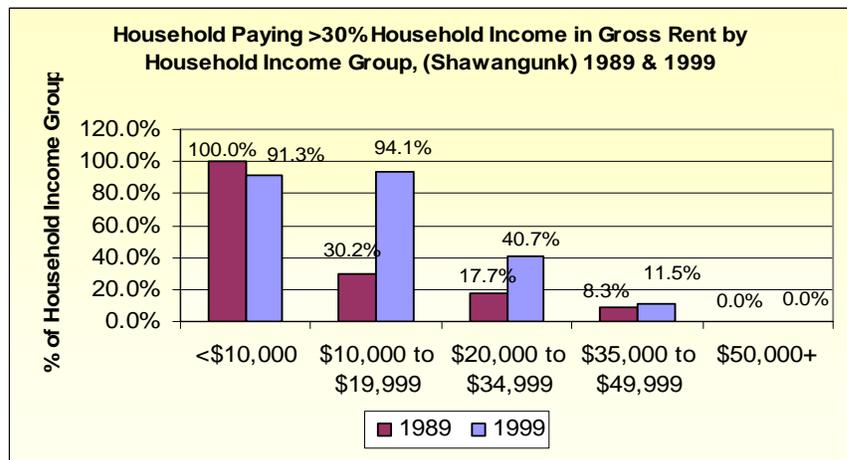
- In 1999, the town of Ulster experienced more than 50% of high cost of rental housing stress for the household income categories of < than \$10,000 and \$10,000 to \$19,999. The first household income category has also experienced a significant percent household decline by 18.5%. The household income category of \$35,000 to \$49,999 has also experienced a dramatic decline in percent of households by



35.8%, although, the percent of high cost of rental housing stress experienced only a slight increase from 1.4% in 1989 to 3.9% in 1999. The rest of other household income categories have actually increased the percent of households in 1999 relative to the year of 1989. The highest household income category of \$50,000+ experienced an increase of percent of households by 19.3%.

f. Rental Housing Cost Stress in the Town of Shawangunk

- In 1999, more than 90% of household income categories of < than \$10,000 and \$10,000 to \$19,999 in the town of Shawangunk experienced high cost rental housing stress. However, interestingly enough the percent of households rose by 15.9% in the first household income category and 90.6% in the second household income category. The third and the fourth household income



categories of \$20,000 to \$34,999 and \$35,000 to \$49,999 experienced less than 45% of high cost rental housing stress, although, the percent of households declined significantly by 33.6% and 22.1%. The last household income category experienced

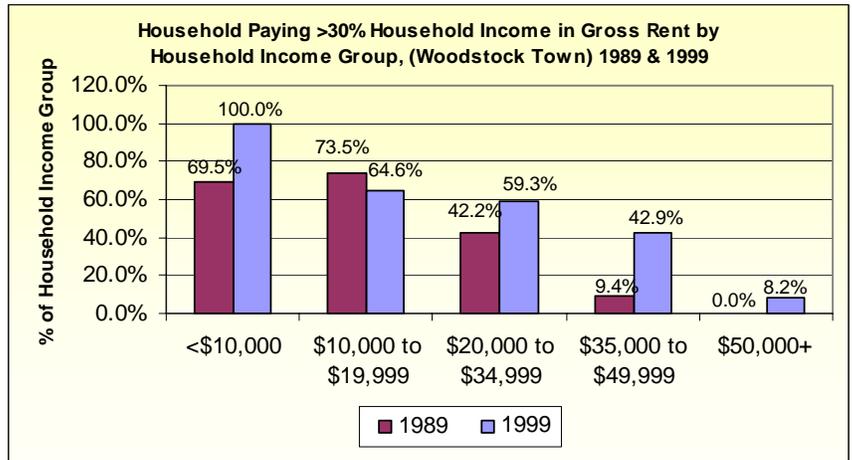
Number of Owner Households for all income categories

Shawangunk town	1989	1999	1989-1990 % Change
<\$10,000	69	80	15.9%
\$10,000 to \$19,999	53	101	90.6%
\$20,000 to \$34,999	226	150	-33.6%
\$35,000 to \$49,999	145	113	-22.1%
\$50,000+	75	178	137.3%

a dramatic increase in percent of households by 137% without any stress level on high cost of rental housing.

g. Rental Housing Cost Stress in the Town of Woodstock

- In the town of Woodstock, the first household income category of < than \$10,000 experienced relative higher stress in 1999 corresponding to 100% than in 1989 corresponding to 69.5%. All other household income categories in 1999 except for \$50,000+ experienced more than 42% of high cost rental housing stress.



Conclusion

The study have showed that the majority of percent of high cost owner and rental housing stress fall under the household income categories of < than \$10,000 and \$10,000 to \$19,999. The percent of high cost owner and rental housing stress of other household income categories varies with less significance from town to town. Towns such as Marlborough, New Paltz, Wawarsing and Shawangunk have actually increased the percent of households in the first and second household income categories for rental housing. In other towns however, the percent of households in the rental housing have declined in 1999 due to a significant increase in the cost of owner housing stress. The household income categories of < than \$10,000 and \$10,000 to \$19,999 did not experienced any increase in percent of households in any of the listed towns above except the town of New Paltz. As years go by it becomes difficult for low income households to afford rental housing and extremely difficult to afford owner housing.

Population-Household Forecast Ulster County and the Hudson Valley Labor Market Area, New York, 2004-2013

Ulster County	1990	1995	2000	2003	2008	2013	Absolute Change		Annual Percent Change	
							1990-2000	2000-2013	1990-2000	2000-2013
Total Pop (000s)	166.049	172.362	177.891	181.111	186.734	186.734	11.84	8.84	0.69%	0.37%
00-04	11.743	11.617	9.668	9.127	9.045	9.045	(2.08)	(0.62)	-1.93%	-0.51%
05-19	31.854	34.255	36.385	36.703	37.004	37.004	4.53	0.62	1.34%	0.13%
20-24	12.407	10.803	10.852	12.738	13.700	13.700	(1.56)	2.85	-1.33%	1.81%
25-44	55.864	55.436	52.907	51.071	48.103	48.103	(2.96)	(4.80)	-0.54%	-0.73%
45-65	32.750	37.172	44.396	47.801	52.008	52.008	11.65	7.61	3.09%	1.22%
65+	21.431	23.079	23.683	23.672	24.119	24.119	2.25	0.44	1.00%	0.14%
Households (000s)	61.084	64.393	67.555	68.792	71.551	74.476	6.471	6.92	1.01%	0.75%
Hudson Valley LMA										
Total Pop (000s)	2,030.416	2,099.293	2,185.289	2,242.938	2,293.745	2,332.236	154.87	146.95	0.74%	0.50%
00-04	148.043	161.512	148.586	145.054	144.713	152.074	0.54	3.49	0.04%	0.18%
05-19	395.692	429.612	464.818	480.308	485.231	475.864	69.13	11.05	1.62%	0.18%
20-24	147.435	122.423	120.083	137.877	149.757	166.173	(27.35)	46.09	-2.03%	2.53%
25-44	665.040	664.758	655.851	638.570	602.693	598.839	(9.19)	(57.01)	-0.14%	-0.70%
45-65	421.445	452.518	520.203	560.785	613.182	632.093	98.76	111.89	2.13%	1.51%
65+	252.761	268.470	275.748	280.344	285.841	306.344	22.99	30.60	0.87%	0.81%
Households (000s)	711.019	739.114	774.163	794.438	819.023	843.470	63.144	69.31	0.85%	0.66%

Prepared by Economic & Policy Resources, Inc.

According to the projections shown above, the largest absolute change in number of households in Ulster County falls under the Age group 25-44 corresponding to an increase of 7.61 in 2000-2013 projection translating to an annual percent change of 1.22%. The second largest absolute change in number of households falls under the Age group 20-24 corresponding to an increase of 2.85 in 2000-2013 projection that translates to 1.81%. Conversely, the Age 25-24 is forecasted to have a number of households decline in absolute change at (4.80) that will translate to -0.73% of annual percent change over 2000-2013 year period. The second highest decline in number of households falls under the Age group of 00-04 corresponding to an absolute change of 0.62 that translates to -0.51% annual change.

In Hudson Valley the Age group of 20-24 as forecasted also will experience the largest increase in 2.53% over 2000-2013 year period that translates to 46.09 in absolute number change. The second largest increase falls under the age group 45-65 where the annual percent increase for households is expected to reach up to 1.51% translating to absolute change of 111.89 in the number of households. Conversely, the Age group of 25-44 in Hudson Valley, just like in Ulster County is expected to have a decline in annual percent of households by -0.70% translating to (57.01) in absolute number change for 2000-2013 projection.

Employment Forecast Ulster County and the Hudson Valley Labor Market Area, New York, 2004-2013

Ulster County (000s)	1990	1995	2000	2003	2008	2013	Absolute Change		Annual Percent Change	
							1990-2000	2000-2013	1990-2000	2000-2013
Agricultural	0.176	0.175	0.173	0.169	0.164	0.161	(0.003)	(0.01)	-0.18%	-0.55%
Construction	3.213	1.981	2.590	2.334	2.135	2.283	(0.62)	(0.31)	-2.13%	-0.97%
Transportation & Public Utilities	2.217	2.195	1.949	1.023	1.128	1.300	(0.27)	(0.65)	-1.28%	-3.07%
Wholesale Trade	6.298	2.424	2.666	1.926	2.048	2.273	(3.63)	(0.39)	-8.24%	-1.22%
Retail	9.562	8.960	8.778	9.678	10.032	10.293	(0.78)	1.51	-0.85%	1.23%
Financial Services	2.227	2.185	2.226	2.580	2.368	2.847	(0.001)	0.62	0.00%	1.91%
Other Services	17.541	17.195	21.595	22.372	24.659	26.674	4.05	5.08	2.10%	1.64%
Public Administration	13.282	14.110	15.695	15.546	15.467	14.692	2.41	(1.00)	1.68%	-0.51%
Hudson Valley LMA (000s)										
Agricultural	0.280	0.348	0.442	0.418	0.409	0.405	0.16	(0.04)	4.68%	-0.68%
Construction	45.100	32.528	45.966	48.199	50.101	53.172	0.87	7.21	0.19%	1.13%
Transportation & Public Utilities	23.901	24.612	25.002	25.371	29.957	32.773	1.10	7.77	0.45%	2.10%
Wholesale Trade	46.961	36.847	38.572	37.763	41.527	44.162	(8.39)	5.59	-1.95%	1.05%
Retail	106.888	100.965	112.166	112.201	116.653	117.032	5.28	4.87	0.48%	0.33%
Financial Services	49.894	44.908	48.236	48.073	51.176	53.549	(1.66)	5.31	-0.34%	0.81%
Other Services	287.016	298.488	345.661	362.364	400.788	432.344	58.65	86.68	1.88%	1.74%
Public Administration	152.822	150.991	161.153	167.618	175.830	177.539	8.33	16.39	0.53%	0.75%

Prepared by Economic & Policy Resources, Inc.

According to this base line forecast, the largest annual percent change falls under the Ulster County Employment category of Financial Services – increasing up to 1.91% per year in 2000-2013 projection. This translates to increase of 0.62 in absolute number change. The Second largest annual percent change falls under the category of Other Services totaling 1.64% and translating to increase of 5.06 in absolute number change of 2000-2013 projection. The third largest annual percent change falls under the category of Retails – increasing up to 1.23% and translating to an absolute change of 0.78 in number of employment. Conversely, the largest decline in annual percent change falls under the category of Public Utilities corresponding to a decline of -3.07% that translates to an absolute change of (0.65) in number of public utilities employment category. The second largest decline that is projected between 2000-2013 time period falls under the employment category of Wholesale Trade corresponding to -1.22% decline in annual percent change that translates to an absolute change of (0.39) in number of employment for this category.

In Hudson Valley, the largest increase in annual percent change of employment falls under the category of Public Utilities corresponding to 2.10% increase that translates to an absolute change in number of 7.77 for this employment category. The second largest annual percent change of employment is expected to fall under the category of Other Services, just like in Ulster County corresponding to 1.74% increase that translates to an absolute change in number of 86.68 for this employment category. The third largest annual percent change is expected to fall under Construction category of employment corresponding to 1.13% increase that translates to an absolute number change by 7.21. Conversely, largest decline in annual percent change of employment between 2000-2013 is expected to fall under the employment category of Agriculture and Public Administration corresponding to -0.51% and -0.68% decline that translates to an absolute change in number of (0.04) and (1.00) for those employment categories.