Housing in the City of Hudson: Demand-and-Supply Snapshot

Prepared by the Center for Housing Solutions
Hudson Valley Pattern for Progress

For the Columbia Economic Development Corporation (CEDC)

January 2025

Executive Summary

This research brief offers a lens into housing demand and supply in the City of Hudson. The research is based on an array of data from:

- U.S. Census American Community Survey (ACS) 2013 and 2023 5-year estimates.
- HUD Comprehensive Housing Affordability Strategy (CHAS) 2017-2021 5-year estimates.
- City of Hudson data on new and proposed inventory.

The analysis provided is designed to answer the following questions:

- What does “affordable” mean when relating to housing for the Hudson community?
- What kind of housing is required to sustain the city’s workforce?
- Will the housing units that are currently in the development pipeline meet the needs of people in Hudson? If not, what gaps still exist?

In response to these questions, the data in this report indicate that:

- More working residents are struggling to pay rent now than a decade ago. The number of households paying more than half of their income on housing tripled from 2011-2021.
- The fastest-growing industries within the City of Hudson have the lowest-paying jobs. People who work in these Hudson jobs cannot statistically afford Hudson housing.
- The greatest demand for housing is for residents earning less than 80% of the area median income (AMI). This demand is not due to an influx of low-income residents. It is caused directly and primarily by an influx of higher-earning residents that pushes the overall AMI higher.
- Combined with a lack of regulatory frameworks and severe housing underproduction, this significant influx of higher-earning residents led to dramatic increases in housing costs between 2013-2023. This trend is commonly known as gentrification.
- There are fewer duplexes, triplexes, and quadraplexes now than there were a decade ago. It is likely that many of these small-scale multifamily structures in Hudson were converted to single-family homes between 2013-2023. Some might also have been lost to dilapidation.
- Fewer housing units are on the market for full-time occupancy. Between 2013-2023, the number of households in Hudson dropped by more than 200 despite a net increase of more than 30 housing units.
- Housing supply in the pipeline includes 239 units that would be affordable to households making 50% AMI or less. These units would help many cost-burdened renters to find an apartment that is affordable for their household budget. However, additional units within this price range will still be needed to support working tenants in retail, entertainment, accommodations, and food services: the fastest growing industries within the City of Hudson.

These points are explored in detail throughout the brief, beginning with an analysis of local income levels and housing costs, illustrating the overall need for housing (Part I). This is followed by an evaluation of housing supply and demand in the City of Hudson, with a focus on how housing access impacts the viability of different industry sectors and specific types of households (Part II).

Part I: Analysis of Need (Demand)

Community Income Profile

Income and Wage Distribution

The first two tables demonstrate income levels for all households in the City of Hudson (USCACS, 5-year estimates, 2013 & 2023). Between 2013-2023, the median household income for all households grew from $46,222 to $55,394 (20%) while the mean income during that same period grew from $63,907 to $107,143 (68%). When the mean (average) moves substantially away from the median (midpoint), this indicates an increase in income for high-earning households alongside a stagnation of income for low- and moderate-earning households. In other words, between 2013-2023, there was a significant influx of high-earning households into Hudson that increased the disparity between high- and low-income households.

Household Income	2013 (adjusted for inflation)	2023	$ change 2013-2023	% change 2013-2023
Median	$ 46,222	$ 55,394	$ 9,172	20%
Mean	$ 63,907	$ 107,143	$ 43,236	68%

Source: U.S. Census Bureau American Community Survey (ACS), 2013 & 2023, 5-year estimates, table S1901.

Another metric that illustrates this reality is known as income quintiles. The lowest quintile in the table below represents the median income for the lowest-earning 20% of all households in Hudson. The next 20% of households are represented as the second quintile, and so on, until the highest (fifth) quintile illustrates the median earnings for the highest-earning 20% of households. In addition to these quintiles, the table shows the median earnings for the top 5% of households.

In 2023, the median income for the lowest quintile was $11,977. This number tends to be low because these earners could be non-working seniors, part-time workers, people with disabilities, or households that are otherwise relying on social security. The median earnings for the highest quintile in that same year was $324,612, and the top 5% of households had a median income of $632,285.

Quintiles	2013 (adjusted for inflation)	2023	$ change 2013-2023	% change 2013-2023
Lowest Quintile	$ 10,613	$ 11,977	$ 1,364	13%
Second Quintile	$ 26,968	$ 32,778	$ 5,810	22%
Third Quintile	$ 46,768	$ 58,862	$ 12,094	26%
Fourth Quintile	$ 77,156	$ 107,485	$ 30,329	39%
Highest Quintile	$ 158,033	$ 324,612	$ 166,579	105%
Top 5 Percent	$ 224,707	$ 632,285	$ 407,578	181%

Source: U.S. Census Bureau American Community Survey (ACS), 2013 & 2023, 5-year estimates, table B19081.

Both tables illustrate growing income disparities between low-income households and high-income households. The lowest earning group saw their wages increase by $1,364 (13%) from 2013-2023 (adjusted for inflation), while the highest earning group saw an increase of $166,579

(105%) over that same period. This imbalance explains why the median income increased by 20% over 10 years (an average of 2% per annum), while the mean increased by 68% over that same period.

Income Levels and Area Median Income

Another method to analyze income distribution is through area median income (AMI). The following table shows AMI levels for 2024. AMI levels are developed by the U.S. Department of Housing and Urban Development (HUD) to determine housing affordability thresholds. These numbers are based on countywide calculations.

In 2024, AMI for Columbia County was $106,400 for a family of four, and $77,566 for a single-person household. In 2023, those numbers were $103,000 and $72,100, respectively. These countywide AMI levels are substantially higher than the median income metrics shown above for the City of Hudson alone (see income tables above). This reality poses a challenge, as public subsidies and affordable housing mandates tend to refer to countywide AMI levels regardless of local median income levels.

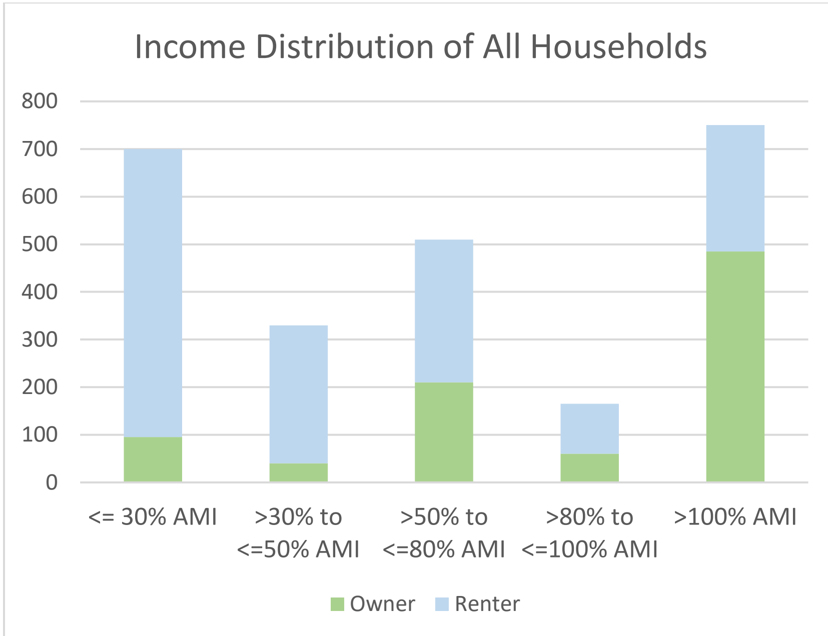
	Family Size			
Income Thresholds 2024	**1**	**2**	**3**	**4**
30% AMI	$21,700	$24,800	$27,900	$31,200
50% AMI	$36,150	$41,300	$46,450	$51,600
80% AMI	$57,800	$66,050	$74,300	$82,550
100% AMI	$77,566	$86,184	$95,760	$106,400

Source: US Department of Housing and Urban Development (HUD), 2024.

The following tables and accompanying chart illustrate the number of households in Hudson that fall under each income bracket as a percent of regional AMI (HUD CHAS, 5-year estimates, 2017-2021). It is important to note that this estimate is limited to the 2017-2021 time frame, which is the most recent data available from HUD. In 2021, the majority of owning households (485) earned more than 100% AMI, while over 75% (1,195) of renting households made less than or equal to 80% AMI. Nearly 40% of renting households (605) earn less than or equal to 30% AMI. A significant number of both renting (300) and owning (210) households make between 50-80% AMI.

Income Distribution of Households	**Owner**	**Renter**	**Total**
<= 30% AMI	95	605	700
>30% to <=50% AMI	40	290	330
>50% to <=80% AMI	210	300	510
>80% to <=100% AMI	60	105	165
>100% AMI	485	265	750
Total	**885**	**1,565**	**2,450**

Source: HUD CHAS 2017-2021 5-year estimates.



Source: HUD CHAS 2017-2021 5-year estimates.

Disparities in earnings across income levels translate to a shifting landscape of AMI thresholds. The lowest quintiles saw only modest increases in earnings over the course of a decade, while higher income levels saw relatively large increases. These trends have pushed AMI levels higher and nudged many households into lower AMI brackets. For example, a household income of $60,000 was greater than 80% AMI a decade ago, but that same income is now 56% of AMI in 2024, a level that is considered “very low” income by HUD. This is apparent in the table below (HUD CHAS 5-year estimates, 2007-2011 and 2017-2021), which shows a 53% uptick (210) in the number of renting households that earn less than 30% AMI between 2011-2021, while there was a 25% decrease (90) in renting households earning above 100% AMI.

Income Distribution of Renting Households	2011	2021	# Change	% Change
<= 30% AMI	395	605	210	53%
>30% to <=50% AMI	405	290	-115	-28%
>50% to <=80% AMI	245	300	55	22%
>80% to <=100% AMI	140	105	-35	-25%
>100% AMI	355	265	-90	-25%

Source: HUD CHAS 2007-2011 & 2017-2021 5-year estimates.

Assessment of Housing Access and Affordability

Increasing Housing Cost Burden

This next section will describe the scope of affordability challenges faced by Hudson residents through a metric known as **Housing Cost Burden**. The industry standard for housing affordability, according to HUD, is that housing costs should not exceed 30% of a household’s income. Households spending less than 30% of their total household income on housing costs are considered to be in an affordable situation. Households spending more than 30% of total income on housing costs are considered **cost burdened**, while those spending more than half of total income on housing costs are considered **severely cost burdened**.

There were 2,450 households accounted for in the HUD CHAS 2017-2021 estimates. Of those, 1,565 were renting households and 885 owned their homes. A total of 1,064 were cost burdened to some degree. The table below breaks down these cost burdened households by the level of burden as well as housing tenure. Most cost-burdened households (57%, or 610) in 2021 were renters spending more than 50% of their income on housing.

Owners who are cost-burdened are often older residents who no longer generate regular income but own single-family homes with property tax payments that exceed the cost burden threshold. Seniors are often open to downsizing to an apartment, townhome, or condominium but cannot do so without options. There are severely limited options for small-scale ownership that offer financially viable alternatives for seniors who wish to age in place.

Cost Burden Level	Owner	Renter	Total
Cost Burdened (30-50% of income on housing)	170	169	339
Severely Cost Burdened (>50% of income on housing)	115	610	725
Total	285	779	1064

Source: HUD CHAS 2017-2021 5-year estimates.

The following table illustrates the cost burden for renting households at each income threshold according to those same HUD CHAS 2017-2021 estimates. **Half of all renting households (779) were cost burdened in some capacity**, with lower income levels corresponding with higher degrees of cost burden. For example, of 610 severely cost-burdened tenant households, approximately two-thirds (400) were earning less than 30% AMI. A total of 85 households earning 50-80% AMI were spending between 30-50% of their income on housing.

Income by Cost Burden (Renters only)	Cost Burdened (>30% of income on housing)	Severely Cost Burdened (>50% of income on housing)	Total Burdened Renting HH	Total Renting HH	% Burdened
Less than 30% AMI	50	400	450	605	74%
Between 30% and 50% AMI	30	180	210	290	72%
Between 50% and 80% AMI	85	30	115	300	38%
Between 80% and 100% AMI	4	0	4	105	4%
More than 100% AMI	0	0	0	265	0%
Total	169	610	779	1565	50%

Source: HUD CHAS 2017-2021 5-year estimates.

The breakdown of different income thresholds is a critical consideration for affordability targets. The previous table demonstrates that **mandates that require an allotment of units for households earning 80% of AMI would not immediately and directly help Hudson tenants, including those who comprise a growing portion of the city's workforce.** There is a clear need for affordable units for all income levels earning below 80% AMI, with the greatest need (450 as of 2021) among the lowest-income earners.

The table below shows that affordability challenges have worsened, with the number of cost burdened households, and therefore the demand for affordable housing, increasing by 22% from 2011-2021. (As illustrated later in this brief, this trend has worsened since 2021.) Many households were pushed from cost-burdened to severely cost-burdened in that same ten-year period, leading to a 213% (415) increase in renting households spending 50% of their income on housing, up from 195 households in 2011. As Pattern has demonstrated in numerous recent publications, housing cost burden is increasing because increasing housing costs are outpacing wages. This reality is apparent in the City of Hudson. The next section will demonstrate that the cause of the increase in households that are classified as "low income" or "cost-burdened" is not an actual influx of households at lower income levels, but an increase in the cost of rent.

Cost Burden Level (Renters)	2011	2021	# Change	% Change
Cost Burdened (30-50% of income on housing)	445	169	-276	-62%
Severely Cost Burdened (>50% of income on housing)	195	610	415	213%
Total Cost Burdened	640	779	139	22%

Source: HUD CHAS 2007-2011 & 2017-2021 5-year estimates.

Shifting Trends in the Housing Stock

Housing typology is an important factor in affordability. Multifamily units and mobile homes are typically more affordable than single-family homes both to build and to operate. Small-scale multifamily structures, like duplexes, triplexes, or quadruplexes, are more likely to be owner-occupied than high-density residential structures (large apartment buildings) with more units. The following table shows changing trends in housing typologies from 2013-2023.

Units in Structure	2013	2023	# Change	% Change
Single- Family	1208	1591	383	32%
2-4 Family	1674	1341	-333	-20%
5-9 Units	335	312	-23	-7%
10+ Units	314	331	17	5%
Mobile Homes	11	0	-11	--
Total Units	3542	3575	33	1%

Source: U.S. Census Bureau American Community Survey (ACS), 2013 & 2023, 5-year estimates, table DP04.

Between 2013-2023, there was a net increase of only 33 housing units in the City of Hudson (U.S. Census Bureau). Alongside a 383-unit increase in single family homes and a modest increase in higher-density development, there was a loss of 333 units found in 2-4 family buildings. This indicates that many small-scale multifamily structures were likely converted to single-family homes during that period. A small number may have been lost to dilapidation.

Small-scale multifamily units (duplexes, triplexes, and quadruplexes) are often known as Naturally Occurring Affordable Housing (NOAH), while single-family homes tend to be more expensive to rent or own. In other words, a significant number of units that would have been more affordable to hardworking Hudson residents have been replaced by more expensive units, and the tenants in those units have been displaced. **Most new units are more expensive and resource-heavy to build and maintain than the units that no longer exist.**

Although single-family homes have traditionally been owner-occupied, many of the new single-family units in Hudson are not being purchased for homeownership. Despite an increase of 383 single-family homes, there was an increase of only 175 owner-occupied households from 2013-2023. This means that **single-family homes are being purchased as investment opportunities such as long-term or short-term rentals, or as second homes for non-residents rather than for full-time resident homebuyers.**

Additionally, the table below shows a 7% decrease in the total number of households and a 21% decrease in the number of renting households. The ratio of renting households to total households dropped from 62% to 52%, with the total number of renting households dropping by 383 (21%) during that time. Although increased rates of owner-occupancy can be beneficial for community stability and cohesion, the data in this brief include a number of strong indicators of tenant and workforce displacement: a decrease in the number of households overall, a decrease in the number of tenant households specifically, rapidly increasing housing costs alongside stagnating low-income earnings, and growing wage disparities. **Furthermore, the decrease in total households (-208) despite an increase in the total number of units (33) is an indicator that housing units are being utilized as second homes or converted to short term rentals, taking homes off the market for full-time occupancy**.

	2013	2023	# Change	% Change
Renter Households	1808	1425	-383	-21%
Owner Households	1129	1304	175	16%
Total Households	2937	2729	-208	-7%
% Renters from Total	62%	52%		

Source: U.S. Census Bureau American Community Survey (ACS), 2013 & 2023, 5-year estimates, table B25003.

The data also point toward housing underproduction, which can affect the cost of rent and homeownership when there is not enough stock to meet the demand of households across the entire spectrum of income. With only 33 new homes produced over the course of a decade, the data suggest that housing of every typology has been underproduced in Hudson. In fact, many property buyers likely converted duplexes and triplexes because there was a short supply of single-family homes to meet that particular segment of demand. Meanwhile, those conversations reduced the inventory of rental homes that are in highest demand by households that are cost-burdened and comprise the majority of Hudson's workforce.

As Hudson considers its policies to allow, encourage, and permit additional housing, it should be careful to understand that demand will persist for housing of every type, and at every price point. It is correct for public policy to focus most intently on cost-burdened households that are at risk of being displaced by quickly rising rents. It is also important for all communities, including Hudson, to support the development of unrestricted housing units that can meet the market demand while preserving existing units with modest rents for the households who will continue to need them.

Part II: Measuring the Supply Gap

Overview of Development Pipeline

The analysis of supply in this section is based on information provided by the City of Hudson (see Appendix: Memo from Michelle Tullo, Housing Justice Director to Common Council, dated April 12, 2024). The upcoming projects in the City of Hudson noted in the supply tables below include:

- 501 Union (Galvan)
- Depot Districts I and II on N 7th Street (Galvan)
- Mill Street Lofts (Kearney / Hudson River Housing)
- State Street Lofts (Kearney / Hudson River Housing)
- Hudson Dots scattered-site development (Spark of Hudson)
- Hudson Housing Authority development on State Street (HHA / Mount Co)
- “Boulevards” on Fairview Ave (HQO Properties)
- Hudson Avenue development (Walter Chatham)
- Kas Site on Montgomery Street (Ben Fain)

Cost Burden Indicates Demand

Each and every cost-burdened household represents an immediate demand for an appropriately priced rental unit, an affordable home for purchase, rental assistance, or a way for burdened homeowners to offset costs (e.g. adding rental revenue or examining options for fair property taxation). This means that, as of 2021, there was demand for 779 appropriately priced housing units or interventions to secure affordability. Here again, it is important to note that this is a point-in-time estimate, which means that it **does not include projections of future demand**.

	Income-Specific Demand 2021 Point-in-time		Income-Specific Units in Development Pipeline		
Income Threshold	Renters	Owners	Rental	Ownership	Supply Gap
30% AMI	450	90	67	0	-473
50% AMI	210	20	167	5	-58
80% AMI	115	80	36	8	-151
100% AMI	4	20	23	8	7
Above 100% AMI / Unspecified	0	75	90	16	31

Source: HUD CHAS 2017-2021 5-year estimates; City of Hudson.

The table above was created by juxtaposing a point-in-time demand for affordable housing in 2021 (cost-burdened households) with the proposed supply of housing units that are now in the development pipeline in Hudson. Information about the proposed developments was provided by the City of Hudson Housing Justice Director. The list of proposed units did not include new single-family homes, as the cost of those homes are undoubtedly beyond the reach of households at median income levels and below, where demand is highest. It also did not include renovation projects for multi-unit structures, as the final use of these units is unknown (e.g. permanent dwelling versus hospitality).

The supply gap estimate relates to renters and owners combined. The main rationale for combining tenures is that tenants should not be limited to remaining in the rental market, but instead should be considered in a pool of prospective homebuyers. Existing homeowners who are cost-burdened should also be considered as prospective buyers; for example, a senior homeowner in a single-family home may be looking to downsize to a new home that would be more affordable, such as a condominium, or add an accessory dwelling unit to offset their housing costs with rental revenue.

After a decade that saw the production of only 33 additional housing units in the City of Hudson, civic leaders should be pleased that developers have proposed the construction of 420 new housing units throughout the city. After all, the severe underproduction of housing regionally and locally has contributed to rising rents and homeownership costs. (The development of housing also tends to be good for local economies, as development supports construction jobs and induces the purchase of goods and services to build and furnish the new homes.) This additional housing stock, once built, would allow Hudson to attract new residents; provide cost-burdened households with opportunities for more affordable living within the city; and offer senior citizens with options to affordably downsize, age in place, and free up their current homes to be used by other households.

It is also worth noting that 239 of the 420 homes in the Hudson development pipeline are proposed to be affordable for households making 50% AMI or less. That means 57% of all the units proposed would be affordable for Hudson households that are most acutely cost-burdened. These new homes would allow many cost-burdened renters to find an apartment that is affordable for their household budget. This proportional affordability within the development pipeline is better than many communities throughout the Hudson Valley. Although the proposed housing units would not ameliorate all the affordability challenges within the City of Hudson, they would mark significant progress toward making living more affordable for hundreds of city households.

Housing Costs are Outpacing Wages

The supply gap estimate above is limited to the 2017-2021 period, which is the most recent data available from HUD, and therefore does not account for the increase in housing challenges and cost burden known to have happened since 2021. From 2021 to 2023, median rents increased by 11%, from $1,177 to $1,309 (U.S. Census Bureau). Both years, most tenants spent 45% or more of their income on rent (calculated by dividing annual median rent by median wage). Based on the industry standard that no household should pay more than 30% of their income on rent, the annualized gap between rents and wages – also known as the Rent Gap – increased by $1,887 over the course of two years. Meanwhile, median wages for homeowners increased by 16% in that same two-year period, further exacerbating the wealth gap between owners and renters and skewing the overall AMI upward.

	2021 (infl. adj. 2023)	2023	$ Change	% Change
Median Rent	$1,177	$1,309	$132	11%
Annual Rent	$14,127	$15,708	$1,581	11%
Annual Wage to Afford Median	$47,090	$52,360	$5,270	11%
Median Wage - Tenants	$31,353	$34,736	$3,383	11%
Rent Gap	-$15,737	-$17,624	$1,887	12%
Median Wage - Owners	$81,326	$94,464	$13,138	16%

Source: U.S. Census Bureau American Community Survey (ACS), 2021 & 2023, 5-year estimates, tables S2503 & B25119.

Household Characteristics Impact Housing Demand

The size of a household – whether a family has children, or a single adult is living alone – impacts housing demand. According to the U.S. Census Bureau (2023), of 2,729 total households in 2023, 1,159 (42%) are single people living alone and 848 are 2-person households, which can be either single parents, a couple, or non-related roommates. There are 280 single-parent households (10% of total), with 205 of those being single mothers who rent their homes. More than half of all households are either single people or single parents, which means they have only one working adult earning wages. The significance of these facts is explored in the next section.

Household Size & Makeup	Number of Households	% of Households
Total households	2729	100%
Single householders	1159	42%
2-person household	848	31%
3-person household	384	14%
4-or-more-person household	338	12%
Households with Married Couples	858	31%
Households with children under 18	621	23%
Married Couples with Children (Owner-Occupied)	110	4%
Married Couples with Children (Renters)	231	8%
Total Single-Parent Households	280	10%
Single Mothers with Children (Owner-Occupied)	52	2%
Single Mothers with Children (Renters)	205	8%
Single Fathers with Children (Owner-Occupied)	23	1%
Single Fathers with Children (Renters)	0	0%
Nonfamily Households Not Living Alone (e.g. Roommates)	142	5%

Source: U.S. Census Bureau American Community Survey (ACS), 2023, 5-year estimates, tables S2501 & B25115.

Industry Wages Impact Housing Demand and Housing Shortages Impact Industry

The following table shows average wages in each industry for jobs that are located within the City of Hudson, according to the Quarterly Census of Employment and Wages (QCEW, 2023) compiled by the state Department of Labor. Alongside those average wages are the different AMI thresholds for 1- and 2-person households, which represent the majority of household sizes and types in the City of Hudson. This table illustrates the types of people who could afford housing at different affordability thresholds. The data show that many of the people who work in Hudson – those captured in the QCEW data – cannot statistically afford to live in Hudson.

Industry Type	Average Industry Wage in Hudson	Number of Jobs in Hudson
Professional and technical services	$101,640	191
Finance and insurance	$92,163	45
100% AMI for 2-person household	*$86,184*	
100% AMI for 1-person household	*$77,566*	
80% AMI for 2-person household	*$66,050*	
Manufacturing	$64,657	231
Health care and social assistance	$59,793	1,935

Unclassified	$59,390	37
80% AMI for 1-person household	*$57,800*	
Average Wage for All Jobs in Hudson	*$56,221*	
Information	$55,899	43
Median Wage for Hudson Residents	*$55,394*	
Minimum Wage Needed to Afford Median Rent	*$52,360*	
Construction	$51,920	87
Transportation and warehousing	$48,239	61
Wholesale trade	$46,372	24
Retail trade	$45,981	277
Other services, except public administration	$41,326	84
50% AMI for 2-person household	*$41,300*	
Arts, entertainment, and recreation	$40,344	32
Real estate and rental and leasing	$40,263	53
Accommodation and food services	$37,798	748
50% AMI for 1-person household	*$36,150*	
30% AMI for 2-person household	*$24,800*	
30% AMI for 1-person household	*$21,700*	

For example, a single mother who rents her home and works in healthcare would earn an average of $59,793, placing her below the 80% AMI threshold for a 2-person household. Although this wage is above median, a single parent would still struggle to make ends meet considering the cost of supporting and raising a child. Healthcare and social assistance is the largest industry in the City of Hudson, providing 1,935 total jobs. As shown in the table below, this industry is shrinking.

As another example, a single person working in the food industry would earn an average of $37,798, placing them just above the 50% AMI threshold, and far beneath the wage needed to afford median rent in Hudson. The table below shows that **the lowest paying jobs (accommodation and food services) are also the fastest growing job sectors in the City of Hudson.**

Earners in the lowest income brackets tend to work in industries like retail, entertainment, accommodations, and food services. The jobs offered in these industries tend to have relatively low and stagnant wages; at the same time, the demand for these services tends to grow with gentrification as an influx of residents with disposable income often seek dining and cultural offerings. Tourism – which has grown substantially in the Hudson Valley, Columbia County, and Hudson – also drives a greater demand for food and hospitality businesses, although data show the increased demand does not correlate with increased wages.

Industry Type	2017	2018	2019	2020	2021	2022	2023	# Change 2017-2023	% Change 2017-2023
Accommodation and food services	553	634	654	459	609	717	748	195	35%
Arts, entertainment, and recreation	32	36	47	33	31	30	32	0	0%
Construction	55	68	48	55	55	68	87	32	58%
Finance and insurance	62	56	33	25	25	23	45	-17	-27%

Health care and social assistance	2224	2308	2269	2108	2021	1622	1935	-289	-13%
Information	63	61	53	64	51	52	43	-20	-32%
Manufacturing	198	218	239	234	270	244	231	33	17%
Professional and technical services	169	163	154	176	179	183	191	22	13%
Real estate and rental and leasing	55	46	47	46	51	52	53	-2	-4%
Retail trade	189	293	277	237	271	254	277	88	47%
Transportation and warehousing	41	49	58	39	38	35	36	-5	-12%
Wholesale trade	34	33	35	33	29	29	24	-10	-29%

Note: Some industries are not reported due to QCEW disclosure policies.

It is important to note that women's earnings as a percentage of men's earnings in the City of Hudson is 82% for full-time workers (U.S. Census Bureau, 2023 5-year estimates, table S2001). This means that single women, especially single mothers, are more likely to be lower-income and housing cost burdened.

Conclusion

This research brief is designed to help the City of Hudson, Columbia County, and other civic organizations assess whether development proposals will meet the core demand for housing and contribute to the wellbeing of the city's workforce.

According to data provided by the City of Hudson, 57% of all units (239 of 420 total) in the development pipeline would be affordable to households making 50% of AMI or less. These projects deserve support and fair consideration as they would help to meet the most dire need for housing among city residents. These homes would help Hudson sustain a service-industry workforce that is needed by its local businesses. Unrestricted units also deserve support to help Hudson counter a decade of housing underproduction, to provide housing new housing across all income levels, and reduce the likelihood of more duplexes and triplexes being converted into single-family homes.

The data also show that Hudson should continue to allow, encourage, and permit the development of more housing – especially at the lowest levels of income – to meet the demand and alleviate intensifying housing stress as rising rents continue to outpace wages. There is a need to encourage building and preservation of housing that is permanently affordable for people who rely on modest rents. There is also strong demand for condominiums, townhomes, and other less-expensive forms of homeownership.

This will not be simple. The metrics of affordability have shifted significantly in Columbia County over the past decade as more high-earning households moved into the county from the New York City metro area (see *Money Migration*, Pattern for Progress, 2024). Housing policies cannot remain static in the face of rapid socioeconomic change. Many Hudson residents who could afford rent a decade ago are now cost burdened. Those who once qualified for housing at 80% AMI might now find themselves in the 50% AMI bracket. The cost of housing has demanded a growing proportion of wages for hardworking people in Hudson. Affordable set-asides, investments in permanent affordability, density bonuses, community ownership models, and other zoning tools should be analyzed and adjusted on a regular basis to reflect the shifting housing market.

It is also becoming increasingly difficult to finance and build housing developments. Developers in the Hudson Valley are facing an array of challenges: increasing costs of land, construction materials, taxes, and insurance; labor shortages among the building trades; and anti-development sentiments among residents all complicate or impede the development of new units. In recognition of these challenges, governments and other authorities have sharpened their focus on housing. More industrial development agencies (IDAs) are offering tax incentives and low-interest bonding to support the development of affordable housing. Some counties have established their own housing funds to offset capital costs and other financing gaps. New York State has created more programs to fund homeownership and rental development. The state has also passed new local-option tax exemptions to help local governments phase in property taxes for developers who build housing units at lower levels of affordability.

The trends and pressures illustrated in this report harken to a common challenge throughout Columbia County, the Hudson Valley, and much of the United States: how do we encourage development without displacement? Communities across the region are excited to welcome new residents who live in our neighborhoods and make contributions to our communities. We also want to be sure that demographic and socioeconomic trends do not result in the exodus of our workforce, our neighbors, and people who have called our communities home for generations. Pattern hopes that this research brief will guide the City of Hudson as it makes evidence-based decisions to support good, affordable, stable housing for all its residents.

# # #

Housing Department
City of Hudson
520 Warren St, NY 12534•518-828-7217

To: City of Hudson Common Council

From: Michelle Tullo, Housing Justice Director

Date: April 12, 2024

Re: Housing Need in Hudson and Current Development Pipeline

Hudson currently has about 275 affordable rental housing units in the development pipeline, which is well-below the estimated demand of 750-1,500 affordable units. Pages 1-3 below show how those numbers were calculated and Pages 4-5 provide a table of housing developments.

When looking at housing demand, no single data point is going to provide a clear answer of exactly how many housing units are needed and at what prices, especially considering that people's needs are constantly changing as their incomes, household sizes, and life situations change. However, we can still get a sense of whether there are enough *housing options* across a range of prices from looking at a variety of data sources. The key data below comes from the American Community Survey but is supplemented by private market studies, waiting lists at subsidized housing complexes and Section 8 vouchers, realtor websites, and the Bureau of Labor Statistics.

The American Community Survey (ACS) is an ongoing survey conducted by the federal government. This is one of the best sources of information regarding housing and income, but does have a decent margin of error because (a) only a sample of the population is surveyed and, (b) for a small geography like Hudson, the sample is across a five-year period and comes out one-two years later. This means that when interpreting results from the ACS it is reasonable to assume that there is actually a larger gap between people's incomes and housing prices due to the trend of increased housing prices. Given that context, the following data comes from the 2022 ACS 5-Year data for Hudson:

- 16.5% of Hudson's housing units are subsidized or supportive housing, while 64.2% of households in Hudson are considered low-income (with 28% of these considered extremely low-income). Therefore:
  - Total Low-Income Households in Hudson: 1,670
  - Number of Low-Income Households who rent: 1,320
  - Existing Number of Affordable Housing Units: 564
  - Gap in Affordable Rentals: 756

In this case, "affordable" means that it is part of a subsidized housing program, which does not include apartments leasing to Section 8 voucher holders or apartments where the rent may be significantly below market-rate. However, there is enough supplemental data to suggest that 756 is a very low estimate for the number of affordable rental units needed:

- Increasingly, people with Section 8 vouchers are no longer able to use them in Hudson. In 2021, there were about 220 people on the waiting list for vouchers. Last fall this number was down to 40- not because there was less demand, but because people were unable to find apartments. When you reach the top of the list, if you can't find an apartment within a certain amount of time you're removed from the list and have to go back to the bottom or try a different region.
- The below market-rate apartments are also becomingly rarer; as tenants leave the new listing price jumps substantially higher. Most of these would be leases that people have been on for awhile; however, we know from significant anecdotal data that many of these below market-rate apartments are underpriced because they have significant health and safety issues. We also know that even market-rate apartment buildings have waiting lists, so even if people want to pay a higher amount of their income there is a shortage of housing.
- Additionally, this number only reflects the need for apartments renting at 80% AMI or below; this does **not include the demand for housing between 80% AMI and market-rate nor does it include the demand for affordable homeownership**.
- Finally, this number does not reflect the number of people who want to live in Hudson but cannot afford to do so *or* the number of people who have been displaced from Hudson due to high housing costs. The best data point we have that captures the demand for people to live in Hudson is from a market study that the Kearney Group commissioned by Newmark Valuation & Advisory in fall 2023. They looked at the demand *only from households within Columbia County* to live in Hudson in an affordable rental and found the following:

Number of Households Demand by AMI and Bedroom Size

AMI Level	1 Bedroom	2 Bedroom	3 Bedroom
30%	208	178	129
60%	426	317	249
Total:	634	495	378
Total:			**1,507**

Please note two important things about this data: First, the specific methodology that Newmark uses excludes seniors from the data, meaning the actual demand is even higher. Second, this dataset only includes very low-income demand (at 60% AMI or below).

A final data point to add is the gap between what the average employer in Hudson can afford and what housing is available on the market. Twenty-two percent of Hudson residents work in Health Care and Social Assistance, for which the average annual weekly wage is $947. This means that they could roughly afford a monthly rent of $936 (thirty percent of income minus about $200 for monthly utilities), which is **$1,514** below the current average apartment cost of $2,450. For the average Hudson resident working in education, the gap between what they could afford and market rent is $1,320.

The table on the next page shows housing in the development pipeline. If all the affordable housing receives financing and developed, that would create about **274 new below-market units**, perhaps 286-300 depending on the second phase of the Depot District. The data above shows that the lowest demand for affordable units in Hudson would be for 756 units, with a higher estimate looking at more than 1,500 units needed. While those numbers may seem large compared to the current size of Hudson's roughly 6,000 residents, it is not surprising when placed in the context that Hudson has lost about 1,500 residents over the last twenty years. Therefore, the 274 new units would provide desperately needed housing units but would only satisfy a part of existing demand.

Housing Department
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Housing in the Pipeline:

Project Name	Developer	Site	Units	Affordability	Project Type	Status- 11/2024
501 Union [2]	Galvan	501 Union Street	11	Market Rate	Rehab	Complete
Depot District I	Galvan	708 State St/76 N 7th St	63	12 units @ 80% AMI; 51 units @ 130% AMI	Infill new construction	Under Construction
Depot District II	Galvan	75 N 7th St	TBD	TBD	Infill new construction	Pre-Development[1]> Finished Site Plan Approval
Mill St Lofts	Kearney/Hudson River Housing	Mill St	70 rental units	Low-Moderate Income (30% AMI-100% AMI)	Infill new construction	Planning Board; Applied for Fall 2024 9% LIHTC
State St Lofts	Kearney/Hudson River Housing	N 4th/State St	21 condos with affordable daycare	Low-Moderate Income (30% AMI-100% AMI)	Infill new construction	Planning + Zoning Boards
Hudson Dots[2]	Spark of Hudson	Scattered 6-7 units	9 completed	Low-Income	Rehab	Some complete/Some under construction

Hudson Housing Authority[2]	HHA/Mount co	41 N 2nd St + across street on State St	200 (TBD)	Low-Income (1/3 for Extremely Low-Income)	Rehab + New Construction	Pre-Development[1] -Planning Phase
"Boulevards"	HQO Properties	117-121 Fairview Ave	28	Market Rate	Infill Demolition + New Construction	Planning Board review
6-12 Hudson Ave	Walter Chatham	6-12 Hudson Ave	16: 8 SF houses; 8 rowhouses	Market Rate	New Construction	Planning Board review
Kaz Site	Ben Fain	17 Montgomery St	TBD	TBD	New Construction + Adaptive Rehab	Early conceptual planning

[1]Funds not yet committed- this means that while we are optimistic that this housing will be built, it is not a definite until financing is secured.

[2]Please note that not all these units increase the total available housing. 501 Union St relocated some tenants from other buildings in Hudson. The first phase of Hudson Dots did not increase housing; it preserved housing units from being sold and flipped, or deteriorating. The Hudson Housing Authority is a *redevelopment*; if their full plan is approved and funded then they would create about 162 new units.

Note: This does not include all proposed or current housing development; there are a handful of private housing rehabilitations going on around the city that each would create small numbers of units (duplexes; fourplexes). These are not included because their progress is all uneven (some have been stalled for a period of time) and the final use of the units is unknown (for example, they may be used by the owner or for hospitality and may not add to the housing market).