

Subject: Proposed Trinitas Development and Varna Hamlet Zoning 7-5-18

James E. Skaley, Ph.D.

940 Dryden Rd.
Ithaca, N Y 14850

To Town Board and Planning Board

Re: Proposed Trinitas Development and Need for Zoning Review in the Varna Community Development Plan

Here are some facts regarding developments such as Trinitas which has now proposed to build 224 units of townhouses on 7 Lucente parcels with the largest concentration on the vacant lot off Mt Pleasant. If approved, as is, this would result in 663 additional beds. Trinitas is a developer from W. Lafayette, IN and specializes in developments in or near college towns to provide housing for students.

This is a model that is being advocated by a number of investment newsletters given the “steady income” generated by students attending these schools. LLC’s are the preferred corporate entity which allows many investors to come together privately to share in the rewards. They look for inexpensive properties as close to campus as possible and propose an all inclusive development for students. **In many situations the development is sold after a few years and the profits and rents go to the out of state/area investors.**

The Trinitas proposed development is nearly identical to a proposal that Lucente proposed about 15 years ago that was rejected at the time due to stormwater retention issues with the site flooding basements below the hill. Lucente’s project was rejected prior to the new zoning and the development of the Varna Community Development Plan adopted in 2012. Trinitas’ proposal is very similar except it has features that do not integrate with the rest of the hamlet like a clubhouse and pool, gym and other amenities none of which are available to the broader community. This makes it an exclusive development not something envisioned in the Varna Community Development Plan. It would also add potentially 663 cars that would dump onto Mt. Pleasant and Rt 366. They do propose a shuttle system that may alleviate some traffic, but with the increased amount of commuter traffic already on 366—this will still add to the current commuter load of cars on 366.

Trinitas has several developments in other college towns—not all have been approved.

710-bed student housing project rejected by Ann Arbor Planning Commission. http://www.mlive.com/news/ann-arbor/index.ssf/2018/05/710-bed_student_housing_projec.html

Student housing developer Trinitas went 0-for-2 before the Ames City Council this year after the six-member panel again denied its plans to build a rental apartment community on the western edge of the city. <http://www.amestrib.com/news/20171219/council-again-vetoes-west-ames-development>.

In addition, Trinitas built a \$30 million, 253-unit project at 1201 Indiana Ave., which opened in August 2010, and a small project about 10 years ago near the University of Indianapolis on the south side.

Trinitas sold both developments, the latter within four years to provide it additional capital for more projects, <https://www.ijb.com/articles/51445-developer-bets-40m-on-mixed-use-project-near-iupui>

What does our 2005 Comprehensive Plan and the 2012 Varna Community Development Plan indicate that is appropriate for the Hamlet?

The 2005 Plan states that density in the hamlets should average 4 units/ac., offer a mix of housing options including single family with an encouragement for home ownership. The Plan also states that development should be regulated to retain the character of the community without dramatic shifts.

The 2012 Varna Community Development Plan anticipates in coming years a full buildout of 454 bedrooms. Since the Varna Plan was adopted in 2012, 190 rental apartment bedrooms have been approved and 15 single family houses—meaning we are already nearing the half-way mark in the projected buildout. Adding the Trinitas proposal would bring the total bedrooms to 883—essentially doubling the occupancy of new additions since 2012 and far exceeding the 454 bedrooms that was approved in the Varna Plan. The Varna Plan had anticipated a 1.1 to 1 mix of apartment/townhouse bedrooms to single family home bedrooms. The only new home ownership units are the 15 Tiny Timbers being built by Dolph on the corner Freese/366. **Since 2015 with the Trinitas proposal added: a total of 853 or 98% of the new beds added would be rental.**

This increase in rental vs. single family and home ownership will totally overwhelm the current residential character of the hamlet. What are the implications? Fewer long-term residents to participate in community and civic affairs, fewer volunteers to maintain the Fire Company, the Community Center, and support for the Varna church; increased traffic on a heavily traveled

road. Loss of potential real estate for building in amenities such as pocket parks and green spaces as called for in the Varna Plan; increased costs for infrastructure maintenance and capacity for sewer/water, and a deterioration of hamlet character and livability.

Why and How has this occurred? There are significant differences between the guidelines in the Varna Community Development Plan adopted into our Town Comprehensive Plan and the zoning that was approved for the three distinct zones in Varna. Largely this is due to large grants of unit density as opposed to the number of bedrooms allowed/acre. Consequently, the zoning adopted in 2012 does not follow the guidelines or objectives of the Varna Plan. By convention zoning is to be based on the goals/objectives of the comprehensive plan until that plan is changed. If Varna hamlet is to become the community anticipated in the Varna Plan then there needs to be a reevaluation of the bulk density and zoning descriptions that were adopted in 2012.

Respectfully submitted,

James Skaley

[REDACTED]
Sent: Sunday, July 15, 2018 4:21 PM

To: Ray Burger [REDACTED]
[REDACTED]
[REDACTED]

Subject: Housing Needs

The graphic below from the U.S. census bureau and the two documents attached clearly indicate that the supply for single-family units has fallen way below that of multi-family while at the same time the millennial generation is starting families and looking for single family units to buy. In large part as these documents show young families are being thwarted by the lack of supply and those single family units that are coming on the market have increased in price substantially since the great recession(2008). This is a problem of lack of supply not lack of demand.

We can see it locally. Most of the housing starts in recent years have been for multi-family units--in the City many of these units are for luxury apartments. Elsewhere CU is building a large number of units to house their student population and perhaps East Hill may provide some apartments for support staff. Anecdotally, some developers are indicating that they are no longer planning to build for the student market which they view as getting soft. At the same time older generation folks are not moving out of their single family homes--necessitating around 1/3 of those employed in the county need to commute from outside the county to find affordable housing.

Market forces are therefore driving up both cost of rents and the sale price for what single family units are available--meaning that the affordability of living in Tompkins County is decreasing. Recently Ithaca has been listed as the 10th most expensive nationally to live regarding rents. The related costs include increased commuting time and traffic congestion on our roads. I spoke to a vet student who rents at Observatory Circle in Varna--it now takes him 15 minutes on average to get to the vet school from his apartment during Rt 366 rush hour which is when he needs to get to classes/work for his rounds. Normally this would be less than 5 min.

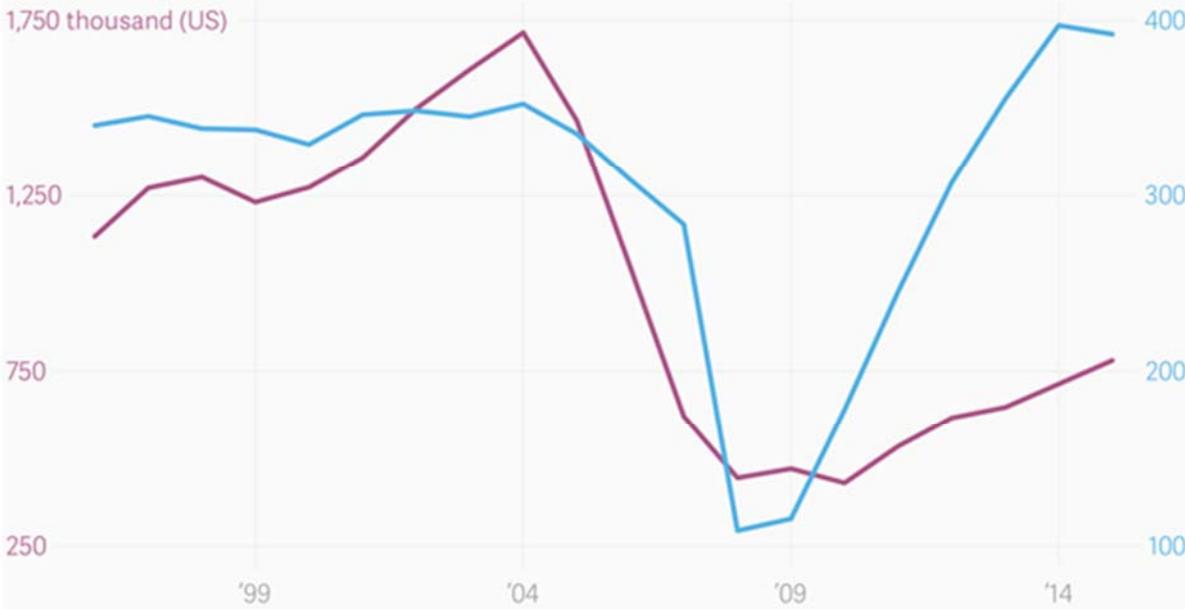
Jim Skaley

Jim Skaley

They don't build single family homes like they used to

■ Single family ■ Multi-Unit

1,750 thousand (US)



△ T.L. △ S | Data: US Census

Share

Real Estate Analysis

Multifamily vs. single-family housing trends

Filip Blazheski

- Demand for multifamily housing relative to single-family housing has peaked
- Older Millennials forming families will drive the demand for single-family homes
- Demand from younger Millennials will support the multifamily sector
- The demand for multifamily units from downsizing Boomers will intensify

As housing construction and household formation were recovering from the effects of the Great Recession (Chart 1), one of the trends that emerged was the resurgence of multifamily construction (primarily of rental apartments). Multifamily construction is now back in line with single-family construction, after a long hiatus that started in the late 1980s (Chart 2). The demand for rental properties and smaller urban units is going strong, evidenced by the low, albeit increasing vacancy rates due to improved supply. However, if, and for how long, this is going to last is an open question. This brief analyzes the trends that will drive the demand and supply for multifamily and single-family housing over the next 10 years.

Chart 1
Housing starts and households (Thousands, level and YoY change)



Source: Census Bureau & BBVA Research

Chart 2
Housing starts (Thousands)



Source: Census Bureau & BBVA Research

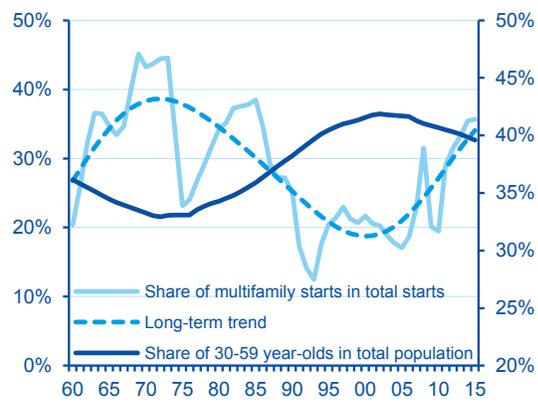
Long-term trends: demographics at play

Multiple factors resulted in a decline in multifamily construction in the second half of the 1980s, such as the adverse effect of the 1986 Tax Reform Act on rental housing construction,¹ relaxed access to credit and government policy stimulating home ownership—primarily of single-family homes. However, the large Baby Boomer generational cohort, which entered the prime age for home ownership during this time, drove the

¹ Poterba, J. (1992). Tax Reform and Housing Market the Late 1980s: Who Knew What, and When Did They Know It? <https://www.bostonfed.org/economic/conf/conf36/conf36g.pdf>

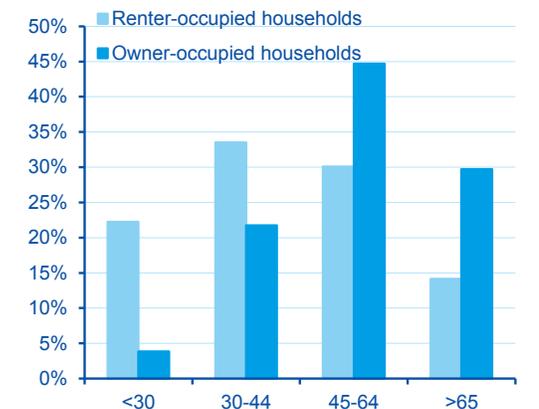
underlying trend. Chart 3 shows how the drop in multifamily housing starts since the mid-1980s was influenced by the disproportionately large cohort of Boomers entering homebuying age, making the demand for single-family houses particularly strong. This is consistent with the lifecycle housing demand model, which states that younger adults have relatively low incomes and space needs, leading them to move more often, rent more, and thereby increase the demand for multifamily units. In the U.S., the transition from renting to owning occurs around the age of 30 (the median age of a first-time buyer in the U.S. in 2013, 2014 and 2015 was 31). As young adults start to form families, they move less and have more space needs and higher incomes, which allows them to purchase single-family homes. For example, in 2015, 89% of buyers with children under the age of 18 purchased detached single-family homes.² Although homeownership rates remain high from this stage into early retirement, during the later stages of life, households begin to exit the single-family housing market because of attrition, moving in with family members, moving to elderly care facilities, or downsizing and relocating to more easy-to-maintain multifamily properties.³ The age at which seniors began downsizing into multifamily units (indicated by a rise in the share of households in multifamily housing by age) gradually rose from 50 in 1980 to 75 in 2013⁴—a trend which is likely to continue. The lifecycle model and the tenure by age of householders (Chart 4) indicate that the demand for single-family homes is strongest for people aged 30-70.

Chart 3
Share of multifamily starts vs. share of population most inclined to buying single-family homes⁵ (%)



Source: Census Bureau & BBVA Research

Chart 4
Tenure by Age of Householder (% of total)



Source: National Multifamily Housing Council & BBVA Research

Today, Baby Boomers (currently age 50 to 70) inhabit 32 million single-family detached homes, which account for more than one quarter of the nation's entire occupied housing inventory.⁶ Therefore, whatever happens to this group will have profound effects on the composition of housing demand. The exit of Boomers from single-family housing will be compensated by the entrance of Millennials (Chart 5). Being a larger cohort than Boomers,

² NAR. First-time Buyers Fall Again in NAR Annual Buyer and Seller Survey. <http://www.realtor.org/news-releases/2015/11/first-time-buyers-fall-again-in-nar-annual-buyer-and-seller-survey>

³ Bitter, C. Krause, A. (2012). Re-urbanism or Bigger 'Burbs?: The Implications of Demographic Change for Housing Markets. <http://realestate.washington.edu/wp-content/uploads/2013/03/Bitter-Krause-PUMS-2012.pdf>

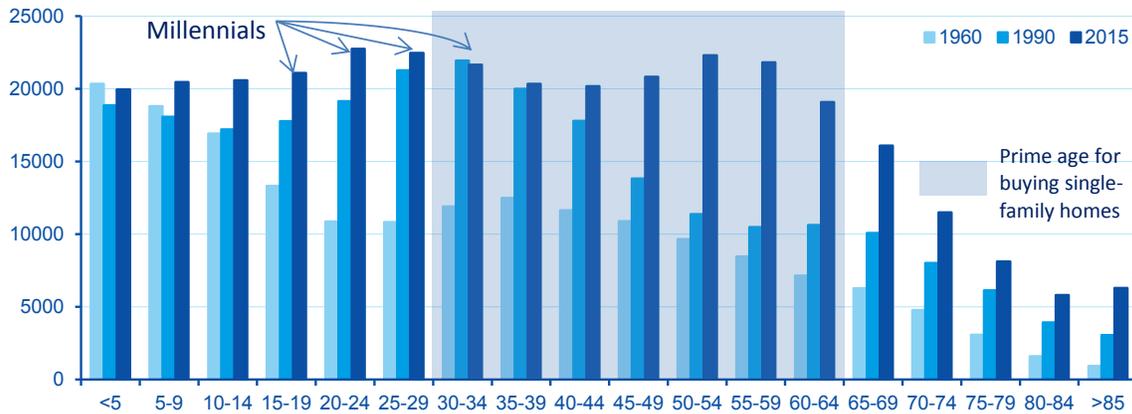
⁴ Rapaport, J. (2015). Millennials, Baby Boomers, and Rebounding Multifamily Home Construction. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2637622

⁵ Trend estimated by using Christiano-Fitzgerald time series filter

⁶ Simmons, P. (2014). Baby Boomer Downsizing Revisited: Boomers Are Not Leaving Their Single-Family Homes for Apartments. <http://www.fanniema.com/resources/file/research/datanotes/pdf/housing-insights-082015.pdf>

Millennials should have no problem absorbing the freed up inventory of single-family houses in the next 10-15 years. The effect of Boomers on the demand for multifamily homes is more uncertain though, as they have not started significantly downsizing to multifamily properties yet.

Chart 5
Generational shift in the structure of homebuyers: U.S. population by age (Thousands)



Source: Census Bureau & BBVA Research

The post-Millennial generational cohort is considerably smaller than the Millennial cohort; therefore, increasing demand for multifamily properties in the longer run will have to depend on seniors. Luckily for the multifamily sector, the aging Boomer cohort is relatively large, so demand will be supported by its size, even without a change in preferences (i.e. no increase in the share of seniors living in multifamily homes). The transition of Boomers to multifamily properties is weak at the moment,⁷ but won't necessarily remain so. According to the Federal Reserve Bank of Kansas City , “downsizing—once it begins—increases more rapidly with age than in previous decades.”⁸

Change in preferences or a reflection of demographic change?

While there is anecdotal evidence of Boomers downsizing to apartments, condos or co-ops, seeking the benefit of convenience and living in more dense communities, there is still no definitive proof for this trend. On the contrary, the share of households living in multifamily units with a head of household aged 70+ has been consistently decreasing since at least the 1980s due to more seniors living longer, with a partner and enjoying better health.⁹ If Boomers’ preferences suddenly turned toward multifamily living (assisted living is not an important factor as only a small share of the senior population in multifamily units lives in assisted-living communities), the multifamily sector would reap additional benefits, but even without it, their large number itself ensures a strong influx of multifamily residents going forward.

⁷ See: Simmons P. Baby Boomer Downsizing Revisited: Boomers Are Not Leaving Their Single-Family Homes for Apartments <http://www.fanniemae.com/resources/file/research/datanotes/pdf/housing-insights-082015.pdf>

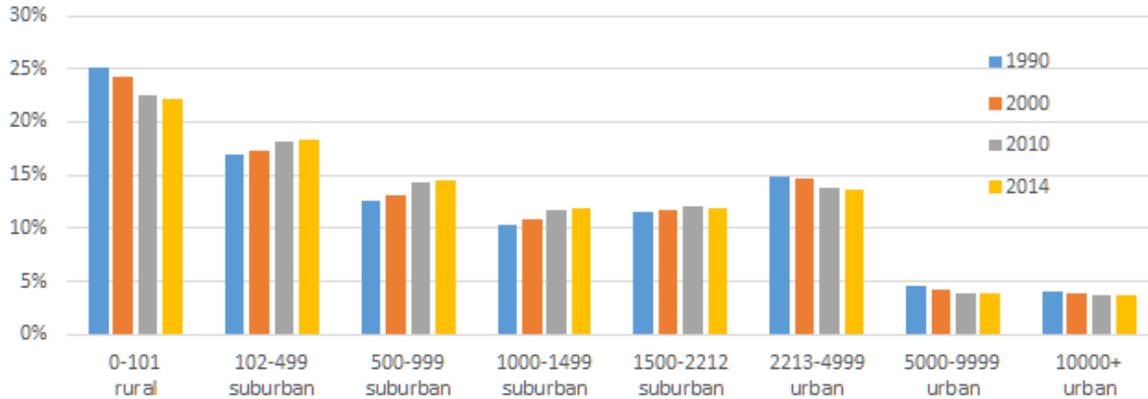
⁸ Rapaport, J. (2015). Millennials, Baby Boomers, and Rebounding Multifamily Home Construction. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2637622

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The primary driver behind the demand for multifamily properties over the last five years, in addition to the effects of the Great Recession, was the Millennial cohort. This is largely because multifamily properties make most sense in densely populated areas, which is where Millennials, most of them in their 20s and early 30s, have preferred to reside. A 2014 report by Nielsen¹⁰ stated, “Millennials (62%) prefer to live in the type of mixed-use communities found in urban centers where they live in close proximity to a mix of shopping, restaurants and offices. They currently live in urban areas at a higher rate than any other generation. And, 40 percent say they would like to live in an urban area in the future.” However, these preferences might just be a reflection of the age of the first wave of Millennials, and thus as Millennials become older and start having children, they may end up behaving similar to previous generations. According to a recent National Association of Realtors (NAR) report, the share of people 35 or younger who are buying homes in urban areas fell to 17 percent at the beginning of 2016, from 21 percent in 2014.¹¹ In fact, the share of Americans living in urban neighborhoods continues to decline (Chart 6). Moreover, the urban revival, evidenced by the process of gentrification in many, until recently, blighted urban cores, is skewed toward “rich, young, educated Whites without school-age kids.”¹² Not only are the suburbs becoming attractive for the majority of Millennials as they age, they could even be moving further away from city centers than generations before them. According to Redfin, the typical home sold in 2015 was about 4 percent farther from a city center than in 2011.¹³

Chart 6
Neighborhood density distribution of U.S. households, 1990-2014 (% of all households, by Census tract density, measured as households per square mile)



Source: Kolko, J. Neighborhood Data Show That U.S. Suburbanization Continues. <http://jedkolko.com/2016/03/25/neighborhood-data-show-that-u-s-suburbanization-continues/>

¹⁰ Nielsen. Millennials: breaking the myths. <http://www.nielsen.com/us/en/insights/reports/2014/millennials-breaking-the-myths.html>

¹¹ NAR. Home Buyer and Seller Generational Trends. <http://www.realtor.org/reports/home-buyer-and-seller-generational-trends>

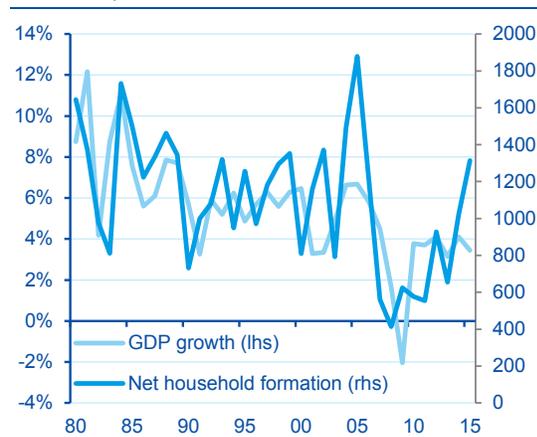
¹² Kolko, J. (2016). Urban Revival? Not For Most Americans <http://jedkolko.com/2016/03/30/urban-revival-not-for-most-americans/>

¹³ Redfin. Homebuyers Are Bucking the Urban Revival As ‘Burbs Beckon <https://www.redfin.com/blog/2016/03/homebuyers-are-bucking-the-urban-revival-as-burbs-beckon.html>

Cyclical and other factors: significant variables, but with a varying importance for the short- to mid-term outlook

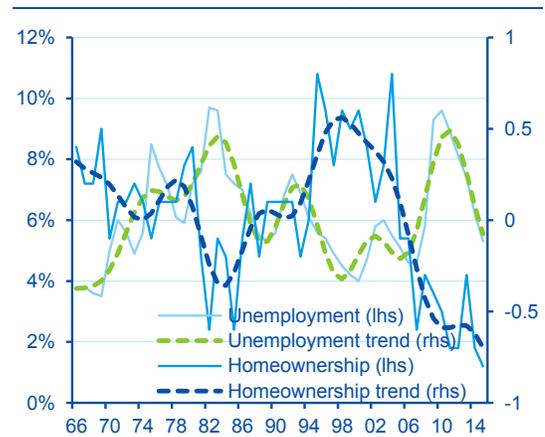
Slow or negative economic growth, not surprisingly, is adversely associated with household formation (Chart 7) and housing starts. Rent vs. buy decisions are also influenced by macroeconomic factors (Chart 8). High unemployment, in particular, delays the transition of younger households from renting to owning.

Chart 7
GDP growth and net household formation (% and thousands)



Source: BEA, Census Bureau & BBVA Research

Chart 8
Unemployment rate and change in homeownership rate (% and p.p. change)



Source: BLS, Census Bureau & BBVA Research

Easy access to mortgages, especially for borrowers with lower creditworthiness, was one of the contributing factors to the housing boom of the 2000s.¹⁴ Many households that would have been renting multifamily units became single-family homeowners, and the multifamily sector was affected by the adverse shift in the risk profile of the remaining renters,¹⁵ leading to higher rents, furthermore depressing the demand for multifamily housing. After the subprime mortgage crisis, the tide turned; a large number of homeowners defaulted on their mortgages and turned to renting, and new regulation was put in place to tighten lending conditions. After this recent experience, there is no reason to believe that we are going to see a return of the loose credit period, even if lending standards continue to relax marginally. On the other hand, credit is not likely to be constrained either, and interest rates are likely to remain below historical average for a considerable period. Because of this, we assume that there will be no significant change in mortgage availability in the short- to mid-term.

Changes in taxes and regulations have had a significant impact on the demand and supply of the different types of housing in the past. For example, making depreciation provisions less favorable and removing anti-tax shelter provisions in the 1980s depressed investment in rental properties,¹⁶ and in the 1990s, the plethora of policies designed to promote homeownership contributed to the formation of the housing bubble of the 2000s. In addition, local zoning rules are known to limit the supply of new housing units, helping to drive up prices.¹⁷ Again,

¹⁴ See Ben Bernanke 2007 speech: <http://www.federalreserve.gov/newsevents/speech/bernanke20070517a.htm>

¹⁵ Ambrose, B. Diop, M. (2014). Spillover Effects of Subprime Mortgage Originations.

<http://www.sciencedirect.com/science/article/pii/S009411901400028X>

¹⁶ Poterba, J. (1992). Tax Reform and Housing Market the Late 1980s: Who Knew What, and When Did They Know It?

<https://www.bostonfed.org/economic/conf36/conf36g.pdf>

¹⁷ Hardaway, R. (2009). The Great American Housing Bubble: Re-examining Cause and Effect.

https://www.udayton.edu/law/resources/documents/law_review/the_great_american_housing_bubble.pdf

as the experience of the latest housing bust is very recent, it is unlikely that new regulation risking the over-stimulation of single-family housing development is going to be passed in the mid-term. Also, it does not seem that any potential tax reform is likely to reduce the mortgage interest income deduction or the exemption from capital gains taxation on the sale of a personal residence, which could affect the single-family housing market. Zoning restrictions, being generally in the purview of local governments, are also unlikely to change dramatically, and if they do so, change will happen on a locality-by-locality basis. Therefore, we assume that the tax and regulatory environment will remain relatively unchanged in the coming period.

Student debt has featured prominently in the recent discussions on homeownership. In a survey conducted by NAR recently, 71% of non-homeowners repaying their student loans on time believed that their debt is constraining their ability to purchase a home.¹⁸ However, a more careful examination of the data from multiple sources paints a more nuanced picture. While a recent study finds that a 10 percent increase in student loan debt causes a 1 to 2 percentage point drop in the homeownership rate during the first five years after exiting school,¹⁹ it does not confirm that homeownership after that period is significantly affected. In fact, a recent Brookings report finds that by the time people are in their thirties, home ownership rates for college-educated people that had or didn't have student debt are statistically indistinguishable.²⁰ A recent study based on longitudinal data finds little evidence that student loan debt is a "major culprit" of declining home ownership among young adults, but rather that "it is likely that declining home ownership among young adults—which predates the recent rise in student loan debt—is more responsive to structural changes in the economy and changes in the transition to adulthood".²¹ Because of this, we do not take into consideration changes in student debt levels in our projections.

Last but not least, immigration is a definitive driver of housing markets. According to the Harvard Joint Center for Housing Studies, immigrants accounted for 27.5% of owner household growth over the 1994-2014 period.²² In addition to household formation, there has also been an increase in the homeownership rate among immigrants over the last decades (from 49.8% in 2000 to 52.4% in 2010).²³ This means that if immigration trends continue, the demand for multifamily units in the short-term and for single-family units in the longer-run will remain solid. A major uncertainty regarding immigration trends is the potential of immigration policy reform. However, due to the state of political sentiment, we do not account for any significant changes in immigration forecasts.

Scenario forecasts for the period 2016-2020

Multifamily and single-family housing starts are the closest indicators of the balance of supply and demand for the two types of housing. We project multifamily and single-family housing starts in the 2016-2020 period using Census population projections by age group and BBVA Research USA's baseline macroeconomic forecasts, keeping consumer preferences unchanged. In addition, we assume modest changes in access to credit, tax and

¹⁸ NAR (2016). 71 Percent Believe Student Debt Delays Homeownership. <http://www.realtor.org/news-releases/2016/06/71-percent-believe-student-debt-delays-homeownership>

¹⁹ Mezza et al. (2015). On the Effect of Student Loans on Access to Homeownership. <https://www.federalreserve.gov/econresdata/feds/2016/files/2016010pap.pdf>

²⁰ Dynarski, S. (2016). The dividing line between haves and have-nots in home ownership: Education, not student debt.

<http://www.brookings.edu/~media/research/files/reports/2016/05/03-home-ownership-dynarski/home-ownership-final2b.pdf>

²¹ Houle, J. Berger, L. (2015). Is Student Loan Debt Discouraging Home Buying Among Young Adults?.

http://www.appam.org/assets/1/7/Is_Student_Loan_Debt_Discouraging_Home_Buying_Among_Young_Adults.pdf

²² Masnick, G. (2015) 11+ Million Undocumented Immigrants in the U.S. Could Be Important for the Housing Recovery.

<http://housingperspectives.blogspot.com/2015/01/11-million-undocumented-immigrants-in.html>

²³ The Atlantic (2015). Can Immigrants Save the Housing Market. <http://www.theatlantic.com/business/archive/2015/01/can-immigrants-save-the-housing-market/384332/>



housing policy, student debt trends and immigration policy. In addition to the baseline forecasts, the effect of cyclical forces on housing starts is analyzed using two alternative scenarios, upside and downside.

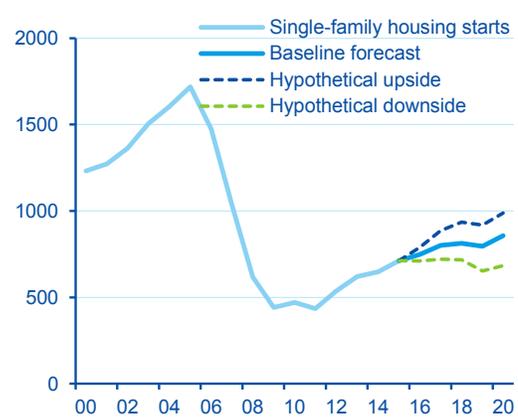
The results for both multifamily and single-family housing starts are presented in Table 1 and Charts 9-11. The forecasts from our models show that multifamily construction remains strong through at least 2020 in response to still solid demand from younger Millennials; however, the share of multifamily construction slows down somewhat relative to single-family construction. The forecasts also show that single-family housing starts are more resilient to a hypothetical downturn than multifamily housing starts.

Table 1
Forecasts: Baseline and hypothetical scenarios

	Single-family housing starts (thousands)	Multifamily housing starts (thousands)	Share of multifamily housing starts (%)
2015	712.7	395.3	37.5
2016	748.0 (b)	391.5 (b)	34.4 (b)
	789.2 (u)	424.4 (u)	34.3 (u)
	711.2 (d)	370.5 (d)	34.3 (d)
2017	801.4 (b)	377.5 (b)	32.0 (b)
	885.5(u)	435.4 (u)	32.4 (u)
	720.0(d)	304.1 (d)	29.7 (d)
2018	811.9 (b)	359.1 (b)	30.7 (b)
	934.7 (u)	439.2 (u)	31.4 (u)
	718.0 (d)	244.7 (d)	25.4 (d)
2019	796.3 (b)	347.5 (b)	30.4 (b)
	917.9 (u)	421.3 (u)	30.9 (u)
	653.4 (d)	245.8 (d)	27.3 (d)
2020	857.0 (b)	379.5 (b)	30.7 (b)
	988.3 (u)	446.9 (u)	30.6 (u)
	683.6 (d)	295.0 (d)	30.1 (d)

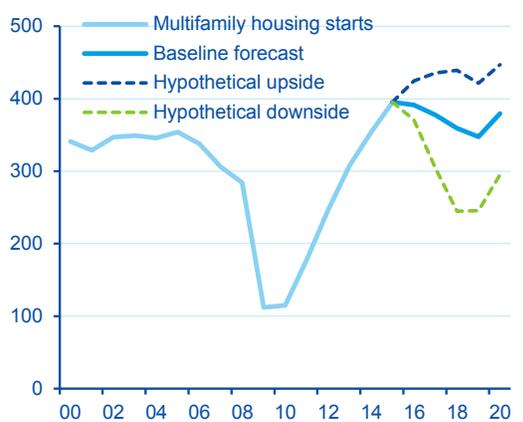
Source: BBVA Research; b=baseline, u=upside & d=downside

Chart 9
Single-family housing starts (Thousands)



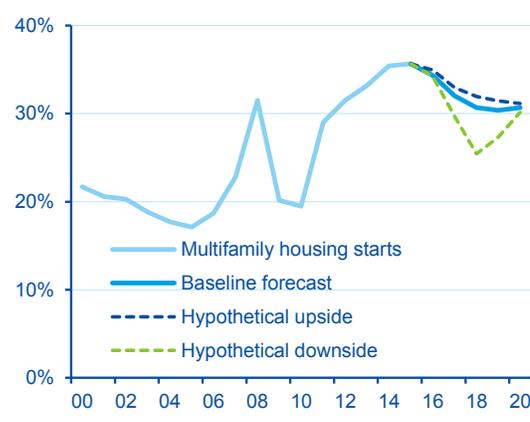
Source: Census Bureau & BBVA Research

Chart 10
Multifamily housing starts (Thousands)



Source: Census Bureau & BBVA Research

Chart 11
Share of multifamily housing starts in total housing starts (%)



Source: Census Bureau & BBVA Research



Bottom line: Solid demand for both single-family and multifamily homes in the short- to mid-term

In the short- to mid-term (through 2020), the demand for both types of properties will remain strong, with demographics shifting towards single-family homes, assuming that the economic environment remains relatively stable and that there are no major policy changes. Older Millennials will drive the demand for single-family homes as they continue to form families. The transition of Boomers to multifamily properties has not started yet. Currently, Boomers are around 50 to 70 years old, and this transition is estimated to start around the age of 75. The transition will take some time as life spans increase and every generation tends to stay longer in their single-family homes than previous ones, and there is no evidence that Boomers' preferences have changed toward multifamily properties. However, when the transition towards multifamily housing starts, it will be significant due to the size of the Boomer cohort. This will be positive for the multifamily sector after 2020, as the post-Millennial generational cohort is relatively smaller.

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Research Blog

Single-Family Housing Supply Falls to Record Low, Tight Market Strengthens Apartment Demand

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Developing Trends

- **The available existing** single-family homes for sale reduced to just 3.6 months of supply in December based on the current sales pace, an all-time low. With steady demand for homes and inventory tightening dramatically during the year, existing single-family home prices edged up 3.8 percent from 2015 to \$238,520 in December.
- **A competitive buying market** has kept many potential first-time home buyers on the sidelines. In December, first-time buyers accounted for 32 percent of sales, remaining flat from year-end 2015 and falling well below the long-term average of 40 percent.
- **Single-family home construction** remains limited, but multifamily builders are set to deliver a record number of apartments this year. After completing 284,000 units in 2016, new units will total 371,000. Though households continue to favor rentals over home

Research Brief

January 2017

HOUSING

Single-Family Housing Supply Falls to Record Low, Tight Market Strengthens Apartment Demand

Wage growth and rising household formation are generating healthy demand for housing. The for-sale market is stuck in neutral, however, as tight supply, rising mortgage rates and upward pressure on existing home prices have muted growth. Limited for-sale inventory and lifestyle changes favoring renting are keeping many would-be owners in rental housing. This supported apartment vacancy falling 20 basis points in 2016 to 3.9 percent.

An increase in new home construction would help alleviate some pressure, but rising construction costs are keeping housing starts at bay, ending the year up 4 percent from 2015. The median price of new homes sold during December increased to \$318,850, due to an increased proportion of sales of homes being above \$300,000. This suggests that construction of entry-level homes is not occurring at a pace needed to jumpstart the housing market.



Median Price of Existing Single-Family Home in December 2016
\$238,520

Months of supply at current sales pace in December 2016
3.6

ownership, 2017 vacancy will tick up 20 basis points to 4.1 percent as new supply is absorbed, remaining at a historically low level.

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Sources: Marcus & Millichap Research Services; U.S. Census; MPF Research; National Association of Realtors

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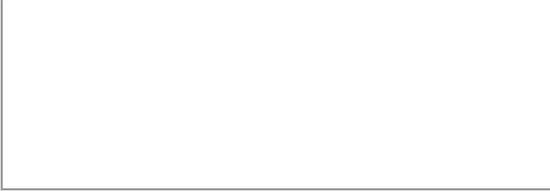
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EIN 16-6052986

RESOLUTION

Whereas, the Varna Community Association is on record in support of the Town's Hamlet of Varna Community Development Plan, (hereinafter referred to as 'the Plan') and

Whereas, Goal 1 of the Plan is to 'protect and enhance hamlet character,' Goal 3 of the Plan is to 'protect and improve the quality of life in the hamlet,' and the Plan cautions against dramatic shifts in the hamlet's character and quality of life, and

Whereas, the Trinitas proposal violates many of the specific recommendations included in the Plan. For example, the proposal:

- does not encourage home ownership,
- does not contribute to maintaining a balance between between single-family and apartment/townhouse dwellings in the hamlet,
- offers no public amenities,
- would suddenly double the population of the core area of Varna,
- preserves little green space, and
- would bring hundreds more vehicles into the hamlet,

therefore be it

Resolved, that the Varna Community Association Board of Directors urges the Dryden Town Board to ensure that all development projects proposed for Varna adhere to the Goals and Guidelines stated in the Plan, and be it further

Resolved, that the Varna Community Association Board of Directors strongly recommends that the Dryden Town Board reject the current Trinitas proposal unless and until it is substantially revised to comply with the Goals and Guidelines of the Town's Hamlet of Varna Community Development Plan.

Approved July 9 2018



From: David Weinstein <[REDACTED]>

Sent: Monday, July 16, 2018 9:27 AM

[REDACTED]

Subject: List of conflicts between Varna Plan and Trinitas proposal

Attached is a list of the specific major conflicts between the Varna Plan and the Trinitas proposal, including some items that will violate our zoning law and for which no mention has been made of a variance being required in addition to the 3 other variances Trinitas would need.

CONFLICTS BETWEEN THE TRINITAS PLAN AND THE VARNA COMMUNITY DEVELOPMENT PLAN
in the DRYDEN COMPREHENSIVE PLAN

Compiled by D.A. Weinstein

7-13-18

Here is a list of some of the major specific conflicts between the Trinitas Plan and the Varna Plan:

1. In the Varna Plan, in the VARNA DESIGN GUIDELINES & LANDSCAPE STANDARDS “Guidelines for Building Scale” section (page 86), it states, **“Maximum building height for houses and apartments should be no more than two stories.”**
In the Dryden Zoning Law, Section 701: Design Guidelines and Standards: it states, “All development and re-development of Lots and property in Varna **shall comply with the Varna Design Guidelines** and Landscape Standards”.

In the Trinitas Updated-Dryden-SUP-Form (6/15/18), “A. Compatibility of the proposed use...”, it states, “The structures are designed to be 2-4 stories ”

2. In the Varna Plan, in Buildings and Form Recommendations (pg 69), it states, **“Each new house or townhouse should face open, green space** to encourage healthy, active living that is consistent with the existing character of the hamlet.”

In the Trinitas “L2.0_Improvement-Site-plan”, almost none of the buildings face substantial open, green spaces.

3. In the Varna Plan, the area proposed for the Trinitas development is described as one of the two sites that **“can provide for new, desirable uses while enhancing the existing traditional neighborhood”** (page 18).

It describes the characteristics of a traditional neighborhood as “The houses are oriented towards the street and retain human-scale dimensions– minimal distance between the front of the house and street, pedestrian-oriented, and manicured landscapes and gardens” (page 18). It further suggests that, as an “underutilized and vacant site”, it should “provide the space that when developed, can incorporate public green spaces” (page 20).

The Plan later states that, “despite physical appearance, the character of Varna is defined by a variety of building and lot forms, patterns, and configurations which contribute to the resident’s sense of community” (page 80).

“Unlike conventional developments, hamlets typically retain housing and development patterns similar to many nineteenth-century neighborhoods—unintentional varying lot sizes and setbacks. Common hamlet characteristics include a commons or central green, dominant civic/institutional buildings (such as a church, court house, etc.), **with predominantly single-**

family residential homes and limited mixed-use buildings adjacent to the community center (page 80).”

In the Trinitas “L2.0_Improvement-Site-plan”, none of these features are present.

4. The Varna Plan presents an example of a development the community liked on the parcel on which Trinitas seeks to place 222 student townhouse/apartments. Pictured in the Varna Plan (page 28) are approximately 90 “**single-family home development with townhomes at 10du/acre**. The emphasis of this site design is single-family homes with alleyways so that each building fronts green space, and accessible footpaths that connect to Route 366 and the Varna Trail. It also has amenities such as a small park and pond that also serves as storm water detention area. This type of development is commonly referred to as Traditional Neighborhood Design (TND)”. “The Varna Plan specifies that “**Using Traditional Neighborhood Design (TND) elements, a variety of single-family houses, townhouses, and duplexes to create quaint neighborhoods that fit into the landscape**” (page 69).

The Trinitas proposal ignores following any aspect of this example, with the exception of the townhouses. They propose to develop the site at a density 50% higher, and with a number of units more than double, of that pictured. Yet somehow Trinitas claims in their application that they are following the concepts in the Varna Plan.

In addition, although they have indicated they will request a variance so that they only have to provide 50% green space, their environmental assessment form states that fully 10 of the 16.7 acres will be become impervious, leaving only 40% green space.

5. The Varna Plan describes the character of Varna as “**a quaint rural suburb**” that “**affords a quality of life that has kept many residents in the area for years**, while attracting new families, professionals and students” (page 31).

The Trinitas proposal seeks to provide housing nearly exclusively for students.

6. In the Varna Plan, it states as a goal to, “allow growth to occur in such a way where building footprints, new uses and amenities **fit in to the existing fabric of Varna**” (page 31).

It further states, “...the general plan is to find the means for **encouraging redevelopment and new development in the hamlet, but in a way that compliments and continues the current character**” (page 66).

The Trinitas proposal fails to demonstrate how any aspect of its development fits into the existing fabric of Varna. **It proposes development that neither compliments nor continues the current character.**

7. The first goal of the Varna Plan is to **“Protect and enhance hamlet character”** (page 34), and in particular to **“utilize existing infrastructure to potential without degrading or changing overall character”** (page 34).

The Plan clearly states, **“The primary purpose of this plan is to find the means for encouraging redevelopment and new development in the hamlet, but in a way that compliments, continues and improves upon the current character”** (page 37).

The character of Varna is defined as described in (5) above, and the Plan adds to this description by indicating that the Varna hamlet, like other hamlets, “has a defined boundary and you can often see the surrounding open space from almost any point in the hamlet area; there is no street pattern or grid, and buildings are arranged linearly along a main road with one or more crossroads. The buildings are well spaced lending to a feeling of openness, and there is a mix of uses scattered along the roadway” (page 36).

8. The Varna Plan warns about the fear that **“the character of the hamlet will be lost with new development that is focused on meeting the needs of the rental market”** (page 36).

The development that Trinitas proposes is precisely what the Plan indicates the residents fear would cause the loss of the character of the hamlet.

9. The Varna Plan’s Goal #3 is to **“protect and improve the quality of life in the hamlet” (page 35). The objectives for reaching this goal included:**

☞ **“Identify limits of development relative to traffic, bulk and density of buildings”** (page 35).

☞ **“Create landscape standards that are in keeping with a relaxed, quaint country hamlet i.e. low maintenance, basic landscape standards”** (page 35).

A doubling of the population of Varna in one project is not a recipe for **“standards that are in keeping with a relaxed, quaint country hamlet”**.

10. The Varna Plan cites its parent Comprehensive Plan in sharing, among its goals, **“encouraging home ownership; and regulating hamlet transformations so that the character of the community is maintained or shifts slowly, not in dramatic steps”** (page 40).

The Trinitas proposal fails to promote either of these goals.

It does not encourage home ownership, but instead removes a parcel from potential development that the Plan identified as an opportunity to add a community of single-family homes in a Traditional Neighborhood Design arrangement.

Secondly, the Trinitas proposal violates the goal of transforming the hamlet character slowly, “so that the character of the community is maintained or shifts slowly, not in dramatic steps”. **An overnight doubling of the population of Varna is a very dramatic step.**

The Varna Plan mentions in many places that maintaining and protecting the character of the hamlet is the highest priority, including such statements as “many of the very specific recommendations have to do directly with continuing the character of a hamlet as described here” (page 40).

11. The Varna Plan specifies that it is necessary to have, “leadership by the development interests to engage the community, and respect local plans and community goals and demonstrate that they are as committed to reaching them as they are making a profit” (page 43).

As demonstrated above, the Trinitas developers have not demonstrated respect to local plans and community goals. As with the developers, the town should avoid putting revenues, which in all likelihood will be outpaced by expenditures for services, above commitment to community goals.

12. The Varna Plan states that, in referring to specific zoning controls involving regulating the bulk and area requirements of a site, **“These controls should still be a minimum standard, something that the development community should seek to not only meet, but to exceed in form and character and performance”** (page 43).

The Trinitas proposal only attempts to meet the minimum bulk and area requirements, with no effort to exceed these minimums in either protecting local character or performance.

13. Although the Trinitas proposal offers a small amount of commercial space, and in the Varna community “there was also a desire for the return of some local services that did not require using the automobile”, the Varna Plan specifically indicates that **the hamlet does not need additional population in order to support these services** should a developer seek to provide them. It states, “Fortunately, Varna has the population to support such services to a limited extent, which is subsidized by the higher traffic counts on Route 366” (page 66).