Engaging the Future of Housing in the Buffalo-Niagara Region: A Preliminary Exploration of Challenges that Lie Ahead

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Introductory Remarks

The following analyses and assessments of current socioeconomic and housing market conditions in Erie and Niagara counties are intended to support immediate programming efforts by Local Initiatives Support Corporation Western New York (LISC).

The approach taken herein was to focus on select, critical data that, taken collectively, provide an actionable snapshot of current conditions in the region and select municipalities. In other words, this report is intended to tell a partial, but data-driven and meaningful story about the state of housing and households in the two-county region. Data were chosen based on the coauthors' extensive experience conducting research on and analysis of the regional housing market.

What follows comes with significant caveats: by no means can the report be considered a complete picture given the wide scope of work of this project and the lack of consistent, reliable, historical data on real property and property conditions throughout the multijurisdictional Buffalo-Niagara region. In place of such a complete picture, the report zeroes in on what the research team's analyses suggest are the most important trends and priority issues that need to inform future housing policy and development initiatives.

Executive Summary: Key Trends

This study identified the following broad trends, with significant differences among communities in the selected study area.

- **Regional population decline is slowing** and on track to reverse course (i.e., experience growth) over the next decade.
- However, **future population growth is likely to be short-lived** given the widening gap between death rates and birth rates in the region.
- The growing gap between death and birth rates is due to an **aging population structure**.
- Apart from aging, the region's **population is becoming more racially and ethnically diverse** – essentially all population growth being projected by analysts occurs from **net increases in populations of color**, while the non-Hispanic white population is shrinking.
- Between stable population levels but growing numbers of households, **average household sizes have decreased**.
- More households housing fewer people **contributes to sprawl**.
- Indeed, **new housing unit construction continues, but much construction is concentrated in the suburbs** away from public transit.
- **Vacancy remains a persistent issue**, especially in the City of Buffalo, and the region's housing stock is, on balance, old. **Most units were not built to universal design or other accessibility standards**, and **unit quality is likely to pose serious livability issues** in spaces where older units have experienced chronic disinvestment.
- **Household income has increased over time, but so has poverty**. In other words, the region is experiencing worsening inequality.
- **Buffalo-Niagara is a low-income region**, with almost half of all households reporting family income at or below 80% of the family-size-adjusted area median level.
- **The housing market is a seller's market**, with tightening inventories and more homes selling above asking price than ever before.

- **Growth in housing prices is meaningfully outpacing growth in wages**, and both recent and expected job growth are occurring in disproportionately low wage economic sectors.
- **The mismatch between stagnant wages/family income and rapidly rising housing costs is making housing increasingly unaffordable for a vast fraction of households**. More than three in ten households currently spend over 30% of their gross monthly family income on housing, leaving them *housing cost-burdened*. This fraction is likely to rise without intervention.
- **Housing cost-burden is most severe within historically marginalized population subgroups**, including households headed by persons of color, households headed by women, and households that include persons with disabilities.
- Collectively, **cost-burdened households face an annual affordable housing income deficit of $766 million**. That is, it would take nearly three-quarters of a billion dollars in direct household subsidies, every year, to make it such that no household in Buffalo-Niagara spends more than 30% of its gross monthly family income on housing.
- Equitable policies for reducing this vast income deficit and promote more affordable housing include, among others: a higher universal minimum wage; a permanent expansion of the federal child tax credit; federal, state, and local investment into expanding and improving public housing; and federal, state, and local investment into collective housing alternatives such as co-housing, community land trusts, and resident-owned communities.

What Current and Forward-Looking Market Issues Were Uncovered?

The research team's main findings collapse into three themes or priority issues.

1. **Affordability, Affordability, and Affordability** – As might be expected, the report finds the biggest need in the market is a lack of affordable housing units. However, unlike rapidly growing cities like San Francisco or Seattle, affordability here is not a simple supply-demand issue whereby new unit production lags behind new household formation. As stated in the 2017 City of Buffalo Housing Opportunity Strategy, persistently low household incomes (poverty) are as much of a problem as the lack of affordable housing production. In other words, it is low incomes that make units unaffordable for many.

2. **Housing an Aging Population** – Like many areas of the United States, Erie and Niagara counties continue to see their population age. More troubling in this region is the fact this is happening without population increases. Older households, as a percentage of total householders, will increase in the next 10 or more years. It is likely that older households will age in place, or be stuck in place, absent age-appropriate housing production. When their homes do eventually make it to the contemporary, seller-friendly market, they are likely to fetch prices that could add to regional issues of unaffordability moving forward.

3. **Spatial Mismatch and the Geography of Housing Opportunity** – As highlighted in numerous studies in the region, the continued outward growth of the region's developed footprint outpaces new household formation. Most new housing production in the region takes place on the leading edge of the urbanized area. And it does so in the form, mainly, of single-family units. Embedded in this pattern is a social and racial equity question as access to communities of opportunity is limited to a small percentage of mainly white households in the region.

Notes on Geography and Data

This project was undertaken to assess current and future housing conditions and demand in Erie and Niagara Counties and their constituent communities. A housing market is best understood as a system of submarkets existing within a larger marketplace. To that end, the report created a geographic framework to assess the various geographies within the two-county region, using the following geographies.

- **Erie and Niagara Counties –** Erie and Niagara Counties, together, are defined as a metropolitan statistical area (MSA) by the US Census Bureau. An MSA is a geography consisting of counties (or equivalents) with at least one urbanized area with more than 50,000 people and its adjacent areas with economic and social ties to the core urban area as measured by commuting ties. In simple terms, the City of Buffalo is the principal city of the MSA and the suburbs and rural communities in the two counties are connected economically and socially to form a distinct region.
- **Public Use Microdata Areas (PUMAs) –** A detailed explanation of PUMAs and the data available at this geography is provided in the Economic Profile section of the report, where the data are first put to use. Simply, PUMAs do not align with existing municipal jurisdictional boundaries but offer a wealth of data unavailable in conventional American Community Survey outputs, which is invaluable for assessing affordability.
- **City of Buffalo –** As the urban center in the region, it is home to the largest population and most housing units. It is a critical geography for the region, a place of challenge and opportunity.
- **First Ring Suburbs –** With an understanding of the historic development patterns in Erie and Niagara counties, first ring suburbs for the purposes of this report are the cities of **Lackawanna** and **Tonawanda** and the towns (and villages therein) of **Amherst**, **Cheektowaga**, **Tonawanda**, and **West Seneca** in Erie County and the cities of **Lockport**, **Niagara Falls**, and **North Tonawanda** in Niagara County.
- **Second Ring Suburbs –** These suburbs represent the leading edge of expansive development in the region. They are the communities that have experienced, in general, growth in population, households, and housing units in a region that has seen little population growth and where many communities have experienced population decline. For the purposes here, these are the towns of **Clarence**, **Grand Island**, **Hamburg, Lancaster**, and **Orchard Park**, and in Erie County and the towns of **Lewiston**, **Lockport**, **Pendleton**, **Niagara**, and **Wheatfield** in Niagara County.

It should be noted that Amherst represents a unique case. It is, by far, the largest suburb in Erie County and undoubtedly a classic first ring suburb, geographically and historically speaking. Even as growth has slowed in the Town, its large geographic area and the impact of student housing resulting from enrollment increases on the University at Buffalo's North Campus, has resulted in sustained, albeit slower, growth. So, given this, it has been put in with the first ring suburbs with the understanding that new development is still taking place in the town, but mainly in the northeast part of the town.

When taken collectively, these communities represent 86.7% of all households in the region. When broken down by owners and renters, they account for 93.0% of all renter households and 83.4% of all homeowner households.

Little attention is paid to the rural areas of the two counties given a number of key factors. First, they account for a small overall percentage of total households. Second, they also account for a small percentage of overall housing and housing production. Third, they are generally disconnected from public transportation, major job centers, and amenities that the majority of the market prefers and/or requires.

Data and Methods

Depending on the section, this report performed analysis using data, generally, covering 2005 to 2019. With the United States Census Bureau's release of 5-year American Community Survey (ACS) for 2019 on December 10th, it is possible for the first time to analyze three consecutive, non-overlapping 5-year ACS periods: 2005-2009; 2010-2014; and 2015-2019, which is the approach taken here.

Additionally, real property records for Erie and Niagara Counties were used to map where housing has been produced over a similar time period. Here, data for 2005 was unavailable so data for 2006 to 2019 was used for both counties to prepare Figure 23, which shows where new units have been produced relative to Niagara Frontier Transportation Authority bus routes.

Lastly, the bulk of economic, affordability, and housing gap analyses rely on the U.S. Census ACS Public Use Microdata Samples (PUMS) data for 2015-19. These data allowed the research team to understand how household- and family-specific characteristics give rise to and reinforce issues of housing affordability.

The next section offers a descriptive analysis of the region's population, household, and housing characteristics from 2005-2009 to 2015-2019.
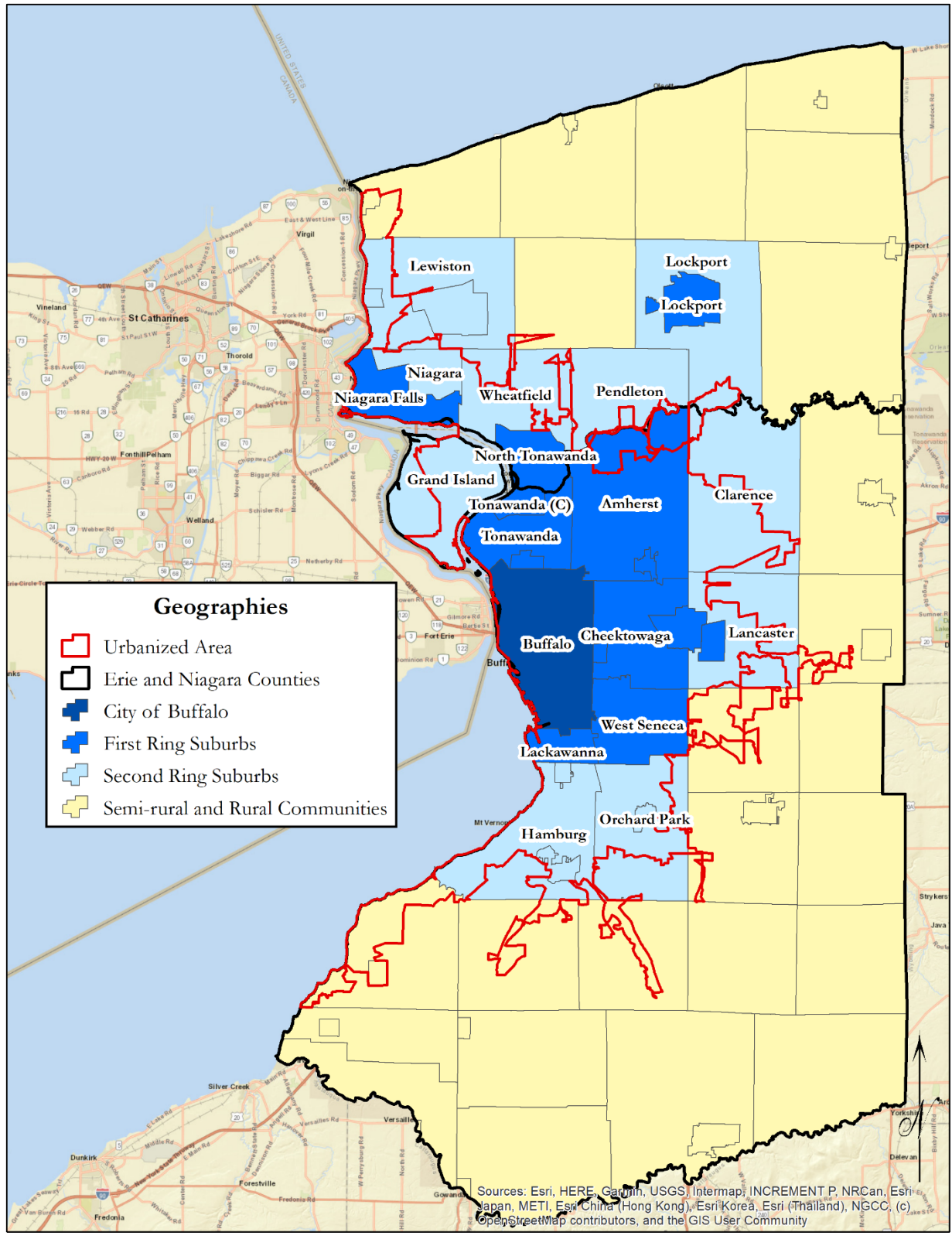
Figure 1. Geographies of the Study Area

Population and Demographic Profile

Recent trends and future projections in population are a key component in assessing a region's housing market and submarkets. As discussed in the next section, household characteristics are, arguably, a more important consideration. Here, the focus is on population change, age distribution, and race/ethnicity. Individual income and poverty measures are not presented here, as household and family incomes are more appropriate measures of income as it related to housing. Household incomes and poverty are discussed in the Household Profile section.

Population Change

Population change across the two-county region is like many other descriptive characteristics presented here, in that it is highly uneven or varied. On the whole, the region's population can best be described as no- or slow-growth. From 2005 to 2019, the two-county region saw a small decrease in the total population, decreasing by 830 people, from 1,128,813 residents to 1,127,983. This 15-year period represents somewhat of a stabilization of the massive population decrease experienced in the region over the second half of the 20th Century. In fact, from the 2000 Decennial Census to the 2005-2009 ACS estimate, the region's population was estimated to have decreased by 41,298 people. In other words, population began to stabilize in the region in 2005.

However, upon closer inspection, the communities focused on for this report have had dissimilar experiences. Some have lost population, in particular the City of Buffalo and most of the identified, historic, first ring suburbs like the City and Town of Tonawanda and Cheektowaga in Erie County and the cities of Lockport, Niagara Falls, and North Tonawanda in Niagara County. Suburbs on the leading edge of development, such as Clarence, Grand Island, Lancaster, Hamburg, and Orchard Park in Erie County and Wheatfield and Pendleton in Niagara County have seen populations increase, resulting from continual growth in residential development (see below).

Table 1. Population Change

	2005-2009	2010-2014	2015-2019	Change	% Change
Erie County	914,200	920,694	918,702	4,502	0.49%
City of Buffalo	273,335	259,959	256,480	-16,855	-6.17%
City of Lackawanna	17,746	18,037	17,831	85	0.48%
City of Tonawanda	14,949	15,048	14,830	-119	-0.80%
Amherst	115,640	123,542	125,509	9,869	8.53%
Cheektowaga	88,450	87959	86,477	-1,973	-2.23%
Clarence	27,938	31048	32,440	4,502	16.11%
Grand Island	18,879	20580	21,047	2,168	11.48%
Hamburg	55,921	57,441	58,266	2,345	4.19%
Lancaster	40,265	42,221	43,085	2,820	7.00%
Orchard Park	28,272	29,351	29,509	1,237	4.38%
Tonawanda	72,365	73,538	72,159	-206	-0.28%
West Seneca	43,935	44,902	45,344	1,409	3.21%

Niagara County	214,613	214,973	209,281	-5,332	-2.48%
City of Lockport	20,770	20,957	20,490	-280	-1.35%
City of Niagara Falls	51,712	49,679	48,252	-3,460	-6.69%
City of North Tonawanda	31,362	31,245	30,487	-875	-2.79%
Lewiston	16,633	16,188	15,830	-803	-4.83%
Lockport	20,251	20,380	20,027	-224	-1.11%
Niagara	8,433	8,278	8,151	-282	-3.34%
Pendleton	6,300	6,483	6,700	400	6.35%
Wheatfield	16,450	18,249	18,140	1,690	10.27%
MSA	1,128,813	1,135,667	1,127,983	-830	-0.07%

Population Age

The age of the population has a direct impact on housing needs and preferences. The needs and preferences of a young, first-time homebuying couple are significantly different than the needs and preferences of an aging homeowner couple. Assessing the changing age profile of the region offers insight into the current (mis)match between ages and housing preferences and needs.

Overall, the population of the two-county region is aging. The median age increased from 38 years old in 2005-2009 to 40.8 years old in 2015-2019. Only four communities in the study's focus areas saw a decrease in the median age – Buffalo, Lackawanna, Niagara Falls, and Cheektowaga. All the other communities experienced an increase in the median age. An important consideration in regions with no or slow population growth is the change in the population of school age children. Here we turn to the population ages 0 to 14 years old. In 2005-2009, 202,119 (17.9%) residents of the two counties were age 0 to 14. However, by 2015-2019, the number decreased to 188,171 (16.6%). The aged population, those age 65 and older, also are an important consideration. In 2005-2009, the population aged 65 years old and older was 175,792 (15.6%) but by 2015-2019 it increased to 200,961 (17.8%). In simpler terms, the region has fewer young people and more people of retirement age. As is the case with population, it is also important to assess the change in householder age in the region, which is provided below in the Household Profile. Figure 2 presents population pyramids for 2005-2009 and 2015-2019 as a visual representation of age cohort change over the study's time period. Observe that the upper "bulge" in the shape of the pyramid is steadily moving upward – whereas in 2005-09 it manifested in the 40- to 54-year-old age range, current data show that it now appears in the 50- to 64-year-old range.

Race and Ethnicity

As is the case across the United States, the racial and ethnic makeup of the region and its constituent communities continues to diversify. In 1950, at the dawn of both massive suburbanization and deindustrialization, 95.6% of the population in the two counties was white. However, a number of trends have emerged and continue across the two counties.

Buffalo-Cheektowaga-Niagara Falls Population Pyramid, 2005-2009

Source: U.S. Census Bureau American Community Survey 2005-2009 Five-Year Estimates (most recent data as of December 2020)

Note: The line on each bar represents the Census Bureau margin of erro

Buffalo-Cheektowaga-Niagara Falls Population Pyramid, 2015-2019

Source: U.S. Census Bureau American Community Survey 2015-2019 Five-Year Estimates (most recent data as of December 2020)

Note: The line on each bar represents the Census Bureau margin of erro

Figure 2. Population Age Structure, 2005-09 and 2015-19

1. The region as a whole is becoming more diverse as the percentage of white residents decreased from 83.0% in 2005-2009 to 79.6% in 2015-2019.

2. Increased diversity is happening due to a decrease in the white population and an increase among populations of color. The white population decreased by 37,207 people while the Black

or African American and Asian populations, along with residents identifying as "some other race alone" and "two or more races" increased by 38,133 persons.

3. Longstanding white suburbs and rural communities outside of Buffalo are diversifying. Although the percent of the region's white population living outside the City of Buffalo increased from 84.3% to 86.6%, the total number of white residents outside Buffalo decreased by 10,566 while the non-white population increased by 28,783 persons.

4. International in-migration is supporting the change. The number of foreign-born residents in the region increased from 59,557 to 74,039 (+24.3%).

Given longstanding patterns of segregation in American cities and suburbs, and Buffalo's place among the most segregated cities in America, the focus here is on the racial divide between the City and suburbs. In particular, the city-suburban divide is most persistent among the white and Black populations. In Erie County, 75.7 percent of the Black population resides in the City of Buffalo, yet the City only accounts for 27.9% of the total county population. In Niagara County, 72.1 percent of the Black population lives in the City of Niagara Falls, yet it only accounts for 23.1% of the total county population. Amplifying the divide is that fact that in the region's most rapidly growing suburbs, that growth is largely made up of white households. In Clarence, Hamburg, Lancaster, Orchard Park, Pendleton, and Wheatfield the populations are 95% or greater white.
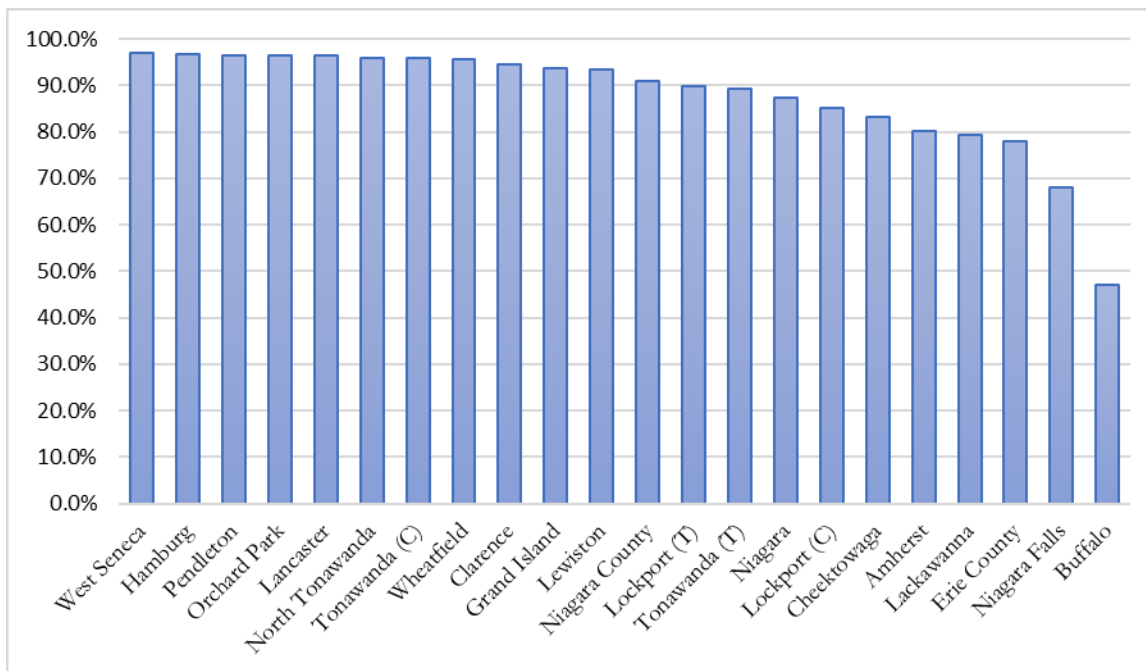
Figure 3. White, Non-Hispanic Residents as a Percent of Total Population, 2015-2019

Household Characteristics

The information on population is important in that it provides some initial information prior to examining households, which are the building blocks of housing market. Each characteristic, from household size to income plays a role in how households make housing market decisions. Understanding

these characteristics allows local governments, housing organizations, and the home building industry to plan, fund, and construct new housing to meet the needs of existing and future households.

If we aim to understand a housing market, we want to know what we can about the characteristics of its households. We want to know how many households there are; how big they are; what type they are; and how much income do they have.

Households

Arguably, then, the most important factor in a housing market are households. Each household represents an occupied housing unit. An increase in households, in theory, means that demand for new housing units also increases. More importantly, the individual characteristics, as detailed below, tell researchers, policymakers, and housing organizations about the needs and preferences of all households. Although much has been written about population decline in cities like Buffalo, the change in households is more directly impactful upon housing. A city or region can lose population while gaining households, which is in fact the case in Erie and Niagara counties. So, it is important to not immediately conflate population decreases with a decrease in households, and instead focus on household change.

Although regional population has decreased slightly over the study's time period (-0.07%), the number of households has actually increased, from 468,419 to 478,104, an increase of 9,685 (2.1%), highlighting the importance not giving too much weight to the population when researching housing.

The critical issue here for Erie and Niagara counties is the geographic differences among communities in the study group. As is well-documented, the region continues to increases its developed area, which increases per capita costs for local government services and has impacts on natural resources and farmland.[1,2] Also, embedded in this development pattern are racial and social justice questions about access to communities of opportunity for low- and moderate-income households and communities of color.

The data here, given what we know, should come as no surprise. The City of Buffalo and a number of older, first ring suburbs, including Cheektowaga, Lackawanna, City of Lockport, Niagara Falls, and North Tonawanda experienced a decrease in households. Some first ring suburbs, generally those with large geographic areas, experienced an increase in households, including Amherst and West Seneca.

Buffalo continues to undergo a significant decrease in households, decreasing by 7,362 (-6.3%) households. As Buffalo lost households over this time period, the remaining communities in Erie County experienced a collective increase of 16,382 households.

On the other hand, eight of the 10 communities defined here as second ring suburbs experienced an increase in total households – Clarence, Grand Island, Hamburg, Lancaster, and Orchard Park in Erie County and the Towns of Lockport, Pendleton, and Wheatfield in Niagara County. The two communities that experienced decreases were Niagara and Lewiston, decreasing by 32 and 112 households, respectively.

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[1] One Region Forward: A New Way to Plan for Buffalo Niagara, UB Regional Institute, 2015.
[2] Erie – Niagara Framework for Regional Growth, Erie and Niagara Counties, 2006.
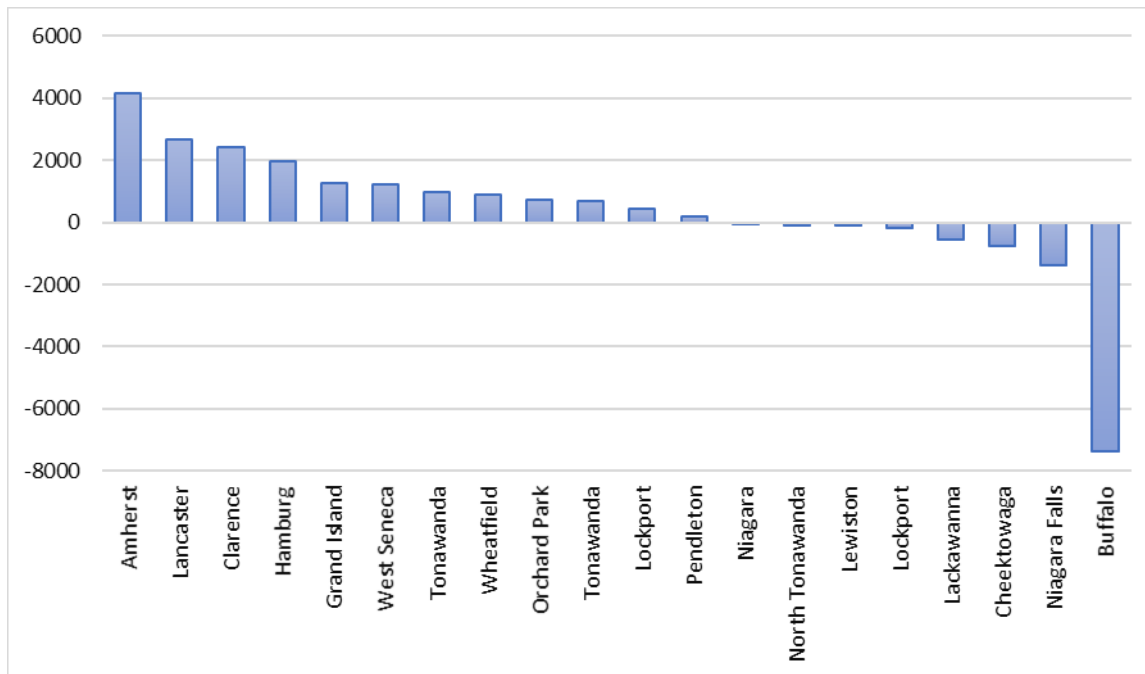
Figure 4. Change in Total Households, 2005-2009 to 2015-2019

Household Type

The Census Bureau has defined two household types: family households and nonfamily households. Family households consist of a "householder and all (one or more) other people living in the same household who are related to the householder by blood, marriage, or adoption." Nonfamily households "consists of a householder living alone (a one-person household) or where the householder shares the home only with people to whom he/she is not related."[3]

The important distinction for the purposes of a housing study, is families generally have different housing needs and preferences than nonfamilies. In particular, families with children tend to place a high priority on finding housing in high quality school districts, which can drive housing demand in those communities.[4]

The number of family households and the average size of family households have both declined since 2005-2009. The number of family households in the two counties declined by 5,283 (-1.8%). Conversely, the number of nonfamily households increased by 14,968 (+8.4%).

Given that families tend to make housing choices based on school district quality and, as discussed above, new households have increased in many growing suburban communities, it stands to reason that family households would increase in communities known for higher quality schools. This is the case in Erie and Niagara counties as Amherst, Clarence, Lancaster, Orchard Park, and Hamburg in Erie County and Pendleton and Wheatfield in Niagara County have experienced growth in family households. Schools, however, are not the only draw for households, as in these same communities, the number of nonfamily households also increased, which is likely due to housing and amenity related factors.

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[3] US Census Bureau. https://www.census.gov/glossary/
[4] Amherst Housing Market Study, Town of Amherst, 2019.

Older communities with relatively lower ranked schools, like Buffalo, Lackawanna, Cheektowaga, the City and Town of Tonawanda, Niagara Falls, and City of Lockport all experienced a decrease in family households.
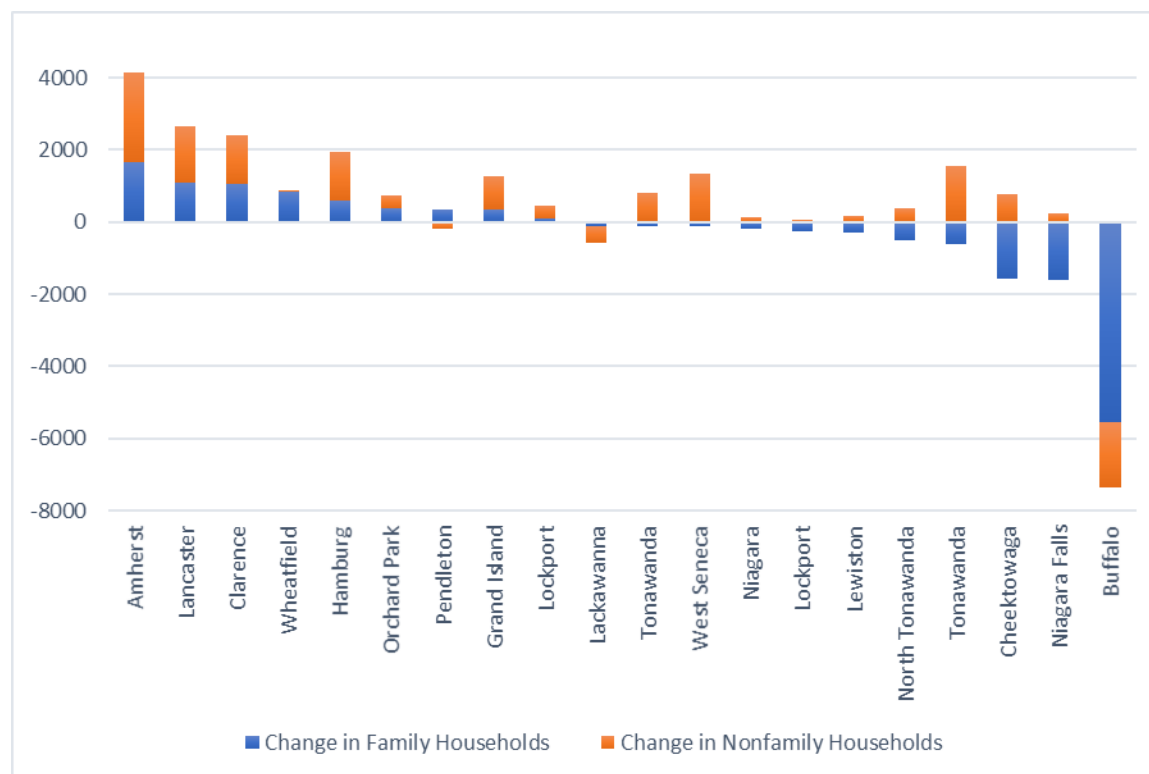
Figure 5. Change in Family and Nonfamily Households, 2005-2009 to 2015-2019

Householder Age

As discussed above, age is a critical factor as it relates to the changing needs of households as they age. A critically important emerging trend is the aging of the region's householders. The share of the region's households headed by someone 65 years old or older has increased from 24.6% in 2005-2009 to 27.9% in 2015-2019. More importantly, the absolute number of these households increased from 120,091 to 133,488. In Figure 5, it is clear to see that the potential for continued increases in these numbers. If one assumes, for simplicity's sake, that all the households aged 45-59 below age in place as householders, the change in older households over that time period will be substantial. This reality results in householder aging being a critical housing issue and demand. Ultimately, the significant increase in older headed households will likely have significant impacts on the housing market and increase the demand for age-appropriate, accessible housing for many in this population. Also, if large numbers of these owner households age in place, either by choice or by limitations, that can have impacts on housing conditions and maintenance as older households age tend to spend less on routine home maintenance than younger households.[5]

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[5] Davidoff, Thomas, Maintenance and the Home Equity of the Elderly (February 25, 2004). Fisher Center for Real Estate and Urban Economics Paper No. 03-288.
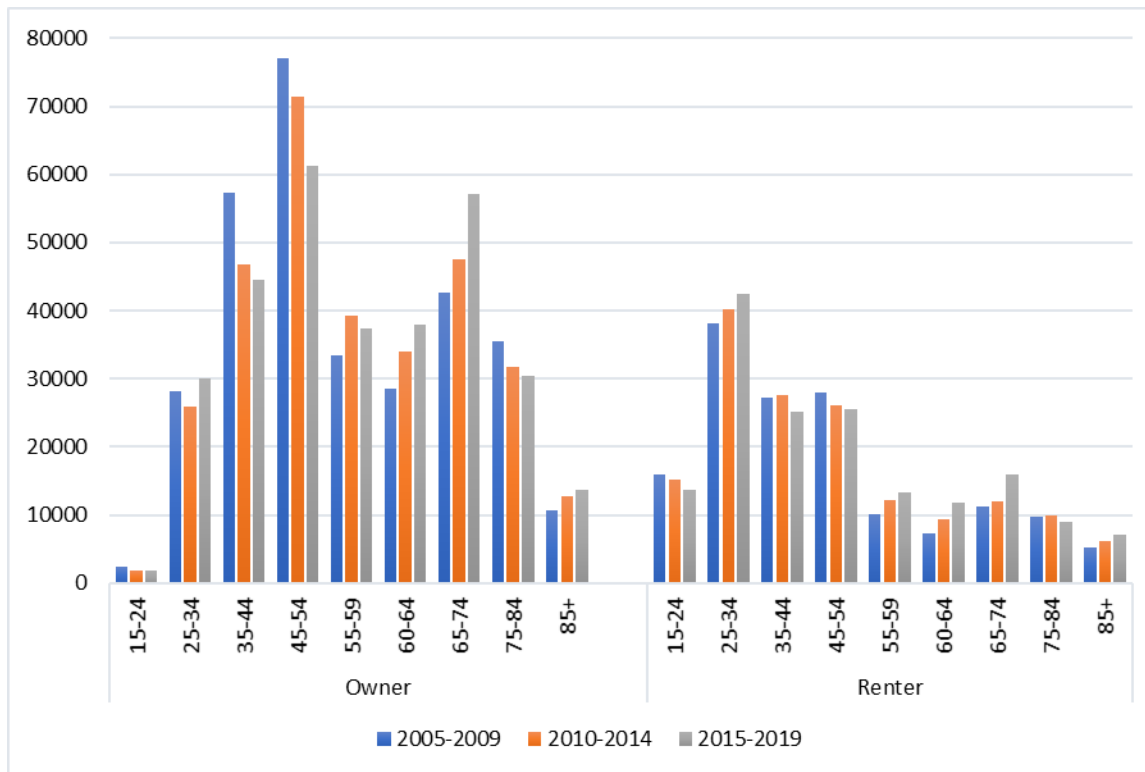
Figure 6. Age of Householder, by Tenure

This change will likely have a greater impact on the suburbs, where the percent of households headed by someone 65 or older is greater than in the City of Buffalo. In fact, in 2015-2019, Buffalo had the lowest percent of older households, with only 20.2%. However, in a number of suburbs, the rate exceeds 30%. Wheatfield has the higher percentage at 36.5%, followed by Lewiston (36.2%), Amherst (33.4%), Orchard Park (32.8%), and West Seneca (32.7%). This likely leaves suburban communities, generally whose housing stock was built for families, to face the prospects of older households aging in place.

Household Size

The size of households is yet another a driving factor in housing decisions. For example, larger households prefer units with adequate numbers of bedrooms and bathrooms. A housing market can be out of balance when units are too big or too small for the market's households. In other words, a perfect market is one where every household resides in a unit that meets their exact needs.

The average household size in the region has steadily decreased for decades. From 2005-2009 to 2015-2019, it decreased from 2.33 to 2.29 in Erie County and from 2.4 to 2.34 in Niagara County. The average family decreased from 3.05 to 3.04 people and 3.06 to 3.03 people in Erie and Niagara counties, respectively.

Table 2. Change in Average Household and Family Size

Average Household Size

	2005-2009	2010-2014	2015-2019	Change
Erie County	2.33	2.34	2.29	-0.04
Niagara County	2.40	2.39	2.34	-0.06

Average Family Size

	2005-2009	2010-2014	2015-2019	Change
Erie County	3.05	3.06	3.04	-0.01
Niagara County	3.06	3.11	3.03	-0.03

Tenure

Another emerging trend in the region is the increase in the number and percentage of households that rent their housing. As shown below, homeownership in the region has declined from 1,662 households, while the number of renter households as increased by 11,347.

Table 3. Housing Tenure

	2005-2009		2010-2014		2015-2019		Change	
Tenure	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Owner	315,788	67.4%	311,308	66.2%	314,126	65.7%	-1,662	-0.05%
Renter	152,631	32.6%	158,727	33.8%	163,978	34.3%	11,347	7.4%
Total	468,419	100.0%	470,035	100.0%	478,104	100.0%	9,685	2.1%

Once again, the pattern is not consistent across the study area. The table below provides a breakdown of the change in owners and renters in each community, based on gains and losses. Generally, growing, second-ring suburbs gained both owners and renters, along with the first ring suburbs of the City of Tonawanda and West Seneca. The remaining first ring suburbs experienced some combination of growth and/or decline, along with the towns of Lockport, Lewiston, and Niagara in Niagara County and Orchard Park in Erie County.

Table 4. Change in Owners and Renters by Municipality, 2005-2005 to 2015-2019

Gained Owners Gained Renters	Gained Owners Lost Renters	Lost Owners Lost Renters	Lost Owners Gained Renters
Amherst (1,094/3,058)	Lockport (T) (595/-150)	Buffalo (-7,287/-75)	Cheektowaga (-1,796/1,020)
Clarence (1,966/441)	North Tonawanda (282/-371)	Lewiston (-52/-60)	Lackawanna (-583/14)
Grand Island (1,085/172)	Tonawanda (T) (1026/-58)		Lockport (C) (-489/304)
Hamburg (610/1,350)			Niagara (-237/205)
Lancaster (1,618/1,036)			Niagara Falls (-1,559/192)
Pendleton* (182/0)			Orchard Park (-235/978)
Tonawanda (C) (223/476)			
West Seneca (580/655)			
Wheatfield (487/392)			

Household Income and Poverty

The amount of money available to households dictates the type, quality, the location of units it can own or rent, regardless of its actual needs. A low-income family household with two school-age children might prefer a three-bedroom rental in a high-quality school district with access to public transportation and walkable amenities. However, these preferences are unlikely to be fulfilled in the region given the households income limitations.

Median household income increased in both Erie and Niagara counties over the study period, by 4.8% in Erie and 2.0% in Niagara.

Table 5. Median Household Income, 2005-2009 to 2015-2019 (in 2019$)

	2005-2009	2010-2014	2015-2019	Change	% Change
Erie County	$55,465	$55,134	$58,121	$2,656	4.8%
Niagara County	$54,441	$53,018	$55.522	$1,081	2.0%

Table 6. Household Poverty, by Type, 2005-2009 to 2015-2019

		2005-2009	2010-2014	2015-2019	Change	% Change
Erie County	Families in Poverty	23,416	25,078	22,553	-863	-3.7%
	Nonfamilies in Poverty	29,793	29,846	32,028	2,235	7.5%
	Percent in Poverty	14.0%	14.4%	14.0%	0.0	0.0%
Niagara County	Families in Poverty	5,193	5,475	5,398	205	4.0%
	Nonfamilies in Poverty	5,982	6,939	6,442	460	7.6%
	Percent in Poverty	12.7%	14.1%	13.4%	0.7	5.5%

Poverty remains a significant issue in the region and when broken down by family and nonfamily households, there are troubling trends. Although families in poverty declined in Erie County, by 863 families, the overall number of households in poverty increased. This trend in household poverty is addressed, especially as it relates to families, in the Affordability and Cost Burden section below.

Household Rent and Mortgage Expenses

This section offers multiple ways to explore rent and housing expenses for households in the region. In particular, it provides an assessment of the number of households paying more than 30% of their monthly household income on housing, either as rent or mortgage payments. A much more detailed analysis of affordability is provided later in the Affordability and Cost Burden section.

Some good news exists, generally speaking, when comparing changes in median household incomes and median gross rents. That is, the median gross rent increased slower, at 3.6%, than median household incomes in Erie County. In Niagara County, median gross rent decreased by -2.2%. Again, changes across the study area's communities vary. In Amherst and Clarence, rents increased by 12.2% and 14.2% respectively.

Table 7. Median Gross Rent, 2005-2005 to 2015-2019

	2005-2009	2010-2014	2015-2019	Change	% Change
Erie County	$800	$797	$829	$29	3.6%
Amherst	$982	$1,012	$1,102	$120	12.2%
Buffalo	$759	$752	$776	$17	2.2%
Cheektowaga	$852	$833	$843	-$9	-1.1%
Clarence	$1,034	$1,026	$1,182	$148	14.3%
Grand Island	$959	$1,026	$1,030	$71	7.4%
Hamburg	$801	$813	$866	$65	8.1%
Lackawanna	$656	$637	$656	$0	0.0%
Lancaster	$821	$762	$852	$31	3.8%
Orchard Park	$1,029	$963	$990	-$39	-3.8%
Tonawanda (T)	$682	$715	$689	$7	1.0%
Tonawanda (C)	$812	$811	$846	$34	4.2%
West Seneca	$822	$801	$834	$12	1.4%
Niagara County	$719	$707	$703	-$16	-2.2%
Lewiston	$896	$854	$881	-$15	-1.7%
Lockport (C)	$722	$698	$696	-$26	-3.6%
Lockport (T)	$631	$605	$591	-$40	-6.3%
Niagara	$703	$748	$778	$75	10.6%
Niagara Falls	$679	$688	$665	-$14	-2.1%
North Tonawanda	$722	$719	$706	-$16	-2.3%
Pendleton	$647	$700	$898	$251	38.7%
Wheatfield	$751	$707	$668	-$83	-11.0%

More importantly, the amount of income spent monthly has severe impacts on households, especially low- and moderate-income households. Spending more than 30% of household incomes severely limits a household's ability to cover other monthly expenses. What is clear from the data presented below is a large percentage of renters across the region pay more than 30%. In Erie and Niagara counties, 45.7% of renter households pay more than 30%. Across the municipalities under study, 46.6% pay more than 30%. For some context, this has only slightly improved from 2005-2009 when 47.7% of renters in the two counties paid 30% of more for rent. Upon closer look, Buffalo has a large share of Erie County's rent burdened households, with 50.7% of all county cases. In fact, nearly half of Buffalo renters, 49.3%, pay more than 30%. In fact, at least one in three renters pay more than 30% on rent in every single community in the table below. Rates range from a low of 34.3% in the Town of Lockport to 51.5% in the City of Niagara Falls.

Table 8. Gross Rent as a Percent of Household Income, 2015-2019

	0.0%-15.0%	15.0%-29.9%	30.0%-49.9%	50.0% or more	Not Computed
Erie County	21,091	43,989	28,217	35,463	9,242
Amherst	2,146	4,372	3,394	4,141	1,254
Buffalo	9,589	18,926	12,879	19,418	4,650
Cheektowaga	1,760	4,091	2,781	2,526	636
Clarence	214	757	379	387	136
Grand Island	187	743	356	259	53
Hamburg	1,093	2,430	1,411	1,624	276
Lackawanna	503	1,165	782	875	164
Lancaster	639	1,821	906	747	173
Orchard Park	516	996	687	621	258
Tonawanda (C)	342	639	433	447	178
Tonawanda (T)	1,452	2,965	1,536	2,317	403
West Seneca	775	1,867	1,054	838	226
Niagara County	4,283	8,790	5,587	5,619	1,697
Lewiston	181	503	194	301	68
Lockport (C)	601	1,593	906	769	219
Lockport (T)	391	495	335	177	96
Niagara	169	422	146	249	30
Niagara Falls	1,351	2,680	2,195	2,689	651
North Tonawanda	819	1,637	809	734	152
Pendleton	13	59	0	66	35
Wheatfield	278	515	354	293	83
County Totals	25,374	52,779	33,804	41,082	10,939
County Percent	15.5%	32.2%	20.6%	25.1%	6.7%
Municipal Totals	23,019	48,676	31,537	39,478	9,741
Municipal Percent	15.1%	31.9%	20.7%	25.9%	6.4%

Less attention is paid to overburdened homeowners, but the issue is worth exploring. The difference between overburdened renters and overburdened homeowners is significant. Whereby the percent of renters who are overburdened is nearly 50%, the percent of regional homeowners who are mortgage burdened (>30%) is 18.0%. Across the study communities, it is 17.5%. The rate has improved since 2005-2009, decreasing from 24.8% across the two counties.

Table 9. Monthly Owner Costs as Percent of Household Income, 2015-2019

	0.0%-15.0%	15.0%-29.9%	30.0%-49.9%	50.0% or more	Not Computed
Erie County	111,695	93,327	27,367	17,404	1,790
Amherst	16,572	13,099	3,303	2,344	217
Buffalo	22,965	13,271	5,095	3,067	567
Cheektowaga	11,244	10,455	2,986	1,933	216
Clarence	4,754	3,993	1,079	647	42
Grand Island	2,870	2,747	657	582	47
Hamburg	7,463	7,732	1,909	1,089	52
Lackawanna	1,750	1,248	669	358	63
Lancaster	5,720	5,727	1,438	973	42
Orchard Park	3,974	3,173	945	611	56
Tonawanda	1,917	1,996	477	493	64
Tonawanda	10,609	9,197	2,776	1,512	142
West Seneca	6,289	6,460	1,425	881	30
Niagara County	27,620	22,860	6,969	4,661	433
Lewiston	2,380	1,830	503	271	25
Lockport (C)	2,000	1,827	638	271	30
Lockport (T)	2,701	2,634	723	487	32
Niagara	1,204	888	271	122	7
Niagara Falls	5,745	3,778	1,198	1,188	97
North Tonawanda	3,977	3,584	1,056	712	97
Pendleton	986	837	218	109	12
Wheatfield	2,549	2245	443	366	21
County Totals	139,315	116,187	34,336	22,065	2,223
County %	44.4%	37.0%	10.9%	7.0%	0.7%
Municipal Totals	117,669	96,721	27,809	18,016	1,859
Municipal %	44.9%	36.9%	10.6%	6.9%	0.7%

Population Projections

One of the principal insights from the foregoing population and demographic profiles is that Buffalo-Niagara's housing inventory has been expanding – especially, as shown later, in auto-dependent suburban places – at the same time the region is experiencing relatively flat population growth. Whereas housing occupancy rates have risen slightly over the last decade due to falling household sizes, continuing to build more units for fewer people raises important questions of sustainability and

intergenerational equity. It is outside the purview of this report to evaluate such questions, particularly those that concern the ecological consequences of engaging in more intense land use to accommodate new housing units in undeveloped spaces. Instead, the remainder of this section attempts to *inform* the eventual discussions of these issues by describing what the size, composition, and geographic distribution of the region's population are projected to look like in the coming decades. Such information will be critical for funders and policymakers as they decide where to invest resources and guide patterns of development (or conservation).

Aggregate Population Data: Cornell Program on Applied Demographics

As part of the U.S. Census Bureau's Federal-State Cooperative for Population Projections (FSCPP), each of the 50 states and the District of Columbia contains an FSCPP agency – designated by their respective executive branch leader – that is responsible for generating long-term population projections at the state and county levels of analysis.[6] In New York State, the FSCPP agency is the Cornell University Program on Applied Demographics (PAD).[7] Acting in this capacity, PAD performs regular demographic analysis to project change in population and population age structure in New York and its 62 counties. PAD's current projections run through 2040 and are based on observable trends in birth rates, death rates, and patterns of migration.[8]

According to PAD's data, Erie County, which reached a peak population of just over 1.1 million persons in 1970 – before experiencing four consecutive decades of population loss from 1970 to 2010 – is on a trajectory of slow growth. Specifically, PAD projects that Erie County will gain an average of about 2,000 persons per year through 2026 due to positive net migration and birth rates that are likely to exceed death rates. Starting in the mid-2020s, however, PAD expects death rates to overtake birth rates, causing population growth to fall in magnitude and eventually become negative (by about 2033). Taken together, these dynamics suggest that the County will reach a modern peak of around 950,000 residents in 2032, up 3.4% relative to the 919,000 residents reported at the last "full count" decennial census in 2010. However, that number is likely to dip below 946,000 residents by 2040.

For Niagara County, whose population reached a peak of 242,000 residents in 1960 and has fallen ever since, the outlook is one of continued shrinkage.[9] PAD data show that death rates in Niagara County are already exceeding birth rates, a phenomenon that is expected to occur at increasing magnitudes through at least 2040. Further, PAD estimates that Niagara County is experiencing net out-migration and will likely continue to do so through 2031. After that point, the County may begin to net an average of about 190 in-migrants annually for ten years; however, those gains are more than cancelled out by projected natural population decreases (i.e., deaths exceeding births). PAD estimates these natural decreases to number at around -1,200 persons per year from 2031 through 2040. The cumulative effect of these dynamics is that Niagara County's population is on a steady downward trajectory. PAD projects that the County will be home to only about 192,000 residents in 2040 – a decrease of 11% relative to the 216,500 residents who lived there at the time of the 2010 decennial census.

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[6] U.S. Census Bureau. https://www.census.gov/programs-surveys/popproj/about/fscpp.html

[7] Cornell Program on Applied Demographics. https://pad.human.cornell.edu/activities.cfm

[8] Cornell Program on Applied Demographics. https://pad.human.cornell.edu/counties/projections.cfm

[9] For an overview of urban shrinkage and decline, see: Weaver, R., Bagchi-Sen, S., Knight, J., & Frazier, A. E. (2016). *Shrinking cities: Understanding urban decline in the United States*. Routledge.

Combining the projections for the two counties, PAD estimates that the Buffalo-Niagara region will grow from its 2010 decennial population of 1,135,509 persons to a modern peak of 1,152,760 persons in 2027 – an increase of 1.5% over 17 years. Beyond that peak, the population is expected to begin a slow descent, reaching a value of 1.138 million persons in 2040. That 2040 estimate is essentially identical to PAD's estimate for regional population five years ago, in 2016 (1,138,635 persons), and just ahead of the 2010 decennial census count of 1.135 million persons. Put another way, according to New York State's official demographers, despite minor year-to-year fluctuations, Buffalo-Niagara will have approximately the same number of residents (just over 1.13 million), on average, every year for the three decades from 2010 to 2040. Consistent with recent history (see prior sections), then, the region's population is set to remain flat for much of the foreseeable future (Figure 7). But, if the annual average (de)growth rate that PAD projects for the post-peak years (2027-2040) were to continue for, say, another decade, the region's population could once again start falling. Applying that rate suggests that Buffalo-Niagara's 2050 population could clock in at just under 1.128 million persons – a net loss relative to 2010, and just slightly ahead of the region's mark from a century earlier, when the 1950 population was roughly 1.1 million people.[10]
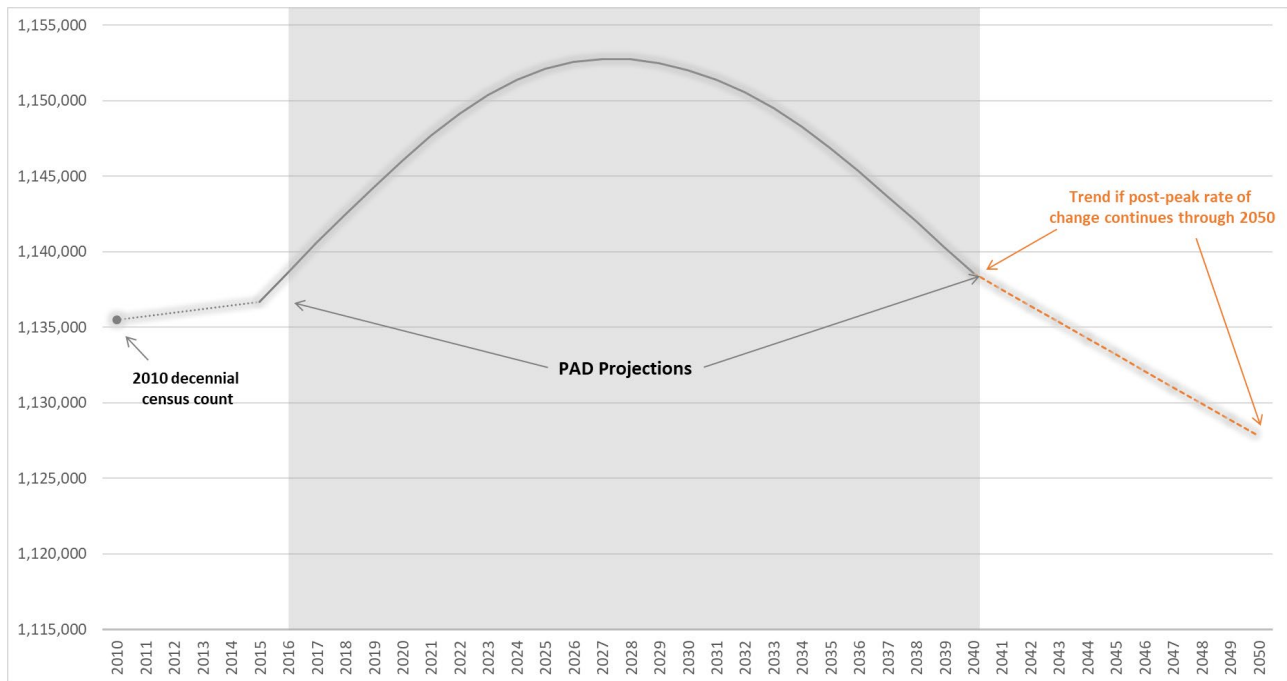
Figure 7. Buffalo-Niagara Population Projections, 2010-2040

Age of Population

The relative flatness of Buffalo-Niagara's population is closely connected to the process of aging. Of the principal demographic components of population change – births, deaths, and migration – PAD projects that "natural" changes from the former two components are going to be more forceful in shaping the region's population through 2040 compared to the latter. Specifically, while net migration is positive during each year for which PAD projections are available, deaths are eventually predicted to outpace

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[10] The annual average rate of population (de)growth from 2027 through 2040 in PAD's projections is equal to -0.0951% per year. In 1950, the Buffalo-Niagara region was home to 1,089,230 residents.

live births due to the increasingly top-heavy age structure of the population (see above). When that occurs (i.e., when mortality rates become higher than fertility rates in the region), population growth will slow and, eventually (according to PAD), become negative.

Figure 8 re-plots PAD's population projections for Buffalo-Niagara through 2040 with projected median age superimposed onto the graph. During the same year that the region is expected to achieve its modern peak of nearly 1.153 million persons (2027), median age is expected to increase from 41 to 42 and continue to step up through 2040. For context, the left-hand-side of the graph shows "known" population and median age data recorded during the last decennial census in 2010. Observe that the region's current upward population trajectory is projected to be short-lived, as residents continue to age in place and natural decreases offset in-migration.
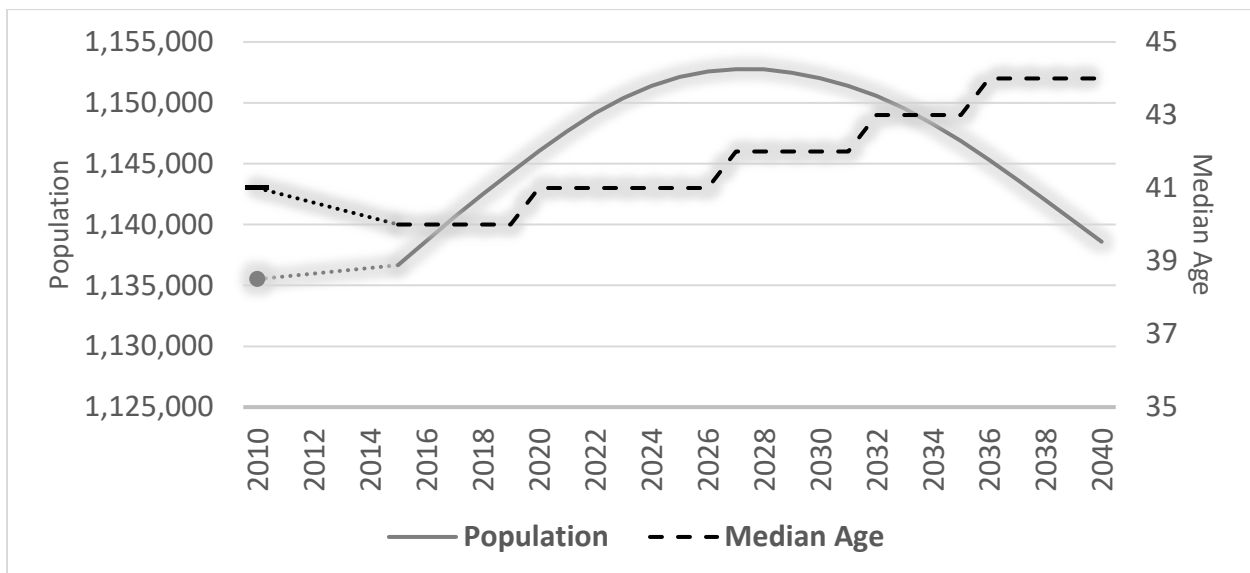
Figure 8. Projected Population and Median Age, 2010-2040

Brief Note on the Possibility of Climate-Based Migration
One dynamic that could alter the projections described above is climate migration. As climate change continues to unfold at ever faster paces, "cities like…Buffalo…are launching efforts to brand themselves as enticing relocation destinations for those seeking to escape the brunt of a warming climate."[11] Buffalo is one of a handful of U.S. cities being described as "climate havens" where climates will "remain relatively mild even as temperatures increase," and where there is "easy freshwater access via the Great Lakes" along with "minimum risk of wildfires and coastal storms."[12]

Notably, PAD is already projecting a significant role for in-migration in population change through 2040. While near-term net migration in Niagara County is presumed to be negative (i.e., the County is losing more residents than it is gaining through residential moves), in-migration is positive in Erie County and primed for even faster take-off. By the early 2030s, Niagara County is projected to also have positive net

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[11] Rossi, Marcello. (2019). "Some northern cities could be reborn as 'climate havens'." *Yale Climate Connections*, 7 August 2019. https://yaleclimateconnections.org/2019/08/some-northern-cities-could-be-reborn-as-climate-havens/
[12] Ibid.

migration. The upshot is that, as early as the late 2020s, PAD projects that Buffalo-Niagara will enter a phase of sharply rising net in-migration, with net gains from residential moves growing from about 1,500 persons in 2029 to just under 3,000 persons in 2040 (Figure 9).
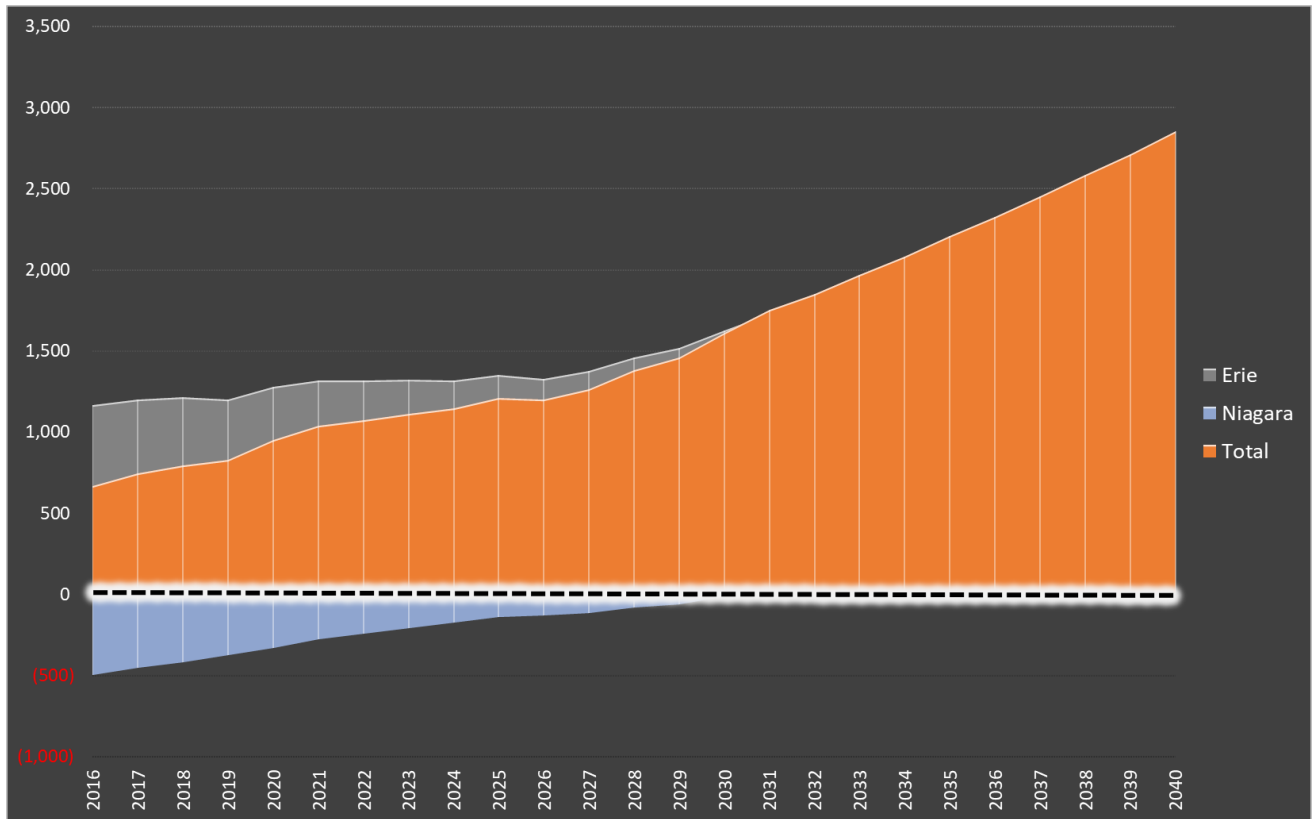
Figure 9. Projected Net Migration, 2016-2040

If climate-related migration becomes part of Buffalo-Niagara's population growth story in the next few decades, the already meaningful levels of in-migration projected for the region could explode. Much like other popular regional destinations for new residential movers (e.g., Seattle, WA; Austin, TX; etc.), fast, unplanned population growth places incredible upward pressure on housing prices. Thus, as others have observed, Buffalo's promise for becoming a climate refuge involves a "Catch-22: All the attributes that make [Buffalo] an attractive climate haven will tend to drive up real estate values, making a move there less feasible for [a] displaced family."[13]

Although the majority of climate change impacts remain in the category of "unknown unknowns"[14], meaning that we cannot adequately anticipate and plan for them, the identifiable potential for climate-

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[13] McDonnell, T., & A. Shendruck. (2020). "It's time to prepare cities for people uprooted by climate change." *Quartz*, 1 September 2020. https://qz.com/1895263/how-cities-can-prepare-to-support-climate-migrants/
[14] Gail, W.B. (2019). "Climate's troubling unknown unknowns." *The New York Times*, 21 April. https://www.nytimes.com/2019/04/21/opinion/climate-change-greenhouse-gas-emissions.html

based migration in Buffalo-Niagara demands attention given its potential to overwhelm the demand for housing.[15]

Disaggregated Population Data: Greater Buffalo Niagara Regional Transportation Council

U.S. federal law requires that states designate Regional Transportation Planning Organizations (RTPOs) for the urban areas in their jurisdictions that meet a minimum population threshold of 50,000 persons.[16] One of the mandates of each metropolitan RTPO is to prepare a regional (or metropolitan) long-range transportation plan. A key component of long-range transportation planning is generating spatially disaggregated, intra-regional population projections in order to anticipate where transportation needs are likely to arise. Thus, unlike PAD and other state FSCPP agencies – where the mandate is to project aggregate population counts for a whole county – RTPOs produce long-term population projections that engage with uneven intra-county geographies of population change.

In Western New York, the state-designated RTPO covering Erie and Niagara Counties is the Greater Buffalo-Niagara Regional Transportation Council (GBNRTC). In late 2018, GBNRTC published its current long-range Regional Transportation Plan (RTP), *Moving Forward 2050*.[17] In response to a request from the research team, GBNRTC provided its 2010-2050 population projections, in spatial data format, for transportation analysis zone (TAZ) and census block group units of analysis. To make these data compatible with data from the Department of Housing and Urban Development (HUD) used elsewhere in the report, the research team collected and summarized the GBNRTC projections at the census tract level of analysis.[18] Figure 10 maps the percentage change in projected 2050 population relative to "current" tract population estimates from the 2015-19 U.S. Census American Community Survey (ACS). The percentage changes are presented using a quantile classification scheme that divides the data into roughly equal parts – i.e., the lowest category of values represents the bottom 20%, the highest category of values is the top 20%, and analogously for the categories between.

Observe that GBNRTC projects relatively dispersed growth throughout the City of Buffalo, in parts of adjacent Cheektowaga and West Seneca, in most of Amherst (i.e., in Buffalo and several first-ring suburbs), and in select tracts of Niagara Falls, North Tonawanda, and the Lockports. Several second-ring suburbs (e.g., Hamburg, Clarence, Orchard Park) and outlying communities (e.g., Porter, Wilson, Boston, Evans) are also projected to grow over the next three decades, while most others will exhibit regional tendencies toward a relatively flat populations. Exceptions include the east side of Buffalo, communities throughout the north Town and City of Tonawanda, most of Niagara Falls and the Town of Niagara, the north and west portions of the Town of Lockport, and the Towns of Lancaster and Alden, where GBNRTC projects non-negligible population losses by 2050.

In total, the GBNRTC projects a 2050 regional population of just over 1.153 million residents, which would be an increase of about 16,000 persons relative to the organization's 2020 population estimate of

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[15] McDonnell, T., & A. Shendruck. (2020). "It's time to prepare cities for people uprooted by climate change." *Quartz*, 1 September 2020. https://qz.com/1895263/how-cities-can-prepare-to-support-climate-migrants/

[16] U.S. Department of Transportation. https://www.planning.dot.gov/documents/RTPO_factsheet_master.pdf

[17] Greater Buffalo Regional Transportation Council. https://www.gbnrtc.org/movingforward2050

[18] For a deeper treatment of Census Bureau geographies, see Weaver et al. (2016). For present purposes, converting block group-level data into tract-level data is straightforward. Block groups are always wholly contained by their parent census tracts. Thus, to arrive at tract-level data, one needs only sum the data from the tract's constituent block groups.

1.137 million (+1.4%). This expectation differs from PAD's projections, which have population starting on a downward trajectory by the mid-2030s. Even so, the relatively modest growth projected by GBNRTC remains consistent with the earlier observation that Buffalo-Niagara's population is likely to remain mostly flat in the decades to come.

Recognizing that it is impossible to perfectly predict the future, the GBNRTC projections must be approached with the appropriate amount of caution. They represent just one possible future; but one that is grounded in empirically identifiable trends and is informing transportation planning and infrastructure investments throughout the region. That being said, while there is ample room for uncertainty, the GBNRTC projections offer preliminary evidence that continuing to concentrate new housing development in second-ring suburbs and other outlying communities is somewhat myopic. While units in those locations are often able to fetch high prices, and therefore return profits for developers in the near term, much of the region's future population growth is anticipated to happen in and around the urban core (with exceptions already named). Thus, to the extent that new housing development is necessary, development will arguably have farther reaching (positive) impacts on the region and its households if units are well connected to unfolding processes of urban population and job growth (see below).
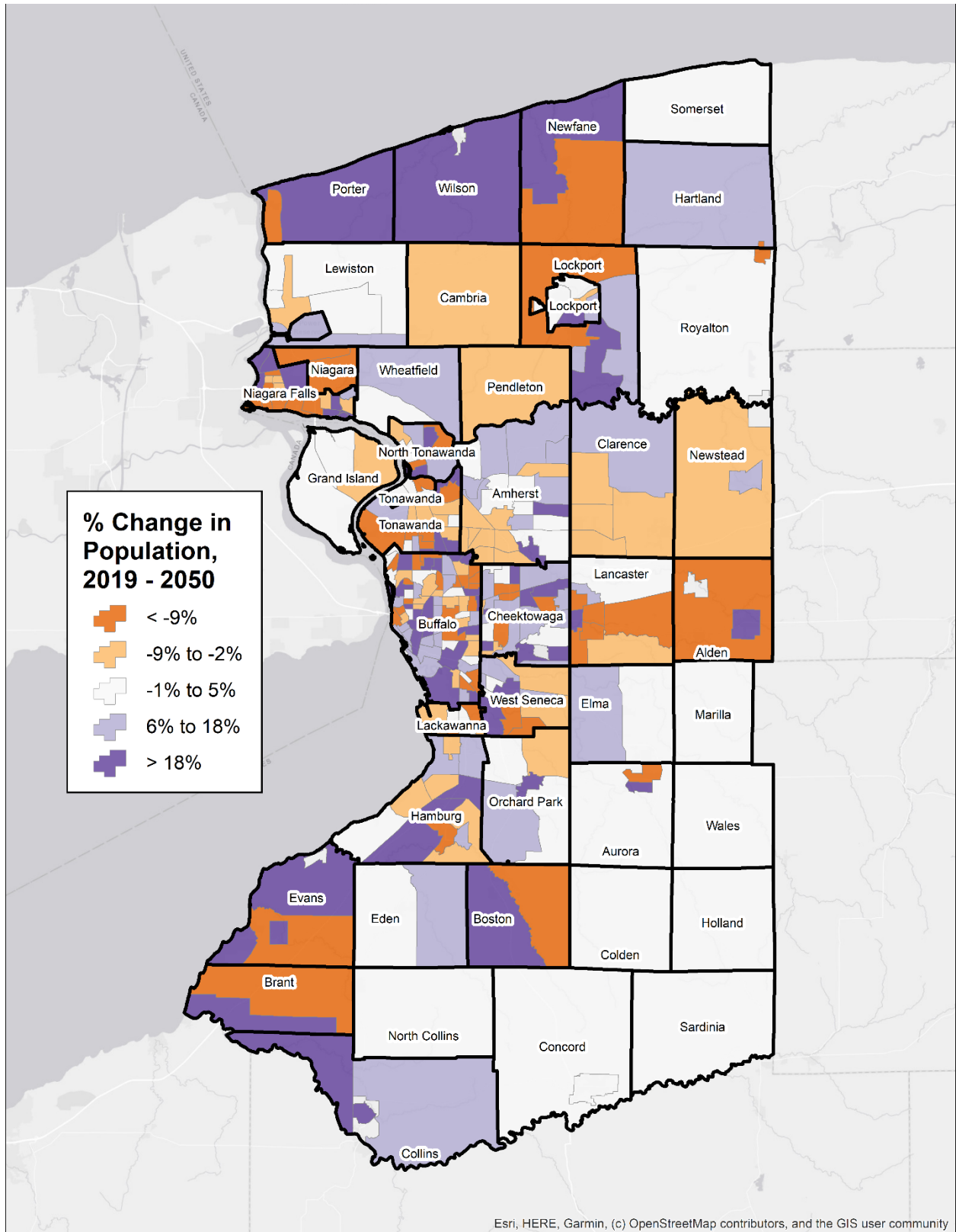
Figure 10. Projected % Change in Population, by Census Tract, 2019 (ACS) - 2050 (GBNRTC)

Prior to moving forward, observe that neither Cornell PAD nor GBNRTC breaks population projections out by race, ethnicity, or socioeconomic status. However, to the extent that different population subgroups might, on average, have different housing preferences or needs, it is useful to engage with questions of population composition when planning for the future. That being said, there is no clear-cut or optimal strategy for attempting to break aggregate population projection data out into mutually exclusive subgroups. Because there are no established sources of data on projected growth rates by race or ethnicity at the state, regional, or local levels, it is necessary to exercise some creativity.

For the purposes of this report, the research team sought out the most recent national-level projected population growth rates by race and ethnicity from the U.S. Census Bureau. These data are available through the Census's National Population Projections Tables Main Series, which publishes population projections by race and ethnicity through 2060.[19] According to these national data, the U.S. is expected to grow by about 0.52% per year between 2020 and 2050, for a net increase of roughly 56 million people over three decades.[20] That anticipated growth is driven exclusively persons of color. The population of persons who identify as White, Not Hispanic or Latinx is projected to fall by -6.4% between 2020 and 2050, while all other racial-ethnic subgroups tracked by the Census Bureau are expected to grow. Table 10 provides a summary of these projected changes.

Table 10. Projected U.S. Population Growth by Race-Ethnicitiy, 2020-2050

	Projected Population, 2020 (in 000s)	Projected Population, 2050 (in 000s)	% Change, 2020-2050	Annual Average Growth Rate, 2020-2050
*Total Population**	*332,639*	*388,922*	*16.9%*	*0.52%*
White**	198,585	185,944	-6.4%	-0.22%
Black or African American**	41,716	51,649	23.8%	0.71%
Indigenous**	2,462	2,684	9.0%	0.29%
Asian or Pacific Islander**	19,992	32,708	63.6%	1.64%
Other Race or Two or More Races**	7,617	16,101	111.4%	2.50%
Hispanic or Latinx	62,303	99,797	60.2%	1.57%

*Group values may not sum to total due to rounding **Not Hispanic or Latinx

The values from above imply that the United States is rapidly becoming a more racially diverse nation. Leading the way are persons who identify as "other" or with multiple racial categories on Census forms. The population of such persons is projected to more than double over the next 30 years. The populations of persons identifying as Asian or Pacific Islander and as Hispanic or Latinx are the next fastest growing, at 1.64% per year and 1.57% per year, respectively – more than triple the overall rate of 0.52% per year. The population of persons who identify to the Census Bureau as Black or African American is expected to grow at a slightly faster pace than this national average (0.71% per year compared to 0.52%), increasing their share of population from 12.5% (2020) to 13.8% (2050).

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[19] United States Census Bureau. https://www.census.gov/programs-surveys/popproj.html
[20] Ibid.

Meanwhile, the white (non-Hispanic) population is projected to fall by roughly -0.22% per year, decreasing the group's share from 59.7% (2020) to 47.8% (2050) of total population. According to Census Bureau estimates, non-Hispanic white persons will drop below 50% of the national population for the first time in 2045, a trend that is expected to continue for at least the next decade-and-a-half thereafter.[21]

To bring this considerable unevenness in projected population growth rates by race and ethnicity at the national level to bear on regional projections for Buffalo-Niagara (Figure 10), the research team first computed the projected annual average growth rate for each census tract from the GBNRTC data. Given that the Cornell PAD only provides data at the course, county-level resolution, disaggregated GBNRTC data were the only remaining option for exploring changing population composition *within* the region. Next, for each racial-ethnic group listed in Table 10, the researchers adjusted these tract-level (overall population) growth rates up or down by a factor equal to the appropriate ratio of group rates from the Table above. As an example, observe again that the projected annual average growth rate for the Black or African American population in the U.S. from 2020 to 2050 is 0.71%, which is 1.365 times higher than the overall population growth rate of 0.52% (0.71 / 0.52 = 1.365). In this case, for any given census tract in Buffalo-Niagara, the research team multiplied the projected 2020-2050 annual average growth rate from the GBNRTC dataset by 1.365 to generate a proxy growth rate for the Black or African American population in that tract. Equivalent procedures were done to create proxy growth rates for all groups under investigation.[22]

Once these group-specific growth rates were computed for and applied to the current (2019 ACS) populations for each racial-ethnic group under investigation, the research team was left with initial "working" 2050 population estimates, by census tract, by racial or ethnic group. Because the sum of these estimates necessarily deviated from the GBNRTC projected population totals for 2050, the analysts took the penultimate step of computing each group's proportional share of the "working" population estimates. Finally, the resulting proportions were applied to the GBNRTC tract-level population totals to break those totals down by race-ethnicity. While this method of generating a racial composition for the 2050 population is necessarily imperfect, it is (1) grounded in GBNRTC's projections, and (2) meaningfully engages with national trends toward racial and ethnic diversity.

On that note, the results from the racial composition analysis are presented in Figure 11. For the sake of lowering uncertainty, the 2050 projections are compared to established data from the current (2015-19) U.S. Census American Community Survey (ACS), which is used extensively in this document. Importantly, the regional population reported in the ACS is roughly 1.130 million, slightly lower than both GBNRTC's and PAD's projections for 2020 (1.137 million and 1.146 million, respectively). As such, the net gain in population between the two bars in the graph (+23,000 persons) appears to be a bit higher than the net gain that GBNRTC expects to take place between 2020 and 2050 (+16,000 persons). Even so, the implied annual average growth rate between the end of the ACS period (2019) and the 2050 projections remains just 0.065% per year – suggesting again that the population is staying mostly flat.

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[21] Ibid.

[22] In cases where projected overall growth rates were negative, it was necessary to apply an inverse ratio multiplier. To allow for growth in population subgroups that were not presently located in tracts (i.e., the population of the subgroup is zero in a given tract), the research team followed the zero-replacement strategy described in Weaver et al. (2016).
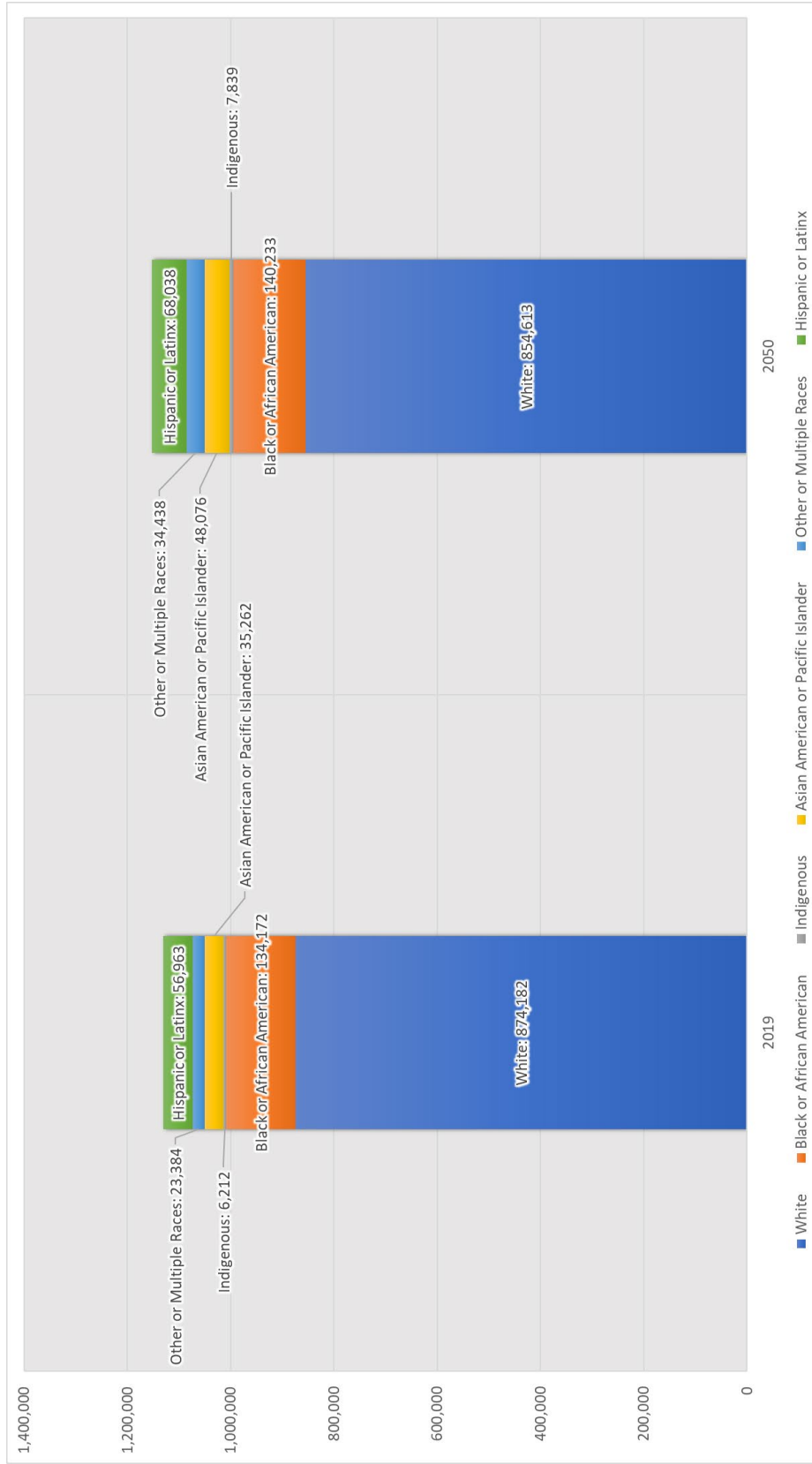
Figure 11. Racial-Ethnic Composition of Current (2019) and Projected (2050) Regional Population

By design, the changing racial-ethnic composition reflects national trends toward diversity. The net population gain between the two time periods is driven entirely by growth in populations of color. The population of white (non-Hispanic) residents is projected to fall by 2.2% between now and 2050, decreasing the group's share of Buffalo-Niagara's population from 77.4% to 74.1%. At the same time, the population shares of all other groups represented in the graph are projected to increase. The largest population gains are expected to occur among persons who identify with "Other" or multiple racial groups (+47.3%) and persons who identify as Asian American or Pacific Islander (+36.3%).

Connecting back to results from earlier, the data thus far seem to suggest that, over the next three decades, Buffalo-Niagara's population will become slightly more urbanized and racially diverse, though it will remain essentially unchanged in overall magnitude.

Implications of Changing Racial Composition on Populations with Disabilities

One area of special interest later in this report is housing [affordability] for persons with disabilities. While the issue is picked up in the "Housing Gaps" section below, for now it is worth mentioning that disability status often intersects with race and ethnicity. Members of marginalized groups frequently have greater predispositions to certain types of health issues, including various disabilities. The reasons for such correlations are beyond the scope of this report. In short, however, these disparate health outcomes stem from the fact that populations of color, on average, have less access to healthy housing, quality healthcare, and economic stability compared to white populations.[23] These and other social determinants of health play a major role in one's physical and mental health.

More immediately, data from the current (2015-19) U.S. Census Bureau ACS Public Use Microdata Samples (PUMS) can be used to measure disability status by race and ethnicity in Buffalo-Niagara. As a thought exercise, the relative frequency at which members of different groups report specific disabilities can then be applied to the 2050 population projections by race-ethnicity from above to explore how the populations of persons with certain disabilities might change over time.

Presently, the ACS asks questions related to six types of disabilities:

- **Self-care difficulties**, which are "physical or mental health condition[s] that [have] lasted at least 6 months and [make] it difficult for them to take care of their own personal needs, such as bathing, dressing, or getting around inside the home";[24]
- **Ambulatory difficulties**, or conditions "that substantially [limit] one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying";[25]
- **Independent living difficulties**, which are defined as "physical, mental, or emotional condition[s] lasting six months or more that [make] it difficult or impossible to perform basic activities outside the home alone";[26]
- **Cognitive difficulties**, or difficulties in "learning, remembering, concentrating, or making decisions" that result from "a physical, mental, or emotional condition";[27]

[23] The Brookings Institution. https://www.brookings.edu/topic/race-in-american-public-policy/
[24] IPUMS USA. https://usa.ipums.org/usa-action/variables/DIFFCARE#description_section
[25] IPUMS USA. https://usa.ipums.org/usa-action/variables/DIFFPHYS#description_section
[26] IPUMS USA. https://usa.ipums.org/usa-action/variables/DIFFMOB#description_section
[27] IPUMS USA. https://usa.ipums.org/usa-action/variables/DIFFREM#description_section

- **Vision difficulties**, or difficulties "seeing even with corrective lenses";[28] and
- **Hearing difficulties**, defined as deafness or serious hearing impairment.[29]

Table 11 draws on the 2015-19 ACS PUMS data to summarize the relative frequency of each of the six aforementioned disabilities in the Buffalo-Niagara population, both as a whole and by race-ethnicity. Other than the single exception of hearing difficulties, white (non-Hispanic or Latinx) persons report having disabilities at lower-than-average rates. Asian Americans and Pacific Islanders are the least likely to report a disability of any type, while Black or African, Indigenous, and Hispanic or Latinx persons are disproportionately represented in nearly all categories of difficulty (with the exception of hearing). Persons who identify with "Other" or Multiple racial groups report experiencing cognitive difficulties more frequently than all other groups (except for Hispanic and Latinx residents).

Taken together, the relative frequencies reported in Table 11 add strong empirical support to the claim that persons of color are affected by disabilities at disparately high rates in Buffalo-Niagara. Table 12 grapples with the implications of this finding vis-à-vis the 2050 population projections generated earlier. Specifically, it shows the total number of difficulties reported in the 2015-19 ACS PUMS, by type, alongside the hypothetical count of disabilities by type that can be derived by applying the group-specific relative frequencies from Table 11 to the projected population totals by race-ethnicity described above and summarized in Figure 11.

The key insight from this exercise is that, because (1) populations of color are growing faster than the white population, and (2) persons of color are disproportionately affected by disabilities, populations of persons with disabilities are likely to increase over time. If the patterns of disabilities in the current (2015-19) population were to play out in the projected (2050) population from Figure 11, then the populations of persons with certain difficulties in Buffalo-Niagara could grow by anywhere from 3.0% (persons with hearing difficulties) to 6.2% (persons with cognitive difficulties) in the next 30 years. Those levels of growth are considerably higher than the 2% overall population growth represented in Figure 11. Thus, notwithstanding the uncertainty involved in projections, it seems quite probable that Buffalo-Niagara's housing stock will need to be adjusted to accommodate growing numbers of persons with disabilities in the years ahead. To the extent that housing for persons with disabilities is already likely to be undersupplied and unaffordable (see below), making these adjustments is becoming an ever-greater concern in need of substantial attention and investment.

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[28] IPUMS USA. https://usa.ipums.org/usa-action/variables/DIFFEYE#description_section
[29] IPUMS USA. https://usa.ipums.org/usa-action/variables/DIFFHEAR#description_section

Table 11. Relative Frequency of ACS-Tracked Disabilities in the Buffalo-Niagara Population, by Race-Ethnicity (Source: 2015-19 ACS)

	Self-Care Difficulty	Ambulatory Difficulty	Independent Living Difficulty	Cognitive Difficulty	Vision Difficulty	Hearing Difficulty
Total Population[30]	***2.51%***	***6.99%***	***4.79%***	***4.73%***	***2.07%***	***3.35%***
White*	2.45%	6.62%	4.70%	4.21%	1.87%	3.69%
Black or African American*	3.10%	10.66%	6.48%	7.08%	3.18%	2.01%
Indigenous*	3.80%	11.19%	5.37%	4.07%	3.48%	3.34%
Asian or Pacific Islander*	1.77%	3.33%	2.84%	2.17%	1.20%	1.85%
Other Race or Two or More Races*	1.28%	4.29%	3.28%	7.17%	2.28%	1.39%
Hispanic or Latinx	2.89%	7.10%	4.00%	7.96%	2.80%	2.84%

*Not Hispanic or Latinx

Table 12. Projecting Changes in Populations with Disabilities

Type of Difficulty / Number of Persons	2015-19 (ACS)	2050 (Projected)	Net Change	% Change
Self-Care Difficulty	27,570	28,841	1,271	4.6%
Ambulatory Difficulty	76,763	80,310	3,547	4.6%
Independent Living Difficulty	52,594	54,892	2,298	4.4%
Cognitive Difficulty	51,913	55,154	3,241	6.2%
Vision Difficulty	22,700	23,980	1,280	5.6%
Hearing Difficulty	36,803	37,916	1,113	3.0%

Brief Note on Household Sizes by Race-Ethnicity

In the same spirit as the preceding section, if population growth plays out unevenly across racial and ethnic group lines, then observed differences in household characteristics by race and ethnicity ought to

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[30] The last two difficulties from the bulleted list are reported for all persons. However, the first four are only reported for age-based target universes (persons five-years or older for self-care, ambulatory, and cognitive difficulties, and persons 16-years or older for ambulatory difficulties). Because the 2050 population projections by race and ethnicity do not account for age, this exercise focuses on the universe of all persons. The rates reported in this table therefore use all members of the respective population group as the denominator. This analysis, consistent with later housing and economic analyses, excludes persons living in group quarters.

affect future household composition. While the possibilities in this regard are too numerous to explore in depth here, one characteristic that commands immediate attention is household size. It is well-documented that households headed by persons of color are significantly more likely than white (non-Hispanic) households to contain larger, typically multigenerational families.[31] Recall now that: (1) households headed by persons of color are projected to grow meaningfully in the next 30 years while white-headed households are projected to fall in both absolute and relative size; (2) however, recent housing development has tended toward creating more units, for smaller sized households, in auto-dependent suburban locations. These two forces are seemingly working at cross purposes – i.e., observable patterns of housing development are arguably poorly equipped to accommodate anticipated patterns of population change.

To illustrate, Table 13 shows average household sizes by head of household race-ethnicity for the region's Public Use Microdata Areas (PUMAs – refer to the next section, "Economic Profile", for a detailed description of these geographies), based on 2015-19 U.S. Census ACS PUMS data. The three fastest-growing demographic groups in the nation (and, by assumption, the region) – persons identifying with "other" or multiple races, Asian Americans and Pacific Islanders, and persons identifying as Hispanic or Latinx – are the three groups with the largest average household sizes throughout the majority of the region. In all but one PUMA (1203), the largest households are those headed by Asian Americans and Pacific Islanders or persons who identify with Other or multiple racial groups. In the one exception – PUMA 1203, which contains Clarence, Newstead, and other outer ring suburbs and rural places – households headed by Black or African Americans are largest in average size. White-headed households, which, according to population projections, are soon to be fewer in number, have among the lowest average household sizes in the region. Thus, continuing to build new housing for smaller households in suburban locations appears to be highly misaligned with forward-looking demographic trends.

Table 13. Average Household Size by Race and Ethnicity, by PUMA (ACS 2015-19)

Head of Household Race-Ethnicity	PUMA 1101	PUMA 1102	PUMA 1201	PUMA 1202	PUMA 1203	PUMA 1204	PUMA 1205	PUMA 1206	PUMA 1207
Asian American or Pacific Islander	2.59	3.42	2.49	2.69	2.66	3.01	4.05	3.38	2.96
Black or African American	2.09	2.43	2.01	2.45	2.75	2.41	2.27	2.17	1.90
Hispanic or Latinx	2.18	2.74	2.43	2.33	2.65	2.55	2.62	2.55	2.62
Indigenous	2.49	2.40	1.26	2.39	1.00	2.57	1.70	1.53	2.27
Other or Multiple Racial Identities	2.70	3.38	1.89	2.78	2.39	2.28	2.63	2.84	2.01
White	2.20	2.36	2.18	2.22	2.38	2.18	2.16	1.99	2.35

For a map of PUMAs, see Figure 12; PUMA 1101 = Niagara Falls, Niagara, Wheatfield, NT; PUMA 1102 = Remainder of Niagara County; PUMA 1201 = Tonawandas and Grand Island; PUMA 1202 = Amherst and Williamsville; PUMA 1203 = Clarence, Newstead, Lancaster, Alden, Elma, Marilla; PUMA 1204 = Cheektowaga, West Seneca, Lackawanna; PUMA 1205 = Buffalo East of Main, including South Buffalo; PUMA 1206 = Buffalo West of Main; PUMA 1207 = Hamburg, Orchard Park, East Aurora, Wales, and Remaining Southtowns

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[31] Pew Research Center. https://www.pewresearch.org/fact-tank/2018/04/05/a-record-64-million-americans-live-in-multigenerational-households/ft_18-03-27_multigeneration_race_ethnicity/

Interim Conclusion: An Aging, but Diversifying, Region

The multiple, inherent complexities involved in assessing population change in a large extent study area over a long-range time horizon severely limit how deep and wide any single empirical study can excavate. Accordingly, the foregoing population profile for Buffalo-Niagara is necessarily incomplete; nevertheless, the findings do connect enough dots for a coherent picture to begin to take shape. That picture illustrates an aging region, where natural population decreases (i.e., deaths exceeding live births) are keeping population levels relatively flat, despite non-negligible levels of in-migration (at least in Erie County). Lower fertility is combining with a tendency to age in place. Together, these forces are putting upward pressure on the population structure, as evidenced by an increasing median age and top-heavy population pyramid.

Over time, aging will have significant impacts on the region's housing stock and, as revisited in later sections, housing market. Among researchers and practitioners who focus on the workforce, the aging U.S. population is often referred to as a coming "silver tsunami". Namely, "Baby-boomers own 66% of all businesses with employees in the U.S., and their retirement will cause the transfer of trillions of dollars in business assets. The open question is – to whom?"[32] Similar questions will need to be asked and addressed for housing in Buffalo-Niagara.

At the same time, the aging population structure is potentially related to degrowth in the region's predominant racial-ethnic group (persons who identify as white, Not Hispanic or Latinx). At face value, the projected decreases in Buffalo-Niagara's white population suggest that the natural decreases in the group's population are either offsetting any gains the group might be making through in-migration, or that natural population decreases are being reinforced by out-migration of white persons. Regardless of which situation is a better explanation of projected population changes, the bottom line is that Buffalo-Niagara's white population is trending down, while all populations of color tracked by the U.S. Census Bureau are on the rise. This shifting racial composition is making the region more diverse. That added diversity is likely to affect future housing preferences with respect to characteristics like household size, location relative to jobs and amenities, and countless others. One area of concern that comes with these changes is that, as a result of inequitable systemic and institutional structures, persons of color are disproportionately affected by certain health conditions and disabilities relative to their white counterparts. As such, apart from simply planning to accommodate different housing preferences, decision-makers in Buffalo-Niagara need to plan for making serious investments into accessible housing options to accommodate growing populations of persons with disabilities.

Economic Profile

Acknowledging the same caveats noted above – namely, study area size and time horizon – generating a comprehensive economic profile for Buffalo-Niagara requires its own, focused effort. Consequently, this project aims not to be complete in its assessment of regional economic conditions, but to construct a brief, but data-driven narrative of recent and forward-looking economic changes in Erie and Niagara Counties to inform decisions and discussions related to housing development. In order to arrive at that

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[32] Green-Collar Communities. https://greencollarcommunities.wordpress.com/2015/05/08/making-waves-the-silver-tsunami-and-employee-ownership-conversions/

point, it is important to first justify the research team's choice to elevate one source of data above others for the bulk of this section (as well as the two subsequent sections).

Data Notes[33]

Arguably, the premier data source for studying the intersection of population, housing, and economic dynamics in U.S. metropolitan regions is the Census Bureau's American Community Survey (ACS). The ACS is a rolling survey that asks respondents about their housing tenure, income, and housing costs, among other demographic, socioeconomic, and housing-related questions. ACS data come in three "vintages": (1) one-year, (2) three-year, and (3) five-year. The different vintages reflect different compromises between geographic precision, data accuracy, and data currency. Namely, whereas one-year ACS estimates are always the most current (insofar as they are published annually), they are generally the least accurate. This accuracy issue stems from the fact that one-year estimates are derived from relatively small samples. The one-year program therefore only publishes data for larger geographies (i.e., places that meet a minimum population threshold), where economies of scale in sampling make it possible to obtain sufficient sample sizes in the course of a single year. For lower population geographies like towns, villages, or neighborhoods, the ACS combines annual survey responses into multi-year increments to generate usable sample sizes. Because the vintage with the widest time increment (five years) brings together the largest possible number of responses (i.e., the largest sample sizes), five-year estimates tend to have the highest reliability of all ACS estimates, meaning that they can be provided for all geographic units from fine resolution census block groups and tracts (often proxies for neighborhoods) up to counties and beyond. The price paid for that added reliability is currency, as the data are collected over a longer time horizon.

The takeaway from the preceding paragraph is that to study housing and economic experiences with ACS data in Buffalo-Niagara – a region with a mix of urban, suburban, and rural locations – five-year estimates unlock the greatest number of possibilities and should therefore have the most value. As such, unless otherwise noted, all ACS data that follow come from the most recent publicly available five-year estimates.[34]

Next, observe that ACS data are aggregated to political or statistical geographic units to protect the privacy of survey respondents. The Census Bureau uses a standard approach for publishing these aggregated data, so that metrics are reported consistently across the nation. While both privacy protection and standardized reporting protocols are invaluable, one byproduct of these practices is that they limit one's ability to analyze and describe housing experiences in nuanced, place-based ways. For example, the U.S. Department of Housing and Urban Development (HUD) advises that classifying households into income groups should be done relative to local/regional (as opposed to national) median family income, after adjusting for household size.[35] However, the standardized reporting of ACS

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[33] Although the contents of this section are somewhat technical, the authors feel strongly that they belong in the main body of the report to justify consequential decisions about data sources and units of analysis. This section follows closely from: Weaver, R., & Knight, J. (2020). *Advancing Housing Security: An Analysis of Renting, Rent Burden, and Tenant Exploitation in Erie County, NY*. Available at SSRN: https://ssrn.com/abstract=3778025

[34] Public Use Microdata Samples (PUMS) data for the current (2015-19) vintage were published in January 2021, during the course of this study. As such, all of the analyses done for the interim report (which used vintage 2014-18) were redone for the new data. The ACS PUMS forms the backbone of the housing experience inventories and profiles created in this report.

[35] HUD User. https://www.huduser.gov/portal/datasets/il/il2020/2020MedCalc.odn

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data for conventional geographic units (e.g., census tracts or places) does not allow for such classification. Aggregated household income is reported either in bins (e.g., the number of households falling into categories like "less than $20,000 per year", "$20,000 to $34,999 per year", etc.), as a single summary statistic (e.g., median or per capita income), or as the fraction of households with income below the federal poverty level. Moreover, although the ACS does include median income by household size in its standard outputs, these conventional data do not allow analysts to examine intersections between income, household size, housing costs, and other variables of interest. Thus, standard ACS data products have limited utility for building detailed profiles of housing experiences that can account for a household's size and place in its regional income distribution.

Fortunately, a powerful, but less common, product of the ACS program makes it possible to overcome some of these challenges. The ACS Public Use Microdata Samples (PUMS) files "enable data users to create custom estimates and tables…that are not available through ACS pretabulated data products. The ACS PUMS files are a set of records from individual people…with disclosure protection enabled so that individuals…cannot be identified."[36] In other words, ACS PUMS datasets contain anonymized records for individual survey respondents – the data are not aggregated.

The rich, person- and household-level information contained in PUMS records allows researchers to construct detailed, place-based pictures of housing, income, and related economic conditions in locations across the United States. With respect to geography, however, to protect respondents' privacy, PUMS data are not provided at conventional "small area" units of analysis like census tracts or even places (e.g., towns and villages). Instead, the finest resolution geographic units to which individual respondents can be linked are called Public Use Microdata Areas, or PUMAs. The decision to use PUMS data in housing analysis, then, involves a trade-off between geographic and informational resolution. That is, by sacrificing the geographic resolution that comes with standard ACS products (which are published for small areas like census tracts), it is possible to gain a wealth of new information on the intersections between housing, income, demographic characteristics, and socioeconomic status in coarser-resolution PUMAs. Given the aims of this report (see above), this trade-off is an obvious one to make. Accordingly, the bulk of the descriptive and inferential analyses carried out below adopt the PUMA as the geographic unit of analysis.

As shown in Figure 12, there are nine PUMAs in the two-county Buffalo-Niagara region. In Erie County, PUMAs 01205 and 01206 lie wholly within, and combine to form, the City of Buffalo. PUMAs 01201 (the Tonawandas and Grand Island) and 01204 (Lackawanna, Cheektowaga, and West Seneca) are useful proxies for traditional inner-ring suburbs (with the exception of Grand Island). PUMA 01202 (the Amherst County Subdivision) has the character of an "edge city" – or booming suburb – common to the postwar development patterns of most American metropolitan regions.[37] And PUMAs 01203 (Clarence, Lancaster, Elma, Newstead, Alden, and Marilla) and 01207 (the Southtowns and southern Erie County) contain a mix of outer-ring suburbs and rural spaces. In Niagara County, PUMA 01101 includes the City of Niagara Falls and its nearby suburbs; and PUMA 01102 includes the lower density communities in the north and eastern areas of the Niagara County.

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[36] US Census Bureau. https://www.census.gov/programs-surveys/acs/microdata.html

[37] Montgomery, D. "Putting Area's Resurgence Into Perspective." *The Buffalo News*, 1 October 1989.
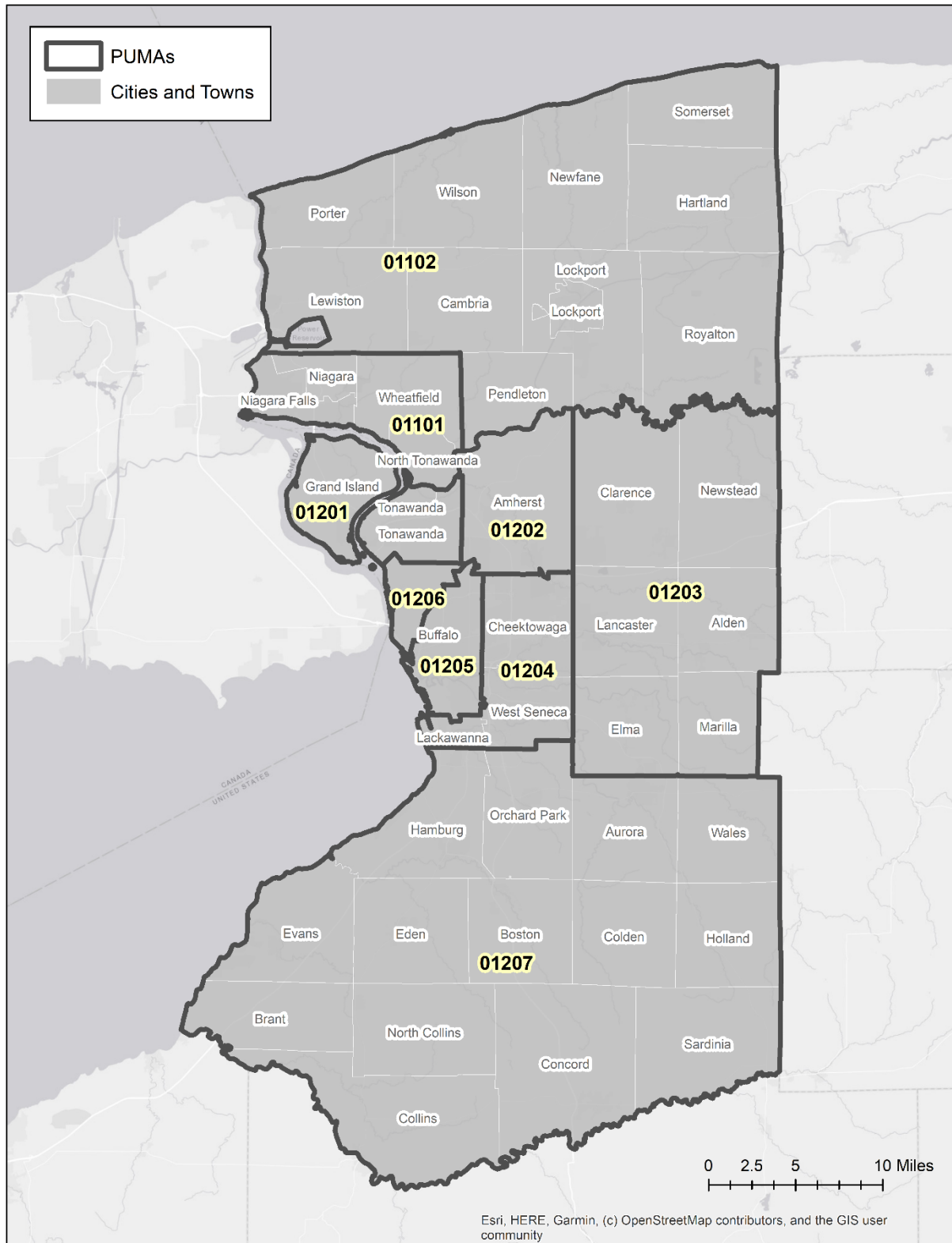
Figure 12. Public Use Microdata Areas (PUMAs) in Buffalo-Niagara

The next major consideration to be addressed prior to proceeding is how to define income for housing and economic analyses based on ACS PUMS data. The issue comes about because the Census Bureau reports two different "kinds" of income for people in housing units: (1) household income and (2) family income. The former quantity is the total income earned by persons who occupy the same housing unit, regardless of their interrelationship(s). The latter quantity is the total income earned by related persons who occupy the same housing unit.[38] More formally, household income "is the total money income of all household members age 15+ during the previous year." And **family income** is the total of the incomes of the head of household and all household members related to the head.[39]

The reason that these two values present challenges for social science researchers is that they are used inconsistently or incompatibly in practice – even among federal government agencies. Most reports of *housing cost burden* (see below), for example, adopt household income as the measure of income available for housing expenses.[40] The assumption underlying that decision is that all household members, including nonrelated persons, pool all of their income to pay for housing. However, many "unrelated individuals live together in households without pooling income," suggesting that "family income [might be] a better indicator of material living standards." [41] Perhaps even more importantly, though, to be eligible for most HUD housing assistance programs, a household must meet HUD's definition of a "family". In that sense, family income becomes the basis for participating in most federal (and, by extension, state and local) affordable housing programs.[42]

It follows that *family income* is a somewhat more appropriate measure (relative to household income) for analyzing housing affordability, which is a critical indicator of financial and economic well-being.[43] HUD seems to endorse that position, as the organization's program income limits are calculated relative to an area's median family income;[44] and its protocols for classifying households into income groups use family income as the guiding benchmark.[45] Yet, while the choice of how to define income seems to be straightforward, it tends to be complicated by the fact that many analysts, including staff at the Census Bureau, have made the use of household income something of a convention.[46]

This report does not follow that practice and instead measures a household's funds available for housing expenditures as *family income*. Adopting this position ensures compatibility with the aforementioned HUD guidelines and recommendations, and it therefore allows for localized, place-based profiles of

[38] Folbre, N. "Why current definitions of family income are misleading, and why this matters for measures of inequality." Washington Center for Equitable Growth, 12 July 2017. https://equitablegrowth.org/why-current-definitions-of-family-income-are-misleading-and-why-this-matters-for-measures-of-inequality/

[39] IPUMS USA. https://usa.ipums.org/usa-action/variables/HHINCOME#description_section

[40] Larrimore, J., & Schuetz, J. (2017). *Assessing the severity of rent burden on low-income families* (No. 2017-12-22). Board of Governors of the Federal Reserve System (US).

[41] Folbre: "Why current definitions…" (emphasis added).

[42] Eberlin, E. (2020). "You Must Meet These 4 Requirements to Receive Section 8." *The Balance*, 30 April 2020. https://www.thebalance.com/section-8-housing-eligibility-requirements-2125017

[43] Moody's Analytics. https://www.economy.com/support/blog/buffet.aspx?did=932EBFA8-D905-4945-A5D5-D02D98113FA4

[44] HUD User. https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn

[45] HUD User. https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn

[46] US Census Bureau. https://www.census.gov/library/stories/2019/11/decade-after-the-recession-housing-costs-ease-for-homeowner.html

economic conditions (and, later, housing cost burden by housing unit type – see below) that are not possible through either conventional ACS data or analyses that rely on household income. Hence, unless otherwise noted, all income data used in this report describe family income.

With these caveats in mind, the next subsection briefly explores the income distribution of households, by Public Use Microdata Area (PUMA).

Distribution of Income

Table 14 reports the median family income for the two county Buffalo-Niagara region from the 2015-19 Five-Year ACS.[47] Following that overall regional value, the table lists HUD's adjustments to median family income in Buffalo-Niagara for a range of household sizes. The table further shows the HUD-calculated income thresholds that are used to classify households into Extremely Low-, Very Low-, and/or Low-income groups in Buffalo-Niagara based on the local income distribution.[48] For practical purposes, "Extremely Low Income" families are defined herein as those families earning 30 percent or less of the family-size-adjusted median income. Otherwise, families earning below any of the listed thresholds are classified into their respective categories for their family sizes.

Table 14. Median Family Income and Selected HUD Income Thresholds (for Fiscal Year 2020), by Family Size, in the Buffalo-Niagara Region

Family Size	Median Family Income	Extremely Low-Income Threshold	Very Low-Income Threshold	Low-Income Threshold
Overall	77,407	N/A	N/A	N/A
1	54,400	16,350	27,200	43,500
2	62,100	18,650	31,050	49,700
3	69,900	21,720	34,950	55,900
4	77,600	26,200	38,800	62,100
5	83,900	30,680	41,950	67,100
6	90,100	35,160	45,050	72,050
7	96,300	39,640	48,150	77,050
8	102,500	44,120	51,250	82,000
9	108,700	48,600	54,350	86,950
10	114,900	53,080	57,450	91,950
11	121,100	57,560	60,550	96,900
12	127,300	62,040	63,650	101,850
13	133,500	66,520	66,750	106,850
14	139,700	69,850	69,850	111,800

Source: HUD FY 2020 Income Limits (https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn)
Notes: "Very Low" income refers to income at or below 50% of an area's median family income, adjusted for household size. "Low" income uses an 80% threshold. "Extremely Low" income uses the formula described here: https://www.federalregister.gov/documents/2020/01/17/2020-00858/annual-update-of-the-hhs-poverty-guidelines. As noted in the text, this report uses 30% of size-adjusted AMI in place of the formula.

The income thresholds in *Table 14* can be joined to the person-level information on family income and family size from the ACS PUMS dataset to generate easy-to-interpret income distributions by PUMA.

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[47] Refer to note 34.
[48] HUD User. https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn

Mirroring the process for defining "low" income groups relative to family-size-adjusted AMI, Table 15 reports the standards used below to define "typical" and "high" income groups of households. Figure 13 summarizes the regional income distribution using the typology from Table 15, and Figure 14 then graphs the corresponding income distributions for each PUMA. Income groups were created to be mutually exclusive. As an example, consider a person whose household-size-adjusted family income is 25 percent of the median regional family income. Such a person qualifies for all three "low income" categories under investigation (Extremely Low, Very Low, and Low). For analytical purposes, though, such a person is coded as being part of the Extremely Low-income group, exclusively. This logic is applied to the remaining income categories from the typology so that each household is placed into one and only one income bin.

Table 15. Household Income Typology

Income Category	Definition Relative to Family-Size Adjusted Area Median Income (AMI)
Extremely Low	Family Income <= 30% AMI
Very Low	30% AMI > Family Income <= 50% AMI
Low	50% AMI > Family Income <= 80% AMI
Moderate	80% AMI > Family Income <= 120% AMI
Medium	120% AMI > Family Income <= 150% AMI
High	150% AMI > Family Income <= 180% AMI
Very High	Family Income > 180% AMI
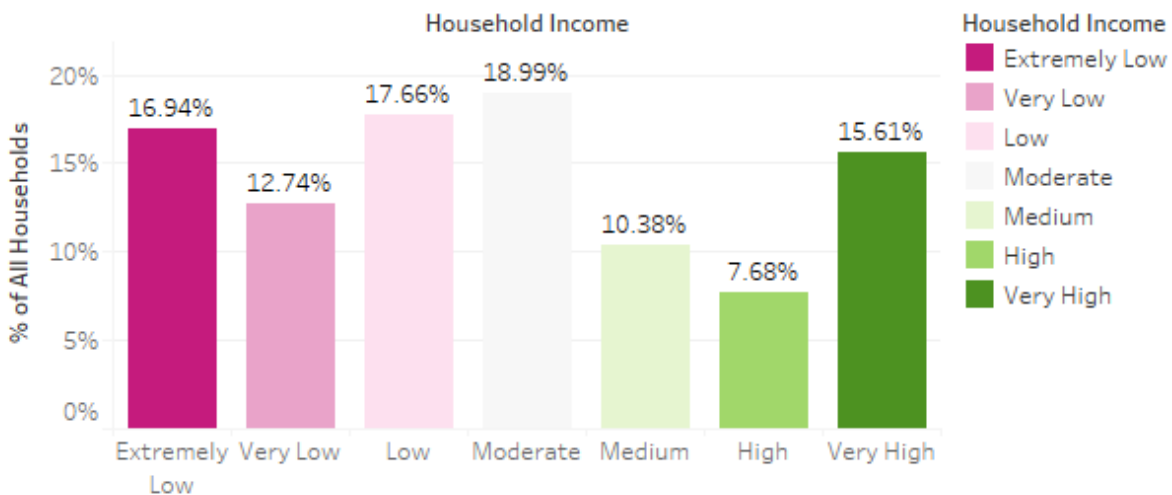
Figure 13. Buffalo-Niagara Regional Income Distribution (Source: 2015-19 ACS)

Observe that the modal income group in Buffalo-Niagara is, perhaps expectedly since it straddles the area median income (NB: a family that earns 100% of AMI is earning the median income for their family size), the Moderate income class. Outside of that category, the distribution is slightly bottom-heavy, with 47.34% of households falling in the three "low income" categories compared to only 33.67% of households earning Medium, High, or Very High income for the region (Figure 13).

The notion that Moderate income households are most numerous in Buffalo-Niagara lends some initial support to claims that Greater Buffalo is, on balance, a middle class region. However, such claims lose purchase when the analysis zooms in from the regional scale. Of Buffalo-Niagara's nine PUMAs, Moderate income households constitute the modal income group in just three areas: PUMA 1102, which consists of first-ring suburbs and outlying communities in Niagara County; and PUMAs 1201 and 1204, which account for the preponderance of Erie County's first-ring suburbs. The remaining six areas have highly unequal income distributions with relatively small "middle classes".
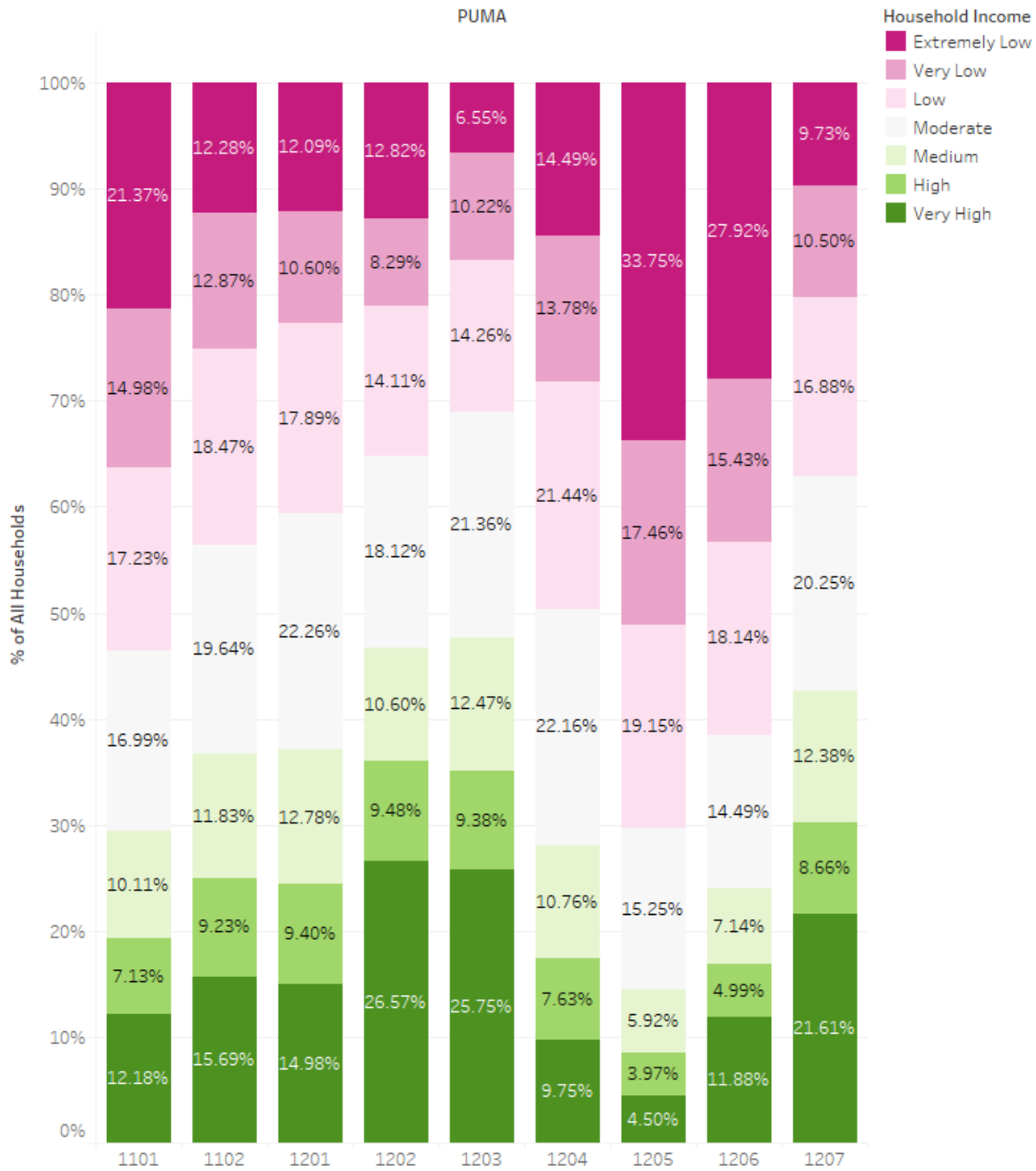
Figure 14. Income Distribution by PUMA (Source: 2015-19 ACS)

Most notably, more than three-fifths of all households in the City of Buffalo (70.36% of households in PUMA 1205/Buffalo East of Main Street and 61.49% of households in PUMA 1206/Buffalo West of Main Street) fall into one of the three "low income" categories from the AMI-based typology (refer to Table 15). The modal income category in both PUMAs is Extremely Low Income, or households earning at or below 30% of family-size-adjusted AMI. A similar situation holds in PUMA 1101, which contains the City of Niagara Falls. There, more than half of all households (53.58%) qualify as "Low income" or below, with Extremely Low Income households being the modal income class. By contrast, between 42.7% (PUMA 1207) and 47.6% (PUMA 1203) of households in Erie County's outer-ring PUMAs (1202/Amherst, 1203/Clarence/Lancaster, and 1207/Hamburg/Orchard Park/East Aurora/Southtowns) earn above 120% of family-size-adjusted AMI. Very High income households – those earning over 180% of AMI – are the most common household types in all three of these locations.

Based on these findings, Buffalo-Niagara is arguably not a "middle class" region. It is a highly income-segregated region where middle class, Moderate income households constitute a small plurality overall, but where the cities and first-ring suburbs are spaces of concentrated poverty surrounded by affluent second-ring suburbs and outlying communities.

Income by Household Characteristics

Recalling that the cities of Buffalo and Niagara Falls, and their adjacent first-ring suburbs, have larger proportions of persons of color compared to the rest of the region, the data from Figure 14 suggest that the Buffalo-Niagara's uneven spatial distribution of income is tied to larger issues of racial inequality. To illustrate this point in unambiguous terms, Table 16 shows the likelihood of a household being classified as Extremely Low income (<= 30% of family-size-adjusted AMI) based on the head of household's race-ethnicity.

At the regional level, 16.9% of all households are Extremely Low income (ELI) households. However, households headed by persons of color are between 2.4 (for Asian Americans and Pacific Islanders) and 3.4 (for Indigenous persons) times more likely to be ELI compared to households headed by non-Hispanic white persons. These disparities become more (or less) pronounced when zooming to the PUMA level of analysis. In the Southtowns PUMA (1207), for example, Black or African American-headed households are more than four times as likely to be ELI (36.3%) compared to white-headed households (9.0%). As already intimated, ELI households of all races and ethnicities are concentrated in the two City of Buffalo PUMAs – more than one third of all households in PUMA 1205 (East Buffalo) and just under three in ten households in PUMA 1206 (West Buffalo) are ELI, well ahead of the regional average of 16.9% (Table 16).

Following Table 16, Figure 15 presents a visual matrix of income distribution by PUMA, by head of household race-ethnicity. The amount of data presented in the graphic is too extensive to show precise numerical values. Rather, it is intended to allow readers to make quick visual comparisons of income for different racial-ethnic groups throughout the region. Echoing points from the previous paragraph, notice that in the final column of the matrix, which describes white-headed households, income tends to bend toward the middle and upper classes in all parts of the region. By contrast, income for all other racial-ethnic groups (with some notable PUMA-specific exceptions for Asian Americans and Pacific Islanders) is highly skewed in "bottom heavy" ways, with most households concentrated at the low end of the distribution.

Table 16. Percent of Households that Meet the Regional Definition of Extremely Low Income (ELI), by Race-Ethnicity and PUMA (Source: 2015-19 ACS)

	Total Population	White*	Black or African American*	Indigenous*	Asian or Pacific Islander*	Other or Multiple Races*	Hispanic or Latinx
All PUMAs, Combined	*16.9%*	*12.7%*	*34.4%*	*43.7%*	*30.2%*	*33.1%*	*37.6%*
PUMA 1101	*21.4%*	17.8%	39.7%	60.7%	32.4%	31.2%	41.8%
PUMA 1102	*12.3%*	11.6%	26.0%	13.9%	11.5%	21.3%	27.0%
PUMA 1201	*12.1%*	11.4%	22.6%	64.7%	7.3%	8.5%	18.8%
PUMA 1202	*12.8%*	10.2%	19.5%	52.2%	26.3%	17.6%	37.8%
PUMA 1203	*6.6%*	6.3%	6.0%	100.0%	7.7%	37.4%	17.8%
PUMA 1204	*14.5%*	13.2%	22.2%	15.3%	20.5%	41.8%	28.7%
PUMA 1205	*33.8%*	24.4%	38.0%	40.1%	46.2%	50.5%	45.3%
PUMA 1206	*27.9%*	20.9%	34.9%	66.0%	43.0%	40.9%	42.4%
PUMA 1207	*9.7%*	9.0%	36.3%	41.8%	0.0%	19.0%	20.0%

*Not Hispanic or Latinx; Recall that ELI status is defined as a household with family income that is at or below 30% of family-size-adjusted Area Median Income (AMI)
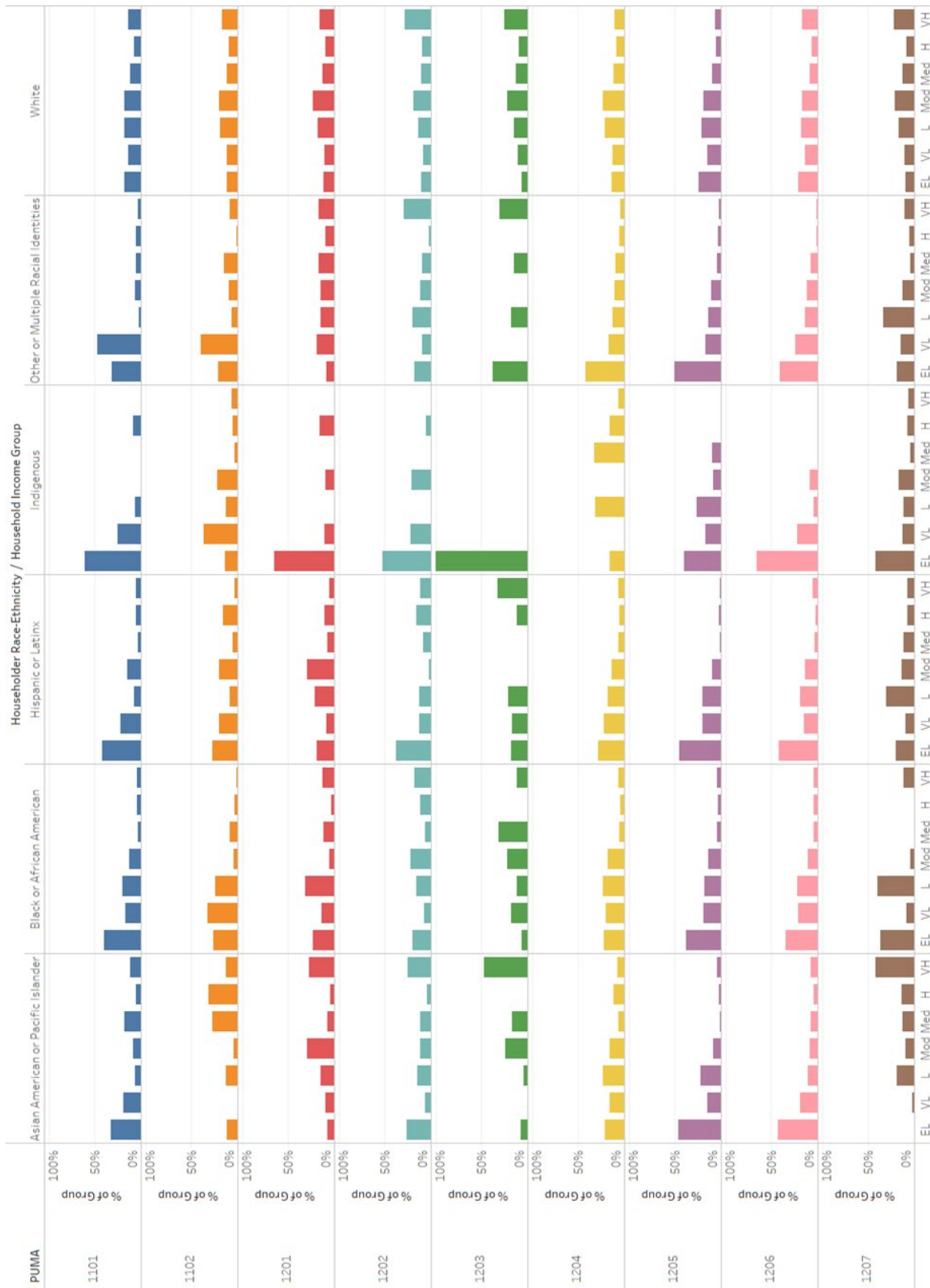
Figure 15. Income Distribution by Race-Ethnicity and PUMA (Source: 2015-19 ACS)

Income by Head of Household Sex, by PUMA

Table 7 and Figure 16 replicate the analyses from the preceding subsection, but with head of household sex as the focal variable of interest. Intersecting with and compounding the uneven spatial and racial patterns of income revealed above, female-headed households are everywhere more likely than male-headed households in Buffalo-Niagara to earn family income at or below 30% of family-size-adjusted AMI. More generally, in all PUMAs, income distribution for female-headed headed households is noticeably and non-randomly more skewed toward to the bottom compared to male-headed households.

While gender inequality occurs throughout the region, the largest magnitude disparities are arguably in the suburbs. In the Southtowns (PUMA 1207), for instance, the modal income category for male-headed households is Very High income, or income above 180% of family-size adjusted AMI. Female-headed households, by comparison, fall predominantly in the low- to moderate-income groups. In the most *extreme* case, female-headed households are more than twice as likely (13.6%) as male-headed households (6.1%) in PUMA 1207 to earn at or below 30% of AMI. Similar patterns seem to emerge in the outer-ring PUMA that contains Clarence and Lancaster (PUMA 1203), as well as in Buffalo's first-ring suburbs (PUMAs 1201 and 1204).

Combined with earlier observations, these findings imply that households headed by women of color are among the most economically marginalized and least economically secure households throughout the Buffalo-Niagara region.

Table 17. Percent of Households that Meet the Regional Definition of Extremely Low Income (ELI), by Head of Household Sex and PUMA (Source: 2015-19 ACS)

	Total Population	Male-Headed Household	Female-Headed Household
All PUMAs, Combined	*16.9%*	*13.1%*	*20.5%*
PUMA 1101	*21.4%*	17.7%	24.7%
PUMA 1102	*12.3%*	10.0%	14.8%
PUMA 1201	*12.1%*	9.5%	14.5%
PUMA 1202	*12.8%*	10.1%	15.4%
PUMA 1203	*6.6%*	5.3%	7.8%
PUMA 1204	*14.5%*	10.2%	18.5%
PUMA 1205	*33.8%*	27.6%	37.9%
PUMA 1206	*27.9%*	25.0%	30.5%
PUMA 1207	*9.7%*	6.1%	13.6%
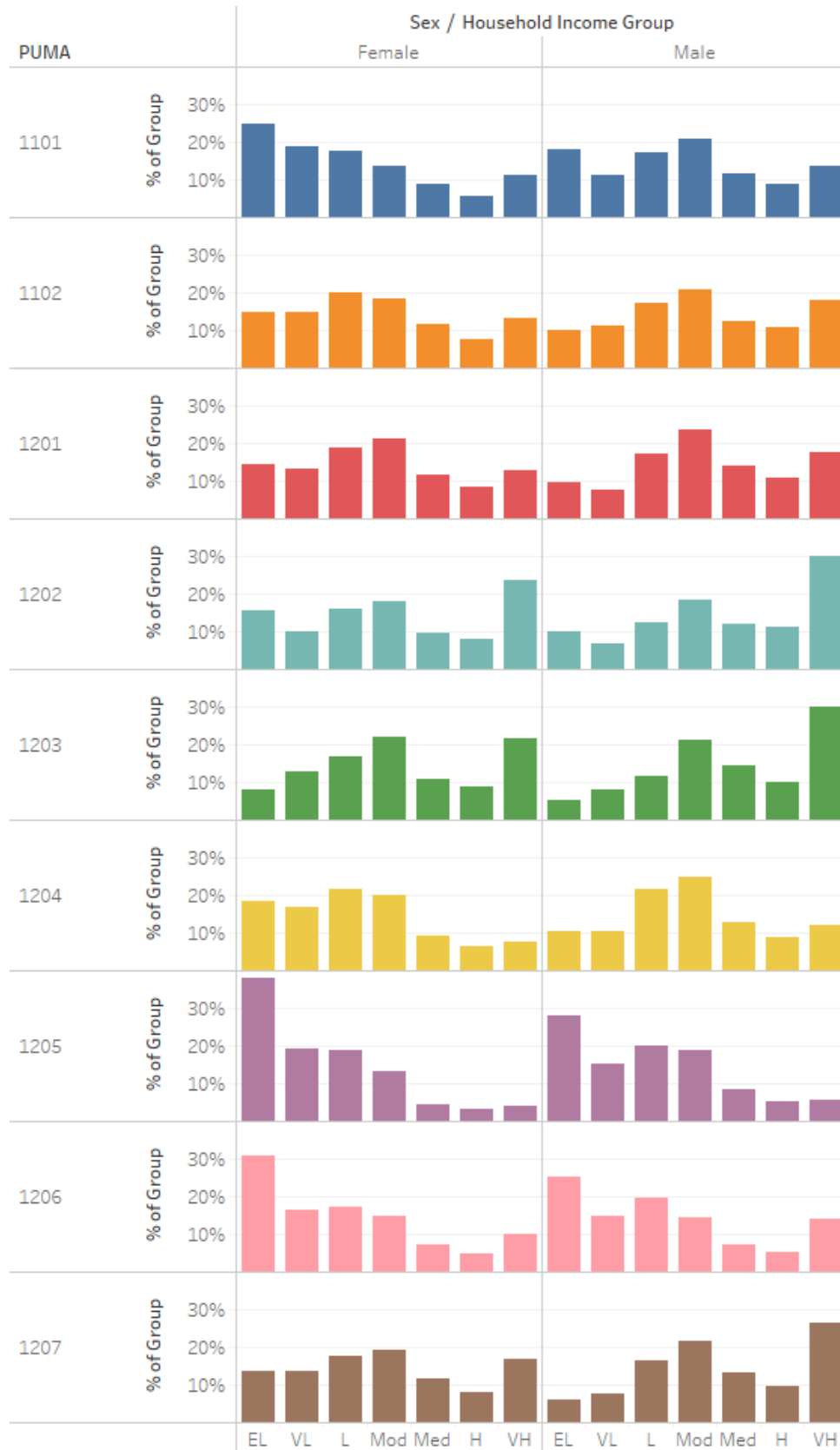
Figure 16. Income Distribution by Head of Household Sex and PUMA (Source: 2015-19 ACS)

Building on the two prior subsections, Table 18 compares the likelihood of falling into the Extremely Low income (ELI) between the overall population and households containing persons with disabilities, by PUMA. In the case of six disability types tracked by the Census Bureau, persons with disabilities are substantially more likely than the general population to live below 30% of Area Median Income (AMI). As later sections demonstrate, this marked inequality creates considerable challenges for housing affordability, resulting in significant financial hardship.

Table 18. Percent of Households that Meet the Regional Definition of Extremely Low Income (ELI), by Presence of Persons with Disabilities and PUMA (Source: 2015-19 ACS)

	Total Population	**Self-Care Difficulty**	**Ambulatory Difficulty**	**Independent Living Difficulty**	**Cognitive Difficulty**	**Vision Difficulty**	**Hearing Difficulty**
All PUMAs, Combined	***16.9%***	***36.7%***	***37.3%***	***40.6%***	***48.4%***	***34.8%***	***20.4%***
PUMA 1101	*21.4%*	47.2%	44.8%	44.4%	53.3%	31.7%	22.7%
PUMA 1102	*12.3%*	20.1%	24.3%	31.2%	39.3%	28.7%	20.0%
PUMA 1201	*12.1%*	34.0%	33.3%	32.4%	44.3%	24.4%	15.8%
PUMA 1202	*12.8%*	24.7%	29.7%	34.9%	45.2%	30.1%	15.6%
PUMA 1203	*6.6%*	17.6%	17.7%	10.8%	15.6%	17.1%	14.2%
PUMA 1204	*14.5%*	33.8%	31.6%	36.4%	39.3%	30.3%	13.3%
PUMA 1205	*33.8%*	47.6%	50.7%	51.8%	57.2%	50.5%	49.2%
PUMA 1206	*27.9%*	50.3%	48.0%	51.8%	67.2%	48.1%	29.0%
PUMA 1207	*9.7%*	39.2%	30.4%	45.7%	37.2%	23.8%	12.1%

Distributions of and Trends in Jobs and Wages

The evidence from above clearly illustrates that Buffalo-Niagara is a region of marked and intersecting spatial, racial, gender, and economic inequality. While far from the sole explanatory factor for these phenomena, the jobs and wage structures of the region play significant roles in creating or limiting opportunities for economic mobility and security. Accordingly, the remainder of this section describes some of the more significant recent trends in jobs, industry, and wages in Buffalo-Niagara.

Income by Head of Household Employment Industry

Beginning with the PUMS data used to document income inequality by selected head of household characteristics above, it is possible to explore household income distributions by head of household

employment industry. Figure 17 presents a visual data matrix toward that end. The graphic allows for quick comparisons between household income status by householder employment. For instance, the first cell of the matrix shows the income distribution for households headed by Accommodation and Food Services workers. Somewhat intuitively, that distribution is highly skewed toward the bottom end of the distribution, with roughly 70% of households classified as Extremely Low (EL), Very Low (VL), or Low (L) income – i.e., around seven out of ten households earn at or below 80% of family-size-adjusted area median income (AMI). At the opposite end, just under seven of every ten households headed by Public Administration workers earn at or above 120% of AMI (and, thus, fall in Medium [Med], High [H], or Very High [VH] income classifications).

Recent Patterns of Job Growth

The visualization in Figure 17 offers preliminary insights into the employment industries that are most closely associated with heading high-, middle-, or low-income households in Buffalo-Niagara. As such, a natural next question is whether job growth is occurring in industries occupied by middle- and high-earning households. While there are several data sources that might be capable of shedding some light on this question, the one with the highest spatial and temporal resolution is the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) product. The LODES captures annual job data at the census block level of analysis, which makes it possible to explore change over time at a variety of geographic scales (i.e., census blocks are extremely fine resolution geographic units, meaning that block-level data can be aggregated to almost any other set of spatial boundaries).

As with population analysis, engaging deeply with the voluminous LODES data available for the large-extent Buffalo-Niagara region and over the 17-year time horizon of the data (2002-2018) would require a separate project. For expediency, Table 19 summarizes patterns of job growth and contraction, by industry, for the region as a whole. The table is sorted in descending order with respect to absolute change in number of jobs. Arguably reflecting extensive investments in and around the Buffalo-Niagara Medical Campus (BNMC) over the past decade,[49] the net increase in Health Care and Social Assistance jobs since 2010 has outpaced all other industries. Per Figure 17, households headed by Health Care and Social Assistance workers are disproportionately likely to earn above 180% of family-size-adjusted AMI; however, the preponderance of such households fall in the Moderate (50-80% of AMI) to Medium (80-120% of AMI) income range.

The second largest absolute increase in Buffalo-Niagara-based jobs since 2010 occurred in Accommodation and Food Services. In Western New York as throughout the region, this industry is characterized by relatively low wages. Households headed by Accommodation and Food Services workers in Buffalo-Niagara are overwhelmingly low-income, earning at or below 80% of family-size-adjusted AMI.

Troublingly, the industry most affected by job loss since 2010 has been Educational Services. As shown in Figure 17, households headed by workers in this industry fall largely in the middle-to-upper end of the income distribution. At face value, then, the patterns summarized in Table 19 – despite describing

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[49] State University of New York. https://www.suny.edu/features/reshaping-new-york-second-largest-city-and-beyond/

overall job *growth* (+18,000 jobs over eight years) – raise several concerns. Most notably, there are at least some signs of job loss in higher earning industries and job gains in lower earning industries.

Table 19. Change in Jobs in Buffalo-Niagara, by Industry, 2010-18

Industry	# Jobs, 2010	%, 2010	# Jobs, 2018	%, 2018	Absolute Change	% Change
Health Care and Social Assistance	84,008	15.5%	92,156	16.4%	8,148	9.7%
Accommodation and Food Services	45,467	8.4%	52,336	9.3%	6,869	15.1%
Construction	16,537	3.0%	19,826	3.5%	3,289	19.9%
Transportation and Warehousing	17,405	3.2%	20,175	3.6%	2,770	15.9%
Management of Companies and Enterprises	13,088	2.4%	15,642	2.8%	2,554	19.5%
Manufacturing	49,691	9.2%	51,809	9.2%	2,118	4.3%
Arts, Entertainment, and Recreation	9,457	1.7%	11,167	2.0%	1,710	18.1%
Public Administration	24,944	4.6%	26,218	4.7%	1,274	5.1%
Other Services (excluding Public Administration)	21,307	3.9%	22,496	4.0%	1,189	5.6%
Information	7,673	1.4%	8,800	1.6%	1,127	14.7%
Finance and Insurance	28,604	5.3%	29,696	5.3%	1,092	3.8%
Real Estate and Rental and Leasing	6,664	1.2%	7,546	1.3%	882	13.2%
Agriculture, Forestry, Fishing and Hunting	1,154	0.2%	1,436	0.3%	282	24.4%
Professional, Scientific, and Technical Services	29,403	5.4%	29,447	5.3%	44	0.1%
Mining, Quarrying, and Oil and Gas Extraction	345	0.1%	220	0.0%	-125	-36.2%
Wholesale Trade	22,033	4.1%	21,506	3.8%	-527	-2.4%
Utilities	2,591	0.5%	1,970	0.4%	-621	-24.0%
Administration & Support, Waste Management and Remediation	29,963	5.5%	28,401	5.1%	-1,562	-5.2%
Retail Trade	67,787	12.5%	63,850	11.4%	-3,937	-5.8%
Educational Services	64,232	11.8%	55,714	9.9%	-8,518	-13.3%

Source: U.S. Census Bureau LEHD LODES: https://lehd.ces.census.gov/data/
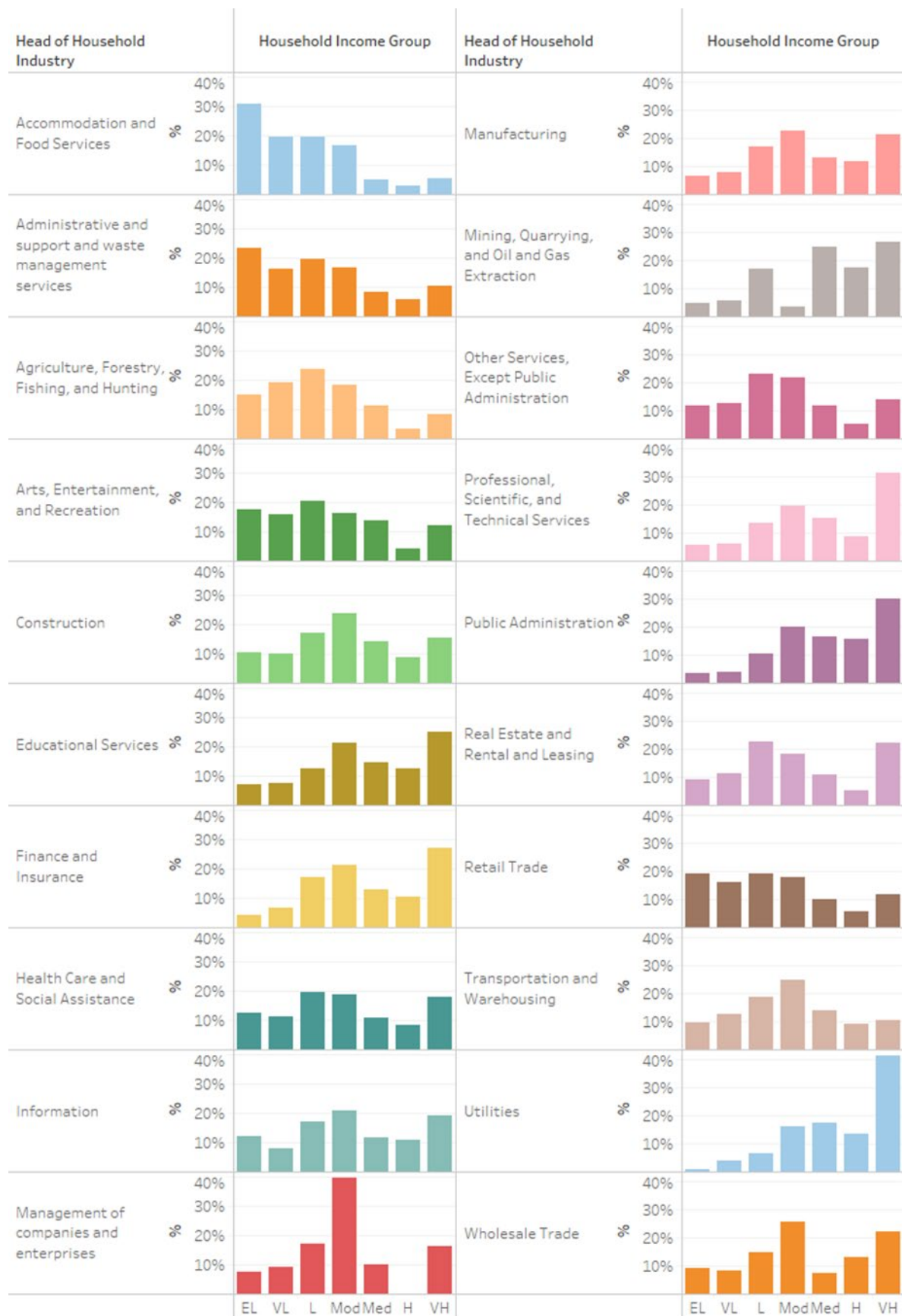
Figure 17. Income Distribution by Head of Household Employment Industry

Figure 18 uses the LODES data to map the spatial distribution of relative job change from 2010 to 2018, by census tract, relative to PUMA boundaries. Table 20 then summarizes those changes numerically.
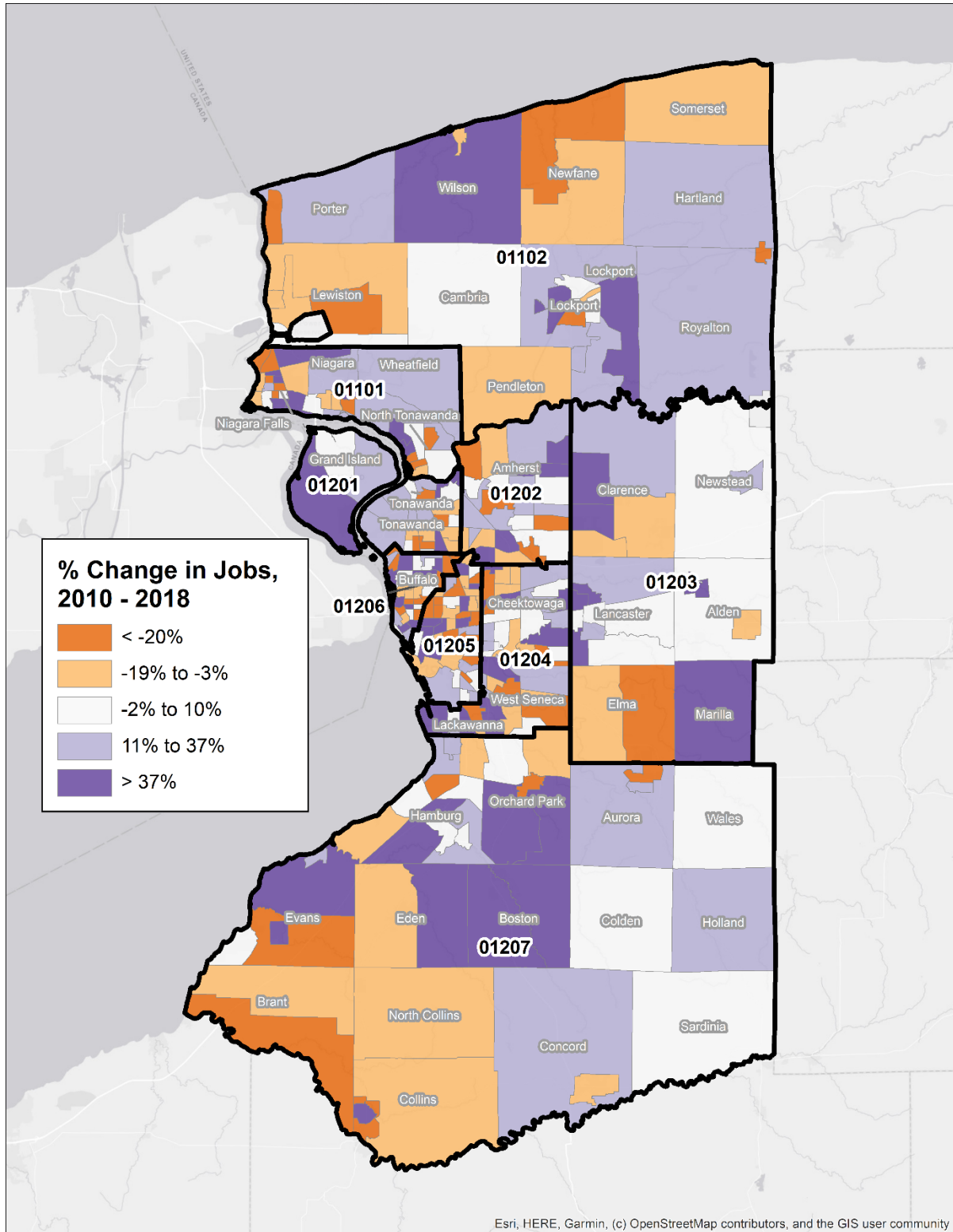
Figure 18. Relative Change in Jobs, by Census Tract, 2010-18

Table 20. Summary of Changes in the Distribution of Jobs, by PUMA, 2010-18

PUMA	2010	2018	Absolute Change	% Change
1101	37,559	39,127	1,568	4.2%
1102	31,806	31,730	-76	-0.2%
1201	43,166	45,973	2,807	6.5%
1202	104,400	100,874	-3,526	-3.4%
1203	43,825	52,075	8,250	18.8%
1204	71,641	73,781	2,140	3.0%
1205	95,659	101,281	5,622	5.9%
1206	51,381	51,267	-114	-0.2%
1207	62,911	64,303	1,392	2.2%

Observe from above that job growth seems to have followed (or perhaps instigated) growth in households in the outer-ring communities, especially PUMA 1203 in Erie County.

Trends in Salary and Wages from Income Tax Return Data, by PUMA[50]

Although PUMS data are well-equipped to explore relationships between income, housing, race-ethnicity, employment, and numerous other person- and household-level characteristics, recall that they are collected over five-year intervals. The gains in data richness come at the price of data currency. Whereas PUMS data can function as bookends to compare a change from one time period to another (so long as the time periods do not overlap), they do not allow researchers to identify broader trends in year-to-year fluctuations.

Along those lines, prior to continuing to mine the current PUMS dataset for additional information on household experiences in Buffalo-Niagara, this subsection briefly engages with data from the Internal Revenue Service's (IRS) Statistics on Income (SOI) Individual Income Tax Return Statistics program.[51] The SOI program publishes aggregate outputs from annual household-level income tax return filings. The data are available down to the ZIP code level of analysis, and they provide invaluable information on wages. Namely, drawing directly from household 1040 tax filings, the SOI dataset publishes: (1) the number of tax returns filed, by ZIP code, that reported wage or salary earnings; and (2) the total amount of wages or salary earnings reported by those tax filers. By aggregating ZIP code data to PUMA boundaries[52] – for consistency with the bulk of analyses from this report – and adjusting for inflation, it is therefore possible to explore trends in average salary and wages over time.

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[50] Income tax data are only provided at the ZIP code level of analysis. To aggregate ZIP code data to PUMA geographies, the researchers assigned each ZIP code area to a PUMA based on the ZIP area's centermost geographic point. Most ZIP code area lie wholly within PUMAs, presenting few aggregation issues. However, ZIP code area 14052 is divided almost evenly into PUMAs 01203 in the north and 01207 in the south. Because its centroid falls in the latter, data from 14052 was assigned to PUMA 01207. Given that the Town of Aurora and Village of East Aurora tend to be most widely associated with ZIP code 14052, this assignment seems all the more appropriate, insofar as both municipalities are within PUMA 01207.
[51] Internal Revenue Service. https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-return-form-1040-statistics
[52] See note 50.

Figure 19 plots average annual inflation-adjusted salary and wages, by PUMA, between 2010 and 2018 (the most recent tax year data presently available). Observe that, in all PUMAs, average wages experienced very little growth over the eight-year timeframe. Reinforcing observations made earlier about regional job growth occurring most noticeably in lower wage industries between 2010 and 2018, average wages in the region increased by just 0.68% per year during that timeframe – from $43,853 per year to $46,295. For comparison, the average wage in New York State increased at 1% per year according to the SOI data, roughly 1.5 times faster than in Buffalo-Niagara (Table 21).
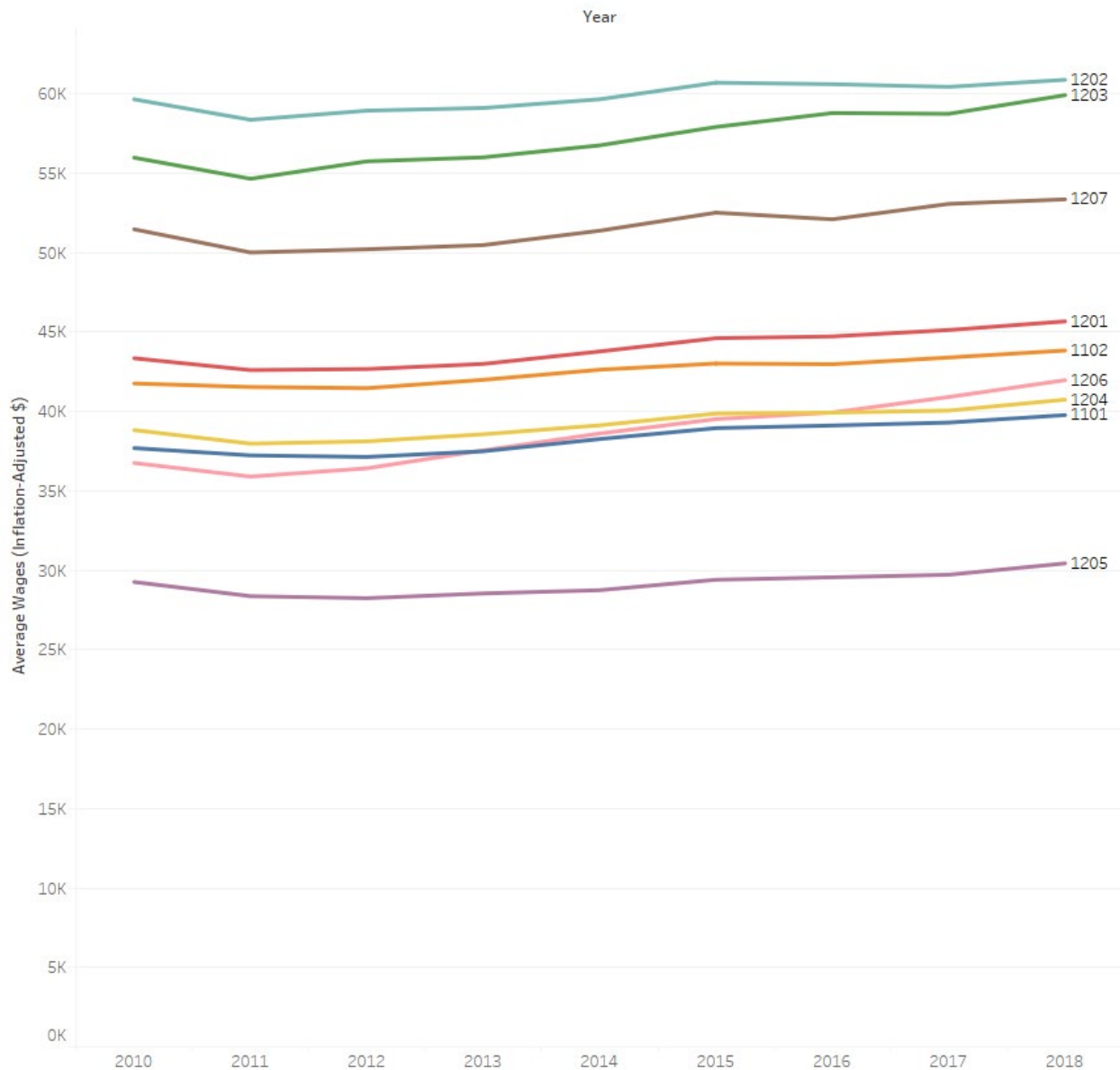
Figure 19. Average Wages/Salary Reported to the IRS, by PUMA, 2010-18

As a region with a modern reputation for having a hot housing market, relatively slow-growing or stagnant wages creates conditions for a widening housing affordability gap. The issue of housing affordability is taken up to a great degree in the subsequent "Housing Gaps" section. For now, however, consider that, per the real estate giant Redfin – whose publicly available data go back to the start of

2012[53] – the median price per square foot of all residential units in Buffalo-Niagara was $71 at the start of 2012. Six years later, at the start of 2018, that number jumped to $92 – an annual average growth rate of 4.3% per year for six years. According to the IRS SOI data from Table 21, average wages in the region increased by just 1.1% per year over the same timeframe. In other words, the price per square foot of housing grew at roughly four times the rate of wages. In general, when housing prices (costs) rise faster than wages, affordability issues begin to multiply.

Table 21. Inflation-Adjusted Average Wages Reported to the IRS in New York State, Buffalo-Niagara, and by PUMA (Source: 2015-19 ACS)

Geography	2010	2012	2018	Annual average growth rate, 2010-18	Annual average growth rate, 2012-18	Annual average growth in price per square foot, 2012-18
New York State	56,560	55,753	61,076	0.96%	1.52%	N/A
Buffalo-Niagara	43,853	43,216	46,295	0.68%	1.15%	4.32%
PUMA 1101	37,699	37,140	39,777	0.67%	1.14%	N/A
PUMA 1102	41,767	41,471	43,844	0.61%	0.93%	N/A
PUMA 1201	43,356	42,765	45,677	0.65%	1.10%	N/A
PUMA 1202	59,659	58,947	60,890	0.26%	0.54%	N/A
PUMA 1203	55,987	55,756	59,924	0.85%	1.20%	N/A
PUMA 1204	38,831	38,124	40,748	0.60%	1.11%	N/A
PUMA 1205	29,268	28,247	30,438	0.49%	1.25%	N/A
PUMA 1206	36,759	36,426	41,976	1.66%	2.36%	N/A
PUMA 1207	51,476	50,217	53,360	0.45%	1.01%	N/A

Projecting Changes in Jobs and Economic Composition

Especially in light of the COVID-19 pandemic and its uncertain long-run impacts on jobs and the economy, forward-looking economic projections are even more difficult to make now than they are under comparatively "knowable" circumstances. Thus, rather than generating entirely original projections before more COVID-related data become available, the remainder of this section focuses on the trends that were unfolding pre-COVID and where they were headed. Two sources of data provide useful snapshots of those trends.

New York State Department of Labor "Long"-Term Job Growth by Industry

The New York State (NYS) Department of Labor (DOL) periodically performs "long-term" employment projections for its various Labor Market Regions (LMRs). Buffalo-Niagara lies within, and is the major population and employment center of, the Western New York LMR. Current "long-term" projections for the WNY LMR were generated in 2016 and run through 2026.[54] Those projections are shown in Table 22 by industry.

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[53] Redfin. https://www.redfin.com/news/data-center/
[54] NYS Department of Labor. https://statistics.labor.ny.gov/lsproj.shtm

Table 22. NYS DOL Long-Term Employment Projections for Western New York, 2016-26

Industry	# of Jobs, 2016	# of Jobs, 2026	% Change	Annual Average Growth Rate
Agriculture, Forestry, Fishing and Hunting	3,370	3,700	9.8%	0.9%
Mining	430	420	-2.3%	-0.2%
Utilities	2,000	2,030	1.5%	0.1%
Construction	23,840	26,060	9.3%	0.9%
Manufacturing	67,050	64,110	-4.4%	-0.4%
Wholesale Trade	23,820	23,340	-2.0%	-0.2%
Retail Trade	75,600	77,030	1.9%	0.2%
Transportation and Warehousing	17,370	18,420	6.0%	0.6%
Information	8,220	7,350	-10.6%	-1.1%
Finance and Insurance	29,480	29,030	-1.5%	-0.2%
Real Estate and Rental and Leasing	8,020	8,440	5.2%	0.5%
Professional, Scientific, and Technical Services	28,800	31,600	9.7%	0.9%
Management of Companies and Enterprises	14,650	15,270	4.2%	0.4%
Administrative and Support and Waste Management and Remediation Services	33,960	39,370	15.9%	1.5%
Educational Services	77,440	83,900	8.3%	0.8%
Health Care and Social Assistance	103,520	124,810	20.6%	1.9%
Arts, Entertainment, and Recreation	13,600	15,590	14.6%	1.4%
Accommodation and Food Services	60,140	68,870	14.5%	1.4%
Other Services (except Government)	33,090	35,390	7.0%	0.7%
Government	52,480	53,890	2.7%	0.3%
Total, All Industries	**676,880**	**728,620**	**7.6%**	**0.7%**

Note that the figures in Table 22 extend beyond Erie and Niagara Counties (i.e., Buffalo-Niagara) to include Chautauqua, Cattaraugus, and Allegany Counties. Thus, the total number of jobs is different from the LODES data totals presented in Table 19. However, because Buffalo-Niagara is the population and economic center of the Labor Market Region, the projected growth rates by industry from the DOL dataset are highly reflective of and biased toward the trends happening in Erie and Niagara Counties. In that sense, they are useful for understanding which industries were growing (and expected to continue growing) prior to COVID-19.

GBNRTC Job Forecasts

Similar to the situation with the Cornell Program on Applied Demographics (PAD) described in the Population Profile section above, the NYS DOL job projections are only provided at aggregate geographic units of analysis (LMRs). As with population, though, the Erie and Niagara County Regional Transportation Planning Organization (RTPO), the Greater Buffalo-Niagara Regional Transportation Council (GBNRTC), generates employment projections to facilitate its federally mandated long-range planning requirements. Figure 23 maps census tract-level job growth between GBNRTC's 2020 and 2050 employment projections. While strong job growth is predicted in and around downtown Buffalo and in

portions of Niagara Falls, much of the GBNRC-projected job increases take place in Amherst, West Seneca, and the Southtowns.
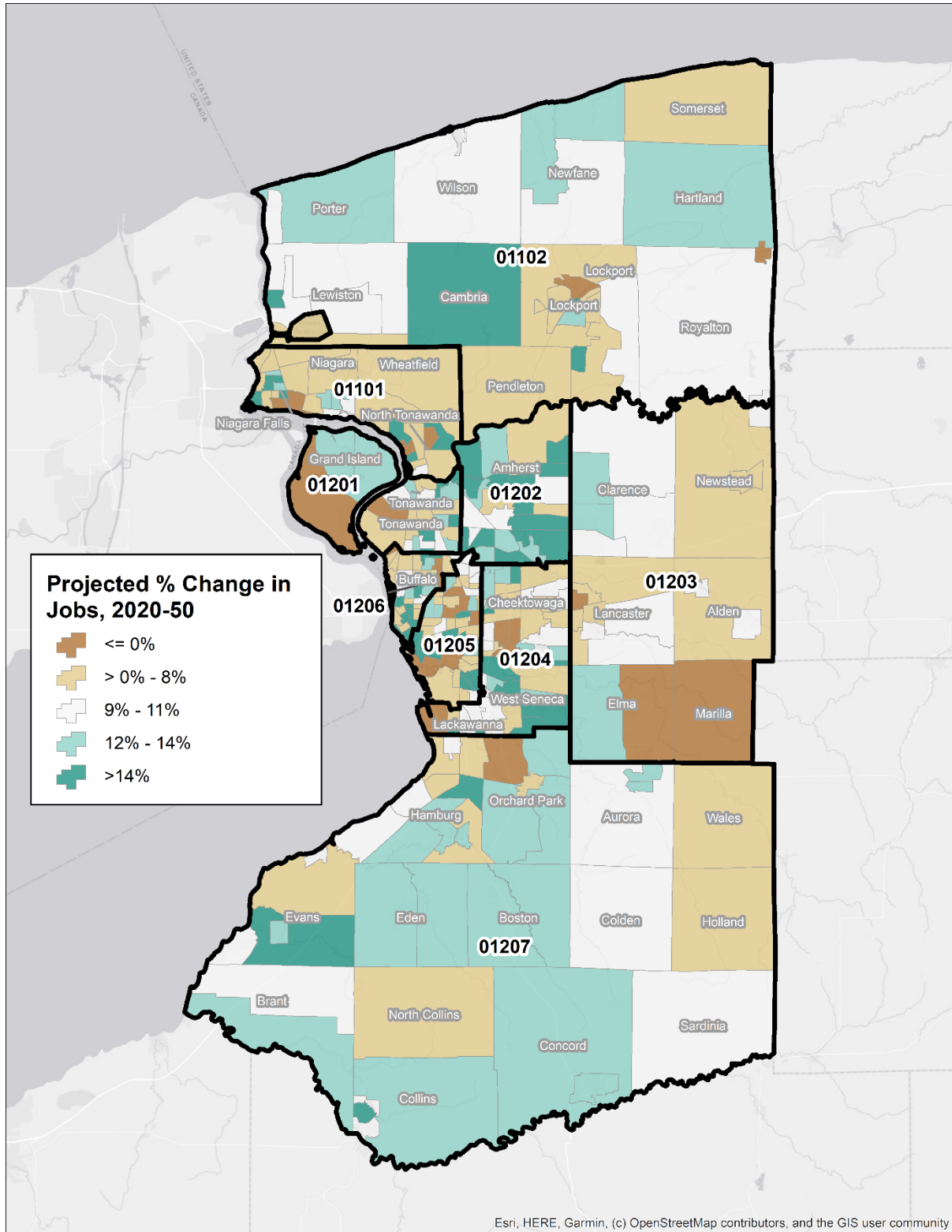
Figure 20. Projected Change in Jobs, 2020-50 (source: GBNRTC)

Upon further review, the GBNRTC job projections – while useful for their fine spatial resolution that shows precisely where jobs are expected to increase – seemed to be somewhat unrealistic in magnitude. The aggregate number of projected 2050 jobs in Buffalo-Niagara from the GBNRTC dataset is on the order of 769,000, well ahead of the 560,411 jobs reported in the most recent (2018) U.S. Census Bureau LODES data release. Thus, rather than adopting the GBNRTC projections as the research team's future job growth scenario in their existing form, the authors of the report combined the aggregate, industry-specific growth rates from the NYS DOL with the spatially-explicit job growth rates from the GBNRTC to generate a hybrid job growth scenario.

Combining Information from DOL and GBNRTC Into a Potential Job Growth Scenario

To generate a hybrid job growth scenario using NYS DOL and GBNRTC data, the research team followed a similar protocol to what it used for breaking out GBNRTC population projections by race and ethnicity. Namely, for each census tract in Buffalo-Niagara, the authors computed the annual average job growth rate between 2020 and 2050 from GBNRTC's projections. Next, the researchers used LODES data to summarize the current industry composition of jobs for each census tract. Third, they created a set of multipliers, by industry, to adjust the overall tract-level job growth rates (via GBNRTC) in order to accommodate the differential growth rates by industry projected in the NYS DOL dataset. Finally, they applied these industry-specific, locally-tuned annual average growth rates to the industry-specific LODES data, by tract, to generate estimated job counts by industry for 2050.[55] The result of this process is mapped in Figure 21, which shows percentage change between current (2018) LODES job totals and the totals estimated for the authors' hybrid scenario.

In total, the hybrid scenario projects job growth of 9.1% between now and 2050, or roughly 0.3% per year. These modest projections are well-matched to expectations of relatively flat population growth over the next three decades.

Importantly, the pattern of job growth suggested by the hybrid scenario, which accounts for NYS DOL industry outlooks, is slightly different than the pattern projected by GBNRTC (Figure 20). In particular, the hybrid scenario anticipates more growth in urbanized area, with relatively stagnant or even [slight] negative growth in most of the outer-ring (with the exception of southwest Erie County).

Perhaps more important than these spatial differences, though, is that the hybrid method allows the authors to break job projections out by industry. In that way, patterns of projected job growth can be evaluated against the observed/documented relationships between, among other things, head of household employment industry and income, as discussed above.

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[55] In other words, the annual average growth rates by industry were applied over and assumed to continue for a 32-year time horizon. This assumption is necessarily and admittedly imperfect, but it allows the researchers to generate a possible future job growth scenario that is grounded in current empirical trends.
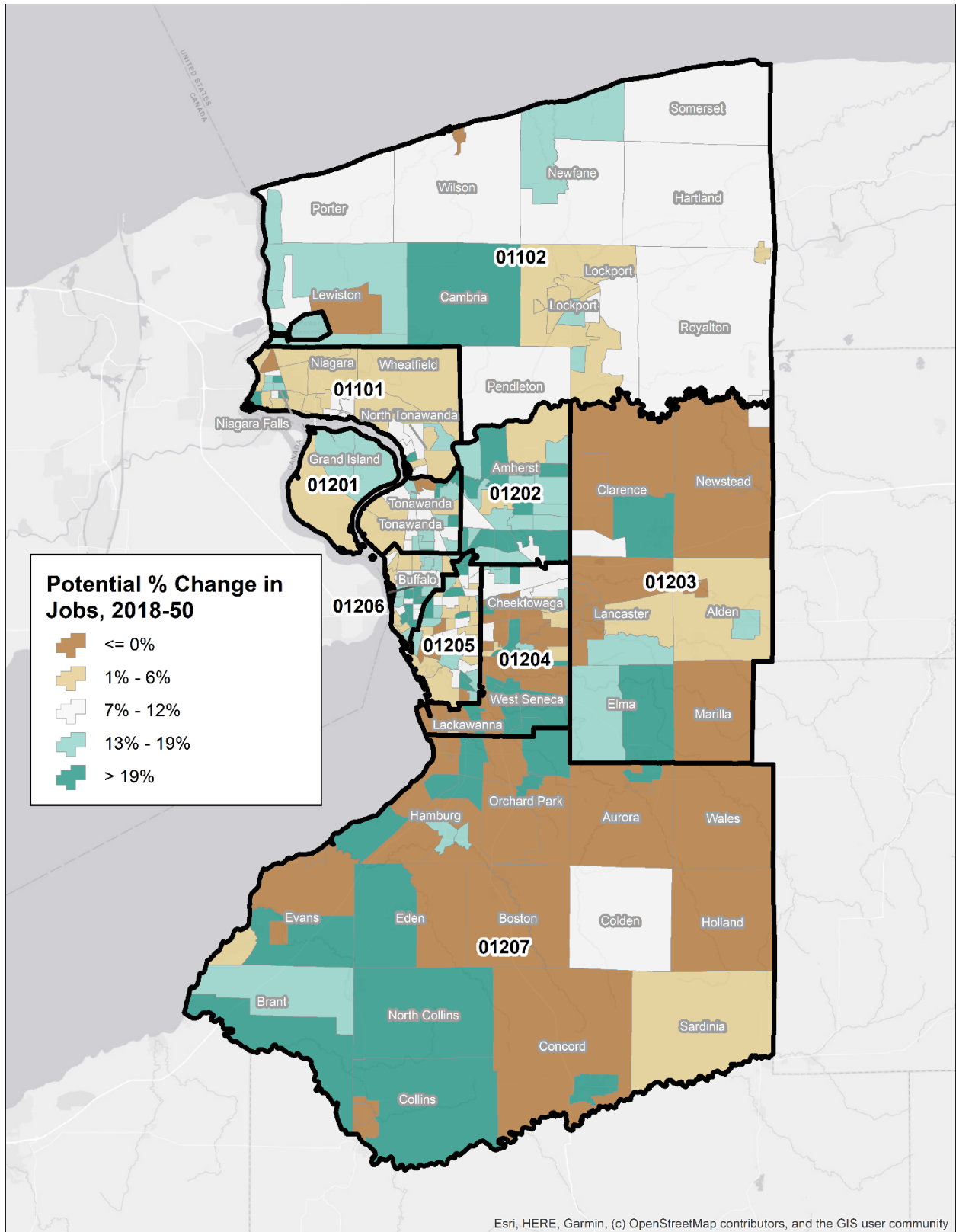
Figure 21. A Hybrid Job Growth Scenario, Present – 2050

Implications

Figure 22 shows the potential industry breakdown of jobs under the hybrid growth scenario relative to the known/observed 2018 LODES scenario. While several industries characterized by relatively top-skewed income distributions (e.g., health care, educational services) are expected to increase their share slightly in the coming decades, so are industries characterized by lower wage jobs (e.g., accommodation and food services, administrative support and waste management). The upshot is the likelihood that, following both longer-term trends in population (Figure 7) and more recent trends in average wages (Figure 19), the Buffalo-Niagara economy seems to be on track to experience relatively flat increases in income in the coming decades. Thus, if costs of living, especially housing costs, continue to increase, then problems of unaffordability are poised to exacerbate. The next, and final, two major sections of the report begin to explore these problems.

Figure 22. Potential Changes to Regional Industry Composition, Present - 2050

Housing Profile

Arguably the most relevant component of the regional housing market is the actual housing stock. Here the number and type of units; occupancy and vacancy rates; and the geography of new unit production is briefly examined.

Housing Units and Type

Given that households equate to occupied housing units, a grasp of how the market provides units to those households begins with an inventory of total units. In theory, as the number of new households are formed, the number of units should increase, assuming most units are occupied and those that number for rent or sale are less than the number of new households. This is a simplistic assessment of supply and demand, and one which does not perfectly fit in the two-county region. Here, older communities, like Buffalo and Niagara Falls, and the traditional first rung suburbs have seen an increase in vacant units, presumably because their older housing stocks do not meet the needs and/or preferences of new households. Therefore, as new households have formed, the new home building market has, seemingly and continually, provided the homes and units these new households prefer. As discussed in the section below on the geography of new housing, much of this new construction has taken place in the suburbs.

As shown in Table 23, new single family detached home are by a large margin, the dominant type of new housing produced. From 2005-2009 to 2015-2019, it is estimated 16,922 new single-family homes were added across the region, outpacing all other types combined. More detail on the spatial distribution of these units is provided in the section titled Geography of New Residential Construction.

Table 23. Units in Structure, 2005-2009 to 2015-2019

	Erie		Niagara		Two-County Change	
	2005-2009	2015-2019	2005-2009	2015-2019	Number	Percent
1, detached	239,386	251,119	64,566	69,755	16,922	5.6%
1, attached	13,976	12,322	1,633	1,768	-1,519	-9.7%
2	88,653	77,191	11,271	8,957	-13,776	-13.8%
3 or 4	26,398	25,484	6,421	5,825	-1,510	-4.6%
5 to 9	19,445	21,112	4,017	4,146	1,796	7.7%
10 to 19	9,423	9,380	2,068	2,272	161	1.4%
20 to 49	6,403	8,552	1,489	1,598	2,258	28.6%
50 or more	13,252	17,503	2,064	2,479	4,666	30.5%
Mobile home	6,283	5,644	4,551	3,518	-1,672	-15.4%
Boat, RV, van, etc.	66	55	32	55	12	12.2%
TOTAL UNITS	423,285	428,362	98,112	100,373	7,338	1.4%

Occupancy and Vacancy

Occupancy and vacancy rates can tell researchers and policymakers a good deal about the overall housing market as well as the strengths and weaknesses of various submarkets. On the surface, higher

rates of vacancy suggest lower market demand while lower rates of vacancy suggest stronger market demand.

What is clear is vacancy remains an issue across the two counties, where nearly one in 10 units (9.6%) were vacant in 2015-2019. What is also clear is the issue is more challenging in Buffalo, where vacancy remains high at 15.8%, despite a reduction over 7,000 vacant units. In fact, Buffalo is merely treading water as its vacancy rate in 2000 was 15.7%. Lockport and Niagara Falls in Niagara County and Lackawanna in Erie County stand out for having vacancy rates above 10%.

Table 24. Occupancy and Vacancy, 2005-2009 to 2015-2019

	2005-2009			2015-2019		
	Occupied	Vacant (%)	Vacant Other (%)	Occupied	Vacant (%)	Vacant Other (%)
Erie County	380,565	42,720 (10.1%)	23,655 (55.4%)	389,585	38,777 (9.1%)	24,685 (63.7%)
Amherst	46,690	2,125 (4.4%)	580 (27.3%)	50,842	3,334 (6.2%)	1,392 (41.8%)
Buffalo	117,789	27,879 (19.1%)	17,415 (62.5%)	110,427	20,664 (15.8%)	15,257 (73.8%)
Cheektowaga	39,404	2,529 (6.0%)	1,322 52.3%	38,628	2,243 (5.5%)	1,281 (57.1%)
Clarence	9,981	587 (5.6%)	289 (49.2%)	12,388	610 (4.7%)	308 (50.5%)
Grand Island	7,244	331 (4.4%)	71 (21.5%)	8,501	605 (6.6%)	291 (48.1%)
Hamburg	23,119	1,089 (4.5%)	357 (32.8%)	25,079	1,320 (5.0%)	591 (44.8%)
Lackawanna	8,146	1,088 (11.8%)	597 (54.9%)	7,577	945 (11.1%)	815 (86.2%)
Lancaster	15,532	968 (5.9%)	619 (63.9%)	18,186	656 (3.5%)	395 (60.2%)
Orchard Park	11,094	459 (4.0%)	115 (25.1%)	11,837	470 (3.8%)	178 (37.9%)
Tonawanda (C)	6,287	483 (7.1%)	163 (33.7%)	6,986	539 (7.2%)	227 (42.1%)
Tonawanda (T)	31,941	1,120 (3.4%)	394 (35.2%)	32,909	2,082 (6.0%)	1,236 (59.4%)
West Seneca	18,610	511 (2.7%)	220 (43.1%)	19,845	1,142 (5.4%)	634 (55.5%)
Niagara County	87,854	10,258 (10.5%)	3,655 (35.6%)	88,519	11,854 (11.8%)	3,195 (27.0%)
Lewiston	6,368	412 (6.1%)	186 (45.1%)	6,256	413 (6.2%)	91 (22.0%)
Lockport (C)	9,039	1,092 (10.8%)	461 (42.2%)	8,854	1,644 (15.7%)	505 (30.7%)
Lockport (T)	7,626	602 (7.3%)	65 (10.8%)	8,071	880 (9.8%)	203 (23.1%)
Niagara	3,540	280 (7.3%)	117 (41.8%)	3,508	219 (5.9%)	27 (12.3%)
Niagara Falls	22,939	5,349 (18.9%)	1,748 (32.7%)	21,572	4,851 (18.4%)	1,311 (27.0%)
North Tonawanda	13,666	646 (4.5%)	382 (59.1%)	13,577	1,398 (9.3%)	463 (33.1%)
Pendleton	2,153	149 (6.95)	82 (55.0%)	2,335	235 (9.1%)	109 (46.4%)
Wheatfield	6,268	598 (8.7%)	218 (36.5%)	7,147	344 (4.6%)	91 (26.5%)
County Totals	468,419 (89.8%)	52,978 (10.2%)	27,310 (51.5%)	478,104 (90.4%)	50,631 (9.6%)	27,880 (55.1%)
Municipal Totals	407,436	48,297 (10.6%)	25,401 (52.6%)	414,525 (94.2%)	44,594 (9.7%)	25,405 (50.2%)

Vacant units include units categorized as "for rent" or "for sale," indicating these units are likely to be occupied in the future. For context, in Buffalo 2,873 (13.9%) vacant units in 2015-2019 were "for rent," which is a substantial number of available units. There were only 578 (2.8%) units "for sale," suggesting that households seeking to rent might have more options than those seeking to purchase. Even so, it is important to acknowledge that the ACS data were collected between 2015 and 2019, so it is possible that many of these units are not available on the current rental market. In the remainder of the county, there were total fewer units for rent, 2,722, than in Buffalo. There were, however, 1,474 more homes for sale. This is not unexpected given that the suburbs and rural communities in Erie County, and Niagara County as well, are dominated by single family homes.

Researchers and policymakers generally considered vacant units identified as "vacant other" to be abandoned, although this is an imperfect one-for-one measure.[56] It is important to note that in the case of Buffalo, it is likely that a large number of the "vacant other" units are in fact vacant, given what is known about the housing market in the City, especially as it relates to tax delinquency, foreclosure auctions, and structural demolitions.

Geography and New Residential Units

As explored above, new units continue to be constructed in the region as new households are formed. Simultaneously, new units limit absorption of existing vacant units within the marketplace. What this suggests is that those existing vacant units do not meet the needs or preferences of the market and new households. To understand the production of new housing, then, it is important to understand where new units are being produced.

For the purposes of this report, the current section adds some geographic specificity to the information provided above on the change in housing units. Whereas that section provides the count of units by community, this focuses on a simple spatial question: where in space are these units? This is done with one additional consideration in mind – the proximity of new units to Niagara Frontier Transportation Authority bus routes. The following map was prepared by mapping all housing structures (except apartments with four or more units) with a "year structure built" date of 2006-2019 in real property tax records for Erie and Niagara counties. Clearly this does not capture new units produced in apartments with more three units, therefore it is an incomplete picture. However, it does capture the single-family and two- and three-unit apartment market, which far outpace other unit production. Further, from our collective work on regional housing studies, and anecdotal evidence, historically newer 5+ unit apartments generally fall into a handful categories: affordable housing produced by housing organizations; student housing produced by private market builders; and senior living facilities. Notably, though, "[o]ne of the most active areas for development in Buffalo and Erie County in recent years has been luxury housing, especially in the form of downtown apartments and condos."[57] Apart from this downtown focus on high-end apartments, the spatial distribution of larger multiunit buildings in the region is, generally, thought to be that most large, affordable housing projects are built in the dense, urban areas with some in the suburbs; student apartments are built around college campuses, with a large number around UB's North Campus; and senior living units are generally in the suburbs. For

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[56] Morckel, Victoria. "Predicting abandoned housing: does the operational definition of abandonment matter?" Community Development 45, no. 2 (2014): 122-134.

[57] Weaver, R., & Knight, J. (2020). *Advancing Housing Security: An Analysis of Renting, Rent Burden, and Tenant Exploitation in Erie County, NY*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3778025 (p. 140).

context, from 2010-2019, 1,295 units were constructed in 5+ unit structures in Buffalo, representing 22.5% of the county-wide total. However, Amherst had 2,003 units built in 5+ unit structures over the same time period, representing 34.8% of the county total. From our work with the Town of Amherst, it is certain that the vast majority of these new units are student apartments, with the rest other forms of market-rate housing.

There were 13,674 new units in the property records, exclusive of apartments of four units or more. Of these, 62.2% (8,499) were within the Census Bureau's 2010 Urbanize Area boundary. New unit production also explored based on how close these new units are to existing (December 2020) NFTA bus route. This was done by counting all the units built since 2006 that are within a quarter mile of a bus route. The purpose was simply to ascertain if units are accessible to public transportation, a critical need for low- and moderate-income households. What this simple exercise revealed was not surprising, only 1,752 (12.8%) are within a quarter-mile walk of an existing bus route. The difference between Buffalo the suburbs is considerable. In Buffalo, 98.8% of identified units were within a quarter mile of a bus route. In the remainder of Erie County and Niagara County, only 10.8% were within this distance.

Although the following tables provide data for a shorter time period, 2010-2019, it does add some clarity to where new units are being built, especially the 4+ unit structures not captured in the map above. These tables provide data on residential construction permits issued by number of units, by the structures' size, across the study area. A number of patterns are clear:

- New unit production was largely undertaken outside of Buffalo, with just 10.2% of all new units produced in Buffalo.
- Single-family units account for 72.1% of all new construction.
- The second ring suburbs of Erie County, namely Clarence, Lancaster, and Orchard Park continue expansive growth, mainly with single family units.
- Pendleton and Wheatfield produce almost no multi-family units, with only 8 units out of 721 produced being in multi-family structures.
- Amherst is experiencing significant growth in large (5+ unit) structures, most certainly driven by construction of student apartments near the UB North Campus.

Table 25. New Units by Structure Size and Structures w/5+ Units, 2010-2019

Year	Total	1 unit	2 units	3-4 units	5+ units	Structures w/ 5+ units
2019	1,693	912	10	34	737	71
2018	1,453	975	24	22	432	30
2017	1,657	979	6	23	649	40
2016	1,964	931	14	14	1,005	68
2015	1,677	992	24	12	649	44
2014	1,878	1,057	24	56	741	55
2013	1,934	1,016	38	48	832	55
2012	1,252	915	60	11	266	22
2011	1,315	790	66	180	279	31
2010	1,498	1,037	28	11	422	11
TOTAL	16,321	9,604	294	411	6,012	427

Table 26. New Units by Structure Size by Municipality, 2010-2019

	1 unit	2 Units	3-4 units	5+ units	Total
Erie County	7,837	130	360	5,817	14,144
Buffalo	353	12	12	1,295	1672
Lackawanna	75	0	0	0	75
Tonawanda (C)	10	0	3	52	65
Amherst	883	14	263	2,023	3,183
Cheektowaga	95	6	0	109	210
Clarence	1,116	12	14	252	1,394
Grand Island	429	0	22	447	898
Hamburg	1,103	26	15	618	1,762
Lancaster	1,240	8	8	17	1,273
Orchard Park	530	4	3	191	728
Tonawanda (T)	36	2	0	153	191
West Seneca	412	6	20	499	937
Niagara County	1,767	164	51	195	2,177
Lockport (C)	5	10	27	74	116
Niagara Falls	30	138	20	8	196
North Tonawanda	110	0	0	41	151
Lewiston	214	10	0	72	296
Lockport (T)	275	0	0	0	0
Niagara	5	0	0	0	5
Pendleton	316	2	0	0	318
Wheatfield	395	4	4	0	403
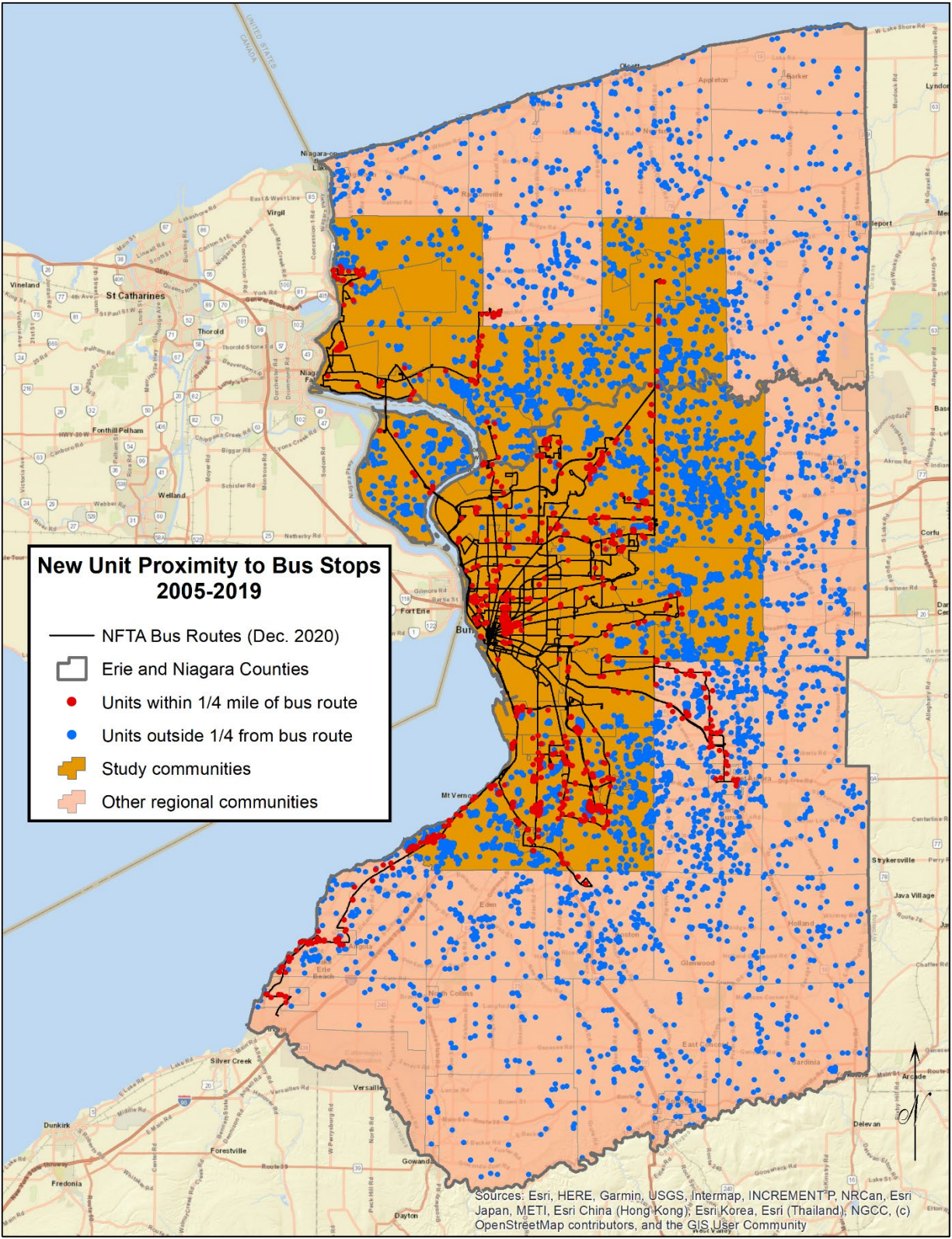
Figure 23. Geography of New Residential Construction, 2006-2019

Emerging Themes: Aging in Place and Outward Development

To this point, the data begin to show an incomplete picture of the region's housing and economic situation. This emerging picture allows for at least two broad, interim conclusions. First, aging is and will continue to be an important issue facing the region's households, communities, and housing organizations. Second, there is a geographic mismatch between the demands and needs of households and new housing production. This is connected to the issue of affordable housing but worth exploring as a geographic social and racial equity question.

Aging in Place

As the Baby Boomer generation settles into retirement and the last of this generation reaches retirement in 2031, housing in the United States will need to dramatically shift to accommodate this aging generation. In 2020, the Joint Center for Housing Studies of Harvard University released its annual State of the Nation's Housing report, which included important findings about the increase in older households, specifically for the purposes of this report:

- Households headed by someone aged 65 or older are growing faster than any other age cohort and by 2030, the population of people over the age of 75 will increase from 23 million to more than 34 million.
- The number of older renters has increased, with two-thirds of the increase in renters from 2004-2019 attributed to those 55 and older
- Intergenerational households are increasing, with two-generation households with parents and children over the age of 25 increasing by 1.8 million and three-generation households, consisting of grandparents, their children, and grandchildren, increased from 200,000 to 4.7 million from 2014-2019.
- Older households continue to see increases in housing cost burden, with 10.2 million households paying more than 33 percent of their income on housing, half of which pay more than 50 percent. [58]

The aging population will have an important impact on the housing market and require local governments, housing organizations, and housing developers and providers to be responsive. It will be important for all stakeholders to understand the preferences and needs of aging populations and develop appropriate policy responses. In particular, homes will need to provide age-friendly essentials like such single floors with zero-step entrances and wide doorways and halls to accommodate walkers and wheelchairs.

Outward Development and Spatial Mismatch

Although later sections are needed to more fully characterize this challenge, what is implied so far is that there is an affordability challenge in the region and the private housing production market is not fulfilling that to the degree it is meeting the needs of those seeking newer, larger, more expensive units in the suburbs. There is, from the research team's experience, a chicken-or-egg argument typically made when conversations turn to the lack of affordable units in the suburbs. The first part suggests that development does not take place in the suburbs because those in need of affordable housing often require access to public transportation, which decreases the further into the suburbs one goes. The second suggests that public transportation does not extend into the suburbs because of limited users as

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[58] Joint Center for Housing Studies. (2020). The State of the Nation's Housing 2020.

further out suburban owners and renters living in auto-dependent communities own their own vehicles. Under this argument, affordable units simply do not get built in the suburbs.

However, that absolves suburban communities from an examination of their land use and zoning practices. Many suburban communities, Clarence and Orchard Park come to mind, have exclusionary zoning codes that severely limit and outright restrict the production of multi-family units that might be affordable to low- and moderate-income households. So, a low- or moderate-income family living in the City of Buffalo that wants to move to the suburbs to put their children in a suburban school district has limited, if any choices, if they require both an affordable unit and public transportation.

Based on these observations, it seems to be the case that a spatial mismatch exists between housing preferences and housing supply in Buffalo-Niagara. In other words, as stated elsewhere, the market is not producing the types of units that households prefer or need in the communities that offer opportunity for access to things like public transportation, quality schools, and other geographic amenities.

On that note, the remainder of this section puts the housing market under a more powerful lens in order to see clearer what it is (and is not) producing.

Regional Market Context

Prior to the onset of COVID-19, headlines about the Western New York (WNY) housing market were everywhere, and they told a strikingly consistent story for at least five years running: The Buffalo-Niagara housing market was hot.[59] While the pandemic initially sucked the life out of housing markets and economies across the nation, real estate in WNY quickly picked up where it left off.

During the week ending 13 June 2020, the Buffalo-Niagara metro boasted the nation's fastest week-over-week intra-pandemic real estate market recovery — making it the "most improved market" in the nation — according to a Realtor.com index.[60] While there are certainly reasons to embrace this news, headlines like these mask the marked levels of variation in market conditions that exist within regions. In other words, what might be true for a region as a whole rarely holds for each individual municipality or neighborhood within that region. Consequently, it is essential for housing market assessments and analyses to zoom in from metropolitan-level indicators and instead explore the landscape from a finer geographic perspective.

With that in mind, the authors of this report previously developed a custom Housing Market Position Index (HMPI) to study relative housing market conditions and variation within Erie County, New York (Figure 24). The HMPI is a time-weighted, composite indicator that quickly summarizes the strength of housing markets across Erie County. The metric has a theoretical range from 0 (no/weakest market) to 100 (strongest market), and it can be computed for any geographic level of analysis. When and where HMPI is near zero, geographic areas are characterized by a combination of little-to-no demand (i.e., low to zero sales volumes relative to the number of units) and relatively low market prices. In other words, homes in such areas fail to sell even when they are priced well below regional market averages. These areas have unhealthy and poorly functioning housing markets. In contrast, areas with HMPI values close

[59] WGRZ. https://www.wgrz.com/article/news/local/this-is-home-buffalos-housing-market-is-hot/71-1d9cb6ae-01cc-44db-ab0d-6c245a74e2e7

[60] Realtor.com. https://www.realtor.com/research/topics/real-estate-market-outlook/

to 100 are characterized by strong demand (i.e., many sales), at high market prices. Put another way, homes in high HMPI areas consistently sell, even when they are priced well above market averages. Such areas therefore have healthy, well-functioning housing markets (though they certainly raise questions of equity and access, given that high prices act as barriers for many prospective households).

The HMPI is linked to arm's length sales of single-family residential units, and it is a function of (1) residential sales volumes, and (2) the going market price of a typical single-family unit. The index is computed using outputs from multilevel longitudinal statistical models that take into account time-varying housing unit attributes, as well as time-varying neighborhood and locational attributes. While the research team had proposed to replicate this methodology and generate HMPI values for the two county Buffalo-Niagara region to characterize intra-metropolitan market conditions as part of this project, real property and sales transactions data for Niagara County were not available for historical time periods, nor were they consistent with the Erie County data. As such, the authors were challenged to develop an alternative approach that still captures the essence of the HMPI.

The solution was to zero in on three dimensions of residential property transactions in the Buffalo-Niagara region that each tell a partial story of relative (sub)market strength, and which collectively allow for a simple but powerful typology of submarkets (see below):

- **Assessed value** of units at the time of sale, which acts as an indicator of a unit's quality;
- Inflation-adjusted **sales prices** of units, which provides context on the strength of and demand for the unit's neighborhood; and
- **Sales volumes**, or sales per residential housing unit, which captures the level of market activity in a given location.

Before discussing how these three variables allow for the creation of a submarket typology, note that consistent sales transaction data were only available for the two-county region for the nine years from 2012 through 2020. These transaction data were obtained from the New York State Office of Real Property Taxation. In total, there were 243,549 real property transactions (including non-residential) in Buffalo-Niagara that had geographic coordinates located fully within either Erie or Niagara County. Of those transactions, 102,138 (41.9%) represented arm's length sales of residential units with a nominal sales price of at least $5,000. This threshold was chosen somewhat arbitrarily to filter out rare arm's length transactions that were not representative of broader market trends (e.g., homes purchased after severe fire damage, quit claim deeds, etc.). The remaining transactions consisted of commercial, industrial, and other property sales, as well as a large quantity of non-arm's-length (e.g., family member sales and deed transfers) sales and sales of public-owned property.[61]

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[61] According to Zillow Research data, there were 103,231 sales transactions for residential units in Buffalo-Niagara between January 2012 and December 2020. At the time of this writing (in early 2021), some 2020 sales are still being recorded and uploaded to the NYS ORPTS sales data portal. This lag in transaction recording by the State is plausibly the reason for the negligible difference (-1%) between the research team's transactions database and the aggregate total reported by Zillow Research. Also, Zillow data may not exclude the outlying transactions with sales prices less than $5,000. In other words, the researchers are highly confident that their dataset is a comprehensive universe of residential sales in Buffalo-Niagara between 2012 and 2020. For access to the Zillow Research data, visit: https://www.zillow.com/research/data/
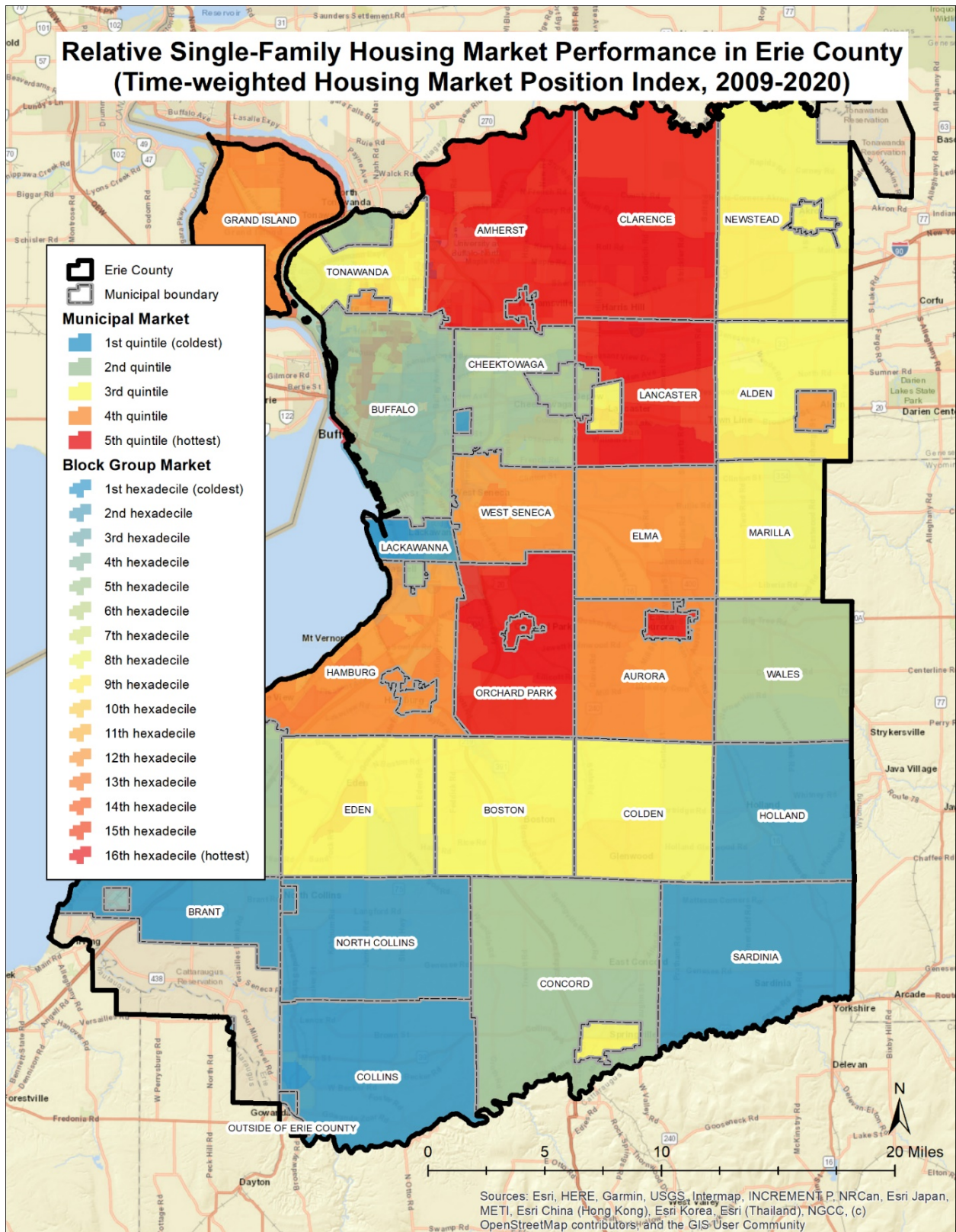
Figure 24. Relative Housing Market Strength in Erie County, NY, 2009-2020

Figure 25 shows the distributions of sales transactions for single-family detached units (left panel) and all other residential units (right panel) as heat maps. Newer transactions are weighted slightly heavier in the density calculations in order to make the images more representative of recent trends. For both property types, transactions are concentrated in Buffalo and its first-ring surburbs, with high volume single-family sales also occurring in second-ring suburbs. Multi-family home sales (on right) are most common in the cities Buffalo and Niagara Falls.
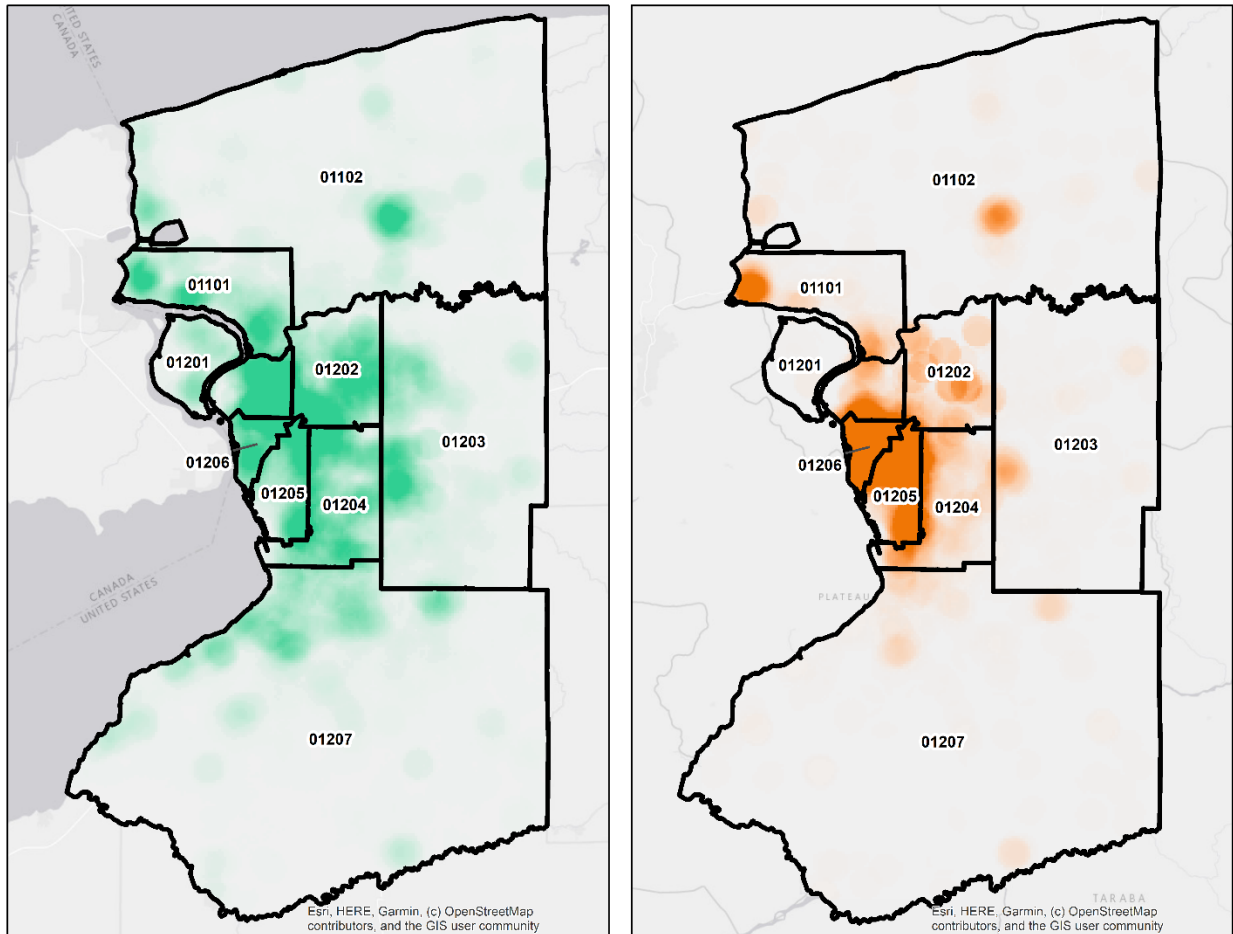
Figure 25. Density of Residential Sales Transactions for Single-Family Detached (left) and Multi-family (right) Units, 2012-20

The mass of sales transactions visualized in Figure 25 is difficult to summarize in ways that appreciate the place-based nuances that characterize housing markets. Figure 26, Figure 27, and Table 27, which conclude this subsection, should accordingly be treated as opportunities to ask questions rather than provide answers. They are blunt instruments used to drive stakes in the ground and outline a landscape in which there are vast degrees of variation and diversity. Those outlines draw attention to the more complex landscape of interest; but they are necessarily abstractions from it. That being said, Figure 26 shows trends in median sales prices (in 2020$) for the region as a whole, for single-family attached, multi-family, and mobile home units (left panel), and single-family detached units (right). Figure 27 graphs analogous data, zoomed into the PUMA level of analysis. Table 27 adds transparency to the two figures by reporting their underlying data.
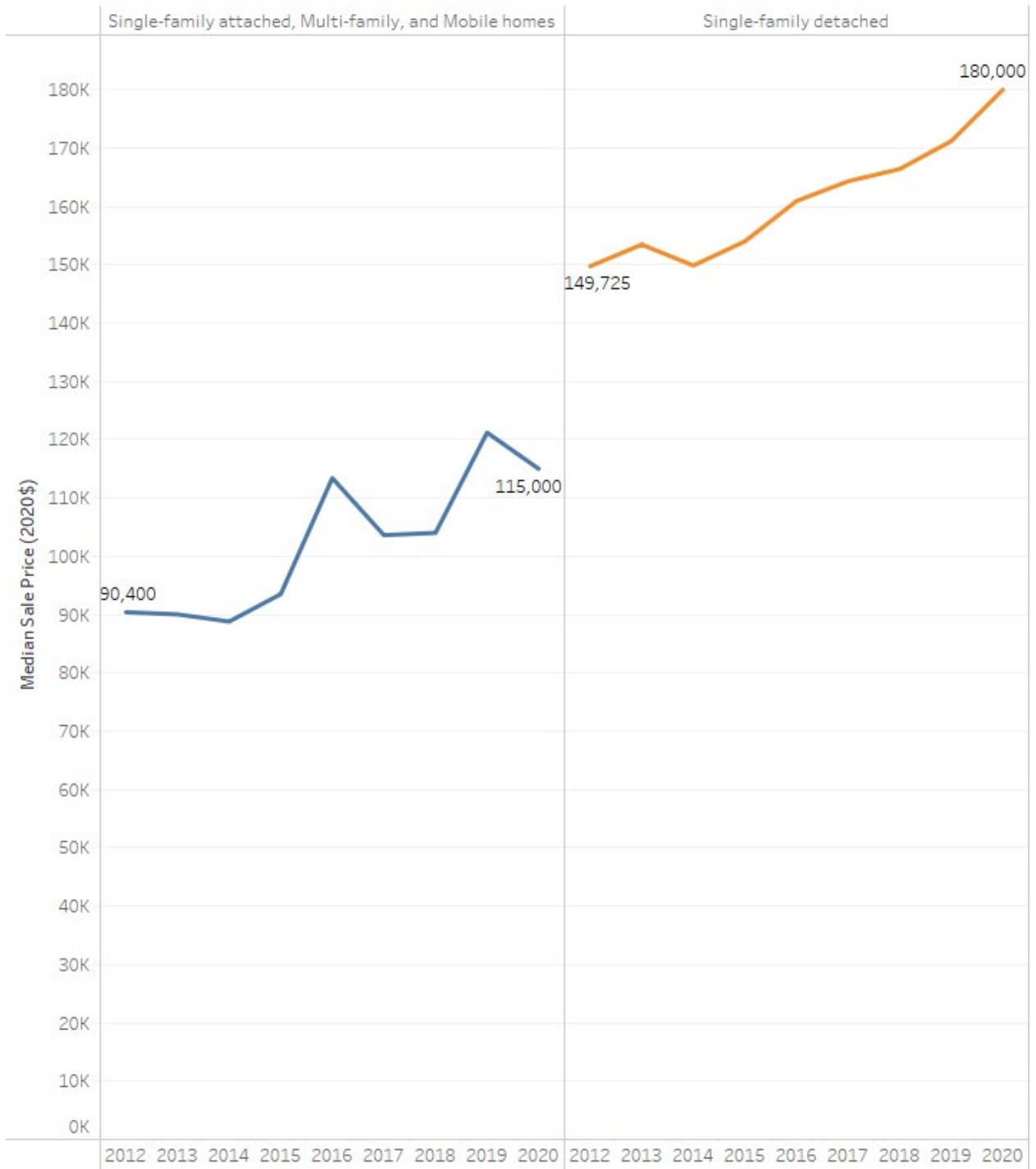
Figure 26. Median Inflation-Adjusted Sales Price (2020$) for Residential Units, by Type, in Buffalo-Niagara, 2012-2020
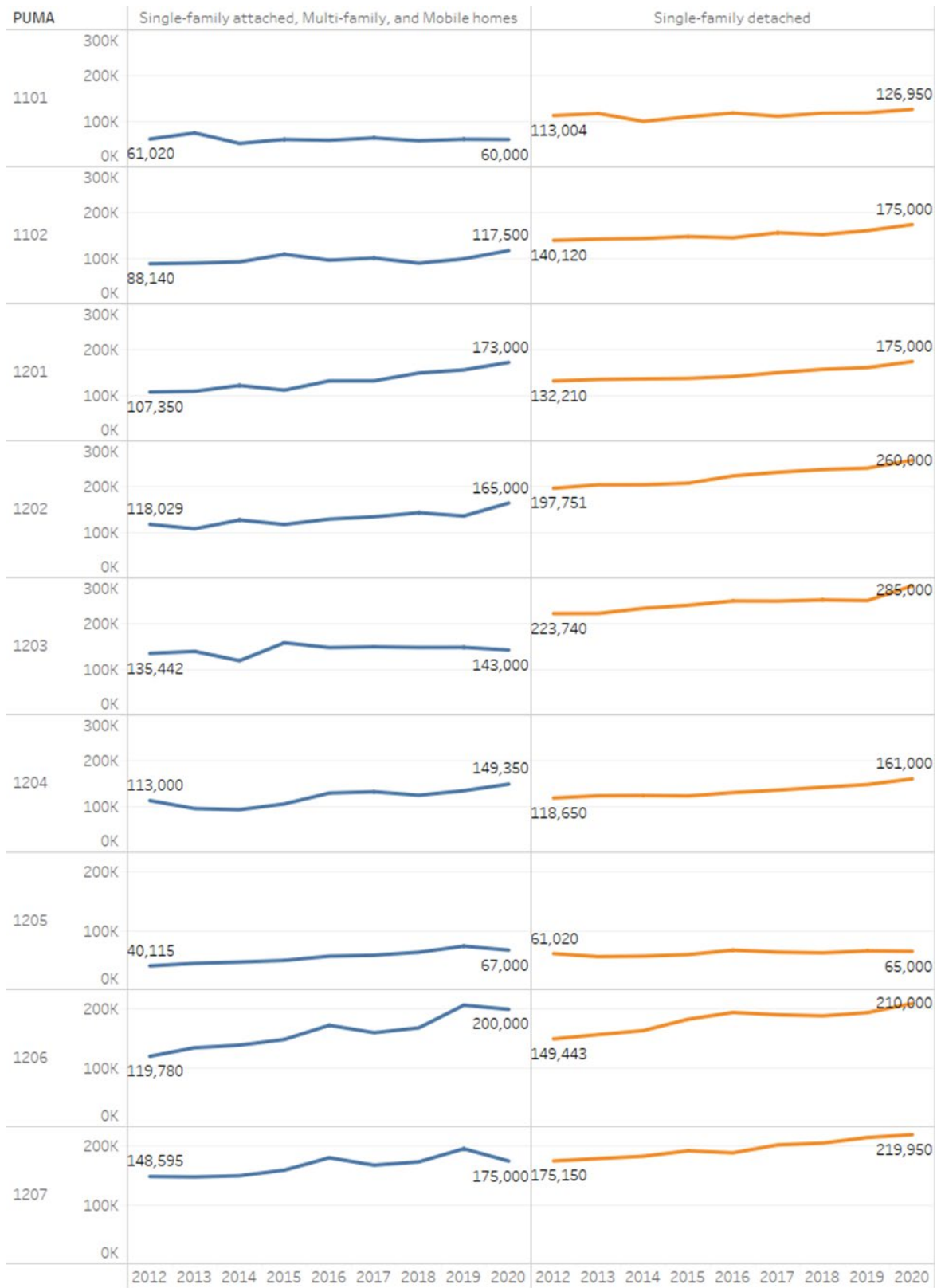
Figure 27. Median Inflation-Adjusted Sales Price (2020$) for Residential Units, by Type, in Buffalo-Niagara, by PUMA, 2012-2020

Table 27. Median Inflation-Adjusted Sales Price (2020$) and Number of Sales for Residential Units, by Type, in Buffalo-Niagara, by PUMA, 2012-2020

Geography	Year	# SF Sales	Median Price	# MF Sales	Median Price
Buffalo-Niagara	2012	7,875	149,725	1,359	90,400
	2013	8,520	153,440	1,728	90,034
	2014	8,865	149,850	1,895	88,800
	2015	9,617	154,000	1,907	93,500
	2016	9,971	160,920	1,933	113,400
	2017	10,424	164,300	2,324	103,615
	2018	10,644	166,400	2,485	104,000
	2019	10,495	171,195	2,204	121,200
	2020	8,304	180,000	1,588	115,000
PUMA 1101	2012	660	113,004	115	61,020
	2013	686	117,600	138	74,480
	2014	853	99,900	166	51,338
	2015	890	110,000	148	60,170
	2016	890	118,800	127	58,320
	2017	987	111,300	191	63,494
	2018	1,066	118,456	203	57,200
	2019	996	119,180	213	60,600
	2020	1,062	126,950	209	60,000
PUMA 1102	2012	769	140,120	47	88,140
	2013	869	142,800	75	89,600
	2014	835	144,300	86	92,130
	2015	935	148,500	76	109,175
	2016	1,032	145,800	70	96,066
	2017	1,055	156,880	99	100,700
	2018	998	152,880	122	89,440
	2019	1,126	161,600	86	98,980
	2020	1,167	175,000	117	117,500
PUMA 1201	2012	1,199	132,210	93	107,350
	2013	1,126	135,520	129	109,200
	2014	1,110	136,780	124	122,100
	2015	1,257	137,775	116	111,650
	2016	1,320	141,912	144	132,300
	2017	1,347	150,520	153	132,394
	2018	1,380	157,820	137	149,760
	2019	1,372	161,600	142	156,550
	2020	961	175,000	107	173,000
PUMA 1202	2012	1,168	197,751	116	118,029
	2013	1,252	205,240	122	108,080
	2014	1,220	205,350	160	127,650
	2015	1,316	209,000	187	117,700
	2016	1,340	225,180	238	129,600
	2017	1,239	233,200	244	134,620
	2018	1,324	239,200	167	143,520
	2019	1,335	242,400	183	136,350
	2020	1,033	260,000	134	165,000
PUMA 1203	2012	1,003	223,740	44	135,442
	2013	1,108	224,000	53	140,000

	Year				
	2014	1,078	235,320	52	119,325
	2015	1,202	242,000	53	158,950
	2016	1,273	251,532	56	148,421
	2017	1,219	251,220	68	149,990
	2018	1,164	253,916	68	148,720
	2019	1,254	252,500	70	148,925
	2020	874	285,000	37	143,000
PUMA 1204	2012	910	118,650	141	113,000
	2013	1,045	123,766	169	95,200
	2014	1,166	124,265	192	92,685
	2015	1,421	123,200	199	105,600
	2016	1,408	130,680	217	129,600
	2017	1,452	136,157	221	132,500
	2018	1,451	142,480	230	124,852
	2019	1,345	148,470	235	134,835
	2020	1,002	161,000	159	149,350
PUMA 1205	2012	428	61,020	330	40,115
	2013	461	55,888	418	44,520
	2014	605	56,777	461	46,620
	2015	535	59,400	485	49,500
	2016	539	66,971	459	56,700
	2017	709	63,600	648	58,300
	2018	907	62,400	800	63,440
	2019	782	65,650	655	73,730
	2020	611	65,000	472	67,000
PUMA 1206	2012	426	149,443	384	119,780
	2013	483	156,800	537	134,400
	2014	525	163,725	565	138,750
	2015	520	183,150	554	148,500
	2016	537	194,670	546	172,800
	2017	597	190,800	604	160,113
	2018	578	188,864	639	168,480
	2019	544	194,425	519	207,050
	2020	334	210,000	296	200,000
PUMA 1207	2012	1,312	175,150	89	148,595
	2013	1,490	179,200	87	147,840
	2014	1,473	183,150	89	149,850
	2015	1,541	192,390	89	159,500
	2016	1,632	189,000	76	180,630
	2017	1,819	202,524	96	168,010
	2018	1,776	205,593	119	173,680
	2019	1,741	215,130	101	195,940
	2020	1,260	219,950	57	175,000

SF = Single-family detached units; MF = Single-family attached, multi-family, and mobile home units

Figure 28 graphs the annual average rates of growth in median inflation-adjusted sales prices, by type, from 2012 to 2020 using the data from Table 27. The graph overlays the approximate annual average rate of growth in regional real wages that was computed from IRS income tax data in Table 21, and which was about 1.15% per year. What the graph makes clear is that median housing prices are rising substantially faster than regional real wages almost everywhere in Buffalo-Niagara. This gap between

wage growth and housing price growth is especially problematic with respect to multi-family units in the City of Buffalo (PUMAs 1205 and 1206) and the Tonawandas (PUMA 1201). ***In those locations, median multi-family housing prices are rising almost six times faster than real wages***. Given that many multi-family units tend to be purchased as commodities by investors looking to rent them out to households who often lack the capital to buy a home, one likely consequence of these fast-rising multi-family housing prices in and around the City of Buffalo is greater housing cost burden and housing unaffordability for urban renters.[62]
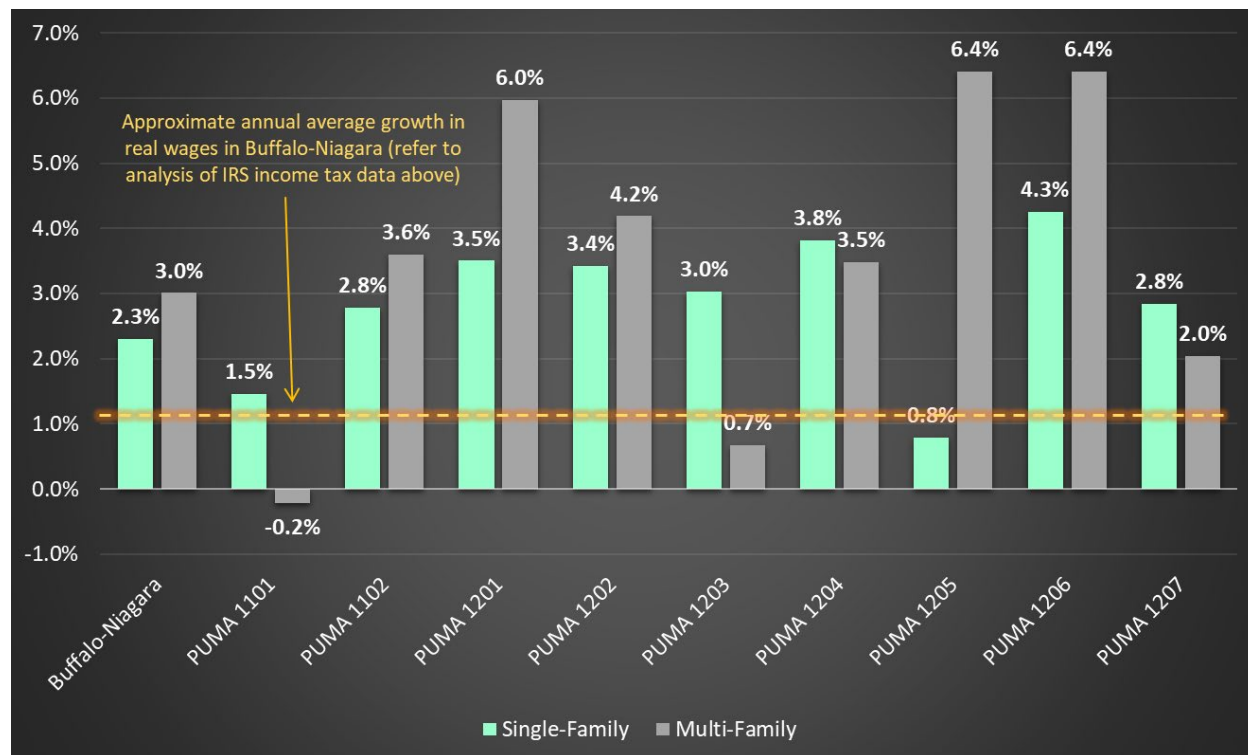
Figure 28. Annual Average Growth Rates in Median Housing Price, 2012-2020, by PUMA

Recent Trends and COVID-19 Considerations

It is much too early to understand how COVID-19 will impact long-term housing market and housing conditions in Buffalo-Niagara or anywhere else. While the commodified housing system is built in such a way that periodic crises are the norm,[63] the coronavirus pandemic is far from a normal shock to the economic system. In the short term, initial COVID-related shutdowns in lumber mills are being linked to lumber shortages that are expected to raise new home construction costs by an average of $36,000.[64] Further, while housing market inventories were already in the process of falling for years before COVID-19, since March 2020 the number of homes for sale has plummeted to historic lows (Figure 29). According to Redfin, there were 737 homes for sale at the end of March 2021, less than half of the March 2020 total of 1,514, and just 12% of the total from March 2012 (6,174; see Figure 29).

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[62] For an in-depth treatment of renter housing cost burden and renter housing experience in Erie County, see Weaver and Knight (2020).

[63] Marcuse, P., & Madden, D. (2016). *In defense of housing: The politics of crisis*. Verso Books.

[64] HousingWire. https://www.housingwire.com/articles/skyrocketing-lumber-prices-add-36k-to-new-homes/

State
NY

Region Type
All

Region
Buffalo, NY metro area

Property Type
All Residential

Show Values As
Value

Seasonally Adjusted
False

All Homes for Sale

Period
From January 2012

■ Buffalo, NY metro area

Month of Period End
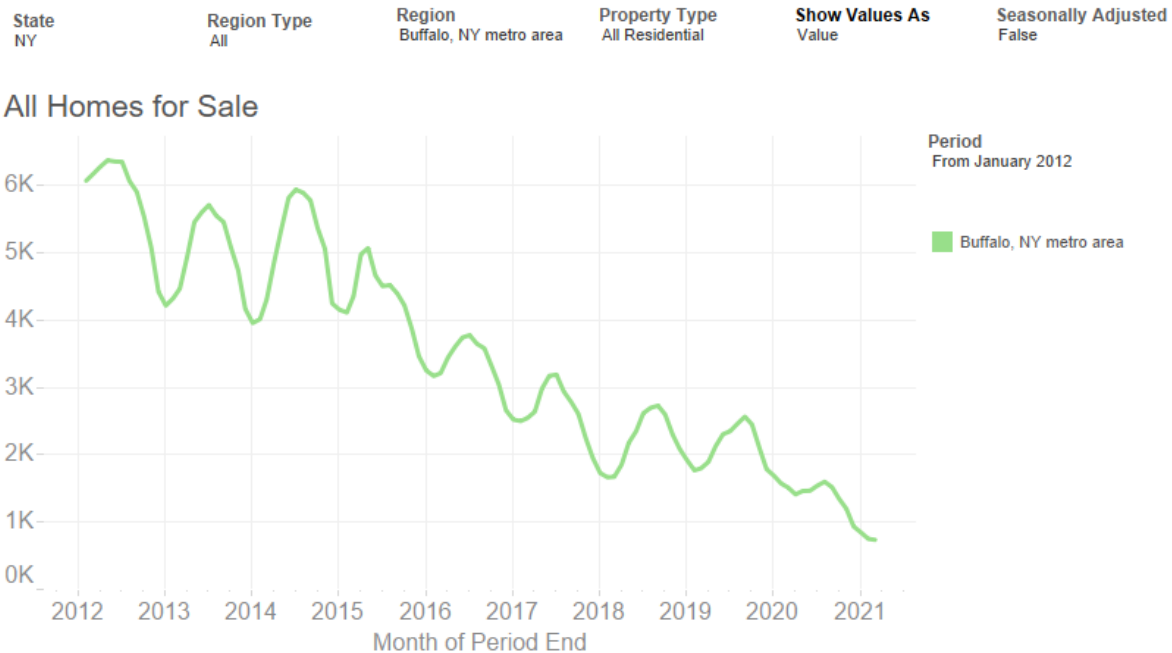
REDFIN

Figure 29. Buffalo-Niagara Residential Real Estate Inventory, January 2012 - March 2021 (source: Redfin)

According to the basic logic of supply and demand, a free-falling inventory generally translates into skyrocketing prices. Figure 29 affirms this expectation by graphic the percentage of homes sold above asking price in Buffalo-Niagara for the same time horizon as above. In the most recent month for which data are available, March 2021, more than half of all homes in the region sold for above list price (51.6%). One year prior, the figure was 36.2% -- in March 2012, nine years earlier, it was just 10.6% (Figure 30).

Crucially, as both Figure 29 and Figure 30 demonstrate – and as Figure 26 from the previous subsection already established – these tendencies toward smaller inventories, greater demand, and higher prices were in the making well before the first COVID-19 case was ever reported. However, the pandemic has evidently accelerated the trends by causing unprecedented economic disruption, unemployment, lost wages, and spirals in unpaid debt. The convergence of these and related forces have transformed what was increasingly a seller-friendly market into a highly competitive seller's paradise, wherein the number of homes selling above list price – at the regional scale – is reaching levels that have not been seen in Western New York in at least a half century (if ever). If affordability is a policy problem now and has been a policy problem in the recent past, then it is promising to be a full-scale systemic crisis in the decades ahead.

Percentage of Homes Sold Above Asking

Period
From January 2012

Buffalo, NY metro area
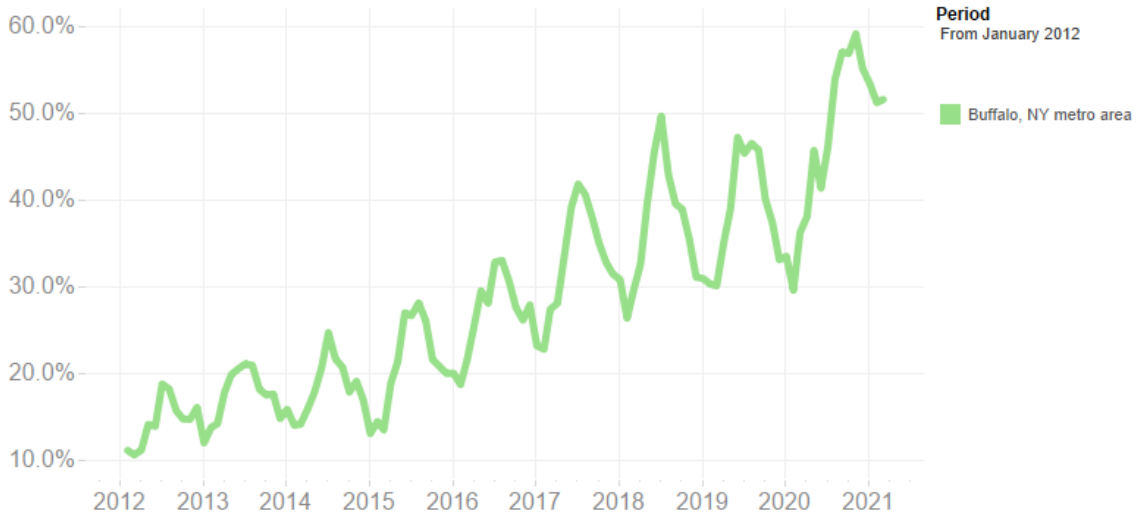
REDFIN

Figure 30. Percentage of Homes in Buffalo-Niagara Sold Above Asking Price, January 2012 - March 2021 (source: Redfin)

A Working Submarket Typology for Census Tracts

As noted above, data limitations and inconsistencies caused the research team to alter the design of this study and develop new tools and protocols for delineating and characterizing housing submarkets for the two-county Buffalo-Niagara region. Ultimately, the team adopted a novel, replicable, transparent strategy that involves computing custom *location quotients* or indices for three variables. While the proposed indices can be calculated for any areal unit of analysis, census tracts were adopted herein. Recall that census tracts can be quickly reaggregated to the PUMA scale in order to use tract-level data in conjunction with the rich person- and household- level data available through the PUMS.

Broadly speaking, a *location quotient* (LQ) is a simple numerical indicator of how concentrated a given phenomenon is or is not in the geographic units that make up a larger region or study area. With respect to a housing market, for example, a LQ can be computed for: (1) *assessed value*, to determine where (here, in which census tract[s]) sold properties were valued relatively high (or low) at the time of their sale, which tends to be an indicator of property quality; (2) *market price*, to determine where high-price transactions are concentrated (or abnormally low); and (3) *sales*, to determine where (in which census tract[s]) there are disproportionately high (low) numbers of sales. To better account for sales potential, a LQ for sales volumes must adjust for the number of housing units in a given location.

Situated on these objectives, the researchers defined the following three LQ-based indices:

1. **Assessed Value Concentration Index (AVCI)** = [(Total Assessed Value of All Properties Sold in Tract at the Time of Sale) / Number of Properties Sold in Tract) / (Total Assessed Value of All Properties Sold in Region at the Time of Sale / Number of Properties Sold in Region)]

2. **Market Price Concentration Index (MPCI)** = [(Total Inflation-Adjusted Prices Paid for Properties in Tract / Number of Properties Sold in Tract) / (Total Inflation-Adjusted Prices Paid for Properties in Region / Number of Properties Sold in Region)]

3. **Sales Volume Concentration Index (SVCI)** = [(Number of Properties Sold in Tract) / Number of Units in Tract) / (Number of Properties Sold in Region / Number of Units in Region)]

All three indices are ratios of ratios. Consequently, they will all take on non-negative values. If any index takes on a value of 1 in a particular census tract, then the phenomenon under investigation in that tract is typical for the region. For instance, if SVCI is equal to 1.0, then the sales volume in the given tract is exactly proportional to regionwide sales volumes. The tract is therefore representative of regional trends. If SVCI is greater than 1.0, then the sales volume in the given tract is disproportionately high based on what is happening in the regional context. In other words, sales are *concentrated* in that tract. An SVCI less than 1.0 means that sales are atypically low in the tract given the number of units in its housing stock. Analogous interpretations hold for the other two indices.

Prior to presenting outputs from computing these indices for census tracts in Buffalo-Niagara, observe that the choice to measure both assessed value and market price is a purpose-driven one. Often, in "hot" or emerging real estate markets, assessed values lag behind market prices. It is not uncommon for properties to fetch market prices well above – perhaps even double or more – their official assessed values at the time of sale. Thus, the interest in assessed value becomes twofold. First, it acts as an indicator of property quality, as higher quality units almost invariably have higher assessed property values.[65] Second, it allows for comparisons to the Market Price Concentration Index (MPCI) that might reveal emerging issues. In any given tract, if market prices are meaningfully higher (or more concentrated) than assessed values, then that could be a sign that properties in the neighborhood are undervalued relative to current market conditions. In such cases, it is plausible that the next round of property tax (re)assessment will bring higher valuations, and therefore (presumably) higher property taxes. Such changes are likely to put upward pressure on cost of living (e.g., higher taxes, or higher rents as landlords pass increased costs onto tenants). In the opposite situation, when assessed values are meaningfully higher (or more concentrated) than market prices, it is likely that a transition is taking place. Either prices are decreasing in the neighborhood, which can put pressure on unit quality; or, an erstwhile quiet market (e.g., a rural or outlying market) made up of relatively high quality units is being "discovered" by new capital and investors, and prices are about to experience upward pressure. Either way, the mismatch between high assessed values and low prices is a signal that changes may lie ahead.

With those definitions in mind, the researchers adopt straightforward decision rules that indices less than or equal to 1.0 in magnitude represent "Low" levels of the given phenomena and values greater than or equal 1.0 are "High" concentrations of the phenomena. From these rules, it is possible to generate a six-way submarket typology. That typology is presented in Table 28. While the middle two submarket types were described in the previous paragraph, the remaining four are fairly self-explanatory. In the first row, tracts where AVCI, MPCI, and SVCI are all low are relatively weak markets in the given region. Such markets have comparatively low demand (as indicated by low sales activity and low prices), plausibly because they contain lower quality units (proxied by low assessed values). Next,

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[65] Weaver, R. C., & Bagchi-Sen, S. (2014). Evolutionary analysis of neighborhood decline using multilevel selection theory. *Annals of the Association of American Geographers*, *104*(4), 765-783.

locations where AVCI and MPCI are both low, but SVCI is high, are providing relatively affordable units to a stable base of buyers (i.e., demand for units is relatively high).

Moving to the bottom two rows of the table, tracts where AVCI and MPCI are high, but SVCI is low, are relatively exclusive, affluent spaces. They tend to contain high-quality units at above average prices. Low inventories, leading to low sales volumes, are presumed to be at least part of the reason for high prices. Finally, tracts where high-valued (i.e., high quality), high-price units sell at above average volumes are among the more robust markets in a region. Units in such places are characterized by such steady demand that the submarkets can absorb new inventory seamlessly, all while prices remain high.

Table 28. A Working Typology of Housing Submarkets

	Assessed Value (AVCI)	Market Price (MPCI)	Sales Volume (SVCI)
Relatively Weak Standing in Region	Low	Low	Low
High Transaction Volume in Relatively Affordable Locations	Low	Low	High
Signs of Upward Pressure on Property Values (Potential Increase in Cost of Living)	Low	High	Any
Signs of Upward Pressure on Housing Prices (Potential Increase in Cost of Entry) or Downward Pressure on Quality	High	Low	Any
High Value, High Price with Relatively Low Inventory	High	High	Low
High Value, High Price with Relatively High Inventory	High	High	High

Low: Index <= 1.0; High: Index > 1.0

While the typology from above is necessarily oversimplified and based on somewhat basic calculations made from raw sales transaction data, it allows for concise big picture summaries of what can otherwise be overwhelming amounts of information. At the same time, as demonstrated above, it allows users to diagnose potential market challenges and even attempt to anticipate upcoming issues.

On that backdrop, Figure 31 maps the results from applying the working typology to the most recent three years' worth of single-family residential sales transactions. The choice to average index values over three years follows from related efforts that attempt to discern structural trends, acknowledging that, especially in housing markets, there tend to be atypical year-to-year fluctuations.[66] Importantly, one of the virtues of the typology is that it is intentionally flexible. Other analysts can apply it to longer time horizons or different property inventories based on their needs (NB: the choice to apply it to single-family residential transactions is grounded in the observation that, between 2012 and 2020, more than eight of every ten residential sales transactions were for single-family detached units [Table 27]). Herein the assumption is that the predominance of single-family (SF) residential units – both in the housing stock and among sales transactions – means that the SF market will exert undue influence on, and essentially control the dynamics of, the overall housing market.

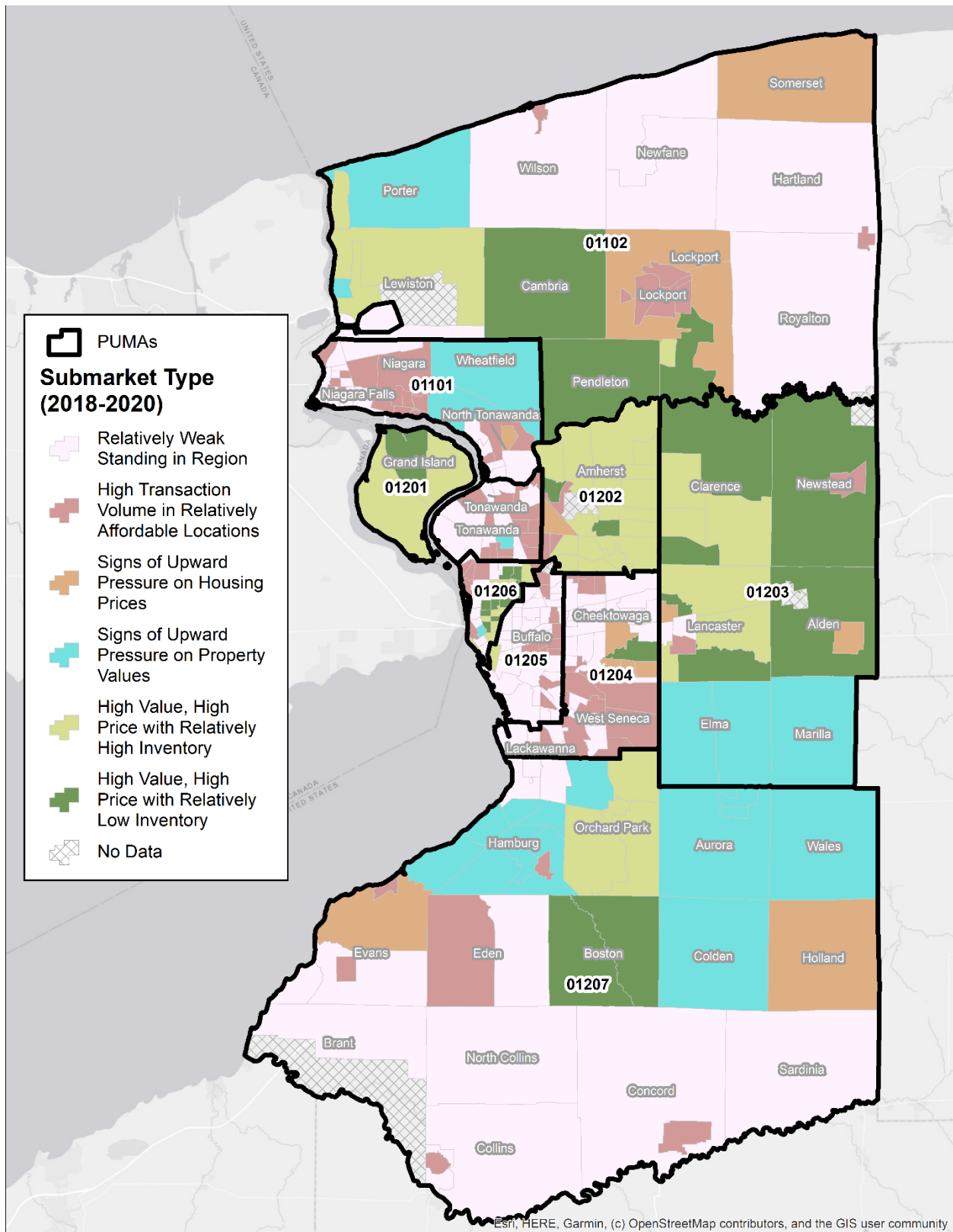[66] E.g., Town of Amherst Housing Market Study (2019).

Figure 31. Geography of (Single-Family) Housing Submarkets in Buffalo-Niagara

Figure 31 makes explicit several well-known anecdotes about the regional housing market. In particular, from the Elmwood Village to the Hertel/North Buffalo areas of PUMA 1206 in the City of Buffalo, the market is difficult to enter. In these spaces, there are concentrations of highly valued, relatively high-quality units in desirable locations that fetch atypically high market prices. In most of these areas, inventory tends to be limited – the relatively low concentration of sales volumes suggests that homes are put up for sale more infrequently than what is typical for the region. Similar exclusive submarkets exist in Amherst and relatively affluent outer-ring communities like Clarence and Pendleton.

Next, spaces in and around downtown Buffalo and the Allentown neighborhood in PUMA 1206 are high-activity submarkets where relatively high value (and, it follows, high quality) units consistently sell at relatively expensive prices. In the suburbs and outlying areas of the region, submarkets with these same qualities exist throughout Amherst, Orchard Park, Lancaster, and Lewiston, and are also found in Grand Island and parts of Clarence.

As argued above, the submarkets where prices are mismatched to property values are likely to be experiencing, or soon to experience, transitions. The spaces labeled "Signs of Upward Pressure on Property Values" in Figure 33 are characterized by concentrations of atypically high selling prices for units that were assessed at comparatively low levels at the time of sale. In these cases, it is likely that new capital, whether held by new homeowners or investors, is flowing into the spaces at relatively fast rates. In the process, prices are being bid up, which may put upward pressure on property values when they are reassessed for taxing purposes. That upward pressure can bring higher costs of living. In Buffalo-Niagara, submarkets that are consistent with these qualities include census tract 69.02 in Erie County, in Buffalo's Lower West Side around Porter Avenue.[67] The tract is an historically low-income, multi-racial community that is arguably experiencing gentrification from the nearby Elmwood Village and relatively recent [often subsidized] economic development activities on the West Side. Outside of Buffalo, areas where relatively high prices are placing upward pressure on property values include mostly outer-ring communities such as Hamburg, Orchard Park, Aurora and East Aurora, Wales, Colden, Marilla, and Elma in Erie County, and Porter and Wheatfield in Niagara County.

In the other "transitional" category, spaces labeled "Signs of Upward Pressure on Housing Prices" are characterized by relatively low market prices paid on relatively high valued (presumably high quality) units. The label choice in the map was made for reasons of parsimony. As argued earlier, upward pressure on housing prices is one of at least two possible dynamics in these spaces. The other is downward pressure on housing quality. In the first case, recall that high assessed values but relatively low market prices could be the hallmark of an historically "quiet" market made up of relatively high quality units. Such a scenario is common in rural or outlying markets. The possibility of upward pressure on housing prices comes in the form of new capital (investors or homeowners) "discovering" the quiet market and beginning to bid up prices for local units. This dynamic seems to be unfolding in rural communities like Holland and Alden. Looking at data from Redfin, median sales prices in these communities have tracking ahead of – and rising more sharply than – regional averages (Figure 32).

The other possibility with submarkets where relatively high valued properties are selling for atypically low prices (on average) is that downgrading is taking place. Such a situation happens when spaces lose amenities, unit quality decreases, or some other factor affects locational desirability. Through these

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[67] Justice Map. http://www.justicemap.org/jtiny=15858

forces, downward pressure on prices often places simultaneous downward pressure on unit quality. With the possible exception of the transitional submarket shown in western Amherst, which is an investor-friendly area given the high concentration of transient college students (and, for that reason, there may be fewer incentives for investors to practice high property upkeep standards),[68] there is not conclusive evidence in the sales transaction data that signal such downgrading in the tracts that fall into this category. Additional investigation of those spaces is therefore warranted to better determine the direction of changes or transitions that might be starting to unfold.
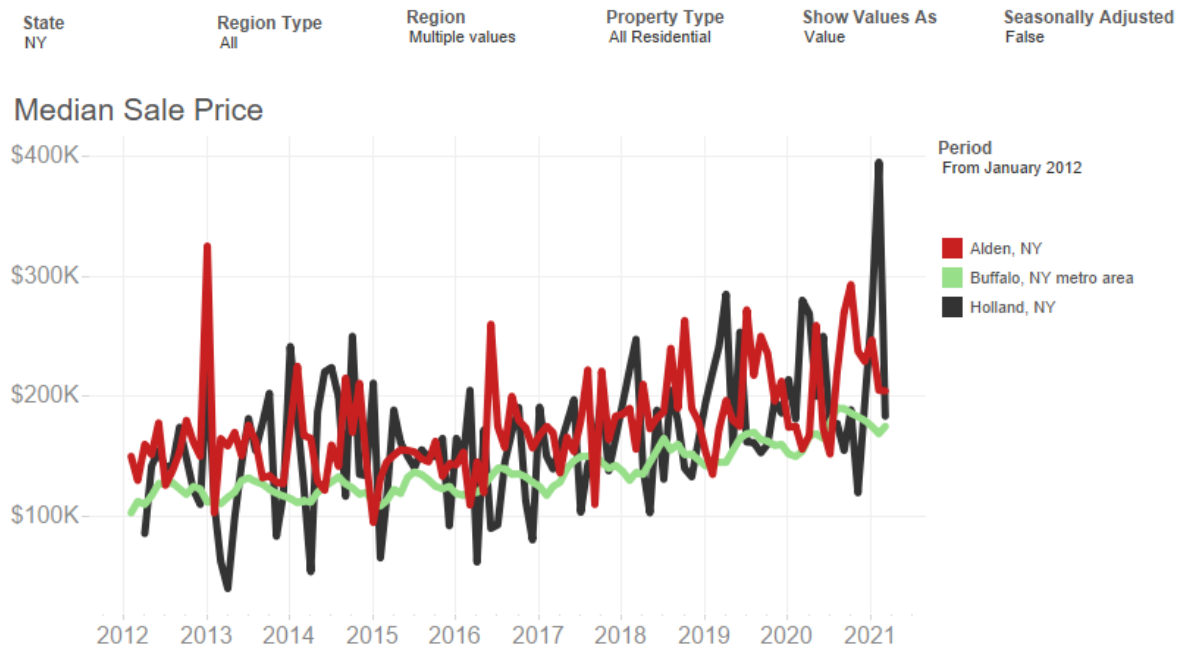
Figure 32. Example of Outer-Ring Submarkets Where Historically Low Relative Prices May be Experiencing Upward Pressure

Tracts described in Figure 31 as having "High Transaction Volumes in Relatively Affordable Spaces" are among the more affordable locations for property ownership. They are spaces where unit values (qualities) are on the lower side of the regional distribution, but the units and their neighborhoods contain amenities that consistently attract buyers. Such markets exist in the South Buffalo, Lovejoy, and Schiller Park areas of Buffalo, throughout the first-ring suburbs, and in the cities of Niagara Falls and Lockport.

Finally, the tracts with the label "Relatively Weak Standing in Region" in Figure 31 are spaces where relatively low-valued units sell at relatively low volumes for relatively low prices. There are at least three varieties of such spaces: (1) neighborhoods in the cities of Buffalo and Niagara Falls where decades of inequitable policies and patterns of disinvestment have led to significant amounts of distress; (2) older neighborhoods in the first-ring suburbs that have also experienced sustained levels of disinvestment; and (3) rural and outlying communities with limited access to jobs and economic activities in the urban

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[68] Town of Amherst Housing Market Study (2019).

cores. Of these three varieties of weak markets, the former two are the most likely to contain, and give rise to new, issues of unaffordability and economic insecurity.

Housing Gaps

Affordability

Using the U.S. Census ACS PUMS data described above, **housing cost burden** for a given PUMA can be measured as the percentage of households in that PUMA that spend more than 30% of their gross monthly (family) income on housing. Severe housing cost burden occurs when this housing expenditure-to-income ratio exceeds 50%.[69]

For analytical purposes, much of the data reported in this section combine these two categories to describe overall cost-burden. Where appropriate, the final report will distinguish between these two levels of cost-burden.

Figure 33 graphs the number and percentage of cost-burdened households by PUMA. Throughout the region, there are approximately 140,626 households that pay more than 30% of their monthly income on housing (30.4% of households). Cost-burden is greatest in the City of Buffalo (PUMAs 1205 and 1206), where more than 40 percent of households struggle with unaffordability. In PUMA 1101, which contains the City of Niagara Falls, 31.3% of households are cost-burdened. Across the rest of the region, cost-burden ranges from 23.6% (PUMA 1203) to 29.3% (PUMA 1204) of households.

Crucially, standard ACS outputs for the Buffalo-Niagara region suggest that 131,287 households (27.5% of households) are experiencing cost-burden.[70] The analysis summarized above, which is based on family and not housing income, shows how this conventional figure underestimates unaffordability issues in the region.

Table 29 adds precision to these numbers by distinguishing between conventional cost-burden (30% - 50% of income spent on housing) and *severe cost-burden* (over 50% of income spent on housing). The table treats these categories as mutually exclusive, such that cost-burdened (CB) households are those that spend more than 30% and up 50% of their gross income on housing; and severely cost-burdened (SCB) households are those that spend over 50% of their gross income on housing expenses.

Exploring these two phenomena by geography and tenure reveals that renter housing in Buffalo-Niagara remains relatively unaffordable for most tenants. Specifically, 23.2% of renter households are CB based on their family income, while an additional 30.0% are SCB. Combined, by the preceding definitions, more than one out of every two renter households in Erie County (53.2%) lacks the income necessary to pay their housing expenses without experiencing financial hardship or burden. The corresponding figures for owner-occupied households and all households in the region are just 19.2% and 30.4%, respectively. Consistent with the patterns of spatial and income inequality discussed previously, cost-burden is most prominent in the City of Buffalo (PUMAs 1205 and 1206) and Niagara Falls (1101). Whereas only around one in four households exhibits some degree of CB (whether conventional or severe) in the six suburban and rural PUMAs of Buffalo-Niagara, 43% of households in east Buffalo

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[69] Larrimore, J., & Schuetz, J. (2017). *Assessing the severity of rent burden on low-income families* (No. 2017-12-22). Board of Governors of the Federal Reserve System (US).

[70] Social Explorer. https://www.socialexplorer.com/data/ACS2019_5yr/metadata/?ds=SE&table=A10026

(PUMA 1201), 42% in west Buffalo (PUMA 1206), and 31% of households in and around Niagara Falls (PUMA 1101) spend over 30% of their gross family income on housing.
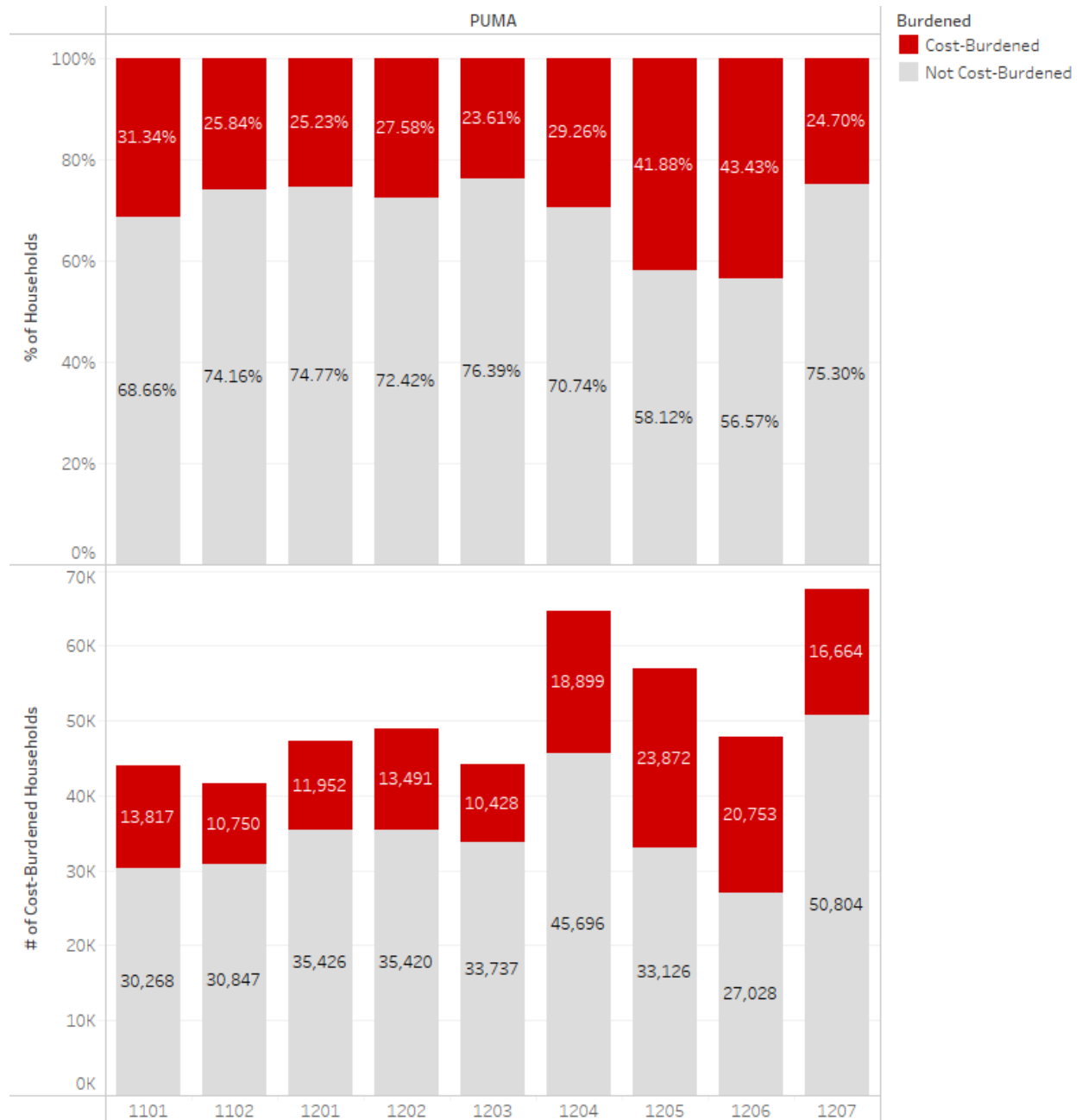

Figure 33. Cost-Burdened Households, by PUMA (Source: 2015-19 ACS)

Table 29. Cost-Burden (CB) and Severe Cost-Burden (SCB) for Households, by Geography and Tenure (Source: 2015-19 ACS)*

	Owner-Occupied			Renter-Occupied			Total	
Geography	**#**	**% CB**	**% SCB**	**#**	**% CB**	**% SCB**	**% CB**	**% SCB**
PUMA 1101	29,162	12.0%	8.2%	14,923	22.7%	30.5%	15.6%	15.7%
PUMA 1102	32,489	12.0%	7.6%	9,108	25.4%	22.8%	14.9%	10.9%
PUMA 1201	35,760	11.1%	7.2%	11,618	19.6%	27.2%	13.2%	12.1%
PUMA 1202	34,962	10.1%	5.9%	13,949	24.9%	31.7%	14.3%	13.2%
PUMA 1203	35,736	11.6%	7.2%	8,429	22.5%	21.5%	13.7%	10.0%
PUMA 1204	45,301	12.6%	8.0%	19,294	23.4%	26.0%	15.9%	13.4%
PUMA 1205	25,964	10.5%	8.7%	31,034	23.0%	38.0%	17.3%	24.6%
PUMA 1206	18,484	13.3%	8.2%	29,297	23.8%	33.4%	19.8%	23.7%
PUMA 1207	52,556	11.7%	7.5%	14,912	22.6%	21.5%	14.1%	10.6%
Buffalo-Niagara, Total	*310,414*	*11.6%*	*7.5%*	*152,564*	*23.2%*	*30.0%*	*15.4%*	*15.0%*

*Note again that CB and SCB are treated here as mutually exclusive categories. Add the CB and SCB columns to obtain at the total fraction of households that spend over 30% of their gross family income on housing for each geography

Housing Cost Burden by Income Class and Tenure

For legibility and ease of communication, the remainder of the report treats cost-burden as whole category (i.e., it uses the broad definition of cost-burden as spending over 30% of gross monthly income on housing), rather than continuing to separate cost-burden from severe cost-burden. The justification for this choice is the researchers' assumption and position that and any degree of cost-burden signals unaffordability.

On that note, Figure 34 and Table 30 summarize the income distributions of households by cost-burden status and housing tenure, by PUMA. The figure allows for quick visual interpretations and diagnoses of issues, while the table provides transparency on the underlying data. The story told in these data is a familiar one. Cost-burdened households, regardless of tenure status, have extremely "bottom heavy" income distributions, with must households qualifying as Extremely Low Income (ELI) or Very Low Income (VLI). However, there is an evident intersection between tenure, income, and affordability, with cost-burdened owners less likely to be ELI or VLI compared to renters. Compare, for example, the size of the ELI "bulge" for cost-burdened owners in PUMA 1101 (first row of the left panel in Figure 34) to the same bulge for cost-burdened renters. According to the underlying data (Table 30), the difference in this example is striking: 36.1% of cost-burdened owners are ELI, compared to 64.2% for renters. Simply put, renters are significantly more likely to be ELI compared to owners in all PUMAs of the region regardless of cost-burden status.
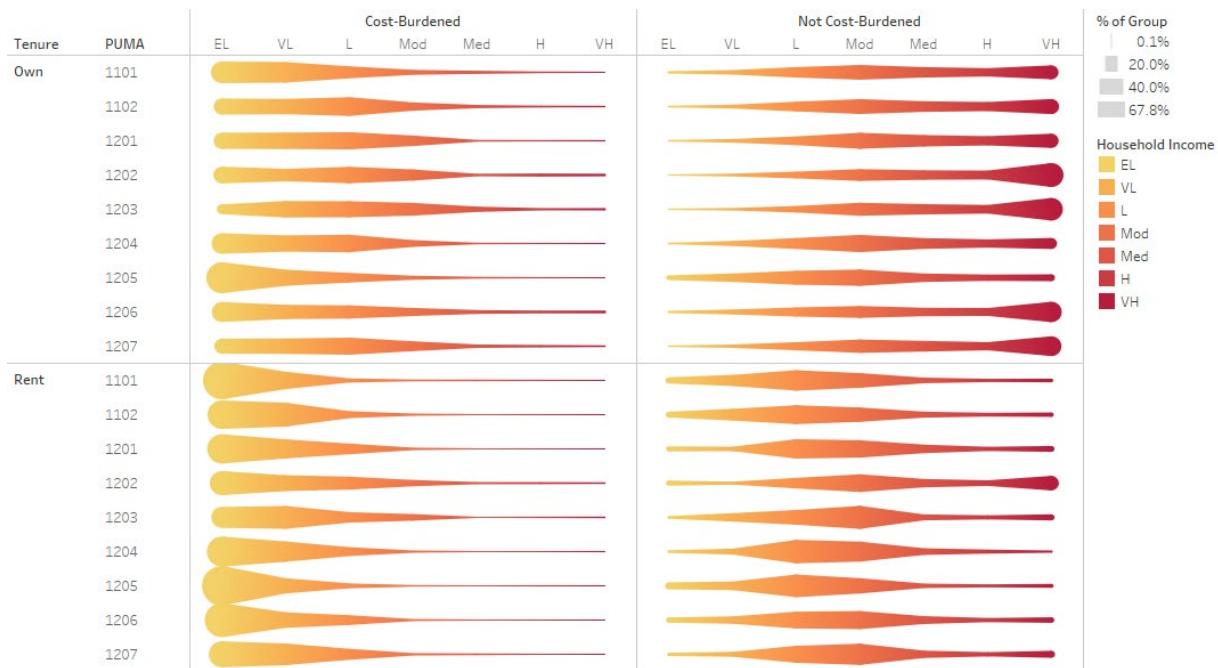
Figure 34. Graph of Income Distribution by Cost-Burden and Tenure, by PUMA (Source: 2015-19 ACS)

Table 30. Income Distribution of Households by Cost-Burden and Tenure, by PUMA (Source: 2015-19 ACS)

Tenure	PUMA	Cost-Burdened							Not Cost-Burdened						
		EL	VL	L	Mod	Med	H	VH	EL	VL	L	Mod	Med	H	VH
Own	1101	36.1%	34.0%	19.0%	6.7%	3.5%	0.8%		2.6%	5.9%	16.4%	23.8%	16.3%	12.6%	22.4%
	1102	26.4%	24.8%	30.7%	12.5%	3.7%	1.3%	0.6%	1.1%	4.7%	15.1%	24.0%	16.7%	13.9%	24.5%
	1201	26.6%	26.8%	28.3%	16.4%	1.2%	0.4%	0.4%	1.0%	4.4%	13.3%	26.0%	18.1%	14.3%	22.9%
	1202	27.4%	19.8%	26.8%	17.6%	2.6%	3.4%	2.4%	0.3%	2.9%	9.9%	18.7%	14.6%	13.7%	40.0%
	1203	15.4%	26.8%	26.1%	20.3%	7.4%	2.0%	2.0%	0.5%	2.4%	9.5%	20.8%	16.1%	13.1%	37.6%
	1204	34.0%	26.5%	28.7%	9.8%	0.7%	0.2%	0.1%	1.1%	6.8%	17.2%	28.2%	16.9%	12.5%	17.3%
	1205	52.5%	26.2%	14.8%	5.1%	1.2%	0.2%		6.3%	12.8%	22.3%	26.5%	12.8%	9.1%	10.0%
	1206	33.1%	23.1%	21.3%	12.2%	4.8%	2.9%	2.7%	2.1%	6.7%	14.0%	18.8%	12.8%	11.8%	33.7%
	1207	24.5%	25.1%	28.0%	15.3%	4.1%	2.2%	1.0%	0.8%	3.8%	12.3%	21.4%	16.7%	12.3%	32.7%
Rent	1101	64.2%	28.4%	5.3%	1.1%	0.7%	0.2%		9.2%	17.5%	33.8%	23.8%	7.8%	3.7%	4.3%
	1102	48.1%	39.9%	10.2%	1.9%				8.4%	18.6%	31.1%	23.1%	8.5%	4.7%	5.7%
	1201	49.4%	31.5%	16.7%	2.4%				7.1%	5.7%	32.0%	28.5%	13.0%	5.4%	8.3%
	1202	40.3%	25.8%	20.8%	9.0%	1.8%	1.6%	0.7%	7.2%	3.0%	16.6%	29.1%	12.7%	7.9%	23.6%
	1203	34.9%	38.0%	16.3%	9.5%		0.4%	0.8%	2.8%	12.8%	23.8%	38.3%	8.4%	5.3%	8.6%
	1204	50.8%	33.6%	13.5%	2.0%			0.2%	2.9%	8.3%	39.1%	33.0%	9.8%	5.1%	2.0%
	1205	67.8%	24.7%	6.6%	0.7%		0.2%		10.4%	12.9%	37.8%	24.8%	5.9%	3.3%	4.8%
	1206	58.0%	25.3%	15.1%	1.6%	0.1%			7.3%	11.0%	27.4%	29.6%	11.8%	5.3%	7.7%
	1207	43.6%	36.0%	17.2%	2.2%	1.0%			3.8%	6.6%	27.8%	35.1%	10.9%	5.6%	10.3%

Housing Cost Burden by Head of Household Race-Ethnicity, Sex, and Age

Figure 35 shows housing cost-burden by head of household race-ethnicity and set for the entire Buffalo-Niagara region. Regardless of race-ethnicity, female-headed households statistically more likely to be cost-burdened than male-headed households. The gap is largest for Hispanic/Latinx households, for whom 56.6% of female-headed households are cost-burdened compared to 41.4% of male-headed households. Demonstrating the intersections between gender and racial inequality in Buffalo-Niagara, just 22.2% of households headed by white males are cost-burdened – more than 15 percentage points lower than the rates for households headed by person of color of any gender.
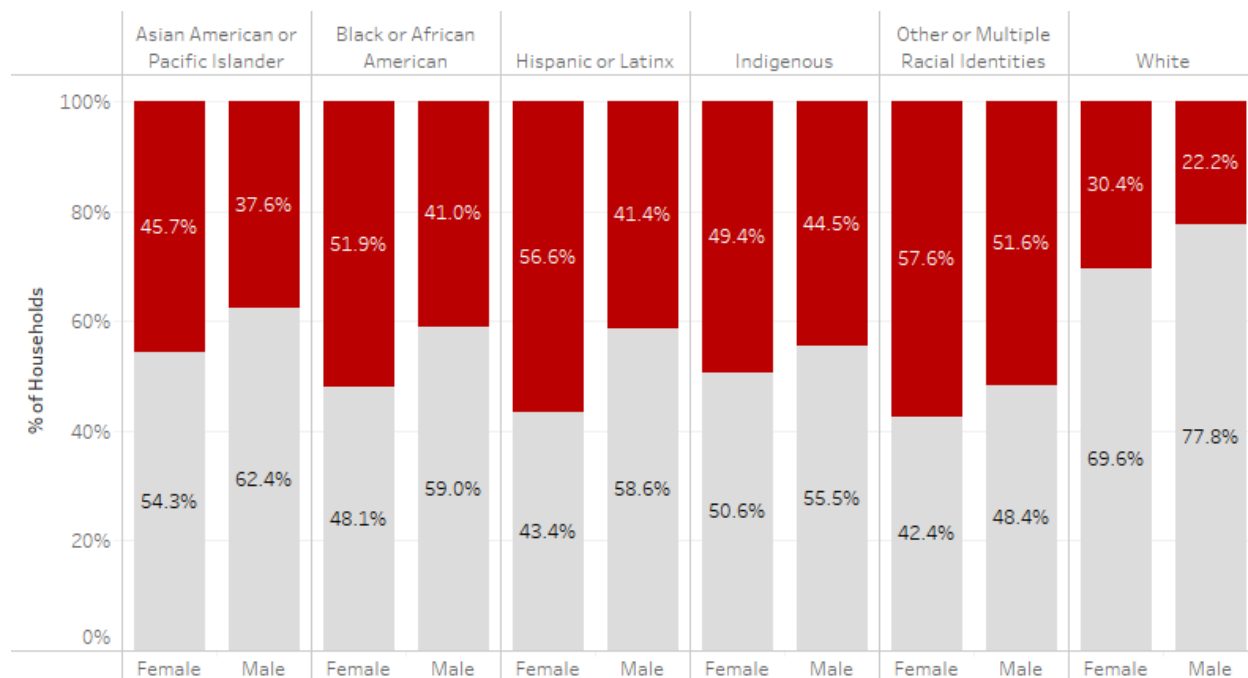
Figure 35. Cost-Burden by Race-Ethnicity and Sex (shaded areas represent cost-burdened households; Source: 2015-19 ACS)

Figure 36 breaks the data from above out by PUMA. By and large, the disparities observed at the regional scale play out in the various PUMAs, but frequently in more pronounced ways. In the City of Buffalo east of Main Street (PUMA 1205), for example, 70.1% households headed by Hispanic or Latinx women are cost-burdened – roughly two-and-a-half times the rate of cost-burden for households headed by white men. In the City of Niagara Falls and its surroundings (PUMA 1101), a similar situation holds for households headed by Asian or Pacific Islander women. More than three-fourths of all such households are cost-burdened, compared to less than one-fourth of households headed by white men. These patterns of outcomes do not occur by chance alone. Rather, they are the cumulative results of discriminatory policies and patterns of investment acting operating over decades. Alleviating these patterns of unaffordability therefore requires more than adding to affordable housing supply – it requires policy and institutional change at the system scale.[71]

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[71] Weaver, R., & Knight, J. (2020). *Advancing Housing Security: An Analysis of Renting, Rent Burden, and Tenant Exploitation in Erie County, NY*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3778025

Figure 36. Cost-Burden by Race-Ethnicity, Sex, and PUMA (shading indicates cost-burden; 2015-19 ACS)

Next, Figure 37 shows the regional breakdown of cost-burden by age group. Age groups are named using the following common generational labels and their associated (as of 2021) age ranges:[72]

- "**Baby Boomers:** Baby boomers were born between 1946 and 1964. They're currently between 57-75 years old (71.6 million in the U.S.)
- **Gen X:** Gen X was born between 1965 and 1979/80 and is currently between 41-56 years old (65.2 million people in the U.S.)
- **Gen Y:** Gen Y, or Millennials, were born between 1981 and 1994/6. They are currently between 25 and 40 years old (72.1 million in the U.S.)…
- **Gen Z:** Gen Z is the newest generation, born between 1997 and 2012/15. They are currently between 6 and 24 years old (nearly 68 million in the U.S.)."

While alternative age groupings could be employed, the choice to use generational labels was purposeful, in order to connect the distributions to popular notions of the impending "silver tsunami" of Baby Boomers reaching uniform retirement age within the next decade. Much attention has been paid to the silver tsunami among researchers interested in the implications for small business ownership and business succession. Baby Boomers currently own about half of privately held businesses in the U.S. that employ workers. Over 85% of those business owners do not currently have succession plans for when they retire. Without succession plans in place, common options are for businesses to close outright, or for them to be sold off to private equity firms that might strip them for assets and lay off workers. In either scenario, employees lose jobs, local economies lose businesses, and communities lose wealth.[73] One potential way to keep communities above water when the tsunami crashes ashore is for Boomers to sell their businesses to their employees, who can then own, run, and manage the businesses collectively, plausibly in the form of worker cooperatives.[74] Policies and institutions designed to facilitate these types of transitions at large scales can play a monumental role in increasing economic democracy[75] and unlocking opportunities for workers to build wealth and solidarity.[76]

That being said, whereas much thought has been put into building and enacting policy frameworks for the large-scale conversion of Boomer-owned businesses into tools for cooperative economics and economic democracy,[77] considerably little attention has been paid to the effect that Boomer retirement will have on housing. As Figure 37 shows, in Buffalo-Niagara, Boomer-headed households are cost-burdened at a rate of 26.2%, the lowest rate of all age groups. At the same time, Boomer-headed households are largest in number in the region, accounting for more than 150,000 households throughout the region. Given the housing market dynamics described above – falling inventories, sharply rising prices, and increased competition – retiring Boomers who wish to sell their units and move

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[72] These classifications were drawn from: Kasasa. (2021). "Boomers, Gen X, Gen Y, and Gen Z Explained." 13 Jan. https://www.kasasa.com/articles/generations/gen-x-gen-y-gen-z

[73] Project Equity. https://project-equity.org/communities/small-business-closure-crisis/

[74] Project Equity. https://project-equity.org/about-us/publications/the-case-for-employee-ownership/

[75] Weaver, R. (2020). Building "Next Generation" *Democratic Workplaces to Reduce Inequality and Empower Workers*. Cornell University School of Industrial Labor Relations. Available at: https://ecommons.cornell.edu/handle/1813/72909

[76] Kelly, M., & Dubb, S. (2016). *Broad-Based Ownership Models as Tools for Job Creation and Community Development*. The Democracy Collaborative.

[77] Gowan, P. (2019). *Right To Own: A Policy Framework to Catalyze Worker Ownership Transitions*. The Next System Project. Available at: https://thenextsystem.org/rto

out of the region or downgrade their housing situations will be selling to less financially secure households from younger generations who have higher likelihoods of being cost-burdened. Stated more simply, as Boomers retire and some choose to sell their houses on the private market, cost-burden is likely to increase significantly.
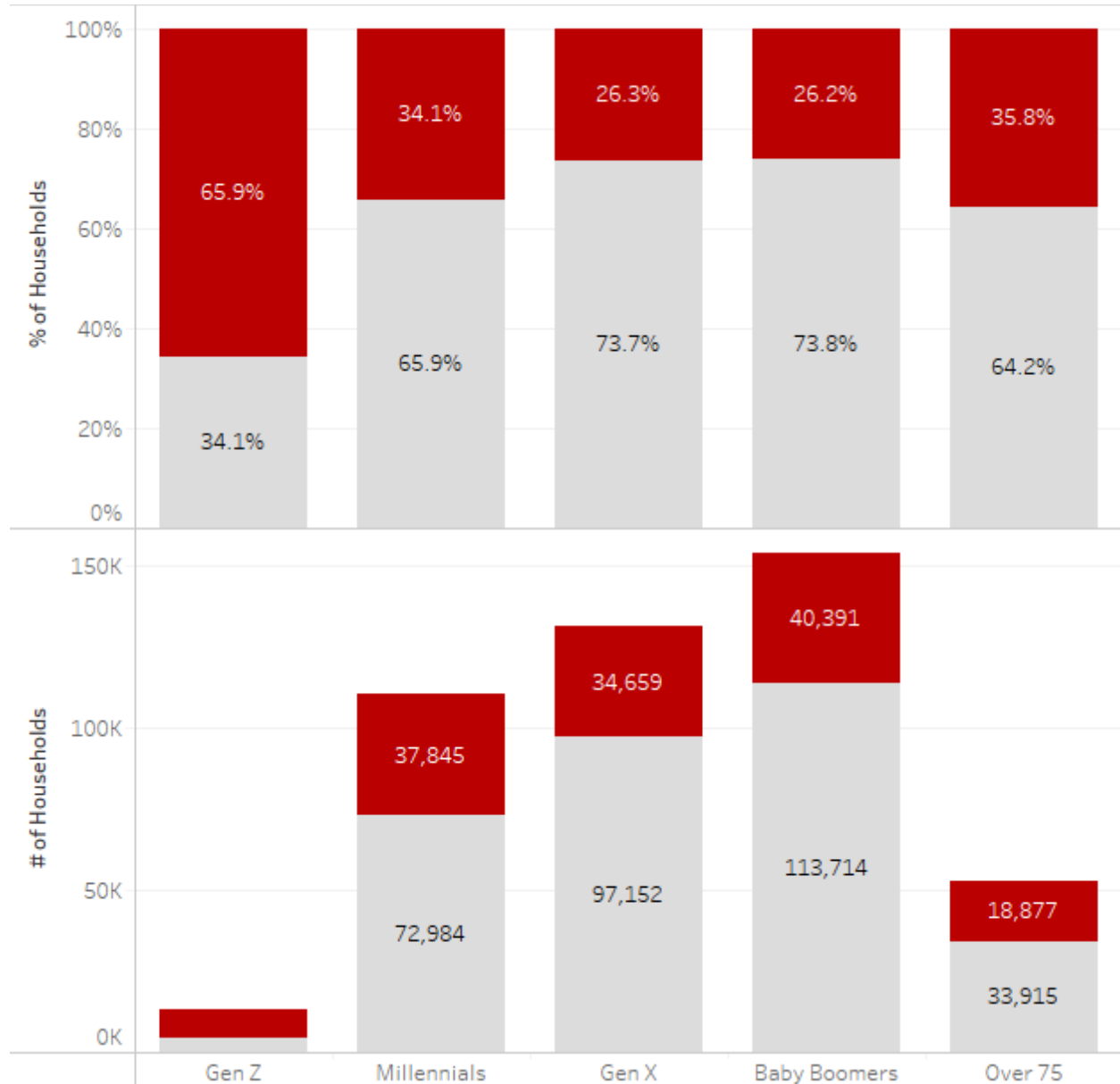
Figure 37. Cost-Burden by Householder Age Group (Source: 2015-19 ACS)

The possibilities described above point to less of a silver tsunami and more of a silver earthquake. Namely, the slow-moving plate tectonics of Baby Boomer retirement are about to crash into the housing market: scores of Boomers, for whom housing is disproportionately affordable for a variety of reasons, are nearing points where they may wish to sell their homes. Those homes will be entered into a competitive market in which younger generations of households are challenged to pay rising prices with stagnant, if not lower levels of, wealth and income when compared to their Baby Boomer predecessors.

That conversion of relatively affordable units (for one generation) into less or even un-affordable units (for younger generations) is likely to set off something of a "red tsunami" in the housing landscape – that is, more households are likely to be "living in the red", taking on ever higher levels of mortgage debt to finance higher priced homes.

Cost Burden for Households Occupied by Persons with Disabilities

Recall that the U.S. Census Bureau asks respondents to report if they or a member of their household has one or more of six specific types of physical or cognitive difficulty: Self-Care Difficulty; Ambulatory Difficulty; Independent Living Difficulty; Cognitive Difficulty; Vision Difficulty; or Hearing Difficulty. Figure 38 shows the housing cost-burden rate for households in which a member reports one or more of these difficulties, compared to households without persons who have disabilities. Consistent with income data described earlier, households in which there are persons with disabilities are significantly more likely to be cost-burdened (39.7%) compared to the remainder of the household population (27.3%).
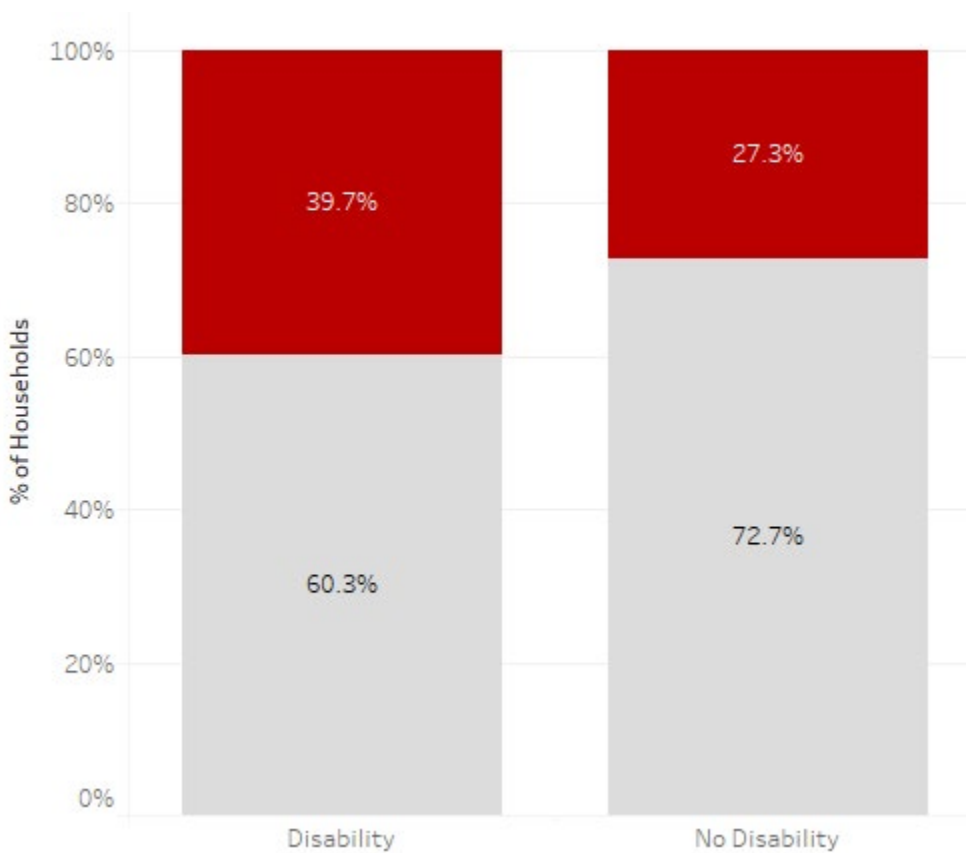
Figure 38. Regional Cost-Burden Rate for Households in which there are Persons with Disabilities (Source: 2015-19 ACS)

Figure 39 breaks these rates down for each PUMA. Intersecting with earlier observations of spatial inequality, households in which there are persons with disabilities are most likely to be cost-burdened in the City of Buffalo. In PUMA 1206 (Buffalo West of Main), for example, more than half of all households containing persons with disabilities are housing cost-burdened.

Figure 39. Cost-Burden for Households with Persons with Disabilities, by PUMA (Source: 2015-19 ACS)

Table 31 breaks down housing cost-burden by type of difficulty present in a household. The pattern of results follows the general patterns observed in household income distribution above. Namely, households that contain persons with disabilities are significantly 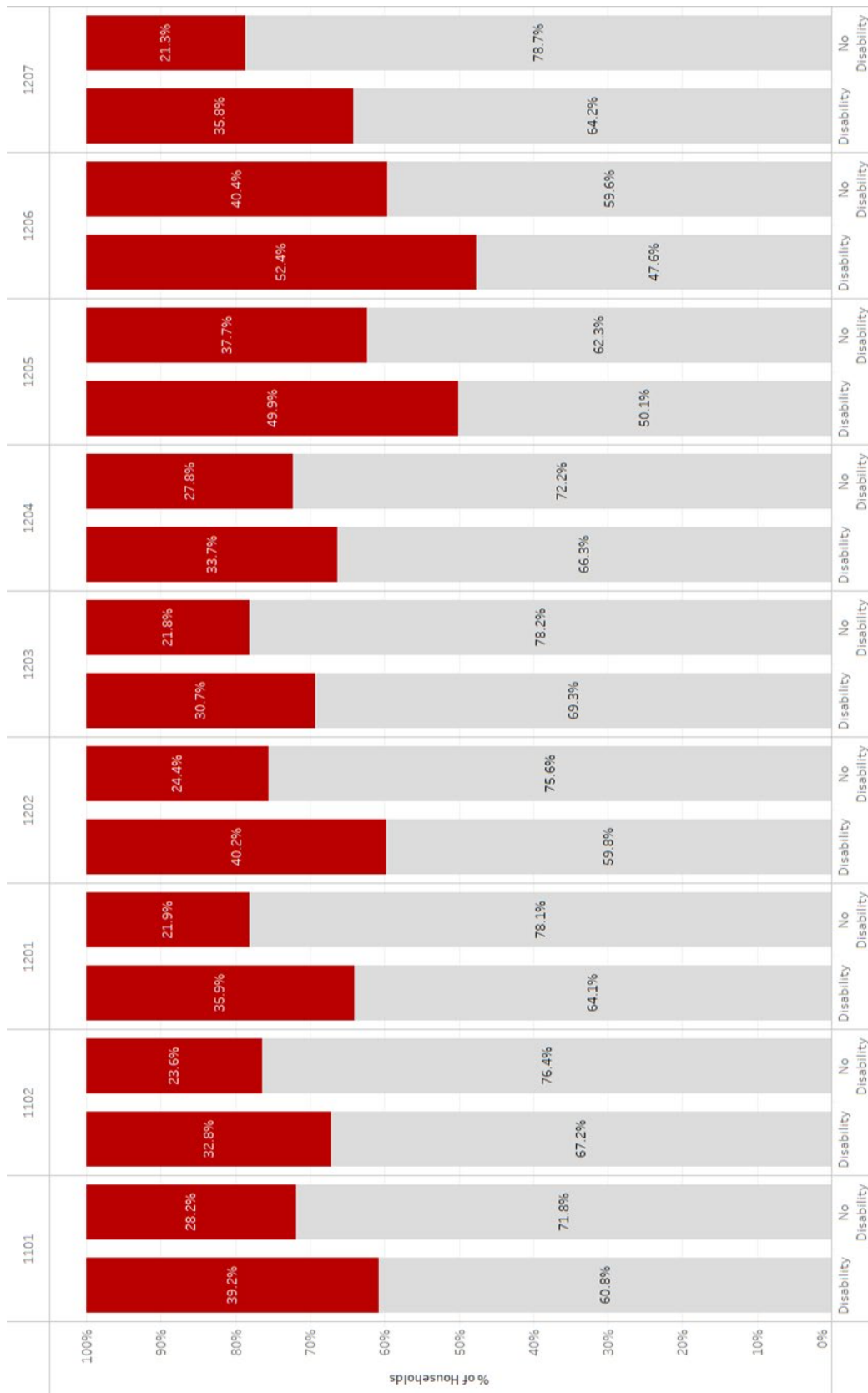more likely to be cost-burdened compared to the population as a whole. Cognitive difficulties are linked to the greatest degree of cost-burden in most PUMAs and across the region.

Table 31. Cost-Burden for Households Containing Persons with Disabilities, by PUMA and Type of Difficulty (Source: 2015-19 ACS)

PUMA	Self-Care Difficulty	Ambulatory Difficulty	Independent Living Difficulty	Cognitive Difficulty	Vision Difficulty	Hearing Difficulty	Overall
1101	44.5%	43.5%	40.4%	44.3%	48.6%	32.3%	*31.3%*
1102	32.4%	33.7%	36.3%	35.2%	27.7%	28.2%	*25.8%*
1201	37.7%	37.0%	38.7%	54.1%	26.9%	23.2%	*25.2%*
1202	47.6%	45.4%	46.6%	45.2%	52.8%	34.0%	*27.6%*
1203	37.3%	32.8%	29.7%	34.1%	36.6%	30.9%	*23.6%*
1204	45.0%	39.1%	37.8%	38.2%	35.7%	27.5%	*29.3%*
1205	51.6%	50.1%	46.5%	52.2%	52.1%	47.0%	*41.9%*
1206	50.1%	53.3%	52.4%	60.8%	43.9%	38.2%	*43.4%*
1207	44.5%	39.5%	43.5%	37.3%	36.8%	28.5%	*24.7%*
Region, Combined	*44.2%*	*42.5%*	*42.0%*	*46.0%*	*42.2%*	*31.8%*	*30.4%*

Disability Type and Age of Structure

Next, moving away from cost-burden for a brief moment, Figure 40 shows the distribution of households in the region by presence of one or more disabilities and the age of housing structure. The results reinforce the preceding observation that householders with disabilities are disproportionately under-served by the regional housing market. To be sure, householders with disabilities are significantly more likely than their counterparts to live in older housing units (build before 1990), and significantly less likely to live in more modern units (built in 1990 or later). Although data on housing unit accessibility are not readily available for Buffalo-Niagara, it is well-established that older units were rarely built to accommodate the needs of persons with disabilities. As such, the observation that householders with disabilities disproportionately occupy such units raises important questions of housing equity.
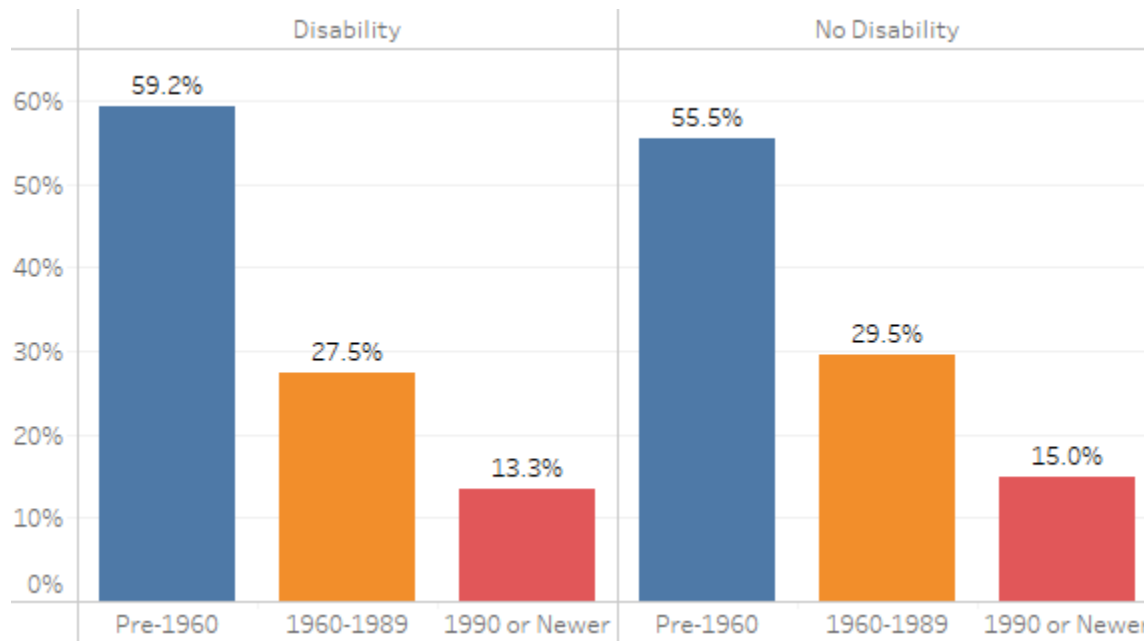
Figure 40. Households by Disability Status and Age of Housing, Buffalo-Niagara (Source: 2015-19 ACS)

Table 32 breaks the foregoing data down by PUMA. Unlike many of the other issues discussed throughout this report, the problem of disproportionately high concentration of households with disabilities into older units is more severe in the suburbs and outlying communities than in the City of Buffalo.

Finally, Table 33 focuses specially on households that contain one or more persons with one or more ambulatory difficulties. Ambulatory difficulties require levels of housing accessibility that are not found in many conventional units particularly older units. While the data in Table 33 suggest that, in most PUMAs, persons with physical difficulties are slightly less likely to be housed in older (pre-1960) units compared to the population of households that contain persons with disabilities in general, such persons are still overwhelmingly concentrated in pre-1960 housing units across the region (with the exception of the outer-ring communities in PUMA 1203). In this sense, there appears to be a severe mismatch between the need for newer, accessible units to meet the needs of persons with ambulatory difficulties, and the availability of such units throughout the region. Due to the lack of data on unit accessibility, comprehensive data collection efforts such as a regionwide inventory and census to identify accessible units (and their quality) are warranted.

Table 32. Distribution of Households by Disability Status and Age of Housing, by PUMA (Source: 2015-19 ACS)

PUMA	Year Structure Built	Disability	No Disability
1101	Pre-1960	64.5%	61.3%
	1960-1989	25.9%	24.0%
	1990 or Newer	9.6%	14.6%
1102	Pre-1960	51.3%	48.2%
	1960-1989	30.4%	32.4%
	1990 or Newer	18.2%	19.5%
1201	Pre-1960	68.2%	68.5%
	1960-1989	22.2%	23.1%
	1990 or Newer	9.6%	8.4%
1202	Pre-1960	33.2%	34.2%
	1960-1989	44.9%	49.0%
	1990 or Newer	21.8%	16.9%
1203	Pre-1960	33.4%	34.1%
	1960-1989	37.3%	33.7%
	1990 or Newer	29.3%	32.2%
1204	Pre-1960	50.7%	50.5%
	1960-1989	40.2%	41.3%
	1990 or Newer	9.1%	8.2%
1205	Pre-1960	82.3%	83.9%
	1960-1989	10.3%	10.2%
	1990 or Newer	7.4%	5.9%
1206	Pre-1960	81.9%	84.6%
	1960-1989	13.7%	10.7%
	1990 or Newer	4.3%	4.7%
1207	Pre-1960	47.2%	42.2%
	1960-1989	32.7%	33.8%
	1990 or Newer	20.1%	24.0%

Table 33. Distribution of Households Containing Persons with Ambulatory Difficulties, by Age of Housing and PUMA (Source: 2015-19 ACS)

PUMA	Year Structure Built	Ambulatory Difficulty	No Ambulatory Difficulty
1101	Pre-1960	62.9%	62.1%
	1960-1989	27.6%	24.1%
	1990 or Newer	9.5%	13.7%
1102	Pre-1960	47.1%	49.1%
	1960-1989	33.5%	31.7%
	1990 or Newer	19.3%	19.1%
1201	Pre-1960	65.7%	68.7%
	1960-1989	24.1%	22.7%
	1990 or Newer	10.2%	8.6%
1202	Pre-1960	27.6%	34.6%
	1960-1989	50.1%	48.0%
	1990 or Newer	22.2%	17.5%
1203	Pre-1960	33.7%	34.0%
	1960-1989	36.2%	34.3%
	1990 or Newer	30.1%	31.8%
1204	Pre-1960	53.1%	50.3%
	1960-1989	38.9%	41.2%
	1990 or Newer	8.0%	8.5%
1205	Pre-1960	80.6%	83.9%
	1960-1989	11.3%	10.0%
	1990 or Newer	8.1%	6.1%
1206	Pre-1960	81.3%	84.2%
	1960-1989	14.6%	11.1%
	1990 or Newer	4.1%	4.7%
1207	Pre-1960	44.4%	43.3%
	1960-1989	37.2%	33.2%
	1990 or Newer	18.4%	23.5%

Supply and Mismatch Issues

Housing Unit Supply Versus Need

According to the most recent figures from the Department of Housing and Urban Development's (HUD's) "Picture of Subsidized Households" data portal, there are just under 30,000 HUD-subsidized housing units in the region, 91 percent of which are currently occupied.[78] The units fall into one of six HUD programs:

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[78] HUD User. "Assisted Housing: National and Local." (2020 data were current at the time of writing) https://www.huduser.gov/portal/datasets/assthsg.html#null

1. **Housing Choice Vouchers (HCV)**. Commonly called "Section 8" and arguably the most common HUD program, HCV enables "a family or individual [to] apply to a Public Housing Authority (PHA) for rental assistance (called a "voucher") that would enable them to afford a privately-owned apartment of their choice within the PHA's jurisdiction… Households pay approximately 30 percent — and no more than 40 percent — of their adjusted income for rent and utilities, and the PHA pays the balance of the rent directly to the owner. Eligibility for the Section 8 HCV program is limited to applicants with incomes below 50% of the Area Median Income, although most of the vouchers assist households earning much less than that."[79]

2. **Project-Based Section 8**. In general, project-based assistance is tied to a specific unit (contra the tenant-based HCV scheme). "Project-based vouchers are a component of a [PHA's HCV] program. A PHA can attach a portion of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development. PHAs refer families, who have already applied to a PHA for housing choice vouchers and are on the PHA's waiting list, to properties that have project-based voucher assistance when units become vacant. The PHA pays the owner the difference between 30 percent of family income and the gross rent for the unit."[80]

3. **Public Housing**. "Public Housing is operated by local PHAs who develop, own, and manage projects for lower income individuals and families. Households are eligible if they earn less than 80% of the Area Median Income. These housing projects are publicly owned, and tenants who live there pay approximately 30 percent of their adjusted income for rent and the public assistance covers the rest of the cost."[81]

4. **Section 202 Project Rental Assistance Contract (PRAC)**. Also called "Housing for the Elderly," the Section 202 program "provides affordable housing for people who are over the age of 62. HUD provides long-term direct loans to private, non-profit sponsors who build, buy, or rehabilitate a housing project and then accept elderly housing tenants. Tenants of these buildings pay approximately 30 percent of their adjusted income for rent."[82]

5. **Section 811 PRAC**. Also called "Housing for People with Disabilities," the Section 811 program "provides funding for non-profit organizations interested in building, buying, or rehabilitating a housing development for adults who have a disability. HUD provides long-term direct loans to the non-profit and residents of the housing pay approximately 30 percent of their adjusted income for rent."[83]

6. **Section 236/Below Market Interest Rate (BMIR)**. Section 236 is an expired program that "was designed to produce housing affordable by families with incomes above the public housing income limits. Almost all [remaining] Section 236 projects now have project-based rental assistance assigned to them so that tenants don't have to pay more than 30 percent of their income for housing costs."[84]

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[79] HousingData.org. https://www.housingdata.org/housing-program-definitions
[80] Ibid.
[81] Ibid.
[82] Ibid.
[83] Ibid.
[84] Ibid.

Figure 41 breaks the region's HUD-subsidized units into these six program categories. Just under half of all units fall under the HCV program. Project-Based Section 8 units and Public Housing units account for 23 percent and 20 percent of units, respectively. And the remaining seven percent of units are split between the 202/PRAC, 811/PRAC, and 236/BMIR programs.

Based on reported occupancy rates,[85] there are currently around 3,000 subsidized housing opportunities available in Buffalo-Niagara. Those opportunities break down along similar lines as the total distribution of units. According to the research team's estimates: 61 percent of available opportunities are HCVs; 19 percent are Public Housing units; 18 percent are Project-Based Section 8 units; and the remaining two percent are divided between 202/PRAC and 811/PRAC.[86] The great majority of these potentially available – though presumably subject to existing wait lists – are concentrated in the City of Buffalo.

One implication of the findings on subsidized housing so far is that there might be value in conducting a census of subsidized units – both to monitor for quality and living conditions, and to identify unoccupied units and develop strategies to quickly fill those units with families currently struggling with homelessness or high housing and locational cost-burden.
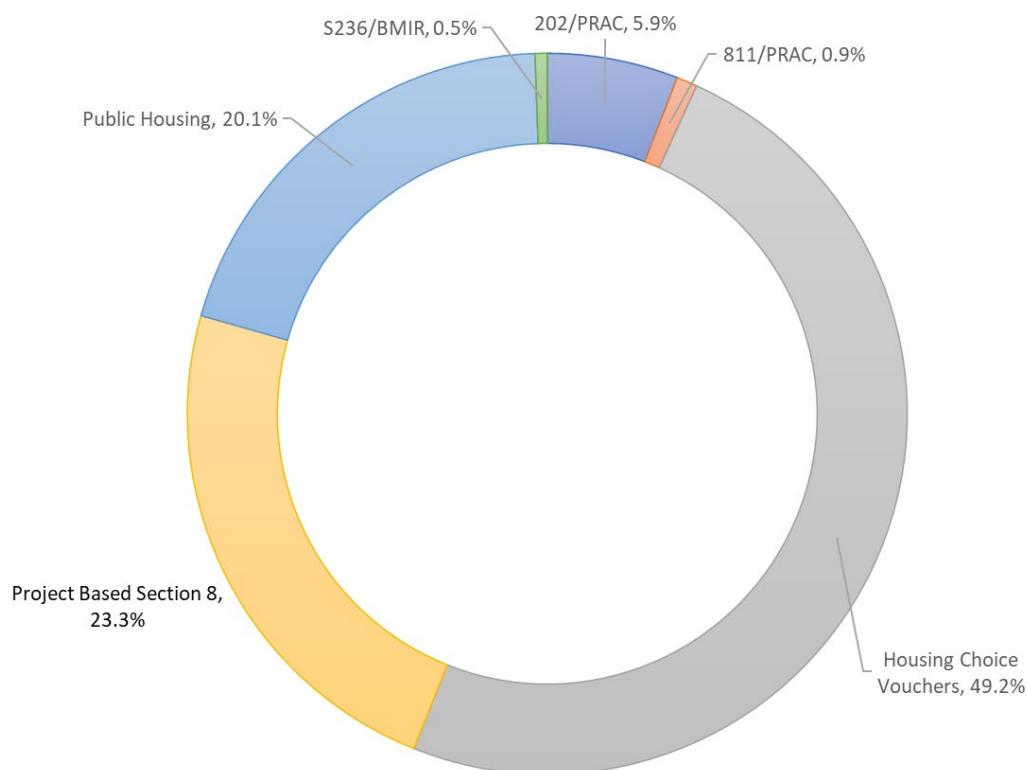
Figure 41. Breakdown of HUD-Subsidized Units by Program (2020 Picture of Subsidized Housing)

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[85] HUD's Picture of Subsidized Housing dataset provides "occupancy rates" for each subsidized housing opportunity type. This variable is defined in HUD's data dictionary as "Occupied [opportunities] as the % of [opportunities] available. The occupancy rates reported for Housing Choice Vouchers (HCVs) are below 100%, suggesting that vouchers are available in the region. However, waitlists have been closed for quite some time. Thus, a critical next step is for local Public Housing Authorities (PHAs) to work with HUD to identify the source of this discrepancy.
[86] There are also 158 S236/BMIR properties in the region for which no occupancy data were available.

Table 34 links the geographies of subsidized units to the working PUMA-level housing profiles developed to this point. Note that, among the data reported in HUD's Assisted Housing portal is the percentage of subsidized units that serve Extremely- or Very-Low-Income (ELI or VLI, respectively) households in Buffalo-Niagara.[87] Using these reported percentages, it is possible to estimate the number of ELI and VLI renter households living in HUD-subsidized units, by PUMA.[88] Table 34 summarizes the total combined number of ELI and VLI renters already identified for each PUMA, alongside this estimated number of ELI and VLI households living in HUD-subsidized housing units. Comparing those figures allows for a rough estimate of "excess demand" for subsidized units in a PUMA. More formally, all else being equal, if ELI and VLI renters can be assumed to uniformly demand subsidized housing, then the difference between the total number of such households and the estimated number of ELI and VLI families in subsidized units, by PUMA, yields an estimate of the gap or shortfall of subsidized units in a given PUMA. Such an estimate is presumed to be closer to a floor than a ceiling; for, given the choice, based on the magnitude of housing cost-burden in the region (see above), it is reasonable to assume that more than just ELI and VLI households would select living arrangements in which their housing costs were offset by public subsidies.

Table 34. Shortfall of Subsidized Housing Units, by Geography, Assuming All Extremely- and Very-Low-Income Cost-Burdened Households Demand Subsidized Units

Geography	Cost-Burdened ELI and VLI Households, Combined	HUD-Subsidized Units	Estimated # of Cost-Burdened ELI and VLI Households in Subsidized Units	% of Area's Cost-Burdened ELI and VLI Households	Excess Demand/ Subsidized Unit Shortfall
PUMA 1101	11,472	3,636	3,066	26.7%	8,406
PUMA 1102	7,120	1,237	1,114	15.6%	6,006
PUMA 1201	7,880	1,542	1,379	17.5%	6,501
PUMA 1202	7,861	2,230	1,993	25.4%	5,868
PUMA 1203	5,542	533	495	8.9%	5,047
PUMA 1204	13,708	2,647	2,363	17.2%	11,345
PUMA 1205	21,391	9,992	8,319	38.9%	13,072
PUMA 1206	16,196	6,280	5,504	34.0%	10,692
PUMA 1207	10,228	1,303	1,206	11.8%	9,022
*Buffalo-Niagara, Total**	*101,398*	*29,400*	*25,439*	*25.1%*	*75,959*

*Slight differences between totals here and in the region are due to rounding and estimation (see note 88)

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[87] HUD User. https://www.huduser.gov/portal/datasets/assthsg.html#2009-2019_codebook
[88] Note that HUD's data are published at the census tract level of analysis. Because census tracts are wholly nested within PUMAs, the "Picture of Subsidized Housing" data can be easily aggregated to the PUMA level. In cases where data on occupancy and ELI/VLI-served-households are withheld to preserve privacy, the research team substituted missing values with the relevant average value (occupancy rate or ELI/VLI service rate) for the given combination of PUMA and HUD Program. Because the report uses this imputation strategy, there will be slight (but negligible) rounding errors when summing PUMA totals to the regional level of analysis.

Table 35 replicates the thought exercise from above specifically for ELI and VLI households in which one or more household members has a disability. Unlike the PUMS data described earlier, HUD's Picture of Subsidized Housing dataset does not break out households by type of disability (e.g., ambulatory difficulty, cognitive difficulty, etc.). Instead, HUD's dataset aggregates all types of difficulties tracked by the Census Bureau into a binary variable (whether a household does or does not have a member with a disability of any type). Table 35 follows that reporting method. Specifically, the table summarizes, by geography, the total number of cost-burdened households in which one or more household member reports having one or more of the following difficulties: Self-Care Difficulty; Ambulatory Difficulty; Independent Living Difficulty; Cognitive Difficulty; Vision Difficulty; or Hearing Difficulty. For context, the table also reports the percentage of these cost-burdened households that qualify as ELI or VLI. The HUD Picture of Subsidized housing dataset does not allow for a breakdown of the number of households served that simultaneously meet the conditions of (1) being ELI or VLI and (2) containing a person with a disability. Rather, it treats these variables separately.

Table 35. Shortfall of Subsidized Housing Units, by Geography, for Cost-Burdened Households with Disabilities Assuming All Such Households Demand Subsidized Units

Geography	Cost-Burdened Households in which One or More Member has a Disability	% ELI or VLI	HUD-Subsidized Units	Estimated # of Cost-Burdened Households with Disabilities in Subsidized Units	% of Area's Cost-Burdened Households with Disabilities	Excess Demand/ Subsidized Unit Shortfall
PUMA 1101	4,924	91.0%	3,636	1,011	20.5%	3,913
PUMA 1102	3,336	77.2%	1,237	437	13.1%	2,899
PUMA 1201	4,039	80.0%	1,542	612	15.2%	3,427
PUMA 1202	3,929	67.1%	2,230	513	13.1%	3,416
PUMA 1203	2,726	59.9%	533	189	6.9%	2,537
PUMA 1204	5,469	79.9%	2,647	914	16.7%	4,555
PUMA 1205	9,689	92.2%	9,992	2,152	22.2%	7,537
PUMA 1206	6,292	90.3%	6,280	1,872	29.8%	4,420
PUMA 1207	5,699	70.1%	1,303	407	7.1%	5,292
Buffalo-Niagara, Total*	*46,103*	*81.4%*	*29,400*	*8,107*	*17.6%*	*37,996*

*Slight differences between totals here and in the region are due to rounding and estimation (see note 88)

The estimates in Table 34 and Table 35 are alarming and provocative. The prospects of absorbing more than 75,000 units (Table 34) into the region's portfolio of federally subsidized housing – nearly 40,000 of which (but, ideally, all of which) need to be accessible for persons with disabilities – may seem beyond remote in the present moment; but these are the types of goals that must be set to properly engage with the scale of barriers to adequate housing in Buffalo-Niagara. Only by grappling with the magnitude of the challenges in the here and now will it be possible to identify the [systemic] scale at which transformative solutions must take shape in the future.

Affordability Gaps by Unit Type and Number of Bedrooms

The final point raised the preceding paragraph is that moving toward a more equitable housing future requires meeting present conditions where they are – no matter how upsetting or inconvenient they might be – and beginning to build a bridge that leads away from them.

To close out the analyses in this report, then, this last substantive subsection presents a thought experiment based on the situation laid out in Table 34. Namely, the following figures break down the entire universe of 101,398 cost-burdened Extremely Low Income (ELI) and Very Low Income (VLI) households, by PUMA, based on the type of structure they live in and the number of bedrooms in their unit. To carry out this exercise, the research team focused on three different values for number of bedrooms in a unit: (a) 0 or 1; (b) 2; and (c) 3 or more. At present, the U.S. Census Bureau asks ACS PUMS respondents to describe their housing unit type by classifying it into one of nine categories:

- Single-family detached
- Single-family attached
- Two-family
- 3-4 family
- 5-9 family

- 10-19 family
- 20-49 family
- 50+ family
- Mobile home

Employing that classification scheme, the research team computed, for each cost-burdened household, a maximum "affordable" monthly payment, by unit type and number of bedrooms, based on the household's family income and the 30% threshold used to define cost burden. From that data, the authors calculated the "median affordable" price for each combination of housing unit type, number of bedrooms, and PUMA.

The results of the thought experiment are presented in Figure 42 through Figure 45. The figures are grouped by geography. Namely, Figure 42 shows the two Niagara County PUMAs; Figure 43 displays the data for Buffalo's first-ring suburbs (refer to Figure 1); Figure 44 shows data for the two City of Buffalo PUMAs; and Figure 45 displays the results for Erie County's outer-ring communities. The results from these thought experiments offer a starting point for reckoning with both the scale of affordable housing problems in the region, and the realities of the income shortages from which those problems are created, sustained, and/or exacerbated. Throughout the region, there is an overwhelming demand for one- and two-family units, with three or more bedrooms, supplied at costs of below $500 per month. Given the competitiveness of the regional real estate market described throughout this report, the likelihood of such housing being provided by the private market is essentially zero.

Absent intervention into the current housing and economic systems, it is almost certain that the challenges and issues described hereinbefore will (1) become more severe where they already exist, and (2) expand to new spaces over time. The concluding section of this report touches on several near-term and long-term/system-level strategies for attempting to avoid such outcomes. Before moving onto that discussion, however, a final pair of empirical thought exercises grapples with how housing affordability (i.e., cost-burden) might change under two incipient structural changes that are being implemented at the state and federal levels.
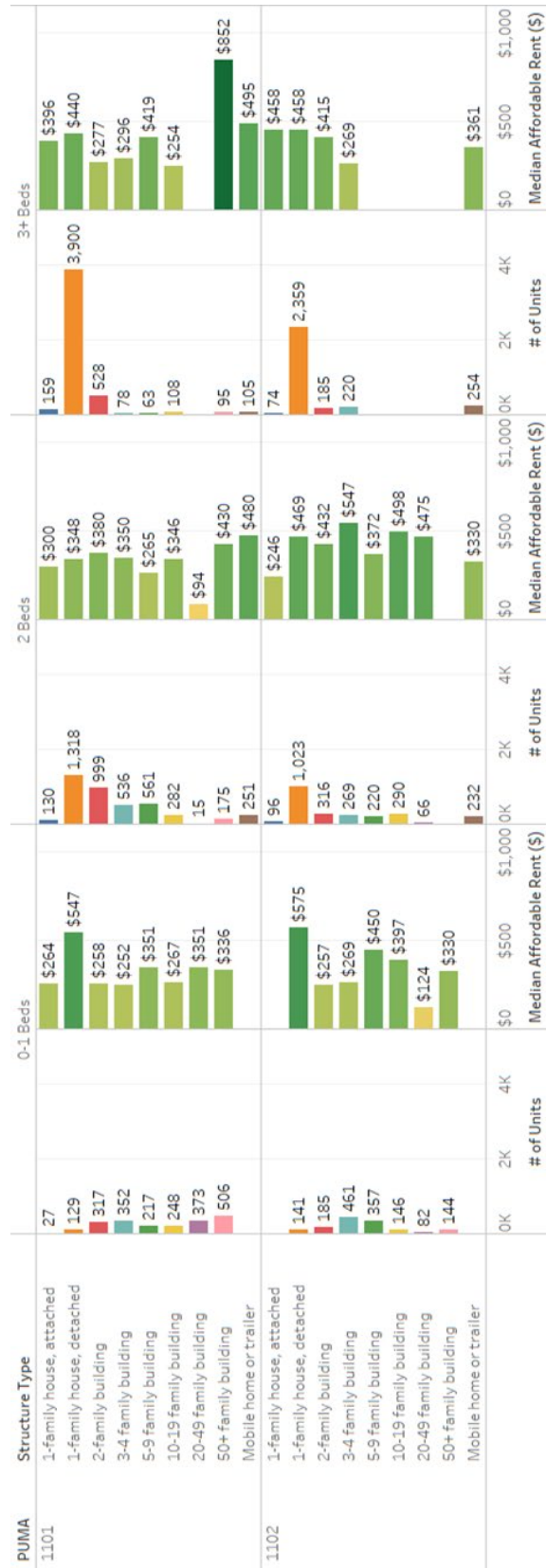
Figure 42. Housing Characteristics of and Affordability for Cost-Burdened Households, Niagara County
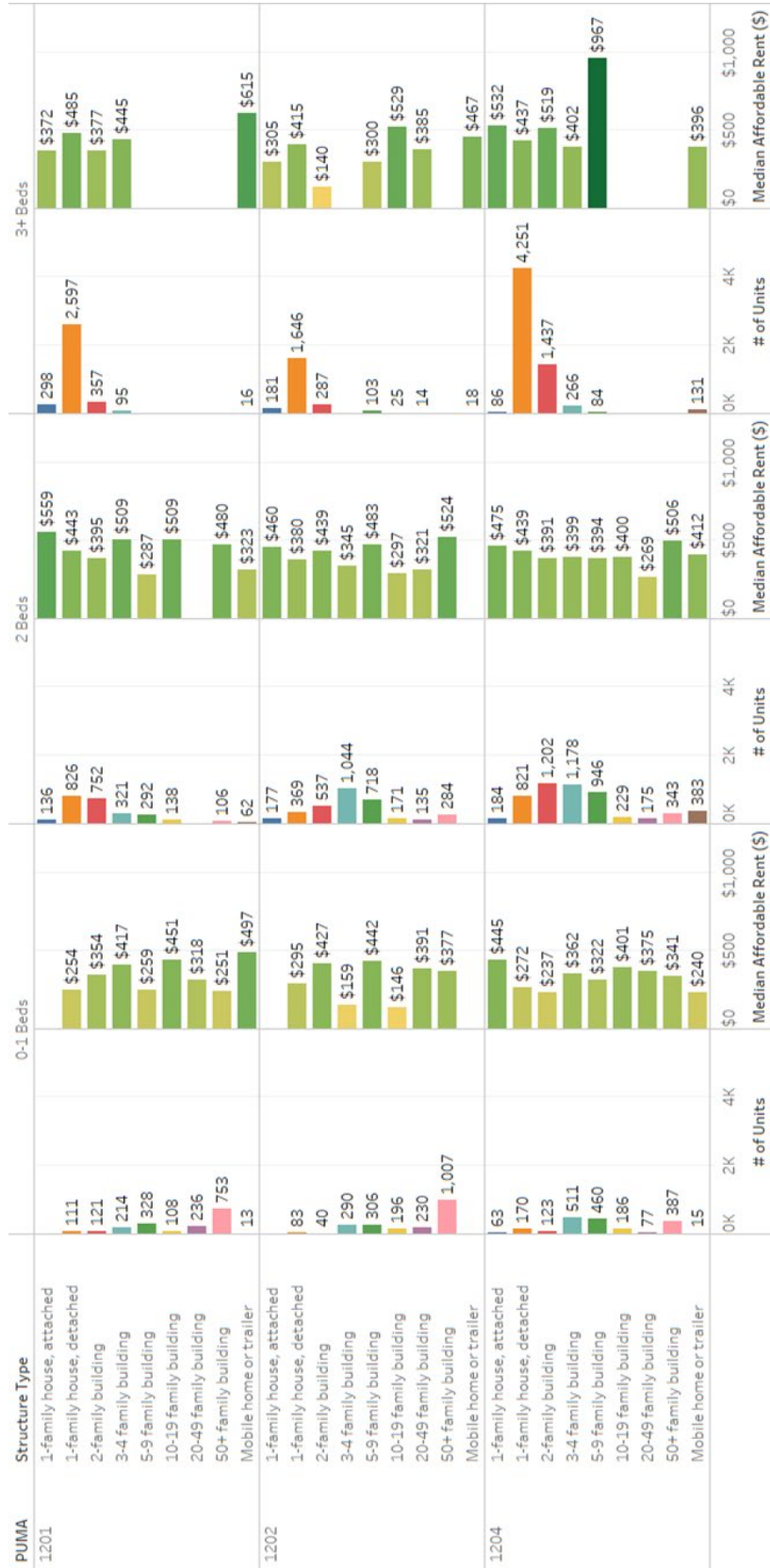
Figure 43. Housing Characteristics of and Affordability for Cost-Burdened Households, First-Ring
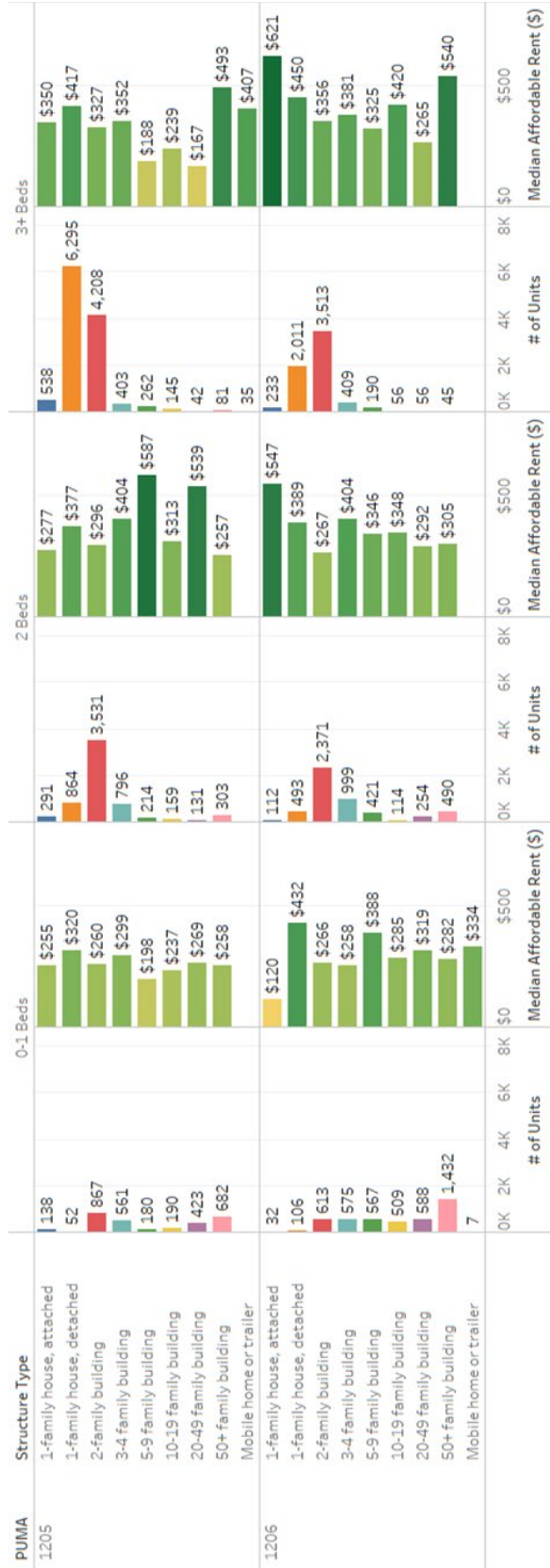
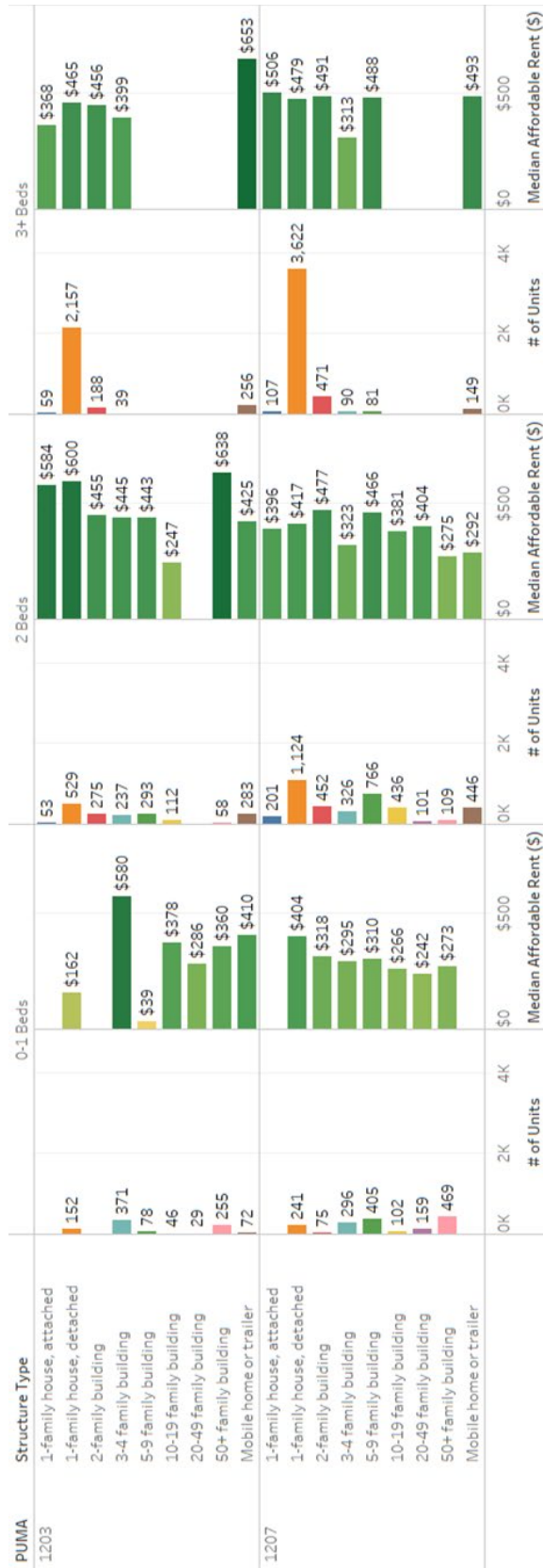*Figure 44. Housing Characteristics of and Affordability for Cost-Burdened Households, City of Buffalo*

Figure 45. Housing Characteristics of and Affordability for Cost-Burdened Households, Outer-Ring

Minimum Wage Increase to $15 per Hour

The first, state-level change relates to the minimum wage. Prefiguring a possible increase to the federal minimum wage (note that a $15 per hour national minimum wage was part of the March 2021 American Rescue Plan put forward by the Biden administration; however, the provision was stripped out of the final bill that was adopted into law[89]), New York State, in the 2016-17 legislative session, enacted a statewide $15 minimum wage that is already in effect in the New York City region and is being phased in throughout upstate. As of this writing (June 2021), minimum wage upstate – including in the Buffalo-Niagara region – is still $12.50 per hour.

Using the 2015-19 U.S. Census American Community Survey (ACS) Public Use Microdata Samples (PUMS) data that have featured prominently throughout this report, it is possible to estimate workers' effective hourly wages based on their self-reported earned income, usual hours worked per week, and number of weeks worked.[90] According to the authors' estimates, roughly 34% of noninstitutionalized workers 16

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[89] Lee, Thea M. (2021). "EPI applauds passage of the American Rescue Plan." *EPI Blog*, 10 March. https://www.epi.org/press/epi-applauds-passage-of-the-american-rescue-plan/

[90] Unfortunately, this estimation procedure is not entirely straightforward. Up until 2019, PUMS data for number of weeks worked were reported in "bins" (e.g., 1-13 weeks, 14-26 weeks, … , 50-52 weeks). As such, it is not possible to identify the *precise* number of weeks worked for persons who responded to the ACS prior to 2019 (recall that the ACS data used in this report were collected over a five year period from 2015 to 2019). To overcome this challenge, the research team drew on the "unbinned" data on weeks worked that were collected from respondents in 2019. Specifically, starting in 2019, all workers who respond to the ACS are now asked to report the exact number of weeks they worked in the prior year. While the PUMS data provide these precise values for 2019 respondents, they also – for consistency and compatibility with older data – continue to report each respondent's weeks worked "bin". The researchers therefore computed the average (precise) number of weeks worked for 2019 respondents, by bin, and subsequently assigned that average or typical "bin" value to persons within that bin who responded to the PUMS prior to 2019. These values are as follows:

Bin Number	Weeks Worked Bin	Average Number of Weeks Worked (Rounded) for Workers in Bin (2019 respondents only)	Standard Deviation
1	1-13 weeks	7	3.7
2	14-26 weeks	21	4.1
3	27-39 weeks	33	3.3
4	40-47 weeks	43	2.4
5	48-49 weeks	49	0.4
6	50-52 weeks	52	0.2

A second complication arises in the way that income is recorded and hours worked are reported. Namely, some respondents report that they work for wages *and* have self-employment income. However, the ACS only collects one data point per worker on "hours worked". Accordingly, it is not possible to decipher how many hours might be dedicated to wage work versus self-employment. To address this issue, the research team relied on the PUMS variable "earned income" as opposed to "wage and salary income". Earned income is simply income earned from wages/salary *plus* income earned through self-employment. Both numbers are annualized. For workers who work only for wages (and do not have self-employment income), earned income is equal to wage and salary income. Adopting all of the preceding assumptions and analytical strategies, each worker's *effective (self-reported) hourly wage* was calculated as:

Annual Earned Income / (Number of Weeks Worked * Hours Worked per Week)

This value was computed for all noninstitutionalized persons 16 years or older who reported that they were in the labor force and earned income at the time they responded to the ACS. Note that self-reported hours worked may

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years or over in Buffalo-Niagara (nearly 187,000 workers), not including self-employed workers, report effective hourly wages that are less than $15 per hour.[91] Extending the recurring theme of intersecting racial and economic inequality in the region, workers of color are significantly more likely than white workers to earn below $15 per hour.

As shown in Figure 46, nearly half of workers who identify as either Black or African American (48.6%), Hispanic or Latinx (47.2%), or with multiple racial or ethnic groups (47.6%) – and nearly three-fifths of workers who identify as Indigenous (59.0%) – earn below $15 per hour, compared to just 30.7% of white workers. Even so, given their sizeable demographic majority in the region (see above), there are numerically more white workers who earn below $15 per hour than all other racial or ethnic groups, combined. For that reason, a universal minimum wage increase[92] stands to benefit a broad, diverse coalition of people. The largest group of beneficiaries in *absolute* terms will be white workers. However, because workers of color earn below $15/hour at higher *relative* frequencies (Figure 46), a universal increase will necessarily begin to close at least some earnings gaps in the region.[93]

One arena in which such gap-narrowing should manifest is housing affordability and cost-burden. To test this possibility, for each worker in the PUMS dataset associated with an effective hourly wage of less than $15 per hour (excluding self-employed workers), the research team recomputed the worker's annual earned income – given their self-reported hours and weeks worked – under a universal $15 minimum wage. Next, the authors summed each worker's "new" earned income with their other sources of income (e.g., interest) to arrive at "new" total individual incomes for each worker. From there, the team added the "new" total income for each head of household to the "new" total income for each of their related household members to arrive at a "new" value for family income under the $15 minimum wage. Finally, replicating the approach taken earlier, the authors computed the maximum affordable housing cost for each household as 30% of the household's "new" gross monthly family income. Households whose actual (observed) monthly housing expenses exceeded that "new" affordable price were coded as housing cost-burdened.

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include or reflect uncompensated work time. It is not possible to identify these specific cases with certainty. However, it is reasonable to assume that at least some workers whose effective hourly wages are below minimum wage, and whose occupations are not exempt from minimum wage laws (e.g., food service professions), have been impacted by employer wage theft. Because these considerations are outside the immediate scope of this report, the authors merely wish to flag this possibility for future research.

[91] The number of workers reporting effective hourly wages below $15 per hour jumps up to 201,550 when persons with self-employment income are included.

[92] The term 'universal' is used purposely here to suggest that new minimum wage increases that exempt certain occupations, such as tipped employees or farm workers, may retain or exacerbate some forms of inequality. New York State's minimum wage law is not universal. For more information on minimum wage in New York State, see: https://dol.ny.gov/minimum-wage-0. For more information on why a universal minimum wage is often preferable to a non-universal minimum wage, see: Powell, J., Menendian, S., & Ake, W. (2019). Targeted universalism: Policy & practice. *Haas Institute for a Fair and Inclusive Society. Berkeley: University of California*.

[93] That being said, it is critical to point out that marginally advancing racial equity in earnings through a minimum wage increase does "not change the fact that a dollar of income in Black hands buys less safety, less health, less wealth, and less education than a dollar in white hands." Put another way, slowly narrowing racial *earnings gaps*, in isolation of other structural changes, will not close the *justice gaps* that arise from racialized systems, rules, and institutions within society. See: Flynn, A., Warren, D. T., Wong, F. J., & Holmberg, S. R. (2017). *The hidden rules of race: Barriers to an inclusive economy*. Cambridge University Press (the quoted statement from above can be found on page 2).
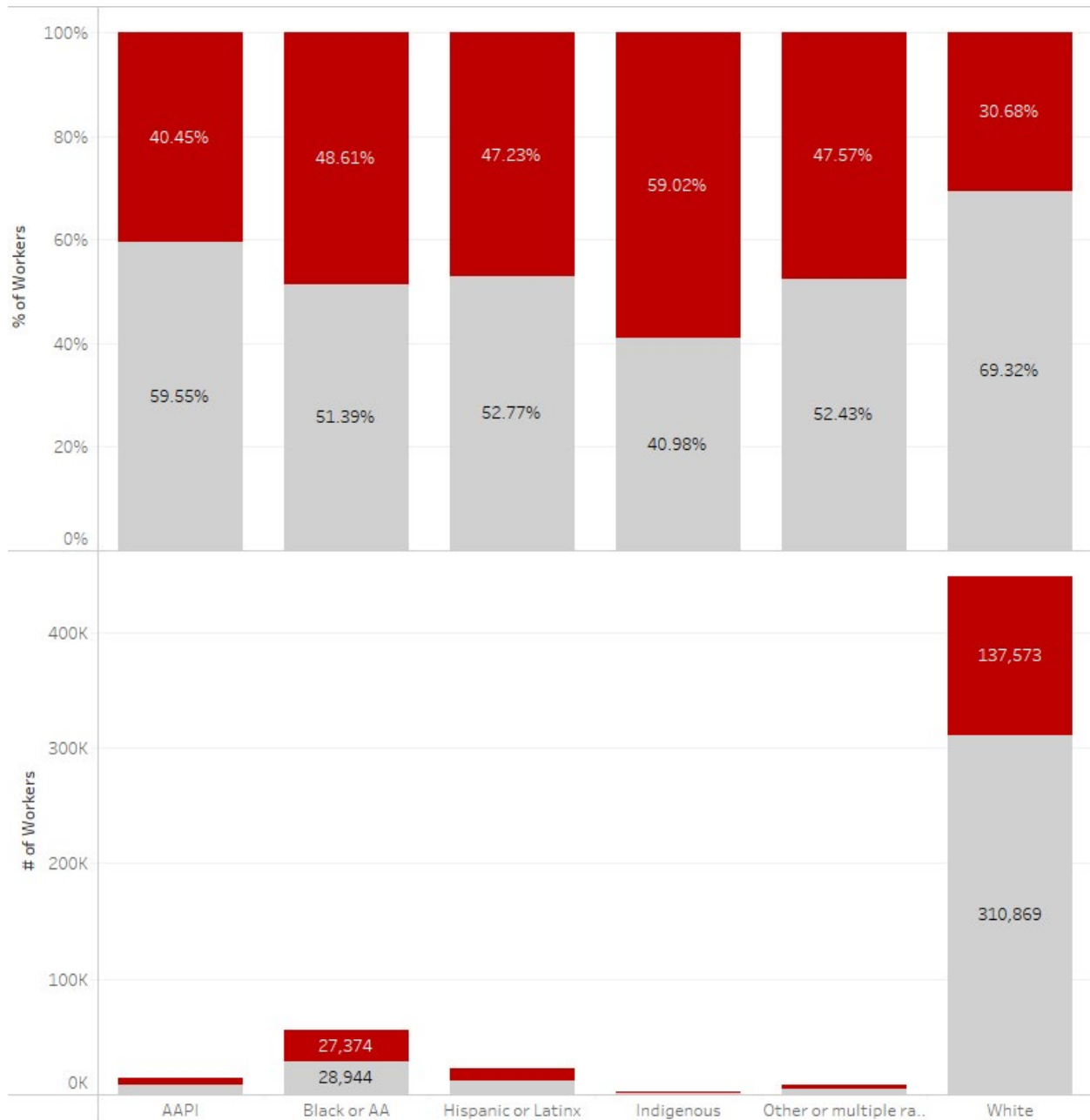
Figure 46. Workers Earning Below $15/Hour (authors' calculations from the 2015-19 ACS)

Overall, a universal minimum wage increase to $15 per hour is estimated to reduce the number of cost-burdened households in Buffalo-Niagara by 10.8%, from just under 141,000 households to slightly over 125,000 households.[94] Crucially, in this hypothetical scenario, cost-burden rates by householder race/ethnicity do begin to narrow, as expected. Although situations of cost-burden are still prevalent

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[94] Note that if the $15 minimum were made to be truly universal and extended to self-employed workers, then roughly 1,800 fewer households would be cost-burdened. Readers are encouraged to read Conor D'Arcy's recent proposal to extend minimum wage coverage to self-employed workers in the U.K. See: D'Arcy, C. (2017). *The minimum required? Minimum wage and the self-employed*. The Resolution Foundation.

throughout the region, and households headed by persons of color remain – unjustly so – meaningfully more likely to struggle with housing unaffordability than white-headed households, the simple empirical experiment suggests that across-the-board pay increases for low-wage workers can make marginal progress toward reducing housing insecurity and advancing racial equity. To reinforce this latter point, Figure 47 and Figure 48 illustrate, respectively: (1) cost-burden rates by head of householder race/ethnicity under the status quo and in the hypothetical universal $15 minimum wage scenario; and (2) the difference between a given demographic group's cost-burden rate and the cost-burden rate for white-headed households. Observe that all racial/ethnic groups experience lower housing cost-burden under the hypothetical scenario relative to the status quo. Notably, though, the drops in cost-burden rates are larger in magnitude for households headed by persons of color (Figure 47), and the differences in cost-burden rates between households headed by persons of color and white-headed households shrink by three to eight percentage points after the hypothetical wage increase (Figure 48). Simply put, a universal minimum wage increase should result in some, albeit marginal, advancements in racial equity and housing security in Buffalo-Niagara.
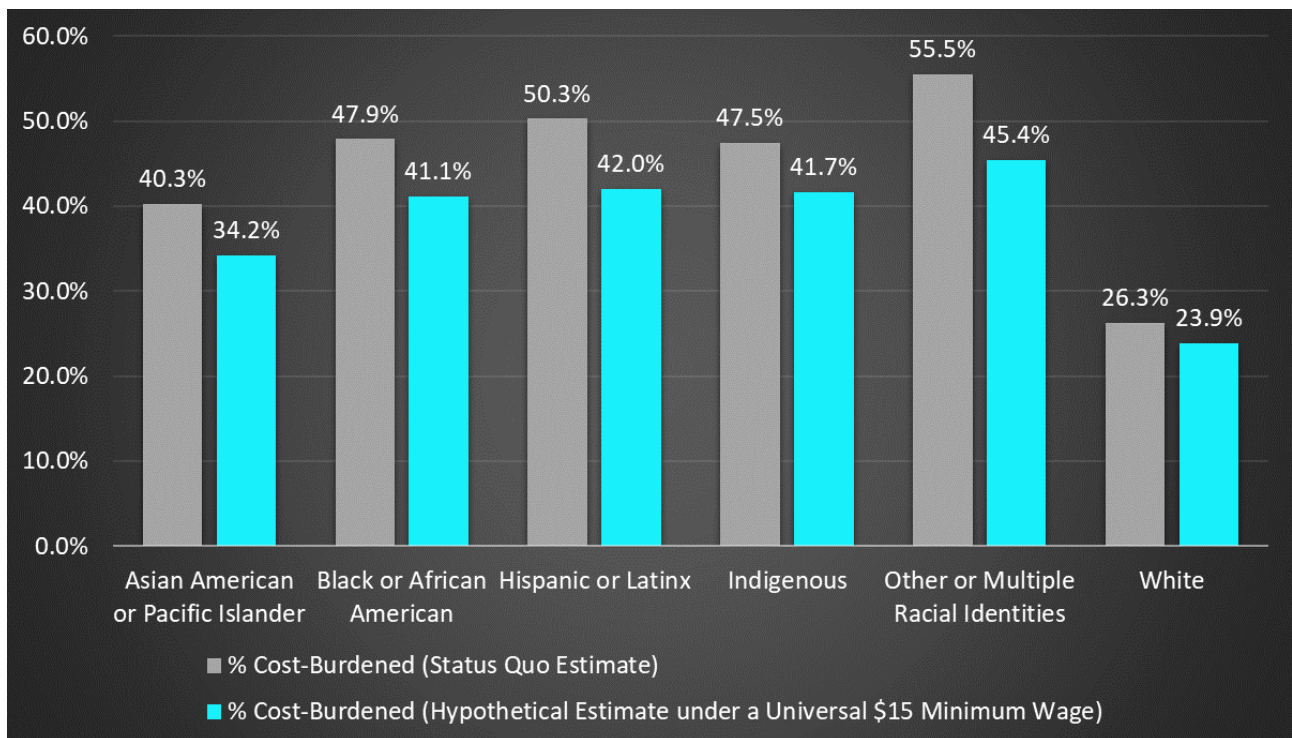

Figure 47. Estimated Change in Cost-Burden Rates, by Race/Ethnicity, with a Higher Minimum Wage (Source: authors' calculations from the 2015-19 ACS)
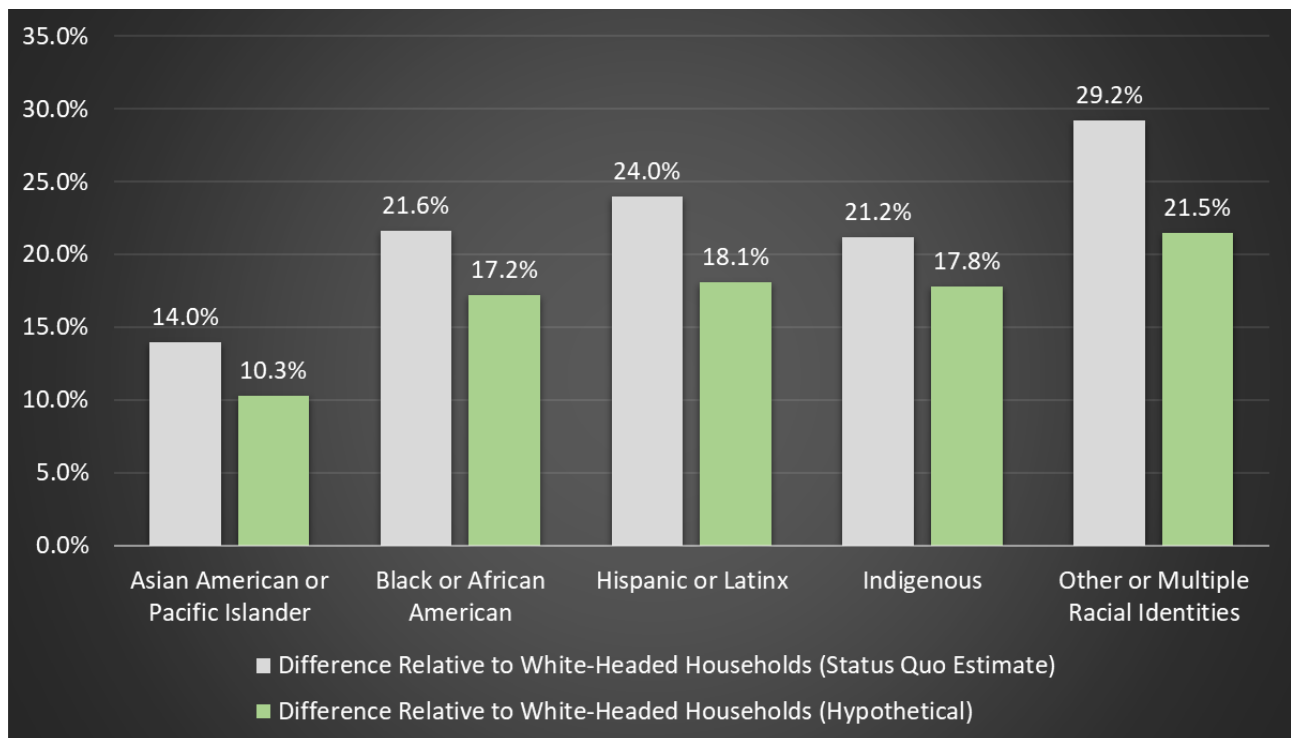
Figure 48. Estimated Change in Group Cost-Burden Differentials for BIPOC-Headed Households Relative to White-Headed Households with a $15 Minimum Wage, by Householder Race/Ethnicity (Source: authors' calculations from the 2015-19 ACS)

Expanded, Fully Refundable Child Tax Credit

Whereas a federal minimum wage increase was ultimately stripped out of the Biden administration's American Rescue Plan (ARP) economic stimulus package, the final plan did include approximately $450 billion to expand the federal Child Tax Credit (CTC) through 2025.[95] Arguably the two most important dimensions of the enhanced CTC are its (1) fully refundable status and (2) increased benefit amounts. Concerning the former, prior to the ARP, the CTC was a *partially* refundable credit that excluded many of the most vulnerable households and millions of low-income children. More precisely, under the pre-existing CTC:

> "families that [didn't] earn more than $2,500 [were] ineligible for the CTC, and those who [had] low earnings receive[d] only a partial credit that [was often] small; a family's credit phases[d] in slowly at just 15 cents for each dollar earned above $2,500. In addition, the CTC [was] capped at $1,400 per child for families that [didn't] earn enough to owe federal income tax."[96]

With passage of the ARP, the CTC will become fully refundable through 2025, meaning that low-income parents will receive the full benefit even if they do not work to earn income. At the same time, the maximum benefit is increasing substantially, from $2,000 for children *under* age 17 to $3,000 for

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[95] Committee for a Responsible Federal Budget. https://www.crfb.org/blogs/whats-president-bidens-american-families-plan

[96] Greenstein, R. (2021). "Strengthening the Child Tax Credit: What comes next?" *The Brookings Institution*. https://www.brookings.edu/blog/up-front/2021/05/26/strengthening-the-child-tax-credit-what-comes-next/

children age six *through* 17, and $3,600 for children younger than six years. Previously, a 17-year-old child qualified for a $500 maximum household credit that was not refundable (i.e., it could only be used to offset taxes owed and was not eligible to be returned to the taxpayer as a cash refund).[97]

By simultaneously growing the universe of CTC beneficiaries – with a specific focus on lower-income families – and raising the benefit ceiling, the expanded CTC is arguably the strongest pillar in the ARP's programs to support low-income and working families. When taken together with the ARP's other measures, the new CTC is expected to help decrease the nation's child poverty rate to less than half of its current level.[98] Analysts have estimated that more than 90% of all American "families with children will receive an average benefit of $4,380" under the new CTC rules.[99]

To explore how these meaningful flows of funding – note that qualifying families are expected to receive 50% of their benefits in monthly installments between July and December, with the remaining 50% coming as lump sums after families file their annual tax returns – might alleviate housing cost-burden in Buffalo-Niagara, the authors drew on 2015-19 U.S. Census ACS PUMS data to identify families that are ostensibly eligible to receive money through the new CTC program. More precisely, the researchers adopted a set of assumptions that allowed them to estimate, for each family, a potential CTC amount based on Internal Revenue Services (IRS) guidelines with respect to eligibility, dollar amounts, and income-based phase outs.[100] The full set of assumptions includes the following:

1. That any child age 17 or younger who lives in a given household and is related to the head of household is a "qualifying child" for the CTC. According to the IRS, a *qualifying child* for purposes of the credit is "the taxpayer's son, daughter, stepchild, eligible foster child, brother, sister, stepbrother, stepsister, half-brother, half-sister, or a descendant of any of them (for example, a grandchild, niece, or nephew)."[101]

2. That households classified by the U.S. Census Bureau as "married-couple family households" file their taxes jointly. This assumption is notably restrictive, in that not all married couples file taxes jointly. However, because PUMS data do not offer insights into households' tax filing statuses, the authors were required to make a simplifying assumption (i.e., that married-couple households file jointly) to facilitate analysis. Similarly, for all households with qualifying children not classified as "married-couple family households", the researchers assumed a tax filing status of "head of household".[102]

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[97] Maag, E. and N. Airi. (2021). "The Child Tax Credit Grows Up to Lift Millions of Children Out of Poverty." 16 March 2021. *Tax Policy Center*. https://www.taxpolicycenter.org/taxvox/child-tax-credit-grows-lift-millions-children-out-poverty

[98] Ibid.

[99] Ibid.

[100] Internal Revenue Service. https://www.irs.gov/credits-deductions/2021-child-tax-credit-and-advance-child-tax-credit-payments-topic-b-eligibility-for-advance-child-tax-credit-payments-and-the-2021-child-tax-credit

[101] Ibid. Refer to question B3. To determine whether and how a child was related to the head of householder, the researchers relied on the PUMS variable "relationship to household head". See: https://usa.ipums.org/usa-action/variables/RELATE#codes_section

[102] Household type was determined from the PUMS variable of the same name. For more information, see: https://usa.ipums.org/usa-action/variables/HHTYPE#codes_section

3. That a given household's total family income reflects its total gross income.[103]
4. That a given household's (family's) CTC benefit amount can be computed as a function of its number of qualifying children and gross income, using the IRS guidelines visualized in Figure 49 (source: the Tax Foundation).

Grounded in these assumptions, the research team's analyses suggest that roughly 98% of families with qualifying children in Buffalo-Niagara may be eligible to receive full or partial CTC benefits, with the average benefit for eligible households equaling $5,550.[104] Recall that, for the nation as a whole, just over 90% of households have been estimated to receive benefits averaging slightly under $4,400 per household. Consistent with this report's earlier finding that Buffalo-Niagara is a relatively low-income region – with almost half of all households earning at or below 80% of family-size-adjusted area median income – families in Erie and Niagara Counties are arguably more likely to benefit from the CTC, and at higher levels, than the typical U.S. household. Put another way, because the expanded CTC is intentionally aimed at providing more low-income and working-class families with greater benefits, it makes sense for low-income regions like Buffalo-Niagara to see above-average shares of the new funds flow to their households.

Assuming that CTC benefits will augment a family's total monetary resources available for housing expenses,[105] it is possible to explore the expanded tax credit's potential effects on housing cost-burden in much the same way as was done for a universal $15 minimum wage above. At bottom, the researchers' calculations show that the number of cost-burdened households in Buffalo-Niagara could decrease by 5% (nearly 7,000 households) under the expanded CTC, from more than 140,600 to just under 134,000 households. While, at face value, this effect seems small relative to the changes estimated for a universal minimum wage increase, keep in mind that not all households have qualifying children. Indeed, per the Census ACS, there are just over 121,000 households in Buffalo-Niagara with

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[103] Eligibility for CTC benefits is determined by a household's *adjusted* gross income (AGI). According to the IRS, AGI equals "gross income minus adjustments to income. Gross income includes…wages, dividends, capital gains, business income, retirement distributions as well as other income. Adjustments to Income include such items as Educator expenses, Student loan interest, Alimony payments or contributions to a retirement account… AGI will never be more than…Gross Total Income". Because the PUMS dataset does not contain information on *adjusted* gross income, the researchers used a simple adjustment factor to convert total family income (i.e., gross total income) to AGI. Specifically, drawing on IRS Statistics on Income (SOI) individual tax return data for Buffalo-Niagara, the authors computed two values: (1) average total gross income, which is total gross income reported for all returns from the most recent SOI divided by the total number of returns; and (2) average AGI, which is the total AGI reported for all returns divided by the number of returns. The ratio of value (2) to value (1) was used as a multiplier to *adjust* each family's total gross income (from the PUMS data) into an estimate of its AGI.

[104] According to standard 2015-19 U.S. Census ACS outputs, there are 123,354 households in Buffalo-Niagara where related children under 18 years old are present in the household (ACS Table S0901). However, the Census Bureau advises users that PUMS data will almost always differ from standard ACS outputs due to records being held out f the PUMS for confidentiality and related reasons (See: https://www2.census.gov/programs-surveys/acs/tech_docs/pums/ACS2015_2019_PUMS_README.pdf). That being said, the authors' analysis of PUMS records generated 121,322 households with related children present. The difference between this PUMS value and the conventional ACS output is negligible (~1.6%).

[105] Following standard definitions of housing cost-burden that assume a family's total gross income is the basis from which to compute housing affordability, the authors simply add a family's estimated CTC benefits to its total family income to measure resources (potentially) available for housing.

related children present (around a quarter of all households),[106] compared to more than 154,000 households with one or more workers earning below $15 per hour.[107]
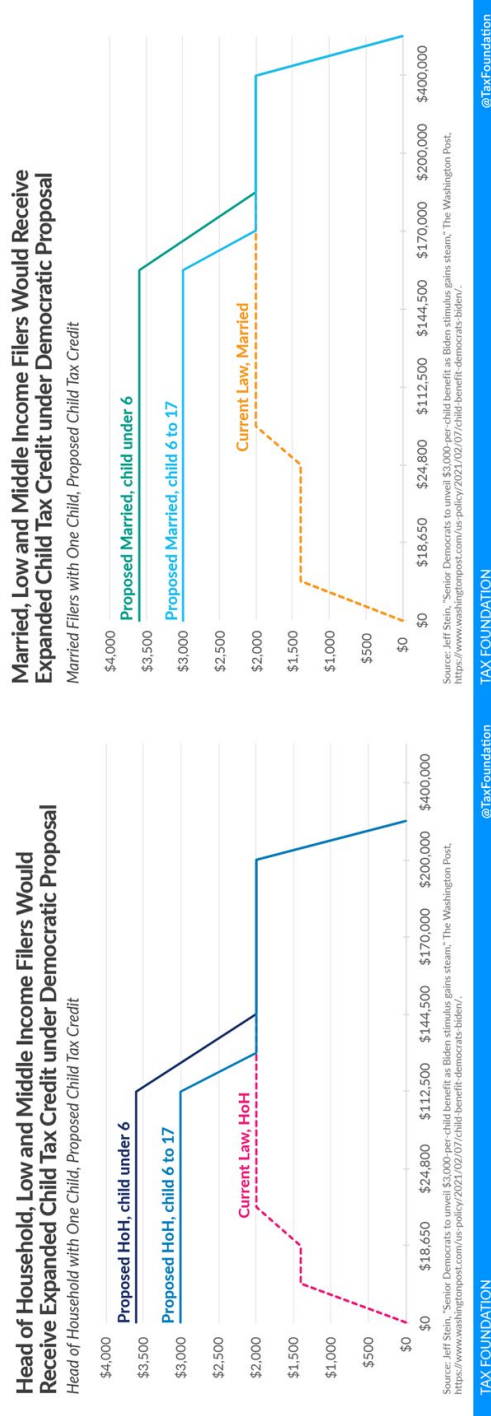

Figure 49. New v. Old Child Tax Credit Income and Benefit Guidelines (source: The Tax Foundation)

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[106] See note 104.
[107] Authors' calculations.

Thus, whereas the universe of potential beneficiary households is smaller for the expanded CTC program compared to the $15 minimum wage, to the extent that it also targets lower-income households, the former program may follow the latter in advancing racial equity (recall the recurring theme of interesting inequality in Buffalo-Niagara, which works to disproportionately concentrate households headed by persons of color in the lower ends of regional income and wealth distributions). To test this possibility, Figure 50 and Figure 51 show, respectively: (1) cost-burden rates by head of householder race/ethnicity under the status quo and in the hypothetical expanded CTC scenario; and (2) the difference between a given demographic group's cost-burden rate and the cost-burden rate for white-headed households.
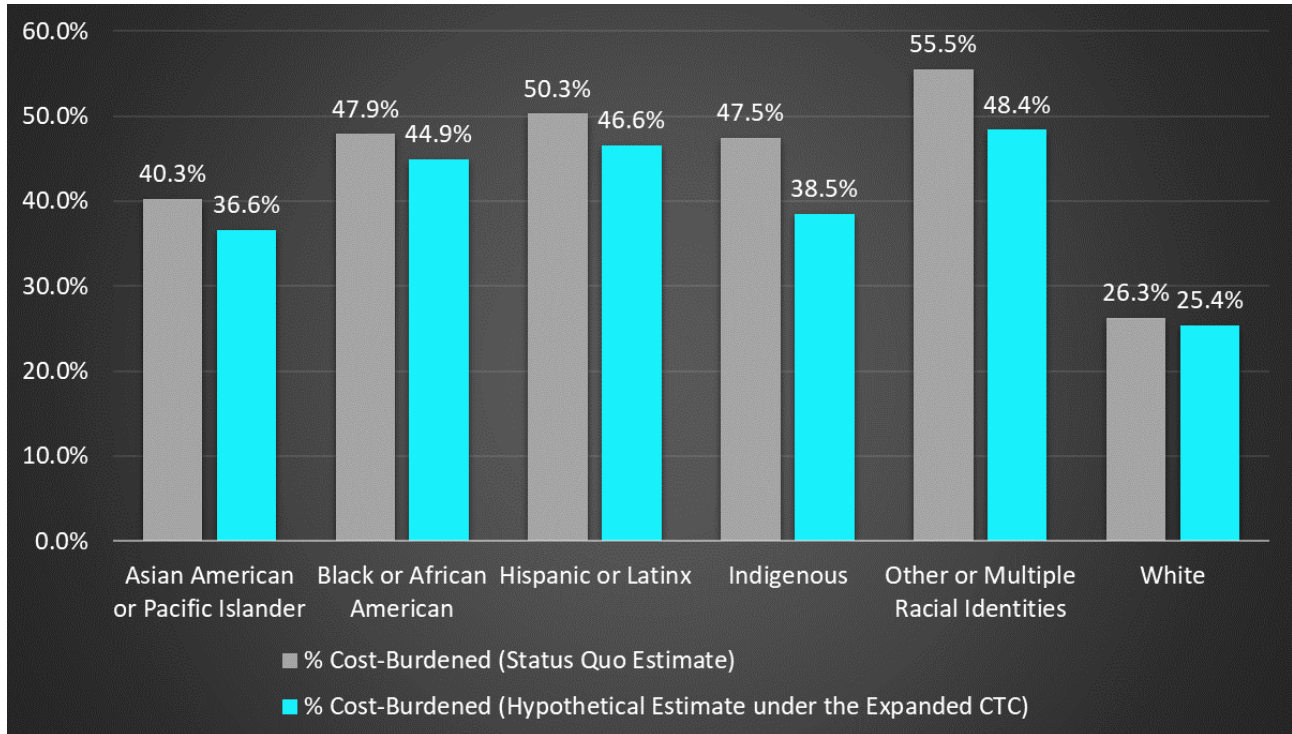

Figure 50. Estimated Change in Cost-Burden Rates, by Race/Ethnicity, with the Expanded CTC (Source: authors' calculations from the 2015-19 ACS)

As expected, and as was the case with the $15 minimum wage, the expanded CTC marginally narrows gaps in housing (un)affordability. Namely, under the enhanced CTC, the cost-burden rates for households headed by persons of color drop by between three (Black- or African American-headed households) and nine (Indigenous-headed households) percentage points, compared to a drop of just under one percentage point for white-headed households (Figure 50). The upshot is that differentials in cost-burden rates by race or ethnicity decrease in magnitude. The decrease is largest for Indigenous-headed households: under the status quo, the cost-burden rate for such households is 21.2 percentage points higher than for white-headed households; under the hypothetical expanded CTC scenario, this difference falls to 13.1, an 8.1 percentage point drop (Figure 51).
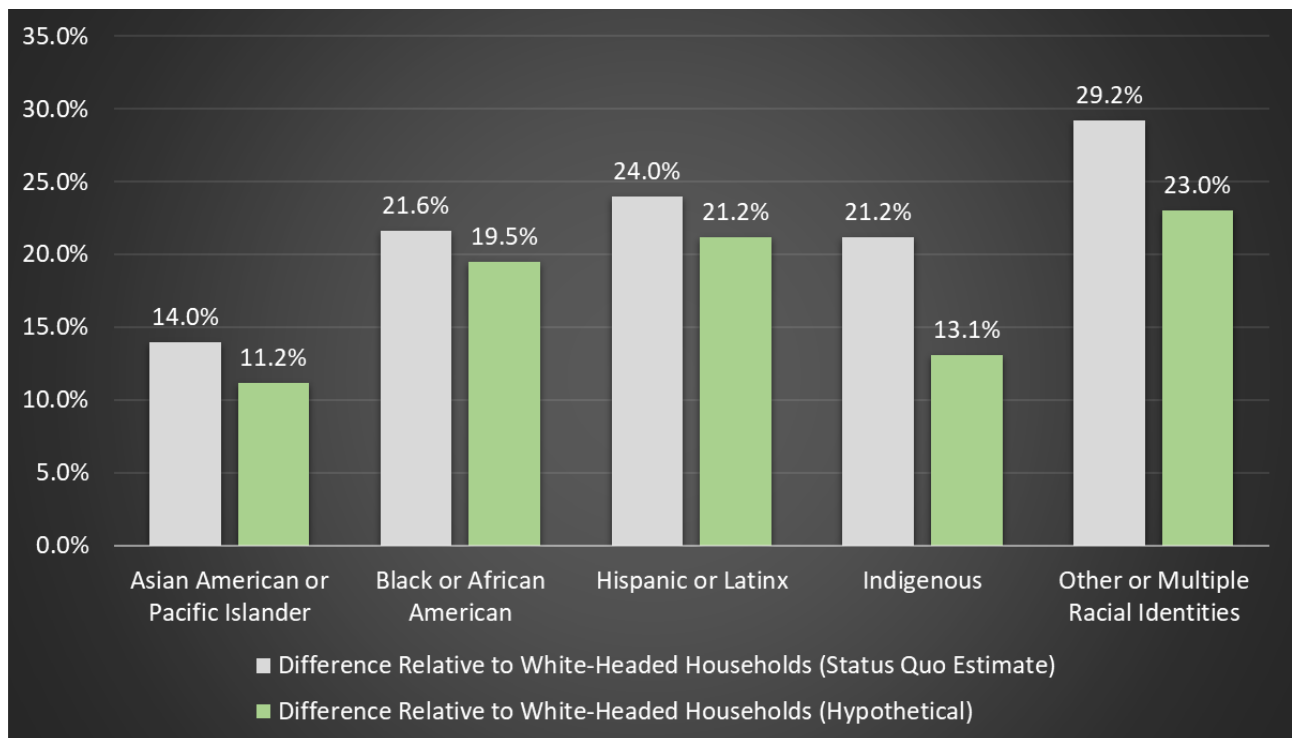
Figure 51. Estimated Change in Group Cost-Burden Differentials for BIPOC-Headed Households Relative to White-Headed Households with the Expanded CTC, by Householder Race/Ethnicity (Source: authors' calculations from the 2015-19 ACS)

Notwithstanding the marginal advancements in racial equity with respect to housing (un)affordability documented in Figure 50 and Figure 51, the expanded CTC program, by itself, is clearly not a panacea for eliminating housing cost-burden in Buffalo-Niagara (or anywhere). Rather, the program – which reasonably deserves to become permanent given its anticipated contributions to halving child poverty[108] – needs to be coupled with a diverse array of other short- and long-term [transformational] changes. Several of these – such as investing in the development and expansion of collective housing models, expanding and improving public housing stocks, and building institutions for democratic community control over land use and neighborhood decisions – are touched on in the closing section of the report and addressed more fully elsewhere.[109] Here, the authors simply consider what housing affordability in Buffalo-Niagara might look like if the two changes discussed above – a $15 universal minimum wage and the expanded CTC – were implemented together.

Coupling a $15 Universal Minimum Wage with a Permanently Expanded Child Tax Credit
Leveraging the "new" values for family total income that were computed earlier for Buffalo-Niagara households under a $15 minimum wage, the research team replicated its analysis for the expanded CTC using the same set of assumptions enumerated in the preceding subsection. That is, CTC eligibility and

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[108] Wheaton, L., Minton, S., Giannarelli, L., & Dwyer, K. (2021). "2021 Poverty Projections: Assessing Four American Rescue Plan Policies." *The Urban Institute*. https://www.urban.org/research/publication/2021-poverty-projections-assessing-four-american-rescue-plan-policies

[109] Weaver, R., & Knight, J. (2020). *Advancing Housing Security: An Analysis of Renting, Rent Burden, and Tenant Exploitation in Erie County, NY*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3778025

benefits were recomputed with respect to each household's family income under a $15 minimum wage. In total, when the minimum wage increase and expanded CTC are combined, the number of cost-burdened households in Buffalo-Niagara is estimated to decrease by nearly 22,000 households (a 15.5% drop), from approximately 141,000 to just under 119,000 households.

Not surprisingly, layering the two incipient structural changes onto one another seemingly decreases cost-burden more effectively than what either policy change could accomplish alone. This finding extends to observations of racial equity in housing (un)affordability. Namely, repeating the same type of explorations of cost-burden by race/ethnicity that were performed in the prior two subsections, Figure 52 and Figure 53 graph, respectively: (1) cost-burden rates by head of householder race/ethnicity under the status quo and in the coupled $15 minimum wage + expanded CTC scenario; and (2) the difference between a given demographic group's cost-burden rate and the cost-burden rate for white-headed households.
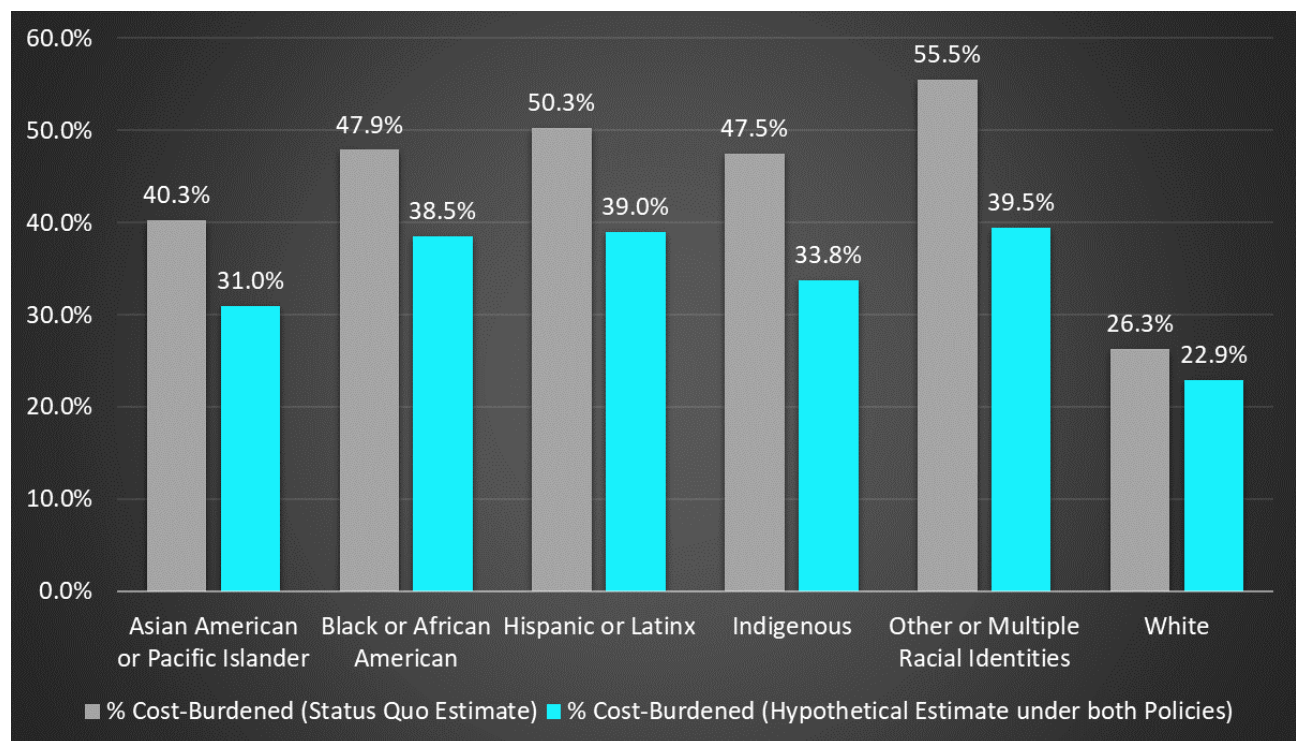

Figure 52. Estimated Change in Cost-Burden Rates, by Race/Ethnicity, with both Changes (Source: authors' calculations from the 2015-19 ACS)

Observe from Figure 52 that cost-burden rates were estimated to decrease by between 9.3- (Asian American or Pacific Islander) and 16.0- (Other Race or Multiple Racial Identities) percentage points for households headed by persons of color, compared to 3.4 percentage points for white-headed households. As documented throughout this report, these differences in magnitude arise because of the systemic forces that disproportionately concentrate persons of color, and households headed by persons of color, into low opportunity employment and living situations. Insofar as both minimum wage increases and (proposed) expanded child tax credits are targeted toward low-income workers and households, it is no surprise that these policies are expected to bring about marginal advancements in racial equity in at least one socioeconomic indicator (housing cost-burden rates).
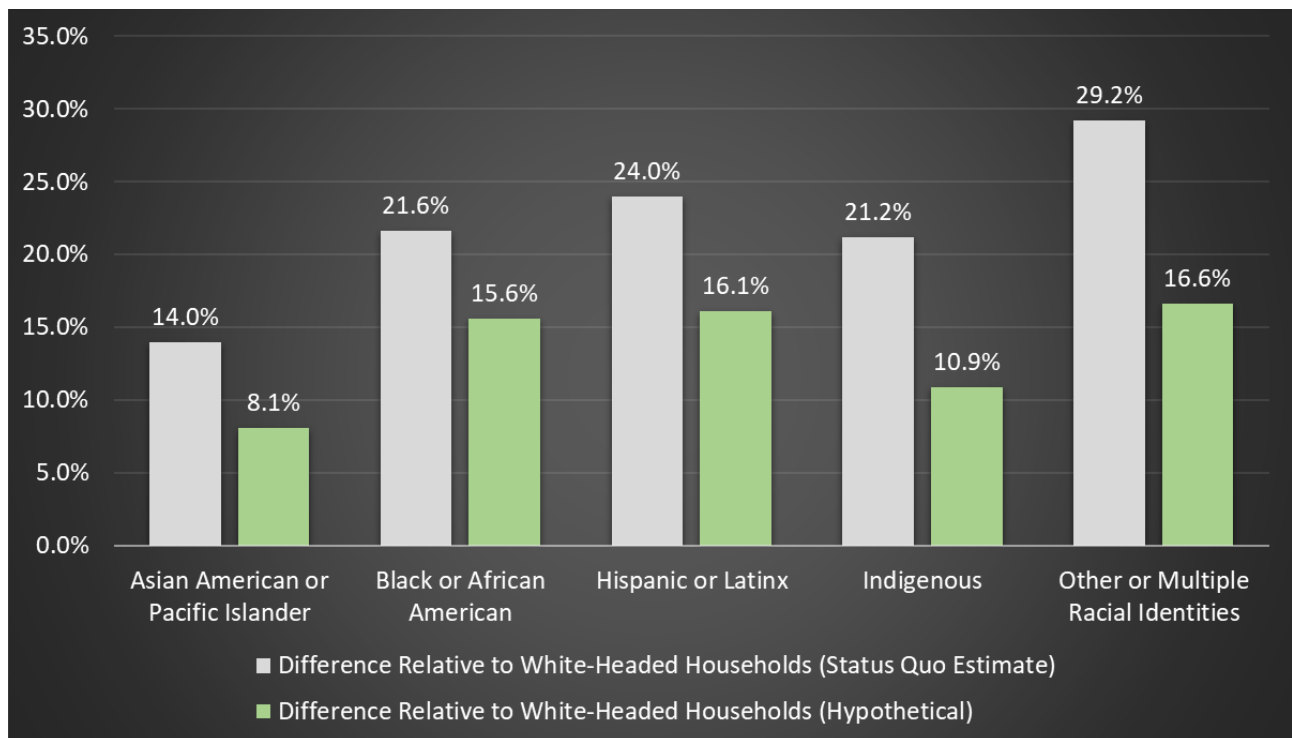
Figure 53. Estimated Change in Group Cost-Burden Differentials for BIPOC-Headed Households Relative to White-Headed Households with both Changes, by Householder Race/Ethnicity (Source: authors' calculations from the 2015-19 ACS)

To be sure, Figure 53 shows how the BIPOC-white gaps in housing cost-burden rates might shrink under more generous minimum wage and CTC rules. The most extreme improvements in this scenario occur for households headed by Indigenous persons and households headed by persons who report Other or Multiple Racial Identities. For both groups, cost-burden rates draw at least ten percentage points closer to the cost-burden rate for white-headed households in the modeled scenario. Put another way, racial gaps in housing affordability – while still present and high – undergo meaningful degrees of closure when the two policies under investigation are co-implemented.

Along those lines, it is absolutely vital to keep in mind that "closing a racial gap" should rarely if ever be the ultimate objective of a policy change. Ideally, policies are designed to pursue *universal* goals – such as ensuring that 100% of the population lives in healthy, affordable housing – by way of *targeted* means that acknowledge and engage with group differences. In other words, a goal should not be to ensure that BIPOC-headed households experience cost-burden at the same rate as white-headed households. Instead, a goal might be that zero households experience cost-burden. That goal could then be pursued with policy instruments whose forcefulness varies according to (i.e., is *targeted to*) a given group's starting point vis-à-vis the *universal* goal.[110]

Under the status quo, a universal goal of zero housing cost-burden would require, at minimum, one or more mechanisms to increase housing affordability for the 140,626 households whose self-reported

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[110] For more on *targeted universalism* in public policy, see: powell et al. (2019). Also see: Weaver, R. (2020). "Prioritizing racial equity and social justice in New York State." *High Road Policy* 1(3): 1-12. Available at: https://ecommons.cornell.edu/handle/1813/72930

monthly housing expenses exceed 30% of their gross monthly family income (see above). If all said households were to remain in their current housing units, and if their family incomes and housing expenses were unchanged, then one approach would be to calculate each household's *affordable housing income deficit* and provide every household with a subsidy in the amount of its deficit. For the purposes of this report, a household's *affordable housing income deficit* is equal to the amount of gross monthly family income that would be needed to "unburden" a household – that is, to make it such that the household paid no more than 30% of its income on housing.

Adopting the preceding definition, it is possible to compute the annual cost of eliminating housing cost-burden in the Buffalo-Niagara region, through household-level subsidies, as the sum of every cost-burdened household's *affordable housing income deficit.* According to the authors' estimates from 2015-19 ACS PUMS data, the total annual cost of eradicating cost-burden in Buffalo-Niagara through subsidies is roughly $766.2 million, based on self-reported family incomes and monthly housing expenses. Of course, reaching a universal goal of zero housing cost-burden is unlikely to ever be pursued through individual, household-specific subsidies. The point in quantifying this number was, rather, twofold: to (1) enumerate the scale of the current scenario, which, as described throughout this report, is likely to worsen over time without any meaningful intervention; and (2) document how certain policy changes can substantively engage with problems of deficient income without resorting to custom-tailored subsidies.

With respect to the latter point, the present subsection and the two prior subsections have demonstrated that more generous minimum wage and CTC programs are likely to decrease the number of cost-burdened households in Erie and Niagara Counties. Figure 54 summarizes these estimated decreases in cost-burdened households alongside corresponding changes to the aggregate housing income deficit of cost-burdened households under both policies. In the modeled scenario of a universal $15 minimum wage *and* a permanently expanded CTC, the annual price tag for eliminating housing cost-burden in Buffalo-Niagara falls by more than 27%, from over a quarter of a billion dollars to $556.5 million – for an annual "savings" of approximately $210 million. Hence, two policies that are either being phased in (minimum wage) or temporarily experimented with (expanded CTC) are poised to bring substantial relief to a sizeable fraction of cost-burdened households. By fully implementing and making these changes permanent, and wedding them to more and farther-reaching structural changes like expanding public housing and other cooperative and collective housing alternatives at the local level,[111] it is possible to gradually uproot the Buffalo-Niagara region's housing affordability challenges despite the present (and growing) enormity of their scale (e.g., Table 34).

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[111] Weaver, R., & Knight, J. (2020). *Advancing Housing Security: An Analysis of Renting, Rent Burden, and Tenant Exploitation in Erie County, NY.* https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3778025
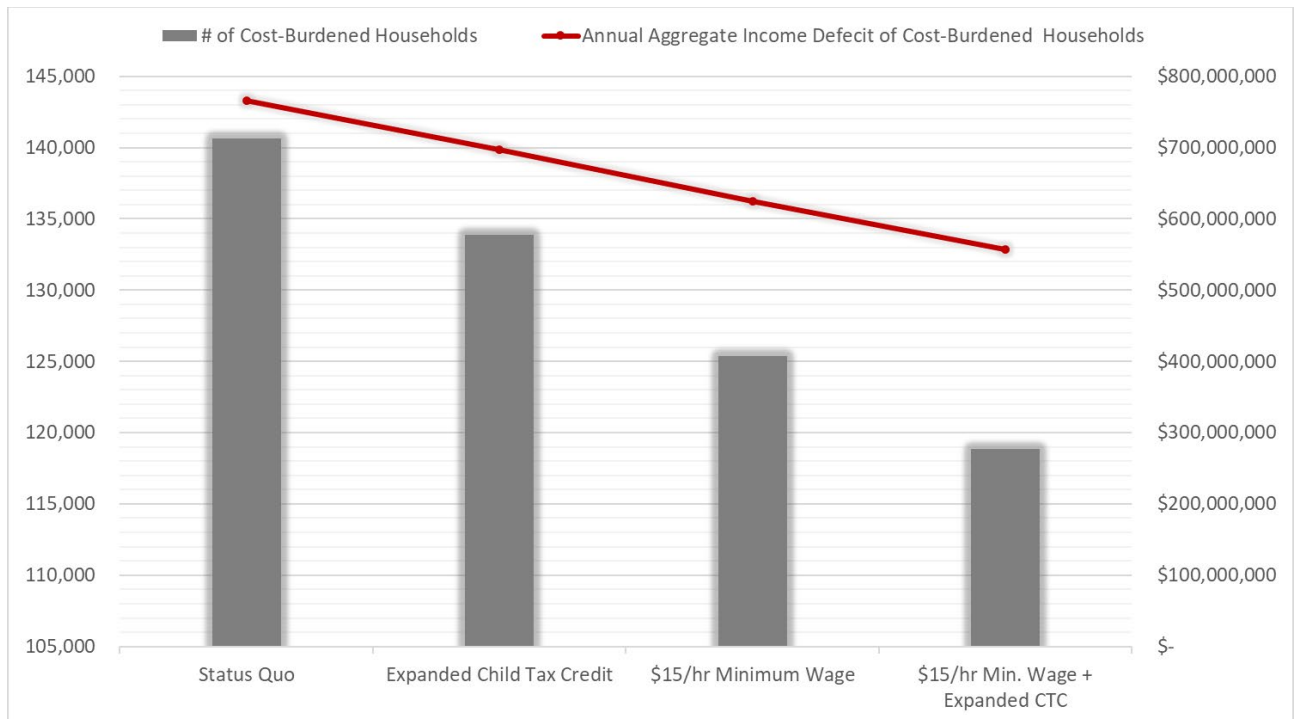
Figure 54. Changes in Cost-Burdened Households and Annual Aggregate Housing Affordability Income Deficits under Selected Policy Scenarios (authors' estimates)

Limitations and Other Words of Caution

Before closing out this section, it bears repeating that the analyses performed above required making several assumptions and engaging in other abstractions. While the authors have sought to be transparent about the assumptions required to facilitate the preceding empirical exercises, one abstraction has thus far gone unstated: the possibility of benefits cliffs. A benefits cliff:

> "occurs for low-income families when small increases in income result in a reduction or a loss of essential public benefits. As a result, families do not have the resources required to meet even basic needs and employers are stymied in their attempts to hire and promote employees."[112]

Benefits cliffs are major stumbling blocks for economic mobility. While minimum wage increases, for instance, can raise a household's gross family income and potentially "unburden" that household with respect to standard definitions of housing affordability (i.e., spending 30% or less of gross monthly income on housing), increases to income can take away vital social support. Namely, higher incomes can nullify households' eligibility for resources from programs like Medicaid or SNAP, reduce or eliminate their access to child and dependent care resources, make them ineligible for publicly subsidized housing, and/or decrease the dollar amounts they can obtain through tax initiatives like the Earned Income Tax Credit (EITC).

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[112] Crandall, S.R., & Ojelabi, O. (2021). "Mitigating the Benefits Cliff: A Linchpin for Economic Recovery." *Spotlight on Poverty and Opportunity*. https://spotlightonpoverty.org/spotlight-exclusives/mitigating-the-benefits-cliff-a-linchpin-for-economic-recovery/

There is no simple strategy for attempting to identify households that could face benefits cliffs in the policy change scenarios modeled above. Such an analysis would demand more specific information from individual households about the benefits they apply for and receive, as well as from social support program administrators to determine precise program eligibility guidelines and thresholds for the Buffalo-Niagara region. The data collection effort for such a project would require considerable funding and time, placing it well outside the scope of the present report. Nevertheless, one cannot ignore the possibility that benefits cliffs could creep into the modeled scenarios from above. Nor can one ignore the clear and considerable potential that more generous minimum wage and CTC programs have for reducing housing cost-burden. For these reasons, any path forward with respect to minimum wage increases must build in complementary strategies to prevent households and individuals from falling off benefits cliffs. Toward that end, social scientists Susan Crandell and Olanike Ojelabi offer a handful of recommendations, including the following:

- "**Create a Cross-Secretariat, Cross-Agency Task Force to Mitigate the Benefits Cliff**….[Decision-makers] should coordinate across programs to address cliffs by synchronizing benefit eligibilities, rules, and regulations. Program alignment reduces complexity for recipients and program staff and facilitates financial decision-making. The task force should directly address the barriers for policymakers to align rules across programs, including the financial impact of changes on individual benefit programs.

- **Increase Access to Benefits**. Increasing benefit amounts is essential for families to stay afloat given the rising costs of living. For example, policies that enable workers to continue receiving public benefits as they are transitioning to new jobs promote both work and family stability. Another option is to increase earned income disregards, which allow some earned income or work-related expenses to be excluded for purposes of determining eligibility and benefit amount…

- **Boost Support for Working Families**…[I]nvesting in public goods, such as implementing high-quality universal child care, would significantly reduce the benefits cliff. This will also increase resources for families and allow parents to work with the knowledge that their children are receiving high-quality care.

- **Explore Tax Solutions**. Benefit program alignment must be synchronized with tax reform to create the largest impact for workers and to encourage work. The [federal government] should make permanent its efforts to expand the [EITC], one of the most successful anti-poverty programs for encouraging work and increasing family net resources. In addition, the EITC can be more tightly integrated with state EITC policy, thus smoothing out cliffs. Also, the Child Care Tax Credit should be fully refundable beyond 2021, thus increasing access for low-income families… the severity of the benefits cliff effect [can be further mitigated] by using a tax credit to make taxpayers whole. Essentially, each affected worker would be awarded a credit to make their post-tax financial position up to the maximum level it would have been had the worker decided not to earn additional income from work.

- **Ensure Transparency Through a User-Friendly Tool**. Because the public benefits system is highly fragmented, teasing out the repercussions of wage increases is nearly impossible. Thus families,

and the case managers assisting them, lack the information they need to guide families towards effective decisions and take control of their financial lives".[113]

Conclusions and Next Steps

Challenges that Appear to Lie Ahead

The analyses conducted and summarized throughout this report arguably uncovered three overarching challenges that are both actively in progress and appear primed to worsen in the coming decades.

Seller's Market + Stagnant Wages = Growing Affordability Gap

Sales transaction data from the New York State Office of Real Property Taxation Services and Redfin suggest that the Buffalo-Niagara region, as a whole, is currently experiencing a seller's real estate market. Properties are selling above list price at five times the rate they were just under a decade ago, inventory is tightening (which is driving prices up on the limited supply that is available), and median prices are rising faster than at any point in recent memory. Whereas these trends might be good for home sellers and real estate investors, for residents of the region they are likely to exacerbate the existing affordability gap. Depending on the geography and type of housing (e.g., single- or multi-family), median home prices are rising up to six times faster than regional wages. As wages remain relatively flat while housing costs soar, households experience increasing financial hardship.

Seller's Market + Silver Earthquake = Red Tsunami

A second issue with the region's seller-friendly real estate market deals with the aging population structure discussed numerous times throughout this documented. Namely, the Baby Boomer generation will uniformly reach retirement age within the next decade. At present, Boomer-headed households have the largest share of households in the region of any age group. At the same time, Boomers are the least likely age group to be cost-burdened, either because they have more wealth saved, higher incomes, purchased homes at lower prices in more favorable market conditions, have paid off their mortgages, or any combination of these reasons. Thus, Boomers are putting somewhat artificial downward pressure on measures of housing cost-burden and unaffordability in the region. As scores of Boomers begin to retire and some decide to put their homes up for sale (either to move or downsize), those erstwhile "affordable" homes will be absorbed into a seller's market characterized by escalating prices. Moreover, they will be purchased by younger generations that, on average, have less wealth and are more likely to be cost-burdened than Boomers. New buyers will need to take on growing amounts of mortgage debt (going "into the red") to keep pace with higher market prices. In this way, an impending "silver earthquake" of Boomer-sellers putting properties on the market may trigger a "red tsunami" of mortgage debt. For many buyer households, given that mortgage debt is likely to come with relatively monthly housing payments in excess of cost-burden thresholds, which will increase levels of cost-burden within the region.

Non-Accessible Old Stock + Inaccessible New Stock = Unmet Needs

Without reliable data on housing unit accessibility for persons with disabilities, it is necessary to rely on imperfect proxy measures for this phenomenon. One potential proxy for accessibility is unit age. By and large, older units were not constructed to modern accessibility (e.g., universal design) specifications. That households containing persons with disabilities are disproportionately concentrated in older

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[113] Ibid.

housing units throughout Buffalo-Niagara therefore speaks to a substantial mismatch between population needs and housing provision. This problem is reinforced by the uneven income distribution in the region, in which households containing persons with disabilities are significantly more likely than the general population to (1) earn family income at or below 50% of the area median income (AMI) and (2) be housing cost-burdened. Crucially, lack of income in the current, seller-friendly real estate market in Buffalo-Niagara is a near-insurmountable barrier to accessing newer units that might be built to higher accessibility standards. The bottom line, then, is that accessible, affordable units are in gross undersupply throughout the Buffalo-Niagara region.

Next Steps

This section lays out a series of Next Steps that PPG and LISC, together with their partners and other regional housing organizations, community residents, civic leaders, and local government, should consider undertaking to address the challenges presented in this study.

The next steps offered here are cognizant of one critical reality in the region: limited capacity among all stakeholders to take on more work and increase spending. Rather than adding a new list of specifically tuned next steps derived from this report, the approach taken here is to recognize that this study confirms the work of two recent reports prepared in Erie County, each of which have comprehensive recommendations and action strategies to address the main issues here, specifically affordability, housing disabled residents, and the forthcoming demographic shifts related to aging and race/ethnicity. The findings and recommendations of these two reports, *Analysis of Impediments to Fair Housing Choice*[114] (AI) and *Advancing Housing Security: An Analysis of Renting, Rent Burden, and Tenant Exploitation in Erie County, NY*[115] (Rent Study), are directly connected to the findings of this study.

Although the focus of these two reports was Erie County, it is clear from the findings in this study, that the issues in Niagara County mirror those in Erie County, making the recommendations and action plans in both reports appropriate across the two-county region. By doing so, it also appeals to the idea that focusing on a smaller set of recommendations, rather than adding to them, is more likely to result in positive impacts than would adding to the litany of actions and recommendations without adding to the existing capacity of PPG, LISC, and regional stakeholders and governments.

Capacity Building

Locally rooted organizations like PPG, LISC, and their partners play a critical role in community capacity building, which is embedded in each organizations' mission statements and guiding documents. For instance, PPG "builds a more just, sustainable, and culturally vibrant Buffalo Niagara through action-oriented research, policy development, and **citizen engagement**."[116] LISC "**works regionally with partners** to bring local neighborhood ideas to life; creating great places to live, work and raise a family for all."[117]

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[114] Analysis of Impediments to Fair Housing Choice. https://www2.erie.gov/environment/sites/www2.erie.gov.environment/files/uploads/CommDev-AnalysisOfImpedimentsToFairHousing_2020-lr.pdf

[115] Weaver, R., & Knight, J. (2020). *Advancing Housing Security: An Analysis of Renting, Rent Burden, and Tenant Exploitation in Erie County, NY*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3778025

[116] Partnership for the Public Good. https://ppgbuffalo.org/

[117] LISC Western New York. https://www.lisc.org/wny/who/mission/

Given these organizational missions, the focus of this section is primarily on steps the two organizations can undertake to lift up recommendations and actions in the AI and Rent Study in ways that support the identified housing gaps and challenges in this study. Notably, however, both organizations operate within an extensive network of partners. As such, where actions recommended below intersect with existing work of neighborhood-based partners, the priority should be to support and uplift that work, rather than duplicating or competing with it.

That being said, the following steps do not attempt to name specific funding mechanisms or programs, given that funding opportunities often change — and also because PPG, LISC, and regional housing partners are generally aware of existing funding opportunities and routinely deploy existing funds, and identify new funds, to address stated issues. In other words, the action of "continuing to work with regional partners and local governments to fund housing programs" is not something that local actors working in this space need to be told to do.

Instead, the focus here is on how PPG, LISC, and their networks of partners can assist in building up regional capacity in the region across this study's identified housing needs. The following outlines capacity building and community education actions and recommendations from the AI and Erie County Rent Study that PPG and LISC should consider.

Analysis of Impediments – Community Capacity Building Actions

The following actions from the AI were made for CDBG grantees but given their limited capacity to undertake them, it is an appropriate place for PPG and LISC to potentially step in and support community capacity building across the region. The following actions, across a number of housing issues, represent areas were capacity building is required, including as it relates to funding.

- **Action:** Educate landlords about Fair Housing Law to ensure they are not discriminating against Section 8 voucher holders.
- **Action:** Provide assistance to developers pursuing Low Income Housing Tax Credit projects
- **Action:** Work with local lenders to expand access to funding for protected classes
- **Action:** Assist housing organizations and support groups identifying and reporting housing discrimination when policies are not followed, especially as a result of NIMBY resistance
- **Action:** Provide education and support to reduce NIMBY opposition to housing (especially affordable unit) development
- **Action:** Provide education to developers about need for accessible housing and design standards that can be incorporated into development
- **Action:** Provide education to tenants about their rights to safe and adequate housing
- **Action:** Support implementation of Erie County's Fair Housing Law
- **Action:** Ensure elected officials, board members, and other decision-makers are educated on policies and practices to affirmatively further fair housing

Erie County Rent Study – Community Capacity Building Actions

Much of the recommendations in the Erie County Rent Study focus on specific actions that require legislative action by local and state governments. However, there are two areas in the rent study where the mission and roles of PPG and LISC align with capacity building recommendations: **Building Tenant Power** and **Building Community**, which are summarized briefly here.

- **Building Tenant Power:** The report finds that tenants lack, in almost every way, any power within the regional rental market and that power and power relations tend to reside with wealthy land and property owners. Broadly speaking, PPG and LISC's positions and platforms offer the means to achieve the recommendations here, namely, that investing in the development of civic infrastructure to support tenant power and organizing that seeks to overcome limited power. This can include, for instance, providing PPG's classroom space for groups and organizations to engage in civic affairs and the sharing of information. Additionally, this can and should include financial support for groups to formally incorporate and operate.

- **Building Community:** The next and more formal step is to support these organizations and interested stakeholders in direct engagement with, and formal participation in, local government. One effort might be to inventory existing citizen and committees and boards in all regional jurisdictions and ascertain the extent to which renters are represented. Working to provide renter voices to seemingly democratic political institutions is critical to building a community where all voices are represented. Lastly, PPG and LISC can work with organizations to increase voter turnout among renters, who are underrepresented in the regional electorate. Through this process, other strategies and policies recommend in this study and the two cited reports become increasingly easier to achieve.

Research and Strategic Planning

PPG and LISC can play an important and substantial role in the regional housing market by conducting further research on specific issues and developing strategic plans and programs to address housing gaps and challenges. As PPG did for this report, its ability to commission focused research and analysis aimed at answering important housing questions that lead to the development of community-supported regional housing plans and strategies is an important and powerful role. Along these lines, the following steps would be appropriate given the analyses and findings presented in this report.

- Regional Housing Strategy – PPG and LISC, working with regional housing organizations, civic leaders, builders and developers, and the community should develop a two-county housing strategy that lays out a formal pathway to address the issues of identified in this report. The strategy should include, minimally, a number of scope elements that answer critical questions and lay the groundwork for strategic, equitable housing policy in the region, including:
  - *Regional Zoning and Development Standards Assessment* – A critical limitation in the development of various housing types across the region is traceable to restrictive zoning and development standards across the region. It is clear the production of multi-family units and group homes, the types of housing low- and moderate-income household and the disabled require, is undersupplied in the growing suburbs of the two counties. Although one might chalk that up to a lack of demand in the suburbs or because public transportation, also a critical need for these households, does not provide the necessary coverage in the suburbs to support such housing development. Although there is some truth in this, the reality is in many suburbs zoning codes and development standards appear to be a contributing factor. An assessment of zoning and development standards will achieve two objectives. First, it will identify the locations where multi-family and group homes are permitted as of right, and where in those communities existing available land for such development exists. Second, it will identify communities where

these types of housing are either not permitted outright or require some form of subjective approval, such as s special use permit. Such approvals can be obstacles to development given the unpredictable nature of public boards and the potential for not-in-my-backyard reaction from residents.

- *Inventory of Disability-Accessible Housing* – An inventory of disability-accessible housing does not exist and therefore the number, location, and transit-accessibility of units is unknown. What is clear from conversations with regional disability organizations and advocates, is there is a limited supply of quality, accessible units in the region. An inventory of units, coupled with an assessment of their geographic distribution, can help support the development of additional units appropriate geographies, namely near public transit lines that connect to regional job centers.

- *Conduct a Census of Subsidized Housing* – (from *Erie County Rent Study* discussed in the next section). Analysis of HUD data presented in the *Erie County Rent Study* found, paradoxically, that there were more than 2,200 unoccupied subsidized housing units in Erie County yet there are substantially more low- and moderate-income households in need of affordable housing units. A census of available subsidized housing units across both counties would help identify existing capacity, and by using wait lists and other information, could lead to filling those units with households.

- *Condition Assessments* – Currently, the City of Buffalo is beginning the process to assess the exterior conditions of residential properties in the city, following the same effort undertaken during the development of its Housing Opportunity Strategy. Given that tenants and housing organizations routinely cite low housing quality, at exploitatively high prices, research that assesses the overall quality of the stock of mainly rental units is needed.

- *Inventory and Feasibility Analysis of Public Owned Land* – As stated in the Rent Study and discussed below, the vast supply of public-owned land in the two counties represents a cost-effective and necessary input into the production of various types of housing. Conducting an inventory of all public-owned land, and assessing its utility for housing production based on proximity to important amenities such as public transportation and employment centers would provide for a more geographically-focused analysis of the best locations to site affordable housing.

- *Geographic Analysis* – Lastly, and arguably most importantly, these various layers of geographic information should be used to make strategic decisions about where to, and as importantly where not to, provide housing. This is, arguably, the second most important question to ask after identifying "what?" types of housing are needed in the region. A just and equitable housing strategy is one where geography is a critical driving factor in the decision-making process. Too often, housing for low- and moderate-income residents has been produced in areas not where opportunity and access exist but where land costs are the lowest. Low land costs are generally indicative of places with fewer necessary amenities nearby, from access to grocery stores to public transportation. An equitable framework for housing policy must be grounded in the belief that access to opportunity is a right, a non-negotiable position.

Policy Advocacy

The technical expertise and capacity, as well as credibility and visibility, of PPG and LISC suggests each can play an important role as advocates and champions for necessary changes to local, county, and state public policies. Once again, the *Analysis of Impediments to Fair Housing Choice* and *Advancing Housing Security: An Analysis of Renting, Rent Burden, and Tenant Exploitation in Erie County, NY* offer a multitude of recommendations and actions that align with the needs identified in this report and provide areas where PPG and LISC should consider advocating for change. To that end, appropriate actions and recommendations from each are put forth below that PPG and LISC should advocate with and on behalf of regional housing stakeholders.

Analysis of Impediments to Fair Housing Choice

Impediments to fair housing choice are public and private sector policies and practices that restrict access to appropriate housing for members of protected classes. These can include direct discrimination, for instance a landlord refusing to rent to a member of a protected class, or indirect, such as zoning ordinances that restrict the development of multi-family, group homes, and/or other affordable housing options. The AI lays out an action plan for all grantees and some specific actions for the various jurisdictions. LISC and housing stakeholders were relied upon to help identify the impediments and their input and experiences were used to develop the action plans in the report.

In Niagara County, the city of Niagara Falls is an entitlement community, and its AI is significantly out of date. However, given the identified impediments in Erie County and its jurisdictions, the action plans in the Erie County AI are undoubtedly appropriate for consideration in Niagara County.

The following actions are connected to the findings in this report and should be lifted up by PPG, LISC, and regional housing stakeholders. These recommended actions are collective for Erie County and the County's entitlement communities but here are presented without regard to geography given that this study includes Niagara County. Instead, the focus is to highlight them, allowing regional stakeholders to considered them on their merit and utility. To that end, these actions vary slightly from the AI as they strip our references to specific jurisdictions and instead focus on actions than can be considered at the regional, county, and municipal levels.

- **Action:** Consider creating a Regional Task Force with responsibility for coordinating implementation of the Analysis of Impediments
- **Action:** Explore potential for regional/inter-jurisdictional expenditures of housing funds to expand housing opportunity across Erie and Niagara Counties and balance responsibilities for provision of affordable housing
- **Action:** Partner with regional providers to expand transit access to employment centers

    o Work with NFTA to review routes and services to maximize access and efficiency

    o Continue to support Rural Transit Service, para-transit, and other providers to ensure access for disabled, elderly, and others who do not have access to NFTA services

    o Explore options for expanding transportation services to assist low income residents in accessing employment

    o Consider program to subsidize private providers (e.g. Uber and Lyft) to fill gaps for low-income residents (for example: https://nytransit.org/resources/transit-tncs/205-transit-

tncs; also, a Western New York-based organization recently ran a pilot program to subsidize rideshare services for low-wage home healthcare workers to get to and from clients' homes – initial data suggest that the program was an unequivocal success that increased quality of life for workers)

- **Action:** Encourage jurisdictions to reduce barriers to higher density/lower cost housing

    o Advocate for withholding HUD funds to municipalities which take steps to reject affordable housing projects

    o Remove special use permit requirements for multi-family housing

    o Expand parcels zoned for multi-family/higher density housing

    o Reduce parking requirements where appropriate for multi-family housing

- **Action:** Revise HOME requirements to increase number of accessible units beyond current 2% and 5% minimums to promote additional units available for disabled residents and require "visitability" design in all 5+ units HOME-funded projects
- **Action:** Expand "visitability" requirements to ensure all new units allow access for disabled people in new units
- **Action:** Encourage local jurisdictions to revise ordinances to allow group homes, shelters, and other facilities where appropriate (most jurisdictions to not have group homes or shelters defined within their ordinances)
- **Action:** Work with service providers to support efforts to build group homes where needed across the region
- **Action:** Continue to support homelessness service providers, especially through development of transitional and supportive housing, and expand assistance as funding is available
- **Action:** Provide education to developers about need for accessible housing and design standards that can be incorporated into development
- **Action:** Expand funding for home rehabilitation/blight removal efforts
- **Action:** Partner with developers to encourage inclusion of affordable units into new developments
- **Action:** Assist developers with Low Income Housing Tax Credit process to provide affordable units in new development

Advancing Housing Security: An Analysis of Renting, Rent Burden, and Tenant Exploitation in Erie County, NY

The Erie County Poverty Committee, created in 2015 to "advise Erie County government on measures to reduce poverty and its causes" initiated this study to explore barriers to adequate housing throughout Erie County, with a particular focus on renters, renter housing cost burden, and renter exploitation. The focus of this report's recommendations, as summarized below, is renting and renter affordability, which is the primary concern of this study and crosses various housing cohorts, including by race and ethnicity, income, disability, and age.

As with the Analysis of Impediments, this focused only on Erie County. However, the contention here is that the findings in the Rent study, and the recommended actions, are appropriate for Niagara County as well given this study's findings.

It is important to note that these recommendations veer away from the typical policy approaches based on funding and financing new unit development and instead lean into changing the outcomes of the housing market via key legal changes. That is, they seek to change some of the systemic issues that create and embed identified housing challenges.

Explore Creating Countywide Rental Registries

The City of Buffalo passed a rental registry in 2004 with the intention of helping "identify problem properties and absentee landlords. It is used to assist code enforcement efforts to improve the quality of life for tenants and neighbors of rental dwellings."[118]

The condition of housing, although not detailed in this report, remains a critical issue for renters in both counties, with households having limited recourse to address these conditions. Limited connection to the property owner or even a property manager results in conditions, sometimes imposing serious public health concerns, remaining unchanged. The low quality of many rental properties, coupled with inattentive property owners, creates a class of disadvantaged and exploited households with few other options in the marketplace. At minimum, registries offer a point of contact for both local governments and renters, providing an accountable party responsible for addressing the needs of tenants or addressing housing code conditions or violations.

Developing and administering countywide registries in both Erie and Niagara counties, with the Counties administering the program and proportionally sharing revenue generating from fees collected in each municipality, would be a useful tool in holding landlords accountable and improving the overall stock of the region's housing.

Although the existing, fragmented system of local governance in New York State is often an immediate obstacle thrown up against potential policy solutions at the county or regional level, it is important to note that Rockland County, in downstate New York, recently established a countywide rental registry system, within New York State's existing legal apparatus.

Pass a Local Right to Buy

A tenants' Right to Buy can advance housing security and Build Tenant Power by creating a mechanism to protect tenants against displacement when a landlord sells a property and a new owner either tries to raise rents or refuses to extend tenancy to existing occupants. A Right to Buy would create a mechanism and process for providing tenants with an opportunity to own their homes should their landlord wish to sell. The mechanism prevents the landlord from going to the private real estate market before first making an offer to their tenant and allowing the tenant sufficient time to process the offer. As such, a "Right of First Refusal" gives tenants a degree of power over their landlords. Examples of a Right to Buy exist, including in Baltimore where tenants must be notified by registered mail and given 30 days to make a decision before the owner can sell on the private market.

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[118] City of Buffalo. https://www.buffalony.gov/723/Rental-Registration

Expand Public Housing

Given significant gap of public and subsidized housing units in the region relative to the number of low- and moderate-income households, substantively increasing the supply of public housing in the region should be given serious consideration. Although an expensive undertaking, the benefits of such a program would reduce housing insecurity and rent burden by recommodifying housing units in the region. Santa Clara, California voters approved a $950 million Affordable Housing Bond in the 2016, which funds the acquisition and improvement of properties for public housing.

Expand Public Transit and Reduce the Cost of Transit Usage

The Rent Study found that the "true" cost of living for a given household must take into account transportation costs. Further, is concluded that renters are likely more dependent on public transit than homeowners. When considering transportation costs plus housing costs, the total housing cost burden for low- and moderate-income households is higher than the standard measure of actual housing costs. In other words, already burden households are further burdened by transportation costs, reducing their ability to cover other necessary household expenditures. Two ways to reduce the transportation cost burden is to expand public transit and reduce rider costs. Kansas City, MO and Olympia, WA are testing free public transit and such a program by the Niagara Frontier Transit Authority would reduce the transportation cost-burden for low- and moderate-income households.

Establish Countywide Housing Trust Funds

A Housing Trust Fund is an increasingly utilized tool that uses public revenue to create a fund to support affordable housing. Most housing trust funds utilize real property deed recording fees to fund the program. Given the strong local housing market, using deed recording fees is an appealing and equitable way to address affordability. Specifically, in a strong market where prices appreciate, as they have in the region, it tends have a negative impact on renters as rents increase and they are left out of increased wealth building through real property equity gains. Committing deed recording fees to a Housing Trust Fund is equitable given that renters and low-income residents seldom benefit from "hot" housing markets. On the contrary, low-income residents are more likely to be displaced from their neighborhoods during periods of increasing housing demand than they are to enjoy in the benefits.

Reform Public Land Management and Disposition

Land is a significant and costly input into any program that seeks to increase the supply of affordable housing units through production. Across the two counties, and more acutely in the cities of Buffalo and Niagara Falls, vast supplies of public-owned land exist that can play a significant role in housing production and should be activated to advance regional housing policy objectives. There are currently numerous barriers to accessing public-owned land:

1. Local governments are hesitant to give up what they see as their control of public-owned land
2. When willing to sell, local governments favor selling for the highest market value they can attain, which
3. They suggest arises from New York State Law which states, "…a municipality may sell, lease for a term not exceeding ninety-nine years, or otherwise dispose of any such real property and appurtenances thereto, to any person, firm or corporation **at the highest marketable price** or rental at public auction or by sealed bids…"

However, as pointed out in further detail in the *Erie County Rent Study* and as evidenced by the Partnership for the Public Good's 2021 Community Agenda, which calls for the use of public land for public benefit[119], there are a number of legal ways by which local governments can sell properties for less than fair market value to help achieve and support affordable housing goals.

Support New and Existing Collective Housing Alternatives

County and local government, especially those endowed with available public-owned land, should work with community stakeholders and housing organizations to develop and support alternatives to traditional forms of housing tenure. Specifically, housing cooperatives and community land trusts have gained traction in communities across the United States, including here in Buffalo with the Fruit Belt Community Land Trust.

Manufacture Space for Manufactured Housing

Across the region, the costs of living in mobile or manufactured housing are significantly below other unit types. In the spring of 2020, a group of students in the Master of Urban Planning Program at the University at Buffalo completed a report titled "Manufactured Housing: An Affordable Housing Opportunity for Post Industrial Cities"[120]. The report suggests that modular housing in the City of Buffalo, utilizing low land acquisition costs, could help address affordability. A critical challenge exists, however, with regard to zoning and development regulations. Buffalo's unified development ordinance, for example, does not appear to permit manufacturer housing. The use of manufacturer housing requires connections to other recommendations here, including the inventory and assessment of regional land use and development codes and the creation of alternative forms of collective ownership.

Concluding Remarks

There are certainly a significant number of recommendation next steps suggested here. And it is certainly unlikely that all can be achieved. However, the lengthy list serves at least two purposes. First, it suggests that solutions to these challenges exist and that as much as the scope and scale of the challenge can seem insurmountable, taking incremental steps toward improving overall conditions is reasonable. Second, the list serves, mainly, as a conversation starter for PPG and LISC to engage with regional housing organization, lenders, philanthropic organizations, civic leaders, governments, and most importantly residents, to chart a pathway forward toward a more inclusive and just housing system.

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[119] Partnership for the Public Good. https://ppgbuffalo.org/community-agenda/
[120] Partnership for the Public Good. https://ppgbuffalo.org/files/documents/housing_neighborhoods/manufactured_housing_an_affordable_housing_opportunity_for_post_industrial_cities.pdf