Dianne Mortak and Jerome Garelli are desperately looking for a home. But the young couple, who are getting married in August, say prices are out of control.

"You have to spend at least $200,000 or more to get a decent house in a good neighborhood," said Mortak, 27, of West Babylon.

Frank and Lorraine D'Erasmo were so disheartened by the housing situation they almost moved their family off Long Island before winning a lottery that allowed them to buy an affordable home under construction in Bay Shore.

And Peter Spiratos and his wife, Maria, recently bought a house in West Islip, but with a new baby boy, they are now feeling the crunch of a much tighter budget.

"About 50 percent of my income goes to the mortgage since my wife stopped working," said Spiratos, a pharmacist.

All of these couples' situations typify what planners say is a growing problem on Long Island—a shortage of affordable housing.

In what experts say is the most comprehensive study done on local housing in at least a decade, the Long Island Regional Planning Board has found that 116,519 families, or 16.3 percent, are spending more than 50 percent of their incomes for housing, including taxes. The crunch affects not only the poor and low-income, they say, but also many young families with moderate incomes trying to stay on the Island.

Furthermore, the study found, 175,368 local families, or 25 percent, experience "housing problems," including homes lacking complete plumbing, overcrowded housing units, and households that are "cost burdened," meaning 30 percent or more of the family's income goes to housing costs, including mortgage or rent, taxes and utilities.

The report attributes the affordable housing crunch to several factors, including a booming economy and high housing prices, and zoning restrictions that often work against a "variegated supply of housing, which is the key to reducing housing costs."

It also cites aggressive land preservation policies which, while "laudable...to ensure the attractiveness of Long Island communities," further reduce available land for housing. And finally, there's "NIMBYism," the not-in-my-backyard syndrome among current homeowners who don't want affordable housing units in or near their community.
"If you're in a house already before the recent real estate explosion, you're better off," said Seth Forman, deputy director of the planning board and author of the study. But he noted that the situation is particularly hard for younger workers, like Mortak and Garelli, who are looking to buy their first home.

Public concern over affordable housing has grown dramatically in recent years, as housing prices have soared. A Newsday poll last year found that 73 percent of those polled said the issue is a major problem the Island should address in the next decade.

And the problem is not just local, experts say.

There are 14 million families nationwide who have critical housing needs, including 3.5 million moderate-income working families, according to the National Housing Conference, a coalition of affordable housing experts from the public and private sectors.

The problem for many families is that rapidly increasing housing prices have often outstripped the pace of rising incomes.

Between 1990 and 2000, median family income is estimated to have increased by roughly 27.8 percent in Nassau County, the report found, while median home prices grew by 45.6 percent. In Suffolk County, median income also rose by 27.8 percent during that period, while home prices increased 25.8 percent-making housing slightly more affordable overall, although many communities experienced much higher rates of price increases.

Last year, the estimated median family income in Nassau was $84,539 and $74,227 in Suffolk.

The median home sales price for Nassau in December was $252,500, and $190,000 in Suffolk, according to the Multiple Listing Service of Long Island.

Using the standard rule of thumb that home buyers should look for a house that costs around three times their annual income, a large majority of Nassau and Suffolk families are doing well in terms of housing affordability, the report said.

And while the U.S. Department of Housing and Urban Development considers housing costs of more than 30 percent of income a "cost burden" to families, many banks today regularly approve mortgages for folks who will be paying as much as 36 percent of their income in housing-related costs, Forman said.

Still, the report noted that affordable housing remains a problem for those earning below the median family income, including moderate-income families (earning between 80 and 95 percent of median income) and low-income families (earning below 80 percent of the median income).
And for those in the very low income category, home ownership imposes a severe cost burden—roughly 60 percent of income in Nassau and 53 percent of income in Suffolk, according to the report.

Many of these families simply cannot afford housing without government subsidies or specially designed affordable housing projects.

Diane West, a staff assistant at SUNY Stony Brook, was able to find a home, thanks to the Community Development Corp., a Centereach-based housing group that administers a HUD Section 8 home ownership program, which allows her to use rent subsidies to buy a home instead. West and her two children are expected to close April 1 on a three-bedroom ranch in Mastic. "I'm very excited," said West. "This is my first home. I was renting and I didn't really pay attention to how much rent added up."

Meanwhile, JoAnn Signorelli, a 34-year-old single mother from Lindenhurst who is also in CDC's Section 8 home ownership program, is putting her hopes on a lottery to get a shot at securing one of the new affordable co-ops in Huntington Station.

The clinical social worker, who has to move out of her apartment by next month, fears her name will not be picked—so far, there are more than 2,000 people vying for 51 units.

Signorelli's portion of the mortgage for the $101,100, two-bedroom co-op would be $51,556, with the CDC Long Island Funding Corp. underwriting $46,444. "We find the biggest problem is for single-parent households," said Eileen Anderson, vice president in charge of the CDC's home ownership center, which provides education and assistance to first-time home buyers on Long Island.

While most Long Islanders agree there is not enough affordable housing, builders and local governments are often blocked from offering such developments because of NIMBYism.

"Any kind of affordable housing is fought tooth and nail by civic groups," said Lee Koppelman, director of the Long Island Regional Planning Board. "This has become one of the frustrations of my work over the last 40 years."

Forman said homeowners sometimes have concerns over the impact that affordable housing units might have on surrounding property values.

But Jim Morgo, president of the Long Island Housing Partnership in Hauppauge, said that if affordable apartments "are well designed and well planned they don't hurt property values."

Morgo added that projects sponsored by the partnership have pumped millions of dollars a year into the local economy, according to some of the findings from a soon-to-be released analysis conducted by Pearl Kamer, chief economist of the Long Island Association.
The partnership has built 710 affordable homes in the past 12 years, with about 150 more homes in the pipeline that will be built in the next year and a half. Morgo estimated that there are about 3,000 affordable housing units overall on Long Island and about 500 more under development.

One such project is Southwind Village, which is being built in Bay Shore, with 52 affordable homes and 26 rental units.

The D'Erasmos, one of the families that will occupy Southwind, were considering moving their family out of state before winning a lottery to occupy an affordable home at Southwind. The couple and their three children have lived in a basement apartment of a relative's home for 15 years.

Morgo says a conscious effort has to be made on the part of towns and counties to support affordable housing efforts.

Forman thinks housing costs are high and rentals are scarce on the Island not because of market failure, but by deliberate designs of some local governments.

In contrast, Forman and planners point to the Town of Huntington as one example of a town that is bucking the trend. In December, the town passed a law requiring that a developer seeking a change in zoning to a greater density set aside 20 percent of the proposed net increase of units for affordable housing.

"We know we don't have large tracts of land, but if we do it in this fashion, we scatter the impact," said Huntington Supervisor Frank Petrone.

Huntington's effort has been touted by the Long Island Association, which is in the process of sending out a letter to all the towns and villages on Long Island asking them to enact into local law the same affordable housing initiative already enacted by Huntington, said Mitch Pally, vice president of government affairs.

In addition, the letter asked the municipalities to provide a list by April 2 of all the properties already zoned multi-family, so the LIA and partners could solicit developers to build affordable rentals for young people.

He said the group is supporting a bill that it helped develop with State Sen. Ken LaValle and Assemb. Robert Sweeney that would give first-time home buyers a break on property taxes.

The bill provides for a property tax exemption of up to 50 percent for up to five years for qualified first-time home buyers. Local municipalities would have to opt into the program. The bill was vetoed by Gov. George Pataki last year, but amendments have been made to the legislation and it will be reintroduced within the next two weeks.
Caption: Newsday Photo/Daniel Goodrich - Jerome Garelli and Dianne Mortak are having trouble finding an affordable home. 2) Newsday Photo/David L. Pokress - Diane West was able to close on a house in Mastic, thanks to government assistance. 3) Newsday Photo/Kathy Kmonicek - JoAnn Signorelli, with daughter Bianca, 6, is trying to get a home with Section 8 assistance. Newsday Photo/Gustavo Pabon - Tougher to Afford: Incomes haven't kept up with rising home prices in either Nassau or Suffolk the past five years. The ratio shown here, which essentially is a housing affordability index, is calculated by dividing the median price of existing homes by the median family income. The higher the index number, the less affordable the housing. SOURCE: Long Island Regional Planning Board (not in text database)