

City of Albany, NY

Housing Audit

December 3, 2025

Prepared by:



Table of Contents

1. Executive Summary.....	4
2. Stakeholder Engagement Summary.....	26
3. Demographic and Economic Profile.....	30
4. Existing Housing Inventory.....	47
5. Housing Development and Market Trends.....	63
6. Housing Affordability Assessment.....	75
7. Housing Needs Analysis.....	93
8. Housing Policy Landscape.....	110
9. Financial Feasibility of Inclusionary Zoning.....	147
10. Appendices.....	157

REPORT CONTENTS

This Housing Audit report provides the foundation for understanding the City of Albany's underlying housing market, current and future housing needs, the effectiveness of policies and programs, and opportunities for advancing housing goals. Elements of this report include:

- **Executive Summary:** A summary of overarching trends identified in the data and demand analysis.
- **Demographic and Economic Profile:** Quantitative trends regarding the population, households, employment, and income levels.
- **Existing Housing Inventory:** Physical and occupancy characteristics of properties currently available in the Town's housing stock.
- **Housing Development and Market Trends:** Review of historic and recent residential development activity, including rental and for-sale market trends, such as unit pricing.
- **Housing Affordability Assessment:** Measures of populations with financial hardship exacerbated by housing costs and estimations of income shortfalls for renter and potential buyer households.
- **Housing Needs Analysis:** Estimates of current unmet demand and projected five-year cumulative need for additional housing units.
- **Housing Policy Landscape:** Audit of effectiveness of housing policies and programs for supporting housing development, rehabilitation, and affordability.
- **Financial Feasibility of Inclusionary Zoning:** Financial feasibility of residential development under the City's inclusionary zoning ordinance.
- **Appendix:** List of recent development projects, area median income (AMI) information, and data sources



1. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This Executive Summary presents key quantitative findings from the Housing Audit alongside qualitative insights and emerging opportunities for future consideration.

PURPOSE OF THE HOUSING AUDIT

The City of Albany commissioned this Housing Audit to assess local housing conditions across the city. Its purpose is to evaluate current market conditions, assess the extent and nature of housing challenges, and measure the effectiveness of existing policies and programs. The findings will help identify housing needs, development opportunities, and strategies to ensure that Albany's housing market better meets the needs of its residents. In addition to evaluating current housing conditions, the audit identifies potential opportunities for the City and its partners to consider as part of future housing, development, and investment initiatives.

HOUSING TRENDS IN ALBANY

Over the past decade, the City of Albany has seen both population and household growth, with household growth (+6.0%) outpacing population growth (+3.1%) as households become smaller. Following the COVID-19 pandemic, growth in the number of households began to exceed growth in the number of housing units, signaling increasing pressure on the City's housing supply.

Limited new development since 2010 has compounded this pressure: 95% of Albany's housing stock predates 2010, and roughly 4,165 units remain indefinitely vacant due to repairs, legal issues, or strategic holding. This is equivalent to more than 10 years of recent multifamily development at 2019–2025 delivery rates.

These vacant units represent a significant, untapped opportunity to expand the housing supply without having to build new units. Meanwhile, the City's market vacancy rate (reflecting units actively available for sale or rent) remains low at 3.7%, pointing to potential upward pressure on housing costs.



EXECUTIVE SUMMARY

Despite Albany's relatively low housing costs compared with state and national levels, affordability pressures affect both renters and potential homeowners. Nearly 39% of households are cost-burdened, spending more than 30% of income on housing, with the burden disproportionately affecting renters (50%) compared to owners (21%).

A median-income renter household earning \$41,000 per year would need an additional \$16,000+ annually to afford the city's median rent without cost-burden. A household earning the city's median income of \$59,000 would require \$45,000+ in additional income per year to afford the median home price of \$270,000, signifying barriers to homeownership for existing residents.

The City has also seen demographic shifts that will continue to impact future housing demand. Albany's demographic profile is shifting toward smaller households and gradual aging. Young adults aged 20–34 remain the largest population group, though their numbers have declined by 3,040 since 2010, while residents 65 and older have increased by 4,100. One- and two-person households have driven most household growth, yet the city's housing stock is still dominated by older, larger units that may not meet the evolving needs of an increasingly diverse population and changing household compositions.

Future housing demand will stem from various demographic, economic, and market shifts. In the City of Albany, new housing development will increasingly need to accommodate:

- An aging population
- Household growth
- First-time or moderate-income homebuyers
- Low-income renters
- Single-person households
- Nonfamily households

These trends reveal a housing market characterized by both structural challenges and untapped potential. Limited new development, rising costs, and a growing mismatch between incomes and housing prices underscore the need for coordinated policy, investment, and regional approaches to expand affordability and improve housing quality.

The findings on the next page summarize the results of the audit's data and market analysis. Additional sections that follow provide interpretation and identify opportunities for future policy and investment.



KEY HOUSING TRENDS

- 1 Household growth is outpacing population growth as households get smaller.** Since 2010, household growth (+6.0%) has outpaced population growth (+3.1%) as average household size dropped from 2.13 to 2.04 people per household.
- 2 Albany functions as a regional employment hub, generating housing demand beyond local job growth.** Despite modest employment growth since 2019 (0.1%), the City may see additional housing demand from its existing in-commuters.
- 3 The city's population is aging as it loses young professionals.** Residents 65 and older increased by 4,100 since 2010, while young adults aged 20-34 declined by 3,040, shifting housing needs toward age-friendly options.
- 4 The City's aging housing stock amplifies supply constraints.** An aging housing stock can lead to challenges with housing conditions, resulting in an increased share of housing units in disrepair. These units are more likely to become vacant, which strains housing supply.
- 5 Thousands of indefinitely vacant units represent an untapped housing supply.** Approximately 4,165 units sit indefinitely vacant, representing over 10 years of recent multifamily construction at current delivery rates.
- 6 Homeownership is becoming increasingly inaccessible to median-earning households.** A median-earning household would need \$45,000+ more annually to afford Albany's \$270,000 median home price, even though values remain below state and county levels.
- 7 Nearly half of all renters face a housing cost-burden.** 50% of Albany renters spend more than 30% of their income on housing, compared to 21% of owners, with the median renter needing an additional \$16,000+ annually to afford typical rent.
- 8 The City bears a disproportionate share of the County's housing challenges.** The City houses 33% of the County's households but accounts for 63% of eviction filings, 70% of subsidized housing units, and nearly half of cost-burdened households.
- 9 Lower-income households drive most housing demand, while shortages affect both low- and high-income residents.** Lower-income households drive 70% of future demand, yet today's shortages affect all income levels as higher earners compete downward.
- 10 Development activity has slowed, reflecting both market pressures and policy changes.** Rising construction costs, tighter financing, and new inclusionary zoning requirements have contributed to a decline in housing production, with fewer large projects advancing and projects depending on public incentives to proceed.

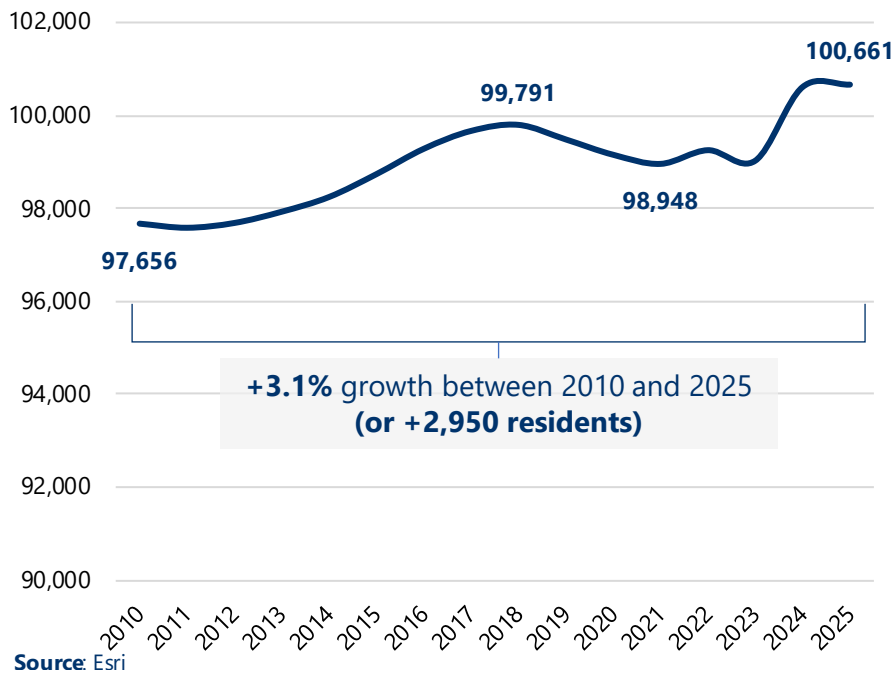


KEY FINDING #1

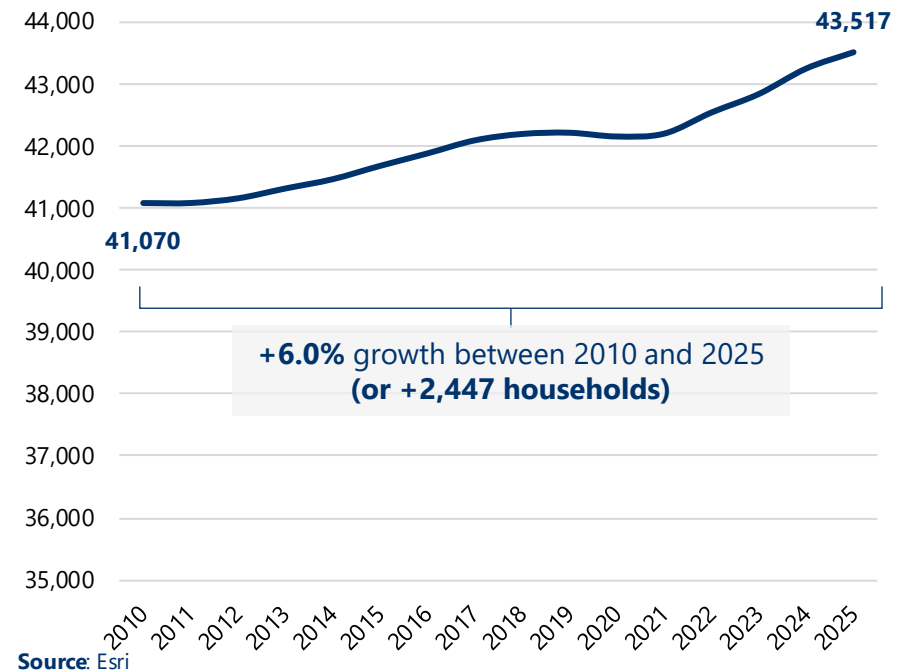
Household growth is outpacing population growth as households get smaller.

The City of Albany is growing – with an uptick in both population and household growth following the COVID-19 pandemic. Even if the total number of people in Albany only grows modestly, there can still be a larger increase in households if more people are living alone or form smaller families. While the City has seen growth across all household sizes, the largest gains have been among single- and two-person households. This trend may reflect families choosing to live in other jurisdictions based on factors such as perceived school quality, safety, or housing preferences. As a result, the City's average household size has declined from 2.13 in 2010 to 2.04 in 2025.

Population in City of Albany, 2010-2025



Households in City of Albany, 2010-2025

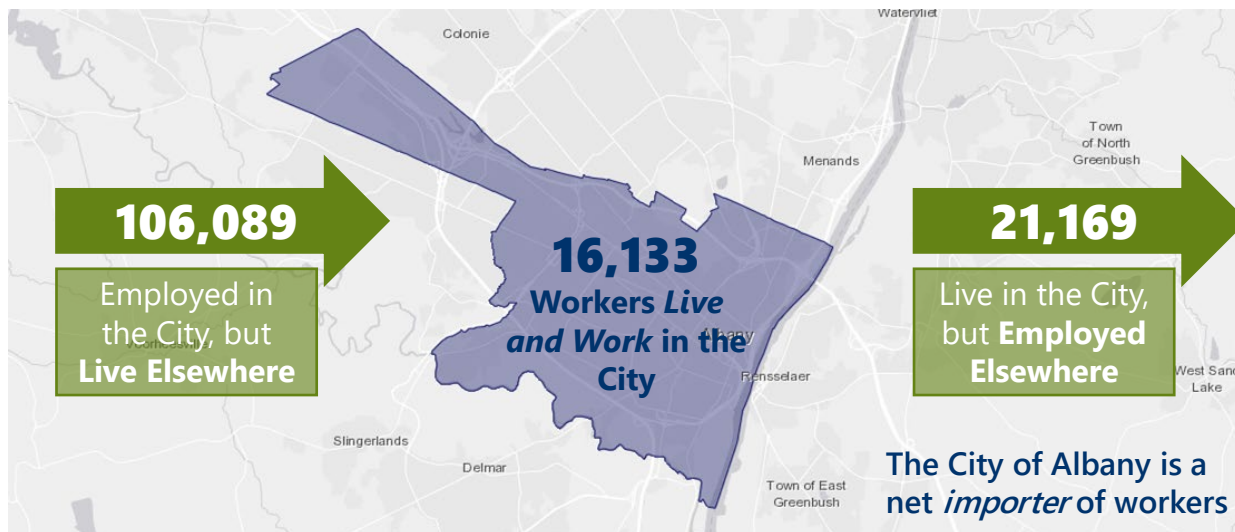


KEY FINDING #2

Albany functions as a regional employment hub, creating demand beyond local job growth.

Despite modest employment growth of 0.1% since 2019, Albany is more likely to see additional housing demand from its existing in-commuters, rather than from job growth. A high share of in-commuters can contribute to economic leakage, increase infrastructure and traffic pressures, and highlight gaps in the local housing market. If some of these commuters choose to relocate closer to work, it could add to demand on the City's housing supply. At the same time, expanding local housing options and amenities can encourage more workers to live in the City, helping retain talent and strengthening the local economy.

Labor Force Efficiency, City of Albany, 2022



Sources: US Census OnTheMap

Where City of Albany Workers Live

County	Count	Share
Albany County	45,162	37.0%
Rensselaer County	14,690	12.0%
Saratoga County	11,880	9.7%
Schenectady County	10,956	9.0%
Suffolk County	2,165	1.8%
Kings County	1,840	1.5%
Columbia County	1,793	1.5%
Onondaga County	1,649	1.3%
Oneida County	1,639	1.3%
Westchester County	1,536	1.3%
All Other Locations	28,912	23.7%

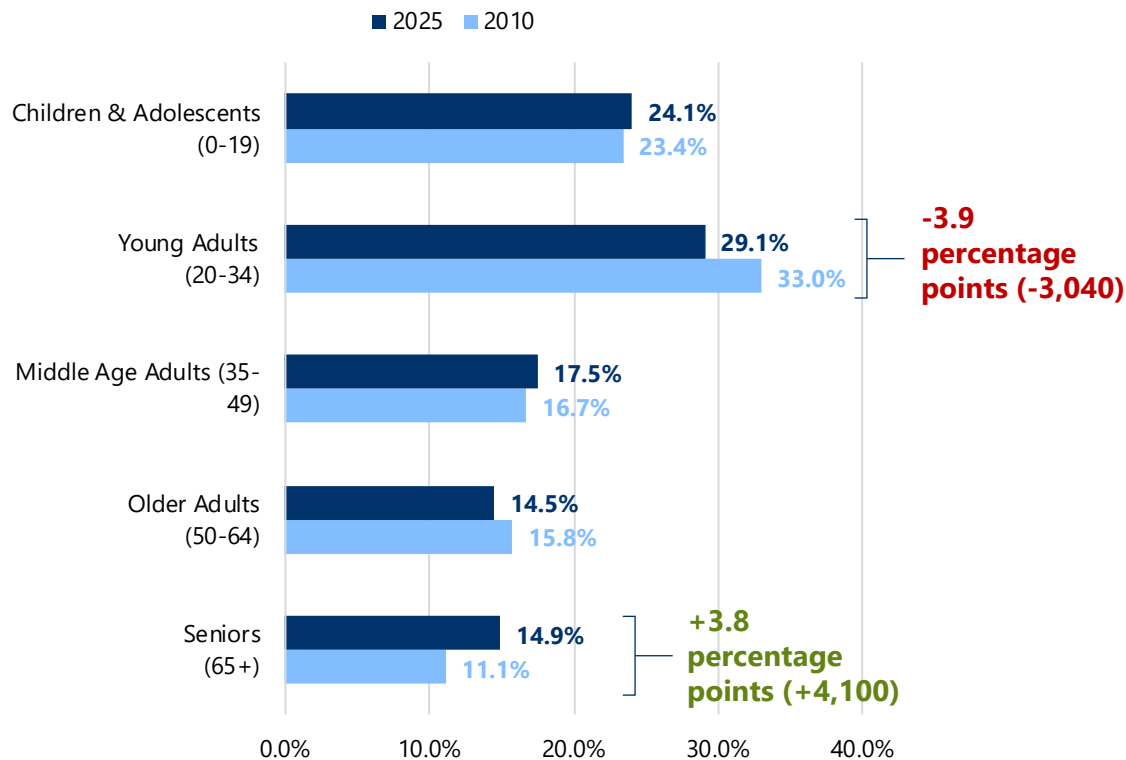
Source: US Census OnTheMap

KEY FINDING #3

The City's population is aging as it loses young professionals.

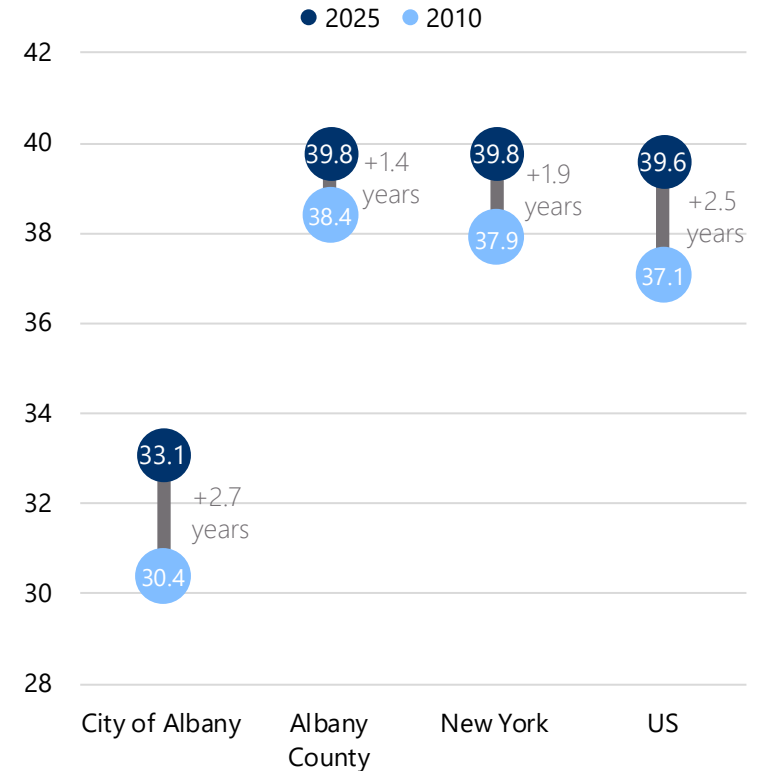
Though the largest age cohort in the City is young adults (20-34), largely due to the presence of the University at Albany, the share of residents in this age cohort has been shrinking over the past decade. Meanwhile, the proportion of seniors (65+) has increased by nearly four percentage points. This results in more senior-led households, who often have specific preferences and needs in their choice of residence. In the future, the City may need smaller, more manageable homes and services to support independent living.

Age Distribution, City of Albany, 2010-2025



Source: Esri

Change in Median Age, 2010-2025



Source: Decennial Census; Esri

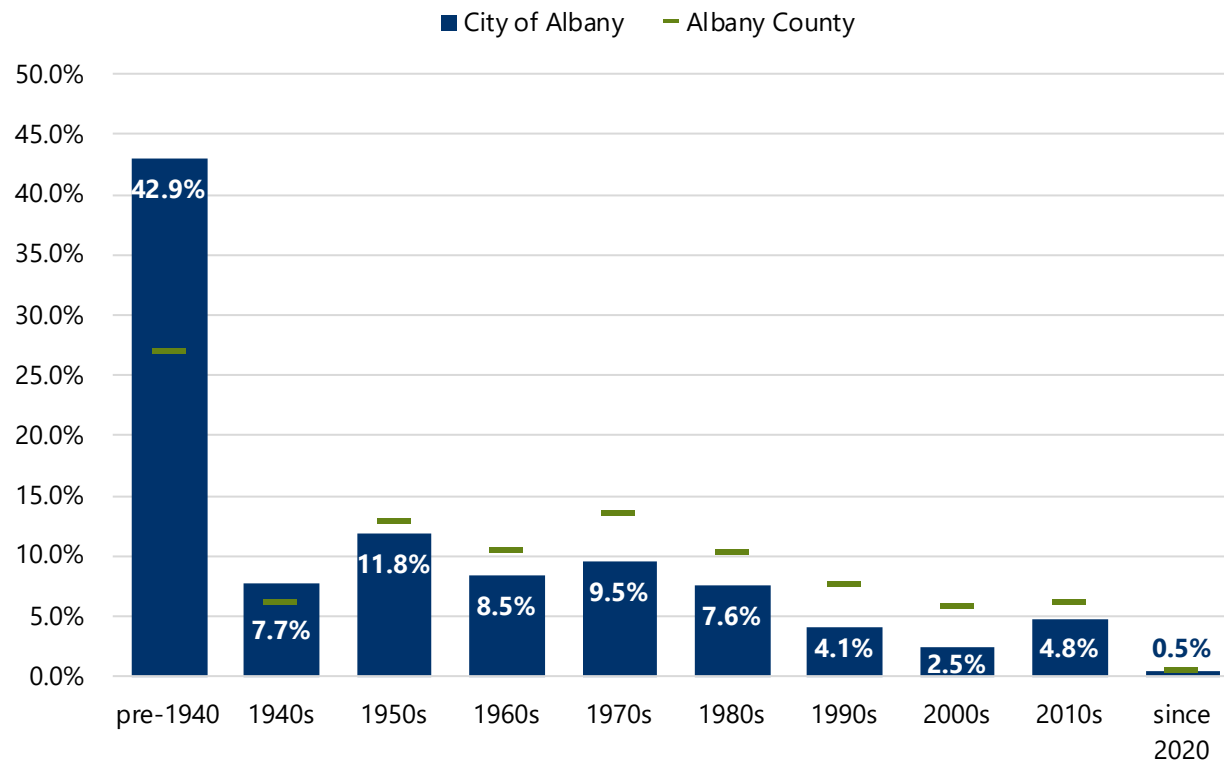


KEY FINDING #4

The City's aging housing stock amplifies supply constraints.

Since 2020, household formation has begun outpacing housing development for the first time in a decade, creating supply constraints and upward pressure on housing costs. The City's aging housing stock emphasizes this challenge: 95% of units were built before 2010. An aging housing stock can lead to market mismatches as housing preferences and City demographics shift, as well as increased challenges with housing conditions. Homes in disrepair are more likely to become vacant as high maintenance costs, code compliance issues, or declining marketability can make them difficult to occupy, sell, or rent. This dynamic can accelerate existing supply constraints.

Share of Housing Units by Year Built, 2023



Source: Esri

Deteriorating Housing Stock

1,049

Total Fair or Poor Properties

4.7% of Housing Properties

\$300,000

Estimated Cost of Home Rehabilitation

<\$150,000

Market Value of Homes in Neighborhoods with High Vacancy

Source: Tolemi (Building Blocks Albany), Focus Groups

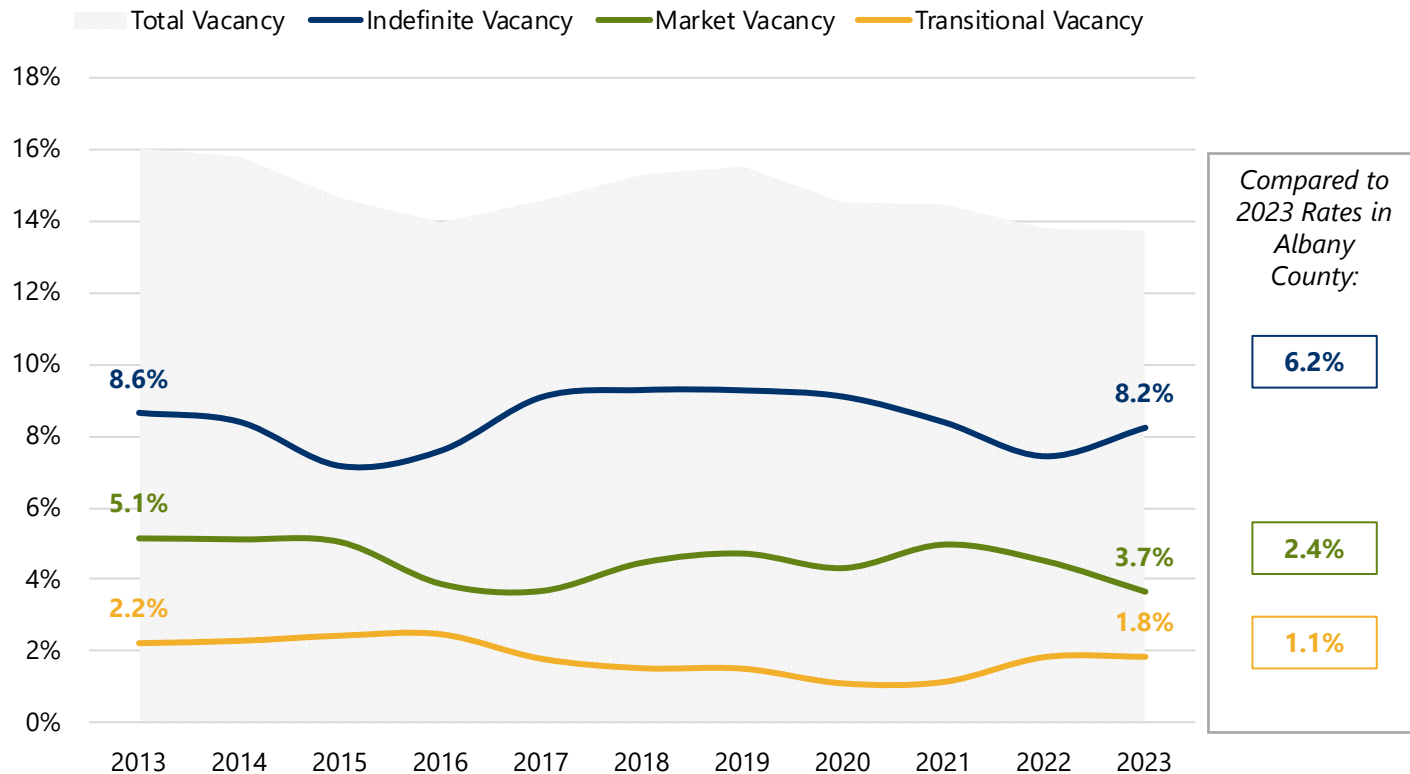


KEY FINDING #5

Thousands of indefinitely vacant units represent an untapped housing supply.

Approximately 4,165 units remain vacant, tied up by repairs, legal challenges, or strategic holding. This is more than a decade's worth of recent multifamily construction at 2019–2025 rates. Unlocking even a portion of these units could meaningfully expand Albany's housing supply without new construction.

Vacancy Rate by Vacancy Type, City of Albany, 2013-2023



Source: US Census ACS 5-Year Data (for consistency with non-series data)



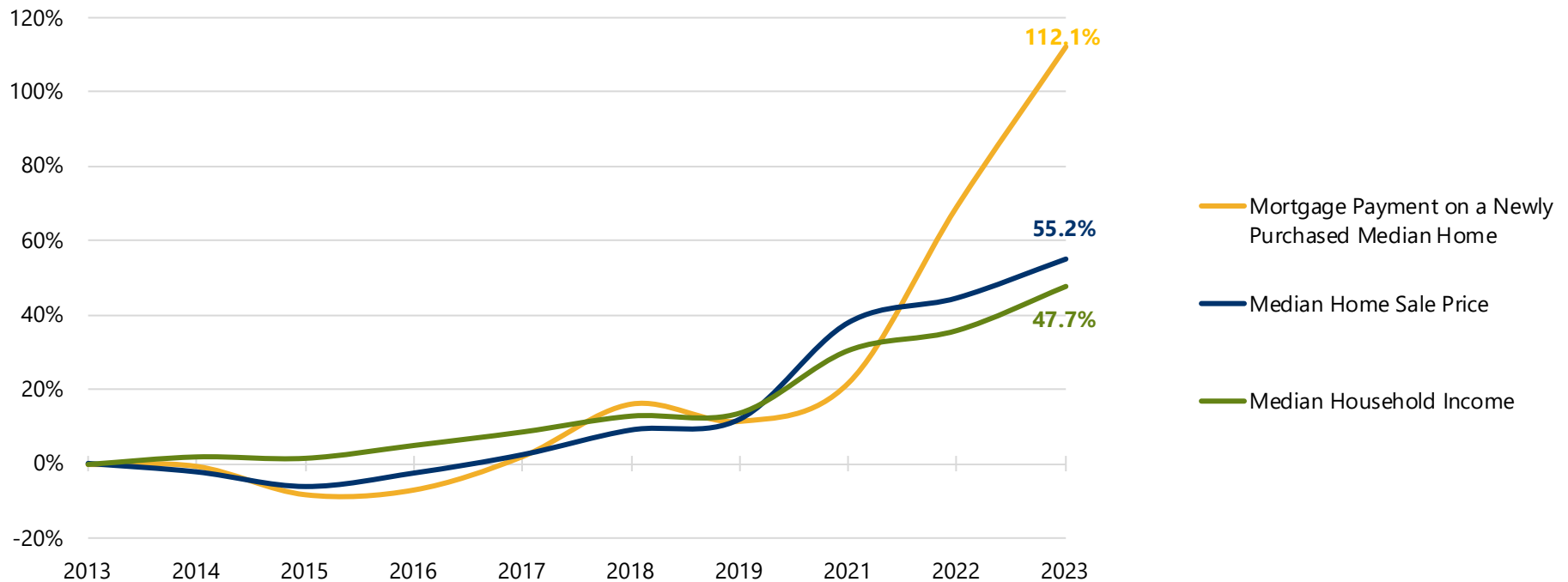
KEY FINDING #6

Homeownership is becoming increasingly inaccessible to median-earning households.

The cost of homeownership in Albany has far outpaced income growth since 2013, creating significant barriers for prospective buyers. Mortgage payments on newly purchased median-priced homes have increased 112.1%, while median household income has grown just 47.7% (or +68.3% and +17.2% when adjusted for inflation). At the median income level, a household could afford a home valued at only \$132,800—well below the City's median sales price of \$270,000—highlighting a substantial affordability gap.

Cumulative Percent Change in Owner Housing Costs vs. Median Household Income Since 2013

Values are not adjusted for inflation



Source: Bankrate, Redfin, US Census ACS 5-Year Data

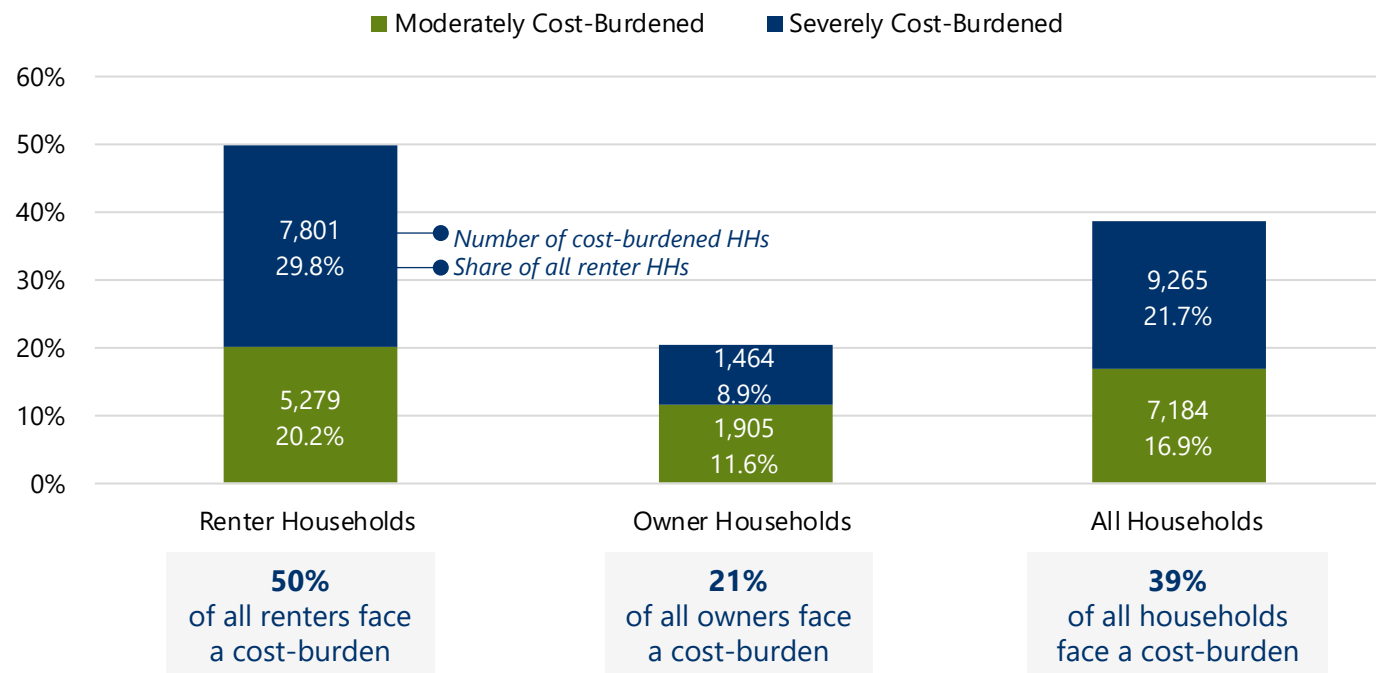


KEY FINDING #7

Nearly half of all renters face a housing cost-burden, more than twice the rate of owners.

Households spending more than 30% of their income on housing are considered housing cost-burdened. These households are more likely to face difficulties meeting other needs beyond shelter, such as food, health care, transportation, and other necessities. In the City of Albany, 39% of all households are cost-burdened (a number partially boosted by the large student population). This points to a growing mismatch between household incomes and available housing costs—particularly for renters, who face limited affordable options.

Share of Households with Housing Cost-Burden by Tenure, City of Albany, 2023



Source: US Census ACS 5-Year Data

Definitions:

Moderate Cost-Burden |
Households spending more than 30% of their income on housing face a cost burden.

Severely Cost-Burden |
Households spending more than 30% of their income on housing face a severe cost burden.

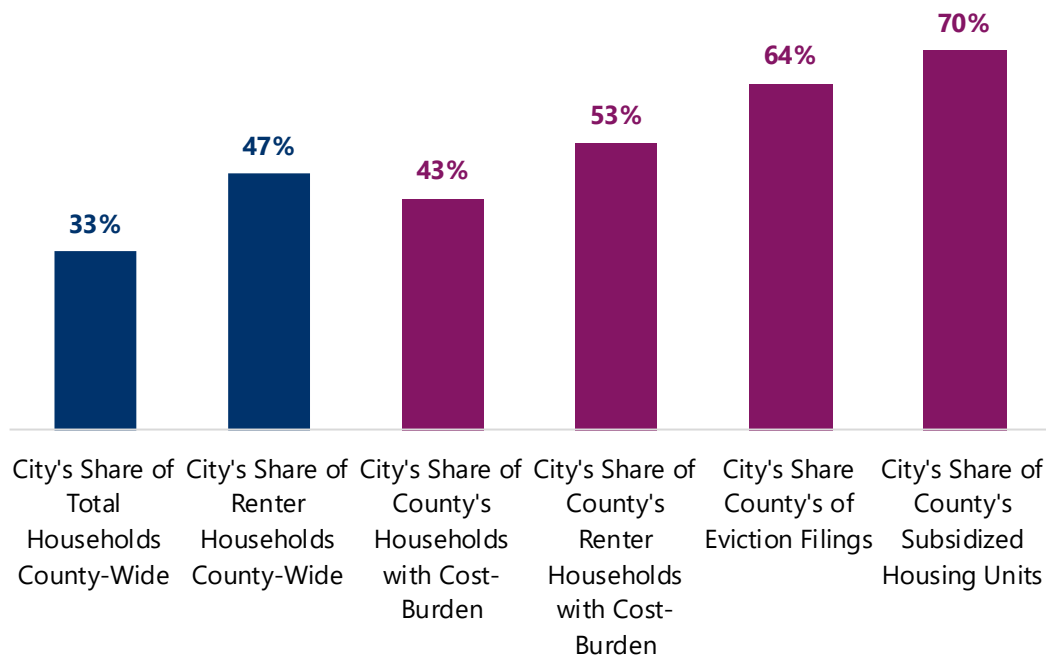


KEY FINDING #8

The City bears a disproportionate share of the County's housing challenges.

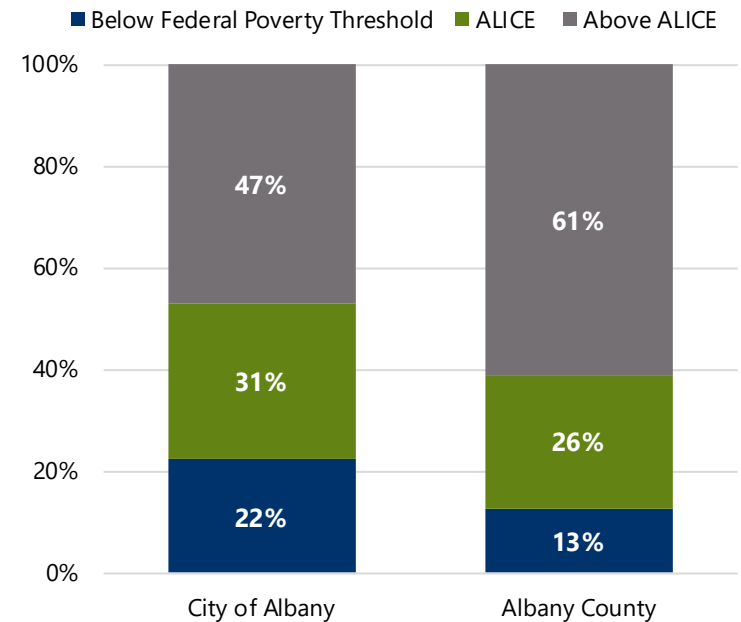
The City houses 33% of the County's households and 47% of its renters, but accounts for 63% of eviction filings, 70% of subsidized housing units, and nearly half of cost-burdened households, highlighting its outsized role in serving vulnerable populations.

The City's Share of Households vs. County Housing Challenges



Source: US Census ACS 5-Year Data, Albany Housing Authority, Fannie Mae Mission Map, HUD, National Housing Preservation Database, New York State Unified Court System

Share of Households by Poverty and ALICE Status, 2023



**Asset Limited, Income Constrained, Employed (ALICE)* households earn more than the Federal Poverty Level, but less than the basic cost of living for the county.

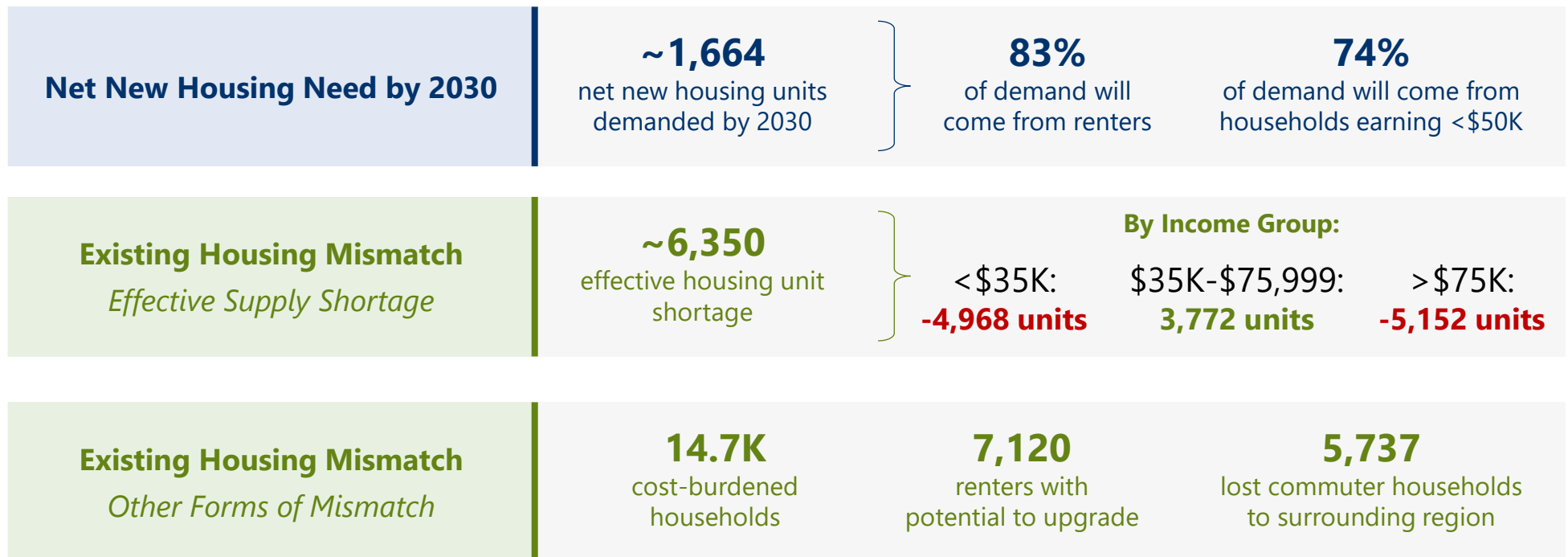
Source: United for ALICE



KEY FINDING #9

Lower-income households generate most housing demand, while shortages affect both income extremes.

Albany's housing need by 2030 reflects distinct challenges at different income levels. While 74% of future demand will come from households earning under \$50,000, today's most critical shortages affect both extremes of the income spectrum. Households earning under \$35,000 (shortage of 4,968 units) and over \$75,000 (shortage of 5,152 units) account for most of the 6,350-unit supply gap. The middle-income range shows an apparent surplus, but this analysis does not reflect housing quality or location. Additionally, 14,721 households face cost burdens, 7,120 renters have the potential to upgrade, and 5,737 commuter households represent lost capture. Addressing this requires preserving naturally affordable units and expanding income-restricted housing for the lowest earners, while adding market-rate supply attractive to middle- and higher-income renters to ease downward competition.

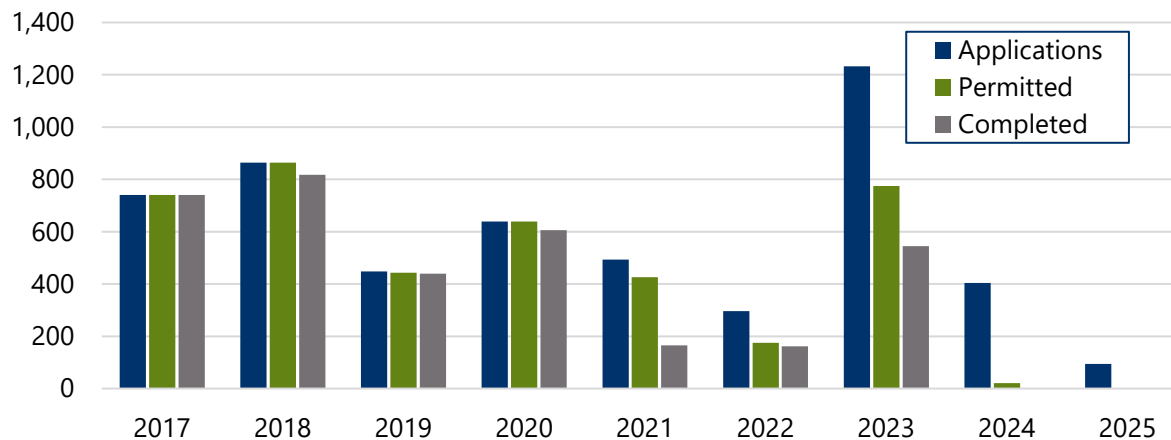


KEY FINDING #10

Residential development activity has slowed amid shifting market conditions and new affordability requirements.

Following several years of steady multifamily construction, development activity in the City of Albany has declined in both volume and pace. Between 2017 and 2023, the City saw applications averaging roughly 650 annually for new multifamily development, with most of these moving efficiently from permit to completion. Since 2023, fewer projects have advanced to construction, and the number of total unit applications has dropped to below 400 units per year. The composition of projects also changed: 100% market-rate proposals largely disappeared, except for a handful of projects with less than 20 units, while the share of 100% affordable projects increased to more than two-thirds of new applications. This shift reflects broader market headwinds, including rising costs and financing constraints, along with new affordability requirements, which have limited the feasibility of new mixed-income development without significant public support.

**Project Progression through the Development Process - Multifamily
Rental Units in Albany by Year of Application**



Source: City of Albany Planning Department

DRIVERS SHAPING HOUSING TRENDS

The housing trends identified in this audit reflect both structural and market factors that have evolved over time. Understanding these underlying causes helps explain the City's current housing conditions and informs where future policy and investment might focus.

Albany's housing market reflects a complex mix of age, cost, and policy dynamics. The combination of an aging housing stock, constrained new development, and uneven regional housing production has left the city with shortages at both ends of the market. Addressing these pressures will require strategies that strengthen reinvestment in existing homes, improve development feasibility, and expand housing choices for a wider range of residents.

Aging and Underutilized Housing Stock

Much of Albany's housing was built before 1940, and while this historic stock defines the city's character, it also requires extensive reinvestment. Deferred maintenance, high rehabilitation costs, and limited access to financing for small property owners have contributed to physical decline and long-term vacancies in many neighborhoods. In many cases, the cost of repairs exceeds what the property could appraise for once improved, discouraging private investment. Absentee ownership and title complications further slow the return of older homes to active use, creating pockets of underutilized housing even in otherwise stable areas.

Constrained New Development

The pace of new construction in Albany has slowed as rising construction costs, higher interest rates, and limited achievable rents narrow project feasibility. Even 100% market-rate projects often depend on public incentives or tax abatements to proceed. Development-ready sites are scarce, and redevelopment of infill parcels can be costly due to site constraints, environmental

conditions, or aging infrastructure. The City's inclusionary zoning (IZ) requirements, while well-intentioned, have also contributed to slower production by adding costs that are difficult to absorb under current market conditions. Together, these factors have reduced the number and scale of new projects moving through the pipeline.

Concentration of Affordability Pressures

Albany bears a disproportionate share of the region's affordability challenges. Several factors contribute to this concentration, including limited housing development in surrounding suburban communities, a historic pattern of siting subsidized housing within the city, and lower overall household incomes compared with the metro area. High property tax rates, aging infrastructure, and older housing conditions make it harder to attract moderate-income households or sustain reinvestment in certain neighborhoods. The result is a housing system that serves a large share of lower-income residents but struggles to meet demand for quality, attainable housing across the income spectrum.

Diverging Needs

At one end, the city faces deep affordability challenges: nearly all renters earning below \$35,000 are cost-burdened, and few units are affordable to households at or below 30% of the area's median income. At the same time, limited new construction and an aging rental inventory make it difficult to attract or retain higher-income residents seeking modern, amenity-rich housing options. This dual imbalance—high need at the low end and insufficient appealing supply at the high end—constrains economic mobility and limits population growth as would-be residents look elsewhere for quality options.



POLICY AND PROGRAM LANDSCAPE

Albany has a broad set of policies and programs that address different aspects of the housing system, ranging from code enforcement and home repair programs to incentives for new development. Many of these tools have been in place for years and have made meaningful contributions, but overall housing delivery remains limited relative to need. Housing-related responsibilities are distributed across multiple City agencies, including Planning, Development, and Permitting, and the Department of Housing and Community Development, as well as external partners such as the City of Albany Industrial Development Agency (CAIDA), the Albany County Land Bank, and community-based organizations.

Strengths and Assets

The City has built a foundation of strong housing partners and established tools. Federal and state funds support programs for housing rehabilitation, down payment assistance, and code enforcement. The Albany County Land Bank continues to be an important mechanism for returning vacant and tax-delinquent properties to productive use.

CAIDA, in particular, plays a pivotal role in facilitating housing development. Most recent multifamily projects have relied on CAIDA assistance, typically through tax abatements or PILOT agreements, to close feasibility gaps created by high construction and financing costs. Without this support, most projects would not have advanced. Collectively, these initiatives demonstrate the City's capacity to collaborate across sectors and use targeted incentives to address housing challenges.

Recent Housing Policy Initiatives

- **Albany County Housing Loan Fund**
A new county-level revolving loan fund is designed to provide loans and grants to homeowners, small landlords, and developers to support housing rehabilitation and affordable housing creation.
- **Championing Albany's Potential Initiative**
A \$400 million State-led initiative aimed at revitalizing Downtown Albany, including funding for housing development.
- **City of Albany ADU Ordinance**
A City ordinance passed in 2025 enabling accessory dwelling units (ADUs) across residential neighborhoods.



POLICY AND PROGRAM LANDSCAPE

Gaps and Coordination Challenges

Despite this foundation, this audit found that Albany's housing programs operate somewhat independently, with limited coordination or shared tracking of outcomes. Program scale and funding are not aligned with the depth of local need, and administrative capacity limits the ability to expand or integrate efforts. A lack of formalized coordination between the City, the County, and local housing authorities further reduces the efficiency of resource deployment. The result is a fragmented system that relies on individual programs rather than a cohesive policy framework.

Opportunities for Alignment and Modernization

Future work could focus on aligning existing tools with one another and with the City's broader policy goals, including affordability, climate action, and neighborhood reinvestment. Improved coordination, shared data systems, and expanded capacity could help the City track outcomes more effectively and ensure that investments have the greatest impact. Strengthening partnerships among City departments, CAIDA, the Land Bank, and nonprofit developers will be essential to delivering housing programs at scale and targeting resources to the areas of greatest need.

Federal Policy Context: ROAD to Housing Act

Congress is considering the ROAD to Housing Act of 2025, a comprehensive federal housing package. Section 206, known as the Build Now Act, would tie future CDBG funding levels to each entitlement community's ability to increase its housing supply. HUD would calculate the median housing growth rate across all participating jurisdictions.

How it works

Communities with housing growth below that national median would receive a **10 percent reduction** in their annual CDBG allocation. Those funds would be redistributed to communities that achieve housing growth above the median.

Why it matters for Albany

Albany already faces financial feasibility barriers and other challenges when it comes to new housing production. If the City falls below the national median growth threshold, it could lose **more than \$300,000 in annual CDBG funding**, which would reduce resources available for rehabilitation, neighborhood revitalization, and affordability programs.

While the bill is still under consideration, Section 206 presents a material fiscal risk for communities where new housing growth lags behind demand. This raises the importance of aligning local policies to enable more consistent housing construction in order to protect Albany's federal funding base.



INCLUSIONARY ZONING: UNINTENDED OUTCOMES

Albany's Inclusionary Zoning (IZ) policy was first adopted in 2017 and was expanded under the 2023 Unified Sustainable Development Ordinance (USDO). Established to address the city's growing housing affordability challenge and increase the supply of affordable housing, it is not achieving its intended outcomes. The policy is not producing housing at the income levels where affordability pressures are most severe and is simultaneously constraining market-rate development that the City needs to attract new residents and grow its population and tax base. In its current form, the IZ framework has become economically unsustainable, underscoring the need for recalibration grounded in detailed financial testing and alignment with existing incentive structures, particularly through CAIDA.

Performance and Policy Evolution

The 2017 ordinance required that 5% of units in qualifying developments be affordable at 100% of the city's median household income, adjusted for household size. This is roughly equivalent to 70% of AMI for the broader metro area. This version generated a modest number of affordable units—around 17 per year—and was financially viable for development projects under market conditions at the time. In 2023, the City increased the requirement to 7–13% of units affordable at 60% AMI for the metro area. That deeper affordability target is far below what new projects can support given current market rents, construction costs, and financing conditions. Following the adoption of the

2023 policy, multifamily development slowed sharply, with a drop-off in new mixed-income proposals and an overall decline in unit production.

Affordability Targets and Market Impacts

Analysis of recent projects shows that most new multifamily development in Albany already depends on tax abatements through CAIDA or other subsidies to close feasibility gaps. With such thin margins, the affordability requirements added by IZ make most projects financially infeasible without substantial new subsidies. The result is twofold:

1. IZ has not generated units where the need is greatest. A large share of Albany's older housing stock already rents at levels affordable to households earning 60%–80% of AMI, while the most severe shortage exists below 50% AMI—well beyond what private development can provide without deep public assistance.
2. IZ has discouraged new market-rate production. The tightening of requirements has led to fewer projects advancing, reducing the overall housing supply needed to attract and retain residents and exacerbating the City's long-term growth and competitiveness challenges.



INCLUSIONARY ZONING: FUTURE DIRECTION

Need for Detailed Feasibility Testing

The audit findings make clear that a one-size-fits-all affordability requirement cannot function in a relatively soft market like Albany's. A detailed feasibility analysis is needed to test alternative set-aside levels, AMI thresholds, and incentive structures. This work should explicitly examine how IZ requirements interact with CAIDA incentives and other forms of public support to determine where inclusionary targets can be achieved without suppressing overall production. Regular testing and recalibration are essential to ensure the policy remains responsive to changing market and financing conditions.

Considerations for a Revised Framework

Because developers in Albany already rely heavily on public assistance, any policy that increases private cost is unlikely to be viable. A more effective framework should:

- **Coordinate affordability requirements with existing CAIDA incentives**, recognizing that current tax abatements already play a significant role in project feasibility and leave limited room for additional relief.
- **Pair affordability targets with other project support mechanisms**, such as expedited permitting, reduced fees, or infrastructure improvements, to offset costs for developments that meet or exceed affordability thresholds.
- **Encourage additional housing production through upzoning and density bonuses**, allowing more units on residential lots where appropriate and linking added density to affordability outcomes. This can help promote moderate-density housing and support long-term affordability.

- **Incentivize mixed-income development** by combining City-owned land, existing tax abatements, or infrastructure support with private investment, particularly for projects that achieve City policy goals such as larger family units or accessible housing.
- **Leverage public funds to attract private capital for rehabilitation**, particularly for vacant or underused properties, with clear affordability covenants and long-term accountability for outcomes.
- **Target deeper affordability through publicly subsidized or nonprofit-led projects** rather than imposing infeasible requirements on privately financed developments.
- **Adopt a recurring feasibility testing and policy review process** to ensure affordability requirements remain achievable as market conditions and financing costs evolve.



OPPORTUNITIES FOR ACTION

The Housing Audit identifies several opportunities for the City of Albany and its partners to consider as they work to address both current housing challenges and long-term growth goals. These are areas for further exploration that can help the City align policies, partnerships, and resources toward a more functional and inclusive housing system.

Albany faces two interconnected housing challenges. Many new and long-time residents struggle with affordability, maintenance costs, and aging housing conditions. At the same time, the city has not seen the level of new housing development or market-rate investment needed to attract and retain residents with choices about where to live. Addressing both sides of this challenge will be key to strengthening the city's population base, improving housing quality, and creating a market environment where reinvestment is feasible at multiple price points.

These opportunities focus on strengthening existing neighborhoods, reestablishing the conditions needed for new housing production, and building a coordinated policy framework that advances affordability, quality, and competitiveness.

1. Reinvest in and Modernize Existing Housing

Albany's housing is among the oldest in the state, and much of it now requires substantial reinvestment. About 8% of the city's housing units are in a state of indefinite vacancy. Rehabilitation costs often exceed achievable sale or rent levels, discouraging both owner and investor activity. The City can build on existing programs such as the Albany County Housing Loan Fund, CAIDA-supported rehabilitation projects, and its new ADU ordinance to promote small-scale reinvestment that stabilizes neighborhoods and preserves affordability.

Opportunities include:

- Expanding low-interest loan and grant programs for small landlords and homeowners.
- Partnering with the Albany County Land Bank, Albany Community Land Trust, and nonprofit developers to acquire and rehabilitate vacant or distressed homes.
- Leveraging state and federal weatherization and energy-efficiency funds to align rehabilitation with the City's Climate Action Plan.

Concentrating initial efforts in one or two pilot neighborhoods with high vacancy and ownership instability can demonstrate success, attract private investment, and inform a citywide reinvestment model.



OPPORTUNITIES FOR ACTION

2. Recalibrate Incentives and Policy Tools to Reflect Market Conditions

Most new housing construction in Albany remains financially challenging without public incentives. CAIDA's tax abatements have been instrumental in enabling recent projects to move ahead. Going forward, the City should focus on better aligning these incentives with housing and community goals.

Opportunities include:

- Coordinating CAIDA's incentives with City housing objectives to prioritize mixed-income projects, adaptive reuse, and neighborhood reinvestment.
- Establishing transparent criteria and reporting systems to track housing outcomes linked to public assistance.
- Reassessing abatement structures periodically to ensure continued effectiveness while maintaining fiscal balance.
- Refining Inclusionary Zoning so that affordability requirements reflect local market feasibility and complement other public incentive programs.

A coordinated approach across City departments, CAIDA, and the County will be essential to ensuring that incentives effectively support both affordability and market growth.

3. Expand Partnerships to Deliver Deep Affordability

The most acute affordability challenges in Albany occur among households earning below 50% of AMI, where private development is not viable without subsidy. Expanding partnerships with nonprofit, mission-driven, and community-based developers will be critical to producing housing that serves this population.

Opportunities include:

- Increasing collaboration with nonprofit developers and community land trusts to deliver permanently affordable units.
- Using Land Bank and other publicly owned properties for affordable infill or rehabilitation projects.
- Aligning local funds with state and federal programs such as LIHTC, HOME, and the New York State Affordable Housing Corporation.
- Supporting the preservation of naturally occurring affordable housing (NOAH) through acquisition-rehab partnerships.

Albany's housing future depends on addressing affordability for existing residents while also creating new housing that attracts and retains a diverse mix of households. Achieving both will be key to a stronger, more inclusive, and more resilient city.



OPPORTUNITIES FOR ACTION

4. Encourage Infill, Moderate Density, and Incremental Development

While large-scale multifamily projects face feasibility constraints, smaller-scale development and incremental infill remain achievable in many neighborhoods. The City's ADU ordinance provides a foundation for expanding small-scale housing options and enabling more diverse residential forms.

Opportunities include:

- Providing technical assistance to help homeowners and small developers navigate ADU and infill permitting. Reducing fees and streamlining approval processes for two- to four-unit conversions and small multifamily projects.
- Supporting mixed-use and missing-middle development in neighborhood centers and along transit corridors.
- Offering small predevelopment grants or a revolving loan fund for emerging local developers.

These efforts can modestly increase housing supply, enhance neighborhood stability, and support population growth without large public costs.

5. Strengthen Regional Collaboration and Capacity

Albany's housing system is deeply connected to regional trends. The city currently houses a disproportionate share of the region's low-income residents, subsidized units, and eviction cases. A more coordinated regional approach can expand housing choice, distribute investment more equitably, and strengthen the entire market.

Opportunities include:

- Establishing structured collaboration between the City, County, and local housing authorities to align housing plans and funding priorities.
- Supporting the Albany County Housing Loan Fund as a shared resource for rehabilitation and affordability initiatives.
- Pursuing joint applications for state and federal housing funds and exploring shared goals across municipalities.

6. Align Housing with Climate Goals

Housing investment and climate resilience are increasingly interconnected. The City of Albany has launched Act Now Albany: Coming Together for Climate Action, which will include a climate vulnerability assessment and community-wide strategies to prepare for increased heat, flooding, storms, and other climate hazards.

Opportunities include:

- Targeting energy-efficiency upgrades and electrification incentives toward older homes to reduce utility burdens.
- Coordinating rehabilitation with infrastructure, transportation, and stormwater investments.
- Encouraging adaptive reuse of existing buildings to reduce environmental impacts and preserve neighborhood character.

