

Housing

Subcommittee Chair: Karen Mosca

Subcommittee Members: Jim Tyger, Paula Redmond, Theresa Maggicomo and Les Rollins

Key Observations:

- According to the 2000 census the vacancy rental rates for the Town were 3.8% and the owner vacancy rate was 1.6%. This tight housing market could be attributed to the population increase witnessed by Washington. From 1990 to 2000, the population increase by 268 persons (6.0%).
- Significant price escalation has occurred in recent years and has likely worsened this trend. Housing prices for homeownership in the Town grew in excess of 100%. The homeownership affordability ratio in 2008 was a whopping 6.12 for the Town (2.0 is the norm).
- A significant percentage of residents in Washington are cost burdened – paying in excess of 30% of their income for housing costs.
- Current housing prices are extremely high (the median current asking price of single-family homes is \$700,000).
- There are no subsidized housing facilities located in the Town of Washington, outside the Village of Millbrook.
- The Housing Subcommittee identified the lack of affordable workforce housing as a significant issue facing the Town of Washington.

General Housing Characteristics

According to the 2000 Census, the Town of Washington has 2,192 housing units (including the Village of Millbrook). Of the total housing units counted in the census, 1,914 were occupied. Owners make up 62.7% of the occupied housing in the Town and renters 37.3%. The 2000 Census also reports that the vacancy rate of for-sale housing in the Town was about 1.6% and the vacancy rate for rental housing was 3.8%.

The predominant housing type in Washington is the single family structure, which makes up 73.8% of the market. Multi-family buildings comprise 23.6% of the entire housing stock in the Town. Mobile homes and trailers account for less than one percent. The 2000 Census reports that 181 housing units or 8.3% of the housing stock in Washington was built during the 1990s. In contrast 40.4% of the units were built before 1940.

	1990		2000		% Change 1990-2000
	Number	Percent	Number	Percent	
Total Housing Units	2,072	100.0%	2,192	100.0%	5.8%
Total Occupied Units	1,738	83.9%	1,914	87.3%	10.1%
Owner occupied housing units	1,062	61.1%	1,201	62.7%	13.1%
Renter occupied housing units	676	38.9%	713	37.3%	5.5%
Vacant units	334	16.1%	278	12.7%	-16.8%
Number and type of unit:					
Single family	1,562	75.4%	1,617	73.8%	3.5%
<i>Multi-Family Total</i>	453	21.9%	560	25.5%	23.6%
Two-family	191	9.2%	199	9.1%	4.2%
Three-and Four-family	133	6.4%	167	7.6%	25.6%
Apt Units of 5+	129	6.2%	194	8.9%	50.4%
Mobile homes/trailers	12	0.6%	12	0.5%	0.0%
Other	45	2.2%	3	0.1%	-93.3%
Vacant for Sale	18	1.7%	19	1.6%	5.6%
Vacant for Rent	43	6.0%	28	3.8%	-34.9%

Source: US Census Bureau (1990 and 2000)

Since the Census data is old, additional information on types of housing in Washington was obtained from the Town Assessor. Approximately 53% of the town's housing units are single family dwellings, 3% are condos, 24% are multi-family, and 6% are farms. All of the condo units are located in the Village of Millbrook. There are only 7 mobile homes in the Town.

Type	# of Properties	Multiplier	# of Units	Comments
Single Family (under 10 acres)	1,082	1	1,082	
Single Family (10 acres +)	230	1	230	
Single Family (agriculture)	46	1	46	
Estates (5,000 square feet)	70	1.5	105	Estimate of units per property
Two Family	64	2	128	
Three Family	9	3	27	
Multiple Residences – houses	186	2.5	465	Estimate of units per property
Condos:				
Bennett Commons	40	1	40	Approved but not built
Millbrook Manor	21	1	21	
Millbrook Hollow	18	1	18	
Carriage House	4	1	4	
Mobile Home Park	1	7	7	
Apartments	34	6	204	Estimate
Farms*	155	1	155	Most likely to have living area
Total			2,556	

*Farming – agriculture, dairy, horse breeding with 10 or more boarding

Source: Town of Washington's Assessor's Office - 2008

Characteristics of Rental Housing

Rental housing accounts for 37.3% of occupied housing in the Town of Washington (including the Village of Millbrook) according to 2000 Census figures. Roughly two-thirds of the Town's rental units are one- and two-bedroom and 23% are three-bedroom. Approximately 61.6% of rental units are in single and two family structures.

The median gross rent in Washington was \$551 in 1990. Adjusting the 1990 median rent for inflation to 2000 dollars, results in a median rent of \$726. The 2000 Census reports that the Town has a median gross rent of \$702. Rental costs have actually decreased 3.3% in comparison to 1990 figures when adjusted for inflation.

One factor in assessing general housing needs within a community is the availability of housing choice. A healthy housing market should provide sufficient opportunities to its residents to secure good quality units that address their particular needs in terms of number of bedrooms, location, price and other considerations. The generally accepted standards for measuring availability in a healthy housing market are vacancy rates in the area of 5% for rental units and 1% for purchase housing. In 1990 the rental vacancy rate was around the norm at 6.0%. However, the Town's vacancy rate for rental housing in 2000 was below the norm at 3.8%. Low vacancy rates indicate potential problems in the availability of housing choice. This is compounded by the fact that many low and moderate income households are often limited in their choice of housing.

The needs of lower income households can best be understood by examining the numbers of cost burdened households in the Town of Washington by income range and tenure. Cost burden is defined as the extent to which gross housing costs exceeds 30% of gross income, based on data published by the Census Bureau.

	Number of Households by Income Range				
	Total	Under \$10,000	\$10,000 - \$19,999	\$20,000 - \$34,999	Over \$35,000
Selected Renter-Occupied Units	618	55	122	137	304
<i>% of renter households</i>	<i>100.0%</i>	<i>8.9%</i>	<i>19.7%</i>	<i>22.2%</i>	<i>49.2%</i>
Renters paying over 30% of income for rent	231	41	91	61	38
<i>% cost burdened</i>	<i>37.4%</i>	<i>74.5%</i>	<i>74.6%</i>	<i>44.5%</i>	<i>12.5%</i>
Income range as a % of cost burdened households	100.0%	17.7%	39.4%	26.4%	16.5%

Source: 2000 Census.

According to 2000 Census information, 231 households in Washington reported rental housing costs in excess of 30% of income. This represented 37.4% of all renter households. Not surprisingly, the extent of cost burden was significantly greater on lower income households. Households with annual incomes under \$20,000 accounted for 132, or 57.1%, of the households determined to be cost burdened.

Assisted Housing

According to the New York State Department of Housing & Community Renewal and Dutchess County Planning and Development, there are no subsidized housing facilities located in the Town of Washington, other than the Village of Millbrook. There is a 12 unit senior housing facility in the Village of Millbrook which contains handicapped accessible/adaptable and adapted units. There is a reported waiting list of 12 to 15 months. Additionally, PathStone Corporation provides rental assistance through a Countywide Section 8 Program. There are currently 1,200 families assisted in the County, of which approximately four are located in the Village of Millbrook. Approximately 514 County residents are currently on the waiting list for rental assistance through this program.

Characteristics of Owner Occupied Housing

There are 1,201 owner-occupied units in the Town of Washington (including the Village of Millbrook), comprising 62.7% of occupied housing in the Town in 2000. Nearly one-half of the Town's owner-occupied units are three-bedroom and 40.7% are two-bedroom and four-bedroom. The majority of owner-occupied units are in single-family detached structures. According to 2000 Census figures, the vacancy rate of for-sale housing is 1.6%.

Year	# Sold	Total Sales	Average Price	Median Price
1996	21	\$3,907,398	\$186,066	\$148,500
1997	27	\$5,677,429	\$217,682	\$172,500
1998	46	\$9,891,575	\$215,034	\$179,500
1999	39	\$8,784,180	\$225,235	\$162,000
2000	23	\$11,032,948	\$479,693	\$300,000
2001	25	\$9,251,300	\$370,052	\$279,000
2002	25	\$10,212,460	\$408,498	\$260,000
2003	33	\$21,921,149	\$664,277	\$352,500
2004	35	\$29,744,940	\$849,855	\$425,000
2005	38	\$38,605,400	\$1,015,931	\$567,500
2006	31	\$28,504,400	\$919,496	\$440,000
2007	27	\$27,978,300	\$1,032,529	\$560,000

Source: Mid-Hudson Multiple Listing Service

Housing costs have risen dramatically in the Town during the last decade. The median price of a home in Washington has almost tripled from \$148,500 in 1996 to \$560,000 in 2007 based upon homes listed through the Mid-Hudson Multiple Listing Service. In 2007 the median price of a home sold in the Town was \$560,000 and in the Village of Millbrook it was \$500,400. The median price of a condo was \$320,000. The increased cost of housing in the town as well as the rest of Dutchess County poses serious problems as many town and county residents are unable to afford home ownership.

Table: # Multiple Listing Service Trends – Single Family Detached Homes Sold in Millbrook				
Year	# Sold	Total Sales	Average Price	Median Price
2000	5	\$1,259,000	\$251,800	\$220,000
2001	4	\$881,000	\$220,250	\$222,500
2002	5	\$2,629,000	\$525,800	\$525,000
2003	3	\$1,177,500	\$393,500	\$325,000
2004	9	\$3,084,900	\$342,766	\$345,000
2005	11	\$4,461,250	\$405,568	\$365,000
2006	8	\$4,077,000	\$509,625	\$429,500
2007	9	\$4,927,150	\$547,461	\$500,400
2008				

Source: Mid-Hudson Multiple Listing Service

Table: # Multiple Listing Service Trends – Single Family Attached Condos Sold in Millbrook				
Year	# Sold	Total Sales	Average Price	Median Price
2000	4	\$558,900	\$139,725	\$139,500
2001	7	\$1,115,925	\$159,417	\$163,500
2002	7	\$1,504,900	\$214,985	\$189,900
2003	7	\$1,590,000	\$227,142	\$235,000
2004	4	\$945,000	\$236,250	\$242,500
2005	2	\$544,000	\$272,000	\$272,000
2006	5	\$1,747,500	\$349,500	\$312,000
2007	3	\$1,187,500	\$395,833	\$320,000
2008				

Source: Mid-Hudson Multiple Listing Service

The high cost of ownership for a home in the town is pricing many town residents out of the local housing market. Using current standards such as a 20% down payment and a 6% mortgage payable over 30 years, and committing no more than 28% of income, a \$560,000 house with taxes and insurance would require an income of \$148,271.42.

Table #: Ownership Cost Analysis – Town of Washington	
Median Cost of Purchased Home (2007)	\$560,000
Down Payment (20%)	112,000
Principal	448,000
Debt Service (6% for 30 years)	32,232
Taxes	7,044
Insurance	2,240
Subtotal	41,516
Affordability Factor	28%
Income Required	\$148,271.42

Only 15.4% or 312 estimated households in the Town in 2008 (based on Claritas Data) have an income over \$148,271.

Income Range	Households
Less than \$15,000	140
\$15,000 - \$24,999	192
\$25,000 - \$34,999	171
\$35,000 - \$49,999	284
\$50,000 - \$74,999	364
\$75,000 - \$99,999	231
\$100,000 – 149,999	352
\$150,000 and more	300
Total Household	2034

Source: Claritas (2008)

The increasing cost of housing also affects homeownership levels. The 2000 Census reports that 251 or 28.5% of all homeowners are cost burdened. Households with annual incomes under \$20,000 accounted for 52, or 20.7%, of the households determined to be cost burdened, while households with incomes over \$35,000 accounted for 64.9% of all cost burdened households. Given the significant escalation in housing prices in the years since 2000, it is anticipated that this pattern has worsened.

	Number of Households by Income Range				
	Total	Under \$10,000	\$10,000 - \$19,999	\$20,000 - \$34,999	Over \$35,000
Selected Owner-Occupied Units	881	18	37	94	732
<i>% of owner households</i>	100.0%	2.0%	4.2%	10.7%	83.1%
Owners paying over 30% of income for housing.	251	18	34	36	163
<i>% cost burdened</i>	28.5%	100.0%	91.9%	38.3%	22.3%
Income range as a % of cost burdened households	100.0%	7.2%	13.5%	14.3%	64.9%

Source: 2000 Census.

For-Sale Housing Market

A listing of homes for sale was obtained through the Mid-Hudson Multiple Listing Service (January 8, 2009). Combined, there were 37 single-family homes and five residential/farms listed in the Town of Washington. The median asking price of the single-family homes was \$700,000. There were 15 three-bedroom units with a median asking price of \$ 419,000. Seventeen four-bedroom units (median asking price \$849,000) were available. There are three one- and two-bedroom homes and two five or more bedroom homes also available for sale). Further, there are five residential/farms listed with a median asking price of \$6,016,000.

Table #: Multiple Listing Service – Homes for Sale in Washington		
Type of Housing	Total (as of 1/8/06)	Median Sales Price
Single Family Homes	37	\$700,000
▪ 1 and 2 bedrooms	3	\$225,000
▪ 3 bedrooms	15	\$419,000
▪ 4 bedrooms	17	\$849,000
Residential/ Farms	5	\$2,995,000

Source: Mid-Hudson Multiple Listing Service

Housing Affordability¹

Housing Rental Index

Rental housing is generally defined as affordable for a household if it does not cost more than 30 percent of the occupant's annual income on housing costs (housing costs include basic utilities). One measure of affordability is a rental index which calculates the maximum gross rent a household can afford. With a median household income of \$52,104 in 2000, the average household could afford \$1,303 per month in rent. With a median gross rent of \$702, the average household in Washington would find rentals to be affordable.

Table : Housing Rental Index, Town of Washington			
Year	Median Gross Rent (2000)/FMR (2008)	Median Household Income (2000)	Affordable Rent (30% of Average Monthly Income)
2000	\$702	\$52,104	\$1,303
2008	\$1,103 – 2BR \$1,352 – 3BR \$1,441 – 4BR	\$65,788	\$1,655

Source: US Census Bureau (2000), Claritas (2008), US Dept. of Housing & Urban Development.

According to estimates from Claritas, the estimated median household income for Town residents was \$65,788 in 2008. This translates to a monthly income of \$5,482 for the average Town household. Therefore, Town households are estimated to be able to reasonably afford \$1,655 for rent. According to the U.S Department of Housing & Urban Development (HUD), the Fair Market Rent (FMR) for a two-bedroom apartment in Dutchess County in FY2008 is \$1,103. The FMR for three-bedroom units is \$1,352 while for a four-bedroom unit is \$1,441. Fair Market Rent is an amount determined by HUD to be the cost of modest, non-luxury rental units in a specific market area. At the 2BR FMR rent of \$1,103 per month (in 2009), a minimum annual income of \$44,120 would be required by a household to afford a typical 2BR unit at 30% of income. Based on the fair market rents for 2BR-4BR units, the average household in Washington would find rentals to be affordable. However, based on the estimated 2008 income distribution (Claritas), approximately 33.2% of households within the Town of Washington have incomes below \$44,120 and would need to expend greater than 30% of their income for the 2BR FMR rent for housing in the Town.

¹ Persons in group quarters are not included in Census data described in the Housing Affordability section.

Ownership Units Affordability Ratio

In order to determine the affordability of homeowner units, a comparison is made between the median value of homeowner units and median household income. Nationally, a ratio of 2.0 or less is considered “affordable”. For instance, for a home costing \$200,000 to be affordable the household should earn an income of \$100,000 to achieve a ratio of 2.0. The affordability ratio for the Town of Washington equals \$175,800 (median value of homes) divided by \$52,104 (median household income). In 2000 the affordability ratio was 3.37 for the Town. Therefore in 2000, homes in Washington exceeded basic affordability standards and there are some families that were spending more than twice their annual income on a home.

Table Housing Affordability (2000)	
	Town of Washington
Median house value	\$ 175,800
Median Household income	\$52,104
Affordability Ratio	3.37

Source: US Census Bureau (2000)

According to 2008 estimates from Claritas, housing prices in Washington have increased dramatically since 2000. Housing prices for the Town grew in excess of 100%. The affordability ratio in 2008 was 6.12 for the Town.

Table # . Housing Affordability (2008)	
	Town of Washington
Estimated Median house value	\$402,924
Estimated Median Household income	\$65,788
Affordability Ratio	6.12

Source: Claritas (2008)

Housing Development Projects

There are currently no housing developments proposed in the Town of Washington. However, there is a housing project being proposed for the former Bennett College Campus in the Village of Millbrook. The proposed subdivision will create 91 residential lots and 11 open space and right of way parcels and allow construction of 82 duplex units and nine single-family homes. Prices will range between \$450,000 and \$600,000 per unit. In November 2008, the Village Planning Board had concluded that there would be no significant adverse impact resulting from the project. Then in December 2008, the New York State Department of Environmental Conservation reviewed the Village Planning Board’s Negative Declaration and requested that the Village Planning Board amend or rescind the Negative Declaration due to procedural errors and insufficient/erroneous information.

Housing Subcommittee

In preparation for the Town’s Comprehensive Plan, the Steering Committee established separate subcommittees each charged with direct responsibility for data collection, analysis, and making recommendations to the Steering Committee on topic areas typically covered in a Comprehensive Plan.

During their research, the Housing Subcommittee identified the lack of affordable “workforce housing” as a major issue facing the Town of Washington. In their report, the Housing Subcommittee states *“Like many other communities in Dutchess County, the Town of Washington is pricing many of its residents out of the Town. Many of the young people who have grown up in the Town have to move elsewhere to live. This serious affordability problem is being faced by many communities. Pricing many people out of the community can have serious economic and social implications. A community can lose its economic and social diversity. If this occurs, many aspects of community life will suffer. Who will be available to work in the local economy and provide the backbone of community volunteers? What will happen to those generations of families who are part of the history and character of the community?”*

The Housing Subcommittee also posed the question of *“How do you create “workforce housing” while maintaining the essential character of the town?”* Although the Subcommittee identified a number of solutions such as expanding the use of accessory apartments, clustering homes, and giving tax incentives to builders to include smaller, less expensive homes in their plans, they also identified a major impediment – there is a lack of public sewer and water in the Town of Washington outside the Village of Millbrook.