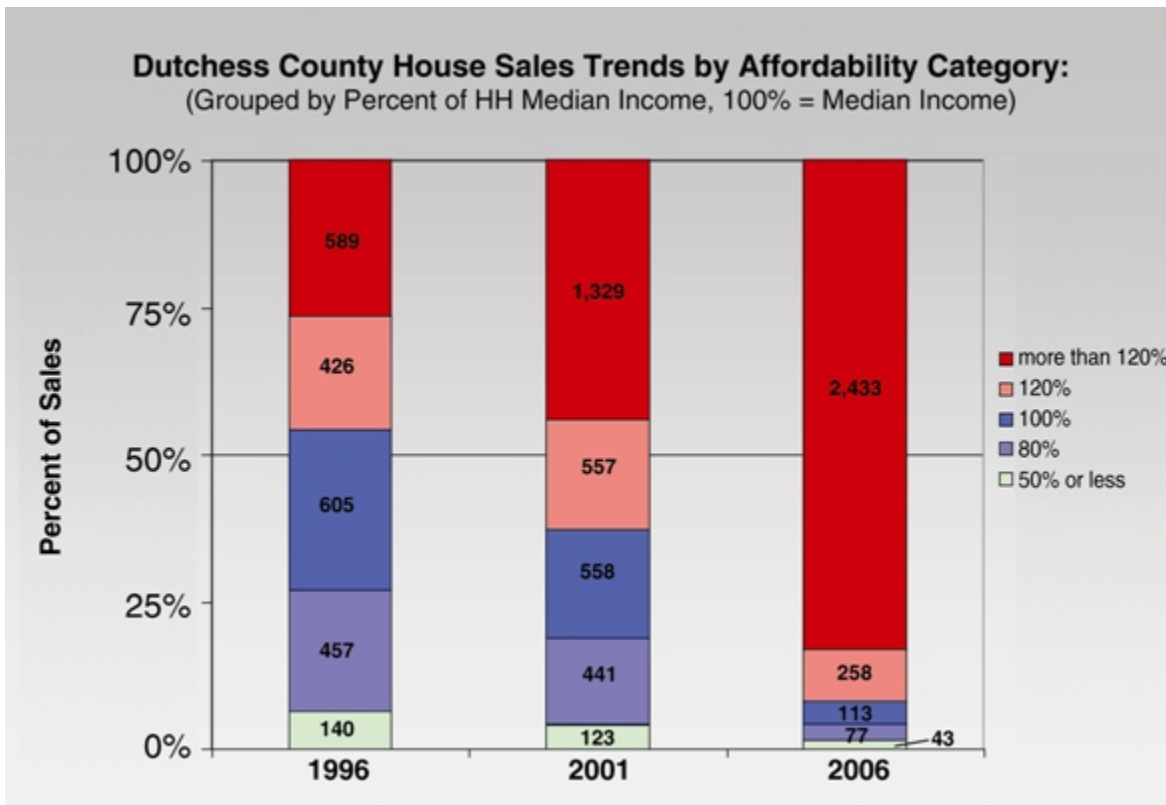


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Regional Housing Needs Study Released

By: Anne Saylor, Housing Coordinator

Dutchess, Ulster and Orange Counties released the first ever [Regional Housing Needs Assessment](#) earlier this month. The purpose of the study was to quantify the need for moderately-priced housing in the three-county region. The chart below is a great visual representation of the reason the study was completed. In 10 years, Dutchess County went from a fairly reasonable distribution of home prices to a focus exclusively on homes affordable only to households over 120% of the county median household income. While the housing stock distribution has certainly moderated in the last couple of years, this chart illustrates just how quickly a housing market can become unbalanced.



How Does the Recession Fit In?

Although the past two years have been a challenging time to complete such a study, it has also been exciting and in some ways vindicating. The study was overseen by a workgroup including representation from all three involved counties. Many of the workgroup's early decisions about how to define the problem have been validated. As an example, after much discussion we agreed to define affordability in owner-occupied housing as 30% of a household's income allotted for principal, interest, taxes, and insurance, as well as a 5% downpayment. What seemed like conservative standards in October 2007 have become the new mortgage industry standards as of 2009. The conservative decisions of the workgroup and the consultant have resulted in an assessment that retains validity even after all the recent fluctuations in the housing market and economy.

The study examined the current need for moderately-priced housing and completed a forecast for those needs through 2020. This study did not focus on households considered "welfare" or "Section 8", but instead covered the housing needs for households up to 120% of the median income (which is \$98,160 for a family of four). Most of the units envisioned by this study are for senior citizens, working families, and individuals.

What is Dutchess County's Overall Need?

To determine the current need, the existing housing stock was compared to existing household incomes. Through this comparison it was determined that Dutchess County has an "affordability gap" in its housing stock of 24,813 units (17,913 owner-occupied and 6,900 rental). A similar comparison was projected through 2020 which resulted in a cumulative gap of 32,461 (21,735 owner-occupied and 10,726). The study does show a slight decline in the affordability gap for owner-occupied housing through 2010 because of the recent decline in home prices.

How Many Units Do We Actually Need to Build?

Of course, we do not need build all the units in the "gap." Determining the gap was just the first step in figuring out how many units should be built. Most people in Dutchess County are housed even if the housing they secure isn't considered "affordable" by traditional definitions. Some people must pay more than they can afford just to put a roof over their head, while others decide to "buy" more house than they can reasonably afford in order to live in a particular type of house, community or school district. Some of the people whose housing is unaffordable by the study's definition wouldn't move even if more affordable options were available. Seniors are the most obvious example, where many don't want to leave the homes in which they raised their families even if there is more affordable housing nearby.

It is also important to note that building new units is not the only solution to addressing the "gap". Many existing units could be made more affordable by lowering property taxes, providing rental assistance to lower-wage households, and providing downpayment and closing cost assistance to first time homebuyers.

There are different approaches that could be taken to determine how much moderately-priced housing should be actually built. After looking at many options, the workgroup selected an option that minimized value judgments about housing choices. The build number was calculated

based on the County’s trend towards a declining household size. The logic behind the calculation is that as the average household size decreases, just this trend alone places additional pressure on the housing stock which drives up rents and sales prices. The table at right shows the number of moderately-priced units the study recommends be built by 2020.

Dutchess County Moderately-Priced Housing Build Targets Thru 2020	
Owner Units	5,108
Renter Units	4,264
Total Units	9,372

What Does This Mean for Local Municipalities?

The final step was to allocate these units to each municipality. The projections were made based on historical trends and the “development capability” factor, which reflects the expectation that future housing unit demand and affordability challenges will be concentrated in those communities with sufficient infrastructure to accommodate compact development. In today’s planning language, these allocations are a balance between a traditional “fair share” approach where units are allocated based on the existing housing stock, and a “smart growth” approach where units are focused around existing centers and infrastructure, such as water and sewer. The core of these allocations is a “fair share approach” with modest adjustments for “smart growth” criteria.

The municipality with the largest number of units needed was the City of Poughkeepsie with 1,513 units, while the Town of Milan had the smallest number at 100. The breakdowns for each municipality are available on [page 47](#) of the study.

Next Steps

In the next few months the Department of Planning and Development will develop and distribute fact sheets for each municipality which outline the study’s data for each community. The County will also begin a system which tracks the development of moderately-priced housing against the goals set forth in the study.

More Information

[A Three County Regional Housing Needs Assessment:
Dutchess, Orange and Ulster Counties from 2006 to 2020](#)

[Is There Still An Affordable Housing Crisis?](#) (May 2009 eNewsletter issue)

[CLICK HERE](#) to view past issues of the DCPF's newsletter, *Plan On It*.

This newsletter was developed by the Dutchess County Department of Planning and Development, in conjunction with the Dutchess County Planning Federation.

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New Opportunity for Getting Active!

Following up on our [March 2009 article](#), we are pleased to let you know about the latest opportunity for improving your health and getting active in the County — the Dutchess Rail Trail has recently been expanded! Phase 2 opened to the public in July, and connects Morgan Lake to Overocker Road in the Town of Poughkeepsie along a 2.4 mile stretch of trail. Visit [Dutchess County Trails](#) for more information and to view a map of the Dutchess Rail Trail.