

HOUSING ASSESSMENT



TOWN OF RHINEBECK

Open Space Affordable Housing Committee

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Hudson Valley Pattern for Progress

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Appendix 1: Cost Burden Analysis

EXECUTIVE SUMMARY

The Town of Rhinebeck, much like many communities in the Hudson Valley, is faced with an aging population and the loss of the Millennial generation. The ability of senior citizens to age in place, maintain their existing homes, student debt, low wages, rental vacancy rates of less than 5% and limited public resources exacerbates the need for additional development of affordable rental housing.

The purpose and scope of this research and assessment was to determine the approximate number of rental units in the Town of Rhinebeck and the affordability of renting as compared to the local median household income. The report assesses the affordability of the current rental market. The report includes a demographic profile of the Town and Village with comparisons to surrounding municipalities and Dutchess County, when appropriate. Data and statistics regarding local wage rates and commutation patterns are also included in the report. Four of the largest private employers were also interviewed to assist in determining the need for affordable housing. The assessment also included an examination of the current real estate market to provide a snapshot of affordability for homeownership. Finally, the report offers three options for the development of rental housing in Rhinebeck.

FINDINGS AND RECOMMENDATION

- ✚ In order to afford the Fair Market Rent in Dutchess County, at the median renters hourly wage rate of \$9.65, 101 hours of work per week is required.
- ✚ Based on the renters median household income of \$35,865 in the Town of Rhinebeck, there is a household budget gap of \$140 per month for rent. The gap is larger in the Village of Rhinebeck, which indicates the shortfall to be \$228 per month.
- ✚ There is one subsidized rental housing complex in the Village of Rhinebeck, Wells Manor, specifically for income eligible seniors age 62 or older. This housing has maximum income levels ranging from \$30,500 to \$34,700. The current waiting list is between 1 and 3 years.
- ✚ The Dutchess County rental housing assistance program waiting list has been “closed” since 2010 and has not accepted new applications for rental assistance since that time. The current average waiting time from application to “move-in” is over three years and may easily reach four or five years. The current waiting list indicates a strong need for 1-BR apartments for both elderly and non-elderly. There is also a high demand for 2-BR and 3-BR units within the non-elderly population.
- ✚ In the Town of Rhinebeck, 74.7% of renters (325 households) earning 50% of the area median income are cost burdened and 51.7% (225 households) are severely cost burdened

- ✦ In the Village of Rhinebeck, 72.1% of renters (155 households) earning 50% of the area median income are cost burdened and 53.5% (115 households) are severely cost burdened
- ✦ There is a need to develop affordable rental housing to retain and attract the Millennial generation, provide for young starter-families, single wage earners and for seniors living on fixed incomes. Therefore a mix of one, two and three bedroom units is appropriate. The scope of this housing assessment does not include a specific unit breakdown.
- ✦ Three options for rental housing development in Rhinebeck include
 - Construction of a development completely dedicated to serve low income residents
 - A rental development designed with a mixed income approach
 - A market rate development designed as shared housing
- ✦ Based on the local economic profile by industry, cost burden analysis, demographic data and the fair share allocation study, current vacancy rates and waiting lists - the analysis points to the recommendation of constructing at least 60 to 72 units of affordable workforce rental housing in Rhinebeck. This recommendation is further supported by information gathered through the interviews conducted with major local employers

TOWN OF RHINEBECK - HOUSING ASSESSMENT

INTRODUCTION AND BACKGROUND

The Town of Rhinebeck is located in the northwestern area of Dutchess County. It is bordered by the Hudson River to the west, The Town of Red Hook to the north, the Town of Milan and Clinton to the east and the Town of Hyde Park on the south about 100 miles north of New York City and 65 miles south of Albany.

The Town of Rhinebeck is rural in nature with one urban center, the Village of Rhinebeck. There is one Census Designated Place (CDP) in the town known as Rhinecliff, which is located on the Hudson River.



Hudson Valley Pattern for Progress was commissioned by the Town of Rhinebeck through its Open Space and Affordable Housing Committee (OSAHC) to research and create a local housing assessment. The OSAHC asked Pattern for Progress to focus on the rental housing market in the Town of Rhinebeck. The OSAHC has had preliminary discussions with several affordable and market rate multifamily developers who have indicated there is a market demand for rental housing in Rhinebeck for residents with a wide range of income levels. The town has established a dedicated fund to explore and help foster the development of affordable housing. As shown below, the research indicates a strong need for both affordable and market rental housing in Rhinebeck.

Demographic data at the town level is critical in Community Development and Housing and an important component of planning studies, reports and documents. Demographics provide a snapshot of current conditions and the analysis of demographics assists in identifying socio-economic trends that will aid in future planning efforts for the Town. To make well-informed decisions, it is important to begin at the county level in order to provide an overall picture of the Town within the context of its surroundings.

The data is primarily from the United States Census Bureau decennial data sets and the American Community Survey (ACS). The demographics typically reference decennial census data sets from 2000 and 2010, however, the 2014 ACS data is also used in parts of the analysis. The 2014 ACS data represents a 5-year statistical sampling of the population from 2010-2014. The 2014 ACS data set is used in this assessment as a current reference point for demographic trends. However, when analyzing smaller communities, such as the Village of Rhinebeck, the

margins of error are significant enough the analysis utilizes the decennial data sets from 2000 and 2010. Additional data is sourced from other federal and state agencies and national housing organizations.

In addition to the demographic trends, this assessment includes an affordability matrix at the county and local level for homeownership and provides data at the town and village level known as a housing cost burden analysis. The assessment is also based upon local data collected through site visits and interviews conducted with municipal officials and staff, business owners and employers, realtors and property managers. The assessment includes an inventory of rental housing currently on the market.



Finally, the assessment includes recommendations and options for rental housing development in Rhinebeck. The recommendations are based on the analysis of demographic and market data along with interviews of local employers.

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DEMOGRAPHIC PROFILE - POPULATION

Table 1: Dutchess County Population Growth 1940 to 2014

Year	Population	# Change	% Change	Annual Growth Rate
1940	120,542			
1950	136,781	16,239	13.5%	1.35%
1960	176,008	39,227	28.7%	2.87%
1970	222,295	46,287	26.3%	2.63%
1980	245,055	22,760	10.2%	1.02%
1990	259,462	14,407	5.9%	0.59%
2000	280,150	20,688	8.0%	0.80%
2010	297,488	17,338	6.2%	0.62%
2014 (ACS)	297,388	-100	-0.03%	-0.003%

Source: US Census Bureau and American Community Survey 2014 (ACS)

Dutchess County witnessed steady growth from the 1940's through 1980 with the largest percentage growth during the 1950's and 1960's. Population growth began to slow during the 1970's with a slight gain during the 1990's. Since 2000, the county growth rate has declined and is now showing a population loss of 100 persons from the 2010 census to the 2014 ACS. The annual growth rate was less than 1% from 1980 through 2010.

Table 2: Regional Population Trends by County 2000 to 2014

County	Census 1980	Census 1990	Census 2000	Census 2010	ACS 2014	# change 1980-2014	% change 1980-2014
Westchester	866,599	874,866	923,459	949,113	962,319	95,720	11.05%
Orange	259,603	307,647	341,367	372,813	374,518	114,915	44.27%
Rockland	259,530	265,475	286,753	311,687	318,186	58,656	22.60%
Dutchess	245,055	259,462	280,150	297,488	297,388	52,333	21.36%
Columbia	59,487	62,982	63,094	63,096	62,525	3,038	5.11%
Ulster	158,158	165,304	177,749	182,493	181,598	23,440	14.82%
Putnam	77,193	83,941	95,745	99,710	99,697	22,504	29.15%
Sullivan	65,155	69,277	73,966	77,547	76,892	11,737	18.01%
Total	1,990,780	2,088,954	2,242,283	2,353,947	2,373,123	382,343	19.21%

Source: US Census Bureau and American Community Survey (ACS) 2014

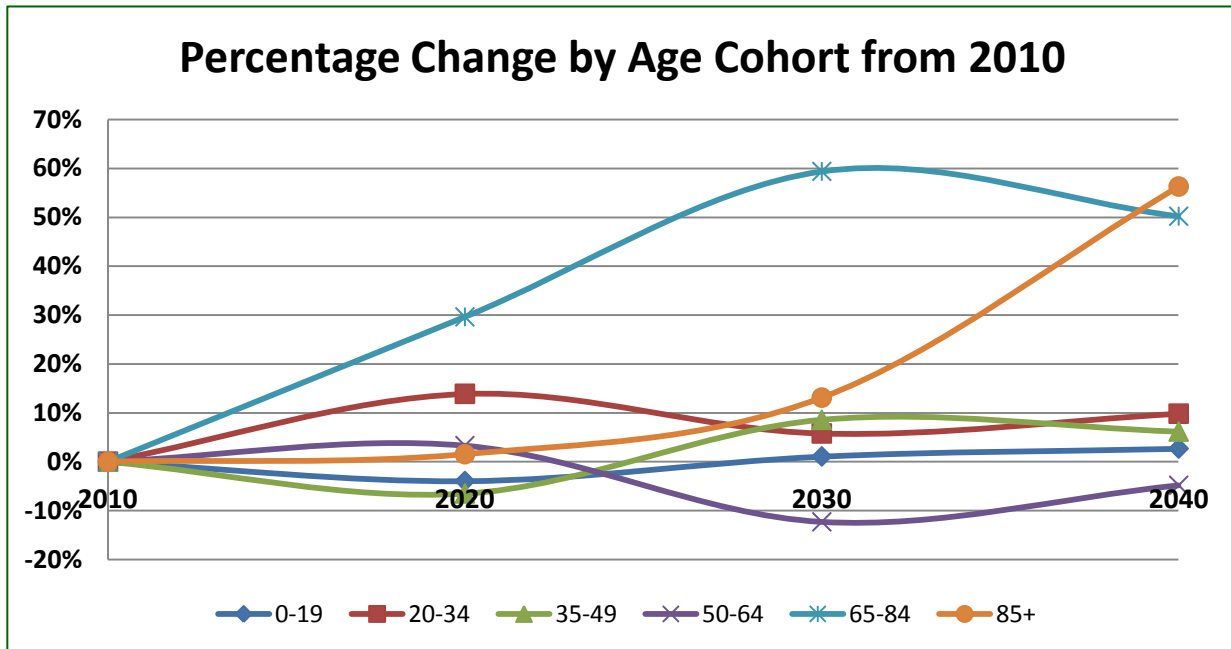
Dutchess County grew by 52,333 persons, or 21.36%, between 1980 and 2014. In relation to other counties within the Hudson Valley region, Dutchess County ranked 3rd in population growth with an increase of 17,238 persons (6.15%) from the Census 2000 to the ACS 2014.

Projections of population growth are another key element to planning. The Cornell University Program on Applied Demographics provides projections at the county level and also for individual school districts. The table below breaks the projections out by age cohort to the year 2040. According to the most recent projections from Cornell, Dutchess County is anticipated to grow by an estimated 29,245 persons (9.72%) by 2040, which represents a growth rate of .32% per year - essentially no growth.

Table 3: Dutchess County Population Projections by Age Cohort

Age Cohort	Census 2010	Population Projections			Percentage Change		
		2020	2030	2040	2010 to 2020	2010 to 2030	2010 to 2040
0-19	76,983	73,931	77,806	79,049	-3.96%	1.07%	2.68%
20-34	53,212	60,596	56,281	58,440	13.88%	5.77%	9.82%
35-49	65,289	61,043	70,885	69,312	-6.50%	8.57%	6.16%
50-64	61,700	63,738	54,105	58,722	3.30%	-12.31%	-4.83%
65-84	34,733	45,021	55,356	52,172	29.62%	59.38%	50.21%
85+	5,571	5,656	6,301	8,707	1.53%	13.10%	56.29%
Totals	297,488	309,985	320,734	326,402	4.20%	7.81%	9.72%

Source: Cornell University Program on Applied Demographics



Source: Cornell University Program on Applied Demographics

When examining the growth rates within specific age cohorts, the largest increases are found in the age cohorts of 65-84 and 85+. These two age cohorts are estimated to grow by more than 51% by 2040 (20,575 persons). The age cohort of 0-19 is projected to grow by only 2.68% and the age cohort of 20-34 will increase by 9.82% by 2040.

These demographic shifts and projections will clearly have ramifications in housing, and community and economic development that must be understood by planners. This is critically important when analyzing and planning for schools and examining new household formations by Millennials and the impact on the existing housing market and new housing developments. It is important to understand these shifts and examine both short term and long range plans for retaining young residents and managing the needs of an aging population. Although the projections indicate a large increase in the aging population at the county level, not all residents will remain in the town or village. However, for those who remain in the county, assistance may be needed as they age in place, while some may require smaller homes or apartment as some aging households downsize. There may also be the need for additional assisted living facilities and nursing home beds.

Aging in place has a variety of impacts on housing. As more elderly homeowners remain in their residence, fewer homes are available for sale on the market, which reduces inventory for the next generation of homebuyers. Furthermore, new construction of homes is much slower than it has been in prior real estate markets. However, aging in place increases the demand on remodeling, renovation and accessibility improvements as physical changes are required in homes occupied by the elderly. Contractors, designers, accessibility specialists, architects, property maintenance businesses and home health aides may see an increase in business.

For many elderly residents and their families, finances are a huge concern. Aging in place will create a financial hardship for many area residents: the cost of maintaining a home, including the physical maintenance, taxes, and possible redesign for accessibility. Local programs to assist in nutritional needs, health care and the physical changes needed for accessibility should be enhanced as the elderly population swells. Municipalities need to be proactive in the development of senior housing for residents of all income levels and household composition. New apartments may be designed as one bedroom units or may be designed to provide for extended family as caretakers.

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Table 4: Dutchess County Population by Municipality 2000 to 2014

Municipality	Census 2000	Census 2010	ACS 2014	2000-2010 # Change	2000 - 2010 % Change	2010-2014 # Change	2010 - 2014 % Change
City of Beacon	14,810	14,599	14,437	-211	-1.4%	-162	-1.1%
City of Poughkeepsie	29,871	31,045	30,716	1,174	3.9%	-329	-1.1%
Amenia	4,048	4,436	4,399	388	9.6%	-37	-0.8%
Beekman	13,655	14,621	14,557	966	7.1%	-64	-0.4%
Clinton	4,010	4,312	4,306	302	7.5%	-6	-0.1%
Dover	8,565	8,699	8,638	134	1.6%	-61	-0.7%
East Fishkill	25,589	29,029	29,241	3,440	13.4%	212	0.7%
Fishkill	19,256	23,049	23,392	3,793	19.7%	343	1.5%
V. Fishkill	1,735	2,171	1,923	436	25.1%	-248	-11.4%
Hyde Park	20,851	21,571	21,474	720	3.5%	-97	-0.4%
LaGrange	14,928	15,730	15,763	802	5.4%	33	0.2%
Milan	2,356	2,370	2,254	14	0.6%	-116	-4.9%
North East	3,002	3,031	3,022	29	1.0%	-9	-0.3%
V. Millerton	925	958	764	33	3.6%	-194	-20.3%
Pawling	7,521	8,463	8,420	942	12.5%	-43	-0.5%
V. Pawling	2,233	2,347	2,297	114	5.1%	-50	-2.1%
Pine Plains	2,569	2,473	2,576	-96	-3.7%	103	4.2%
Pleasant Valley	9,066	9,672	9,708	606	6.7%	36	0.4%
Poughkeepsie	42,777	45,032	44,944	2,255	5.3%	-88	-0.2%
Red Hook	10,408	11,319	11,298	911	8.8%	-21	-0.2%
V. Red Hook	1,805	1,961	1,760	156	8.6%	-201	-10.2%
V. Tivoli	1,163	1,118	1,091	-45	-3.9%	-27	-2.4%
Rhinebeck	7,762	7,548	7,641	-214	-2.8%	93	1.2%
TOWN ONLY	4,685	4,891	4,999	206	4.4%	108	2.2%
V. Rhinebeck	3,077	2,657	2,642	-420	-13.6%	-15	-0.6%
Stanford	3,544	3,823	3,819	279	7.9%	-4	-0.1%
Unionvale	4,546	4,877	4,864	331	7.3%	-13	-0.3%
Wappinger	26,274	27,048	27,194	774	2.9%	146	0.5%
V. Wappingers Falls*	4,929	5,522	5,377	593	12.0%	-145	-2.6%
Washington	4,742	4,741	4,725	-1	0.0%	-16	-0.3%
V. Millbrook	1,429	1,452	1,510	23	1.6%	58	4.0%
Total Population	280,150	297,488	297,388	17,338	6.2%	-100	-0.03%

Source: US Census Bureau and American Community Survey (ACS) 2014, Town populations include villages. * Village of Wappingers Falls is partially in the Town of Poughkeepsie and the Town of Wappingers

Dutchess County grew in population from 2000 to 2010 by 17,338, or 6.2%, and then essentially stopped growing between 2010 and 2014, as evidenced by the 2014 ACS data. According to the ACS 2014, a vast majority of municipalities are showing population declines from 2010 to 2014, although some of the declines are so small as to be within the margin of error for the ACS. A

small number of towns gained population from 2010 to 2014, including East Fishkill, Fishkill, LaGrange, Pine Plains, Pleasant Valley and Wappingers,. according to the 2014 ACS

The Town of Rhinebeck, outside of the Village of Rhinebeck, is one of the few municipalities that has shown continued population growth since 2000. The above Table 4 shows the Town of Rhinebeck growing by 206 persons from 2000 to 2010 and another 108 persons from 2010 to 2014. The population in the Village of Rhinebeck has continue to decline since the 2000 Census, losing 435 persons from 2000 to 2010 and another 15 persons from 2010 to 2014.

Table 5: Neighboring Municipalities Population Trends 2000 to 2014

Municipality	Census 2000	Census 2010	ACS 2014	2000-2010 # Change	2000 - 2010 % Change	2010-2014 # Change	2010 - 2014 % Change
Red Hook	10,408	11,319	11,298	911	8.8%	-21	-0.2%
V. Red Hook	1,805	1,961	1,760	156	8.6%	-201	-10.2%
V. Tivoli	1,163	1,118	1,091	-45	-3.9%	-27	-2.4%
Milan	2,356	2,370	2,254	14	0.6%	-116	-4.9%
Clinton	4,010	4,312	4,306	302	7.5%	-6	-0.1%
Hyde Park	20,851	21,571	21,474	720	3.5%	-97	-0.4%

Source: US Census Bureau and American Community Survey (ACS) 2014, Town populations include villages

The neighboring towns and villages, including Red Hook, Milan, Clinton and Hyde Park all gained population from 2000 to 2010. The Village of Tivoli showed a small loss of 45 persons. According to the ACS 2014 there has been a loss of population in all neighboring communities between 2010 and 2014. The Village of Red Hook is showing a loss of over 10% of its population since 2010, after growing by 8.6% between 2000 and 2010.

Table 6: Neighboring Municipalities - Annual Births 2002 to 2014

Municipality	2002	2008	2014	2002 to 2014	
				# change	% change
Rhinebeck	54	41	40	-14	-25.9%
TOWN ONLY	37	25	27	-10	-27.0%
V. Rhinebeck	17	16	13	-4	-23.5%
Red Hook	99	78	61	-38	-38.4%
V. Red Hook	20	8	13	-7	-35.0%
V. Tivoli	14	5	1	-13	-92.9%
Milan	27	21	16	-11	-40.7%
Clinton	42	43	22	-20	-47.6%
Hyde Park	198	202	200	2	1.0%

Source: New York State Department of Health, Village included in Town totals

According to the New York State Department of Health, the number of births in the Town of Rhinebeck and the surrounding municipalities has fallen, except for Hyde Park, which is flat. The largest decline was in the Town of Red Hook (38), which includes both the village of Red Hook and Tivoli. Overall, the number of births in Dutchess County has declined from 3,222 in 2002 to 2,678 in 2014, a 16.9% drop.

Table 7: Births by School District

School District	2002	2008	2014	2002 to 2014	
				# change	% change
Hyde Park	299	321	294	-5	-1.7%
Red Hook	118	101	84	-34	-28.8%
Rhinebeck	75	54	46	-29	-38.7%

Source: New York State Department of Health

The New York State Department of Health also provides data on the number of births by school district. There has been a decline in the Rhinebeck, Red Hook and Hyde Park Central School Districts from 2002 to 2014.

SCHOOL ENROLLMENT

Table 8: Rhinebeck Central School District Enrollment

School Enrollment by Location	2000	2014	2000 to 2014	
			Count	Percent
Chancellor Livingston Elementary School	568	442	-126	-22.2%
Bulkeley Middle School	316	271	-45	-14.2%
Rhinebeck Senior High School	414	389	-25	-6.0%
Overall School Enrollment	1,298	1,102	-196	-15.1%

Source: New York State Department of Education: Report Cards 2000 and 2014

The New York State Department of Education reports a decline in school enrollment for all schools within the Rhinebeck Central School District since 2000. From 2000 through 2014, Rhinebeck Central School District has declined by 196 students (15.1%). According to the Cornell University Program on Applied Demographics, the projected school enrollment for the Rhinebeck Central School District will continue to decline through 2023. Enrollment is projected to decline by 100 students (9%) from 2014 to 2023, according to the Cornell figures.

Table 9: Dutchess County School District Enrollment

Public School Districts (with peak year since 1993)	1994	Peak	2004	2014	2023	% Change from Peak to 2014	% Change from 2014 to 2023
Northeast CSD (1993)	1,049	1,065	845	724	705	-32.0%	-2.6%
Pine Plains CSD (1994)	1,528	1,528	1,359	919	880	-39.9%	-4.2%
Spackenkill Union Free SD (2003)	1,500	1,835	1,831	1,453	1,380	-20.8%	-5.0%
Hyde Park CSD (2002)	4,244	4,584	4,540	3,594	3,217	-21.6%	-10.5%
Rhinebeck CSD (2000)	1,204	1,296	1,245	1,102	1,002	-15.0%	-9.1%
Arlington CSD (2005)	8,124	10,315	10,166	8,588	7,646	-16.7%	-11.0%
Beacon City School District (2004)	2,741	3,592	3,592	2,979	3,043	-17.1%	2.1%
Dover Union Free SD (2001)	1,564	1,815	1,744	1,381	1,407	-23.9%	1.9%
Pawling CSD (2007)	1,186	1,462	1,405	1,205	1,063	-17.6%	-11.8%
Red Hook CSD (2005)	2,098	2,328	2,317	1,909	1,533	-18.0%	-19.7%
Millbrook CSD (2008)	1,052	1,229	1,171	1,001	876	-18.6%	-12.5%
Wappingers CSD (2006)	10,807	12,504	12,311	11,409	11,026	-8.8%	-3.4%
Poughkeepsie City SD (2003)	3,558	4,660	4,615	4,200	3,994	-9.9%	-4.9%
Dutchess County Total	40,655	---	47,141	40,464	37,772		-6.7%

Source: New York State Department of Education and Cornell University PAD

School-aged populations are falling in the vast majority of school districts throughout the Hudson Valley, including all Dutchess County School Districts. The projected enrollment for all Dutchess County districts, according to Cornell University, will continue to decline through 2023 by another 2,692 students, representing a 6.7% overall drop. Rhinebeck's neighboring districts, Red Hook and Hyde Park are projected to decline by 377 students (19.7%) and 376 students (10.5%), respectively. The only two school districts in Dutchess County that are projected to grow are Beacon City School District (64 students, 2.1%) and the Dover Union Free School District (26 students, 1.9%).

DIVERSITY - AGE, RACE AND ETHNICITY

Table 10: Population by Age - Town of Rhinebeck

Age	Census 2000	as a % of total population	Census 2010	as a % of total population	# change 2000 to 2010	% change 2000 to 2010
Under 5	323	4.2%	235	3.1%	-88	-27.2%
5 to 19	1,405	18.1%	1,141	15.1%	-264	-18.8%
20 to 34	1,100	14.2%	974	12.9%	-126	-11.5%
35 to 54	2,359	30.4%	1,990	26.4%	-369	-15.6%
55 to 64	803	10.3%	1,230	16.3%	427	53.2%
65 to 74	685	8.8%	826	10.9%	141	20.6%
75 +	1,087	14.0%	1,152	15.3%	65	6.0%
Totals	7,762		7,548		-214	-2.8%
Median Age	44.1		50.4		6.3	14.3%

Source: US Census Bureau, Town population includes village

The Town, when including the village, is losing population in the under 55 age cohorts. The largest gains are in the age cohorts over 55, which is also evidenced by an increase since 2000 in the median age by over 6 years, or 14.3%, from 44.1 to 50.4. The under 34 age cohort has dropped from 2,828 persons in 2000 to 2,350 persons in 2010, which represents a 17% decline. The age cohort of 65 and over has increased from 1,772 persons to 1,978 during the same period, which represents an increase of 11.6%. Overall, these demographics show the decline in the younger generations and an increase in the aging population, specially 55+.

Table 11: Population by Age - Village of Rhinebeck

Age	Census 2000	as a % of total population	Census 2010	as a % of total population	# change 2000 to 2010	% change 2000 to 2010
Under 5	121	1.6%	91	1.2%	-30	-24.8%
5 to 19	501	6.5%	423	5.6%	-78	-15.6%
20 to 34	437	5.6%	355	4.7%	-82	-18.8%
35 to 54	811	10.4%	659	8.7%	-152	-18.7%
55 to 64	323	4.2%	417	5.5%	94	29.1%
65 to 74	315	4.1%	293	3.9%	-22	-7.0%
75 +	569	7.3%	419	5.6%	-150	-26.4%
Totals	3,077		2,657		-420	-13.6%
Median Age	47.2		49.6		2.4	5.1%

Source: US Census Bureau

Within the Village of Rhinebeck, only one age cohort, 55 to 64 has been growing while all other age cohorts have declined. According to the Census data, the age cohorts 65 and over have declined by 172 persons, or 33.4%. Notably, this decline in the senior population is the opposite trends found in many other Hudson Valley communities.

Table 12: Population by Age - Town of Rhinebeck - Outside of Village

Age	Census 2000	as a % of total population	Census 2010	as a % of total population	# change 2000 to 2010	% change 2000 to 2010
Under 5	202	4.3%	144	2.9%	-58	-28.7%
5 to 19	904	19.3%	718	14.4%	-186	-20.6%
20 to 34	663	14.2%	619	12.4%	-44	-6.6%
35 to 54	1,548	33.0%	1,331	26.6%	-217	-14.0%
55 to 64	480	10.2%	813	16.3%	333	69.4%
65 to 74	370	7.9%	533	10.7%	163	44.1%
75 +	518	11.1%	733	14.7%	215	41.5%
Totals	4,685		4,891		206	4.4%

Source: US Census Bureau

The overall population in the Village of Rhinebeck has declined, but the Town outside of the village actually grew by 206 persons, or 4.4%. The growth came exclusively from age cohorts of 55 and over; age cohorts under 55 all declined.

To counter these trends, it is vitally important for the town to identify and collaborate with its neighbors in establishing strategies and plans to attract and retain Millennials, while providing services for the aging population. The attraction and retention of Millennials typically promotes and enhances diversity and culture, strengthens the depth of the local workforce and increases the tax base. The town should continue to monitor and track these demographics for planning purposes as the cost of providing services to area residents will continue to increase.

From the perspective of housing, there is a correlation between the loss of Millennials and the availability and affordability of homes and apartments in the town and village. Starter families, young couples and singles are in need of housing that is affordable as they graduate from college or complete training for a specific trade.

Again, as seniors continue to age in place, many will find it more difficult to maintaining their home. These topics are further analyzed and explored later in this report.

Table 13: Racial Distribution - Dutchess County

DUTCHESS COUNTY	Census 2000		Census 2010		Population Change 2000 to 2010	
	Race Alone	Number	Percent	Number	Percent	Number
White	234,385	83.7%	238,387	80.1%	4,002	-3.6%
Black or African American	26,097	9.3%	29,518	9.9%	3,421	0.6%
American Indian and Alaska Native	609	0.2%	893	0.3%	284	0.1%
Asian	7,048	2.5%	10,437	3.5%	3,389	1.0%
Native Hawaiian & Other Pacific Islander	88	0.0%	108	0.0%	20	---
Some other race	6,626	2.4%	10,345	3.5%	3,719	1.1%
Two or more races	5,297	1.9%	7,800	2.6%	2,503	0.7%

Source: US Census Bureau

The county has become more diverse as a slight growth in the White population has been accompanied by significant growth in other races. The race white population grew by only 1.7% (4,002 persons), essentially stagnant growth. There was an increase in the Black or African American population by 3,421 persons, or 13.1%. The other notable change in the demographics at the county level is in the Asian population, which witnessed an increase of 48.1%. Finally, the category of some other race shows an increase of 3,719 persons, or 56.1%, which adds to the conclusion that the county has become more diverse.

Table 14: Racial Distribution - Town of Rhinebeck

TOWN OF RHINEBECK	Census 2000		Census 2010		Population Change 2000 to 2010	
	Race Alone	Number	Percent	Number	Percent	Number
White	7,180	92.5%	6,976	91.3%	-204	-1.2%
Black or African American	280	3.6%	189	2.5%	-91	-1.1%
American Indian and Alaska Native	7	0.1%	8	0.1%	1	----
Asian	106	1.4%	134	1.8%	28	0.4%
Native Hawaiian & Other Pacific Islander	0	0.0%	4	0.1%	4	0.1%
Some other race	91	1.2%	140	1.8%	49	0.6%
Two or more races	98	1.3%	97	1.3%	-1	---

Source: US Census Bureau

In the Town of Rhinebeck, the White and Black or African American populations declined, losing 295 persons. There was an increase in the Asian population and people of some other race, which follows the trend at the county level and the Hudson Valley.

Table 15: Racial Distribution - Village of Rhinebeck

VILLAGE OF RHINEBECK	Census 2000		Census 2010		Population Change 2000 to 2010	
	Race Alone	Number	Percent	Number	Percent	Number
White	2,909	94.5%	2,441	92.4%	-468	-2.1%
Black or African American	59	1.9%	44	1.7%	-15	-0.2%
American Indian and Alaska Native	5	0.2%	1	0.0%	-4	-0.2%
Asian	35	1.1%	56	2.1%	21	1.0%
Native Hawaiian and Other Pacific Islander	0	0.0%	0	0.0%	0	0.0%
Some other race	35	1.1%	80	3.0%	45	1.9%
Two or more races	34	1.1%	35	1.3%	1	0.2%

Source: US Census Bureau

The Village of Rhinebeck has lost population since 2000 and has become slightly more diverse with increases in the Asian population and the people of some other race.

Table 16: Racial Distribution - Town of Rhinebeck - Outside of Village

TOWN OF RHINEBECK	Census 2000		Census 2010		Population Change 2000 to 2010	
	Race Alone	Number	Percent	Number	Percent	Number
White	4,271	91.2%	4,535	90.7%	264	-0.5%
Black or African American	221	4.7%	145	2.9%	-76	-1.8%
American Indian and Alaska Native	2	0.0%	7	0.1%	5	0.1%
Asian	71	1.5%	78	1.6%	7	0.1%
Native Hawaiian and Other Pacific Islander	0	0.0%	4	0.1%	4	0.1%
Some other race	56	1.2%	60	1.2%	4	0.0%
Two or more races	64	1.4%	62	1.2%	-2	-0.2%

Source: US Census Bureau

The Town of Rhinebeck - outside the village - although there was an increase in the number of White persons, as a percentage of the entire population - there was a decline from 91.2% to 90.7%. The Black or African American population declined by 76 persons and also declined by 1.8% as a percentage of the total population.

**Table 17: Hispanic and Non-Hispanic
Population Change by Neighboring Municipalities and Dutchess County**

Municipality	Origin	Census 2000		ACS 2010		# change 2000 to 2010	% change 2000 to 2010
		Number	% of total	Number	% of total		
T. Rhinebeck	Hispanic	306	3.9%	387	5.1%	81	26.5%
	Non- Hispanic	7,456	96.1%	7,161	94.9%	-295	-4.0%
V. Rhinebeck	Hispanic	122	4.0%	177	6.7%	55	45.1%
	Non- Hispanic	2,955	96.0%	2,480	93.3%	-475	-16.1%
Town Rhinebeck Outside Village	Hispanic	184	3.9%	210	4.3%	26	14.1%
	Non- Hispanic	4,501	96.1%	4,681	95.7%	180	4.0%
T. Red Hook	Hispanic	276	2.7%	555	4.9%	279	101.1%
	Non- Hispanic	10,132	97.3%	10,764	95.1%	632	6.2%
V. Red Hook	Hispanic	64	3.5%	128	6.5%	64	100.0%
	Non- Hispanic	1,741	96.5%	1,833	93.5%	92	5.3%
V. Tivoli	Hispanic	34	2.9%	59	5.3%	25	73.5%
	Non- Hispanic	1,129	97.1%	1,059	94.7%	-70	-6.2%
T. Milan	Hispanic	Census Data N/A		105	4.4%	---	---
	Non- Hispanic	Census Data N/A		2,265	95.6%	---	---
T. Clinton	Hispanic	70	1.7%	161	3.7%	91	130.0%
	Non- Hispanic	3,940	98.3%	4,151	96.3%	211	5.4%
T. Hyde Park	Hispanic	674	3.2%	1,204	5.6%	530	78.6%
	Non- Hispanic	20,177	96.8%	20,367	94.4%	190	0.9%
DUTCHESS COUNTY	Hispanic	18,060	6.4%	31,267	10.5%	13,207	73.1%
	Non- Hispanic	262,090	93.6%	266,221	89.5%	4,131	1.6%

Source: US Census Bureau

There has clearly been enormous growth in the Hispanic population from the 2000 Census to the 2010 Census in all geographies in the above table. Dutchess County witnessed an 73% increase in the Hispanic population while the Non-Hispanic population increased by only 1.6% over the same period. The Town and Village of Rhinebeck witnessed a growth in the Hispanic population though neighboring municipalities had a larger percentage increase in the Hispanic population than either the Town or Village of Rhinebeck.

HOUSEHOLD, FAMILY AND HOUSING DATA

The definitions of a "household" and "family" are important to understand, as the US Census Bureau provided data sets for each demographic. The terms are defined as follows:

A "household" includes all of the people who occupy a housing unit. One person in each household is designated as the "householder." In most cases, this is the person, or one of the people, in whose name the home is owned, being bought, or rented. If there is no such person in the household, any household member 15 years old and over can be designated as the householder.

A "family" consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. Biological, adopted, and stepchildren of the householder who are under 18 are the "own children" of the householder. Own children do not include other children present in the household, regardless of the presence or absence of the other children's parents.

Table 18: Average Household and Family Size

Category	Dutchess County		% change 2000 to 2010	Town Rhinebeck		% change 2000 to 2010	Village Rhinebeck		% change 2000 to 2010
	Census 2000	Census 2010		Census 2000	Census 2010		Census 2000	Census 2010	
Average Household Size	2.63	2.57	-2.3%	2.22	2.12	-4.5%	2.0	1.92	-4.0%
Average Family Size	3.16	3.12	-1.3%	2.87	2.8	-2.4%	2.78	2.74	-1.4%
Average Household Size of Owner-occupied unit	2.81	2.72	-3.2%	2.42	2.3	-5.0%	2.25	2.11	-6.2%
Average Household Size of Renter-occupied unit	2.23	2.24	0.4%	1.78	1.74	-2.2%	1.66	1.68	1.2%

Source: US Census Bureau

The average household and family size in the county, town and village have all slightly decreased. The average household size of owner-occupied units have also declined. The average household size of renter-occupied units were essentially flat at the county level and declined in the town and the village. Overall the changes are small, however, the town and village are following the national trend of smaller household and family size. The county's trend toward a larger average household size for renters also follows the national trend.

Table 19: Housing Occupancy and Tenure

Category	Dutchess County		T. Rhinebeck		V. Rhinebeck	
	Census 2000	Census 2010	Census 2000	Census 2010	Census 2000	Census 2010
Total Housing Units	106,103	118,638	3,255	3,653	1,463	1,424
Occupied housing units	99,536	107,965	3,001	3,158	1,376	1,284
Vacant housing units	6,567	10,673	254	495	87	140
Homeowner Vacancy Rate	1.30%	2.1%	1.2%	4.0%	1.1%	2%
Rental Vacancy Rate	4.50%	8.2%	3.3%	4.6%	3.5%	4%
Owner-occupied units	68,636	75,068	2,018	2,143	797	728
Renter-occupied units	30,900	32,897	983	1015	579	556
Homeownership Rate	69.0%	69.5%	67.2%	67.9%	57.9%	56.7%
Rental Occupancy Rate	31.0%	30.5%	32.8%	32.1%	42.1%	43.3%

Source: US Census Bureau

The number of vacant housing units has increased in the county, town and village. This may be attributed to the number of foreclosures and bank owned properties as a result of the housing crash. The village had an overall decline in the number of occupied housing units.

According to the US Census Bureau, the homeowner vacancy rate is the proportion of the homeowner housing inventory which is vacant for sale. The homeowner vacancy rate has increased in the county, town and village. Typically, a rate of less than 2% indicates a high demand which has the potential of pushing prices up, thereby negatively affecting affordability.

The rental vacancy rate, which is the proportion of the rental inventory that is vacant and for rent, also increased in the county, town and village from 2000 to 2010. Although the trend shows an increase in the rental vacancy rate it remains under 5%, which leaves little room for movement and typically causes an increase in rents. As the trend toward a "renter nation" continues, communities will likely see increases in monthly rent, which will have a negative impact on affordability and may result in the need for additional affordable rental housing.

While the homeownership rate on a county and town-wide basis increased and remains high, homeownership rates within the village declined. Many housing professionals and community development experts believe a stable and healthy community should have a homeownership rate of approximately 70%. However, the national trend is showing a continued decline in the homeownership rate and is currently 63.5% according to the October 2016 Census data release.

HOUSING STOCK

An assessment of the existing housing stock inventory is an important element in the overall analysis of a community's housing needs. Many communities throughout the Hudson Valley have a high percentage of their housing stock that is more than 50 years old, in fact, many homes were built prior to 1939.

Lead-based Paint (LBP) was used in homes up until 1978. Although LBP was not used in all homes and was used much less frequently in the late 1960's and 1970's, the possibility of dangerous lead levels still exists. Lead-based paint was used much more frequently prior to 1960 and in nearly all homes built before 1939. Therefore, 1979 is used in the analysis to indicate the homes that may be impacted by LBP.

Typically, houses that are over 50 years old are in need of major rehabilitation. In homes of this age, major systems and structural elements are typically in need of full replacement. Additionally, these homes are very inefficient in terms of energy use. Although some homes may have already been updated, elements such as heating systems, doors, windows and insulation are also in need of updating. The data set in the table below does not break down the inventory by specific year. Therefore, 1969 is used as the threshold for homes over 50 years old as it is the closest data point.

Table 20: Year Structure (Residential) Built

Municipality	2000 or later	1990 to 1999	1980 to 1989	1970 to 1979	1960 to 1969	1950 to 1959	1940 to 1949	1939 or earlier	Total
T. Rhinebeck	393	211	754	236	351	448	161	1,157	3,711
V. Rhinebeck	59	5	311	52	114	199	89	514	1,343
T. Rhinebeck --- Outside of Village	334	206	443	184	237	249	72	643	2,368
T. Red Hook	602	380	613	503	383	600	114	1,078	4,273
V. Red Hook	154	71	76	69	80	152	18	312	932
V. Tivoli	9	45	180	15	29	55	5	193	531
T. Milan	128	97	179	106	177	223	67	291	1,268
T. Clinton	272	68	442	298	315	168	50	288	1,901
T. Hyde Park	670	595	851	1,751	1,149	1,714	439	1,328	8,497
Dutchess County	13,015	10,489	16,842	18,434	16,673	15,600	5,912	21,883	118,848

Source: American Community Survey (ACS) 2014 data

According to the ACS 2014 data, 66.1%, or 78,502 housing units in Dutchess County were constructed before 1979, which represents the housing stock that may have issues with LBP. The housing stock built before 1969 in Dutchess County, which represents the housing stock typically in need of major system repairs and replacement, represents 50.5% (60,068 units) of the total number of homes; 18.4% of homes were built before 1939.

In the Town of Rhinebeck, outside of the village, 1,385 units (58.5%) were built prior to 1979 and 1,201 units (50.7%) are more than 50 years old. According to the ACS 2014 data, the Village of Rhinebeck has 514 units built prior to 1939 (38.3%), which indicates the village has the oldest housing stock in the neighboring communities. The village also has the largest percentage (68.2%) among all neighboring municipalities of homes that are over 50 years of age.

The Dutchess County Planning Department offers assistance through federally funded programs to rehabilitate deficiencies in housing. Owners must be income-eligible and may apply for Community Development Block Grant and HOME funds through the county. Additionally, there may be funds available from community-based organizations for weatherization, emergency repairs for seniors, and handicapped accessibility modifications. Finally, the United States Department of Agriculture offers assistance and low interest loans for rehabilitating homes occupied by income-eligible residents.

Table 21: Number of Units in Structure

Unit Breakdown	Town of Rhinebeck (Outside of Village)	% of total units	Village of Rhinebeck	% of total units
2 units	176	56.6%	146	29.7%
3 or 4 units	57	18.3%	46	9.4%
5 to 9 units	34	10.9%	55	11.2%
10 to 19 units	44	14.1%	26	5.3%
20 or more units	0	0.0%	218	44.4%
Total:	311	100%	491	100%

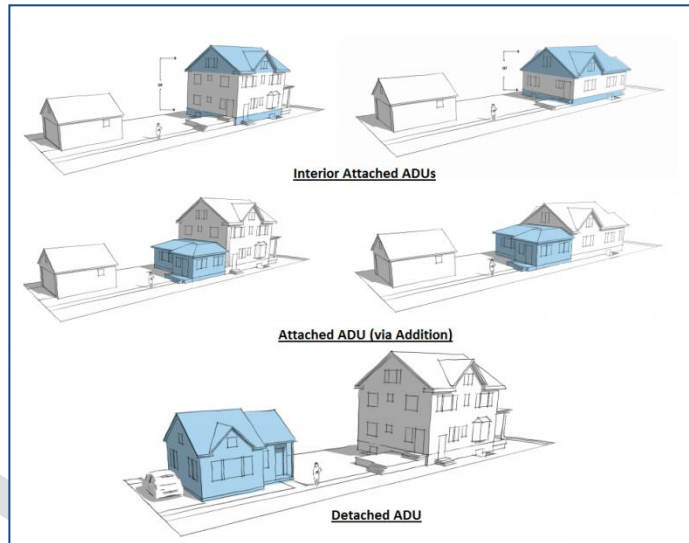
The above data is based upon research conducted through the assessor's office at the Town Hall during the summer of 2016. The Village of Rhinebeck has a more diverse inventory of existing housing with many more multi-family structures with 20 or more units.

Additionally, although not in the above table, the Town of Rhinebeck has approximately 9 single family homes with an ancillary, or mother-in-law, apartment. The Village of Rhinebeck has approximately 6. This type of housing is also known as an Accessory Dwelling Units (ADU). An ADU is a self-contained apartment in an owner occupied single-family home/lot that is either attached to the principal dwelling or in a separate structure on the same property. These units provide additional housing that can be integrated into existing single-family neighborhoods.

Accessory units increase the supply of affordable housing and enhance social diversity with little or no negative impact on the physical character of the community. These units provide another housing option for homeowners and renters in various age cohorts. ADUs also maximize the use of existing public infrastructure and reduce pressure on open space.

The ADUs typically provide a lower priced housing option. Because the units are usually small, they are often more affordable than full-size rentals. There are three types of accessory units:

1. Interior - using an interior part of a dwelling.
2. Interior with modifications where the outside of the dwelling is modified to accommodate a separate unit.
3. Detached - a structure on a residential lot that is separate from the main dwelling.



Benefits of Accessory Dwelling Units:

Accessory units provide benefits to the municipality, local employers, homeowners, families, the elderly and renters alike. Maintaining or increasing the number of people per household unit as well as number of households per lot in existing residential areas reduces the costs for municipalities to extend utilities and services, and preserves land. Municipalities gain additional tax revenue from accessory apartments as a result of improvements to the existing housing stock that increases the "full and fair cash value" of the properties. The financial impact on municipalities is also tempered by the fact that accessory units provide a housing option that enhances the moderately priced housing stock without requiring local funding. Local businesses benefit from accessory apartments as they provide moderately priced accommodation for employees within the community. Accessory apartments also provide affordable housing for public sector employees; social service professionals and service sector workers such as day care instructors, teachers, nurses, home health care aides and security guards; seniors; and young families. Increasing the number of more affordable units can also help to attract new businesses to the community.

In an effort to retain Millennials and assist the aging population, Accessory Dwelling Units (ADU) present a practical solution. Furthermore, the demographic changes and economic conditions within the Town of Rhinebeck suggests a need for ADUs.

Table 22: Units in Structure (ACS 2014)

Unit Description	Town of Rhinebeck		Village of Rhinebeck		Town of Rhinebeck (outside of Village)	
	Units	% of Units	Units	% of Units	Units	% of Units
1 unit - detached	2,549	68.7%	768	57.2%	1,781	75.2%
1 unit - attached	223	6.0%	124	9.2%	99	4.2%

Source: ACS 2014

According to the ACS 2014 data, the village has a higher percentage of attached housing units than the Town of Rhinebeck. This reflects the fact that there are typically more attached housing units in hamlets, villages and town centers as than in more rural areas of a town.

POVERTY DATA

The percentage of persons living below the poverty line is a commonly used statistic in Community Development to help frame how communities compare to one another economically. The data is typically shown for adjacent communities and to a larger geography, such as the county and the state. In the Hudson Valley, poverty rates are typically higher in urban centers, such as villages and cities, than in the rural communities.

Table 23: Poverty Rates

Municipality	% of all people in poverty			# of people in poverty		
	Census 2000	ACS 2014	% change	Census 2000	ACS 2014	% change
T. Rhinebeck	9.7%	6.7%	-30.9%	683	469	-214
V. Rhinebeck	9.2%	12.3%	33.7%	257	303	46
T. Red Hook	8.7%	8.8%	1.1%	818	849	31
V. Red Hook	8.6%	12.4%	44.2%	155	218	63
V. Tivoli	17.5%	26.0%	48.6%	202	284	82
T. Milan	4.6%	2.9%	-37.0%	105	65	-40
T. Clinton	3.7%	9.6%	159.5%	148	411	263
T. Hyde Park	5.7%	8.3%	45.6%	1,115	1,631	516
Dutchess County	7.5%	8.8%	17.3%	19,858	24,801	4,943
New York State	14.6%	15.6%	-6.8%	2,692,202	2,978,521	286,319

Source: US Census and ACS 2014 (Poverty data for individuals is not available for 2010 at the village, town level); Based on All individuals for whom poverty status is determined

Poverty rates in the Town of Rhinebeck are lower than the surrounding municipalities, other than Milan, the county and the state. The poverty rate in the town has decreased since the 2000 Census from 9.7% to 6.7%, a 30.9% decline. However, the Village of Rhinebeck has witnessed an increase in the poverty rate during the same period of about 33.7%. The neighboring Village of Red Hook also had a 44.2% increase in the poverty rate and the poverty rate in the Village of Tivoli rose by nearly 50%.

INCOME DATA: WAGES, EMPLOYMENT AND COMMUTATION

In order to examine affordability - local income and wages must be determined. The following tables come from a variety of sources. The most widely used data sources within the Community Development and Housing industry include the U.S. Department of Housing and Urban Development (HUD) and the US Census Bureau - both decennial datasets - and the American Community Survey (ACS). For purposes of establishing a picture of the local economy and when analyzing affordability - this report uses the HUD median income at the county level and the 2014 ACS median household income at the local levels. Income levels are also provided by industry in this report to help depict the overall picture of local wages.

The following tables provide median income data from HUD, the 2000 decennial Census and the 2014 ACS, which all supply valuable information to establish a framework for the analysis of housing affordability. To further understand local wages, this report also provides income data based on the North American Industry Classification System (NAICS).

The U.S. Department of Housing and Urban Development (HUD) uses the terms Area Median Income (AMI) in their datasets. These figures are calculated and published annually, on county-wide basis, and used primarily for program eligibility purposes for housing and community and economic development programs. The Area Median Income is adjusted by family size and is published as a percentage of annual income to determine specific program eligibility. The following table provides the most commonly used income levels adjusted by family size, which became effective March 28, 2016.

Table 24: FY 2016 HUD Area Median Income Limits for Dutchess County

% of Area Median Income	Family Size					
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
30% Extremely Low Income	\$18,350	\$20,950	\$23,550	\$26,150	\$28,440	\$32,580
50% Very Low Income	\$30,500	\$34,850	\$39,200	\$43,550	\$47,050	\$50,550
80% Low Income	\$46,000	\$52,600	\$59,150	\$65,700	\$71,000	\$76,250
100% Median	\$61,000	\$69,700	\$78,400	\$87,100	\$94,100	\$101,100

Source: US Department of Housing and Urban Development

The most widely used income level, which is the standard maximum for most federal and state housing programs, is 80% of the AMI. Low income rental housing developments provide homes to, and must only serve residents whose income may typically capped at 30%, 50%, 60%, 80% and 90% of the AMI. There are some new housing programs and funding sources that provide assistance for higher income levels, which may go as high as 120% of AMI.

The following table shows the change in the median household income in the Town and Village of Rhinebeck, including a calculation with Inflation Adjusted dollars from 2000 to 2014.

Table 25: Median Household Income

Municipality	Census 2000	Census 2000 (Inflation Adjusted)	ACS 2014	\$ change 2000 Inflation Adjusted to 2014	% change 2000 Inflation Adjusted to 2014
T. Rhinebeck	\$52,679	\$72,422	\$65,712	-\$6,710	-9.3%
V. Rhinebeck	\$41,639	\$57,244	\$47,500	-\$9,744	-17.0%
Dutchess County	\$53,086	\$72,981	\$72,471	-\$510	-0.7%

Source: US Census Bureau and ACS 2014

The raw numbers look as though median household income rose from the Census 2000 to the ACS 2014. However, after adjusting for inflation, the median household income actually dropped.

In the Town of Rhinebeck, when accounting for inflation, the median household income of \$52,679 in 2000, would have been worth \$72,422 by 2014. Therefore, the actual 2014 median income in the Town of Rhinebeck of \$65,712 did not keep pace with inflation. Nor, did the median income in the Village of Rhinebeck.

The following table provides the median earnings in the Town of Rhinebeck by industry codes. These industry descriptions are classified through the North American Industry Classification System (NAICS). The Census Bureau defines NAICS as the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

Table 26: Industry, Jobs and Median Earnings (Town of Rhinebeck residents)

Industry Code Description	ACS 2014		
	All Jobs	Percent of workforce	Median Earnings
Agriculture, forestry, fishing and hunting, and mining	119	3.42%	\$37,986
Agriculture, forestry, fishing and hunting	105	3.02%	\$34,688
Mining, quarrying, and oil and gas extraction	14	0.40%	N/A
Construction	209	6.01%	\$38,958
Manufacturing	108	3.10%	\$51,786
Wholesale trade	94	2.70%	\$83,143
Retail trade	365	10.49%	\$24,306
Transportation and warehousing, and Utilities	62	1.78%	\$61,250
Transportation and warehousing	44	1.26%	\$31,250
Utilities	18	0.52%	\$108,750
Information	81	2.33%	\$105,139
Finance and insurance, & real estate and rental and leasing	136	3.91%	\$36,818
Finance and insurance	82	2.36%	\$26,607
Real estate and rental and leasing	54	1.55%	\$45,357
Professional, scientific, management, administrative and waste management services	384	11.04%	\$42,833
Professional, scientific, and technical services	329	9.46%	\$54,063
Administrative & support and waste management services	55	1.58%	\$10,972
Educational services, and health care and social assistance:	1254	36.04%	\$42,230
Educational services	494	14.20%	\$52,813
Health care and social assistance	760	21.85%	\$38,036
Arts, entertainment, and recreation, and accommodation and food services	432	12.42%	\$39,048
Arts, entertainment, and recreation	232	6.67%	\$48,241
Accommodation and food services	200	5.75%	\$28,750
Other services, except public administration	107	3.08%	\$31,845
Public administration	128	3.68%	\$66,250
Total All Jobs and Median Earnings	3,479	100%	\$41,955

Source: American Community Survey (ACS) 2014 data

In the Town of Rhinebeck, Educational services, healthcare and social assistance jobs represent the highest percentage (36%) of the workforce with annual median earnings of \$42,230. The next largest industry sector is Arts, entertainment, and recreation, and accommodation and food services, representing 12.4% with the annual median earnings of \$39,048. Professional, scientific, management, administrative and waste management services is third, employing 11% of the workforce with the annual median earnings of \$42,833. Retail trade is fourth in the town, representing 10.5% of the workforce with annual median earnings of \$24,306.

Although not shown in the table, the 2014 ACS reports a total of 3,479 jobs, of which 2,383 (68.5%) are full time and 1,096 (31.5%) are part-time jobs. As shown in the table above, according to the 2014 American Community Survey, the median income for all jobs in all industries classified by the NAICS is \$41,955.

The largest local employers include the local school district, hospital, nursing and retirement homes, Astor, Stop-n-Shop, Williams Lumber and auto dealerships. There is a wide range of wages for persons employed at these larger local firms. The median earnings, as indicated in Table 26, provides a very good picture what the local employment pictures look like.

One final resource to show local wage data comes from See Through NY, which is an online database maintained by the Empire Center - an independent, non-partisan, non-profit think tank based in Albany, New York. This database provides annual compensation, which includes base pay and overtime, of all municipal, county, state and school district employees. Full-time and part time status is not reported, nor are the compensation figures separated into base pay and overtime. In order to make an attempt to determine the median, those earning less than \$30,000 are assumed to be part time and therefore not included in this calculation. According to the See Through NY database, for municipal employees earning a minimum of \$30,000, the median annual compensation for Rhinebeck, Red Hook and the County is as follows:

Town of Rhinebeck: \$45,861	Village of Rhinebeck: \$43,828
Town of Red Hook: \$47,160	Village of Red Hook: \$ 50,039
Rhinebeck Central School: \$77,708	Red Hook School District: \$81,132
Dutchess County: \$59,366	

There are no municipal employees earning over \$80,000 in the town or village of Rhinebeck or Red Hook. There are 43 positions earning over \$100,000 in Rhinebeck Central Schools and 52 positions in the Red Hook Schools earning over \$100,000.

Finally, in order to complete the picture of the local economy, data on the number of businesses by industry code and by the size of the business (number of employees) is provided in the following table. This data is not available at the town or village level, only by the county and zip code. The zip code boundary for the Town of Rhinebeck does not mirror the municipal boundary. However, for purposes of providing industry data on the local level, the zip code geography is used in this report.

Table 27: Local Industry (Rhinebeck Zip Code 12572) by Size of Firm

Industry Code Description	Number of Employees							Total Firms	% of total
	1 - 4	5 - 9	10 - 19	20 - 49	50 - 99	100 - 249	250 - 499		
Agriculture, Forestry, Fishing and Hunting	3	0	1	0	0	0	0	4	1.1%
Construction	33	3	0	2	0	0	0	38	10.2%
Manufacturing	6	0	1	1	0	0	0	8	2.1%
Wholesale Trade	5	2	0	0	0	0	0	7	1.9%
Retail Trade	30	13	4	2	2	2	0	53	14.2%
Transportation and Warehousing	0	0	1	0	0	0	0	1	0.3%
Information	6	2	2	0	0	0	0	10	2.7%
Finance and Insurance	12	6	3	0	0	0	0	21	5.6%
Real Estate and Rental and Leasing	19	0	0	0	0	0	0	19	5.1%
Professional, Scientific, and Technical Services	48	3	1	4	0	0	0	56	15.0%
Management of Companies and Enterprises	0	0	1	0	0	0	0	1	0.3%
Administrative and Support and Waste Management and Remediation Services	11	2	0	0	0	0	0	13	3.5%
Educational Services	1	0	0	0	1	0	0	2	0.5%
Health Care and Social Assistance	23	6	5	4	3	3	2	46	12.3%
Arts, Entertainment, and Recreation	9	2	1	1	0	0	0	13	3.5%
Accommodation and Food Services	21	9	7	6	2	0	0	45	12.0%
Other Services (except Public Administration)	26	4	4	1	0	0	0	35	9.4%
Industries not classified	2	0	0	0	0	0	0	2	0.5%
Total for all sectors	255	52	31	21	8	5	2	374	--
As a percentage of all firms	68.2%	13.9%	8.3%	5.6%	2.1%	1.3%	0.5%	100.0%	

Source: American Community Survey (ACS) 2014

Small business represents the largest percentage of employment throughout the nation, the Hudson Valley Region and in the Town of Rhinebeck. The Census does not report the number of firms by the number of employees at the town level, only by zip code. According to the 2014 ACS, there are an estimated 374 firms in the Rhinebeck zip code of 12572. Town of Rhinebeck has an estimated 374 firms. There are 255 firms that each employ between 1 and 4 persons, representing 68.2% of the total number of businesses in the town. There are 338 firms that each employ less than 20 persons, representing over 90% of the total businesses in the town. The industry classified as Professional, Scientific and Technical Services represents the largest number of firms with nearly all (48 out of 56) employing between 1 and 4 persons. Retail Trade represents the next largest industry, which represents 14.2% of all firms.

HOUSING AND TRANSPORTATION - COMMUTATION PATTERN - JOURNEY TO WORK

According to the U.S. Department of Housing and Urban Development (HUD), *"There is more to housing affordability than how much rent or mortgage you pay. Transportation costs are the second-biggest budget item for most families, but to date there hasn't been an easy way for people to fully factor transportation costs into decisions about where to live and work"*.

To that end, HUD established a transportation calculator known as the Location Affordability Portal. This portal provides data and maps on housing and transportation costs and as a percentage of income. The statistics provided by HUD are based on the Area Median Income for Dutchess County. For purposes of this HUD generated data, the Area Median Income for Dutchess County is \$71,066 annually, which is derived from the American Community Survey and Census Bureau datasets by HUD. The housing and transportation data is available for both renters and owner-occupied homes.

The following tables provide the estimated annual costs for housing and transportation for Dutchess County residents. The tables show the cost of housing and transportation as a percentage of income for the three levels of income as defined by HUD - 50%, 80% and 100% of the Area Median Income. HUD makes an adjustment on family size and the number of commuters per household. The "Median Income" (100% AMI) is calculated by HUD as a 4 person household with two commuters. The "Moderate Income" (80% AMI) includes 3 persons and 1 commuter. The "Working Individual" (50% AMI) includes 1 person - 1 commuter.

Also included in the following table is a column labeled "Remaining Income". This column represents the balance of annual income, which is for taxes, food, healthcare, retirement, savings and other household expenses. These tables show how critically important it is to reduce the cost of transportation in concert with the creation of housing that is affordable in urban centers near in closer proximity to employment opportunities.

Table 28: Housing and Transportation Costs - Renters (County-wide)

Annual Income Level	Renter-Occupied Housing						Remaining Income for All Other Household and Living Expenses
	Housing		Transportation		Combined		
	Cost	% of Income	Cost	% of Income	Cost	% of Income	
100% of AMI - \$71,066	\$17,056	24%	\$12,792	18%	\$29,848	42%	\$41,218
80% of AMI - \$56,853	\$15,919	28%	\$9,665	17%	\$25,584	45%	\$31,569
50% of AMI - \$35,533	\$10,660	30%	\$7,462	21%	\$18,122	51%	\$17,411

As shown in the above table, nearly half of the annual income of families earning 80% of the Dutchess County AMI goes toward housing and transportation. Fifty one percent (51%) of the annual income of families earning 50% of the Dutchess County AMI goes toward housing and transportation. These families must live on the remaining balance, which is further reduced by state and federal taxes.

Table 29: Housing and Transportation Costs - Owners (County-wide)

Annual Income Level	Owner-Occupied Housing						Remaining Income for All Other Household and Living Expenses
	Housing		Transportation		Combined		
	Cost	% of Income	Cost	% of Income	Cost	% of Income	
100% of AMI - \$71,066	\$22,030	31%	\$15,635	22%	\$37,665	53%	\$33,401
80% of AMI - \$56,853	\$21,604	38%	\$12,508	22%	\$34,112	60%	\$22,741
50% of AMI - \$35,533	\$17,056	48%	\$9,239	26%	\$26,295	74%	\$9,238

As detailed in the above table, home owners at 100% of the AMI pay over half their income toward housing and transportation. Owners with incomes at 80% of the AMI are paying 60% of their income toward housing and transportation and costs rise to 74% for a owner at 50% AMI.

Table 30: Journey to Work

Municipality	Drove Alone	Carpooled	Public Transit	Walked	Travel Time in minutes
Dutchess County	105,913	11,470	6,769	6,300	31.2
T. Rhinebeck	2,499	180	73	189	24.5
V. Rhinebeck	764	48	44	105	21

Source: American Community Survey (ACS) 2014

According to the 2014 ACS, over 85% of the commuters living in the Town of Rhinebeck use a car, truck or van and drive alone on their journey to work. Only 2.5% use public transportation and 6.1% carpool. The town average travel time to work is 24.5 minutes, which again is overwhelmingly spent alone in a car. As a result, transportation costs represent a large part of a household's monthly budget.

Additionally, according to the US Census Bureau, there were an estimated 3,219 residents employed both inside and outside the Town of Rhinebeck. Only 10.5% of the workforce are employed within the Village of Rhinebeck. Nearly the same percentage, 10.3% of the workforce commute to NYC.

HOUSING AFFORDABILITY ASSESSMENT

The preceding demographics and statistics have been provided to illustrate the existing socio-economic conditions of Rhinebeck and the surrounding area. The socio-economic demographics included population trends and projections, age, racial and ethnic composition, household size, occupancy, age and tenure of the existing housing stock. In order to establish the existing conditions of the local economy, this assessment also included poverty and income data as well as local industry and wage data. This data is required in order to prepare and complete an analysis of affordability. This section of the assessment includes the following elements:

Homeownership Affordability Matrix

- A comparison of the pre-recession housing market (2005) to the 2015 market
- Assumptions and Methodology
- Underwriting and Loan Scenario Assumptions
- Impact of Student Debt
- Current Market Conditions and Affordability

Rental Housing Affordability

- Fair Market Rents
- HUD Section 8 Rental Assistance
- Out of Reach 2016
- Local Renter Income and Affordability

Cost Burden Analysis

- Background, Methodology and Interpretation
- Summary of Data - Study Area and Neighboring Communities (see Appendix 1)
 - Town of Rhinebeck and the Village of Rhinebeck
 - Town of Red Hook and the Villages of Red Hook and Tivoli
 - Town of Hyde Park; Town of Milan; Town of Clinton
 - Dutchess County
 - City of Kingston and the Town of Ulster

Rental Housing Inventory

Rental Housing Recommendations and Options

HOMEOWNERSHIP AFFORDABILITY MATRIX: DUTCHESS COUNTY 2005 vs. 2015

The homeownership affordability matrix is designed as a guide to determine changes in home affordability over the past 10 years. The matrix calculates whether the median priced home in each county is affordable or not. The affordability analysis also calculates the maximum mortgage based on assumptions of interest rate, taxes and insurance. The monthly payments are based on annual income, median sales price, annual real estate taxes, homeowners insurance and the interest rate. The calculation assumes a 30 year, fixed rate loan with a 20% down payment to avoid private mortgage insurance (PMI).

It is important to recognize that many first time home buyers have insufficient savings and obtain a mortgage with 5% down payment. This triggers PMI and increases the monthly payment, which decreases their buying power. The mortgage payment in the analysis for 2005 is based upon a 6.0% fixed rate, 30 year mortgage and the 2015 analysis uses a fixed rate of 3.95%.



The affordability matrix utilizes the median household income as reported by the US Department of Housing and Urban Development (HUD) for each county in the Hudson Valley region. The median income level for each county is calculated by HUD utilizing the American Community Survey (ACS) 5-year data set in combination with the most recent consumer price index (CPI).

The real estate taxes are derived from the New York State Department of Tax and Finance, which publishes the overall full-value tax rates for each county. The home owner insurance rates are based on the Insurance Information Institute data for New York State. Insurance rates may vary from county to county and are typically based on the size, construction type and location of the home. For purposes of this analysis – the statewide average is used.

AFFORDABILITY FOR HOMEOWNERSHIP

According to HUD, an affordable home is typically based upon a housing payment of no more than 30% of monthly income. The percentage of income used toward the housing payment is also known as the “front end” debt to income ratio, which is expressed as a percentage of monthly income. The Affordability Matrix for homeownership analysis uses a debt to income ratio of 28% so as to be consistent with bank underwriting guidelines. The housing payment includes the mortgage principal, interest, taxes and insurances (PITI). When the monthly PITI is above 30% of household income, the home price is not affordable.

Typical bank underwriting also includes a “back end” debt to income ratio, again expressed as a percentage of monthly income. The “back end” ratio includes recurring monthly debt such as a car payment, credit cards, personal loans and student debt. Today’s typical “back end” ratio is 43% of gross annual income. Although the “back end” ratio is a threshold for underwriting, for purposes of this affordability matrix, meeting the criteria has been assumed.

The analysis below represents a "snapshot in time" of affordability at the county level. The underwriting and data set assumptions are based on the market in 2005 and in 2015. In 2005, Dutchess County was "Not Affordable" for homeownership.

In 2005, a median-priced home in Dutchess County was \$342,000 and the annual median income was \$73,400. The analysis shows the total monthly housing debt would represent almost 38.5% of the household income, therefore the underwriting guidelines cannot be met. Note the annual taxes in the above methodology were based upon the median price of a home. Therefore, although the tax rates are higher in 2015 as compared to 2005, the median prices were much lower.

Table 31: Dutchess County Affordability 2005 vs. 2015

Data Points and Underwriting Criteria	2005	2015
HUD Area Median Income	\$73,400	\$86,700
Median Monthly Income	\$6,117	\$7,225
Monthly Income Available for Housing Debt ¹	\$1,835	\$2,168
Median Sales Price (NYSAR)	\$342,000	\$240,000
Down Payment of 20% ²	\$68,400	\$48,000
Estimated Principal Mortgage	\$273,600	\$192,000
Estimated Monthly Mortgage ³	\$1,640	\$911
Overall Full-Value Tax Rate ⁴	2.28%	2.87%
Estimated Annual Real Estate Taxes ⁵	\$7,798	\$6,888
Estimated Monthly Real Estate Taxes	\$650	\$574
Estimated Homeowners Insurance ⁶	\$64	\$100
Estimated Monthly PITI	\$2,354	\$1,585
Estimated Monthly PITI as a % of Median Income	38.48%	21.94%
Affordability at 30% Housing Debt to Income	Not Affordable	Affordable
Maximum Mortgage; Housing Debt Ratio < 30%	\$236,112	\$314,421

¹ 30% of the median monthly household income may be used for principal, interest, taxes and insurance (PITI)

² Assumes a 20% down payment to avoid private mortgage insurance (PMI)

³ Estimated Monthly Mortgage is based on 30 year, fixed rate at 3.95% in 2015

⁴ Based on NYS Department of Tax and Finance

⁵ Overall Full-Value Tax Rate x Median Price

⁶ 2005 Matrix uses NYS Average \$765/year; 2015 Matrix uses NYS Average \$1,200/year, Insurance Information Institute

The housing market went through drastic changes between 2005 and 2015. The story of the housing bubble is well known and the real estate market is still dealing with the consequences of bad loans, poor underwriting, homeowners underwater, foreclosures, short sales and zombie properties. Subsequent to the housing bubble burst, adjustments were made by the banks and underwriting became very strict. Simultaneously, median home prices dropped drastically and interest rates are currently at historic lows.

The analysis of the real estate market in 2015 paints a very different picture. A median priced home in Dutchess County of \$240,000 is now affordable for a household with the median income of \$86,700. However, this scenario is based upon a 20% down payment and no Private Mortgage Insurance. The average closing costs to purchase a home is approximately 7% of the sales price. Therefore, a homebuyer would need \$16,800 for closing costs in addition to the \$48,000 down payment for a total of \$64,800 to purchase a home. To that end, there is a need for loan products that offer lower down payment. Further, there is a need for homebuyer programs and grants to assist in covering the closing costs and down payment assistance.

DRAFT

HOMEOWNERSHIP AFFORDABILITY MATRIX: RHINEBECK - CURRENT MARKET CONDITIONS

In order to understand housing in relationship to the study area, it is paramount to recognize the factors influencing cost, affordability and ultimately the cost burden for homeowners. Factors such as housing prices, taxes, monthly debt, student debt and wages play a significant role in the formula and methodology in determining housing affordability and availability.

Housing represents a critical component in the potential growth or decline of population in urban centers. As economic development opportunities are created and Main Street revitalization occurs, the availability of housing that is affordable for the existing and potential new residents of these centers play a significant role.

This section of the report provides an affordability matrix and analysis for the purchase of a single family home in the Town and Village of Rhinebeck. The analysis compares the affordability level of recently sold homes and the number of affordable homes currently on the market. The affordability analysis is based on the household median income of a town resident.

INCOME:

The median income used in the affordability matrix and analysis is based on the data provided from the American Community Survey (ACS) 2014. The ACS provides a snapshot in time of the household income level closely associated with the existing residents of the municipality. The Town of Rhinebeck has a median income of \$65,712 in 2014.

REAL ESTATE TAXES - METHODOLOGY

The real estate taxes used in the Affordability Matrix is based on the Dutchess County Property Tax Estimator. This web based calculator is available on the Dutchess County website. The Town of Rhinebeck has an all-in tax rate of \$21.21 per \$1,000 of value and the all-in village tax rate is \$24.23. The village rate is higher due to the additional services provided by the village.

The all-in tax rate reflects properties located in the Rhinebeck Central School District. There are a few select areas of the town that fall outside of the Rhinebeck Central School District, but a vast majority of the town is within the district. The tax rates are for illustrative purposes only and cannot be used as actual figures in calculating taxes or grieving assessments for any given property. The analysis is for purposes of providing policy makers and local officials with a picture of the average affordability of homeownership in the town and village.

The tax rates are used in the Affordability Matrix for each municipality in conjunction with typical underwriting criteria and categorized by income to determine affordability levels. The taxes are adjusted according to the median sale price in each municipality.

HOME VALUE - METHODOLOGY

SALE PRICE:

The price of a home used in the analysis is based upon homes sold in the town and village over the past 21-months. The sales data for homes sold to date during 2016 indicate sellers received 91% of the list price in the town and 96% of the list price in the village. Therefore, the median price of a home sold in the town was \$473,000 and \$452,000 in the village.

EXISTING SALES PRICE:

The number and the price of available homes on the market is based on the current listings from Paul Hallenbeck Real Estate, a local realtor. There are currently (mid-September 2016) 52 properties listed for sale in the town with an average list price of \$457,600, which excludes 13 homes listed at over \$1,000,000. There are currently 15 properties listed for sale in the village with an average list price of \$587,000, excluding 2 homes listed at over \$1,000,000.

Based on the percentage of the list price received by the sellers, the average sales price is anticipated to be an estimated \$416,400 ($\$457,600 \times 91\%$) in the town. The average sales price for a home listed in the village is anticipated to be an estimated \$563,500 ($\$587,000 \times 96\%$).

Based on fluctuation in the real estate market, the small number of homes sold or on the market and the sales season, the median price varies. For purposes of this report and assessment, the affordability matrix and analysis uses two sets of home price data, the median price of a home sold and the average price of a home currently on the market. Additionally, the homes currently on the market are adjusted by the average price received by the seller.

TABLE 32: REAL ESTATE TAX CALCULATION

Municipality	Median Sold Price	Tax Rate per \$1,000 of value	Annual Tax Median Sold	Average List Price*	Annual Tax for Current Listed
Town of Rhinebeck	\$473,000	\$21.21	\$10,032	\$416,400	\$8,832
Village of Rhinebeck	\$452,000	\$24.23	\$10,952	\$563,500	\$13,653

** Adjusted by average % received by seller*

UNDERWRITING AND LOAN SCENARIO ASSUMPTIONS

In keeping with the underwriting guidelines as described earlier in this report, the following affordability matrix for homeownership continues to use a 28% debt to income ratio. The housing payment includes the mortgage principal, interest, taxes and insurances. The mortgage payment in the following analysis and matrix is based upon the current average fixed rate of 3.5%, 30 year mortgage.



The homeowners insurance (\$1,200/year) and the Private Mortgage Insurance (PMI) are based upon current market prices and typical underwriting criteria by lending institutions. The taxes are adjusted to coincide with the median home value for each municipality. The PMI is based upon a down payment of 5% toward the purchase price of the home. The amount charged for PMI varies by loan product, overall loan to value and the borrower's credit scores. Although underwriting criteria has relaxed since the housing crisis, it remains more strict than in the past. Loans with only a 5% down payment are difficult to obtain.

These models also assume typical bank underwriting with a maximum front end ratio of 28% and back end ratio of 43%. The affordability calculations include other recurring monthly debts at an average of \$475.

One of the largest variables in the underwriting is student debt, which ranges from \$100 per month to \$800 per month. The cost of attending post-secondary school is a factor for both the student and the parent(s). Monthly student debt is reflected with both first time homebuyers and the parent(s), which reduces borrowing capacity. The reoccurring monthly debt impacts affordability. For purposes of this analysis, the affordability calculations include a monthly student debt of \$400. The total monthly household debt used in this matrix will be \$875, which may cover a car loan, personal loan, student loan and credit card debt. In many cases the front end ratio will be much less than 30% so as to accommodate for the back end ratio of 43%.

The Affordable Mortgage amount provided in the matrixes represents the maximum home purchase price using the debt to income ratios, after a down payment of 5%. There are some mortgage products with lower down payment requirements (FHA) and some flexibility in the back end ratios; however, other underwriting criteria must still be met.

IMPACT OF STUDENT DEBT AND HOUSING

An education is often said to be an investment that lasts a lifetime, and indeed, statistics show that lifetime earnings are dramatically higher with a bachelor's degree and even higher with a master's degree. Increasingly, however, those earnings are realized on a delayed timetable.

Student debt represents a barrier for both would-be owners and renters. Many of today's graduating Millennials are coming home from college with enormous student debt and are faced with an economy that is still in recovery. In many cases, the debt is placed on the shoulders of the parents in the form of "Parent Plus loans". Parents have less purchasing power as a result of incurring debt to cover the costs associated with their children's education. This additional debt often inhibits the ability to make major purchases like buying a home or "trading-up" to a larger home, thereby having a negative impact on the overall housing market. On the national level, total federal student loan debt has now topped \$1.3 trillion, according to the Federal Reserve Bank of New York and is now the second largest source of household debt next to mortgages.



The average student loan debt in New York State is now \$32,200, and \$30,200 in the Mid Hudson region according to a report released in September 2016 by the New York State Comptroller, Thomas P. DiNapoli. According to the report, student loan debt in NYS more than doubled during the last decade, growing to \$82 billion from \$39 billion, an increase of 112%. Assuming a repayment of 10 years at the rate of 7%, a \$30,000 loan has a monthly payment of \$350.

There are many students graduating with loans in excess of \$50,000 with an economy that does not support the repayment. In the Center for Housing Solution's informal Hudson Valley informal poll, 77% of Millennials responding said they were making student loan payments of more than \$100 a month and 19% said their student loan payments were higher than \$500 a month. Student debt negatively impacts the housing market as it reduces the purchasing power of potential homebuyers, which slows the overall economic recovery. Millennials, and often times the parents are not buying homes, or "trading up" in real estate because they are struggling to pay the existing home mortgage or rent and simply have less available income.

LOCAL PURCHASE INCOME REQUIREMENTS:

The following chart represents the calculations for the purchase of a home in the Town and Village of Rhinebeck. The underwriting is based upon the scenario as described above.

TABLE 33: INCOME REQUIRED FOR AN AVERAGE PRICED HOME

Underwriting	Average Priced Home in the Town of Rhinebeck	Average Priced Home in the Village of Rhinebeck
Annual Household Income Required for Purchase	\$125,000	\$175,000
Monthly Income	\$10,417	\$14,583
Percentage of Income toward Housing Debt	28%	28%
Affordable Housing Payment	\$2,917	\$4,083
Estimated Insurance and PMI	\$390	\$493
Estimated Average Real Estate Taxes per Month	\$736	\$1,138
Affordable Mortgage Payment (30 yrs @ 3.5%)	\$1,776	\$2,404
Maximum Affordable Home Price Level	\$416,400	\$563,500
Down Payment of 5%	\$20,820	\$28,175
Maximum Affordable Home Mortgage	\$395,580	\$535,325
Existing Median Home Price (September 2016)	\$416,400	\$563,500

Special Note: The total number of homes on the existing market used in the above table exclude homes priced over \$1,000,000. At the time of this analysis - there were 13 homes in the town and 2 homes in the village that are excluded. Additionally, these homes were not used in calculating the average price.

Based on typical underwriting standards, as described above, an annual income of \$125,000 is required to purchase a median priced home in the Town of Rhinebeck. The median household income in the town, according to the 2014 American Community Survey, is \$65,712. Therefore, a household must earn almost twice the median income to purchase a home in the town without experiencing a cost burden. The home buyer would be required to have at least a 5% down payment, which is \$20,820. Closing costs associated with the purchase of a home are typically 7% of the purchase price, which adds approximately \$29,150. Therefore, the home buyer would need a total of \$49,970 to purchase an average priced home in the town.

In order to purchase an average priced home in the Village of Rhinebeck, assuming the same underwriting criteria, an annual income of \$175,000 is needed. The home buyer would need \$28,175 as a down payment and an additional \$39,445 for closing costs. Therefore, the home buyer would need a total of \$67,620 in cash to purchase a median priced home in the village.

This is an example of a home purchase with typical underwriting criteria and basic assumptions of a 30 year, fixed rate mortgage of 3.5% with a 5% down payment. The closing costs used in this example are typical; however, these costs may range from as low as 4% of the purchase price to as much as 8%, depending on the mortgage product and requirements of the lender. Therefore, it is possible a homebuyer may need an even higher income to truly afford a home.

AFFORDABILITY MATRIX FOR HOMEOWNERSHIP

The Affordability Matrix provides analysis for a purchase of a home in the town and the village. The matrix details affordability based on the average price of existing homes on the market. The income level in the analysis below is based on the 2014 ACS median income for the Town of Rhinebeck. The median income data point for the town cannot be calculated for residents living outside the village. Therefore the matrix below uses the same median income for both the town and the village. The matrix also indicates the number of homes currently available and affordable in the town and the village.

TABLE 34: TOWN AND VILLAGE OF RHINEBECK - EXISTING HOMES

Median Household Income	Town	Village
Median Household Income (Annual)	\$65,712	\$65,712
Monthly Income	\$5,476	\$5,476
Percentage of Income toward Housing Debt	28%	28%
Affordable Housing Payment	\$1,533	\$1,533
Estimated Insurance and PMI	\$246	\$239
Estimated Average Real Estate Taxes per Month	\$371	\$404
Affordable Mortgage Payment (30 yrs @ 3.5%)	\$896	\$853
Maximum Affordable Home Price Level	\$210,000	\$200,000
Down Payment of 5%	\$10,500	\$10,000
Maximum Affordable Home Mortgage	\$199,500	\$190,000
Existing Median Home Price (September 2016)	\$416,400	\$563,500
Affordable Housing Price GAP	(\$206,400)	(\$363,500)
Number of Homes Below Affordable Home Price Level	3	0
Number of Homes Above Affordable Home Price Level	36	13
Percentage of Homes Affordable	8%	0%
Percentage of Homes Unaffordable	92%	100%

Special Note: The total number of homes on the existing market used in the above table exclude homes priced over \$1,000,000. At the time of this analysis - there were 13 homes in the town and 2 homes in the village that are excluded. Additionally, these homes were not used in calculating the average price.

The annual income needed to purchase a median priced home of \$416,400 in the Town of Rhinebeck is \$125,000. The maximum affordable purchase price of a home in the town for a household earning the median income of \$65,712 is \$210,000. Assuming a 5% down payment, there is a remaining gap of \$206,400 for a household earning the median income. **There are currently only 3 homes listed under \$210,000 in the town**, which represents 8% of the listings.

In order to purchase a median priced home of \$563,500 in the Village of Rhinebeck, an annual income of \$175,000 is needed. The maximum affordable purchase price of a home in the village for a household earning the median income of \$65,712 is \$200,000. Assuming a 5% down payment, there is a remaining gap of \$363,500 for a household earning the median income. **There are currently no homes listed under \$210,000 in the village.**

RENTAL HOUSING AFFORDABILITY ANALYSIS

The following data is used to set the stage for an analysis of the existing rental housing market in order to have a full understanding of the availability and affordability in the Town and Village of Rhinebeck. This section begins by providing background regarding Fair Markets Rents and how affordability of rental housing is calculated. The report also provides a "Snapshot in Time" (August 2016) of the rental assistance program known as Section 8 as a tool to show the need for assistance. Additionally, the National Low Income Housing Coalition's Out of Reach study is included, which provides a picture of affordability from the perspective of a living wage rate and a renters wage rate in Dutchess County.



This section of the report and assessment also includes statistics and an analysis of the cost burden for both renters and home owners. The cost burden analysis includes the Town and Village of Rhinebeck, Dutchess County, the adjacent towns and villages of Hyde Park, Red Hook, Tivoli, Clinton, Milan, Ulster and the City of Kingston.

SPECIAL NOTE:

In the prior affordability analysis for homeownership, monthly housing costs are capped at 28% of the household income, which is based on typical bank underwriting criteria. The following affordability analyses for both rental housing and homeownership will use 30% of household income as the cap. This is consistent with the US Department of Housing and Urban Development (HUD).

FAIR MARKET RENT:

The U.S. Department of Housing and Urban Development (HUD) publishes Fair Market Rents (FMR) on an annual basis. Typically associated with federal rental housing developments and assistance programs, the FMR, according to HUD means "the rent that would be required to be paid in the particular housing market area in order to obtain privately owned, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities". The FMR includes utilities such as heat, hot water, and electricity. The table below provides the Fair Market Rents for Dutchess County.

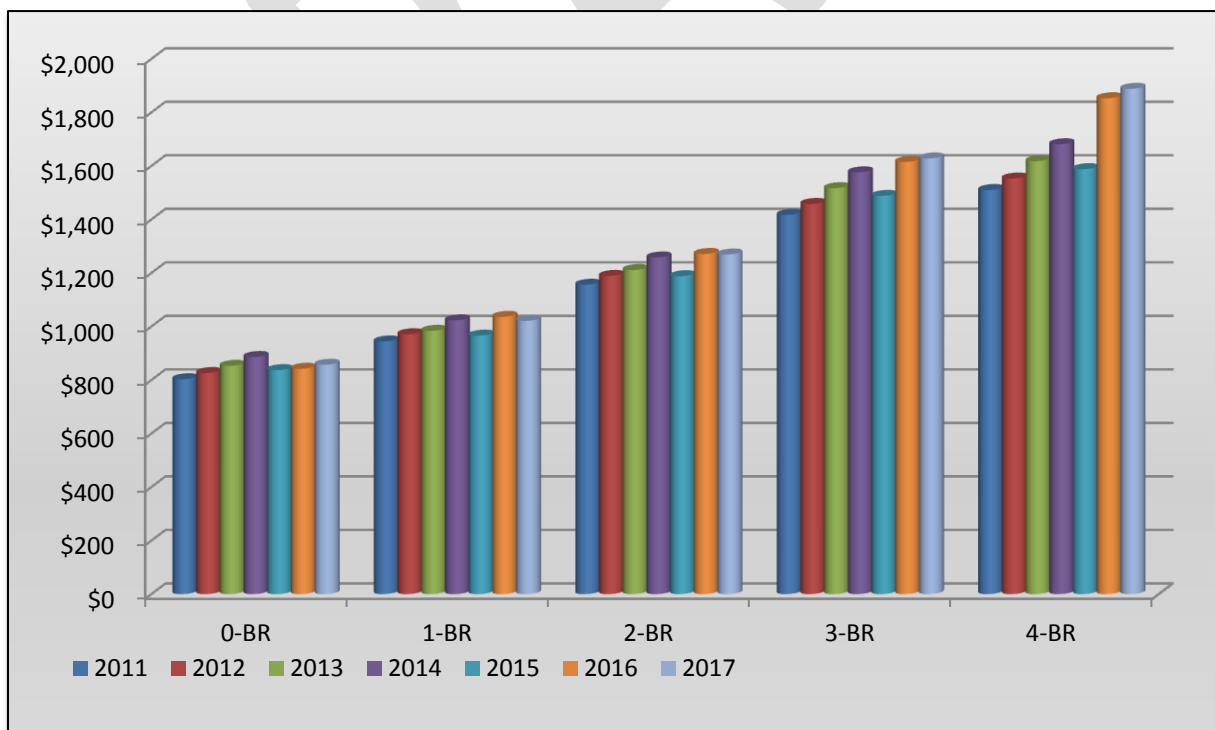
Table 35: HUD Fair Market Rent Limits for Dutchess County

Unit Size	2011	2012	2013	2014	2015	2016	2017	\$ change 2011 to 2017	% change 2011 to 2017
0-BR	\$803	\$826	\$853	\$886	\$837	\$842	\$857	\$54	6.7%
1-BR	\$944	\$971	\$984	\$1,023	\$966	\$1,036	\$1,021	\$77	8.2%
2-BR	\$1,156	\$1,189	\$1,211	\$1,258	\$1,188	\$1,271	\$1,269	\$113	9.8%
3-BR	\$1,417	\$1,458	\$1,517	\$1,576	\$1,488	\$1,615	\$1,628	\$211	14.9%
4-BR	\$1,510	\$1,553	\$1,618	\$1,681	\$1,588	\$1,853	\$1,888	\$378	25.0%

Source: US Department of Housing and Urban Development

Costs for rental housing in Dutchess County have escalated over the past 6 years. According to HUD, the FMR increased from 2011 through 2017 for all unit sizes. There was a very slight decline in the FMRs from 2016 to 2017 in the 1BR and 2BR monthly rates. There was a more substantial decline from 2014 to 2015, which did result in an issue for the local rental assistance program. When there is a significant decline across all housing types in the FMR, the existing landlords who accept the housing assistance payment for their tenants will receive a reduction in rent. In years when the decline is significant and landlords are able to maintain a higher rent than the FMR, affordable units may be lost.

Fair Market Rents: FY 2011 through FY 2017



HUD HOUSING CHOICE VOUCHER PROGRAM (SECTION 8): ACTIVE PARTICIPANTS

The Housing Choice Voucher Program (Section 8), a federally funded, rental subsidy program for low income residents is administered by Pathstone Corporation for Dutchess County. In some cases, the Section 8 program is also administered by housing authorities and municipalities. The Housing Choice Voucher Program allows income eligible households to reside anywhere in Dutchess County, as long as the apartment they rent meets program guidelines and the landlord is willing to participate in the program.

Table 36: Section 8 Active Participants (August 2016)

Existing Participants Household Composition	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	Total	%
Elderly	3	197	58	17	0	0	275	23.95%
Non-disabled / Handicapped	0	51	12	5	0	0	68	24.73%
Disabled/Handicapped	3	146	46	12	0	0	207	75.27%
Non-Elderly	10	193	307	285	72	6	873	76.05%
Non-disabled / Handicapped	3	32	174	203	58	6	476	54.52%
Disabled/Handicapped	7	161	133	82	14	0	397	45.48%
Total Households: Disabled / Handicapped	10	307	179	94	14	0	604	52.61%
Total Households: Elderly and Non- Elderly	13	390	365	302	72	6	1,148	
Percentage of Households by Unit Size	1.1%	34.0%	31.8%	26.3%	6.3%	0.5%		
Average Income by Unit Size	\$14,672	\$14,643	\$18,131	\$22,790	\$25,774	\$37,917		

Source: Pathstone Corp, August 2016

As of August 2016, Pathstone Corporation reports that there are 1,148 households in Dutchess County, representing 3,103 persons, participating in the program. The average household size is 2.7 persons. Of the 3,103 persons, approximately 45.7% are white, 39.5% are black, 13.7% are Hispanic and 1.1% fall into other race/ethnicity categories. Female head of households represent 87.3% of the program and 12.7% are male head of households. As shown in the table above, the program primarily serves non-elderly households, as there are more housing options for low income elderly renters. It is important to note 75.27% of the elderly households have a disability or handicap.

There are an additional 71 households residing in Project Based apartments in Dutchess County. Under the Project Based program, the rental subsidy is attached to the apartment. Households receiving rental assistance through the Project Based program must reside in the

designated unit in order to continue to receive the assistance. Of the 71 households, 38 are elderly and 33 are non-elderly. Over 57% of the elderly households are disabled and 79% are female head of household. The statistics show 21% of the non-elderly households are disabled and 91% are female head of household. Overall, 84.5% of the participants are female head of household and the average annual income for all Project Based participants is below \$23,000.

HUD HOUSING CHOICE VOUCHER PROGRAM (SECTION 8): WAITING LIST

The waiting list is a useful tool to determine the need for housing and to determine the demographics of those who are applying for assistance. The waiting list has been “closed” since 2010 and has not accepted new applications for rental assistance since that time. The current average waiting time from application to “move-in” is over three years and may easily reach four or five years. These statistics are vital in assessing and projecting future affordable housing needs.

Table 37: Section 8 Waiting List (August 2016)

Waiting List Household Composition	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	Total	Percent
Elderly	1	124	12	7	0	0	144	13.28%
Non-disabled / Handicapped	1	47	5	1	0	0	54	37.50%
Disabled/Handicapped	0	77	7	6	0	0	90	62.50%
Non-Elderly	4	321	344	205	53	13	940	86.72%
Non-disabled / Handicapped	3	158	274	171	38	10	654	69.57%
Disabled/Handicapped	1	163	70	34	15	3	286	30.43%
Total Households: Disabled / Handicapped	1	240	77	40	15	3	376	34.69%
Total Households: Elderly and Non- Elderly	5	445	356	212	53	13	1,084	
Percentage of Households by Unit Size	0.46%	41.05%	32.84%	19.56%	4.89%	1.20%		
Average Income by Unit Size	\$13,177	\$13,376	\$16,204	\$20,820	\$22,797	\$21,358		

Source: Pathstone Corp, August 2016

The current waiting list indicates a strong need for 1-BR apartments for both elderly and non-elderly. There is also a high demand for 2-BR and 3-BR units within the non-elderly population. The household income levels for those participating in the program and for those on the waiting list fall into the extremely low income category of less than 30% of the area median income, which in Dutchess County is \$26,150 for a family of four persons.

Although there are very few residents living in the Town of Rhinebeck participating in the rental assistance program, it is important to capture this data as it indicates the need for affordable rental housing in Dutchess County. Specifically, the Rhinebeck zip code, 12572, shows only 4 out of 1,148 households that participate in the rental subsidy program. **Currently there are approximately 54 out of 1,084 households on the waiting list in the greater Rhinebeck area.**

NATIONAL LOW INCOME HOUSING COALITION: OUT OF REACH 2016

The National Low Income Housing Coalition (NLIHC) produces an annual study, Out of Reach, that uses a two bedroom unit as its baseline to show housing affordability across the country. Housing is considered affordable when the household is paying no more than 30% of their income toward housing costs, either rent or homeownership. The calculation for housing affordability is based upon an Hourly Living Wage Rate, which is the minimum hourly rate necessary to meet that 30% threshold.

According to Out of Reach 2016, the Hourly Living Wage Rate in Dutchess County is \$24.44 or \$50,840 annually. The NLIHC also calculates the mean hourly wage rate of renters. In Dutchess County, the mean hourly wage rate of a renter is \$9.65. **In order to afford the Fair Market Rent in Dutchess County, at the median renters hourly wage rate of \$9.65, 101 hours of work per week is required.**

Table 38: NLIHC Out of Reach 2016 for Dutchess County

2BR Fair Market Rents (FMR-FY2016)	\$1,271
Hourly Living Wage Rate to Afford 2BR FMR¹	\$24.44
Annual Living Wage Rate needed to afford 2BR FMR (Wage Rate x 2080 hours)	\$50,840
Estimated Mean Renters Hourly Wage Rate²	\$9.65
Rent Affordable at the Mean Renters Hourly Wage Rate ³	\$502
Difference between FMR and Affordable Rent at the Mean Renters Wage Rate	(\$769)
Weekly Hours Needed at Renters Mean Hourly Wage to Afford 2BR FMR	101

Special Notes: According to HUD, "affordable" rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs.

¹ Hourly wage rate required to afford the Fair Market Rent for a 2BR unit, assumes 30% of income toward rent

² Based upon data from the Bureau of Labor Statistics and the ACS 2010-2014

³ Affordable rent at the Renters Mean Wage Rate (Hourly Rate x 2080 FTE hours ÷ 12 x 30%)

LOCAL RENTER-OCCUPIED INCOME AND AFFORDABILITY

The analysis to determine affordability begins with the examination of Gross Monthly Rents in relationship to the median household income of renters, as reported by the 2014 ACS.

Table 39: Gross Monthly Rent

Municipality	Census 2000	ACS 2014*	\$ change 2000 to 2014	% change 2000 to 2014
T. Rhinebeck	\$714	\$1,037	\$323	45.2%
V. Rhinebeck	\$713	\$1,093	\$380	53.3%
T. Red Hook	\$622	\$1,009	\$380	53.3%
V. Red Hook	\$590	\$880	\$387	62.2%
V. Tivoli	\$700	\$1,356	\$290	49.2%
T. Clinton	\$748	\$1,242	\$656	93.7%
T. Hyde Park	\$690	\$1,090	\$494	66.0%
T. Milan	\$675	\$1,185	\$400	58.0%
Dutchess County	\$707	\$1,124	\$417	59.0%

*Source: US Census Bureau and ACS 2014; *The 2010 decennial census did not report monthly gross rent, therefore the ACS 2014 data set is used for these comparisons.*

The gross monthly rents have significantly increased from 2000 to 2014 by 45.2%, in the Town of Rhinebeck and by 53.3% in the Village of Rhinebeck. In Dutchess County, there was an increase of 59% in the gross monthly rent from \$707 to \$1,124. All surrounding communities show an increase in the gross monthly rent ranging from 49.2% in the Village of Tivoli to 93.7% in the Town of Clinton.

LOCAL AFFORDABILITY FOR RENTER HOUSEHOLDS:

The perspective of renter affordability from a nationally recognized housing organization, the National Low Income Housing Coalition, is provided in Table 38. The data and analysis covers Dutchess County and does not provide details at the smaller municipal level, such as towns and villages. Therefore, in an effort to provide a more localized study, the 2014 ACS gross monthly rents and the median renter household income is used in the following analysis.

The analysis of gross monthly rents in terms of affordability - shows a very stark reality for renters. The following table does not represent all renter households - it represents the median.

Table 40: Gross Monthly Rent and Median Renter Household Income

Municipality	Annual Median Income (ACS 2014)	Monthly Median Income	Hourly Median Income	30% of Monthly Income	Gross Monthly Rent (2014 ACS)	Monthly GAP
T. Rhinebeck	\$35,865	\$2,989	\$17.24	\$897	\$1,037	-\$140
V. Rhinebeck	\$34,583	\$2,882	\$16.63	\$865	\$1,093	-\$228
T. Red Hook	\$31,960	\$2,663	\$15.37	\$799	\$1,009	-\$210
V. Red Hook	\$24,135	\$2,011	\$11.60	\$603	\$880	-\$277
V. Tivoli	\$30,750	\$2,563	\$14.78	\$769	\$1,356	-\$587
T. Clinton	\$39,750	\$3,313	\$19.11	\$994	\$1,242	-\$248
T. Hyde Park	\$40,943	\$3,412	\$19.68	\$1,024	\$1,090	-\$66
T. Milan	\$41,875	\$3,490	\$20.13	\$1,047	\$1,185	-\$138
Dutchess County	\$39,100	\$3,258	\$18.80	\$978	\$1,124	-\$147

Source: ACS 2014; *Based on 2,080 hours per year

The table above represents the monthly gap, or shortfall, based on a renters median income. A renter at the median household income of \$35,865 will have a monthly gap of \$140 for rent. The gap is larger in the Village of Rhinebeck, which indicates the shortfall to be \$228. The largest gap in the surrounding communities is in the Village of Tivoli, which is \$587 per month.

The following Housing Cost Burden Analysis section provides data on the total number of renter and owners by that are paying over 30% and 50% of their income toward housing. The Cost Burden section also provides this data based on a various percentage of the median income.

HOUSING COST BURDEN ANALYSIS - BACKGROUND, METHODOLOGY AND INTERPRETATION

Housing Cost Burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs" which includes mortgage payment, utilities, association fees, insurance and real estate taxes.

As stated earlier, according to HUD, an affordable home is typically based upon a housing payment of no more than 30% of household monthly income. When a household pays more than 30% it is considered to be unaffordable and at more than 50% it is Severely Cost Burdened. Establishing the number of cost burdened households is critical when assessing the ability of existing and proposed housing stock to adequately provide for resident needs. It is even more important to provide these numbers for those at the extremely low-income and low-income categories, which are more clearly defined below.

The data associated with the Housing Cost Burden Analysis is based upon statistics from HUD, who produces annual "custom tabulations" of housing and income data. The methodology and data, in part, also includes information from U.S. Census Bureau statistics, which are not available through standard Census products. The methodology also includes statistics based on the "CHAS" data (Comprehensive Housing Affordability Strategy). The results demonstrate the extent of housing problems and housing needs for all income levels. The primary purpose of the CHAS data is to demonstrate the number of households in need of housing assistance. This is estimated by the number of households that have certain housing problems and have income low enough to qualify for HUD's programs (primarily 30, 50, and 80 percent of median income). The CHAS data are typically used by local governments to plan how to spend HUD funds, and may also be used by HUD to allocate and distribute grant funds.

The Housing Cost Burden Analysis in this assessment and report is derived from CHAS data, which is currently based on the 2009-2013 American Community Survey (ACS) 5-year data. This CHAS data represents the most recent tabulations, produced by HUD, and was made available in July 2016. Due to varying methodologies, the total housing unit counts in both owner and rental categories will differ slightly from the 2010 Census, the ACS 2014 datasets and the CHAS data set.

The purpose of these tables is to show Housing Cost Burden by levels of income, which are expressed in terms of a percentage of the Household Area Median Family Income (HAMFI). The percentages of income are expressed in the following terms:

- Extremely Low Income: Household Income \leq 30% HAMFI
- Very Low Income: Household Income $>30\%$ to $\leq 50\%$ HAMFI
- Low Income: Household Income $>50\%$ to $\leq 80\%$ HAMFI
- Not Low Income: Household Income $>80\%$ HAMFI

There are three levels of affordability (% includes utilities):

1. **Affordable** - Household spends **less than 30%** of their income toward housing costs
2. **Unaffordable** - Household spends **more than 30%** of their income toward housing costs
3. **Severe** - Household spends **more than 50%** of their income toward housing costs

HOUSING COST BURDEN ANALYSIS - SUMMARY DATA

The following tables provide a summary of the Housing Cost Burden Analysis for the Town and Village of Rhinebeck and the neighboring municipalities. The Town of Ulster and the City of Kingston were included so as to provide data for a broad geographical range from Rhinebeck. The summary tables provided below indicate the percentage of owners and renters living in affordable, unaffordable and severely cost burdened housing.

The first set of tables in this section provides details for all income levels in the Town of Rhinebeck, for both renters and owners. Tables and analysis are further broken down for each income level of under 100%, under 80% and under 50% AMI. Overall, lower income levels show a higher cost burden and thereby show more need for affordable units. The appendix provides greater detail for each of the surrounding municipalities. The housing cost burden is provided for homeowners, as this group represents a potential pool of renters due to the rising costs of homeownership.

Table 41: Income Category	Annual Income (4-person household)
30% Extremely Low Income	\$26,150
50% Very Low Income	\$43,550
80% Low Income	\$65,700
100% Median	\$87,100

Source: HUD 2016 Income Limits

Table 42: Town of Rhinebeck - Renters Cost Burden

Income by Cost Burden (Renters only)	Affordable < 30%	Unaffordable 30% to 50%	Severe > 50%	Total	% Severely Cost Burden
Household Income <= 30% HAMFI	50	20	180	250	72.0%
Household Income >30% to <=50% HAMFI	60	80	45	185	24.3%
Household Income >50% to <=80% HAMFI	65	65	0	130	0.0%
Household Income >80% to <=100% HAMFI	60	20	20	100	20.0%
Household Income >100% HAMFI	250	0	0	250	0.0%
Total	485	185	245	915	26.8%

There are a total of 430 (185+245) cost burdened renter households, of which 245 (26.8%) are severely cost burdened. There are 225 (180+45) renter households at or below 50% HAMFI that are severely cost burdened and 325 (20+180+80+45) renter households at or below 50% HAMFI paying over 30% toward rent.

Table 43: Town of Rhinebeck - Owners Cost Burden

Income by Cost Burden (Owners only)	Affordable < 30%	Unaffordable 30% to 50%	Severe > 50%	Total	% Severely Cost Burden
Household Income <= 30% HAMFI	35	15	95	145	65.5%
Household Income >30% to <=50% HAMFI	40	90	70	200	35.0%
Household Income >50% to <=80% HAMFI	90	30	85	205	41.5%
Household Income >80% to <=100% HAMFI	60	65	85	210	40.5%
Household Income >100% HAMFI	1,250	215	60	1,525	3.9%
Total	1,475	415	395	2,285	17.3%

There are a total of 810 (415+395) cost burdened owner households for all income levels, of which 395 (17.3%) are severely cost burdened. There are 165 (95+70) owner households at or below 50% HAMFI that are severely cost burdened and 270 (15+90+95+70) owner households at or below 50% HAMFI paying over 30% toward homeownership.

Table 44: Cost Burden Threshold for All Income Levels

Municipality	% of Renter Households			% of Owner Households		
	Affordable	Unaffordable	Severe	Affordable	Unaffordable	Severe
T. Rhinebeck	53%	20.2%	26.8%	64.5%	18.2%	17.3%
V. Rhinebeck	54.1%	19.5%	26.4%	52.2%	23.9%	23.9%
T. Red Hook	49.9%	23.5%	26.6%	68.9%	17.2%	13.9%
V. Red Hook	42.3%	30.6%	27.1%	65.5%	13.7%	20.8%
V. Tivoli	46.1%	17.8%	36.1%	55.7%	28.5%	15.8%
T. Hyde Park	48.3%	21.8%	29.9%	67.3%	18%	14.7%
T. Milan	42.3%	46%	11.7%	56.9%	25.5%	17.6%
T. Clinton	67.8%	15.3%	16.9%	65.3%	18.7%	16%
Dutchess County	50.8%	21.1%	28.1%	64.8%	21.5%	13.7%
C. Kingston	46.8%	23.9%	29.3%	65.7%	19.3%	15%
T. Ulster	48.3%	20.1%	31.6%	68.2%	17.4%	14.4%

Renters: at all income levels - Table 44

Overall, in the Town of Rhinebeck, 53% of renters are paying less than 30% of their income toward housing, or 47% of the renters in the town are cost burdened.

The Village of Tivoli has the largest percentage of renters (36.1%) who are severely cost burdened. The Town of Clinton has the largest percentage of renters (67.8%) paying less than 30% toward housing. The Town of Milan shows only 11.7% of renters being severely cost burdened.

Owners: at all income levels - Table 44

In the Town of Rhinebeck, 64.5% of owners are paying less than 30% of their income toward housing. Conversely, 35.5% of homeowners are cost burdened in the town, which translates to 1,240 owners being severely cost burdened, as detailed in the appendix.

The Village of Rhinebeck has the largest percentage of owners (23.9%) being severely cost burdened and also shows the smallest percentage of owners living in housing that is affordable. The Town of Red Hook has the smallest percentage of owners that are severely cost burdened and the highest percentage paying less than 30% of their income toward homeownership.

Table 45: Cost Burden Threshold for Income at or below 100% HAMFI

Municipality	% of Renter Households			% of Owner Households		
	Affordable	Unaffordable	Severe	Affordable	Unaffordable	Severe
T. Rhinebeck	35.4%	27.8%	36.8%	29.6%	26.3%	44.1%
V. Rhinebeck	29.8%	29.8%	40.4%	14.1%	35.9%	50%
T. Red Hook	34.4%	30.8%	34.8%	42.7%	25%	32.3%
V. Red Hook	29%	37.7%	33.3%	39.1%	20.5%	40.4%
V. Tivoli	37.4%	20.6%	42%	42.3%	32.3%	25.4%
T. Hyde Park	34.2%	27.7%	38.1%	37.8%	27.4%	34.8%
T. Milan	29.1%	56.6%	14.3%	26.1%	39.1%	34.8%
T. Clinton	47.2%	25%	27.8%	19.4%	36.1%	44.5%
Dutchess County	34.7%	27.3%	38%	35.7%	30.4%	33.9%
C. Kingston	35.9%	28.5%	35.6%	37.8%	26.7%	35.5%
T. Ulster	32.4%	26.4%	41.2%	45.4%	24.1%	30.5%

Renters: at or below 100% Household Area Median Family Income - Table 45

The Village of Tivoli has the largest percentage of renters (42%) who are severely cost burdened. The Town of Clinton has the largest percentage of renters (47%) paying less than 30% toward housing. The Town of Milan shows only 14.3% of renters being severely cost burdened.

Owners: at or below 100% Household Area Median Family Income- Table 45

The Village of Rhinebeck has the largest percentage of owners (50%) being severely cost burdened and also shows the second smallest percentage of owners living in housing that is affordable.

Table 46: Cost Burden Threshold for Income at or below 80% HAMFI

Municipality	% of Renter Households			% of Owner Households		
	Affordable	Unaffordable	Severe	Affordable	Unaffordable	Severe
T. Rhinebeck	31%	29.2%	39.8%	30%	24.5%	45.5%
V. Rhinebeck	24.5%	32.1%	43.4%	9.4%	30.2%	60.4%
T. Red Hook	26.8%	35.1%	38.1%	33.1%	21.6%	45.3%
V. Red Hook	15.5%	44.8%	39.7%	31.4%	20%	48.6%
V. Tivoli	35.9%	19.3%	44.8%	16.2%	47.5%	36.3%
T. Hyde Park	18.9%	35.4%	45.7%	35.4%	19.6%	45%
T. Milan	16.8%	63.2%	20%	21.5%	34.2%	44.3%
T. Clinton	48.5%	21.2%	30.3%	6.5%	34.8%	58.7%
Dutchess County	25.9%	30%	44.1%	30.2%	26.6%	43.2%
C. Kingston	31.1%	27.9%	41%	35.8%	22.4%	41.8%
T. Ulster	30.2%	25.5%	44.3%	36.2%	22%	41.8%

Renters: at or below 80% Household Area Median Family Income - Table 46

As the chart indicates, the percentages of renters living in unaffordable housing begins to increase and income declines. As the income rises from 50% (Table 47) to 80% (Table 46), the percentage of renters in the Town of Rhinebeck with a severe cost burden declines by 11.9% to 39.8%. Although the housing picture appears to be brighter as the income level increases, 69% (29.2+39.8) of the renters in the Town of Rhinebeck are still living in unaffordable housing.

In the Village of Rhinebeck, 75.5% of the renters pay over 30% of their income toward housing. The Village of Red Hook has the highest combined percentage (84.5%) of renters paying over 30% toward housing. The Town of Clinton has the highest percentage of renters paying less than 30% of their income toward housing. The Town of Hyde Park shows the highest percentage (45.7%) of renters being severely cost burdened. The Town of Milan shows the smallest percentage (20%) being severely cost burdened; however, 83.2% of the renters in Milan are living in unaffordable housing. Eligibility for most rental assistance programs typically ends at 80% of the median income.

Owners: at or below 80% Household Area Median Family Income - Table 46

Homeownership in the Town of Rhinebeck becomes a little more affordable at the 80% income category. As compared to the 50% income level, the percentage of owners living in unaffordable housing and who are severely cost burdened drops from 78.2% to 70%. The least affordable municipalities in this study area for homeownership is the Town of Clinton (6.5%) and the Village of Rhinebeck (9.4%).

Table 47: Cost Burden Threshold for Income at or below 50% HAMFI

Municipality	% of Renter Households			% of Owner Households		
	Affordable	Unaffordable	Severe	Affordable	Unaffordable	Severe
T. Rhinebeck	25.3%	23.0%	51.7%	21.8%	30.4%	47.8%
V. Rhinebeck	27.9%	18.6%	53.5%	5.4%	35.1%	59.5%
T. Red Hook	13.1%	31.5%	55.4%	22%	13.4%	64.6%
V. Red Hook	8.3%	43.8%	47.9%	23.8%	23.8%	57.4%
V. Tivoli	27%	8%	65%	12%	32%	56%
T. Hyde Park	10.9%	33.8%	55.3%	18.9%	16.1%	65%
T. Milan	1.1%	71.1%	27.8%	8.8%	27.2%	64%
T. Clinton	58.3%	0%	41.7%	6.2%	18.8%	75%
Dutchess County	17.6%	25.1%	57.3%	19.5%	22.9%	57.6%
C. Kingston	23.1%	18%	58.9%	34.1%	13%	52.9%
T. Ulster	24.1%	14.9%	61%	11.5%	33.3%	55.2%

Renters: at or below 50% Household Area Median Family Income - Table 47

Overall, 57.3% of all renters in Dutchess County are severely cost burdened and 82.4% pay more than 30% of their income toward rent. In the Town of Rhinebeck, 74.7% of renters are cost burdened and 51.7% are severely cost burdened. The Village of Tivoli has the highest percentage (65%) of renters that are severely cost burdened. The majority of renters with incomes below 50% HAMFI are paying more than 30% of their income toward rent, except in the Town of Clinton. The Town of Clinton is atypical, with households paying either less than 30% or more than 50% of their income toward rent.

Owners: at or below 50% Household Area Median Family Income - Table 47

When it comes to homeownership, 78.2% of owners in the Town of Rhinebeck are paying over 30% of their income toward housing and 47.8% are severely cost burdened. The Town of Clinton has the highest percentage (75%) of owners paying over 50% of their income toward housing. Just as with renters in this income category, a majority of homeowners are paying more than 30% and a vast majority are severely cost burdened - paying over 50% toward housing.

RENTAL HOUSING INVENTORY

A rental housing property search was conducted in October 2016. The search included realtors websites, the Poughkeepsie Journal and Craigslist. The search included both the Town and Village of Rhinebeck. There is a very limited inventory of rental housing in both the town and the village. The vacancy rate is very low, which suggests a high demand and results in annual increases of monthly rent.

Homes for Rent:

There were eight (8) homes for rent in the Town of Rhinebeck and four (4) homes were available in the Village of Rhinebeck.

Town of Rhinebeck

2-Bedroom: 2 homes at \$1,625
3-Bedroom: 2 homes at \$3,500
4-Bedroom: 1 homes at \$1,600
5-Bedroom: 2 homes at \$4,250
6-Bedroom: 1 home at \$8,500

Village of Rhinebeck

2-Bedroom: 3 homes at \$2,100
4-Bedroom: 1 home at \$2,600

Apartments for Rent:

There were four (4) apartments for rent in the Town of Rhinebeck and seven (7) in the village.

Town of Rhinebeck

1-Bedroom: 1 unit at \$995
2-Bedroom: 1 units at \$975
3-Bedroom: 2 units at \$1,725 average

Village of Rhinebeck

Studio: 2 units at \$1,075 average
1-Bedroom: 2 units at \$2,100 average
2-Bedroom: 3 units at \$1,510 average

There is one large rental housing complex in the Village of Rhinebeck known as Village Green. This is a private owned and operated complex with 144 units of housing (103 1BR units and 41 2BR units). The 1BR units range from \$990 to \$1,110 with a "Jumbo" 1BR renting at \$1,595. The 2BR units rent for \$1,300 per month. Rents include heat and hot water. There were only 2 vacancies at the complex as of October 2016.

There is one subsidized rental housing complex in the Village of Rhinebeck, Wells Manor. The property was developed with funding through the HUD Section 202 program which provides funding for housing for seniors who are 62 or older. This housing has maximum income levels ranging from \$30,500 to \$34,700. There is a waiting list for seniors between 1 to 3 years long. There are 19 studios and 55 one bedroom units. Rents include heat and hot water.

RENTAL HOUSING RECOMMENDATIONS AND OPTIONS

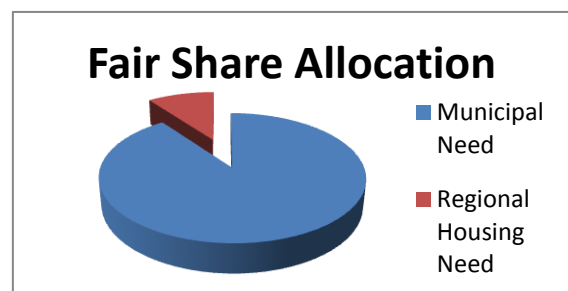
The following recommendation for rental housing units are based on current and trending socio-economic demographics. The demographics include, but are not limited to income, household size, age, population projections, age of housing stock, inventory and tenure, commutation and business patterns and industry. Recommendations are also based on availability, type and price of rental housing currently on the market and the existing cost burden analysis.

To further support the needs assessment, a telephone survey was conducted in late October/early November of 2016 of the 4 largest private employers in Rhinebeck including Health Quest (Northern Dutchess Hospital), Ruge's Automotive, Astor and Williams Lumber. Three basic questions were asked to stimulate a conversation around the need for housing:

1. Are employees looking to live near their place of employment?
2. Are employees looking for rental housing or looking to buy a home?
3. Do employees express issues with their housing costs?

All of the major employers see an absolute need for affordable rental housing. Many of the employees, except for the highly skilled professional and licensed staff, executives, administrators, longer tenured educators and higher paid health care workers such as RN's and medical techs, cannot afford rental housing in Rhinebeck. Many staff who reside 30 minutes away in more rural areas to the north and in Kingston and forced to commute by car adds an additional expense. In reference to homeownership, except for higher paid professionals, purchasing a home simply not attainable. The local Licensed Practical Nurses, health aides, first year teachers and retail staffers are priced out of the local community.

In April 2009, the Tri-County Regional Housing Needs Assessment was published, which covered Dutchess, Ulster and Orange County. The assessment was a collaborative effort between each of the county planning departments and a private consulting firm with input from local community based organizations. The study was funded by the Dyson Foundation.



The purpose of the study was to determine a fair share allocation for the development of affordable rental and owner occupied housing units. The study was conducted during the height of the housing boom and was completed just as the housing bubble burst, which was the start of the "Great Recession". The decline in housing prices relieved some of the affordability pressures, but not to a significant extent.

The Tri-County assessment provided a detailed breakdown for each county and for each municipality for owner occupied and rental housing units. The allocation included housing unit that were currently in demand, as of 2006, and the prospective demand for units by 2020. The allocation methodology, in part, was based on the number and location of the existing supply of affordable housing, population trends and projections, current real estate market prices, taxes, wage rates and median income levels.

Overall, the demand for housing as of 2006 indicated a need for an additional 4,210 units for homeownership and 2,954 units for rental housing units to be built in Dutchess County. The projected demand, by 2020, for homeownership units in Dutchess County was for an additional 898 units. There was an additional projected demand 1,310 rental housing units by 2020, county-wide.

The following table provides the demand in 2006 and the projected demand by 2020 for the Town of Rhinebeck and the neighboring towns.

Table 48: Fair Share Allocation by Municipality (Units of Housing)

Municipality	Homeownership		Rental	
	2006 (current)	Projected by 2020	2006 (current)	Projected by 2020
T. Rhinebeck	135	158	75	104
T. Red Hook	187	230	110	159
T. Hyde Park	277	327	190	265
T. Milan	60	73	19	27
T. Clinton	94	112	21	29
Dutchess County	4,210	5,108	2,954	4,264
C. Kingston	273	365	687	1,005
T. Ulster	165	221	139	207

The Tri-County Housing Needs Assessment projected the fair share of affordable rental housing needed to be built in the Town of Rhinebeck by 2020 was 104 units. Since the study was completed and published, there have been no additional affordable housing developments of any significant number constructed in Rhinebeck.

Based on the local economic profile by industry, cost burden analysis, demographic data and the fair share allocation study, current vacancy rates and waiting lists - the analysis points to the recommendation of constructing at least 48 to 60 units of affordable workforce rental housing in Rhinebeck. This recommendation is further supported by information gathered through the interviews conducted with major local employers.

There is a need to develop affordable rental housing to retain and attract the Millennial generation, provide for young starter-families, single wage earners and for seniors living on fixed incomes. Therefore a mix of one, two and three bedroom units is appropriate. The scope of this housing assessment does not include a unit breakdown.

Here are three options for rental housing development in Rhinebeck. Option 1 is recommended to meet the current affordable housing needs and demands. The second and third option represent possible rental development designs with a mixed income approach to assist in meeting some of the needs for affordable housing, but will not likely meet current demands for residents at the lower income levels.

Option 1: Affordable Workforce Housing Development

Based on meeting the housing needs of households with income levels defined as low to moderate, the rents are typically structured and affordable to those earning 50%, 60% and 90% of the area median income. The rent structure and income levels will, in part, be dictated by the types and amounts of state and federal housing program funding used as capital subsidy for the construction of the housing development. The size and number of apartments in subsidized rental housing developments may included 1, 2 and 3 bedroom units. The exact number of rental units and bedroom count will be determined by a project specific market demand analysis, which is required by developers in order to receive state and federal assistance.

The table below provides details of approximate maximum income levels for various sized households of a potential rental housing development funded with state and federal grants and incentives. These annual income levels are based on the most recent (2016) annual HUD data published for Dutchess County. The table below includes hourly wage rates for ease of equating annual income - based on 2,080 working hours per year.

Table 49: Maximum Income Levels for Rental Housing (Example)

Household Size	50% AMI		60% AMI		90% AMI	
	Annual	Hourly	Annual	Hourly	Annual	Hourly
1-person	\$30,500	\$14.66	\$36,600	\$17.60	\$54,900	\$26.39
2-person	\$34,850	\$16.75	\$41,820	\$20.11	\$62,730	\$30.16
3-person	\$39,200	\$18.85	\$47,040	\$22.62	\$70,560	\$33.92
4-person	\$43,550	\$20.94	\$52,260	\$25.13	\$78,390	\$37.69
5-person	\$47,050	\$22.62	\$56,460	\$27.14	\$84,690	\$40.72

As indicated in the table above, depending upon the results of a project specific, market study, a rental housing development may have units made available to single person households earning a maximum annual income of \$30,500. An annual income of \$30,500 translates into \$14.66 per hour, based on 2,080 hours per year. As stated earlier in this report, wages for many

people working in local small businesses, such as restaurants, stores, cafes and shops in Rhinebeck earn between \$10 and \$15 per hour and would therefore be eligible.

The following table represents potential maximum rents for one, two and three bedroom units based on a housing development serving households with incomes at or below up to 90% of the area median income. The rents are structured for households to pay no more than 30% of their income toward housing.

Table 49: Maximum Rent Levels (Example)

Household Size	50% AMI	60% AMI	90% AMI
1-bedroom	\$818	\$980	\$1,036
2- bedroom	\$981	\$1,176	\$1,271
3- bedroom	\$1,133	\$1,359	\$1,615

Option 2: Mixed Income Rental Housing Development

Another option is to build a mixed income rental project. A project of this design would include some state or federal grants and incentives with limited income and rent restrictions. Developments of this type typically require a higher density, number of units, per acre so as to achieve sufficient revenue streams to handle a higher debt service.



Option 3: Market Rate - Shared Living Design

A third option, although not sufficient to meet the local needs of affordable housing, is to develop market rate apartments designed as a type of shared housing. For example, two bedroom rentals may be designed to share common space, laundry and kitchen facilities. These units may be designed on a single floor or as two story lofts. This type of design allows for two independent persons to share space and split the monthly rent. A two bedroom unit may be offered at \$1700 per month, but shared with two persons at \$850 each.

