

Appendix D

HOUSING WORK GROUP REPORT

JULY 10, 2002

Work Group Assignment

At the 20/20 forum in April 2001, the community expressed a need for housing policies which will protect both the Town's social and economic diversity and its rural and historic qualities. Of special concern was the possibility that parents and children of local residents, emergency volunteers, employees of local businesses and governmental employees would find it difficult to remain in Philipstown due to escalating housing prices. The housing subcommittee was charged to gather the facts and explore creative solutions for providing a broader range of affordable housing throughout the Town.

Fact Finding

Existing Conditions

Over the years the Philipstown housing patterns have been fairly constant with single or multifamily houses close together in the two Villages, apartments over retail space and three apartment complexes, one of which is for the elderly. While the Villages are not part of the Comprehensive Plan, the housing they provide affects the whole Town.

Outside the Villages the pattern is of single family houses ranging from modest dwellings on one or two acre lots to very large estates. There are also three settlements, Lake Valhalla, Continental Village and Manitou which began as summer cottages decades ago but have been converted to year round use.

The Philipstown Zoning Code of 1959 by and large codified existing patterns and allowed only one single family house per lot. However, property owners who had had guest houses or other accessory living quarters prior to enactment of zoning could and do provide rental units not allowed in later development.

Another provision of the code that affects housing density is the Open Development Area covering the entire Town. This allows only four homes to be built on private rights-of-way. This provision has had the effect of having homes spread over even larger lots than required by district limits.

Research methodology

As a first step, the housing committee wanted to determine the existing conditions that affect housing in general in Philipstown, including existing inventory of housing and trends in pricing, construction, and demographics. We compared our demographic findings with those of Putnam, Westchester, and Dutchess counties, as well as those of the nearby towns and cities of Peekskill, East Fishkill, Fishkill, Putnam Valley, Carmel, Cortlandt, Wappinger and Beacon.

The inventory of existing housing types was derived from the 1999 Philipstown tax roll. Demographic data for all areas was collected from 2000 census reports purchased from CACI Marketing Systems in Arlington, VA. Housing price data was provided by the New York State Office of Real Property Services.

Summary of findings and trends

Summary of data

Philipstown has a small, relatively **homogenous population** with 6,940 people outside the two Villages plus a combined population of 2,562 in the Villages for a total of 9,502. We are 13 % less populated than Putnam Valley, the next least populated area of the areas analyzed. 95% of our population is white, consistent with Putnam County as a whole, but considerably less diverse than Dutchess County which is 83% white and Westchester with 71% white.

Philipstown has one of the area's slowest **population growth** rates. Since 1990, Philipstown's population has grown 4% (or by around 250 people), the third slowest population growth of the areas analyzed, and significantly slower than Putnam Valley, East Fishkill, Fishkill, Carmel, Peekskill and Putnam County as whole, which each grew by 16% - 18%. Only the Towns of Wappinger and Cortlandt had slower growth rates, while Cold Spring Village had no growth and Nelsonville lost population..

Although the racial profile of our population has changed little in 10 years, the **age and economic profile** outside the Villages has changed dramatically. Young adults and households with lower incomes are being replaced by older people (over 45) and households with much higher incomes. There are roughly 475 fewer people in 20 – 34 age range in Philipstown than in 1990, a 36% drop – the steepest of a regional trend. There are 589 more people in the 45 – 64 age range than in 1990. At \$89,162, the average household income has grown by 31% since 1990. This is the third highest average household income of the areas analyzed, after the Town of East Fishkill at around \$100,000 and the Town of Cortlandt at almost \$95,000. At \$89,162, we have the same average household income as Westchester. There are around 370 more households with incomes greater than \$100,000 than in 1990. Only some of these changes can be attributed to either the aging of baby boomers or general inflation. Our data, supported by anecdotal reports, indicate that high housing costs are displacing young adults from Philipstown with older, more wealthy people from elsewhere.

The profile of Philipstown's **households** is fairly traditional. This is consistent with Putnam County, but more family-oriented than Westchester and Dutchess counties. Around $\frac{3}{4}$ of our households live in family units, nearly 90% of which are married couples. However, the number of non-family households has grown by 26% since 1990, or around 12 non-family households per year. 80% of these are people living alone. The growth rate of Philipstown's population under 20 years old is the third lowest of the areas analyzed, after Wappinger and Beacon. A fifth of our households have someone 65 years or older in them; 11% of our population is 65 or older.

Philipstown enjoys one of the loveliest and most expansive natural landscapes in the Hudson Valley. We have the lowest **density** of the areas analyzed and are half as dense as the next least dense area, Putnam Valley. Putnam County's overall density is 421 people per sq. mile, Carmel's is 930, and Philipstown's is 135 and only reaches 180 people per square mile if the Villages are included. Low density in Philipstown is due largely to topography unfavorable for development.

Although Philipstown has very low density and broad landscapes, there is relatively **little remaining land for development**. There are around 12,500 acres that are potentially available for development, or 5% of Philipstown's total land area. Of these, approximately half cannot be developed due to topography. Other influences that could further restrict development are conservation efforts (over 6,000 acres have been conserved in the past 10 years) and zoning changes, to say nothing of availability of services and infrastructure.

There are around 2,500 occupied **housing units** in Philipstown. Nearly 90% of all housing units are single-family year-round residences, 2% are mobile homes and 8% a combination of multi-family and seasonal residences. Although around 15%, or 375, of the total units are renter-occupied according to census data, only one unit is categorized as an apartment on the tax rolls. The rate of new home construction has decreased. In the 1980's there was an average of 47 building permits issued while in the 1990's there were 22 per year, less than half from the previous decade.

There has been considerable upward pressure on single-family **home prices** in Philipstown during the past three years. Average single family home sale prices were fairly stable through most of the 90s. Broadly by school district in Philipstown, they were \$150,000 in Lakeland, \$200,000 in Haldane, and \$300,000 in Garrison. However, from 1998 to 2001, average home sale prices have increased dramatically: by 65% to \$237,000 in Lakeland, by 25% to \$301,000 in Haldane, and by 65% to \$520,000 in Garrison. While the cost of housing is rising country-wide, up 9% on average in 2001 alone, sale prices here are outstripping average cost elsewhere.

(The data in the foregoing paragraph is in averages, a method which can be distorted by the inclusion of a few unusually high or low sales. The next paragraph uses median which is the middle number in a set of numbers arranged from the lowest to the highest sales price.)

The median household income in Philipstown is around \$66,359. That means that half of the households in Philipstown have an annual household income of less than \$66,359. Let's assume, as do lending institutions, that 28% of household income goes towards housing, and that 28% of that amount goes towards property taxes. Let's also assume that a 20% down payment is required to buy a house and that a 30 year mortgage would currently carry an interest rate of around 7.5%. Under these assumptions, a household earning the median income could afford a house costing around \$200,000, and a household earning half the median income could afford a house costing around \$100,000. The median housing sales prices in 2001 were \$190,000 in Nelsonville, \$305,000 in Cold Spring and (in town outside, by school district) \$210,000 Lakeland, \$292,500 Haldane, and \$392,500 Garrison.

Opportunities and Constraints

What is most needed

Clearly there needs to be a larger proportion of housing, both rental and for purchase, available in Philipstown for those households earning the median income or less. Such housing should rent between \$750 and \$1,500 and sell between \$125,000 and \$250,000. If previous population growth trends were to continue, the number of such units need not be large. What is not known is whether slower development in eastern Putnam County will put development pressures on the Town.

Many of the **constraints** on housing are topographic: steep slopes, wetlands, limited availability of sewers, narrow winding roads. Some constraints are in the zoning code which, for instance, allows only one single family home per lot. Suggestions for changing the zoning code are in our recommendations. Over the years there has been significant public opposition to major building developments. While the public seems opposed to such developments, it is not clear whether there is widespread support for specific open space conservation projects.

What is most feasible

Housing in Philipstown has been and should continue to be provided in the private market. What Government can do is make certain zoning changes that could lead to provision of more housing priced in the desired range. Land availability, natural constraints on buildable land and infrastructure also limit what can be done. Although pressure from other parts of Putnam County as a result of the NYC Watershed Agreement might be felt, both our natural restraints and considered zoning changes should be able to provide greater availability of needed housing while, at the same time, preserving our rural character.

Recommendations

Amend the Zoning Code to:

Allow for various forms of accessory housing including accessory apartments in existing and new homes; rental of guesthouses, caretaker cottages and apartments over garages. The number of bedrooms and baths should be limited and minimum allowable acreage set. These provisions will increase the stock of less expensive rental properties, will continue the existing and traditional patterns of development and will help some residents to afford to keep their homes.

Allow for construction of single, two-family houses on one lot. One part must be owner occupied. This type of construction, being more efficient, should be cheaper for owner as well as providing additional rental property.

Allow for adaptive reuse of large structures as housing such as institutional buildings that have outlived their original purpose.

Require or encourage all multi-lot subdivisions to provide for open space development. This system, a version of cluster development, sites homes where they contemplate the view jointly rather than obstruct it individually. A mixture of house sizes should be encouraged. While only the same number of houses may be built as under the present rules, the subdivision should be cheaper to build since roads, driveways and infrastructure would be more compact. Conservation easements should be put on the resulting open space.

Include moderate priced housing in mixed-use districts if the CPSB agrees to such development. Such a plan should be considered only as a special Planned Development District approved by the Town Board in each instance. Such a mixed use district could be denser with limited setbacks and changes in other bulk standards, rental apartments over retail spaces among other things. The CPSB may identify certain sites where such development might work.

If a major housing development were proposed, the Town Board may consider requiring that a portion of the development be of moderate priced homes. To insure that such housing remain moderate in price, restrictions in the deed could state what percentage the price could increase upon subsequent sales.

Cooperate with and make use of the housing needs assessment study being done by the Putnam County Housing Corporation in conjunction with Pace University.