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Memorandum

To: Jefferson V. Murphree, AICP
From: Lorianne DeFalco
Date: August 3, 2021 (Revised)
Re: Town of Riverhead Affordable Housing Demand Analysis Summary
cc: Robert M. White, Stephen J. Holley, James Rigert (AKRF)

AKRF performed an inventory of the existing affordable rental housing in the Town of Riverhead and projected future affordable housing needs for the 10- and 20-year horizons. AKRF performed the analysis following the “Affordable Housing Demand Analysis Outline” prepared on behalf of the Town in 2007, supplemented with more recent data.¹ AKRF also performed the analysis based on the threshold for “affordable workforce housing” from the Long Island Workforce Housing Act (housing affordable to individuals and families at or below 130 percent of the median income for Nassau-Suffolk Counties) to get an understanding of the affordability of the Town’s market-rate rents. The following tables illustrate population trends, existing and proposed affordable units, and forecasted affordable housing demand for 2030 and 2040.

PRINCIPAL CONCLUSIONS

As illustrated in this analysis, the Town of Riverhead currently has a substantial amount of affordable housing and is anticipated to continue to have adequate levels to support the existing and future populations, although a nominal amount of new designated, affordable housing would help to meet the existing and future needs of lower-income populations over the analysis period. While there are currently approximately 2,334 known or designated affordable rental units in the Town (2,538 including the proposed affordable units), approximately 100 percent of all 3,133 rental units in the Town are considered “affordable” based on the Long Island Workforce Housing Act and today's standard benchmark of “affordable” housing—a household that spends 30 percent or less of its pre-tax income on total housing costs.^{2,3}

¹ Hanley, R. *Affordable Housing Demand Analysis Outline*, January 11, 2007.

² Long Island Workforce Housing Act, 2015-MR-4, 2015. Last accessed July 28, 2021 at <https://www.osc.state.ny.us/files/local-government/audits/2017-12/lgsa-audit-swr-Long-Island-Workforce-global.pdf>

³ See the definition for Moderately Rent Burdened Households (% of all, low-income, and moderate-income households) at <https://furmancenter.org/coredata/userguide/dictionary> (Accessed July 13, 2021).

EXISTING CONDITIONS

Table 1
Population Trends, 2000 and 2019

	2000 Census	2015-2019 American Community Survey	% Change (2000-2019)
Total Population	27,680 persons	33,549 persons	21%
Total Households	10,749 households	12,976 households	21%
Average Persons per Household	2.5 persons	2.5 persons	No Change

Sources: 2000 Census; Social Explorer – ACS 2015-2019; last accessed July 12, 2021

Table 2
Existing Affordable Units in the Town of Riverhead

Type of Units	Number of Units
Mobile/Manufactured Home Rentals ¹	336 units
Garden Apartments ²	1,114 units
DC-1 Affordable Apartments ³	252 units
Additional Designated Affordable Units ⁴	632 units
Total⁵	2,334 units

Notes:

1. While there are approximately 1,883 mobile homes in the Town of Riverhead in total, which are all considered affordable, this analysis conservatively considers only those for rent (rather than for sale) in the count of existing affordable units.
2. Number of garden apartments assumed to remain the same since the 2007 analysis conducted by R. Hanley.
3. There is a 500 residential units cap for downtown rental apartments in the DC-1 Zoning Use District upon the issuance of certificates of occupancy. Approximately 252 of these units are existing today and are income-restricted. See Table 3 for a description of these units.
4. The inventory of existing affordable units includes units in buildings with stated income restricted housing. See Table 4 for a description of these units.
5. In addition, the Town includes approximately 500 accessory apartments.

Sources: Hanley, R. Affordable Housing Demand Analysis Outline, January 11, 2007; Social Explorer – ACS 2015-2019; last accessed July 12, 2021.

The following table includes a list of all existing and proposed developments (including market-rate and affordable) located in the DC-1 zoning use district that contain residential apartments on the upper floors.

Table 3
Housing Developments in the DC-1 Zoning Use District

Project	Status	No. of Apartments	Income Levels
Summerwind	Constructed	52*	Up to 120 percent AMI
Woolworth	Constructed	19*	Up to 80 percent AMI
Peconic Crossing	Constructed	45*	Low-income (Up to 90 percent AMI)
Riverview Lofts	Constructed	116*	Up to 130 percent AMI
203/213 E. Main St.	Site Plan application under review by the Town Board	170*	Market-rate
Suffolk Theater addition	Site Plan application under review by the Town Board	25	Market-rate
Zenith Building	Site plan application under review by the Town Board	9	Market-rate
331 East Main Street	Under construction	36	Market-rate
Landmarks of Riverhead (Former West Marine Building)	Site plan application under review by the Town Board	45	Market-rate
Barth's Drug Store	Site Plan application under review by the Town Board	1	Market-rate
Existing apartments (estimated)		20 *	Mix of requirements
TOTAL		538	
<p>Notes: *Denotes known affordable units. Others are assumed to be market-rate. The 252 designated affordable units in the DC-1 Zoning Use District are included in the count of the total existing affordable units in Table 2.</p> <p>Source: Town of Riverhead, "DC-1 / Residential Apartments" (Updated April 14, 2021); AKRF provided the known income levels based on other sources, including Draft Scope for the Draft Environmental Impact Statement for 203-213 East Main Street, Riverhead, https://www.townofriverheadny.gov/files/documents/news10944958091818095050a.pdf; https://riverheadlocal.com/2019/09/13/developer-presents-plan-for-four-story-apartment-building-on-east-main-street/ (Accessed July 12, 2021); https://affordablehousingonline.com/housing-search/New-York/Riverhead (Accessed July 13, 2021); and https://www.mhvillage.com/parks/ny/riverhead (Accessed July 13, 2021).</p>			

Table 4

Additional Affordable Housing Developments in the Town of Riverhead

Designated Affordable Housing ^{1,2}				
Name	Location	Type	Income Level	# of Units
Riverhead Landing Senior Apartments	Downtown Riverhead	Senior Apartments	Section 8 / LIHTC	200
River Pointe	Downtown Riverhead	Apartments	Section 8 / LIHTC	135
Tradewinds Village	Riverhead Hamlet	Senior Apartments	Section 202	115
John Wesley Village II	Riverhead Hamlet	Senior Apartments	LIHTC	92
Concern Riverhead	Downtown Riverhead	Independent Living Apartments	Low-income residents; LIHTC	50
Doctors Path Apartments	Downtown Riverhead	Apartments	Section 8 / LIHTC	40
Total²				632
Notes:	<p>1. These affordable units are in addition to the 252 designated affordable units in the DC-1 Zoning Use District (see Table 3).</p> <p>2. These designated affordable housing units are included in the affordable unit count presented in Table 2.</p>			
Sources:	<p>https://riverheadlocal.com/2019/09/13/developer-presents-plan-for-four-story-apartment-building-on-east-main-street/ (Accessed July 12, 2021); https://affordablehousingonline.com/housing-search/New-York/Riverhead (Accessed July 13, 2021); https://www.mhville.com/parks/ny/riverhead (Accessed July 13, 2021).</p>			

In order to calculate the affordable rent at or below 130 percent AMI, AKRF calculated 130 percent AMI for a 2.5-person household (the average and projected household size for the Town) in the Nassau-Suffolk primary statistical area (\$139,925).⁴ Applying the standard benchmark of housing affordability of 30 percent of one's income to the 130 percent AMI results in a maximum affordable monthly rent of about \$3,498 for the average (2.5-person) household within Nassau-Suffolk County.

It is noted that the "affordable" rent varies with income. The Town of Riverhead's AMI is equivalent to roughly 72 percent of the Suffolk County AMI (see **Table 5**).

⁴ HUD Income Guidelines, Nassau-Suffolk Region, 2020-2021, last accessed on July 28, 2021 from <https://www.southamptontownny.gov/DocumentCenter/View/11234/2020--2021-HUD-income?bidId=>

Table 5
Town of Riverhead and Suffolk County Area Median Income (AMI) - 2019

	Aquebogue	Baiting Hollow	Calverton ¹	Jamesport ²	Northville	Riverhead Hamlet and Downtown ³	Wading River	Town of Riverhead	Suffolk County
Median Household Income	\$125,099	\$94,167	\$55,026	\$99,167	\$105,000	\$52,126	\$135,351	\$73,161	\$101,031
<p>Notes: 1. Based on Place data for Calverton CDP, which includes a small portion of mostly undeveloped land that is within the Town of Brookhaven. Comparable ACS data is not available for the portion of Calverton that is solely within the Town of Riverhead.</p> <p>2. Based on data for Jamesport CDP, which includes South Jamesport and the portion of Laurel that is within the Town of Riverhead. ACS data is not available for South Jamesport and the portion of Laurel that is within the Town of Riverhead.</p> <p>3. Data based on ACS data for Riverhead CDP given that data for the smaller geography of Riverhead Hamlet is not available on median household income.</p> <p>Sources: Social Explorer – ACS 2015-2019; last accessed July 12, 2021.</p>									

Table 6 presents the distribution of units based on the gross rent, or the monthly rent agreed upon plus estimated average cost of monthly utilities, for rentals on places of less than 10 acres. The most common price for rental units is in the \$1,500 to \$1,999 range for most hamlets within the Town (23.4 percent of all occupied rentals). Based on data for gross rent for renter-occupied units, the number of existing affordable renter-occupied homes in the Town of Riverhead (at or below \$3,498) encompasses at least 73 percent and up to 100 percent of the rental units (the exact percentage cannot be determined from the ACS data because ACS data does not include data on the number of units at rental price ranges larger than “\$2,000 or more”).

**Table 6
Gross Rent**

	Aquebogue	Baiting Hollow	Calverton ¹	Downtown Riverhead	Jamesport ²	Northville	Riverhead Hamlet ³	Wading River	Town of Riverhead ⁴
Total Renter-Occupied Housing Units	196	57	405	695	31	0	1,562	206	2,957
Renter-Occupied Housing Units with Cash Rent:	175	57	300	695	31	0	1,473	186	2,722
Less than \$300	0	0	0	18	19	0	129	0	166
\$300 to \$599	0	0	0	0	0	0	184	0	184
\$600 to \$799	0	0	0	18	12	0	148	0	178
\$800 to \$999	0	0	34	25	0	0	94	0	153
\$1,000 to \$1,249	75	0	24	97	0	0	145	0	341
\$1,250 to \$1,499	0	0	10	259	0	0	160	14	443
\$1,500 to \$1,999	20	21	37	175	0	0	421	19	693
\$2,000 or more ⁵	80	36	195	103	0	0	192	153	564
No Cash Rent:	21	0	105	0	0	0	89	20	235

Notes:

1. Based on Place data for Calverton CDP, which includes a small portion of mostly undeveloped land that is within the Town of Brookhaven. Comparable ACS data on Gross Rent is not available for the portion of Calverton that is solely within the Town of Riverhead.
2. Based on data for Jamesport CDP, which includes South Jamesport and the portion of Laurel that is within the Town of Riverhead. ACS data is not available for South Jamesport and the portion of Laurel that is within the Town of Riverhead.
3. Riverhead Hamlet is the difference between Riverhead CDP and Downtown (Census Tract 1698).
4. The sum of the hamlets listed does not add up to the Town of Riverhead because the Census Place data for Calverton CDP includes a small portion of mostly undeveloped land that is within the Town of Brookhaven.
5. The census data for Gross Rent (Housing Units with Cash Rent) does not further detail number of units beyond \$2,000 or more and does not include potential vacant rental price ranges.

Source: Social Explorer – ACS 2015-2019; last accessed July 12, 2021.

Given the limitations of the ACS data on gross rents, AKRF assessed a sampling of existing rental listings to illustrate a more representative rental market in the Town (see **Table 7**). Based on a review of the current listings, all nonseasonal rental units were priced below \$3,000. AKRF therefore determined that approximately 100 percent of rental units in the Town are considered affordable in accordance with the Long Island Workforce Housing Act (3,133 units). In other words, most of the Town's rental housing is considered affordable to the average household on Long Island (a 2.5-person household earning 130 percent AMI or more).⁵

⁵ While this analysis focuses on affordable rentals, AKRF also assessed median home values in the Town of Riverhead. According to the 2015-2019 ACS, the Town of Riverhead has a median home value of \$369,900 (approximately 7 percent lower than for Suffolk County as a whole). According to Zillow, the median home value for the Town of Riverhead is \$362,500, which is very similar to the value from the U.S. Census Bureau (<https://www.zillow.com/town-of-riverhead-ny/>, last accessed July 22, 2021).

Table 7
Recent Rental Listings in the Town of Riverhead

Location	Type of Unit	Number of Bedrooms	Rental Price/Month
Riverhead Hamlet	Apartment	1-Bedroom	\$1,550
Riverhead Hamlet	Apartment	Studio	\$1,780
Riverhead Hamlet	Apartment	1-Bedroom	\$1,895
Riverhead Hamlet	Apartment	1-Bedroom	\$1,895
Riverhead Hamlet	Mobile Home	2-Bedroom	\$1,900
Calverton	Apartment	1-Bedroom	\$2,005
Riverhead Hamlet	Apartment	1-Bedroom	\$2,015
Riverhead Hamlet	Apartment	1-Bedroom	\$2,015
Riverhead Hamlet	Apartment	1-Bedroom	\$2,015
Calverton	Apartment	1-Bedroom	\$2,015
Riverhead Hamlet	Apartment	2-Bedroom	\$2,030
Riverhead Hamlet	Apartment	1-Bedroom	\$2,070
Riverhead Hamlet	Apartment	2-Bedroom	\$2,370
Riverhead Hamlet	Apartment	2-Bedroom	\$2,385
Riverhead Hamlet	Apartment	2-Bedroom	\$2,400
Calverton	Apartment	2-Bedroom	\$2,495
Aquebogue	Single Family Home	3-Bedroom	\$3,000

Notes: The units identified are all of those which have been recently posted on listing websites and do not include seasonal rentals.

Sources: Trulia.com and Realtor.com (Accessed July 13, 2021).

PROPOSED AFFORDABLE HOUSING

Table 8
Proposed Affordable Units

Type of Affordable Units	Number of Affordable Units
DC-1 Apartments	170 units
Other	34 units
Total	204 units

Notes: The above units include buildings with stated or potential income-restricted housing; it does not include all proposed developments within the Town of Riverhead and the potential 10 percent of rental units that could be set aside as affordable under the Long Island Workforce Housing Act.

Sources: Town of Riverhead Planning Department, July 2021; Draft Scope for the Draft Environmental Impact Statement for 203-213 East Main Street, Riverhead, <https://www.townofriverheadny.gov/files/documents/news10944958091818095050a.pdf>; interview with Suffolk County Planning and Economic Development on January 28, 2021; review of news articles including Civiletti, Denise, "Developer Presents Plan for Four-Story Apartment Building on East Main Street," RiverheadLOCAL, 13 Sept. 2019, riverheadlocal.com/2019/09/13/developer-presents-plan-for-four-story-apartment-building-on-east-main-street/, accessed July 12, 2021; Civiletti, Denise, "Developer Seeks to Build 34 Workforce Housing Condo Units on Middle Road," RiverheadLOCAL, 3 Jan. 2019, riverheadlocal.com/2019/01/02/developer-seeks-to-build-34-workforce-housing-condo-units-on-middle-road/, accessed July 12, 2021; and review of agency websites including Suffolk County Planning Commission and Long Island Regional Planning Council websites (last accessed July 21, 2021).

AFFORDABLE HOUSING DEMAND FORECAST

Table 9
Town of Riverhead Affordable Housing Demand Forecast - 2030 and 2040

	2021	2030 Projection	2040 Projection
Population Town of Riverhead ¹	33,549 Persons	35,622 Persons	38,533 Persons
Households @ 2.5 persons per household	12,976 Households	14,249 Households	15,413 Households
Total existing and proposed affordable units ²	2,538 Units	2,538 Units	2,538 Units
Total affordable units required at 10% of total households ³	1,298 Units	1,425 Units	1,541 Units
Total affordable units required at 20% of total households	2,595 Units	2,850 Units	3,082 Units
Total new affordable units required over planning period (at 10% of total households)	0 Units	0 Units	0 Units
Total new affordable units required over planning period (at 20% of total households)³	57 Units	312 Units	544 Units

Notes:

1. AKRF used the NYMTC projections for Suffolk County along with population trends data to estimate population growth in the Town of Riverhead by 2030 and 2040. The forecasts are based on current zoning that may change as a result of the update to the Comprehensive Plan. 2021 population based on 2015-2019 ACS data.

2. It is noted that approximately 100 percent of all rental units in the Town are considered “affordable” based on a threshold of 130 percent area median income (AMI) for Nassau-Suffolk Counties in accordance with the Long Island Workforce Housing Act (3,133 units). However, for a conservative analysis, only known or designated income-restricted affordable rental units are included in this table.

3. The Long Island Workforce Housing Act requires that 10 percent of units in the housing stock are to be set aside as affordable housing in approved developments with five or more units in exchange for local government authorization to exceed existing residential density.

Sources: U.S. Census Bureau American Community Survey 2015-2019 5-Year Estimates; AKRF, July 2021.

Based on this analysis, the total existing and proposed affordable housing meets the forecasted 10 percent demand in both 2030 and 2040. Almost all market listings are considered to be “affordable,” based on the threshold of 130 percent area median income (AMI) for the Nassau-Suffolk primary statistical area. Therefore, with the exception of new luxury developments, the anticipated market-rate apartments are assumed to absorb the existing and future affordable housing demand for the average household. However, the Town may wish to add up to 300-500 new designated affordable units over the planning period to meet the needs of the existing and future lower-income populations. *