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Memorandum

To: Jefferson V. Murphree, AICP
From: Lorianne DeFalco
Date: December 8, 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 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 assessed the affordability of the market-rate rents based on various income thresholds, including 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). 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, rental 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—particularly for home ownership—would help to meet the existing and future needs of workforce populations over the analysis period. While there are currently approximately 2,334 known or income-restricted affordable units in the Town (2,368) including the proposed affordable units), approximately 100 percent of all 3,133 rental units in the Town are considered “affordable” based on the definition from the Long Island Workforce Housing Act (housing for individuals and families at or below 130 percent of the median income for the Nassau-

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

Suffolk), 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}

EXISTING CONDITIONS

Table 1
Population Trends, 2000 and 2019

	2000 Census	2015-2019 American Community Survey	% Change (2000-2019)	Census 2020	% Change (2000-2020)
Total Population	27,680 persons	33,549 persons	21%	35,902 persons	30%
Total Households	10,749 households	12,976 households	21%	13,879 households	29%
Average Persons per Household	2.5 persons	2.5 persons	No Change	2.5 persons	No Change

Sources: Social Explorer – Census 2000, Census 2020, and ACS 2015-2019; last accessed July 12, 2021 and October 19, 2021.

Table 2
Existing Income-Restricted and Other 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, this analysis conservatively counts only those for rent (rather than for sale) toward the Town's future goals for quality, income-restricted affordable housing.
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.

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).

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. (Metro Group Properties)	Site Plan application under review by the Town Board	158	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		526	
<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, October 2021; 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 (50-60% AMI)	200
River Pointe	Downtown Riverhead	Apartments	Section 8 / LIHTC (50-60% AMI)	135
Tradewinds Village	Riverhead Hamlet	Senior Apartments	Section 202 (50% AMI)	115
John Wesley Village II	Riverhead Hamlet	Senior Apartments	LIHTC (50-60% AMI)	92
Concern Riverhead	Downtown Riverhead	Independent Living Apartments	LIHTC (50-60% AMI)	50
Doctors Path Apartments	Downtown Riverhead	Apartments	Section 8 / LIHTC (50-60% AMI)	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 median household income is equivalent to roughly 72 percent of the Suffolk County median household income (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 Median Household Income - 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 (3,133 units) in the Town are considered affordable to households with an income at or above HUD's middle-income threshold (130 percent AMI) and fall under the Long Island Workforce Housing Act's definition of affordability. 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).

The following table (**Table 8**) illustrates the number of income-restricted units that are available in the Town at various income levels. Also provided is the approximate percentage of the Town's market-rate rental housing units that are considered affordable to these income groups. As shown in the table, there is a need to provide additional affordable homes particularly for low-moderate and moderate income levels.

Table 8
Number of Affordable Apartments by Income

	1-person household			
	Low-income	Low-moderate	Moderate	Middle
	60%	80%	100%	130%
Income	\$54,600	\$72,800	\$91,000	\$118,300
Affordable Rent	\$1,365	\$1,820	\$2,275	\$2,958
Number of affordable, income-restricted units	864	232	168	116
Number of affordable rental units	1,700	2,393	2,957	2,957
Percentage of recent market-rate rental listings at or below affordable rent	0%	12%	71%	94%
	2-person household			
	Low-income	Low-moderate	Moderate	Middle
	60%	80%	100%	130%
Income	\$62,400	\$83,200	\$104,000	\$135,200
Affordable Rent	\$1,560	\$2,080	\$2,600	\$3,380
Number of affordable, income-restricted units	864	232	168	116
Number of affordable rental units	2,393	2,957	2,957	2,957
Percentage of recent market-rate rental listings at or below affordable rent	6%	71%	94%	100%
	2.5-person household			
	Low-income	Low-moderate	Moderate	Middle
	60%	80%	100%	130%
Income	\$66,300	\$88,400	\$110,500	\$143,650
Affordable Rent	\$1,658	\$2,210	\$2,763	\$3,591
Number of affordable, income-restricted units	864	232	168	116
Number of affordable rental units	2,393	2,957	2,957	2,957
Percentage of recent market-rate rental listings at or below affordable rent	6%	71%	94%	100%
	3-person household			
	Low-income	Low-moderate	Moderate	Middle
	60%	80%	100%	130%
Income	\$70,200	\$93,600	\$117,000	\$152,100
Affordable Rent	\$1,755	\$2,340	\$2,925	\$3,803
Number of affordable, income-restricted units	864	232	168	116
Number of affordable rental units	2,393	2,957	2,957	2,957
Percentage of recent market-rate rental listings at or below affordable rent	6%	71%	94%	100%

	100% HUD Nassau-Suffolk Area Median Income (2021)
Income	\$129,900
Affordable Rent	\$3,248
Number of affordable, income-restricted units	168
Number of affordable rental units	2,957
Percentage of recent market-rate rental listings at or below affordable rent	100%
	100% County Median Income
Income	\$101,031
Affordable Rent	\$2,526
Number of affordable, income-restricted units	168
Number of affordable rental units	2,957
Percentage of recent market-rate rental listings at or below affordable rent	94%
	100% Town Median Income
Income	\$73,161
Affordable Rent	\$1,829
Number of affordable, income-restricted units	168
Number of affordable rental units	2,393
Percentage of recent market-rate rental listings at or below affordable rent	12%
<p>Notes: Numbers of affordable rental units include units with no cash rent; does not include vacant units; includes number on higher end of range based on census data. Number of affordable units is cumulative, not additive.</p> <p>Sources: U.S. Census Bureau, American Community Survey 2015-2019 5-Year Estimates, Gross Rent; HUD Income Guidelines Nassau-Suffolk (2021), https://westmontadvisors.com/lihtchuddata2021/2021-lihtc-income-limits-and-fair-market-rents-nassau-suffolk-ny-hud-metro-fmr-area/ (last accessed December 8, 2021); AKRF (2021); Central Advisory Committee (October 18, 2021); Housing and Community Services Topic Subcommittee (December 6, 2021).</p>	

Table 9 provides average annual wages by industry in Suffolk County for reference. Prevalent and growing industries in the Town of Riverhead include Retail Trade (\$41,080), Educational Services (\$37,234), Health Care and Social Assistance (\$60,928), and Accommodation and Food Services (\$27,930). These industries tend to have relatively lower wages and may not be able to afford middle-income or market-rate housing. This information is consistent with information received from Peconic Bay Medical Center Foundation regarding average annual income for the approximately 1,800 employees employed in several roles at Peconic Bay Medical Center (see **Table 10**).

Table 9

Average Annual Wages by Industry: Suffolk County (2020)

Industry Title	Average Wages
NAICS 00: Total, All Industries	\$68,816
NAICS 01: Total, All Private	\$66,605
NAICS 11: Agriculture, Forestry, Fishing and Hunting	\$45,072
NAICS 21: Mining	\$96,551
NAICS 22: Utilities	\$127,079
NAICS 23: Construction	\$76,325
NAICS 31-33: Manufacturing	\$72,659
NAICS 42: Wholesale Trade	\$84,822
NAICS 44-45: Retail Trade	\$41,080
NAICS 48-49: Transportation and Warehousing	\$52,036
NAICS 51: Information	\$113,403
NAICS 52: Finance and Insurance	\$215,753
NAICS 53: Real Estate and Rental and Leasing	\$72,543
NAICS 54: Professional and Technical Services	\$83,527
NAICS 55: Management of Companies and Enterprises	\$129,974
NAICS 56: Administrative and Waste Services	\$52,254
NAICS 61: Educational Services	\$37,234
NAICS 62: Health Care and Social Assistance	\$60,928
NAICS 71: Arts, Entertainment, and Recreation	\$38,989
NAICS 72: Accommodation and Food Services	\$27,930
NAICS 81: Other Services, Ex. Public Admin	\$37,495
Total, All Government	\$79,888
Unclassified	\$53,781

Table 10

Average Annual Income by Worker at Peconic Bay Medical Center

Type of Worker	Total number of workers	Average Annual Income
Service Workers	304	\$42,673
Nurses (includes LPNs and RNs)	248	\$85,275
Technical Staff	280	\$64,721
Source: Andrew J. Mitchell, President & CEO. Peconic Bay Medical Center Foundation, October 26, 2021		

PROPOSED AFFORDABLE HOUSING

Table 11
Proposed Income-Restricted Affordable Units

Type of Affordable Units	Number of Affordable Units
Other	34 units
Total	34 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. It is noted that the Town's TOD Overlay District could potentially result in up to 200 market-rate units.

Sources: Town of Riverhead, October 2021; 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 12
Town of Riverhead Affordable Housing Demand Forecast - 2030 and 2040

	2020	2030 Projection	2040 Projection
Population Town of Riverhead ¹	35,902 Persons	40,075 Persons	41,064 Persons
Households @ 2.5 persons per household	13,879 Households	16,030 Households	16,426 Households
Total existing and proposed affordable units ²	2,368 Units	2,368 Units	2,368 Units
Total affordable units required at 10% of total households ³	1,388 Units	1,603 Units	1,643 Units
Total affordable units required at 20% of total households	2,776 Units	3,206 Units	3,285 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	408 Units	838 Units	917 Units
Notes:			
<p>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 (40,075 persons) and 2040 (45,881 persons). The residential build-out with Full TDR from the Town's 2003 Comprehensive Plan was used for the 2040 projection. The forecasts are based on current zoning that may change as a result of the update to the Comprehensive Plan. 2021 population based on 2020 Census data.</p> <p>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 (HUD's threshold for middle income households) (3,133 units). However, for a conservative analysis, only known income-restricted affordable units, garden apartments, and mobile homes for rent are included in this table.</p> <p>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.</p> <p>Sources: U.S. Census Bureau American Community Survey 2015-2019 5-Year Estimates and Census 2020; AKRF, July 2021; AKRF, October 2021.</p>			

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" to households earning 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 on Long Island. However, the Town may wish to add up to 900 new income-restricted affordable units—particularly for home ownership—over the planning period to meet the needs of the existing and future workforce populations. *