Urban Action Agenda

Housing Profiles

Village of Highland Falls

September 2018
village of HIGHLAND FALLS
POPULATION & DEMOGRAPHICS

Population Basics

<table>
<thead>
<tr>
<th>Stat</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (2016)</td>
<td>3,828</td>
</tr>
<tr>
<td>Population Change since 2000</td>
<td>4.1%</td>
</tr>
<tr>
<td>Households (2016)</td>
<td>1,763</td>
</tr>
<tr>
<td>Households Change since 2000</td>
<td>12.5%</td>
</tr>
<tr>
<td>Square Miles</td>
<td>1.1</td>
</tr>
<tr>
<td>Population Density</td>
<td>3,480</td>
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</tbody>
</table>

Population Stats

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population under age 20</td>
<td>16%</td>
</tr>
<tr>
<td>Population ages 20-64</td>
<td>67%</td>
</tr>
<tr>
<td>Population 65 and older</td>
<td>16%</td>
</tr>
</tbody>
</table>

Median Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>43</td>
<td></td>
</tr>
</tbody>
</table>

Population & Demographics Analysis

Highland Falls has a population of 3,828, only 4.1% larger than in 2000. The number of households in the village has grown by 12.5%, however. With little vacant land and an abundance of steep slopes limiting development, the population is unlikely to grow significantly in coming years. Many village residents work at the nearby U.S. Military Academy at West Point or are retired from the military.

The village’s population is among the oldest of any UAA community, with a median age of 43 and an equal share of residents under age 20 and over age 64.

Since 2000, Highland Falls’ population has become more diverse, although the village remains nearly two-thirds White. Every non-White ethnic group has grown slightly: the Hispanic population has increased from 11% to 14%, the Black population from 12% to 13%, the Asian population from 2% to 4%, and the population of all other groups from 3% to 5%.

Data Notes

Population by Race & Ethnicity – The “Other” category includes Native Americans, Pacific Islanders, those who checked “Other” on the Census, and individuals with two or more races.
Analysis
Highland Falls has a relatively old housing stock, with 73% of units built before 1960 and just 6% built since 2000. Half of units are rentals. A majority of housing units are detached single family homes, and just 20% are in buildings with 5 or more units. Nearly half (48%) of housing units in the village have 3 or more bedrooms. Only 6% of units are subsidized affordable housing, and the village has no public housing.

Data Notes
Housing Statistics – Figures on public and subsidized housing come from local, state, and federal housing databases. Detailed data on these categories is on page 11 of this profile. Housing Occupancy – Vacant units do not include seasonally occupied units but do include both vacant homes and unrented apartments.

Housing Statistics

- 55% Single Family Housing
- 45% Multifamily Housing
- 83% Housing built before 1970
- 0% Public Housing
- 6% Other subsidized affordable housing
- 94% Market-rate housing

Units in Structure

- 1 Unit, Detached: 52%
- 2 Units: 11%
- 3 to 4 Units: 14%
- 5 to 9 Units: 6%
- 10 to 19 Units: 8%
- 20+ Units: 8%
- 1 Unit, Attached: 3%

Age of Housing Stock

- Built 2010 or Later: <1%
- Built 2000 to 2009: 6%
- Built 1990 to 1999: 2%
- Built 1980 to 1989: 4%
- Built 1970 to 1979: 4%
- Built 1960 to 1969: 10%
- Built 1950 to 1959: 14%
- Built 1940 to 1949: 11%
- Built 1939 or Earlier: 48%

Housing Bedroom Count

<table>
<thead>
<tr>
<th># of Units</th>
<th>% of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Bedroom</td>
<td>29</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>469</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>460</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>669</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>167</td>
</tr>
<tr>
<td>5+ Bedrooms</td>
<td>46</td>
</tr>
</tbody>
</table>
Analysis
Median income in Highland Falls was $80,399 in 2016, a 25% increase since 2000 even when accounting for inflation. The village’s median income is 12% higher than the median household income for all of Orange County. Owners with a mortgage have a median income ($114,375) roughly double that of renters ($57,321). Renters in Highland Falls have a median income that is 54% higher than the countywide median income for renters.

Household size in Highland Falls is fairly low, especially for renters, with just 1.6 people per household. 65% of residents in Highland Falls moved to their current home since 2000, exactly the same percentage as in Orange County as a whole.

Data Notes

Sources: 2016 American Community Survey; 2000 Decennial Census (Inflation Adjusted)
Analysis
Since 2000, the median rent in Highland Falls has increased by 12% when accounting for inflation, slightly below the countywide increase of 15%. Highland Falls is one of the few UAA communities where rent is affordable for a majority (59%) of renters, although for renters earning less than 50% of the area median income, nearly all are cost-burdened.

Home values in the village increased 14%, compared to 28% countywide, and just 13% of homes are valued at $300,000 or more. Housing costs are affordable for 75% of homeowners, one of the highest percentages of any UAA community. The median monthly costs for homeowners with a mortgage is $2,126, although 29% are paying more than $2,500 per month in housing costs (compared to 40% countywide).

Data Notes
Rental Statistics – Cost-burdened renter households do not include the category of severely cost-burdened households.
Median Rent – 2000 figures are adjusted for inflation using CPI inflation tables from the U.S. Bureau of Labor Statistics.
Housing Affordability – HAMFI stands for HUD Area Median Family Income, which is the median family income calculated by HUD for each jurisdiction.

Rental Housing Affordability

<table>
<thead>
<tr>
<th>Region</th>
<th>&lt;=30% HAMFI</th>
<th>31% to 50%</th>
<th>51% to 80%</th>
<th>81% to 100%</th>
<th>&gt;100% HAMFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highland Falls</td>
<td>13% 33% 54%</td>
<td>14% 67% 13%</td>
<td>50% 50%</td>
<td>100%</td>
<td>88% 6% 7%</td>
</tr>
<tr>
<td>Orange</td>
<td>13% 33% 54%</td>
<td>14% 67% 13%</td>
<td>50% 50%</td>
<td>100%</td>
<td>88% 6% 7%</td>
</tr>
</tbody>
</table>


Sources:
- 2016 American Community Survey
- U.S. Bureau of Labor Statistics
- U.S. Dept. of HUD

Rental Statistics

- **12%** Increase in median rent since 2000
- **285 (28%)** Cost-burdened renter households
- **135 (13%)** Severely cost-burdened renter households
- **38%** Apartments with monthly rent below $1,000

Distribution of Rents

- **$2500 or more**: 4% Highland Falls, 3% Orange
- **$2000 to $2499**: 4% Highland Falls, 4% Orange
- **$1500 to $1999**: 8% Highland Falls, 16% Orange
- **$1000 to $1499**: 47% Highland Falls, 43% Orange
- **$500 to $999**: 37% Highland Falls, 28% Orange
- **Less than $500**: 1% Highland Falls, 6% Orange

Source: 2016 American Community Survey; US Dept. of HUD

Median Rent

- **Highland Falls**: $980 (2000), $1,099 (2016)
- **Orange**: $1,002 (2000), $1,157 (2016)

Sources: 2000 Census (Inflation Adj.); 2016 ACS
village of HIGHLAND FALLS
OWNER OCCUPIED HOUSING

Distribution of Owner Costs

<table>
<thead>
<tr>
<th>With Mortgage</th>
<th>Orange County</th>
<th>Highland Falls</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3000 or more</td>
<td>12%</td>
<td>22%</td>
</tr>
<tr>
<td>$2500 to $2999</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>$2000 to $2499</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>$1500 to $1999</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>$1000 to $1499</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Less Than $1,000</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Without Mortgage</th>
<th>Orange County</th>
<th>Highland Falls</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1000 or more</td>
<td>38%</td>
<td>52%</td>
</tr>
<tr>
<td>$800 to $999</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>$600 to $799</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>$400 to $599</td>
<td>6%</td>
<td>15%</td>
</tr>
<tr>
<td>$250 to $399</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Less than $250</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Housing Affordability

| <=30% HAMFI            | 73%/27%       |
| 31% to 50%             | 25%/25%/50%   |
| 51% to 80%             | 29%/52%       |
| 81% to 100%            | 67%/33%       |
| >100% HAMFI            | 89%/11%       |

Median Monthly Owner Costs

- $2,271 Orange County (Mortgage)
- $871 Orange County (No Mortgage)
- $2,126 Highland Falls (Mortgage)
- $1,040 Highland Falls (No Mortgage)

Median Home Value

- Orange County: 2000 = $203K, 2016 = $259K

Home Values

- $1,000,000 or More: 1%
- $500,000 to $999,999: 0%
- $300,000 to $499,999: 12%
- $200,000 to $299,999: 47%
- $100,000 to $199,999: 29%
- $0 to $99,999: 10%

Source: 2016 American Community Survey; 2000 Decennial Census (Inflation Adjusted)
Over the course of 19th century, Highland Falls (originally known as Buttermilk Falls) grew from a handful of farmhouses to a summer haven for Gilded Age millionaires near the U.S. Military Academy at West Point before being incorporated as a village in 1906. As the village’s steep slopes were covered with residential neighborhoods in the early 20th century, the steady growth of the Academy and associated army garrison benefited the village, bringing in highly-educated career officers who lived in the village and participated in the civic life of the community, and generating a steady stream of customers for local businesses. Nearly 60% of housing units in the village were built before 1950.

Postwar suburban-style developments added new housing, especially on flatter land along Route 218 that had been home to old estates. 32% of housing units were built between 1950 and 1989. In the past 30 years, with few vacant parcels available, there has been very limited construction of new housing in the village.

Since 2000, there have been several changes in the village’s population. Inflation-adjusted median household income in the village has increased steadily since 2000, rising 19% from 2000 and 2009 and an additional 5% since 2009, in contrast to Orange County, which saw rising incomes from 2000 to 2009 but a drop by 2016 to less than the total in 2000. Since 2000, the percent of adults over age 25 with at least a bachelor’s degree has also surged, rising from 21% to 39%. The data suggest that gentrification may be a concern.

Like many communities, home values in Highland Falls surged from 2000 and 2009, with the inflation-adjusted median home value rising from $192,000 to $320,000, a 67% increase. Since the onset of the Great Recession, however, home values in the village have dropped significantly. At $219,000, they are now just 14% higher than in 2000. In the years to come, the village should leverage its proximity to West Point to create a more prosperous housing and business environment.
A healthy community needs an array of housing options that are affordable to individuals at all income levels. Currently, the growing demand for housing is apparent across all 25 of the UAA communities. Establishing a comprehensive housing strategy is the first step for communities to understand the local needs and state of the housing market and to proactively facilitate the development of housing. The recommendations that follow are offered as strategies to equip local communities with tools to create local policy to help meet the demand for housing.

1. Provide zoning incentives such as a density bonus for developments that set aside a percentage of units as affordable housing.
2. Streamline the permit process to reduce fees for developers of affordable housing and establish a single point of contact to facilitate the approvals.
3. Establish a local Housing Trust Fund for the creation or preservation of affordable housing.
4. Update local comprehensive plans to prioritize affordable housing and establish a framework to support new construction and adaptive reuse of vacant and blighted buildings for housing.
5. Establish strong support from elected officials, school, planning and other local boards, community organizations and economic development agencies.
6. Consider using publically owned buildings and property to develop affordable housing.
7. Establish tax incentives, phase-ins and PILOTS for developers of affordable housing.
8. Conduct vigorous code enforcement to improve poorly maintained housing.
9. Support workforce training and education to facilitate employment and higher wages.
10. Support and require energy efficiency and green building techniques to reduce housing costs for owners and renters.

Some of the strategies in this toolkit may not apply to every community.
village of HIGHLAND FALLS
AFFORDABLE HOUSING

The Urban Action Agenda (UAA) is a major initiative led by Hudson Valley Pattern for Progress to promote growth and revitalization in urban centers throughout the Hudson Valley. The Valley contains a wide variety of urban centers located along the Hudson River and other historic transportation corridors. With their existing infrastructure, access to transit, and traditions of denser development, these communities are well positioned to accommodate the region’s growth in the 21st Century. To keep the project’s scale manageable, the UAA focuses on a group of 25 higher-need urban areas selected for reasons including changing demographics and poverty.

In addition to the creation of an expanded set of Community Profiles issued in March, 2018, Pattern has developed new Housing Profiles for all 25 UAA communities. The Housing Profiles take a deep dive into rental and owner-occupied housing by providing analysis of affordability, existing conditions, and demographic changes. Shining a spotlight on housing in these 25 communities represent the next step in the UAA’s efforts to provide useful data to policymakers, residents, and business and community groups. Funding for the housing profiles comes from Empire State Development and the NYS Department of State through the Mid-Hudson Regional Economic Development Council.

About Hudson Valley Pattern for Progress
Pattern is a half-century old not-for-profit policy, planning, advocacy, and research organization whose mission is to promote regional, balanced, and sustainable solutions that enhance the growth and vitality of the Hudson Valley. To learn more about Pattern and the UAA, visit our website: www.patternforprogress.com.