

# *A Residential Housing Improvement & Expansion Study*

*for*

*Corning, NY*



# DRAFT

# ***A Residential Housing Improvement & Expansion Study***

## **Agenda:**

- **Scope of Work & Schedule**
- **Findings & Options**
- **Next Steps?**
- **Discussion**



# SCOPE OF WORK:

Task 1. Review of Existing Conditions

Task 2. Additional Data Gathering

Task 3. Stakeholder Outreach

Task 4. Benchmarking

Task 5. Gap Analysis to Identify Future Housing Needs

Task 6. Goal Development

Task 7. Public Review of Draft Study

Task 8. Final Strategy

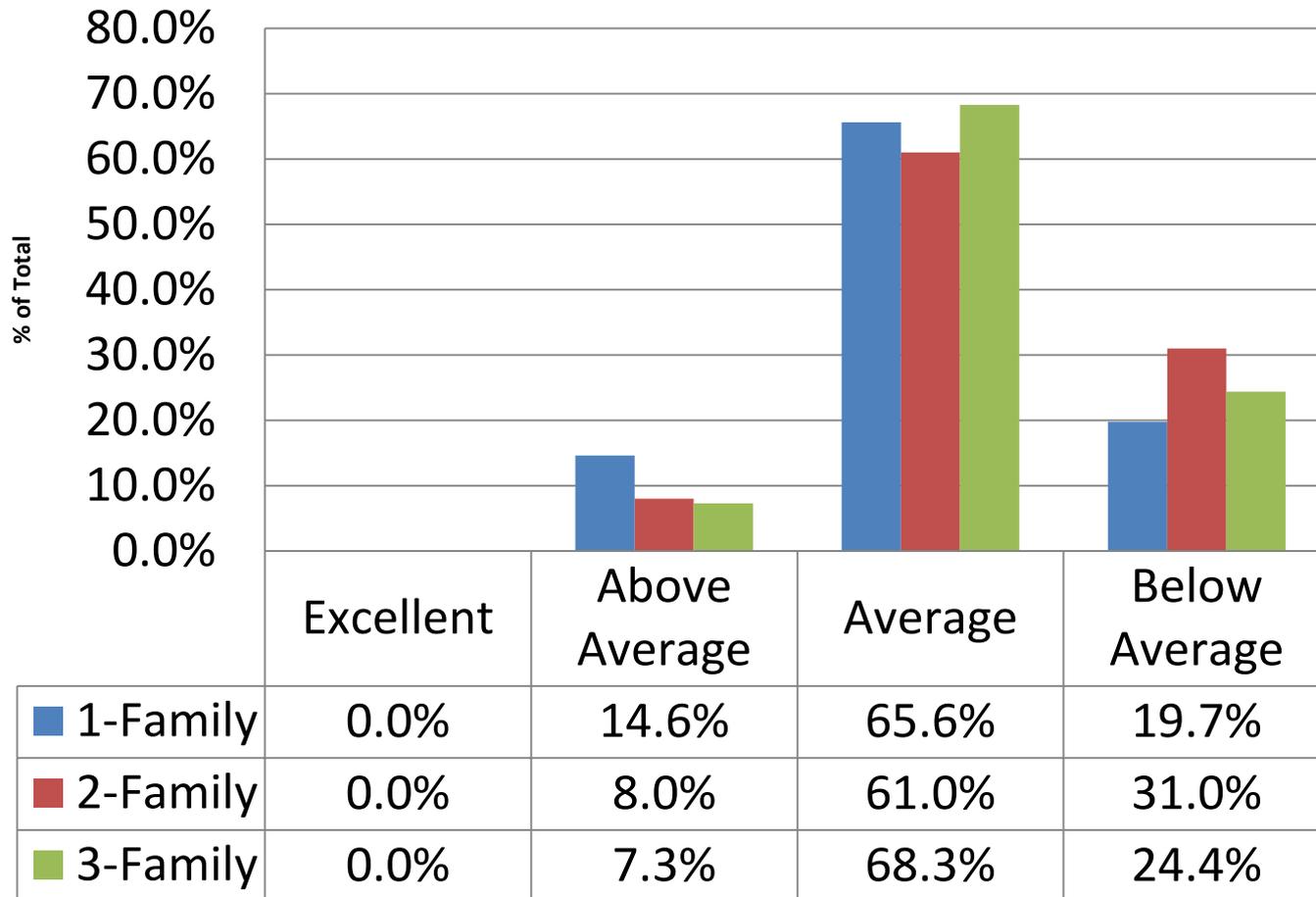


# What is Corning's Situation?

Current data from the City's Tax Rolls Indicate that **1 in every 5** of the City's 1-, 2-, and 3-family housing units are in below average condition.

## Housing Units by Overall Condition by Type of Housing

Source: City of Corning Assessor's Rolls



# What is Corning's Situation?

If one uses housing units valued below \$50,000 as a proxy for units in below average condition, it suggests that they are found in every part of the City , and are not concentrated in one area.

Housing units in 1 & 2-family structures, 2013			
	Total	Valued Under \$50K	% of Total
City-Wide	3,992	128	3.2%
Central Northside	589	6	1.0%
West Northside	1,202	35	2.9%
Intown North	63	1	1.6%
Intown South	77	9	11.7%
Southside West	848	43	5.1%
Southside Hill	775	24	3.1%
Southside East	235	4	1.7%
Houghton Plot	203	6	3.0%

Source: ESRI Business Analyst Online

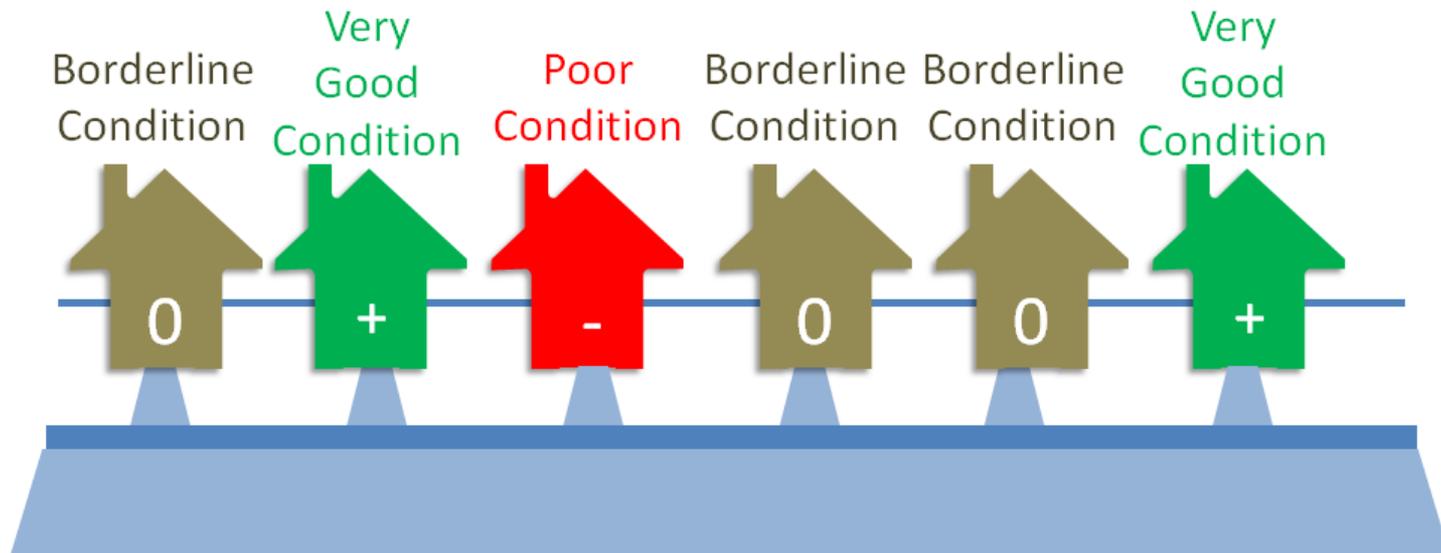
# What is Corning's Situation?

The bad news: This means every neighborhood is vulnerable to a downward spiral from spreading negative spillovers.

The good news: This also means every neighborhood has the potential for an upward spiral from spreading positive spillovers.

## The Importance of a neighborhood-focused approach:

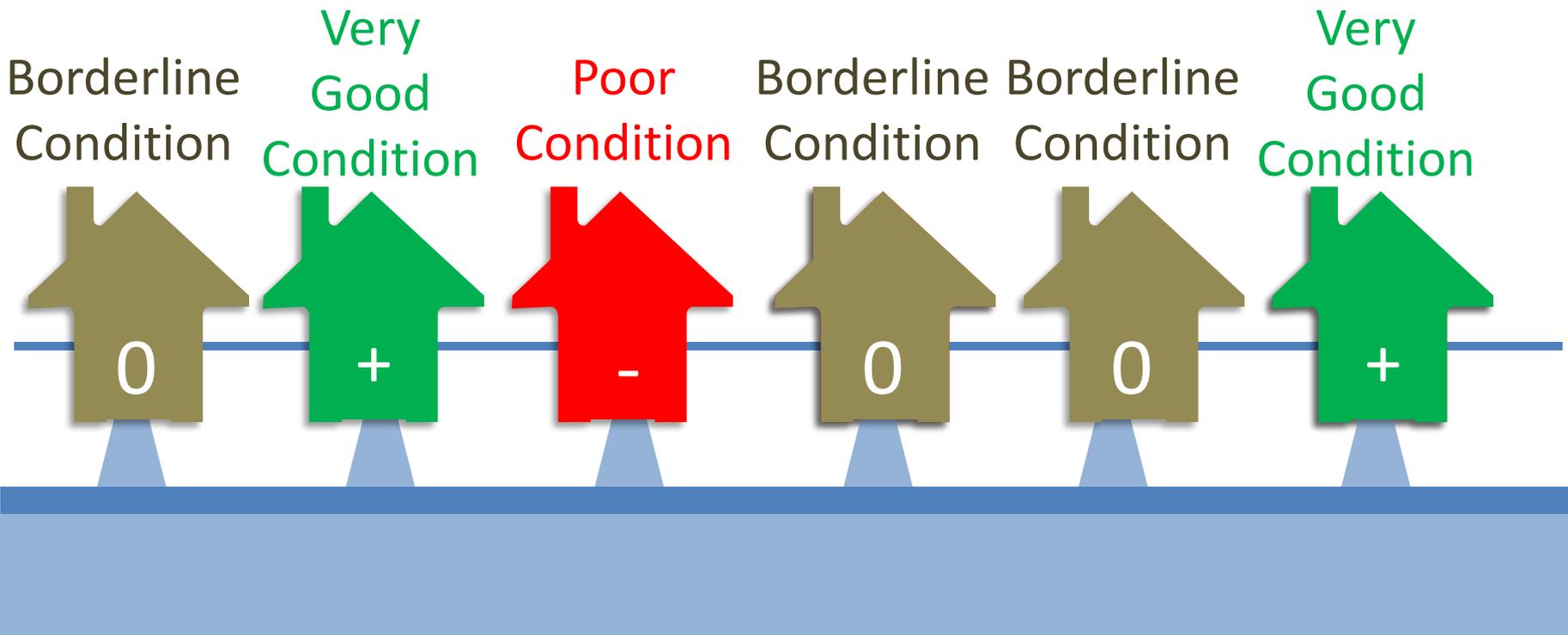
If any one of the "Borderline" houses improves, it creates a positive spillover.  
If any of the "Borderline" houses deteriorates, it creates negative spillover.



# How do you make this work?

These “spillover effects” play out on a neighborhood by neighborhood basis.

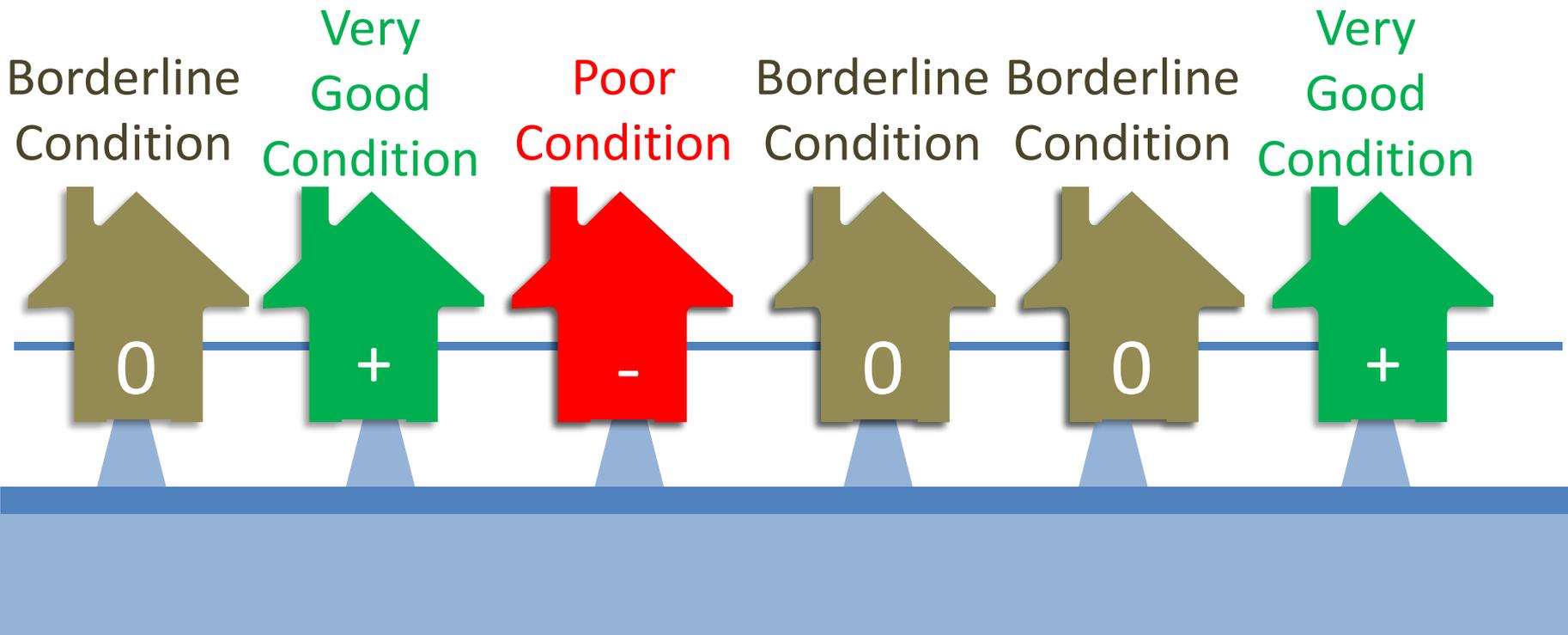
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# How do you make this work?

Urban Housing Markets Have a Unique Dynamic:  
The proximity of housing units in a city magnifies the “spillover effect” one house can have on its neighbors.



“[The] investment in a house . . . has an indirect effect on a party not directly involved in the transaction (the neighbor), and that party cannot demand payment or be demanded compensation.”

E. Rossi Hansberg, & P. D. Sarte, “Economics of Housing Externalities.” Federal Reserve Bank of Richmond, 2012.

# BUILDING POSITIVE MOMENTUM

**UPDATED ROOF**  
Important, but not enough



**UPDATED SIDING**  
Important, but not enough



**UPDATED MECHANICALS**  
Important, but not enough



**UPDATED WINDOWS**  
Important, but not enough



Updated Sidewalks: Important, but not enough

**A “WHOLE HOUSE” APPROACH**  
is what is required to move the market

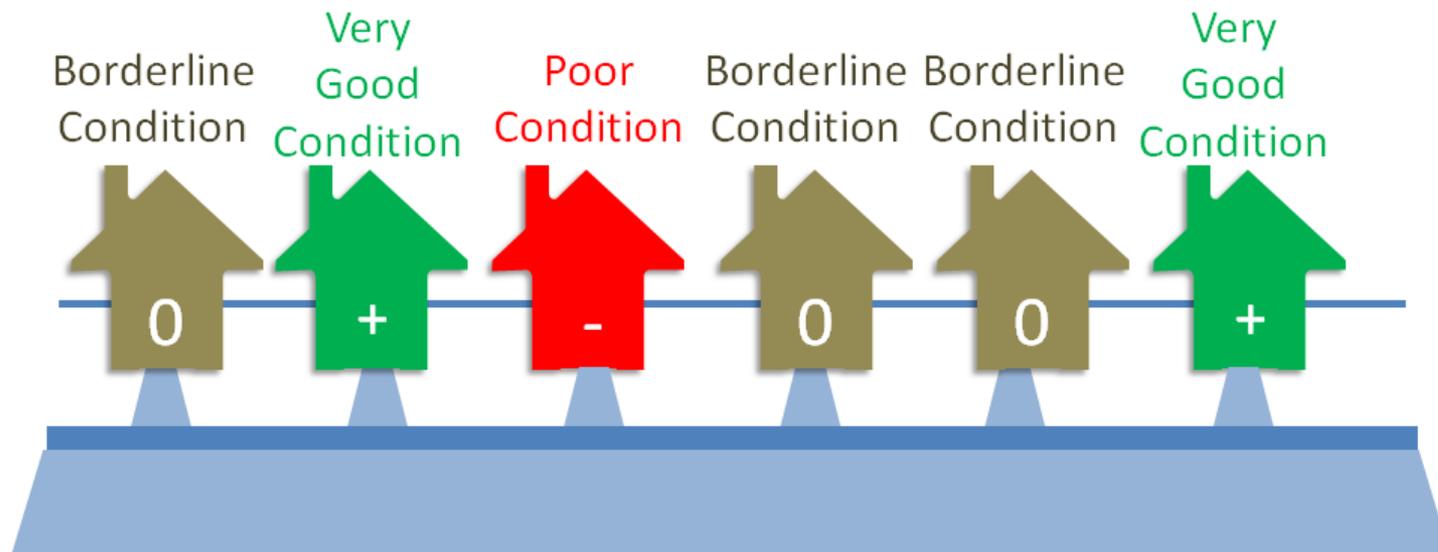


A focused program of investments and market incentives can make a major impact on Corning's housing.

**The Importance of a neighborhood-focused approach:**

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# WHERE IS THE OPPORTUNITY? Gap Analysis

## Gap Analysis Summary:

**Underserved/Unmet Sources of Housing Demand in the Corning Region  
(Market Segments Listed in No Particular Order)**

<b>Market Segment</b>	<b>Source</b>
<p><b>Segment 1: Knowledge Workers with Families</b></p>	<p>This segment has shown steady growth due to employment activity as documented in Department of Labor trends &amp; projections.</p>
<p><b>Segment 2: Young Service Workers</b></p>	<p>This segment comprises the largest segment of the regional job market and shows modest job growth in lower-wage occupations.</p>
<p><b>Segment 3: Middle-income Retirees</b></p>	<p>Much of this segment currently may be moving out of town to find appropriate accommodations.</p>
<p><b>Segment 4: Young Single Professionals</b></p>	<p>This segment is driven by younger professionals on temporary assignment.</p>
<p><b>Segment 5: Affluent Urban Dwellers</b></p>	<p>This segment has driven the demand for second-floor housing in the Gaffer District.</p>

# HOW CAN CORNING TAP INTO THOSE OPPORTUNITIES?

A Summary of the Target Segments & Programmatic Responses of the Residential Housing Improvement & Expansion Strategy			
Target Market Segment	Housing Type	Approximate Price Range	Programmatic Response
<p><b>Segment 1: Knowledge Workers with Families</b> looking for well-appointed housing in “move in” condition to accommodate the needs of a busy family that has neither the time nor the interest in taking on household projects:</p>	<p>Restored housing in move in condition.</p>	<p>\$125,000+</p>	<p><b>Market Ready Housing:</b> Creates incentives for developers to rehab housing through: -Financial/tax incentives to assist the developer in containing costs. -Properties included in the program become priorities in facilities and street maintenance/repair schedules.</p>

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<p><b>Segment 2: Young Service Workers</b> who are less affluent but are willing to invest their own work as equity to acquire and renovate a starter home at an affordable price</p>	<p>Smaller, starter homes they may require some work</p>	<p>\$50,000 to \$70,000</p>	<p><b>Owner Equity Housing:</b> Enables prospective buyer to perform or finance renovations through: loan programs that combine construction loan and permanent mortgage; training seminars on construction, financing, contracting, etc.</p>

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<p><b>Segment 3: Middle-Income Retirees</b> who are looking to make the transition from a single-family house to smaller accommodations that require less maintenance</p>	<p>Small footprint condominiums</p>	<p>\$70,000 to \$100,000</p>	<p><b>In-town Density Adaptive Re-Use:</b> Potential sites for mid-range senior housing will emerge as institutional buildings like schools and hospitals become available for adaptive reuse.</p>

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<p><b>Segment 4: Single Young Professionals</b>            who do not wish to own a home but wish to find rental units with added amenities (health club, etc.)</p>	<p>Small footprint rental units with onsite amenities</p>	<p>\$1,000 to \$1,500 per month rent</p>	<p><b>In-town Density Adaptive Re-Use:</b> Promote higher density mixed-use development with multifamily along with office, service and commercial uses in particularly concentrated on the Hospital Site that has room to include the amenities sought by this market segment.</p>

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<p><b>Segment 5: Affluent Urban Dwellers</b> who have the means to afford luxury housing and are interested in living in close proximity to urban activity areas such as the Gaffer District</p>	<p>Gaffer District style urban living in upper story apartments/condominiums</p>	<p>\$150,000+</p>	<p><b>In-town Density Adaptive Re-Use:</b> Promote higher density mixed-use development with multifamily along with office, service and commercial uses in areas proximate to Denison Parkway and the Gaffer District.</p>

# HOW CAN CORNING TAP INTO THOSE OPPORTUNITIES?

## A Summary of the Target Segments & Programmatic Responses of the Residential Housing Improvement & Expansion Strategy

Target Market Segment	Housing Type	Approximate Price Range	Programmatic Response
<b>Special Needs Housing: Elderly, Disabled, Limited Income</b>	Units specially configured to meet their needs; units with appropriate income subsidies, etc.	Varies	<b>Interagency Cooperation:</b> Work with existing community groups to ensure these needs are met.

# THE CITY OF CORNING'S OPTIONS

- **Establish a Public-Private Partnership for Housing (with housing trust):** The City and the private sector need to collaborate to establish a partnership focused on housing as they have done with the Gaffer District for downtown development. Part of this effort will involve determining if the initiative should be housed within one of the existing local not-for-profit agencies or if a new organization needs to be formed. The board of directors (or the steering committee, depending upon the organization's form) should be composed of public officials, private sector interests and residents.
- **Secure Funding Commitments:** As the housing partnership is being established, it is important to secure the funding commitments for the partnership from the private sector.
- **Hire Staff:** Initially this may be one executive director with clerical support, but over time, other functions may be necessary such as grant administration, etc.
- **Create Program Consortium:** establish close working relationships with the Partnership & existing housing organizations in Corning, Steuben County and beyond such as Arbor Development, Community Progress and others. Strong relationships will also be needed with local lending institutions and private sector partners.

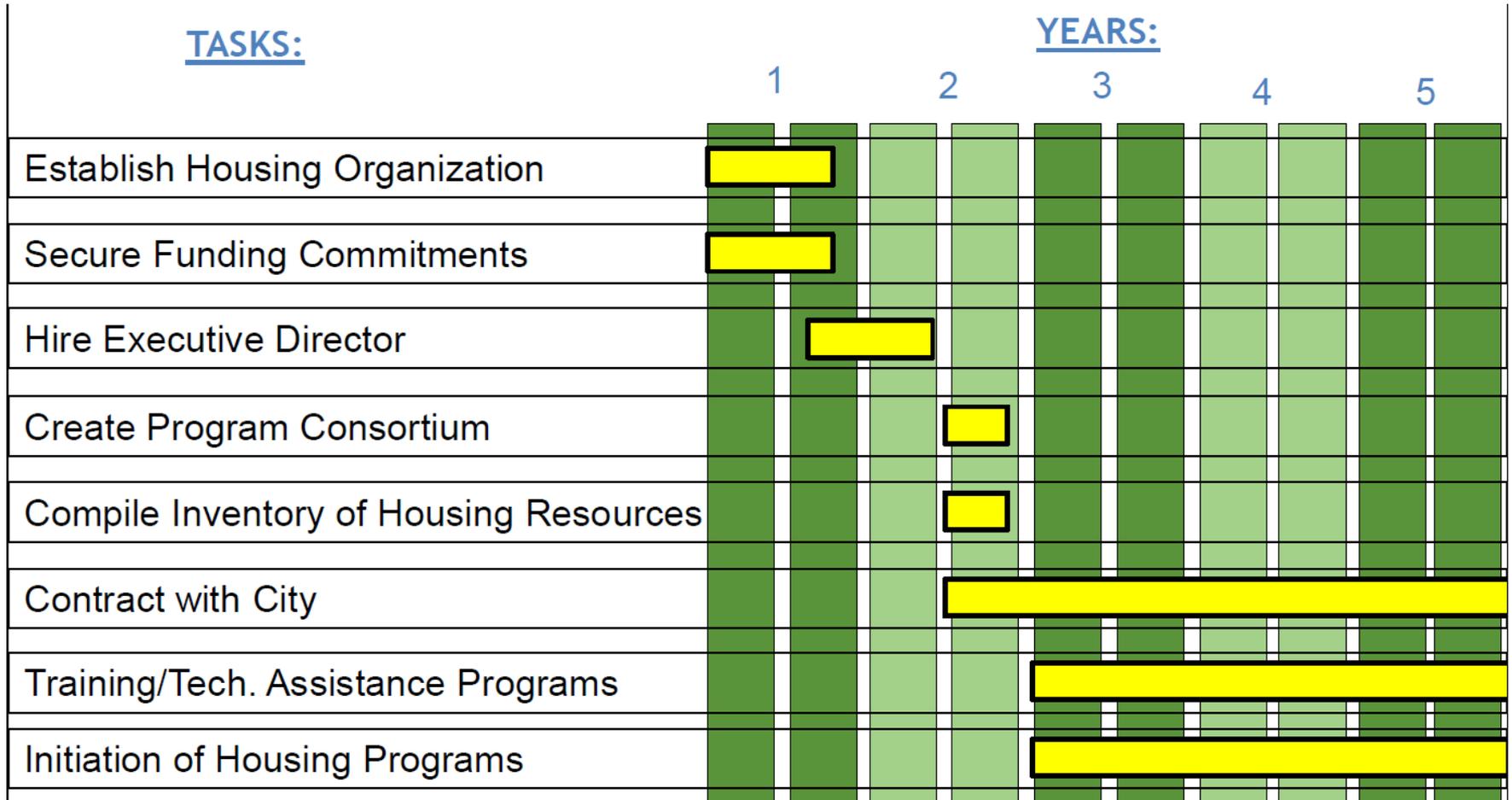
# THE CITY OF CORNING'S OPTIONS

- **Compile Inventory of Housing Resources:** Again, in order to serve as a one-stop shop, the housing Partnership must be well-versed in all housing related resources available or potentially available to Corning residents, developers, contractors, etc.
- **Agreement with the City:** for the Partnership to take on such housing-related activities as grants writing, training, and technical assistance.
- **Establish Training/Technical Assistance Offerings:** As part of serving as a comprehensive housing resource in Corning, the partnership will establish a regular series of training and technical assistance offerings.
- **Initiation of Housing Programs:** At this stage, the Partnership will begin its targeted housing programs. They are listed below. The precise sequencing of the programs will be determined based upon market conditions at the time of implementation.

# THE CITY OF CORNING'S COMMITMENTS

1. **Enhanced Code Enforcement in Target Areas:** The City must be willing to target its resources in code enforcement to align with the work of the strategy.
2. **Ensuring that the City's Zoning Regulations Actively Promote Improvements in Housing**
3. **Continuing the Effort to Convert Multi-family Units back to Single-family Homes:** revise the existing zoning to actively focus the R-1 zone as a truly single-family residential zone. Also revive the effort to create a special tax incentive program to provide financial incentives for multi-family houses to be converted back to single-family use.
4. **Timing public investments:** To the extent possible, the City should coordinate its existing commitments to for sidewalks, streets, drainage and other infrastructure so that the work takes place in concert with the implementation of the housing programs in the target neighborhoods. This will add to the positive momentum in those areas.
5. **Contracting with the housing organization for grants writing and training/technical assistance:** it is critical that some kind contractual relationship exist so that the organization has adequate resources to operate and so that the City can maximize the return on its share of public funding to support housing initiatives in the City.
6. **Adopting a Vacant Properties Registration system**

# NEXT STEPS?



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**DISCUSSION/QUESTIONS**



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