

# New York State Division of Housing and Community Renewal

## 2009 Western New York Regional Report Allegany, Cattaraugus, Chautauqua, Erie and Niagara Counties

Prepared by the Office of Policy Research and Development  
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## **Introduction**

This report examines several affordable housing and community development issues facing the five counties that comprise the Western New York Region: Allegany, Cattaraugus, Chautauqua, Erie and Niagara (the “Region”). The issues covered are manufactured and mobile homes, the preservation and rehabilitation of owner occupied and rental properties and small rental developments, as well as mixed income housing and residential vacancy in the Cities of Buffalo and Niagara Falls.

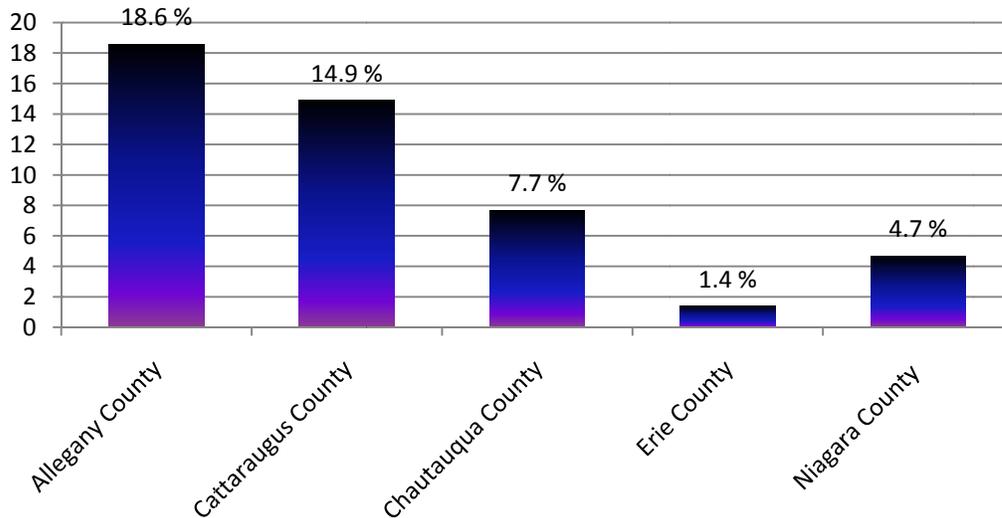
Starting in the fall of 2007 and through 2008, information regarding the affordable housing and community development issues and needs of the State were obtained through a series of regional focus group meetings held by the New York State Division of Housing and Community Renewal (DHCR) with local officials and housing experts. Based upon the information gathered during those focus group meetings, for the development of nine Housing Needs Study Regional Reports, DHCR identified common issues which warranted further examination. This report is the second of three follow-up reports to be published in 2009. The other two reports, for the North Country and Finger Lakes Regions, also examine some of the issues cited above.

In keeping with the format adopted for the Regional Reports published in 2008 and early 2009, the information contained in this report is a distillation of the comments, observations and opinions of the participants who attended regional focus group meetings. In addition, this report contains U.S. Census data on manufactured and mobile homes in the Region and the number of housing units found in structures.

## **Manufactured and Mobile Homes**

According to the 2000 U.S. Census, there were nearly 26,000 manufactured and mobile homes in the Western New York Region, representing four percent of the Region’s housing stock (compared to 2.7 percent for the State as a whole). Allegany County had the highest proportion of its housing stock comprised of manufactured and mobile homes at nearly 19 percent, while Erie County had the lowest proportion of its housing stock comprised of manufactured and mobile homes at 1.4 percent. The percentage of the Region’s manufactured and mobile homes located in manufactured home parks also varied. Counties in the northern portion of the Region (Erie and Niagara) have a much higher proportion of homes in parks (average of 80.5 percent), compared to the counties in the southern portion of the Region (Allegany, Cattaraugus and Chautauqua – average of 21.1 percent).

**Table 1 - Western New York Region  
Manufactured and Mobile Homes as a Percent of Total Housing Units  
(U.S. Census 2000)**



Note: Manufactured and mobile homes make up four percent of total housing units in the Western New York Region, as compared to 2.7 percent of total housing units statewide (U.S. Census 2000). The number of manufactured and mobile homes includes both occupied and vacant manufactured and mobile homes to which no permanent rooms have been added.

There was general agreement throughout the Region that financing for the purchase of manufactured homes is limited and is a pressing issue facing the industry. A participant in Niagara County gave a cursory overview of trends in the financing of manufactured homes. That participant stated that in the late 1980s, interest rates for the purchase of manufactured homes were as high as 12 percent, with terms of 15 years or less. In the 1990s, financing products for manufactured homes improved with lower rates and longer terms. However, by the late 1990s, the industry was providing loans to those with questionable ability to repay. These practices led to a meltdown in the industry much like the recent subprime debacle. Participants said manufactured homes had the highest rate of delinquent loans of any segment of the residential market and that the meltdown forced many of the large financing institutions out of the business.

Participants cited a myriad of difficulties currently facing those looking to finance the purchase of manufactured homes. One element cited as a roadblock to the availability of financing was HUD's classification of manufactured homes built after January 1, 1995 as motor vehicles. However, manufactured homes which are placed on a permanent foundation are classified as real property and are more likely to qualify for a mortgage. Another attendee discussed the reluctance of lenders to finance manufactured homes that will be located in manufactured and mobile home parks; believing such aversion was owed to the uncertainty of future lot rent payments by homeowners. Another participant contended that lenders have a preconceived notion of inevitable and rapid depreciation in the value of manufactured homes, which limits their involvement in that part of the housing market.

Participants said there are few financing resources available to potential buyers of manufactured homes. The Federal Housing Administration's Title 1 loans were said to be available for manufactured home purchases with terms of 20 years and interest rates in the seven percent

range. It was stated that this program is being revamped for the manufactured home market because the maximum loan amount of \$45,000 was insufficient to effectuate most manufactured home purchases. The United States Department of Agricultural Rural Development Section 502 Program, which provides one percent loans, was cited as a good source of financing for the purchase of manufactured homes. However, one participant said using this Program can be cumbersome. A financial institution, 21<sup>st</sup> Century, was cited as the largest national lender for manufactured home purchases. The loan qualification process for 21<sup>st</sup> Century was said to be as stringent as that applied to those seeking mortgages for site built homes. It was said that this evaluation process reduces the pool of qualified borrowers due to their low incomes.

An attendee from Niagara County discussed the role local banks have in the financing of manufactured homes. The attendee stated that local banks will lend to manufactured home purchasers who have a business history with a bank. Such loans might require a down payment of 20 to 25 percent of the home price and have short terms of seven to ten years. This increases the monthly payments and affects the affordability of the home purchase.

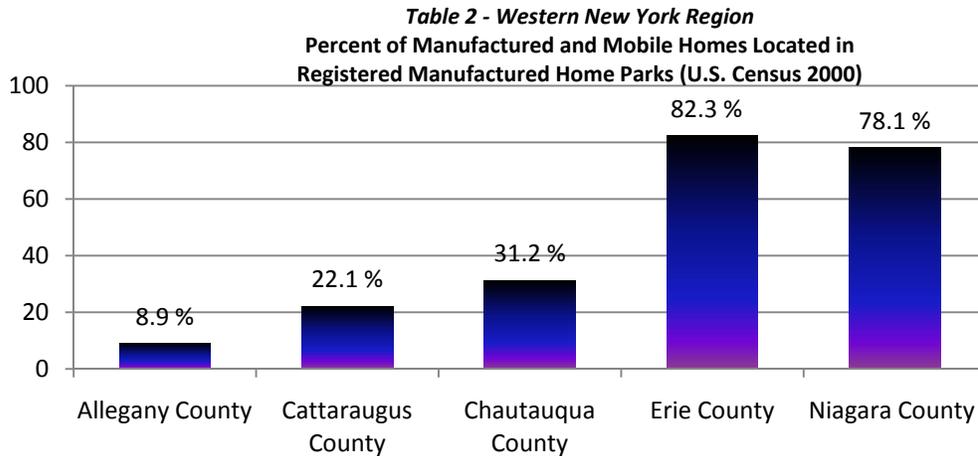
Participants from not-for-profit organizations in Chautauqua County discussed the varying efforts they have made in rehabilitating manufactured and mobile homes. A participant said they use DHCR's New York State HOME (HOME), Access to Home and RESTORE funds and Housing Preservation Grants (administered by the New York State Office for the Aging) for repairs to manufactured and mobile homes. Participants from Chautauqua discussed the difficulties they encounter when attempting to move seniors out of manufactured and mobile homes that are in decrepit condition. Such seniors were said to be "tied to their homes," despite woeful physical conditions, due to the value of owning a home on their own land. They recounted examples of seniors living in homes which are 40 to 50 years old and have floors which are failing. They also said that ten percent of their weatherization work is performed on manufactured and mobile homes using funds from DHCR's Weatherization Assistance Program. They believe that safety is improved in the homes that receive assistance, but question whether the value of the home is being enhanced and made sustainable by the rehabilitation.

A number of not-for-profit organizations that represent Allegany and Cattaraugus Counties administer mobile home replacement programs. These participants said that the relatively low income levels of many residents in those Counties make manufactured and mobile homes their only affordable housing option. One organization has undertaken mobile home replacement activity as part of their housing rehabilitation program. Since the late 1980s, they have averaged one replacement per year. In recent years they have used a mix of HOME and New York State Community Development Block Grant monies to administer their program, which replaces dilapidated manufactured and mobile homes on scattered sites with "gently used" homes. It was stated that they have recently encountered some problems in finding suitable replacements, as they must be purchased from licensed retailers.

Attendees believe "renegade" retailers who inadequately install homes will be forced out of the business as a result of the 2006 New York State certification laws covering the industry. It was said that these certification requirements make retailers 100 percent liable for all of the work they perform, and that the New York State Department of State is active in enforcing certification requirements across the industry.

## Manufactured and Mobile Home Parks

Attendees in Erie and Niagara Counties noted that a very high proportion of the manufactured and mobile homes in those Counties, 82 percent and 78 percent respectively, are found in manufactured home parks (nearly 35 percent of manufactured and mobile homes in New York State are located in manufactured home parks). They believe this concentration of homes in parks was due to a proliferation of local ordinances that dissuade homeowners from siting their homes on scattered sites. It was said that when parks cease operation, the land is often re-zoned to prohibit its continued use as a manufactured home park.



Note: The Percent of Manufactured and Mobile Homes Located in Registered Manufactured Home Parks represents: the number of manufactured and mobile homes in manufactured home parks registered with DHCR (per Section 233 of New York State Real Property Law)/ the total number of manufactured and mobile homes.

It was said that a number of parks in Erie and Niagara Counties are owned by firms from as far away as California. Lack of knowledge of the local market leads these absentee owners to charge higher than average area rents, often resulting in vacancies in those manufactured home parks. According to participants, park owners with local experience tend to set rents based on the local market, as they are competing for tenants' long-term residency.

Meeting participants from Erie and Niagara Counties said real property taxes make up a significant portion of the expenses faced by manufactured home park owners. It was stated that 20 to 25 percent of the rent paid in manufactured home parks is devoted to local taxes. There was some discussion among participants about the seemingly discriminatory nature of taxation rates that are applied to manufactured home parks. For example, it was stated that sewer taxes in the area are 2.2 percent per home in select manufactured home parks compared to 0.6 percent of normal assessment per unit in rental developments.

## **Preservation and Rehabilitation of Owner Occupied and Rental Properties**

According to the 2000 U.S. Census, the median year built for homes in the Region was 1952. Chautauqua County had the oldest housing stock with a median year built of 1943, while Allegany County had the least aged housing stock with a median year built of 1959. In the City

of Buffalo, Erie County, over 57 percent of housing units were built before 1940 and in the City of Niagara Falls, Niagara County, over 37 percent of housing units were built before 1940. According to the 2000 U.S. Census, the Region's median household income was \$37,500, compared to \$43,400 for the State. Median household incomes in the Cities of Buffalo and Niagara Falls were even lower, at \$24,500 and \$26,800, respectively.

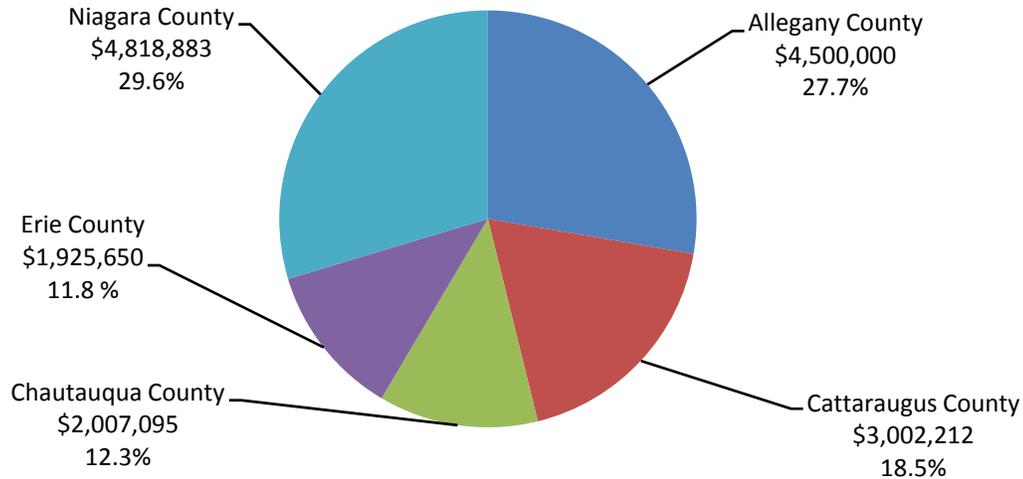
The dominate theme woven through discussions of preservation and rehabilitation in the Region was the presence of older communities, a relatively aged housing stock and a large number of communities with a preponderance of low income households. Participants said the absence of a vibrant and growing employment base in much of the Region has led to a large portion of the populace lacking the income to carry out needed repairs to their homes. Property owners were said to be inhibited from investing in their rental properties, owing to the low rents that can be commanded from tenants, a constrained potential for property appreciation and their own limited incomes.

The need for homeowner rehabilitation was highlighted by a not-for-profit in Chautauqua County which was said to have nearly 400 households on a wait list for homeowner rehabilitation assistance. It was said that half of the households on this list have leaking roofs and need emergency repairs. Participants said the price of building materials, particularly roofing and metals, have contributed to the inability of homeowners to carry out repairs and leads many to seek assistance from their organization.

Participants also cited other impediments to rehabilitation. One said contractors charge reasonable rates but the price of materials causes the escalating rehabilitation costs. HUD Housing Quality Standards (HQS), which force decisions of an "all or nothing" nature, were said to compel organizations to walk away from homes in need of rehabilitation. In Allegany County, attendees stated that the fear of post-rehabilitation property tax increases dissuades many homeowners from undertaking needed repairs.

Participants throughout the Region discussed the difficulties they faced in administering and attracting participation in the New York State HOME Program. Federal lead-based paint rules were cited as a primary roadblock to activity in the Region. Attendees said an increase in the \$25,000 abatement threshold would lead to more units being rehabilitated. One participant said the lead-based paint rules are, in effect, a penalty upon those trying to do rehabilitation in the Region. A participant from the Town of Tonawanda, Erie County, said they have nearly 600 households on their homeowner rehabilitation wait list, but can only address 30 households a year because of the lead-based paint abatement threshold. Another attendee believes that the U.S. Environmental Protection Agency's new lead-based paint regulations, which become effective in April 2010, will vastly increase the costs of residential rehabilitation.

**Chart 1 - Western New York Region  
HOME Local Program Administrator (LPA) Awards  
2000 to 2008**



Note: Project awards include HOME Homeowner Rehabilitation and HOME Rental Rehabilitation Programs.

A number of organizations that were represented in the focus group meetings conceded that rental rehabilitation is greatly needed, but presented reasons why they do not pursue this activity under the HOME Program. A participant from a not-for-profit organization in Allegany County said their exit from the Program was precipitated by the unwillingness of property owners to remain compliant with program requirements. Problems with compliance were said to be exacerbated when Section 8 tenants, who were income-qualified, left the properties and were replaced by tenants who were not income-qualified. Another Allegany County participant said the rent levels which emanate from HOME Program requirements are a major impediment to their administration of the Program. They said that it is difficult to maintain quality rental housing with rents of \$380 per month for a three bedroom apartment. An attendee representing a not-for-profit organization in Chautauqua County said the HOME Program’s rental rehabilitation compliance period is challenging and that property owners deem it onerous. They said the owner match requirement of that Program is also dampening participation by property owners.

Participants in Chautauqua suggested raising the income limits of the HOME Program from 80 percent to 120 percent of area median income (AMI) in select census tracts. By doing so, they believe the Program could be used to accommodate and attract a mixed income population to neighborhoods in small upstate cities as part of a revitalization strategy.

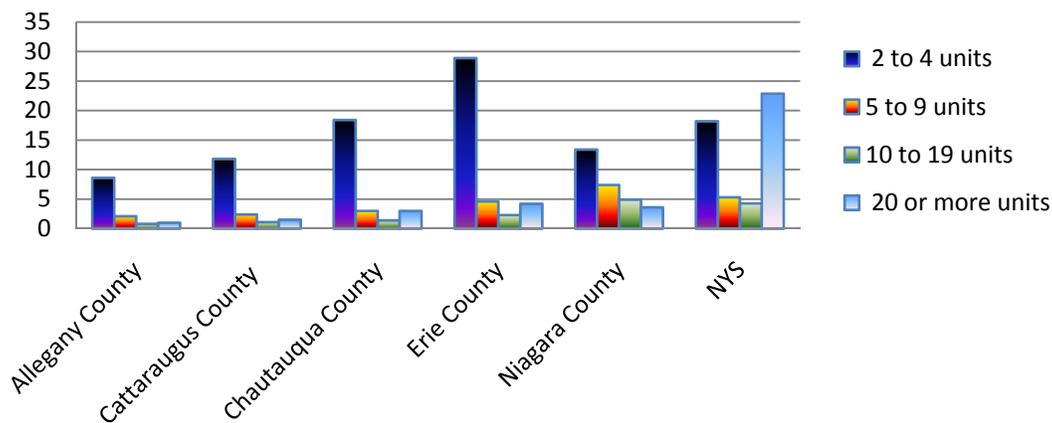
The difficulties of utilizing HOME Program funds for rental rehabilitation were cited by municipalities throughout the Region. Participants from the City of Jamestown, which is a HOME entitlement community, stated that they use Community Development Block Grant monies for rental rehabilitation. Municipalities in Niagara and Erie Counties cited an inability to work with and/or entice property owners into rental rehabilitation programs.

The use of New York State Affordable Housing Corporation (AHC) funds for residential rehabilitation was offered as a counterpoint to the discussion of the HOME Program. AHC was considered by many participants to be a more flexible funding source than HOME; where the issues of HQS and lead-based paint rules do not deter the rehabilitation of homes. AHC protocols were said to allow for timely draw downs on funds, which leads “to more jobs being done quicker.” However, AHC’s recipient match requirement of 40 percent was said to be a burden to homeowners, particularly the elderly.

**Small Rental Developments**

Over 34 percent of the Region’s housing stock contains two or more units. The proportion of structures comprised of two or more units varies across the Region, from a high of 40 percent in Erie County to a low of 12.5 percent in Allegany County. The high percentage in Erie County is primarily attributed to the presence of the City of Buffalo, where 66 percent of its housing stock is comprised of structures with of two or more units.

**Table 3 - Western New York Region  
Percent of Total Structures  
Containing 2 or More Housing Units  
(U.S. Census 2000)**



Attendees familiar with the housing markets in the Region cited a need for small rental developments (defined by DHCR’s Small Projects Program as a development with 15 or fewer units) in select locations. They stressed the importance of having such developments in or near the villages of the Region. Participants contend that small rental developments are a good fit in small rural communities.

A number of meeting participants said that the development hurdles present in large rental developments are also present in small rental developments. For instance, participants in Erie and Niagara Counties said that “not-in-my-backyard” (NIMBY) community opposition occurs with small rental developments, particularly when such developments are for special needs populations. One participant said that developers avoid such opposition by returning to communities where they have had earlier development successes, believing that their track record and credibility will smooth the way for necessary local approvals.

Participants said that small rental developments also face complicated financing constructs that require disparate funding sources to be pooled in order to successfully achieve development and operational viability. They said the operational viability of small rental developments is seriously jeopardized by their scale and the limitations placed on management fees when developments are funded by the Low- Income Housing Trust Fund Program.

A meeting participant in Chautauqua County discussed how virtually every village in the Region has one “bad building.” The participant said programs such as DHCR’s Small Projects Program (SPP) and the New York Main Street Program, Empire State Development Corporation’s (ESDC) Restore NY and funding from the Federal Home Loan Bank should be used to restore such buildings to create anchors and spur community-wide revitalization. A not-for-profit organization from the County said they have used the New York Main Street and Restore NY Programs to convert existing downtown buildings that include residential rental units into viable elements of the community.

The Counties of Chautauqua, Cattaraugus and Allegany have some of the oldest housing stock in the State. Many of the existing buildings that organizations in those Counties look to rehabilitate into residences are deemed to be historic and are subject to the New York State Historic Preservation Office (SHPO) regulations. It was said that obtaining SHPO clearance, which requires among other things, the retention of historic features, does not work well with programs such as SPP. Participants stated that SHPO regulations add greatly to the labor and material costs associated with such rehabilitation.

A participant in Cattaraugus County shared the issues they encountered with SHPO when developing a small rental development in the City of Olean. The project was originally envisioned as the acquisition and demolition of a vacant apartment building that would be replaced with new modular units. SHPO regulations related to the historic nature of the building changed the project from new construction to rehabilitation. This alteration in the project scope was said to have added greatly to the length of the development timetable and development budget.

### **Mixed Income Housing**

The Cities of Buffalo and Niagara Falls are the largest cities in the Counties of Erie and Niagara, respectively. Similar to other urban centers across the State, compared to the poverty and unemployment rates at the county level, the rates within these Cities is relatively higher and is often concentrated in a few neighborhoods. Participants believe that the creation of mixed income housing and neighborhoods could alleviate some of this concentration and assist in revitalizing these Cities.

#### **City of Buffalo**

Meeting participants in the City of Buffalo stated that mixed income housing is needed and could offer an antidote to the harmful impacts that the concentration of low- income households and the degradation of neighborhoods can have on communities. Some participants believe that the utilization of DHCR’s housing programs has resulted in a “warehousing of the poor” which perpetuates a cycle of poverty. One participant said housing policy which promotes mixed

income development should be looked at in the context of education policy and its role in improving the educational achievements of students from low- income households.

There are a small number of mixed income developments in the City of Buffalo. Participants attribute this to the City's soft rental market and the limited use of DHCR's New York State Low- Income Housing Tax Credit Program (SLIHC) and the New York State Housing Finance Agency's 80/20 Program.

Attendees said the soft rental market in Western New York makes it difficult to develop mixed income projects using SLIHC. They also noted the difficulty in finding investors for such developments due to the current turmoil in the tax credit market. One participant said DHCR's analysis of project viability does not recognize the submarket for SLIHC rents that exists in the City of Buffalo. They believe the viability standards are too dependent upon average market rents. That participant believes there is a demand for quality rental units from residents with incomes up to 90 percent of AMI.

Meeting participants said there are no New York State Housing Finance Agency 80/20 developments in the City of Buffalo. They said that these types of projects make great social sense, but are not economically feasible in the City. Attendees believe that the New York State Historic Preservation Tax Credit bill, recently signed by Governor Paterson, may be the financial gap filler needed to make 80/20 developments successful in Buffalo.

In addition to the need for mixed income developments, participants agreed that mixed income neighborhoods are desired. They said there is a need to create neighborhoods of choice that could include rent-to-own, homeownership, market rate and 100 percent affordable housing options. Attendees believe that a "block-by-block" strategy should be adopted when attempting to revitalize and preserve neighborhoods. They said that each block's needs should be inventoried and addressed with programs tailored to those needs.

Attendees said state entities, such as DHCR, NYHomes and ESDC, should focus on strategic neighborhood investment. They said DHCR programs are following a need, but are not changing the overall neighborhood environment or positively affecting the economic status of existing residents. DHCR and ESDC resources being targeted in the City's Near East Side neighborhood was cited as an opportunity to make a strategic investment in a neighborhood. Other organizations have also recognized the need to make similar investments in the Near West Side neighborhood. The challenge with these investments is that it "must be done right" in order for it to work and have a lasting effect.

Participants agreed that if there is strategic State investment on certain blocks, the private market will take care of mixed income developments. Participants went on to say that similar efforts made by the City will also encourage private investment.

Some meeting participants concede that the City has targeted funds in certain neighborhoods but such initiatives come up short due to a lack of collaboration with State and county agencies or not-for-profit organizations. Attendees stated that in order to stabilize neighborhoods, partnerships at the State and local level are needed. It was stated that the City must make these

connections in order to cultivate a unique strategy for its neighborhoods. A participant from the City acknowledged that the City could do more to collaborate with and market itself to its partners at the State and local levels.

Participants also stated that the City's existing strategic plan does not leverage its assets and concentrates on single issues. A comprehensive strategy, which would address many different issues, is needed because policies dedicated solely to housing, education or other single topics are "doomed for failure." However, one participant said funds are limited and the City must decide whether it should target its funds or scatter them.

While mixed income developments and neighborhoods are desired, one participant warned that this type of development and community transformation could be labeled gentrification. The participant stated that NIMBY attitudes are quietly held by residents. They went on to say that State and local programs alone cannot reverse the impact that decades of class and race-based development has had on the City. A more holistic approach, which includes efforts to combat NIMBY community opposition, is needed to make mixed income developments and neighborhoods a reality.

#### City of Niagara Falls

When asked why mixed income developments are desired and needed in the City of Niagara Falls, meeting participants said they are concerned about creating communities which are solely occupied by low- income residents. Participants acknowledged the stigma that is often associated with low- income communities and said there is a need to create socially and economically diverse neighborhoods. They believe that residents, particularly low- income children, would benefit from living in a community where people are of a varied socio-economic status.

Some participants cited the benefits to be gained from mixed income developments. They said there is a need to attract new residents to the community and thereby add to the tax base of the City. These same participants believe that mixed income neighborhoods encourage the development of small businesses and support economic activity.

It was stated that many employees of the Seneca Niagara Casino & Hotel, one of the City's largest employers, do not live within city limits. Much of the City's housing stock is aged and in substandard condition and a number of homes adjacent to the Casino are vacant and abandoned. One participant said the City plans to use funding from its Community Development Block Grant Program, NYHomes' Neighborhood Stabilization Program, and the Casino to demolish 35 to 40 blighted properties. Using a land banking approach, the City hopes to acquire enough contiguous properties to make the plan feasible. Post demolition development plans include market rate rental units and condominiums, single family homes, as well as low- to moderate-income rental units. The creation of this type of new mixed income housing would provide an opportunity for Casino employees to live in Niagara Falls. The expected expansion of the Casino, the Niagara Airport and other industry may lead to the creation of additional mixed income neighborhoods.

Attendees said that there are people in neighboring towns and villages who are willing to relocate to the City of Niagara Falls but are offered incentives by financial institutions and developers to move and/or build in residential neighborhoods in suburban and rural areas of Niagara County. It was stated that housing organizations in the City need products that will counter these types of incentives.

Another attempt at fostering mixed income developments and neighborhoods is the work done by the Niagara Falls Housing Authority (NFHA). Tenants of NFHA developments represent a range of incomes, up to 80 percent of AMI. It was stated that NFHA can attract higher income households due to the quality of their developments. However, a number of NFHA developments are located in one of the poorest census tracts in the City (the Northeast – Highland area), which makes developing new mixed income projects challenging. Contrarily, some participants believe that funding new developments in this area of the City will push out absentee landlords or encourage them to maintain their properties and improve the condition of the area's housing.

NFHA has tried to reach higher income groups through its use of the HUD Hope VI Program. Providing housing for residents with incomes up to 90 percent of AMI is a goal but is tough to achieve in an area which has a soft rental market. They are currently focusing on residents with incomes between 30 to 60 percent of AMI.

Attendees shared some of the impediments to creating mixed income developments and neighborhoods. Attendees stated that the State's housing programs and the existing rental market do not align well with their mixed income development efforts. Participants said it is difficult to use resources from programs such as Low- Income Housing Tax Credit and SLIHC in a soft rental market. Although both Programs bring in revenue to meet high per unit costs, the lack of tax credit investors in the upstate region of the State is a major barrier for for-profit and not-for-profit developers. The same was said for investors in the bond market when considering New York State Housing Finance Agency's 80/20 Program.

### **Residential Vacancy**

The Western New York Region has experienced a declining population over the last few decades, particularly in the Cities of Buffalo and Niagara Falls. This trend has left these cities with a significant number of abandoned and deteriorated housing units which are having a blighting effect on neighborhoods. Efforts to address this destructive situation have been made by local government and not-for-profit organizations in these Cities. However, the demolition versus rehabilitation debate among community leaders is ongoing.

#### **City of Buffalo**

One participant said that a housing policy that takes into account the City's declining population is needed. The City loses approximately one percent of its population per year. They said creating mixed income housing is secondary to the vacancy issue as there is a greater need to stabilize the large amount of abandoned properties. The number of vacant housing units varies across the City, with some neighborhoods having vacancy rates as high as 40 percent. A participant stated that the Genesee/Bailey block was one of the most vacant blocks in the nation

with nearly two-thirds of the structures vacant. Another participant stated that the city's vacant property issue is threatening stable low- to moderate- income working class neighborhoods in the City, as well as the inner-ring suburbs.

Much of the discussion surrounding the City of Buffalo's residential vacancy issue was centered on rehabilitation efforts. The City's "5 in 5" Demolition Plan, which targets the demolition of 5,000 structures in five years, was designed to demolish the "worst of the worst" structures while trying to preserve those units that can be saved. Mayor Byron Brown recently added an addendum to the Plan, which calls for the rehabilitation of 500 structures in five years. The City's HOME and ESDC's Restore NY monies have been committed towards this initiative yet participants said more money is needed for rehabilitation.

Attendees said that residences become abandoned because homeowners and property owners cannot afford to preserve or rehabilitate their homes. Several not-for-profits administer both owner occupied and rental rehabilitation programs using HOME, New York State Affordable Housing Corporation and DHCR's Urban Initiatives resources. However, the staff capacity of these organizations often limit the impact that they can make in attempting to revitalize their communities. In addition to staff capacity and funding issues, one participant said another difficulty with rehabilitation is lead-based paint regulations. They said adding federal funding to a rehabilitation project changes the face of the project, drastically increasing its cost.

The need for rental rehabilitation outweighs the resources that are available. The City of Buffalo once administered a rental rehabilitation program, which focused on certain Community Development Block Grant-eligible neighborhoods, but these resources have been merged with the City's HOME Program.

Participants said a "triage" method is needed to address the City's problem with dilapidated structures. The City must determine which homes can be saved, which homes ought to be demolished and which homes need minimal work. Some believe that the time it takes for the City to take control of properties and sell them to willing buyers is excessive. Homes that could have been saved have been left to deteriorate beyond repair. When the City does take over homes, the first floors are secured and sealed, while the second floors are left open for safety, light and easy accessibility for the fire department in the event of arson. Participants said many homes can be maintained to minimal standards by being "mothballed" until rehabilitation can be initiated. They suggested that the City prioritize the sealing of properties so vacant buildings will not be lost, as well as create a priority list of those homes that can be saved and those homes that are beyond repair.

Attendees suggested that deconstruction be considered as an option when it has been determined that a home cannot be saved. Deconstruction is the systematic disassembly of a building for the reuse and recycling of its components. In addition to possibly being a cost savings tactic, deconstruction is more environment-friendly. Meeting participants said deconstruction is a requirement in many cities.

To address the issue of vacant and abandoned homes, some not-for-profit organizations are getting involved with land banking. Land banking occurs when properties are purchased by an

entity with the intent of future development. It also includes the stabilization and management of vacant structures and lots. Using resources from NYHomes' Neighborhood Stabilization Program, not-for-profit organizations are purchasing vacant and abandoned properties with the intent to create affordable housing opportunities in the City of Buffalo. Meeting participants also suggested that DHCR increase funding for land banking efforts. Some participants believe that land banking is a tool that the City should embrace, especially since the City owns nearly 7,000 properties.

### City of Niagara Falls

According to meeting participants, at its height, the City of Niagara Falls had a population of nearly 120,000. In recent years, the population has hovered around 50,000. This drastic population decline has left the City with an abundance of vacant and abandoned properties. These properties are primarily concentrated in two sections of the City; Center City and Highland. One participant stated that according the 2000 U.S. Census, the city-wide residential vacancy rate was approximately 14 percent (nearly 3,800 units); however, that rate rises to nearly 18 percent in Center City.

Participants asked at what point is the investment in vacant properties no longer worth the effort. It was said that there are large areas in Center City that can be demolished and rebuilt, but rehabilitation would be a better strategy in the Highland area. However, the high costs of both activities can be problematic. The cost of demolition (\$20,000 to \$25,000) impacts the success of development activities. Rehabilitation costs oftentimes equal \$45,000 to \$65,000 on homes valued at \$15,000 to \$30,000. These excessive costs force not-for-profit organizations to shy away from some rehabilitation activities. Lead-based paint abatement requirements are of particular concern when considering rehabilitation activities and often put projects out of reach for these organizations.

Attendees said a city-wide strategy to address the vacant and abandoned properties issue does not exist, nor is there a strategy in place for the development of vacant lots once homes have been demolished. They agreed that any strategy that is adopted should be neighborhood-based and derived from appropriate outreach with neighborhood residents.

One participant stated that although a city-wide demolition plan is not in place, the City is targeting its demolition efforts in the area near the Seneca Niagara Casino & Hotel. In other areas of the City, homes that are blighted and are health and safety hazards are also targeted for demolition.

Students from Niagara University and the University of Buffalo are assisting not-for-profit organizations with development plans for their service areas. In Center City, ReNU Niagara, a community outreach center created by Niagara University, works with Americorp Vista and block clubs on strategies for developing the neighborhood's vacant lots, with much of their work focusing on community gardens. Staff from the University of Buffalo's Planning Department is assisting the YWCA of Niagara with a strategy to develop vacant land that has been donated to the organization. The YWCA is also interested in developing properties on the City's demolition list, which could be used for a matched savings homeownership program that the organization administers.

## **Conclusion**

A common theme heard throughout Western New York was the adverse effects the lethargic job market is having upon the ability of the Region's residents to improve their living conditions. In the context of housing, the lack of sustainable jobs was cited as severely limiting residents' ability to afford necessary home preservation and rehabilitation activities. It was also stated that given the Region's economic climate and soft housing market, owners of rental properties are dissuaded from undertaking needed rehabilitation.

The lack of available financing tools for potential buyers of manufactured homes is a major impediment to homeownership for low- income residents living in rural areas of the Region. Interest rates that are two to three times higher and terms that are half that found on typical conventional mortgages has made the ownership of manufactured homes unaffordable for a significant portion of the Region's rural population.

Participants agreed that the development of small rental projects is a good fit in select communities in the Region. However, the development of such projects requires significant public subsidies from disparate funding sources, which must be pooled in order to successfully achieve development and operational viability. NIMBY community opposition is also a barrier to the creation of small rental developments.

There was consensus among participants that the success of neighborhood revitalization efforts in the Cities of Buffalo and Niagara Falls will be linked to the manner in which the affordable housing and development community addresses mixed income housing/neighborhoods and residential vacancy. Funding for demolition, post-demolition and rehabilitation is scarce and the Cities cannot keep pace with the number of units that become vacant.

Given the condition of the housing and job markets, funding for many housing and community development programs at the federal and State level do not address the needs of the Region. The Region is in need of unique and creative approaches to address its affordable housing and community development issues. Modifications and increased funding to housing and community development programs, as well as collaboration at the State and local level, would create the flexibility and critical mass needed to accomplish goals that have been set in communities across the Region.

## **Resource List**

### **Manufactured and Mobile Homes**

- Corporation for Enterprise Development's Manufactured Housing Initiatives  
<http://www.cfed.org/focus.m?parentid=314&siteid=2652&id=2652>
- NeighborWorks America's Manufactured Housing Page  
<http://www.nw.org/network/comstrat/manufHsg/default.asp>
- New York Housing Association  
<http://www.nyhousing.org/>
- NYS Department of Health (New York State Sanitary Code Part 17 - Mobile Home Parks)  
<http://www.health.state.ny.us/nysdoh/phforum/nycrr10.htm>
- NYS Department of State Manufactured Housing Program  
<http://www.dos.state.ny.us/code/manuf.html>
- NYS DHCR's Manufactured Home Program  
<http://nysdhcr.gov/Programs/ManufacturedHomes/>
- NYS Housing Finance Agency's Manufactured Home Cooperative Fund Program  
<http://www.nyhomes.org/index.aspx?page=265>
- Park Residents Homeowners Association  
<http://www.prho.com/>
- The Manufactured Housing Institute  
<http://www.manufacturedhousing.org/default.asp>
- U.S. Department of Housing and Urban Development's (HUD) Manufactured (Mobile) Homes Page  
<http://www.hud.gov/homes/manufactured.cfm>

### **Preservation and Rehabilitation of Owner Occupied and Rental Properties**

- National Housing and Rehabilitation Association  
<http://www.housingonline.com/>
- National Trust for Historic Preservation  
<http://www.preservationnation.org/issues/housing/>
- NeighborWorks America's Housing Rehabilitation Page  
<http://www.nw.org/network/comstrat/rehab/default.asp>

- NYS Affordable Housing Corporation  
<http://www.nyhomes.org/index.aspx?page=50>
- U.S. Department of Housing and Urban Development – HOME Program  
<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

#### Small Rental Developments

- U.S. Department of Agriculture Rural Development Housing and Community Facilities Programs  
[http://www.rurdev.usda.gov/rhs/common/indiv\\_intro.htm](http://www.rurdev.usda.gov/rhs/common/indiv_intro.htm)

#### Mixed Income Housing

- Harvard’s Joint Center for Housing Studies  
<http://www.jchs.harvard.edu/>
- National Housing Institute  
<http://www.nhi.org/>
- National Low Income Housing Coalition  
<http://www.nlihc.org/template/index.cfm>
- NeighborWorks America’s Mixed Income Housing Page  
<http://www.nw.org/network/comstrat/mixedIncomeHousing/default.asp>
- NYS DHCR’s New York State Low- Income Housing Tax Credit Program (SLIHC)  
<http://nysdhcr.gov/Programs/SLIHC/>
- NYS Housing Finance Agency’s 80/20 Housing Program  
<http://www.nyhomes.org/index.aspx?page=197>
- The Brookings Institution  
<http://www.brookings.edu/topics/housing.aspx>
- U.S. Department of Housing and Urban Development- Hope VI  
<http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>

#### Residential Vacancy

- Local Initiatives Support Corporation’s Vacant Properties Page  
<http://www.lisc.org/section/goals/development/vacant>
- National Vacant Properties Campaign  
<http://www.vacantproperties.org/>

- NYS Housing Finance Agency's Neighborhood Stabilization Program  
<http://www.nyhomes.org/index.aspx?page=803>
- Partnership for the Public Good- Buffalo  
<http://www.ppgbuffalo.org/resources/Missing+the+Target+2009+02+06.pdf>
- The Brookings Institution  
<http://www.brookings.edu/topics/cities.aspx>
- University at Buffalo Regional Institute  
<http://regional-institute.buffalo.edu/projects/projects.cfm?ID=102>
- U.S. Conference of Mayors  
<http://www.usmayors.org/bestpractices/vacantproperties06.pdf>

## **Western New York Region Meeting Participants**

### **Niagara Falls – City of Niagara Falls (July 13, 2009)**

Robert Antonucci, City of Niagara Falls, Community Development (conference call)  
Stephanie W. Cowart, Niagara Falls Housing Authority\*  
Betsy Diachun, Niagara Area Habitat for Humanity  
John C. Drake, Center City Neighborhood Development Corp. (conference call)  
Willie C. Dunn, Niagara Falls Housing Authority  
Linda Goodman, Norstar Development  
Kathy Granchelli, YWCA Niagara  
Vanessa Scott, God's Woman Project Wings  
Jill A. Shuey, Niagara University, ReNU Niagara  
Kathleen Shumar, Niagara Falls Neighborhood Housing Services, Inc.  
W. Lee Whitaker, Niagara Falls Housing Authority

### **Lockport – Erie and Niagara Counties (July 14, 2009)**

Bruce Baird, Belmont Management  
William Evert, City of Lockport Community Development\*  
James Hartz, Town of Tonawanda Community Development  
Richard Lappold, Erie County Community Development & Housing  
Kevin McDonough, Lockport Community Development  
Janet Meiselman, Oxford Consulting, Inc.  
Debra Miller, Park Resident Home Owners Association  
Robin Pfeil, New York Housing Association, Inc.  
Suzanne Shears, Niagara Community Action Program, Inc.  
Robert Weber, New York Housing Association, Inc.

### **Buffalo – City of Buffalo (July 14, 2009)**

D. Darlie Al-haqq, Heart of the City Neighborhoods, Inc.  
Anthony Armstrong, Local Initiatives Support Corporation  
Aaron Bartley, PUSH Buffalo\*  
Linda Chiarenza, West Side Neighborhood Housing Services  
Melissa Fratello, Westside Neighborhood Housing Services  
George Hezel, University of Buffalo Law School  
Laura Kelly, Old 1<sup>st</sup> Ward Community Action, Inc.  
Jose Latalladi, Hispanics United of Buffalo  
Sam Magavern, SUNY Buffalo Law School  
Yvonne McCray, City of Buffalo, Housing (conference call)  
Bob Shibley, University of Buffalo Urban Design Project  
Rocco Termini, IS Lofts  
Steven Weiss, Cannon Heyman & Weiss

### **Jamestown – Chautauqua County (July 15, 2009)**

Dominic Bellanti, Owl Homes of Fredonia, Inc.  
Amanda Bleck, City of Jamestown, Department of Development  
Steve Centi, City of Jamestown, Department of Development

Andrea Magnuson, Jamestown Renaissance Corporation  
John Mercer, Jamestown Renaissance Corporation  
John Murphy, Chautauqua Home Rehabilitation & Improvement Corporation  
Judy Presutti, Dunkirk Housing Authority  
Albert Sam, Retired Manufactured Home Community Owner  
Carolyn Seymour, Chautauqua Home Rehabilitation & Improvement Corporation  
Honorable Samuel Teresi, Mayor, City of Jamestown\*  
William Vogt, Chautauqua Opportunities, Inc.  
Robert Weeks, City of Jamestown, Department of Development  
Thomas Whitney, Southern Tier Environments for Living, Inc.

**Belmont – Allegany & Cattaraugus Counties (July 15, 2009)**

Jodi Adams, Allegany County Community Opportunity and Rural Development (ACCORD)  
Charles Kalthoff, ACCORD\*  
Marlene Babchak, ACCORD  
Wendall Brown, ACCORD  
Monica Dean, Andover Historic Preservation Corporation  
Lynne Faecke, ACCORD  
Madeline Gasdik, Allegany County Office for the Aging  
Ken Magara, NeighborWorks Home Resources  
Bob Sobeck, Alfred Housing Committee, Inc.  
Terri Stranberg, Cattaraugus Development Corporation  
Lisa Trowbridge, Cuba Community Development Corporation

\*Meeting Host