

Executive Summary of Housing Commission Report

City of Binghamton
Commission on Housing &
Home Ownership; Report to
the Mayor—March 2009

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Objectives of the Study

- 1) Review Best Practices for Increasing Home Ownership
- 2) Identify Strategies to Promote [and Recruit] Responsible Local Landowners and to Incentivize Student Housing in Appropriately Zoned Neighborhoods
- 3) Discuss Strategies to Improve Quality of Life and Build Healthy Neighborhoods

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Philosophy Embodied in the Report

- *The Commission in developing its recommendations had to reconcile a multiplicity of legitimate interests and concerns of a variety of stakeholders—including residential and commercial property owners, landlords, tenants, and the City of Binghamton. Although compromises and tradeoffs were necessary, the Commission was not dealing with a zero-sum game. For one set of stakeholders to benefit, it was not necessary for other stakeholders to lose. With sensitivity and creativity, the Commission attempted to craft recommendations which could be a win-win proposition for everyone involved. This required, however, that no stakeholder realize ALL of its objectives, but that ALL stakeholders realize at least some of their most important objectives. It was therefore necessary for the Commission to agree collectively on a package of recommended measures, rather than on isolated measures individually. Only in this way, could win-win results be generated for all stakeholders. Readers of the Report are urged to evaluate it in this spirit.*

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Homeownership Rates (pp. 2-7)

- Homeownership rates in the City (43%) are far below the norm for the country (66.2%), the State (53.0%), and Broome County (65.1%). *Source: 2000 Census data.*
- This low rate is unhealthy and destabilizing. Renters don't maintain their homes as well as owner-occupants. This "depicts a dangerous future for Binghamton's neighborhoods and their stability..." *Comp. Plan, p. 12.*
- Needed measures identified by the Comp. Plan included: build a database of illegally converted homes and prevent further intrusions, and institute a Rental Permit and Inspection program. *Comp. Plan, pp. 82-83.*

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Homeownership Rates, cont'd

- The City should continue to make rehabilitation of its housing stock and neighborhoods a priority, through such programs as the Healthy Neighborhoods initiative.
- This has important revenue implications for the City. Research shows that higher rates of home ownership lead to higher property values and increased property tax revenues. According to Rohe & Stewart (1996), a 5% increase in homeownership rate will yield about a \$4,000 increase in mean single-family property value over a 10-year period

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Homeownership Rates, cont'd

- Rental properties appear to utilize more community services (i.e., cost the community more) than owner-occupied single- and two-family properties. E.g., an Ogden, UT study indicated that "single-family and duplex *rentals* utilize between 3 and 7 times more police and fire services than *owner occupied* single-family and duplex properties." And a California study indicates that multi-family residential properties often cost more in municipal services than they return in tax revenues. Because of this, some local governments (e.g., in Montgomery County, PA) offer forgivable loans to encourage buyers to reconvert multi-family homes to single-family residences.

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Homeownership Rates, cont'd

- Vacant properties are a safety hazard, drain resources, are unsightly, depress market values, and discourage economic development. They not only don't contribute to the tax base, but are expensive to maintain, and are a magnet for criminal activity. Rental properties—especially those owned by irresponsible landlords—are more likely than owner-occupied properties to be abandoned and become vacant.
- Studies on the sociology of neighborhoods (e.g., by James Q. Wilson) have shown that one unrepaired broken window soon leads to the rest of the windows being broken, because it is a signal that no one cares. Vacant properties have the same effect on neighborhoods.

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Importance of BU and Students (pp. 7-10)

- About 4,000 BU students live in the City.
- BU students living off campus spend some \$62 million a year in the surrounding communities, while supported some 1,481 local jobs.
- Some 6,500 BU students contribute an estimated 136,500 hours each year, valued at nearly \$2.5 million, volunteering in the community. Internships and clinical nursing programs contribute another nearly \$5 million a year.
- BU contributes \$673 million to the region. Every dollar invested by the State is returned 6-fold to the Southern Tier.
- BU helps create or retain up to 2,500 jobs a year, accounting for \$75 million in wages and a much greater ripple effect.
- The Binghamton area has an aging demographic and needs to attract and retain young professionals if it is to restore a healthy and sustainable tax base.

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Binghamton Zoning Code, Case Law, and Legal Analysis (pp. 10-19)

- The City has been divided into three Residential zoning districts (R-1, R-2, and R-3), reflecting different “densities” of residents that can be accommodated in different neighborhoods—e.g., based on the capacity of streets to support traffic and parking.
- A legitimate purpose of zoning regulations is to preserve quiet single-family neighborhoods “where yards are wide, people few, and motor vehicles restricted.” *U.S. Supreme Court, 1974.*
- To preserve this quiet neighborhood character, many municipalities have enacted definitions of “family” to exclude groups of individuals who, it is perceived, degrade the single family district. *NYS Dept. of State Office of Counsel, Legal Memorandum LU05, 1999.*

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Binghamton Zoning Code, Case Law, and Legal Analysis, cont’d

- The courts in New York have rejected occupancy limits that are based on the biological or legal relationship between renters rather than on factors that relate to the goals of reducing parking and traffic problems, controlling population density and preventing noise and disturbance.
- But the courts have upheld more stringent zoning restrictions that limit uses that conflict with a stable, uncongested single family environment—such as occupancy by numbers of transient persons.

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Binghamton Zoning Code, Case Law, and Legal Analysis, cont’d

- The approach of the Binghamton zoning code to occupancy limits in residential neighborhoods can be referred to as a “complaint-driven” process.
- Most other cities and localities in New York State (and elsewhere) have a more self-implementing process, which regards up to a certain number of unrelated tenants (most commonly 3, but sometimes 4) to be considered the functional and factual equivalent of a “family.” More than this number is presumed not to be the functional equivalent of a family. But this presumption (“rebuttable presumption” or “presumptive limit”) can be overcome by evidence that the group of tenants meet specified functional family characteristics.
- The Binghamton Zoning Ordinance does not contain presumptive limits, but relies on case-by-case adjudications by the Zoning Board of Appeals (ZBA) and the courts, in response to complaints by neighbors, as to whether “functional family” criteria are met. This creates friction among neighbors, landlords and tenants, and is an inefficient labor-intensive process that no one is happy with.

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Vacant Property and Absentee Landlord Initiative (p. 20)

- The City enacted a Vacant Property Registration Ordinance, which became effective in January 2008.
- This law requires all owners of vacant buildings to file a registration form and a vacant building plan and to keep the buildings secured and safe and the grounds property maintained. It imposes a \$50 registration fee and an annual vacant building fee of \$500. It gives the City the authority to step in and perform necessary maintenance if the owner fails to do so, and gives the City inspection and enforcement authority. Although enforcement against out-of-state landlords is difficult, the law appears to be functioning well, including providing the data necessary for appropriately targeted code enforcement.

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Survey of Student Rental Housing Literature and Recommended Solutions in Other Jurisdictions (pp. 21-26)

- Relevant recommendations from other areas are referenced, including those resulting from studies in Raleigh, NC, Plattsburg, NY, West Urbana, IL, and Fargo, ND (including four college towns in ND and MN).
- A number of recurrent themes are noted, some of which are incorporated into the recommendations of this Report.

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Housing Commission Public Forum of Nov. 6, 2008

- The Housing Commission benefitted greatly from stakeholder inputs at a public forum held in November 2008, and from written comments submitted at and after the forum.
- Oral and written comments were received from 16 landlords, 12 students, 29 homeowners, 2 public officials, 1 consultant, and 1 not-for-profit association.
- A summary of the comments received is set forth in **Appendix B** to this Report. A CD with an audio tape of the Forum has also been submitted to the Mayor.

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Recommendations-1 (pp. 27-39)

I. Increasing Homeownership

- The City (and County) should give significant attention to increasing the rate of homeownership in the City by 10 to 20%. Emphasis should be given to "Neighborhood Action Areas" and to current renters interested in and capable of buying a home.
- Strategies that should be strengthened or initiated include:
 - Low-cost loans to first-time buyers
 - Rehab loan programs for owner-occupants in designated areas— e.g., temporary city tax abatement for any increase in tax value resulting from improvements (see, e.g., Syracuse program).
 - Neighborhood Preservation Overlay Districts where single-family rental housing is maintained at no more than a specified percentage.
 - Incentives to City and State workers to buy homes in the City
 - Program to allow Police Officers and Firefighters to live rent-free in City-owned homes in redevelopment areas (with subsequent option to purchase) in return for volunteer community service focusing on crime prevention

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Recommendations-2

- Secondary mortgage fund for homeowner improvements with repayment terms that incentivize long-term residency.
- Incentive plans by City and major employers to encourage employees to stay in the City and live near their place of employment.
- Encourage local banks to provide City-underwritten loan pools for homeowners in certain districts.
- Attract a private equity pool to fund quality buyers who receive below-market financing in return for a percentage of the property's appreciation.
- Consider the need for and feasibility of a specialized Housing Court to adjudicate housing-related issues.

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Recommendations-3

- Aggressively condemn and take over deteriorated properties and turn them over to private hands for rehabilitation.
- Promote State legislation similar to Pennsylvania's Abandoned and Blighted Property Conservatorship Act.
- Explore City or private loan pools to assist neighborhood associations or property owner entities in neighborhoods that wish to acquire run-down properties and transform them into more desirable homes for resale.
- Focus on creating a "positive energy" regarding neighborhood quality of life.
- Work with Community Development Corporations in Neighborhood Action Areas, and support programs such as the Binghamton Healthy Neighborhood (BHN) collaboration with neighborhood groups.

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Recommendations-4

- Pursue neighborhood beautification efforts such as BHN Curb Appeal Improvements and the Neighborhood Development Project Fund.
- Continue to pursue and promote RestoreNY renovations and new construction.
- Collaborate with private sector entities like the Board of Realtors, Home Builders and Remodelers, and Chamber of Commerce.
- Aggressively pursue such tools as: RFPs for redevelopment of entire blocks of blighted properties; City takeovers (and rehab and resale) of vacant or rundown homes; and brownfield redevelopment under State and Federal grants.
- Aggressively market the value and affordability of housing in this area.

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Recommendations-5

2. Incentivize Student and Professional Housing in Appropriately Zoned Areas (pp. 30-31)
- Partner with area hospitals, developers and property owners to assist health care professionals to locate in neighborhoods convenient to the hospital area.
 - Partner with local educational institutions to assist students, professors, and other employees to locate in nearby neighborhoods.
 - Promote beneficial partnerships such as "City Living Sundays" and "Affordable Homes" fairs.
 - Use zoning tools, such as Planned Development Districts and Overlay Districts, to allow higher densities of students and professionals in areas able to accommodate such densities (see, e.g., **Appendix F**).
 - Partner with financial institutions to use Community Reinvestment Act funds to promote the City's zoning and land-use objectives.

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Recommendations-6

3. Upgrade the Zoning Code to Conform to Best Practices (pp. 31-37)
- Replace the current complaint-driven process for determining whether unrelated tenants are the functional equivalent of family with clearer and fairer rules.
 - There should be a presumptive limit of three on unrelated renters in the R-1 residential district (subject to enumerated exceptions and mitigative measures).
 - In R-2 and R-3 districts, rental units previously in R-4 and R-5 districts are and ought to be "grandfathered" as lawful pre-existing uses—even if they might not currently satisfy "functional family" equivalency criteria.
 - Establish a rental registration, licensing, and inspection program applicable to all rental properties in the City—similar to those employed in other cities and towns, and similar to that for vacant properties under the City's existing Vacant Property Registration law.
 - A nominal registration fee should be charged for each rental unit, the proceeds of which should be used to augment building inspection and code enforcement staff.

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Recommendations-7

- The new rental registration program should be linked to an expanded Certificate of Compliance (COC) program. The COC program, operated in conjunction with the Off-Campus College office of BU, which is currently voluntary, should be made mandatory. And copies of the COC should be required to be posted on the premises of each covered rental unit. It should also be expanded to encompass, not only building and housing code compliance, but also occupancy limits under the Zoning Code. The COC should note the zoning district in which the dwelling is located and the maximum permissible occupancy level in that district—based on any presumptive limit and on applicable State Building Code and Binghamton Housing Code requirements.
- Need to more strongly enforce zoning—including applicable tenant occupancy limits, especially in the R-1 district—and building code compliance.
- Similar to the vacant building program, enforcement authority to ensure compliance with tenant occupancy limits should be given to “any duly authorized” City employee of the Office of Buildings and Construction, Code Enforcement / Fire Marshal’s Office, or designated representative of PHCD.

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Recommendations-8

- Students are a welcome part of the Binghamton community and should not be singled out for more restrictive treatment than other renters.
- Students and other unrelated tenants who wish to live in groups larger than 3 who are unable to do so under tighter R-1 occupancy limits, should feel welcome in R-2 and R-3 neighborhoods where occupancy limits are more flexible. The planning commission should be authorized to issue “special use permits” to rental units in R-2 and R-3 districts that exceed otherwise applicable occupancy limits, without regard to otherwise applicable “functional family” equivalency criteria, where 10 enumerated criteria are all found to be present. Any special use permit should be subject to revocation for dwellings that incur repeated complaints or violations.

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Recommendations-9

- Consider expanding the current definition of “Rooming House” or “Lodging House” to make it easier to construct or convert buildings for such uses in R-3 or C-2 districts.
- More widely publicize and strictly enforce the existing prohibitions against new construction or conversion of existing buildings into multi-unit dwellings except in R-3 or C-2 districts.
- Consider providing tax rebates and incentives for moneys expended by landlords and homeowners in rehabilitation, renovation, and/or exterior beautification of their buildings.
- Actively track and report rental conversions by zoning district and by neighborhood.
- Proactively police and enforce violations of zoning and building codes in areas impacted by high densities of bars and rental housing.
- Allow nuisance properties to be more readily identified and addressed by making a monthly report of violations and complaints by address available on the City’s website.

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Recommendations-10

- Police, fire and public works employees should be cross-trained in the area of code violations and the code should be amended as necessary to allow these employees to legally issue appearance tickets for all relevant sections of the Code.
- Authorize the Fire Marshal to assist the Building Inspector’s office in conducting inspections of all rental properties after the first inspection of a new structure.
- Consider establishing Neighborhood Preservation Overlay Districts in areas of high rental conversion, to impose more stringent restrictions—to restore a healthier balance between owner-occupied and rental dwellings.
- Other “overlay districts” should be established in which *higher* occupancy limits are established, where land-use factors (e.g., availability of mass-transit, proximity to major employers) are likely to reduce the impacts on traffic, parking, etc.

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Recommendations-11

- Consider setting safety-based limits, based on the size of buildings, rooms, and lots, on the maximum number of individuals allowed to congregate in or on residential and commercial properties.

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Recommendations-12

4. Improved City-University Cooperation and Coordination (pp. 37-39)
- Promote friendlier relations between student renters and homeowners through programs for increased communication.
 - City police should continue to notify BU every time a police complaint is made against a student—even where there is no formal police report.
 - Council should enact a Nuisance Party law, similar to those in Syracuse, NY and Raleigh, NC.
 - The “Lockdown” law should be more frequently used against rental houses and landlords associated with frequent nuisance complaints and violations (see, e.g., the program used by the City of Tucson in conjunction with the University of Arizona). Any special exception or use permit granted to a rental property should be deemed rescinded where actionable violations of the Lockdown law occur.

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Recommendations-13

- Establish a voluntary online “Smart Tenant” program, similar to that at Ithaca College, leading to a “Certificate of Completion.”
- Also, establish a “Smart Landlord” program to assist landlords in understanding their rights and responsibilities and promote proper screening of tenants. Successful completion of such a program could be linked to the Certificate of Compliance program and/or the Rental Housing Registration program. It could also be required for landlords found to be in violation of Zoning Code provisions.
- Housing Code reports should be included in the data reported to BU and maintained in the Landlord Registry.

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Recommendations-14

- Pursue, jointly and separately, quality of life programs (see Ithaca College and Syracuse U. examples)—to provide “neighborly behavior” education, information on area quality of life, and programmatic initiatives.
- Pursue increased partnerships between the City and BU.

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