

Tompkins County 2016 Housing Needs Assessment Executive Summary

Background

Available, affordable housing is fundamental to maintaining a vibrant local economy and a healthy community. When housing cannot be found close to jobs, services, and recreation facilities it creates adverse impacts on public health, environmental quality, the cost of local government services, social equity and overall quality of life. Housing development in Tompkins County has not kept pace with growth in employment and students living off campus. Along with competition for housing between working or retired households and students, this has contributed to the high cost of housing and high rates of in-commuters to fill jobs in Tompkins County. Lower and moderate income households are being displaced from neighborhoods in the City and newcomers to the community have difficulty finding adequate housing. Employers cannot attract the workforce they need to expand or even maintain current operations. Many families and households are cost-burdened by their housing expenses leaving inadequate household budgets for such essentials as food and health care.

In 2006 and again in 2016 Tompkins County undertook Housing Needs Assessments to gain a better understanding of the problems. The 2006 effort led to the development of the Tompkins County Housing Strategy in 2007. The 2016 effort will help inform an update of the Housing Strategy as the County strives to meet its Comprehensive Plan's housing principle, that "Tompkins County should be a place where housing is affordable, safe, energy efficient, and appealing."

2016 Housing Needs Assessment

Tompkins County retained the services of the Danter Company to prepare a housing market analysis assessing current and projected housing demand over the next ten years and to develop a quantitative model to calculate current housing needs and to project needs over the next ten years. With recognition that housing needs change throughout a person's life and that no one type of housing is suitable for all households, this work expands beyond the overall unit numbers discussed in the 2006 effort to provide greater nuance into various household and housing unit types. The quantitative model is intended to be adjusted as new data becomes available in order to improve the accuracy of projections. Key indicators built into the model include:

- Employment trends and projections
- Labor force trends and projections
- Population and household trends and projections
- College and university enrollment
- Student employment
- On-campus student housing
- Off-campus student housing
- In-commuters

In developing the analysis and model, the Danter Company staff also conducted:

- A field survey of modern apartment units in properties with 24 or more units
- A field survey of apartment communities with less than 24 units
- A field survey of independent living, assisted living and skilled care facilities
- An analysis of single family and condominium demand in Tompkins County
- An analysis of market rate, Tax Credit and student apartment demand in Tompkins County
- Interviews with nearly 300 real estate professionals, owners, managers and developers
- A survey of 15 organizations housing special needs populations.
- An internet survey of 4,509 Tompkins County residents, in-commuters, and students.

The 2016 analysis suggests that, despite the housing that has been added to the community in recent years, housing problems persist. The 7,159 household gap based on employment identified for 2015 indicates the number of additional households that would need to be housed within Tompkins County in order to

completely house the county's workforce, i.e. eliminate all in-commuting from other counties. Although this complete elimination of in-commuting is not practical – some of those with family ties or other connections to neighboring communities would not move to Tompkins County even if suitable, affordable housing was available – this gap combined with the Needs Assessment's online housing survey results indicate there is much work to be done to provide housing choices within Tompkins County.

The individual reports and analyses produced by the Danter Company provide a variety of details for the 2016 Housing Needs Assessment, key points are summarized below.

For Sale Housing

Development costs make it extremely difficult to build new for-sale housing, such as condominiums and single family homes, for under \$200,000 without public assistance in the form of financing, infrastructure or other support despite the demand for these units. In recent years, single family home construction has averaged 165 units per year primarily costing above \$200,000, and there has been negligible condominium construction.

- The estimated demand for single family homes is 313 units annually, with 28% needed in the \$150,000 to \$199,999 price range.
- The estimated demand for condominiums is 80 units annually, with 41% needed in the \$150,000 to \$199,999 price range.

A disproportionately large share of the single family homes constructed in the county are on scattered lots in rural areas, rather than in neighborhoods, resulting in sprawling residential development that is not only eroding the rural character of many towns, but is difficult to serve with public transportation. The housing survey conducted as part of the 2016 Housing Needs Assessment found that:

- 54% of non-student residents and 33% of in-commuters seeking to relocate within Tompkins County said they would be looking for housing that is walking distance to shopping, employment, recreation, and schools.
- 44% of non-student residents and 40% of in-commuters seeking to relocate within Tompkins County said they would be looking for housing that has easy access to public transit.

Rental Housing

Among the nearly 19,000 market-rate rental units in the county, the overall vacancy rate was 4.8% at the time of the survey. The vacancy rate varies between larger apartment properties with 24 or more units, and small apartment properties with fewer than 24 units. Large apartment properties comprise 30% of market rate rental units, with 64% of these units occupied by students. These large properties have an overall vacancy rate of 1.8%. In interviews, large property owners generally expressed the opinion that there are too many small properties in the market at rents that are too high, and that the small monetary difference in rents between small properties and large properties with greater amenities encourages residents to move up to large properties, which helps keep the large property vacancy rates lower. Vacancy rates do vary across unit sizes and rent prices. In addition to market rate rental units in large properties, there are over 800 subsidized units in large properties that are income restricted. The need for such units outstrips supply, and there were no vacancies among subsidized units at the time they were surveyed.

The remaining 70% of Tompkins County apartments are located in small properties with fewer than 24 units, in part due to the long history of rooming houses and homes divided into student apartments dating back to the early days of Cornell University. The 6.5% vacancy rate in small apartment properties at the time of the survey confirmed the perception expressed in interviews with small property owners that they are already feeling the impact of new rental development with higher vacancy rates.

The Danter Company also compared Tompkins County's large property market rate apartment distribution, by mix and by price, with a "typical" distribution based on aggregating multiple markets with a full representation of different housing products. This prototypical mix helps to identify surpluses and deficits in the Tompkins County distribution, and the analysis found:

- A net unmet need for 1,644 non-student apartments, with the net deficits existing in one- and two-bedroom apartments and a net oversupply in studios, three- and four-bedroom apartments.
- At every apartment size, there are deficits as well as surpluses at different price points. The deficits are primarily clustered in the lower rent ranges for each apartment type, except for two-bedroom apartments which have deficits at nearly every rent level.

Student Housing

Between 2005 and 2015, enrollment at our higher education institutions increased by over 2,700 students. As of 2015, less than half of college and university students lived in on-campus or purpose-built student housing, which is off-campus housing intended for student occupation and rented by the bed. While Northern and Midwestern schools typically house between 20%-35% of students in off-campus purpose-built housing, in Tompkins County only 6% of students live in such units, meaning that competition between student and non-student households for housing has grown in the last ten years. Unfortunately, this competition could significantly worsen between 2015 and 2025. Current projections indicate that there will be approximately 3,300 more students in 2025.

Student respondents to the housing survey indicated a strong preference for living in close proximity to classes and campus activities. Additionally, among those planning to move within the county, 79% say they will be looking for housing within "walking distance to shopping, employment, recreation, schools" and 70% say they will be looking for "easy access to public transportation." However, the current housing situation forces many into off-campus housing that does not match these preferences and might better serve non-student households.

Senior Housing

Despite the presence of large numbers of students, overall our population is aging. There is a complete absence of assisted living beds for Medicaid eligible seniors and a substantial need for in-home care and subsidized housing for lower income senior households. The 2016 Needs Assessment found that the overall deficit in independent living, assisted living, memory care, and skilled nursing beds, for the portion of our population with sufficient income to live in such unsubsidized housing, is 233 beds and expected to grow to a 741 bed deficit in the next ten years. A lack of adequate senior housing with services raises health and safety concerns and prevents seniors from moving out of housing that no longer meets their needs. If more senior options were available these homes could be freed up for younger families.

Additionally, many seniors lack the financial resources to live in unsubsidized housing. There are 836 independent-living, federally-assisted senior apartments in Tompkins County, whose vacancy rates have decreased from 2.3% in 1999 to 1.3% in 2010, to no vacancies reported in this study's vacancy survey. For those seniors whose incomes do not qualify them for subsidized units but are either unable to afford market-rate senior supportive housing or wish to continue living independently in non-supportive housing, affordable market-rate housing units are needed that incorporate universal design and accessibility, both within the housing unit as well as to other locations and services throughout the community.

The housing survey conducted also indicates a growing need for senior housing. Only 12% of non-student Tompkins County residents over the age of 45 responded that they plan to retire outside of Tompkins County and 37% were definite in planning to retire within the county. Of these respondents who are 65 or older, 6%

have lived in the county for 5 years or less, indicating that some seniors are selecting Tompkins County as a retirement destination.

Supportive Housing

Supportive housing is a combination of affordable housing with support services designed to help individuals and families with special needs use housing as a platform for improving the overall physical and economic health of their household; this housing is critical to reducing homelessness. Interviews with 14 nonprofit agencies in Tompkins County were held to examine the need for supportive housing beyond that needed by an aging population.

The difficulty in providing supportive housing for those with special needs mirrors issues affecting the broader community. The lack of adequate housing that is affordable, accessible, and safe creates obstacles for those in need of supportive housing. High development costs and limited land with good transportation connections make it difficult to build new supportive housing units and the lack of code enforcement means that many in need live in substandard units. Neighbors often oppose development of supportive units. Those in need of supportive services often compete with students for rental units and find that housing vouchers are not enough to secure safe housing accessible to work and services. Additionally, there is no local detox program available, and women with or without children are particularly underserved with transitional housing options.

Recent waiting lists and demands for supportive housing indicate both shortages in this type of housing as well as the impacts that larger housing market challenges have on those in need of supportive housing. Homeless shelter stays decreased between 2006 and 2013, in large part due to the distribution of Federal Homelessness Prevention and Rapid Re-Housing Program Funds which helped to supplement the Temporary Assistance Grants which typically are far too small to enable a person to find permanent housing given Tompkins County's high housing costs. The amount of this funding has decreased significantly since 2011, and shelter stays have increased from 5,865 bed-nights in 2011 to 11,470 bed-nights in 2015. When housing affordable on Temporary Assistance is available, there are often significant concerns relating to the safety and poor quality of the units. Young people facing homelessness face particular challenges as there is no group home facility within the county for homeless youth who need an independent, supervised, and supportive environment. Youth often feel unsafe or are restricted by age from traditional homeless shelters, and are less likely to be officially counted in homelessness statistics. Although the Learning Web provides 15 transitional housing apartments for youth 18-24, it is serving 50-60 homeless youth per quarter as best it can without adequate housing options available.

Within Tompkins County, Lakeview Mental Health Services has 32 units and 22 beds of transitional housing for those with diagnosed mental illnesses and 38 single room occupancy (SRO) beds for those who may not have the ability to transition to more independent housing. The SRO has been fairly consistently maintaining a 12-person waitlist. Unity House operates 15 mental health-related independent housing beds in Tompkins County, which served 19 people in 2015. Unity House operates 75 beds for those with developmental disabilities in Tompkins County, which served 78 people in 2015, and 2 respite beds in the county for those providing care to family members with developmental disabilities, which served 9 people in 2015. Although many supportive housing residents would ideally be able to transition to other types of housing over time, the high costs, low vacancies, and other challenges of the local housing market make it more difficult to find suitable housing for them to move on to as their individual situations stabilize and improve. This creates a "logjam" effect when supportive beds are not freed up for others in need of these supportive services.

In-commuters

Due to the persistence of our housing challenges the in-commuter population, which currently makes up over a quarter of the county's workforce, has continued to grow as many who are working within the county find

housing in surrounding counties. Survey results from in-commuters indicate an opportunity to quickly absorb new, primarily for-sale, housing units if affordable ones meeting their needs were available.

- 58% of in-commuters responded that they would live within the county if affordable housing that met their needs was available and 83% would be looking to purchase rather than rent homes.
- 26% of in-commuters who responded that they are considering moving within the next five years indicated they are likely to move into Tompkins County.
- Compared to existing residents who largely prefer the City of Ithaca, in-commuters indicated that their housing preferences are more widely distributed among school districts and municipalities, and that they prefer housing in rural, village, and suburban areas.
- The most recent (2013) in-commuting number of over 15,000 individuals equates to between 10,000 to 14,000 households, given that some households have more than one commuter.

With non-student employment anticipated to increase by nearly 5,800 jobs between 2015 and 2025, a substantial amount of housing would be needed just to prevent additional in-commuting over current levels. If adequate housing was available in Tompkins County to accommodate a portion of these current in-commuters and prevent the need for additional in-commuting, the community could lessen the environmental and transportation impacts of increasing traffic while gaining new community members and taxpayers who already work in our county.

Barriers to Meeting Housing Needs

The potential solutions identified in the 2007 Housing Strategy for Tompkins County have either not yet come to fruition (inclusionary zoning, employer-supported housing) or have contributed to the development of new housing (Community Housing Development Fund) at a rate inadequate to keep pace with the need.

A contributing factor to the problem has been neighborhood opposition to new proposed housing. This can result from inadequate local regulation to assure that new housing is in alignment with community expectations, self-interest (NIMBY, or “not in my backyard”), or lack of understanding of the severity of the housing problem in the community. Several projects that could have provided housing opportunities for those who need it most have floundered in the face of such opposition. Even for projects that are approved and built, high construction costs, high land costs, lengthy and often contentious review processes, the high cost of developing in downtown Ithaca, and/or the lack of construction at a scale that allows for efficiencies, make new housing less affordable. These barriers to new housing development were frequently cited in interviews with real estate professionals and public sector officials.

Next Steps

The 2016 Housing Needs Assessment is intended to inform the 2017 update of the Tompkins County Housing Strategy. This update will also involve community participation as targets for new housing are developed and strategies to meet these targets are discussed. The Housing Summit held on November 30 and December 1, 2016 helped to initiate this discussion while providing opportunities to review this and other housing-related information relevant to the community and examining obstacles to meeting our housing needs and what can be done to overcome them. As more timely data for the quantitative model becomes available, the model will be updated to provide more accurate projections.