



POLICY RECOMMENDATIONS: PLANNING FOR EQUITABLE HOUSING GROWTH IN CENTRAL NEW YORK

PROBLEM STATEMENT

Central New York, a region defined by decades of population loss and subsequent declining housing production, is now faced with the possibility of accommodating more than 75,000 new residents by 2055.¹ This comes at a time of sharp declines in affordability and skyrocketing homelessness. Though population loss had stabilized and even started to reverse during the pandemic, the announcement of Micron Technology’s planned investment in the region is prompting a new conversation around the need for more housing and related infrastructure support. Central New York needs policies and resources that support the development of various housing types to meet the community’s needs and address the **interrelated challenges of low supply, increasing costs, regulatory restrictions and limited capital availability.**

EXAMINING CURRENT CONDITIONS

Though new multifamily development is already in demand and expected to grow, **outside of the city of Syracuse, only 1% of land in Onondaga County’s residential neighborhoods is available for multifamily development** without special permits.²

The most permissible place for multifamily development is in the city of Syracuse, and very little multifamily development is available outside of the city. Most towns and villages in Onondaga County do not have any land currently zoned for multifamily development that doesn’t require a special permitting process. Only **9 of 34** municipalities allow

	% of residential zoned land
Syracuse City	26%
East Syracuse	19%
Liverpool	17%
Town of Salina (Outside Liverpool)	15%
North Syracuse	13%
Fayetteville	8%
Minoa	5%
Town of Manlius (Outside Minoa, Fayetteville, Manlius)	4%
Town of Dewitt (Outside East Syracuse)	1%

apartment buildings of more than 10 units to be constructed without requiring a special permitting process. Further adding to the challenge and cost, many suburban areas require large lot sizes and design features like large setbacks and extensive parking. Restrictive zoning policies place an artificial constraint on

¹ REMI, “Economic and Fiscal Impact of Establishing a Semiconductor Manufacturing Facility in Central New York.”

² CNY Fair Housing “Exclusionary Zoning in Onondaga County.” February 2023

EXAMINING CURRENT CONDITIONS cont...

the housing supply, driving up housing costs and contributing to segregation and inequality.³ Almost half of all renting households and 17% of owner households in Onondaga County are cost-burdened, spending more than 30% of their income on housing.⁴ Decades after the passage of state and federal laws prohibiting redlining, the Syracuse area remains one of the most segregated metros in the U.S.⁵, a status quo reinforced by exclusionary zoning. Moreover, sharp increases in housing costs also squeeze low-income and vulnerable populations out of the market, contributing to increased homelessness.⁶ In the region, this has been evidenced by recent increases in the unhoused population, despite a drop from 2015-2020.

KEY FINDING

Supporting the growth of new supply that incorporates a greater variety of housing, such as multifamily and “missing middle” housing, which includes rowhouses, townhomes, small apartment houses and other small-scale housing types, in addition to single-family detached houses, is necessary to prevent the further loss of affordable and attainable housing in the region and create greater shared prosperity.

PRINCIPLES

The CenterState CEO Housing Task Force and partners in the city of Syracuse and Onondaga County recognize that residential development in Central New York, if left to operate in accordance with current market incentives, will respond by building to the higher-end of the market and by building subsidized housing for lower-income households. To support all housing types and further strengthen the middle housing market, New York State and additional public partners should seek to enact housing-related policies that:

- ▶ Favor **private sector approaches** or public/private partnership models to effect change.
- ▶ **Leverage partnerships** with government, nonprofit entities, neighborhood organizations and other stakeholders to create desirable outcomes.
- ▶ Seek solutions that are **mindful of climate change** in that it does not increase greenhouse gas emissions and meet the spirit and letter of the state’s Climate Leadership and Community Protection Act (CLCPA).
- ▶ Seek solutions that offer **equitable access** and incorporate affordable solutions for those from marginalized populations, due to factors such as race and economic status.
- ▶ Identify policies, programs and projects that **efficiently house people while avoiding high price increases**.
- ▶ Wherever feasible, focus on solutions to develop **smart-growth and transit-oriented development** to preserve the region’s open space, make alternate transportation viable, and maintain quality of life in the area.
- ▶ Encourage the **reuse of existing assets** and rebuild them – or new development adjacent to them – so those existing assets are strengthened.

³ Jonathan Rothwell and Douglas S. Massey, “The effect of density zoning on racial segregation in U.S. urban areas.” Urban Affairs Review

⁴ Local Housing Solutions, Housing Needs Assessment, Onondaga County

⁵ <https://cnycentral.com/news/the-map-segregated-syracuse/schools-across-syracuse-area-13th-most-segregated-by-race-in-the-nation>

⁶ Housing Supply and the Drivers of Homelessness | Bipartisan Policy Center

POLICY RECOMMENDATIONS

Responding to the principles, CenterState CEO offers the following policy recommendations to address the most immediate need and opportunity to jump-start the development of more missing middle housing options.

- 1. Getting to “Yes” In Our Backyard:** Based on discussions with builders, developers and lenders who participated in the Housing Task Force, **missing middle housing**⁷ - a range of multi-unit or clustered housing types – is strongly supported by the market and community because of its **affordability, quality, size and attractiveness**. To bring more of this in-demand housing to the market, it is necessary to help municipalities, developers and builders coordinate, so needless and costly regulations are eased, and proposed designs match the desires and vision of the community. Furthermore, promoting housing development entails embracing cutting-edge and efficient construction technologies, as well as nurturing a pipeline of talent to meet the escalating demand.
 - ▶ **Promote the Governor’s Pro-Housing Community Program** by informing local government partners about the program’s benefits to communities.
 - ▶ **Support zoning reform** through education and site visits to other communities where missing middle and multifamily housing serves the residents’ interests by supplying the market with housing and amenities that attract workers and families and provide robust housing opportunities.
 - ▶ **Provide support to municipalities and planning boards** with tools and resources to undertake comprehensive planning, update design standards to promote missing middle housing and accessory dwelling units (ADUs) and streamline costly regulatory processes by getting planning authorities and developers to collaborate on approaches that reduce the overall time for approvals.
 - ▶ **Lower costs for development** through SEQR reform, such as the “Sustainable Affordable Housing and Sprawl Prevention Act” (Senate Bill S925A).⁸
 - ▶ Improve the financial viability of projects by **supporting the development of innovative, sustainable, and cost-saving technologies** in construction, materials, and AI-driven project management and **developing the talent pipeline for the thousands of construction workers** needed to support over \$750 million of new annual housing projects.
- 2. Get Clarity on Changing Markets:** CenterState CEO welcomes and supports the critical ongoing and forthcoming housing strategies and analyses from the city of Syracuse, Onondaga County and Empire State Development. To support missing middle housing development, local markets will need feasibility studies to understand the impacts of zoning and land use changes and the ongoing population and demographic shifts driven by new employment in the region.
 - ▶ **Support local municipalities in conducting market feasibility studies** to understand regional markets and sub-markets for housing, emphasizing the near-term (18-24 months) and the next three to five years.
 - ▶ Assess the impact of senior populations on housing, specifically how additional housing can free up supply when people downsize.
 - ▶ Provide clear timelines for anticipated population and demographic changes to enable communities and stakeholders to plan their investments and make better decisions to meet future market demand.
 - ▶ Assess the opportunity for reinvesting in aging housing stock by providing support and funding for much needed repairs, energy efficiency improvements and updates to address health risks.

⁷ Missing middle housing is a term that describes buildings ranging in size and density from accessory dwelling units to small-scale apartment buildings like duplexes and townhouses.

⁸ <https://centralcurrent.org/syracuse-state-senator-proposes-changing-review-process-for-affordable-housing-projects/>

3. Develop Tools to Increase the Availability of Capital: The intricate challenge of financing the construction or rehabilitation of missing middle housing aligns well with the expertise of Community Development Financial Institutions (CDFIs). Therefore, a pivotal strategy component should involve promoting and building CDFI capacity, which could address challenges, particularly within the 80-120% of the Area Median Income range.

- › **Establish dedicated capital funds** from public, private and philanthropic sources to bridge the funding gap for strategic workforce housing projects.
- › **Increase state support for CDFIs** by providing deposits and loans to support development of new and rehab construction.
- › **Increase NYS HCR per-unit and per-project funding caps** for both rental and homeownership subsidies to eliminate the gap created by current interest rates and construction costs.
- › **Increase support for NYS capital programs** that address individuals and families earning between 80-120% AMI.
- › **Provide funding for local low-interest revolving loan funds** to help lower the blended cost of capital.
- › **Expand funding** for programs like the State of New York Mortgage Agency (SONYMA) to incentivize private banks in the state to loan at a lower blended interest rate.
- › **Encourage the creation of affordable housing** by offering tax incentives to both mixed-income and 100% affordable projects.

4. Build Community Strength: Advocating for a healthy housing market, which includes supporting housing for a diverse mix of incomes and socio-economic backgrounds, lies at the core of needed initiatives. Supply-driven solutions to affordability, such as missing middle housing, are generally helpful in addressing affordability, but specific initiatives are also needed that build community strength and support shared prosperity across Central New York's communities:

- › Provide funding and support **to advance homeownership and community equity** through community wealth-building opportunities, like neighborhood REITs, support for Minority Depository Institutions, and funding to promote homeownership and home maintenance for low- and moderate-income households.
- › Provide additional funding to **enhance existing transit** and support housing near transit and other **areas of opportunity**.
- › Support sustainable middle market housing development through **infrastructure planning and capital support** like the FAST program, but directly tied to the housing needed to support workforce growth.
- › Provide **new and additional funding to address growing homelessness** in Central New York, such as increased eviction prevention funding, greater access to housing assistance vouchers, increases in Empire State Supportive Housing Initiative award amounts, and continuum of care services.
- › **Provide funding and supportive policies** to develop housing for households earning less than 80% of Area Median Income.

CONCLUSION

Central New York faces a critical juncture. Addressing the region's housing needs requires revising zoning laws, streamlining regulations, and fostering public-private partnerships to promote diverse, affordable housing. To address the housing challenge, it is necessary to prioritize mixed-use and multifamily developments, encourage innovative construction methods, and boost funding for community-based financial institutions to bridge financing gaps. Moreover, building community strength through wealth-building opportunities and transit-oriented development is vital. To create a more equitable and sustainable future, it is imperative for public and private sector leaders to act collaboratively now, embracing bold leadership and inclusive planning that brings all stakeholders to the table.

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