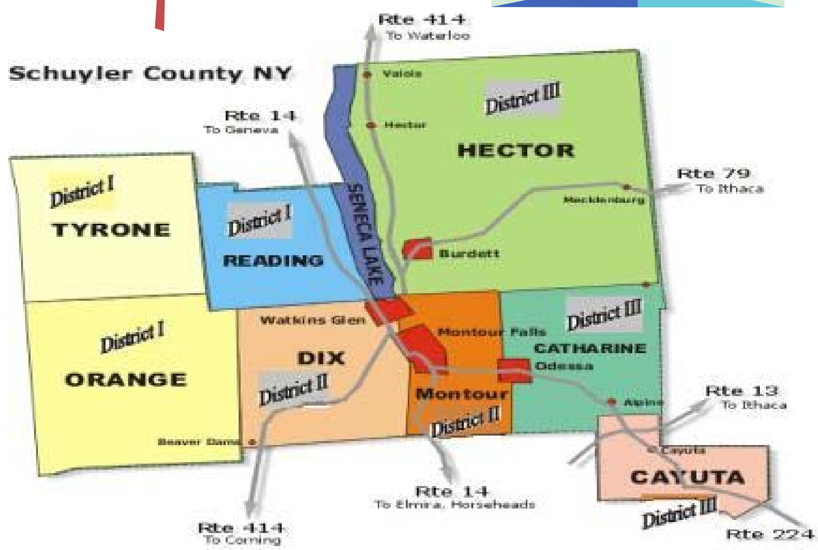
Schuyler County Housing Needs Assessment

From 2007 to 2020



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With Project Consultation from Economic & Policy Resources, Inc.

About the Study

The Schuyler County Housing Needs Assessment (HNA) began in the Summer of 2008 and was completed over the course of nine months. The County is one of New York's smallest in population and has also experienced slow growth in terms of income and overall economic development over the last 10-15 years. The lack of up to date information on the County's owner and renter housing stock motivated this needs assessment, with the goal to encourage economic development, raise property values, improve housing conditions, and attract young professionals, families and recent retirees. In order to accomplish these goals, the study set out to identify and quantify the County's current and prospective housing needs, identify opportunities and constraints to housing development, and propose reasonable solutions to help meet the housing needs of the County's residents.

The study was funded in part by the New York State Quality Communities Program. A steering committee guided every step of the project and reviewed all methods and estimates developed. The participation and counsel of the following committee members was much appreciated over the course of the project:

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Executive Summary

Housing in Schuyler County has become a priority for local decision-makers and planners, as many residents struggle to find safe, affordable and suitable housing to meet their needs. The housing challenges faced by the County include poor housing conditions, a lack of affordable housing, and a shortage of market rate housing appropriate for middle-income professional employees. The housing situation in Schuyler County likely represents a major obstacle to overall economic development in the county. Housing is essentially the “face” of the community and poor housing conditions drive away potential residents, employees, and employers who choose to relocate to surrounding counties. Poor housing conditions can also add to local health care costs and negatively affect business productivity. A lack of affordable and appropriate housing for low and middle income families also creates barriers for employers to attract and maintain a quality workforce, and forces potential residents to seek housing elsewhere. This Housing Needs Assessment (HNA) was motivated by the need to identify and quantify the County’s housing challenges, and to develop practical recommendations on how to move forward to address the current and future housing needs in the County.

The HNA began in the summer of 2008, just as the problems in the U.S. housing market became apparent, and the U.S. economy showed serious signs of weakness. The current downturn in housing, and the economy overall, played an important role in this study and is accounted for the in the economic and demographic forecast, which was developed as a foundation piece of the project. The forecast anticipates house price declines of 10.0%, with a bottom in Schuyler County coming in 2009. While the expected declines in house prices will alleviate some affordability pressures in the short term, the relief will likely only be temporary. Once the economy and the housing market recover, affordability pressures are expected to continue to increase over the forecast horizon of the HNA.

The Housing Needs Assessment consisted of the following steps: development of a long term economic and demographic forecast, calculation of affordable house prices and rents, an updated inventory of the housing stock and a conditions assessment, an estimate of current housing needs based on affordability, projections of housing unit needs out to 2020, and the development of recommendations on how to meet the current and expected housing needs. Overall, it is estimated that in 2007 Schuyler County had a total affordability gap of 714 units, consisting of 319 owner units and 395 renter units. Much of the County’s housing stock is also in need of repair or upgrade. In the conditions assessment, 43.4% of the housing units were deemed to be in need of some level of repair, and 11.7% are in such poor condition that they could be candidates for demolition.

Although housing challenges were the focus of this needs assessment, housing is inextricably linked to the overall economic development of the County. Any recommendations included in this HNA must be complemented with strategic economic development efforts that create and retain jobs, boost incomes, encourage economic activity, and attract new residents to the region. Housing should also be viewed in a broader context, linking housing efforts with other planning policies and initiatives including zoning changes, development of transportation systems, infrastructure improvements (such as water and sewer), social services, access to retail services, and demographic changes that are occurring in the County. Effective housing policy must take all of these factors into consideration in determining what types of housing units are needed, how many, where, when and for whom.

In order to address the current and expected housing needs of the County's residents, recommendations were developed as a part of the HNA. The recommendations reflected a combination of extensive research and currently recognized "best practices" approaches that are employed by housing advocates and organizations all over the country. The recommendations are presented in four parts: (1) Facilitation of Improvements to the Housing Stock, (2) Continued Development of the Council of Governments, (3) Ensuring Affordable Advocacy, Funding and Production into Perpetuity, and (4) Additional Market Research. The recommendations offer reasonable solutions and practical goals ("*what needs to be done*"), and identify specific methods that can be used for implementation and achievement of those goals (*"how to do it"*).

Several highlighted recommendations include: a focus on rehabilitation and weatherization, construction of additional housing units, continued leadership and coordination provided by the Council of Governments, the establishment of a County or regional Housing Trust, and research necessary to better understand the housing market for renters and commuters. In order for these recommendations to be successfully implemented, the county will need to maintain momentum after the completion of this HNA – focus must remain on housing. To keep housing at the forefront and a priority for action, the County will need to establish a housing coordinator to serve as a resource for information, to maintain knowledge of potential grant funding sources and application procedures, and to act as an advocate for action.

1. Introduction

Housing in Schuyler County has become a priority for local decision-makers and planners, as many residents struggle to find safe, affordable and suitable housing to meet their needs. The County's residents face a variety of challenges including poor housing conditions, a lack of affordable housing, and a shortage of market rate housing appropriate for middle-income workers. The housing challenges represent a major obstacle to overall economic development in the county. Housing is essentially the "face" of the community and poor housing conditions drive away potential residents, employees, and employers who choose to relocate to surrounding Counties. Poor housing conditions also lead to health and safety concerns for residents, increase local healthcare costs, and decrease business productivity. A lack of affordable and appropriate housing for low and middle income families also creates barriers for employers to attract and maintain a quality workforce, and forces potential residents to seek housing elsewhere.

The housing situation in Schuyler County is inextricably linked to overall economic development, and presents the County with what appears to be a self-re-enforcing conundrum - economic development depends on the creation and retention of good paying jobs, but job creation is prevented by the troubled housing situation. Breaking this cycle may open the door to stronger economic growth than the County has experienced in the recent past. Developing an appropriate strategy for addressing the county's housing problems requires that the extent and nature of the problem be thoroughly understood. With the goal of helping decision makers find a long term remedy to the housing challenges, the Schuyler County Housing Needs Assessment sets out to quantify the magnitude of the housing affordability problems in the county. This is done using both public and private data, economic theory, statistical analysis, and the judgment of the consulting economists. The study begins with an assessment of affordability conditions in the county, followed by an overview of the county, state, and national economic outlook with commentary on what the data portend for the county. The third section presents an analysis of the housing market trends in Schuyler County; which is followed by an assessment of the current housing needs of the population and some policy recommendations.

2. Assessing Affordability and Housing Quality

2.1 Affordability Calculations

The affordability analysis presented in the HNA is based on U.S. Department of Housing and Urban Development (HUD) guidelines. Owner occupied housing is affordable if not more than 30% of a household's gross income is spent on a mortgage payment, utilities, taxes, and insurance. For renter units, the HUD standard is that no more than 30% of a renter household's income should be spent on rent and utilities (including fuel for heat, hot water and cooking, electricity for lights, water and waste water charges, and trash removal).

An affordable house price was determined through the following steps: an affordable monthly housing payment was calculated by dividing median annual household income by 12 and then multiplying by 30%, following HUD guidelines. Insurance costs and property taxes were estimated and deducted from this affordable monthly housing payment, resulting in an amount available to "affordably" pay a monthly mortgage. Based on this affordable mortgage payment, an affordable house price was calculated assuming a fixed interest rate, a private mortgage insurance rate, and a 30-year loan term. These calculations allowed us to determine the value of a house that could be purchased, given a certain income level, without a household being housing-cost stressed.

Table 1 below shows the calculation of the affordable home price by income group, displaying the median house price in Schuyler County, and the difference between the median house price and the affordable house price for each respective income category. As shown in the table, affordability pressures in County appear to be concentrated at the lowest income level, at or below 50% of the County median household income. A household earning 120% of the household median income could afford a house worth $104,836, which was sufficient to affordably purchase a median priced house. The median income household was $17,794 shy of the median priced house. The table also shows the number of houses available at or below the affordable price for each income group – at 120% of the median household income, 62 of 147 sales would be considered affordable. This represents 42.2% of the total number of sales. For households at the lower income levels, the difference between the affordable price and the median price increases and the number of houses available decreases. For households earning 50% of the median household income, only 5 houses (3.4% of total) were sold at or below their affordable price. For renter households in Schuyler County, the estimated affordable rent is less than the median rent only for the lowest income group, less than 50% of median household income. For the income groups 80% of median household income and above, the affordable rent exceeded the median rent.

Table 1. Estimated Affordable Home Prices in Schuyler County, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$21,327	$34,122	$42,653	$51,184
Monthly Household Income	1,777	2,844	3,554	4,265
Utility Expenses	$178	$188	$210	$214
Home Owners Insurance Expenses	$13	$24	$31	$39
Property Taxes	$106	$199	$256	$318
Private Mortgage Insurance (0.99%)	$28	$52	$67	$83
Affordable Mortgage Payment Per Month	$209	$391	$502	$626
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$1,399	$2,618	$3,368	$4,193
Affordable House Price (2007)	$34,972	$65,448	$84,206	$104,836
Estimated Median Home Price (2007)	$102,000	$102,000	$102,000	$102,000
Affordable Home Price Gap	($67,028)	($36,552)	($17,794)	$2,836
Number of House Sales at or Below the Affordable Price	5	30	42	62
Percent of Total Sales (147 Sales)	3.4%	20.4%	28.6%	42.2%

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Table 2. Estimated Affordable Rent in Schuyler County, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$21,327	$34,122	$42,653	$51,184
Monthly Household Income	$1,777	$2,844	$3,554	$4,265
Monthly Utility Expense (Excluding Telephone)	$142	$150	$168	$171
Income for Housing Costs (Including Utilities)	$533	$853	$1,066	$1,280
Affordable Rent (2007)	$391	$703	$898	$1,108
Estimated 2007 Median Rent	$472	$472	$472	$472
Affordable Rent Gap	($81)	$231	$426	$637
Estimate of Affordable Units	422	1654	1864	1873
Percent of Total Units (1879)	22.5%	88.0%	99.2%	99.7%

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This analysis was repeated for each town in Schuyler County, factoring in each municipality's property taxes, median income, median house price, utility costs, and assumed insurance rates across municipalities. The analysis allowed an affordable house price and rent to be identified by income level for each municipality, and for the determination of the number of sales at or below each income group's affordable price on the owner side. The affordability analysis for each municipality is presented in Appendix B on page 45. The estimated affordable house prices and rents were also used in the Affordability Gap Analysis section of the HNA, presented on page 21.

2.2 Assessment of Housing Quality

While some residents are experiencing affordability challenges in the County, the poor quality of the housing stock is reported to be a much more pervasive issue. Most of the County's housing units are relatively old, with few units built in the last 15 years. According to the 2000 census, most units were built in 1960s or earlier. Due in part to the age of the housing stock, a substantial portion of the County's housing units are in disrepair and require some level maintenance or rehabilitation. Limited data are currently available to help in understanding just how many units require renovation, how extensive the needs are, and where the poor quality units are concentrated. The most recent data available again come from the 2000 census, which includes a count of sub-standard housing units. This data is almost nine years old however, and clearly underestimates the current challenge when it comes to housing conditions. The primary method of assessing the quality of the County's housing stock was through a County-wide windshield survey, in which each housing unit was evaluated and assigned a score according to a conditions scale. The survey was comprehensive and included all accessible roads in the County and all observable housing units. The conditions assessment could only gauge conditions from the outside of the unit and did not include any evaluation of inside conditions.

2.3 SWOT Analysis

As part of this study, the strengths, weaknesses, opportunities and threats (SWOT) regarding the economy, housing market and future of Schuyler County were assessed by our team through nineteen interviews with local officials, developers, and non-profit executives who are active in providing housing or are otherwise stakeholders in the results of this study. A presentation was made to the Watkins Glen/Montour Falls Rotary Club followed by a discussion of the housing market in the county during their September 25, 2008 weekly meeting. Interviewees were identified through consultation with the Cornell Cooperative Extension Service and the project steering committee. The interviews were completed during September, 2008. The objective of the interviews were: 1) to obtain a "reality check" on the data the team assembled, (2) to get a face-to-face description of the facts and nuances of the situation "on the ground," and 3) to solicit ideas and insights which could lead to solutions.

Located along two sides of Seneca Lake and crossed by ranges of rolling wooded hills containing national and state forests, Schuyler County has long been a tourist destination. The interviewees were universal in praising the natural resource endowments of the region, including scenery, recreation opportunities and economic potential of the county. Many commented that given the area is such a great place to live, they are frustrated that people who want to live there can not find a suitable dwelling. Historically, development has been limited to Watkins Glen, Montour Falls and a few scattered villages within the county. SWOT participants indicated that the terrain, soils and barriers to transportation presented by the lake limited early development in the county. More recently, the county's rural culture, the seasonal nature of the region's tourism industry and the growth of employment centers in the cities to the south and east, resulted in alternating between six months of quiet existence as a lightly growing but aging community, and six months of vibrant activity when welcoming visitors to the region.

The assessment of strengths, weaknesses, opportunities and threats for Schuyler County gives an unvarnished look at how the interviewees feel about Schuyler County's past and future potential. No individual's words were quoted or attributed. Although there was a diversity of opinions and ideas, there was surprising accord on what was right, what was wrong and what needed to be done. The following are highlights of the SWOT Assessment:

- **Strengths:** favorable locations, knowledgeable and engaged local government and non-profit organizations, available debt capital for housing, additional sewer and water infrastructure capacity.
- **Weaknesses:** uncoordinated County and local government policies, natural resource barriers, and a lack of appropriate housing options for certain groups, such as mid-level and management level professionals, seniors and disabled residents.
- **Opportunities:** the Council of Governments (COG) initiative, available land to be identified for development, local resources and will to establish a housing trust, the possibility of developing a downtown market place area in Watkins Glens.
- **Threats:** current economic conditions, high property taxes, and the persistent lack of high-paying jobs.

The full SWOT analysis is available as Appendix C of this report (on page 61).

2.4 Housing Wage Analysis

This section provides a brief description of a supplemental housing wage analysis that was completed in order to connect the abstract concept of housing affordability to the Schuyler County labor market. Earnings in 2007 for selected job sectors in the County were compared to the earnings necessary to affordably own a median priced house, or pay rent on a median priced apartment. Data from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW) are used in the analysis, and allow for comparison between average earnings in various sectors of the regional labor market and the income necessary to avoid housing cost burden, or the housing wage.

The analysis showed that the average wages in the major job sectors were generally sufficient to affordably rent a median priced apartment in the County. Of the seven top job sectors, by share of total employment, six paid a wage that would allow a single earner household to rent affordably. In terms of an "earnings multiple," only the wage paid in the Accommodation and Food Services sector would require a household to have multiple earners in order to be able to rent affordably.

For owners, the housing wage analysis showed that the most important job sectors in the County generally did not pay enough for a single earner to affordably purchase a house. Of the seven top sectors, by share of total employment, only the Construction sector paid a wage that would allow a single earner to affordably purchase a median priced house. In terms of an “earnings multiple,” most job sectors would require more than one earner in the household to affordably purchase a median priced house. The sectors Retail Trade and Arts, Entertainment and Recreation would require 2 or more earners, while the Accommodation and Food Services would require at least 3 earners in the household.

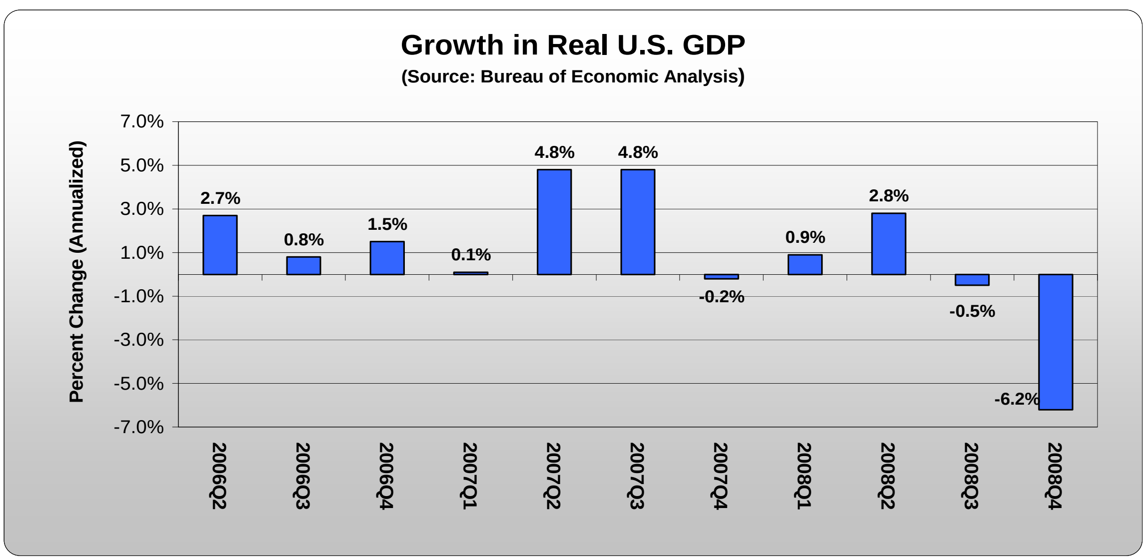
The detailed housing wage analysis is available in this report as Appendix D on page 70.

3. Economic Outlook

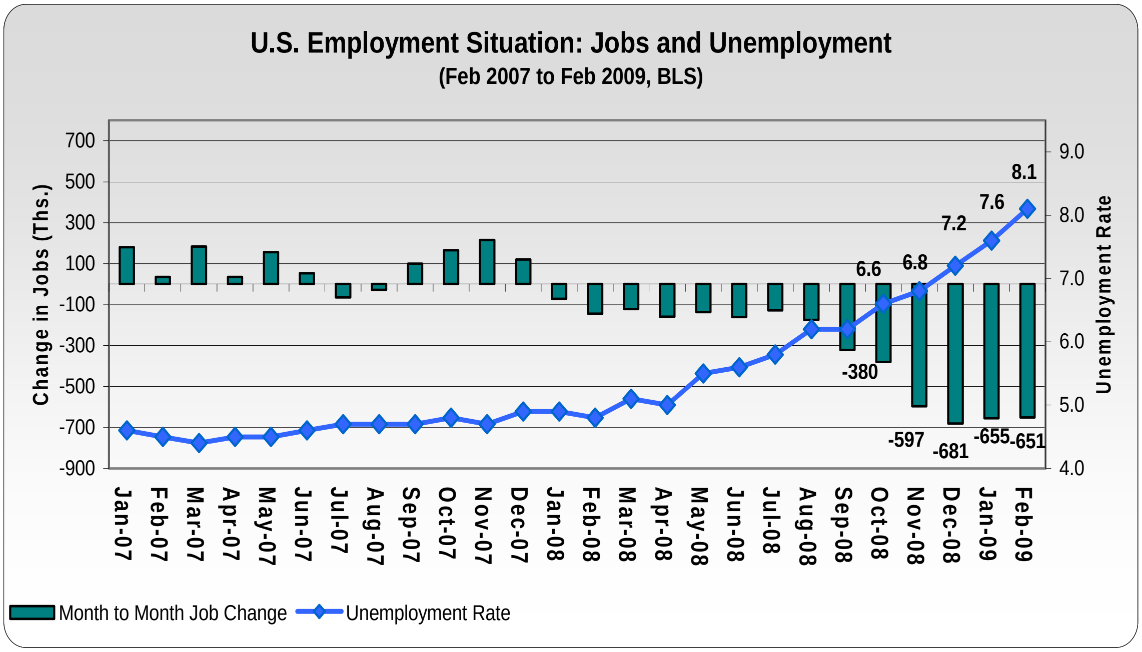
3.1 The U.S. Economy in Recession

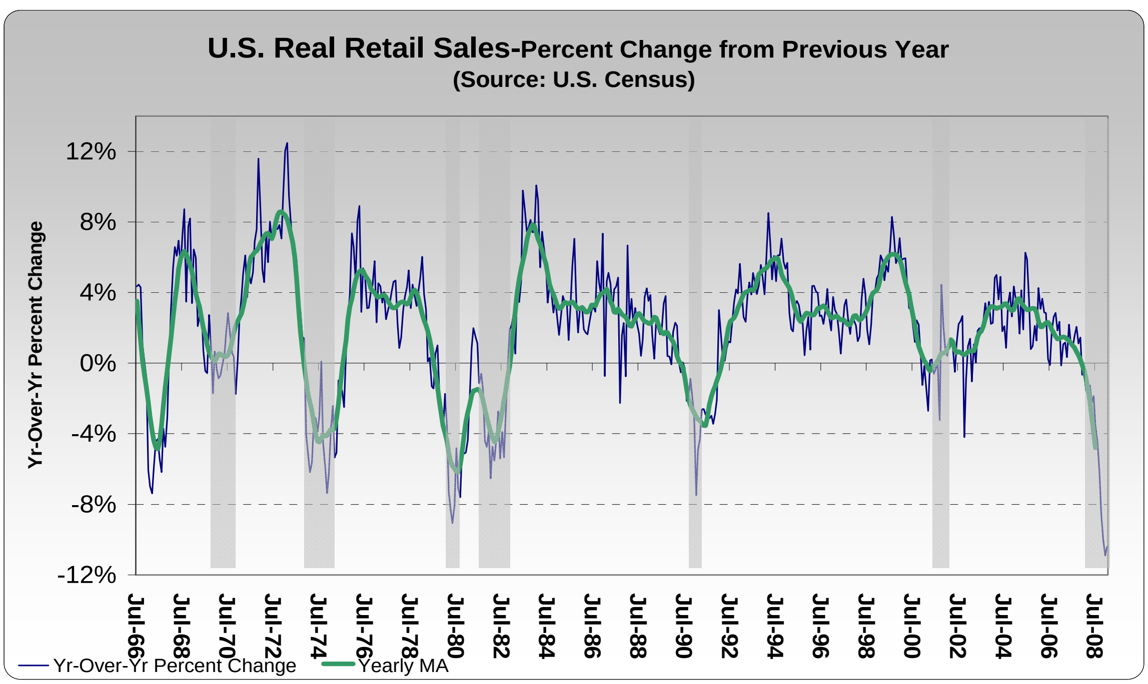
This Housing Needs Assessment began in the summer of 2008, as the U.S. economy was in the midst of the current downturn. In December of 2008, the National Bureau of Economic Research (NBER) officially determined that the U.S. recession began in December of 2007 and as of March 2009, has lasted for 15 months and still has not shown any signs of recovery. Several factors in the U.S. economy will be discussed in this section: (1) the downturn in the national housing market, (2) the financial markets and the tightening of the availability of credit, and (3) volatile energy prices that have squeezed household budgets and added significantly to business costs.

Since the fall of 2007, virtually all major economic indicators have reflected a deteriorating U.S. economy. The broadest measure of the health of the U.S. economy, gross domestic product (GDP), has been weak over the last year, with the exception of the second quarter in 2008—which was aided by substantial government rebate checks. GDP declined in the last quarter of 2007 at an annual rate of 0.2% from the previous quarter. Figures on GDP growth are shown in the graph below, and show a significant drop off in economic activity in the last quarter of 2008.



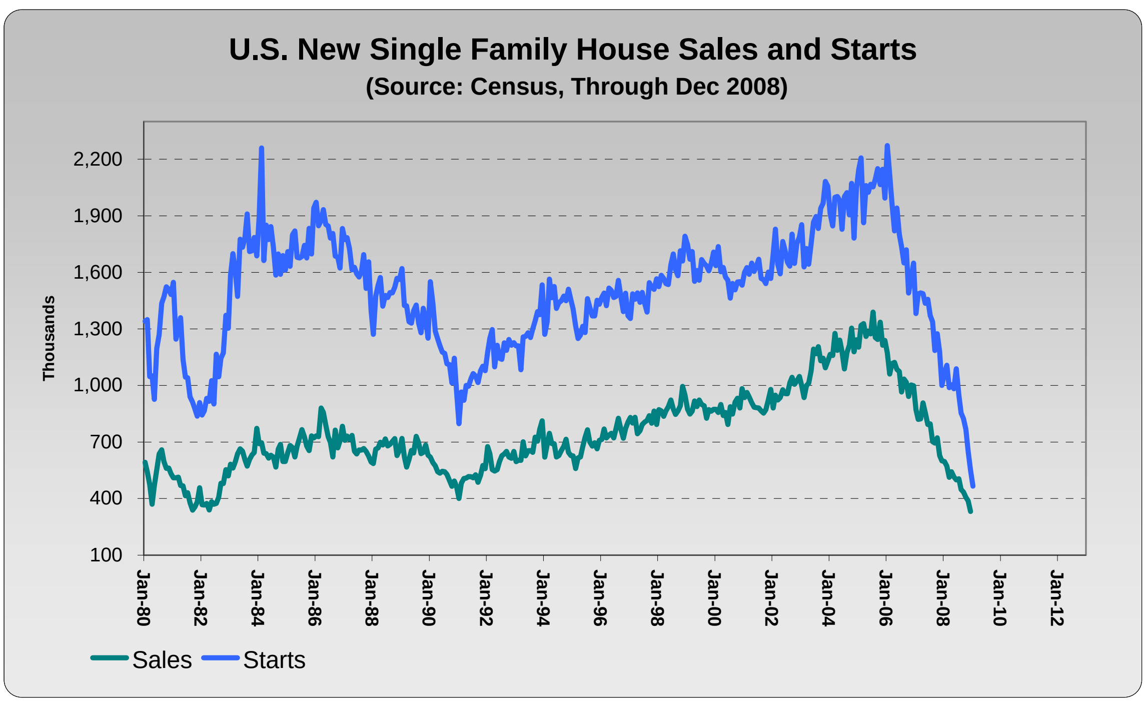
In addition to the weak GDP numbers over the last 5 quarters, most other indicators were also negative, including payroll jobs, retail sales, and indicators for the national housing market that in many ways is going through its worst downturn since the "Great Depression" of the 1930s. U.S. employers have shed over 4 million jobs since the recession began, driving up the unemployment rate to 8.1%. Retail sales have been weak in nominal terms, but when accounting for inflation, real retail sales have actually been negative for the past 9 months versus the same period the previous year (see the chart below). This is an indication that households and consumers are under increasing budget pressures–a troubling sign as roughly 70% of the nation's economy is tied to personal consumption.





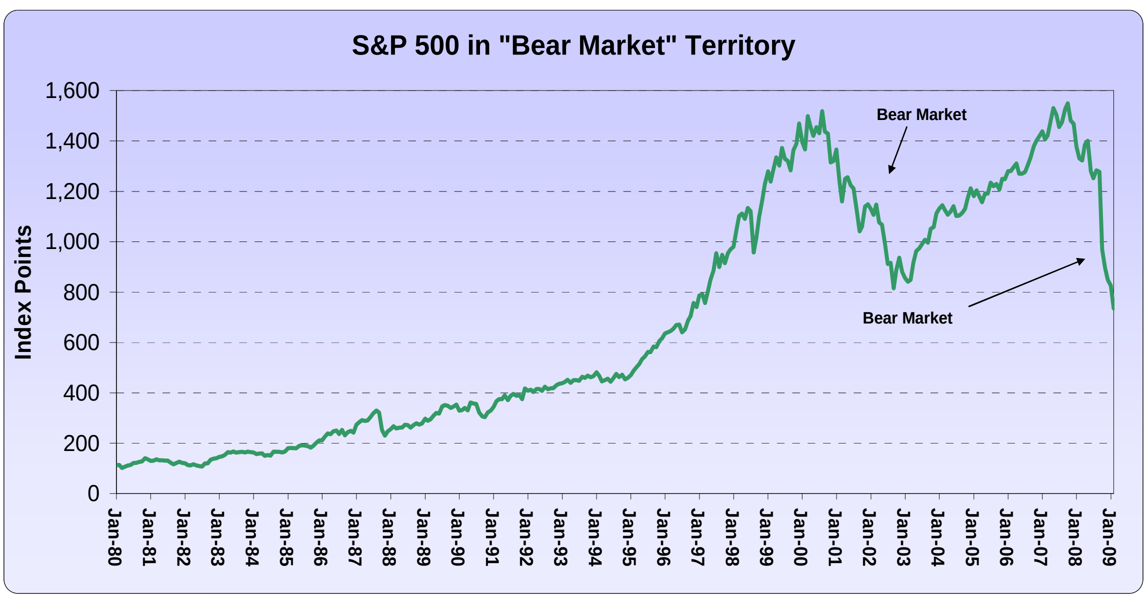
Nearly all of the economy's current problems have roots in the housing sector and the ripple effect the housing market decline has had throughout the economy. The decline in house prices has left many home owners with loans to pay off that are greater than the value of the home. This has encouraged some owners to simply walk away from their mortgage, resulting in a foreclosure; or cash strapped buyers have opted to sell quickly and at a discounted price. Forced liquidation and foreclosure sales put downward pressure on prices, sometimes amounting to 30%-40% discounts off the original purchase price. These forced, discounted sales, in turn, often serve to exacerbate value-to-mortgage problems in the market. As prices are forced down, more home owners suddenly find themselves in a situation where the value of their mortgage is greater than the value of their house.

Housing sales and construction data indicate that the housing market has yet to reach its bottom as of March of 2009. Nationally, single family home sales have fallen by 76.1% since their peak in July 2005, and housing starts have dropped by 79.5% since their peak in January 2006 (see the chart below). The housing downturn has had other impacts on the economy. As the value of homes have fallen, consumers have not been able to extract equity from their homes to the degree to which they previously did during the run up in housing values from the late 1990s to the mid-2000s. Because wage and salary increases have been small and have not kept up with inflation, households today have considerably less spending power, and news of recent housing price declines suggest that they have considerable less wealth to draw from as well. According to some estimates, housing price declines across the nation have cost the average homeowner more than $30,000 in lost equity (or wealth).

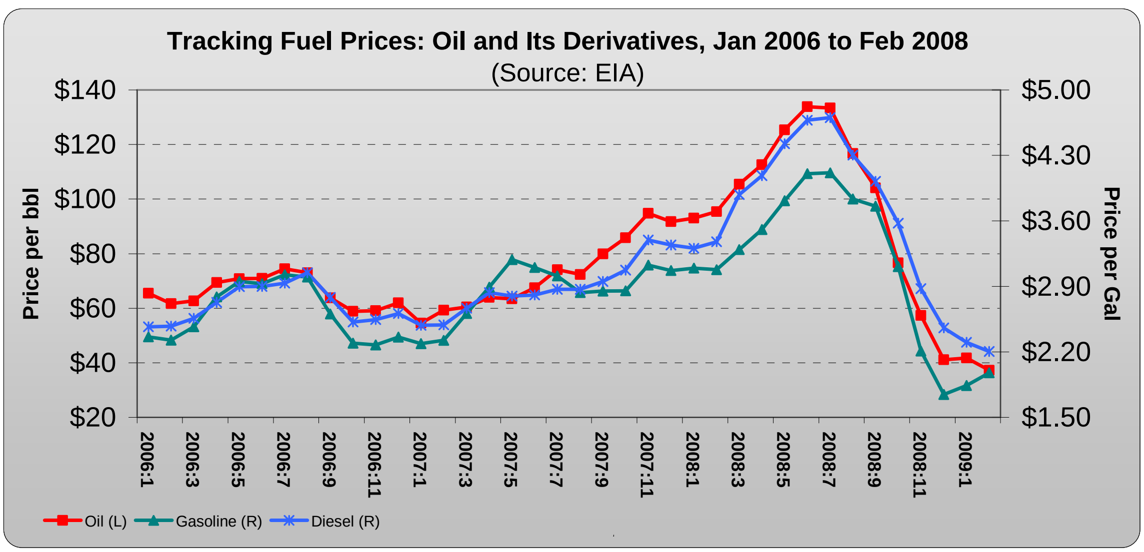


In September of 2008, U.S. and global financial markets essentially froze up, with interbank lending all but coming to a complete halt as banks were unable to gauge risk. Since access to capital is a fundamental element in the financial system, the resulting contraction of interbank lending has been a problem for major economies all over the world. In short, the contagion that first began in August of 2007, significantly intensified in September of 2008, and spread beyond Wall Street and the financial sector to the broader economy. Confidence has been a major problem and central banks around the globe are still trying to deal with this spreading contagion.

The September 2008 financial market turmoil has affected the ability to obtain credit, for households and businesses, and this problem is still being worked out as of March of 2009. As house prices have declined and foreclosures continue, investors holding mortgage-backed securities have incurred major losses. As a result, the perceived risk of lending has increased and investors and banks are wary to lend and credit has become much harder to obtain. This, in turn, has affected business' ability to finance expansion and to hire new workers, and households' ability to consume on credit has been reduced. The tight credit markets have seen the virtual disappearance of sub-prime loans made to riskier borrowers, and even credit for good risks is more difficult to obtain. The lack of available credit and resulting uncertainty has affected financial markets as seen in the recent volatile, but mostly negative, performance of the stock market. The stock market indexes have recently dropped to levels not seen since 1997, although there have been some signs of stabilization as of the beginning of 2009.



Energy prices had a substantial impact on the national economy in 2008 and also played an important role in this HNA. Since hurricane Katrina in 2005, the price of crude oil and its derivatives gasoline, diesel fuels, and home heating oil have experienced substantial spikes, followed by periods of decline. However, the path of energy prices has been unmistakably higher as the price of a barrel of West Texas Crude oil, a commonly used bench mark, nearly quadrupled, from an average monthly price of $34 per barrel in January 2004 to $133 per barrel in July 2008. As shown in the graph below, both gasoline and diesel fuel followed the price of crude as it increased in the summer of 2008. Prices peaked in July of 2008 and there have been significant declines in the prices of both oil and its derivative fuels since the July peak. However, it is important to note that the price of oil remains volatile and elevated relative to historic levels, and continues to siphon off spending power from households and businesses. The recent decline in oil prices was likely driven by recession fears, and most forecasts expect that the upward trend will continue as the U.S. economy begins to recover over the next 2-3 year. As consumers and businesses spend more on fuel, less money is available to spend elsewhere.



The events in the U.S. economy over the last 18 months influenced the long term economic and demographic forecast for the county in three important ways: (1) credit is expected to be more expensive and more difficult to obtain in the near term period 2007-10, (2) energy prices are expected to remain at levels that are elevated relative to historic prices, and (3) the struggling economy will likely exacerbate already weak population growth forecasted for the County.

Regarding the first, more expensive credit that is difficult to obtain will mean that home ownership will likely be more difficult to achieve over the next several years, compared with the low interest rate period of the early 2000's. Tighter credit could also mean that recovery from the current economic downturn will be slow and protracted, as businesses in Schuyler County, the U.S. overall, struggle to find financing for expansion. Once the housing and financial market problems have run their course and begun to recover, the economy should eventually return to expansion at a level closer to its long term average rate of real growth (roughly 2-3% per year in terms of GDP). Regarding the second, high energy prices will likely act as a drag on the economy unless or until new technologies are developed and implemented that reduce energy usage and the nation's reliance on fossil fuels. The above estimate of additional spending on petroleum is an example of how high energy prices siphon off money from the regional economy. The third factor, slowing population growth, is a trend that can be observed in other regions in the northeast part of the country as well. The changing demographics imply that the next 10-15 years will likely be very different than the last 10-15 years, with relatively restrained economic growth expected in the forecast.

3.2 Schuyler County Economic and Demographic Forecast to 2020

Economic conditions, population growth, and household formation will determine housing demand in Schuyler County over the forecast period. This section provides a summary description of the forecast for the relevant economic and demographic variables. The forecast variables are presented in the near term (to 2010) and the long-term (to 2020). The economic and demographic forecast tables for the U.S. overall are available in Appendix E on page 76 of this report.

3.2.1 Economic Variables

Overall, the county's output or GRP, will increase by 2.1% annually, from $348.6 million in 2007 to $370.6 million in 2010.[1] Output will then increase by 2% per year out to 2020, to a total of $449.6 million. It is expected that annual growth will be subdued in the near-term to 2010 relative to the 2000-07 period, and will remain at annual rates of growth of roughly 2% per year in the long term out to 2020. A risk going forward is that the County could be negatively affected by the current recession more so than is built into the forecast. The forecast takes into account various economic development projects that are know to be occurring in the County and should positively contribute to overall output and employment.

Total non-farm employment in the county will grow from 4,933 in 2007 to 5,098 in 2010, an annual growth of 1.1% over the four year period. Continuing out to 2020, employment will slow to about 0.5% per year, reaching 5,424 jobs. The construction and manufacturing sectors are expected to lose 39 jobs and 51 jobs respectively. The total increase in jobs will be 491 and most of the growth will come from the education and health services, and leisure and hospitality, with 263 and 375 jobs respectively.

[1] GRP, or Gross Regional Output, is reported here, and in the individual county sections, in 2000 dollars, adjusted for inflation.

3.2.2 Demographic Variables

The population of the county overall will grow from 19,027 in 2007 to 19,631 in 2010, an increase 604, or annual growth of 1.0%. Growth will slow down to an annual rate of 0.1% out to 2020 and 301 more residents will be added to the population bringing the total to 19,932. All of the growth will be among older residents with younger cohorts declining in number: of the total increase of 905 persons over the period 2007 to 2020, 785 will come from the 65 and over age group, and more than 418 will come from the age group 45 to 64.

The number of households in the region will grow by 0.9% per year, adding 202 new households by 2010. Household growth will continue at 0.4% per year going forward to 2020. Given the trend of declining household size described above, the average household size for the county will remain essentially unchanged from 2.61 persons per household in 2007 to 2.62 in 2010, to 2.55 in 2020.

3.2.3 Economic and Demographic Forecast Tables

Table 3. Schuyler County Economic Variables, 1991 to 2020

							Annual Percent Change				
	1991	2000	2007	2010	2015	2020	1991-01	2001-07	2007-10	2010-15	2015-20
Gross Regional Product (Mil. Constant$)	234.282	273.202	348.629	370.681	406.499	449.597	1.4%	4.3%	2.1%	1.9%	2.0%
Total Non-Farm Employment (Ths.)	4.133	4.308	4.933	5.098	5.293	5.424	0.3%	2.4%	1.1%	0.8%	0.5%
Construction	0.260	0.223	0.401	0.385	0.354	0.360	-2.6%	12.4%	-1.3%	-1.7%	0.3%
Education & Health Services	0.570	0.511	0.842	0.902	1.014	1.105	3.1%	1.5%	2.3%	2.4%	1.7%
Financial Activities	0.003	0.043	0.065	0.061	0.073	0.077	31.4%	4.7%	-2.2%	3.7%	1.1%
Government	1.037	1.189	1.271	1.291	1.286	1.269	0.7%	2.2%	0.5%	-0.1%	-0.3%
Federal government	0.024	0.040	0.053	0.052	0.051	0.050	-0.1%	13.8%	-0.4%	-0.6%	-0.4%
State-local government	1.013	1.149	1.218	1.238	1.236	1.219	0.8%	1.8%	0.6%	0.0%	-0.3%
Leisure & Hospitality	0.347	0.654	0.629	0.746	0.858	0.904	4.8%	2.1%	5.9%	2.8%	1.1%
Manufacturing	0.733	0.591	0.508	0.485	0.462	0.437	-1.5%	-3.5%	-1.6%	-0.9%	-1.1%
Electronic & Electrical Manufacturing	0.108	0.062	0.045	0.042	0.041	0.041	-5.8%	-4.4%	-2.4%	-0.6%	-0.1%
Professional & Business Services	0.023	0.120	0.099	0.101	0.119	0.128	9.3%	10.2%	0.5%	3.3%	1.6%
Trade, Transportation, & Utilities	1.077	0.829	0.967	0.971	0.964	0.978	-3.7%	4.6%	0.1%	-0.1%	0.3%
Total Labor Force (Ths.)	9.201	9.409	9.954	10.247	10.419	10.509	0.3%	0.8%	1.0%	0.3%	0.2%
Total Employed (Ths.)	8.476	8.989	9.455	9.635	9.909	10.013	0.6%	0.9%	0.6%	0.6%	0.2%
Unemployment Rate	7.9%	4.5%	5.0%	6.0%	4.9%	4.7%	-3.7%	-1.3%	6.0%	-3.9%	-0.7%
Median Existing Home Sales Price	$59,082	$79,646	$154,562	$143,415	$166,807	$203,860	4.4%	9.3%	-2.5%	3.1%	4.1%
Median Household Income	$26,709	$36,312	$42,653	$46,609	$54,533	$62,114	3.5%	2.2%	3.0%	3.2%	2.6%
Total Personal Income (Mil$)	$264.828	$418.377	$565.353	$640.602	$760.257	$890.305	4.8%	5.0%	4.3%	3.5%	3.2%

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Table 4. Schuyler County Demographic Variables, 1991 to 2020

	1991	2000	2007	2010	2015	2020	Annual Percent Change 1991-01	2001-07	2007-10	2010-15	2015-20
Total Population	18,820	19,284	19,027	19,631	19,820	19,932	0.2%	-0.2%	1.0%	0.2%	0.1%
0 to 4yrs	1,375	1,119	909	1,070	1,004	962	-2.4%	-2.8%	5.6%	-1.3%	-0.9%
5 to 19yrs	4,191	4,324	3,678	3,562	3,549	3,580	0.1%	-2.3%	-1.1%	-0.1%	0.2%
20 to 24yrs	1,044	964	1,261	1,244	1,199	1,124	0.0%	3.1%	-0.4%	-0.7%	-1.3%
25 to 44yrs	5,709	5,120	4,869	4,794	4,738	4,754	-1.2%	-0.6%	-0.5%	-0.2%	0.1%
45 to 64yrs	3,792	4,930	5,417	5,886	6,030	5,835	2.8%	1.3%	2.8%	0.5%	-0.7%
65yrs and over	2,709	2,827	2,892	3,073	3,300	3,677	0.5%	0.3%	2.0%	1.4%	2.2%
Households	6,909	7,393	7,297	7,499	7,649	7,803	0.7%	-0.2%	0.9%	0.4%	0.4%
Persons Per Household	2.72	2.61	2.61	2.62	2.59	2.55	-0.4%	0.0%	0.1%	-0.2%	-0.3%

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4. Housing Market Trends in Schuyler County

The national housing market experienced a rapid expansion at the end of the 1990s and during the first six years of this decade. In Schuyler County, the housing market experienced more moderate growth in housing prices over the same period. The Housing market in the County picked up from 2004 to 2007, as the median house price increased from $65,530 to $102,000. Overall, from 1997 to 2007 the median house price increased by 6.4% per year. Over the same time period, median household income in the County increased but at a much slower rate of 2.4% per year. This comparison is shown in Table 5 below.

Table 5. House Prices and Income in Schuyler County, 1997 to 2007

	Median House Price		Median Household Income	
	Value	*% Ch*	Value	*% Ch*
1997	55,000		$32,377	
1998	52,000	*-5.5%*	$34,129	*5.4%*
1999	57,200	*10.0%*	$36,010	*5.5%*
2000	60,850	*6.4%*	$36,312	*0.8%*
2001	62,000	*1.9%*	$37,538	*3.4%*
2002	65,000	*4.8%*	$37,192	*-0.9%*
2003	60,530	*-6.9%*	$37,821	*1.7%*
2004	77,500	*28.0%*	$39,567	*4.6%*
2005	85,000	*9.7%*	$40,097	*1.3%*
2006	91,450	*7.6%*	$40,414	*0.8%*
2007	102,000	*11.5%*	$42,653	*5.5%*
Average Annual Change		***6.4%***		***2.8%***

Sources: NY ORPS and Moody's Economy.com

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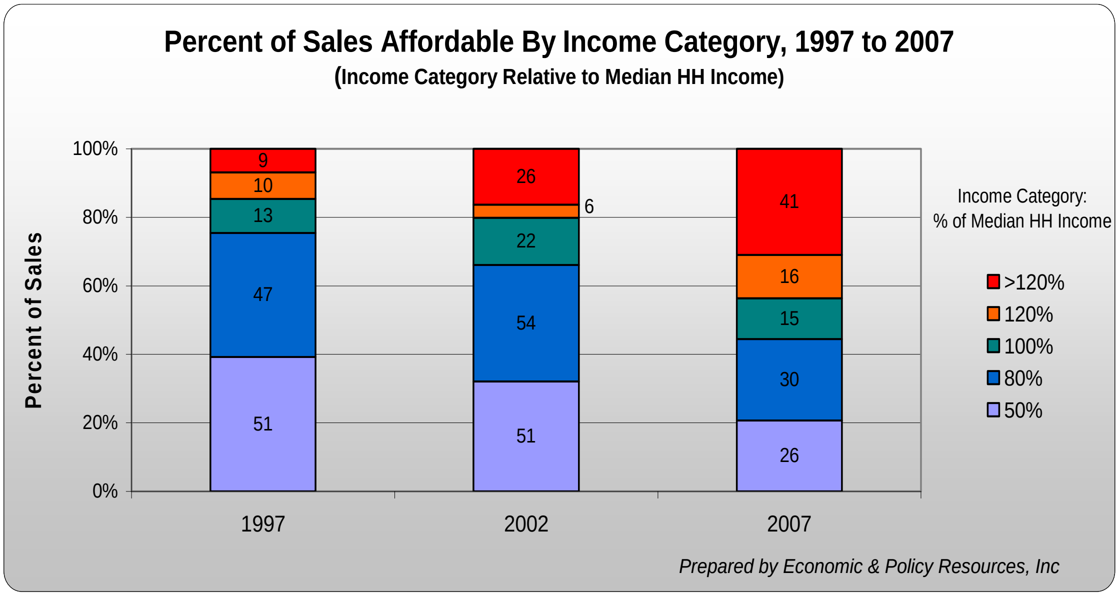
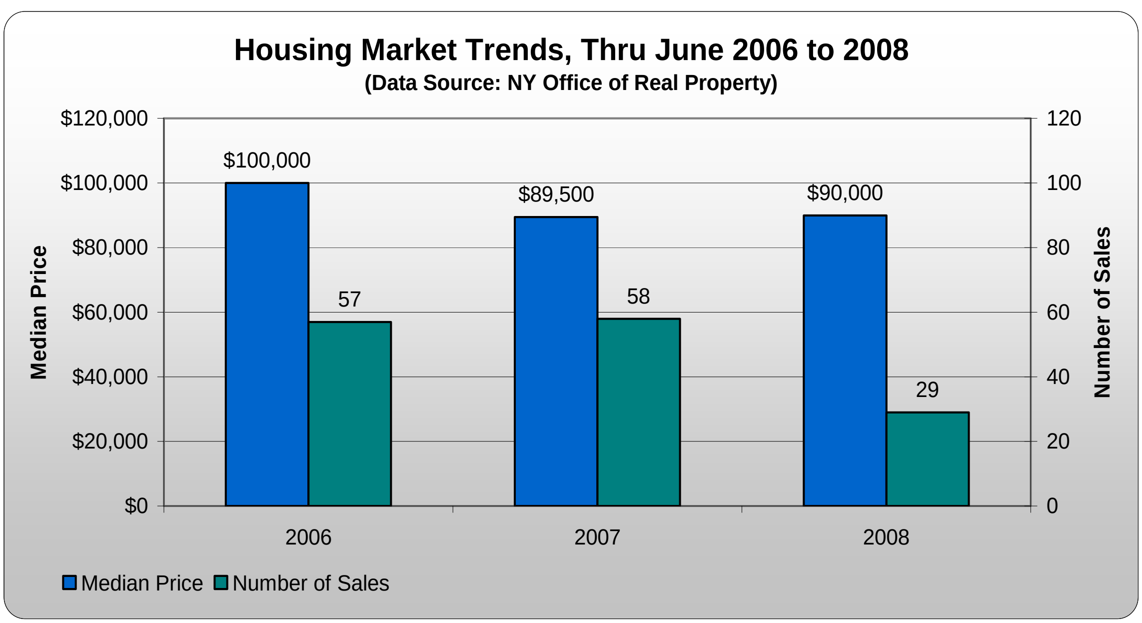
As growth in house prices outpaced growth in household income, affordability pressures increased for residents in the County. These pressures were exacerbated by high property taxes, which added to the costs of owning a home. The chart below shows affordability trends in the County from 1997 to 2007. In 1997, more than 80% of the houses on the market were affordable to households earning at least the median household income. By 2002, this percentage had decreased slightly to 80%, and in 2007, households at the median household income could affordably purchase less than 60% of the houses on the market. Households in the lower income categories could affordably purchase even fewer houses on the market. In 2007, 21% of the houses on the market, corresponding to only 26 sales, were affordable to households at the lowest income level.



In 2007 and 2008, the signs of a slowing housing market became evident. The chart below shows median house prices and the number of sales for the first half of the year, from 2006 to 2008. During the first six months of the year in 2007, the median house price fell by 10.5% from the previous year, from $100,000 to $89,500, and sales levels remained flat. For the same period in 2008, the median price remained flat while sales volume fell from 58 to 29, a decrease of 50.0%.



The slowing housing market, and the broader national recession, was incorporated into the long term economic forecast. House price declines of 10% from peak to trough are expected, and recovery in the overall economy should begin to take hold in 2010. The house price declines that have occurred as of March 2009 have likely had limited impact in terms of alleviating the affordability pressures that are felt by some of the County's residents. The price declines benefit active buyers in the market and with very few transactions taking place the lower prices mean little for the county overall. Residents that have been able to successfully alter the terms of their mortgage have likely benefited, but these residents are only a portion of the total. It is important to note that although prices have declined and are expected to decline further in the near term, prices are forecasted to increase at a faster rate than income over the long term, and affordability pressures are expected to continue to increase out to 2020. Therefore, if there has been any relief from affordability pressures of some Schuyler County residents, it is likely only temporary.

5. Current Housing Needs, 2007

5.1 Affordability Gap

This section provides an estimate of the need for additional housing units in Schuyler County, from an affordability perspective. Need was determined using a "gap" analysis in which supply and demand were estimated and then compared against each other. This was done by income category and by tenure status (owner and renter households). An inventory update as of December 31, 2007 was made and this represents the supply side of the ledger. Demand by income and tenure status was estimated based on available data sources and the two are compared – demand versus supply. Such a comparison reveals whether or not demand exceeds supply, and if so to what extent, at each household income level and for owners and renters. If demand exceeds supply, such a gap is an indication that the number of units available to be purchased (or rented for the renter part of the analysis) at an affordable price (or rent) is not sufficient, and households will likely be paying more than the HUD threshold of 30% of household income toward housing costs.

The gap analysis incorporated the affordability calculations described in Section 2 above. The affordable house prices and rents were determined by income category relative to the County median household income: 50%, 80%, 100%, and 120% of median household income. Estimates of the number of owner and renter units demanded were based on distributions of household income reported in the 2000 Census, which were then adjusted for inflation and the growth in income that likely took place for each income category. Estimates of unit supply were developed based on a variety of sources including Census data, including our own econometric models, building permit data, and parcel data used for property tax purposes.

The Gap Analysis compared the two concepts, supply versus demand at each income level, to determine if there was a sufficient supply of housing units. In tables 6 and 7 below, the row "Estimated Unit Demand" represents the number of units demanded at or below each affordable price, based on income; and the row "Estimated Unit Supply" represents the number of units available in the inventory at or below the affordable price. Where demand exceeds supply, there was an affordability gap, meaning that there were not sufficient units in the inventory to meet the demand, taking affordability into account. This implies that some households are in units where their housing costs would not be considered affordable, or less than the 30% of household income HUD threshold.

Table 6. Estimated Unit Affordability Gap for Owners in Schuyler County, 2007

HH Income Category *(Relative to County Median)*	At or below 50%	At or below 80%	At or below 100%	At or below 120%
Household Income	$21,327	$34,122	$42,653	$51,184
Affordable House Price	$34,972	$65,448	$84,206	$104,836
Estimated Unit Demand (cumulative)	973	2,100	2,730	3,288
Estimated Unit Supply (cumulative)	654	2,390	3,700	4,838
Unit Gap (Demand minus Supply)	**319**	**-290**	**-970**	**-1,550**

Note [1] Includes year-round units only
Note [2] A negative gap indicates a sufficient supply of units

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Table 7. Estimated Unit Affordability Gap for Renters in Schuyler County, 2007

HH Income Category *(Relative to County Median)*	At or below 50%	At or below 80%	At or below 100%	At or below 120%
Household Income	$21,327	$34,122	$42,653	$51,184
Affordable Rent	$391	$703	$898	$1,108
Estimated Unit Demand (cumulative)	817	1,186	1,341	1,428
Estimated Unit Supply (cumulative)	422	1,654	1,864	1,873
Unit Gap (Demand minus Supply)	**395**	**-468**	**-523**	**-446**

Note [1] Includes year-round units only
Note [2] A negative gap indicates a sufficient supply of units

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The gap analysis presented in Table 6 indicates that in 2007 an affordability gap existed in the County for owners in the lowest income category, 50% of median household income and below. It is estimated that 973 owner units were demanded at and below that income level while only 654 units were available at or below an affordable price, resulting in an affordability gap of 319 owner units. Based on this analysis, there appears to have been sufficient owner units in the inventory for households at income levels above 50% of median household income. On the renter side, an affordability gap also existed at the lowest income level. An estimated 817 units were demanded while only 422 units were in the inventory, resulting in an affordability gap of 395 units. At income levels above 50% of median household income there appears to have been sufficient rental units in the inventory at an affordable price in 2007.

5.3 Conditions of the Housing Stock

Another housing challenge in Schuyler County is the poor quality of the housing stock. Overall, while affordability is less of a problem for all households but those in the lowest income category, the units that are available are often of low quality. Many of the County's residents, especially those in the rural areas, are forced to accept poor quality housing because of the lack of housing choices. In order to quantify the conditions in the housing stock and to get a better understanding of the where rehabilitation efforts should be focused, a windshield inventory was conducted. Every road in the County was traversed and every observable housing unit was evaluated using a scoring system based on a four-tiered approach, from 0 to 3. The top tier (3) was defined as a residential structure in "move-in" or "like-new" condition, where no repair (even aesthetic) was necessary. The next level down (2) was categorized as the average housing unit, where repairs were optional (and were often simply aesthetic fixes/additions). The third condition level (1) required a basic amount of repair and the bottom rating (0) required massive repairs and/or completely demolition of the unit. These scores were focused solely on the exterior appearance and general up-keep of the property. The size and specific location of the unit were not used in the scoring structure. Consideration was given for housing units that were under active repair by the homeowner at the time of the windshield inventory.

The average score for the County overall was a 1.57, on a scale from 0 to 3. The Windshield inventory revealed that a substantial portion of the housing stock is need of renovation – 43.4% of the housing units were in need of some level of rehabilitation, scoring either 0 or 1. There were also many units, 11.7% of the total units, which received a score of 0, indicating a need of "massive" repairs and possibility even demolition. The distribution of the units in need of repair makes it impossible to identify areas of concentrated need. The units that scored low in the conditions evaluation were evenly distributed throughout the County, with all Towns hosting many units in need of repair.

Additional information on the Windshield Inventory is included as Appendix F of this report (on page 78).

5.3 Housing Needs for Other Sectors of the Population

The SWOT analysis revealed that the County lacks sufficient housing options for several specific groups in the County. Businesses, governments and non-profit organization heads universally stated that a major weakness of the county is the lack of quality new housing in the market rate range of $150,000 to $350,000. Managers, doctors, executives and small business owners who have come to Schuyler County to work have, with few exceptions, chosen to live outside the county because they could not find a suitable house. With transportation costs and quality of life issues making long commutes increasingly undesirable, the county's essential institutions are at a disadvantage when recruiting key people.

Employers also expressed concern that their middle management and para-professional employees' were unable to find suitable housing in the county.

Many of these employees have young families and in the foreseeable future will have a difficult time becoming home owners, and therefore may need more rental options. Other interviewees complained that young people who grow up in the county and work nearby have to leave the county to find a decent place to live. The lack of market rate rental units was identified as a weakness which should be addressed quickly to meet the need for housing at rent levels that are affordable by these young people with good jobs.

Finally, with respect to the age group 60 and over, SWOT interviewees stated that the greatest short term need is for housing weatherization, general rehabilitation, and other support services designed to help these residents stay in their homes. Emergency assistance is often needed for residents in this age group (as well as other low income residents), especially during the winter months. In the long term, new housing that addresses the needs of seniors and the county's special needs population at all price points and rent levels is also a significant need. There are several housing developments for seniors and disabled adults in the county with subsidized rents. A strong local commitment, along with federal programs will likely continue to keep pace with this need. However, according to SWOT interviewees knowledgeable in this area, many seniors in the county do not qualify for Section 8 subsidies, cannot afford the needed improvements to their homes, struggle to adequately maintaining the property, and have difficulty traveling to shopping, medical services and social opportunities. As a result, these SWOT participants believe that the county's seniors could benefit from a modest market rate townhouse or apartment living especially near needed services and retail stores.

6. Prospective Housing Needs and Municipal Allocations

6.1 Forecast of the County Affordability Gap to 2020

This section presents a forecast of the affordability gap in Schuyler County and the municipalities by tenure category from 2007 to 2020. The affordability gap for 2007 was estimated to consist of 319 owner units and 395 renter units, concentrated at the lowest income category, 50% of median household income and below, for both owners and renters. The gap analysis suggested there were sufficient units in the housing stock at prices affordable to the County's residents at income levels of 80% of county median household income and above. This section offers a forward looking analysis and estimates what this affordability gap will look like over the next 11 years, assuming the status-quo. This means that any initiatives or policy changes that may result as an outcome of the study are not taken into account. The forecast of the affordability gap is based on the long term economic and demographic forecast, which included expectations of price and income growth to 2020.

The analysis indicates that the owner affordability gap is expected to decrease in the near term from 319 units to 258 units from 2007 to 2010. The decrease is driven by the expected declines in house prices that are built into the near-term period of the economic and demographic forecast. The median price of existing homes is forecast to decline by 10.0% from the peak in 2007 to the trough in 2009, and the decrease in prices is expected to relieve only some affordability pressures. From 2010 forward, the growth in prices, relative to expected income growth, will contribute to increasing affordability pressures. This is reflected by the increase in the owner affordability gap from 258 units in 2010 to 480 units in 2020. For renters, relatively strong growth in rents from 2007 to 2020 is expected to contribute to increasing affordability pressures. The table shows a consistent increasing trend in the affordability gap from 395 renter units in 2007 to 522 renter units in 2020.

Table 8. Forecasted Affordability Gap in Schuyler County, 2007 to 2020

		2007	2010	2015	2020
Owners					
	Unit Gap	319	258	344	480
	Total Unit Demand	6,010	6,081	6,272	6,408
	Gap as % of Total	*5.3%*	*4.2%*	*5.5%*	*7.5%*
Renters					
	Unit Gap	395	436	477	522
	Total Unit Demand	1,879	1,950	2,020	2,073
	Gap as % of Total	*21.0%*	*22.4%*	*23.6%*	*25.2%*

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6.2 Municipal Allocations

A distribution of the County level Affordability Gap was developed by tenure category. Tables 9 and 10 below display the estimates and show that affordability pressures are expected to increase particularly in the more populated and urban areas of the County. These estimates were developed using data from the 1990 and 2000 censuses for house cost-burdened households as a proxy for the affordability gap. The historical trends were then adjusted up or down in order to force the sum of the forecasted municipality shares to equal the county total, or 100%.

Table 9 shows the forecast and distribution for owners, and the Town of Dix is expected to experience the largest increase in affordability pressures, from a 78 unit gap in 2007 to 136 unit gap in 2020. In terms of share of the County total, the Town of Dix is also expected to increase from 24.4% in 2007 to 28.4% in 2020. The Town of Reading is also expected to see increased affordability pressures, indicated by a change in the affordability gap from 38 units in 2007 to 71 units in 2020. Reading's share of the County total is expected to increase from 12.1% in 2007 to 14.8% in 2020. The affordability gap in the Town of Hector is expected to increase although to a lesser degree, from a 69 unit gap in 2007 to 84 units in 2020, due to a declining share of the County total. The other municipalities are expected to see smaller increases in affordability pressures over the forecast horizon of this study.

Table 9. Estimated Owner Unit Affordability Gap By Municipality, 2007 to 2020

	2007	*Share of County Total*	2010	*Share of County Total*	2015	*Share of County Total*	2020	*Share of County Total*
Schuyler County	**319**	***100%***	**258**	***100%***	**344**	***100%***	**480**	***100%***
Catharine	25	*7.8%*	19	*7.4%*	24	*6.9%*	31	*6.4%*
Cayuta town	9	*2.7%*	6	*2.5%*	8	*2.3%*	10	*2.1%*
Dix	78	*24.4%*	67	*25.8%*	93	*27.1%*	136	*28.4%*
Hector	69	*21.6%*	52	*20.3%*	65	*18.9%*	84	*17.6%*
Montour	46	*14.5%*	35	*13.7%*	45	*13.0%*	58	*12.2%*
Orange	20	*6.3%*	18	*7.0%*	26	*7.7%*	40	*8.4%*
Reading	38	*12.1%*	33	*13.0%*	48	*13.9%*	71	*14.8%*
Tyrone	34	*10.5%*	27	*10.4%*	35	*10.3%*	48	*10.1%*

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Table 10 shows the forecast and distribution for renters. The affordability gap is expected to increase by the largest amounts in the Towns of Dix and Hector. In Dix, the affordability gap is expected to increase from 151 units in 2007 to 199 units in 2020, corresponding to a small decrease in share of the County total. Hector will experience increased affordability pressure for renters, reflected by the change from a 78 unit gap in 2007 to a 114 unit gap in 2020, corresponding to a change in share from 19.7% in 2007 to 21.9% in 2020. The Town of Catharine is also expected to see an increase in the affordability gap, from 43 units in 2007 to 68 units in 2020, and an increase in share of the County total from 11.0% in 2007 to 13.1% in 2020. The other municipalities are expected to experience more minor changes in affordability pressures from 2007 to 2020.

Table 10. Estimated Renter Unit Affordability Gap By Municipality, 2007 to 2020

	2007	*Share of County Total*	2010	*Share of County Total*	2015	*Share of County Total*	2020	*Share of County Total*
Schuyler County	**395**	***100%***	**436**	***100%***	**477**	***100%***	**522**	***100%***
Catharine	43	*11.0%*	51	*11.7%*	59	*12.4%*	68	*13.1%*
Cayuta town	6	*1.5%*	8	*1.7%*	9	*2.0%*	12	*2.2%*
Dix	151	*38.2%*	168	*38.4%*	183	*38.3%*	199	*38.1%*
Hector	78	*19.7%*	90	*20.5%*	101	*21.2%*	114	*21.9%*
Montour	64	*16.3%*	65	*15.0%*	66	*13.7%*	65	*12.5%*
Orange	23	*5.8%*	28	*6.4%*	34	*7.2%*	41	*7.9%*
Reading	15	*3.9%*	15	*3.5%*	15	*3.1%*	14	*2.7%*
Tyrone	14	*3.6%*	12	*2.7%*	10	*2.0%*	8	*1.5%*

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The forecast of the affordability gap by municipality is intended to show where in the County affordability pressures are most likely to be experienced. These expectations can assist in planning for future housing development through targeted construction in certain areas of the County. The estimates, in conjunction with the Housing Opportunity Index (HOI), should prove to be valuable in identifying where future housing needs are expected to be, and then matching those needs with opportunities for development.

7. Recommendations: Moving Forward on The County's Housing Needs

The recommendations presented in this section reflect a combination of the extensive research conducted for this study and currently recognized "best practices" approaches to address Schuyler County's sub-standard and affordable housing challenges. The recommendations are presented in four parts: (1) Facilitation of Improvements to the Housing Stock, (2) Continued Development of the Council of Governments, (3) Ensuring Affordable Advocacy, Funding and Production into Perpetuity, and (4) Additional High Value Market Research. The approach to the recommendations was to offer reasonable solutions and practical goals ("*what needs to be done*"), and to identify specific methods that can be used for implementation and achievement of those goals (*"how to do it"*). The recommendations described in detail below are:

Facilitation of Improvements to the Housing Stock

Recommendation 1: Focus on Weatherization and Rehabilitation
Recommendation 2: Add New Units to the Housing Stock

Continued Development of the Council of Governments

Recommendation 3: The COG Should Continue to Provide Leadership and Coordination, Direct Housing Development to Specific Areas, and Prepare for Federal Funding in 2009

Ensuring Affordable Housing Advocacy, Funding and Production into Perpetuity

Recommendation 4: Create a Robust Affordable Housing Production Organization Such as a Community Housing Trust

Additional High Value Market Research

Recommendation 5: Develop and Implement a Survey of Commuting Employees in Schuyler County
Recommendation 6: Develop and Implement a Regular Renter Survey

7.1 Facilitation of Improvements to the Housing Stock

This Housing Needs Assessment (HNA) has identified and quantified three major housing challenges facing Schuyler County: (1) a substantial number of the County's residents live in housing units that could be considered to be of poor quality, (2) some residents face affordability issues that resulted from low incomes and increasing house prices and rent levels during the late 1990s into the mid 2000s, and (3) the existing housing stock does not meet the needs of the age 60 and over population, nor the those of greater than median income. This section outlines recommendations related to improving the housing stock in order to address the County's widespread poor housing conditions, its affordability challenges, and the County's need for increased housing supply for its increasing elderly population and to house its work force.

In order to accomplish these recommendations, there are likely two critical ingredients - funding and momentum – both of which can be addressed through the designation of a housing coordinator. The SWOT interviews revealed that the County lacks a single entity with the responsibility to advocate for housing needs and coordinate housing policy. Therefore, it is recommended that a contact or coordinator be designated to serve in the following critical roles: (1) as a resource for information, (2) to coordinate projects and grant applications, and (3) to ensure general follow-through related to addressing the housing needs revealed by this housing needs assessment (HNA) study. Several of the SWOT interviewees suggested that such a responsibility should be taken on, at least initially, by the Extension/Planning office. Designating this responsibility would help to ensure that knowledge of the most recent best practices, funding opportunities and application procedures are kept up to date and remain at the forefront of planning decisions. This will require re-prioritizing current tasks or adding at least a part-time position in the entity that takes on this permanent responsibility. Maintaining momentum after the completion of this HNA will be critical to implementation of the following recommendations.

Recommendation 1: Focus on Rehabilitation and Weatherization of Sub-Standard Units.

A substantial number of housing units in Schuyler County are in need of rehabilitation or structural repair. The Windshield Survey completed in this HNA estimates that 43.5% of the housing stock is in need of some level of repair, and 11.7% of the housing stock is in need of massive repairs and these units could even be considered a candidate for complete demolition and rebuilding. While these figures reflect a large need for rehabilitation, it is important to note that the survey identified the quality of housing units from the outside and does not capture inside conditions. Therefore, it is likely the survey underestimates the need for rehabilitation of the County's housing stock.

There are numerous and serious negative consequences that can result from such poor housing conditions, ranging from adverse economic impacts to negative consequences for the health and safety of those occupying the units. The physical appearance of housing units helps to determine the relative attractiveness of a community and can influence prospective residents, employees, and employers when making their decision where to relocate. An unattractive housing stock can drive away new residents and employers and have potentially far reaching, negative economic impacts in this regard. Poor housing conditions also imply that units are not efficiently heated or cooled, which likely adds substantially to energy costs, siphoning off the money of occupants that otherwise might be better spent elsewhere in the local economy. Several studies have also found that poor housing conditions are associated with increased health complications and visits to the doctor or hospital.[2] If this is accurate for Schuyler County, then the housing conditions may lead to higher costs to maintain a healthy community through treatment, and higher business costs through lower productivity when employees are unable to work due to illness.[3] For all of these reasons, improving the conditions of the housing stock should be considered a high priority strategy to address housing needs in the County.

Although this section of the report will devote much attention to the techniques and programs that others have found successful in addressing substandard housing problems, the best results come in communities where there is a healthy balance between enforcement of housing codes and available programs to assist homeowners and landlords with rehabilitation. Code enforcement alone, where homeowners and landlords have limited cash or financing capability, will result in conflict and potential abandonment of troubled units. Code enforcement when coordinated with government or non-profit programs to help finance weatherization and rehabilitation appears to work the best. Of course, some owners and landlords may be unwilling to spend money, even with assistance, to bring their property up to code. That is where the Housing Trust or similar organization described in this report can be essential in avoiding many of the negative consequences of abandoned housing units, which, in turn, would further reduce the affordable housing stock in the County.

Concerted efforts must be made to emphasize and better coordinate housing code enforcement across the County. Anecdotal evidence suggests that enforcement is lax, if not non-existent, and whistle blowers may be subject to land lord retribution and eviction if violations are reported. From the enforcement perspective, enforcement offices are reported to be understaffed with code officers covering more units that can be handled effectively. One code enforcement officer reported being responsible for several municipalities and a

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[2] The Cost of Poor Housing (2002) by Ambrose and Home Sweet Home?: The Impact of Poor Housing on Health (1999) by Marsh are two works related to housing and health..

total of several thousand units, making the task of effective enforcement difficult if not impossible.

Consistent, professional code enforcement in the county should be a priority. It must be part of a systematic upgrading of housing stock quality utilizing rehabilitation and weatherization programs as the County moves forward after the completion of this HNA. Potential funding sources at the state and federal level are identified in the housing program inventory (Appendix I on page 106), which includes several programs related to rehabilitation and weatherization work. The following list provides specific tactics and suggestions identified in housing-related literature that may be employed in Schuyler County:

a. ***Develop a housing resource center:*** The County could feature a resource center, and perhaps a web site as well, that would proactively identify buildings and vacant parcels available for rehabilitation, as well as houses currently for sale. The resource center could also serve to educate the public, as well as realtors, about the benefits of keeping costs down through energy efficiency and by living close to services and employment. A housing trust, discussed later in these recommendations, could serve in this function as a resource for information and education. Education efforts could be made through classes, tours, newspaper ads or news stories, advertising campaigns and an annual housing fair. This strategy was successfully employed in Rochester, NY in 1998, and reportedly has greatly strengthened the relationship between the housing advocates and realtors in the community.

b. ***Focus on simplicity and offer guidance:*** Rehabilitation and weatherization efforts can be modest with a focus only on absolute necessities. The goal should be a “warm and dry house” that provides a healthy and safe living environment. Residents should be taken through the rehab process step by step to make them fully aware of the benefits to be received, for example, through energy efficiency. These principles have helped the Kentucky Mountain Housing Development Corporation (KMHDC) in their operations since 1973.

c. ***Seek a balance between extensive rehab and case-by-case rehab:*** When identifying units suitable for rehabilitation, two different and potentially conflicting methods were identified in rehab experience literature. First, “instant rehab” is a strategy employed in order to minimize the cost of determining suitable units, which can be labor intensive. This method calls for identical rehab across multiple units – for example, a campaign to upgrade all the windows in the neighborhood would skip the step of painstakingly inspecting each unit individually to determine whether or not an upgrade is warranted. This method was used with some success in a campaign in New York City in 2001. The second method calls for individual inspections, in order to determine the needs of each housing unit. This would prevent making unnecessary changes or improvements and allow for the variation in units to be taken into consideration. This strategy that was adopted in South Greensboro, South Carolina in 2006.

For Schuyler County, neither of these strategies alone seems appropriate, and a balance between the two is recommended. In order to incorporate both strategies, areas in the County could be identified where housing conditions are good enough that across the board renovations would not be efficient and case-by-case determination of suitability for renovation would be more appropriate. And also, for areas where conditions are poor enough, a general, wide-scale approach may be the preferable option.

d. ***Cultivate services of competent professionals:*** Obtaining insurance coverage for rehabilitation projects can be problematic so collaboration with a reliable insurance professional will be beneficial. Establishing a good relationship with an insurance agency will likely facilitate obtaining insurance for rehabilitation projects. This suggestion comes from the Neighborhood Housing Services of New Haven, CT which reports that it has not encountered any problems in obtaining insurance for its rehabilitation projects due to its fortunate relationship with a reliable, local insurance agency.

e. ***Reduce insurance risk:*** Reducing risk factors can lower insurance premium costs. In rehabilitation projects, up front investment in sprinkler systems, fire alarms, and carbon monoxide detectors can decrease the costs of insurance, and of course make housing safer for residents. This advice comes from the Low Income Housing Institute (LIHI), in Seattle, WA.

f. ***Maintain good relationship with lenders:*** Lenders may perceive rehabilitation projects as being more difficult and risky relative to new construction, often leading them to demand more equity and charge higher rates of interest for such projects. Therefore, maintaining a favorable relationship with lenders to assist in rehab funding is imperative. Schuyler County is fortunate to host several reliable private lenders and credit is reportedly available. Maintaining these relationships with private lenders will offer an alternative to relying on public money, which may come along with more conditions and may require more protocol and procedure to obtain. Access to credit will be increasingly important in the next 1-

3 years, as credit markets slowly unfreeze. Any money that comes into the County from the recently adopted federal stimulus actions will likely be short-term funding, and relationships with private lenders will be needed for funding over the long-term.

g. ***Use layered and creative financing:*** Layered financing involves the use of all available and appropriate sources of funding to revitalize existing properties. These sources include government programs, tax incremental financing (TIF), and property tax abatement. An example of the use of multiple funding sources can be seen in the organization Neighborhood Housing Services (NHS) of New Haven, CT. In 2006, NHS was able to do affordable housing rehabilitation and new construction in the city after drawing on federal Urban Development Action Grants (UDAG), Community Development Block Grants (CDGB), the HOME program, Connecticut Historic Homes Rehabilitation Tax Credit Program and assistance from the Connecticut Housing Finance Authority.

The focus on weatherization and rehabilitation should be a critical element of the effort to address the current conditions of the housing stock. The poor quality of the housing stock is detrimental to the overall economic development of the County and likely drives away potential residents and employers. Concerted efforts must be made to ensure that the housing code is enforced and consistent across the County and that strong, well funded programs are in place to upgrade the housing stock.

Recommendation 2: Add New Units to the Housing Stock

Although house prices and rents levels are relatively low in Schuyler County when compared to other regions in the state, residents in Schuyler still face affordability challenges due to low household incomes. One conclusion of this HNA is that the county faced a shortage of 714 units, consisting of 319 owner units and 395 rental units, as of December 31, 2007 (the affordability unit gap, reported in section 5.1 on page 21). The addition of owner and rental housing units to the housing stock, available to residents at specific price and rent levels, would likely decrease affordability pressures in the County. This strategy represents a supply-side approach to addressing housing affordability, where increasing the housing stock should serve to put downward pressure on prices and rents.

The economic and demographic forecast, developed at the early stages of the HNA, include an expected decline of 10% in the median price of existing homes in Schuyler County. These declines are expected to relieve only some affordability pressures experienced by residents in the County. At the national level, recent data released by the National Association of Realtors (NAR) indicate that affordability pressures have indeed subsided over the last 2 years, as prices have declined.[4] However, this development is expected to be temporary, and affordability pressures will likely return to an upward trend once the housing market, and the economy overall, return to normal.

This HNA has developed a forecast of affordable housing needs from 2007 to 2020, as reported in section 6.1. In the forecast, it is expected that the unit affordability gap in the County will increase to 922 units by 2020, consisting of 480 owner units and 522 rental units. In order to address the current and expected need for affordable housing, construction of additional units is recommended, consistent with the estimates provided in this HNA.

It is recommended that a strong effort be made in the near-term (6-12 months) to “test the market” through the construction of 20-30 new units at one of the strategic locations identified by the Housing Opportunities Index (HOI). The units should be offered at affordable prices, consistent with the prices and rents developed in this HNA, and marketed toward households of specific income levels. One specific demographic, the growing senior population, may be a particularly attractive market. In 2007 in Schuyler County, the age group 65 and over accounted for 19% of the demand for renter housing units and 27% of the demand for owner housing. To address the needs of this age group, a modest, yet market priced property that offers condo-like units in a setting that is convenient to shopping, health care and recreation at some level between normal single-family units and an assisted living setting, would be the most appropriate. If such a development attracts local seniors who are downsizing from single family homes, those homes enter the market for new homebuyers.

In addition to the development of affordable housing units and senior housing, there is also unmet demand for market priced family housing. This demand likely comes from residents of neighboring counties that work in Schuyler, and would likely prefer to live closer to their place of work. Due to the limited housing options in the County they are forced to seek housing elsewhere. Quantifying this unmet demand for market priced housing is further discussed below in the section on additional market research that needs to be completed. In the near-term (6-12 months), it is again recommended that the market be “tested” for a low-hanging fruit and development of an initial 20-30 new market rate units be pursued. The location should be chosen according to the HOI’s identified strategic sites that are most likely to be marketable, initially to developers and then later to buyers. Additional detail on the strategic locations identified by the HOI are included in Appendix F on page 78.

[4] The NAR Housing Affordability Index (HAI) has shown that the ability of a median income family to afford a median priced home has improved over the last 2 years, using data at the national level. In 2006, the median family income was 106% of the amount needed to afford a median priced home. By the 3rd quarter of 2008, the median family income had increased to 126% of the amount needed to afford a median priced home.

Development of a project and initial construction of either affordable or market priced housing in such a short time frame is ambitious and would require much coordination and a concerted effort on the part of the Council of Governments (COG) and the respective municipalities, as numerous logistics would have to be worked out. The role of the County or municipalities would have to be identified in terms of facilitation, zoning, and financing, and an interested and capable developer would have to be secured. The COG should take an active role in coordinating and facilitating this effort, sooner rather than later, in order to maintain the momentum that follows from this HNA.

7.2 Continued Development of the Council of Governments

Recommendation 3: The COG should continue to provide leadership and coordination, direct housing development to specific areas, and prepare for federal funding in 2009.

The Schuyler County Council of Governments (COG) was established in 2006 to provide a forum for discussion and to address the disparate policies and views of development among the municipalities. The idea and initial efforts over the last two years have been met with praise from community stakeholders and have been regarded as positive steps forward. Communication between the municipalities and the County administration is reported to have improved since the initiation of the COG. It is recommended that the effort continue and also serve as a forum in which housing policy be addressed.

The COG could be the forum through which municipalities attempt to coordinate policies of common interest, including housing policy—to ensure that planning and zoning strategies are consistent with neighboring municipalities. A lack of coordination and consensus between the County and the municipalities as to a "common view of how the County should develop and prosper" has been cited as a barrier to housing development. The lack of coordination is evident in planning, zoning and land use, and housing policy. Local enforcement of building codes is reported to be inconsistent across the municipalities and even "unfriendly" towards developers. There are also significant differences in the cost of some utilities, such as water and electricity, which make coordination, such as a merger of the systems, difficult. The COG should place particular emphasis on coordination between the populated municipalities where future housing development is most feasible: The towns of Dix, Montour and Reading, and specifically the Villages of Montour Falls and Watkins Glen need to share complementary planning and zoning, and bringing these municipalities to consensus would facilitate more coordinated future housing development.

One promising strategy that can be implemented in the County's densely populated villages is the promotion of mixed-use zoning. Mixed use zoning is an element of "smart growth" development that incorporates a variety of housing types and property uses. The village areas of Schuyler County could benefit greatly from mixed-use development that would allow commercial and residential properties to be built in close proximity to one another. The general goal is to make housing more diverse, affordable and convenient for access to services. Mixed-use development also can benefit the villages through the promotion of walking, biking, and public transportation. Property values generally tend to be greater in mixed-used areas versus areas with more restrictive zoning, and this could result in increased local tax revenues. Local retailers could also get a boost as stores and customers are closer together in mixed-use neighborhoods, encouraging local economic activity. Finally, mixed-use development also holds the opportunity to offer diverse housing types suitable for residents of various ages, income levels and special needs.

The Comprehensive Plan for the Town of Montour and the Village of Montour Falls (August 2007) includes the goals of implementing mixed-use zoning in Montour and the effort should be continued to ensure follow-through and implementation. Several participants in the SWOT interviews pointed to the Franklin Street downtown area of The Village of Watkins Glen as not only in need of revitalization, but also having potential for mix-use zoning with the upper floors of commercial buildings or in-fill properties developed for housing. The COG could be an effective forum in which these kinds of zoning and housing policies can be coordinated across the municipalities, and such coordination will likely be beneficial in seeking support from Main Street and other grant programs. The COG should help the municipalities agree on where such zoning should be implemented and how it can fit into the overall development goals of the County. Lack of coordination will likely result in continued inconsistency between the municipalities and disparate development strategies.

As previously mentioned, one of the products of this HNA was the development of a Housing Opportunity Index (HOI) and the identification of five key sites where the County can focus efforts for immediate development. The index is intended to identify where future housing development could and should take place. A survey of the County identified open areas available for development, but also took into account other key factors such as zoning (for agricultural districts), natural landscape barriers (such as steep slopes, rocky terrain and wetlands), proximity to transportation corridors and services (specifically with the senior population in mind, proximity to services such as retail stores, grocery stores, availability of transportation and medical services were considered). The index should serve as guide for the County leadership and help direct housing development to specific and appropriate areas. Based on the survey and HOI, five areas in the County that are most marketable and appropriate for development were identified. Additional details on the five strategic locations are included in Appendix F on page 78.

The COG may also be the body through which municipalities join together to apply for grant funding. Coordination in grant applications may prove to be especially valuable over the next year as the new federal administration makes additional funding available in order to combat the current economic downturn. In mid-February, the American Recovery and Re-investment Act (ARRA—the second economic stimulus package from the federal government since the current economic recession began back in December of 2007) was passed by Congress and signed into law by the President. Much of the federal funding is expected to be made available for infrastructure projects, such as rebuilding and making necessary repairs to roads and bridges, improving the energy efficiency and conditions of public buildings, and expanding access to the internet in rural areas. Such projects would make necessary improvements to infrastructure and lay the ground work for future development. The aim of the plan is also to create additional jobs at the present time, generate income and encourage additional spending in the economy.

For the State of New York, it is expected that a total of $24.6 billion will be available from the federal government though the ARRA over the 2009-10 period. As the most populated area of the state and an economic center, the New York City metro area is expected to receive much of that funding. However, access to the remaining funds will like be very competitive between the other counties and cities across the state. A partial breakdown of the State's anticipated share of the ARRA funds includes $3.9 billion for Infrastructure and Energy spending, $4.4 billion for spending on Health and Human Services, and $2.0 billion for Education spending.

The COG could serve as the opportunity for Schuyler County, as a whole, to be well-positioned and prepared to pursue the newly available federal funding. The federal funding could represent a source of substantial capital – a critical element of economic development – to come into the County. With the new administration there may also be other types of federal funding for community development and housing projects coming available, and Schuyler County should be well prepared for the grant application process. In order to exploit the funding that is likely to be available in the near future, the County should take stock of possible projects that could be set to be implemented, but for the funding. A prioritized list of the bridges to be repaired, the roads that need to be re-paved, public buildings that could be improved for energy efficiency, and other infrastructure related projects could be developed. Such measures may accelerate the injection of much needed capital into the region.

The County's recent record of obtaining funding specifically for housing projects is quite respectable. The total amount of housing-related funding obtained by the County over the 2005-2008 period, when examined on a per-capita basis, ranks 4th when compared with the neighboring 6 counties (with 3 counties above and 3 counties below Schuyler's per capita figure). However, almost half of Schuyler's total housing-related funding came from one HOME grant received in 2006 in the amount of $1.0 million. Other than this one successful HOME grant, the County could likely do a better job of securing funding – not counting the 2006 HOME grant, Schuyler ranks 6 out of the 7 counties (with only Chemung County below the Schuyler per capita figure). This serves to demonstrate that while the County has been successful in obtaining housing-related funding in the recent past, there exists substantial opportunity to identify and pursue more funding in the future. The COG, in collaboration with the housing coordinator recommended above, could encourage, facilitate and coordinate the attainment of funding for housing projects in the County.

7.3 Ensuring Affordable Housing Advocacy, Funding and Production into Perpetuity

Recommendation 4: Create a Robust Affordable Housing Production Organization Such as a Community Housing Trust (CHT).

All across the country, Housing Trusts have been established by cities, counties and regions to fill gaps in housing needs not met by either the private housing market or the limited federal and state housing programs available in the past. Private developers tend to build for the high end of the market because building housing units designed for lower income households is not seen as profitable. Government programs, when available, are often cumbersome sources of funding and difficult to operate, and are hard to match with specific community needs and local creativity.

Although CHT's have been established in all types of communities with different kinds of projects meeting different community needs, they share two important features: a distinctive approach to ownership of real estate and a distinctive approach to how they are governed. A typical CHT will acquire land and/or buildings by gift, grant, tax sale, or outright purchase, and the land is held permanently by the CHT. In communities that have strict code enforcement and a CHT or similar organization is present, the CHT can purchase and rehab substandard housing which might otherwise be abandoned. The CHT can also have new housing built on vacant land where housing acquired is beyond rehab and must be demolished. The cost to the buyer of a CHT house is reduced because only the structure is sold, although the homeowner does pay a land lease to the CHT. Perpetual affordability of the property is assured because when a homeowner sells, the buyer can only be the CHT or another qualified low income buyer. The CHT will continue to own the land under the house after the purchase, and the seller may still realize equity from the sale. CHT's may also partner with a housing authority or other housing organization to build and manage multi-family or senior rental housing if a suitable piece of land is obtained.

Another role of a CHT can be that of educator. The CHT (in conjunction with or in place of the housing resource center mentioned above) can serve as a source of information on home ownership and provide advice and guidance to potential and first-time home buyers. Some CHTs offer classes, counseling services, housing fairs, and direct financing assistance to local residents in the market for housing.

CHTs are organized as membership corporations with boards of directors elected by the members. Members come from two groups: the people who live in CHT homes and community members who are interested in CHT activities. Boards are representative of both groups in order to balance resident and community interests. A CHT is funded initially by public money through federal, state and local grants, and as a charitable non-profit it can accept private and corporate contributions. Ongoing funding will come from home sales, mortgage payments, land leases, developer's fees, grants and contributions. There are more than 170 CHTs in 36 states that belong to the Institute for Community Economics.[5]

There are other models close to Schuyler County that do part of the job a CHT could do. The Ithaca Neighborhood Housing Services and Better Housing for Tompkins County both have successful records providing new and rehabilitated housing in urban and rural Tompkins County, respectively. Whatever model is feasible for Schuyler County, we strongly recommend the county, interested municipalities and housing advocates, work together to create a strong, well financed non-profit housing production organization to grow the stock of new and rehabilitated housing in the county. Included as Appendix J to this HNA, is a sample set of CHT by-laws that can serve as a model or the starting point for the creation of such an organization.

7.4 Additional High Value Market Research

After the completion of this HNA, there is still additional market research to be done in order to better understand the housing needs of the County. The unmet demand for market priced housing units still needs to be quantified – just how much housing demand from outside of the County exists, at what price levels, and for which types of housing - rental or owner units? The answer to these questions will likely only be found by asking the commuter employees directly. The market for rental housing in the County also needs to be better understood. A regular renter survey can provide important information on rental options, rent levels and the conditions of units. These efforts would likely yield information that would be important for policy-makers, stakeholders, and participants in the housing market, and also assist in efforts to obtain housing-related funding.

Recommendation 5: Develop and Implement a Survey of Commuting Employees in Schuyler County.

This HNA makes estimates of current and future housing needs as measured by the affordability analysis. The affordability analysis however does not capture the hidden demand for housing that likely exists, originating from workers who live

[5] More information on the Institute for Community Economics is available at www.iceclt.org.

outside of Schuyler County and commute-in to work in the County. There is widespread agreement among community stakeholders and housing advocates that the county does not offer sufficient housing options for management and mid-level professionals and their families. As a result, employees at, for example, the hospital or Cargill, are forced to seek out housing that is suitable to their needs in neighboring counties.

Identifying that such demand exists can be considered progress, however quantifying that demand is more challenging. Data with which such estimates of demand could be made are limited and dated. At the time of this report, the best data on commuter patterns is from the 2000 census, which is now almost nine years old. A rough estimate of this hidden demand can be made using 2000 Census data, assuming that of those who commuted in to work in Schuyler County, a certain percentage (25% is assumed here) would prefer to live closer to work if appropriate options were available. With this assumption, it is estimated that there is demand for an additional 391 housing units.

While this estimate may serve as a preliminary number with which to move forward in the immediate future, we recommend that a better estimate be developed through a survey of commuter employees. Demand for housing from this sector of the workforce will likely depend on the *preferences* of those commuters – some of them are likely to already be settled and would not re-settle their family even with additional options coming on-line in Schuyler, while other employees may express the desire to live near their place of work, especially in what is likely to remain a volatile environment with respect to the cost of energy. The most effective way (and probably the only way) to gauge these kinds of preferences is to ask the commuter employees directly.

Such a survey of commuter employees could be conducted through employers and could identify a substantial amount of additional demand for housing units in the County. Employers could be approached and encouraged to participate in the survey so that they could identify the housing needs of their own workforce. Employers' concern for the housing needs of their workforce has recently become common, especially in areas where affordability issues have posed challenges to attract a quality labor force, for both private sector employers and others (such as universities). The survey could represent a first step towards breaking the "jobs-housing Catch-22," with which the County appears to be grappling – job growth and economic development are limited by a lack of adequate housing options, yet the housing situation cannot be improved without job creation. There needs to be some external impetus to break this self-reinforcing conundrum, and the employee survey could represent a good starting point.

Recommendation 6: Develop and Implement a Regular Renter Survey

A regular County-wide survey of rental units is recommended. There are limited rental options available in the County and the survey would serve to better understand what options are available in the rental market. It is estimated that rental housing units represented 24.2% of the year-round housing stock in 2007, and provided housing for 23.4% of the County's population. A rental survey would gather valuable information on size, location, vacancy rates, and rent levels.

An additional benefit of conducting a rental survey would be to gather data on rental housing conditions, as the poor quality of rental units in the County was reported to be a serious problem. Landlords could be asked questions directly or indirectly about how they perceive the quality of the housing that they provide for their tenants and what they could do to make improvements. Special care should be taken in such a survey not to appear to be inquiring about the owner's failure to provide adequate rental units, as participation and accurate responses would almost certainly be compromised. A possible strategy to encourage participation would be to have a stated goal of identifying those units that are most in need of improvement and thus potentially qualify the property for some form of grant or assistance.

The survey would likely be administered through landlords and solicit information on rent levels, occupancy rates, and housing quality and conditions. Other New York counties that conduct regular rental surveys are Dutchess and Ulster Counties, and the surveys used those Counties could serve as models for a Schuyler County survey. Ideally, the rental survey would be conducted annually, but recognizing likely initial resource constraints, at a minimum of every 2 years. Once the survey methods are established the costs of conducting the survey should not be prohibitively high and annual surveying will likely be more feasible.

8. Conclusions

The recommendations presented above are intended to provide a roadmap for the many housing challenges identified in this Housing Needs Assessment. The recommendations are based on the considerable research that was conducted for this study and the application of current "best practices" tools used by housing stakeholders and authorities all over the country. To address the current and future housing needs, recommendations were presented in four policy areas: (1) Facilitating Improvements to the Housing Stock, (2) Continued Development of the Council of Governments, (3) Ensuring Affordable Advocacy, Funding and Production into Perpetuity, and (4) Conducting Additional High Value Market Research. The keys to making substantial progress in addressing the County's housing needs will likely be leadership and coordination at the County and municipal level (an active COG in this area seems to be an imperative), available funding from both private lenders and public sources, and the creation of a housing trust to ensure the availability of quality and affordable housing moving forward.

After completion of the HNA, a prioritized task list should be developed in order to facilitate implementation of the recommendations and to maintain momentum moving forward. In the near term period (1-3 months), it is recommended that emphasis be placed on (1) the development of the commuter-employee survey in order to gauge demand for market rate housing units, and (2) coordinated follow-through on efforts to secure federal stimulus monies. These two items are likely to have significant immediate impact in terms of quantifying the demand that can attract interest from private sector developers, and also through injecting much needed investment capital in the region and encouraging local job creation.

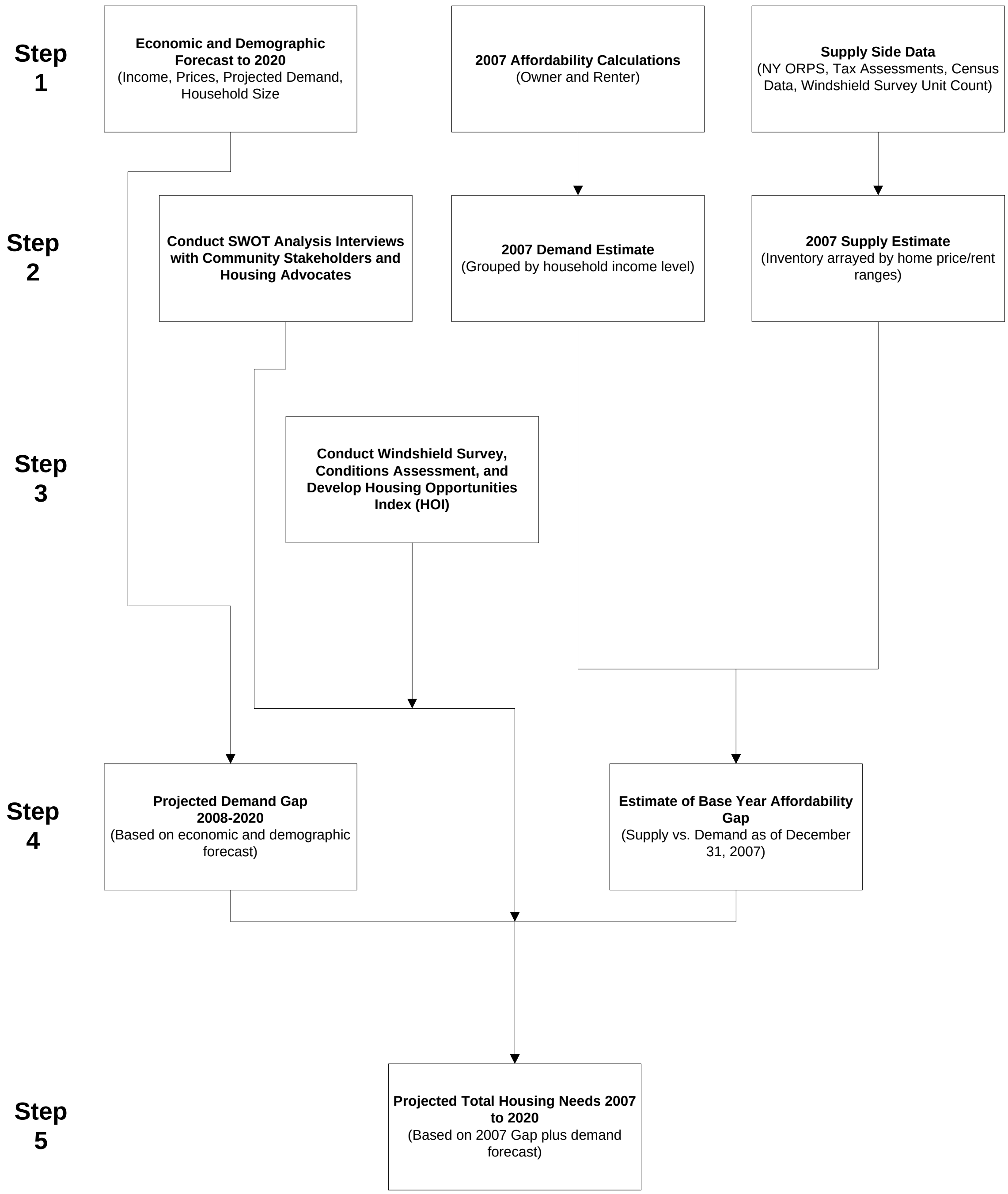
In the long term, the housing challenges should be viewed in the broad context of economic development, and the recommendations made in this HNA must be complemented with other strategic economic development initiatives. Housing is an important determinant of quality of life in the County, however other factors will play an equally important role, such as the availability of high paying jobs, and effective and coordinated local governance at the County and municipal levels. The recommendations included in this HNA, supported by other economic development efforts, should help to improve the quality and diversity of the housing stock in Schuyler County.

Appendices

The following section includes report appendices that provide additional detail on the methods and data used in the study. All of the estimates developed in the study were thoroughly reviewed by the project technical review committee before being approved for use in the report. The project technical review committee was briefed on and approved all steps taken in the study through a series of Technical Memos, which are the source documents for much of the material presented in the following appendices

Appendix A. Project Overview Flow Chart

The flow chart below shows the process and logic behind the project, with each step building upon a previous step.



Appendix B. Affordability Calculations in Detail

This Appendix describes the methods used in calculating owner and renter affordable prices and rents for each respective income category relative to the median household income. The methods used to estimate 2007 median prices and rents in the County and municipalities are also described.

1. Owner Affordability Calculations

The owner affordability calculations are based on the U.S. HUD guidelines that consider households house-cost burdened if more than 30% of household income is spent on housing. Under this definition, costs include those that are typically associated with homeownership—mortgage, utilities, property tax, and the like. This definition is used to estimate the maximum home price a household can afford given their income and municipality of residence. These calculations specifically include utility expenses, homeowners insurance, private mortgage insurance, property taxes, and mortgage payments. These expenses associated with home ownership were estimated and entered into a model which calculated the maximum affordable home price at a given level of household income relative to the county's estimated median household income level.

The affordability model determines affordable house prices by income category relative to the median household income - 50%, 80%, 100%, and 120% of median household income. These income groups are those most likely to be affected by housing affordability pressures and cover most of the income distribution. The analysis was completed for the County and for each municipality in the County.

Estimates of median household income at the municipal level were developed using historical data from the 1990 and 2000 censuses, along with 2007 estimates from the economic and demographic forecast. A weighted average of the 1990-2000 municipal average annual growth rate and the County 2000-2007 average annual growth rate was calculated. This weighted average growth rate was used to carry each municipality's 2000 median household income forward. The weighted average was used because it allowed us to take into account household income growth at the County level, and also allow for variation at the municipal level. Because there clearly are income growth differences between the municipalities, this is the preferable option given the limited data available, versus an approach where County-wide rate of growth was applied to all the county's municipalities.

The model operates under the following assumptions:

- Households can affordably spend no more than 30% of their income on housing. This includes property taxes, utilities, homeowners and private mortgage insurance, and mortgage payments.

- Households obtain 30-year mortgages at a fixed 6.34% interest rate with a 4% down payment on the house price. This is consistent with rates available in the Schuyler County region during calendar year 2007 for 30-year fixed rate loans under these conditions. The original version of the memo assumed a 5% down payment, however this was revised after the technical review committee reached the consensus that a 4% assumption more accurately captured the types of loans that are made in the County.

- Owner households obtain homeowners and private mortgage insurance at prevailing market rates.

The table below shows the step-by-step calculations used for each household income category for owner housing, and the sections “a” to “f” below describe in detail the steps and calculations:

Table B1. Calculation of 2007 Affordable House Price

Calculation	Step
--	1. Start with annual household income
Divide by 12	2. Equals monthly income
Multiply by 30%	3. Maximum affordable monthly payment
Subtract	4. Property Taxes
Subtract	5. Home Owners Insurance
Subtract	6. Private Mortgage Insurance
Subtract	7. Utilities Costs
	8. Result: Affordable Monthly House Payment
Calculate House Price	9. Result: Affordable House Price

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Property Taxes

Calculating property taxes proved to be the toughest challenge in determining housing affordability as the various special tax districts and equalization rates complicated the calculation of the expected property taxes for the towns of the County. The final figure used in the model is the effective tax rate by municipality, or the amount a household can expect to pay in total property taxes based on the market value of their home. To arrive at the effective tax rate, the county, municipal and school tax rates were combined and equalized using New York state equalization rates.

Special tax districts for services such as fire, water, sewer, library, and lighting, were included in the analysis on a weighted average basis in order to estimate their impact on the regular property taxes. The weighting scheme was based proportionally on households, meaning that each special tax district contributed to the total effective tax proportionally based on its share of total housing units—those taxes paid by only a few households had a smaller impact, while those special taxes paid by a large number of households had a greater influence in the final municipal tax figure. This gave an expected tax rate, or what tax rate would be found on average if town households were randomly surveyed. In each municipality, the additional tax impact of the special tax districts was small compared to the total rate.

As a result of this weighting, special tax districts contribute to the total tax figure in proportion to their size. Special district unit taxes were not included in the analysis as they applied to a small number of households in few municipalities. The result of this method was an estimated average effective tax rate for the County of $36.42 per $1,000 in home value, or 3.6%.

Homeowners Insurance

Homeowner's insurance costs were estimated using 2007 data from the New York State Department of Insurance for Insurance Territory 44 (which includes Schuyler County). The Department publishes rates for 25 insurance companies offering homeowner's insurance policies in Schuyler County. "Home Owner's-3" (HO-3) rates were used to estimate typical insurance costs, as according to the Department, this is the most common type of policy purchased. Using the HO-3 rates, an average premium was calculated for "Frame Construction" and "Brick Construction" policies. These two figures were then averaged to estimate a typical rate. This average premium was divided by the median house price for the county, yielding an estimated "insurance cost per $1,000 in home value."

Private Mortgage Insurance

The affordability calculations assumed a 4% down payment, which typically requires the borrower to also buy a private mortgage insurance (PMI) policy. PMI protects the lender from default and is usually required when the loan value is 80% or more of the house value (i.e. the down payment is less than 20%). Borrowers continue to pay PMI premiums until the loan value is less than 80% of the value of the house. Lenders usually use third party insurance companies to insure their loans, so rates and approval can vary across companies and depend on many factors such as the value of the loan, the value of the house, type of loan, credit history, and type of property being purchased. While PMI makes it possible to buy a home with a smaller down payment, it is a cost which must be considered to accurately reflect the cost of owning a home.

PMI rate quotes were obtained from several national companies[6] and assume that the borrower has a good credit history, a 4% down payment and will purchase a single family home to be occupied by the owner. A reasonable PMI

[6] Rates were obtained from AIG United Guaranty, PMI Mortgage Insurance Co., and Mortgage Guaranty Insurance Corp.

rate was estimated to be 0.99%. This rate was multiplied by the amount of the mortgage value to yield an annual PMI premium, and then divided by 12 for the estimated monthly payment.

Owner Utility Costs

Owner utility costs were estimated using consumer expenditure data from the U.S. Bureau of Labor Statistics (BLS) 2005-06 Consumer Expenditure (CEX) Survey for the northeast region of the United States. The CEX survey reports average expenditures on household utilities by income level and tenure, and shows that expenditures on utilities increase with income.[7]

Utility expenditure data by household income category provided a base from which to calculate monthly owner utility expenses. The 2005-2006 figures available were inflated to 2007 dollars by the Fuels & Utilities inflation index, available from the BLS. This approach gives a reliable estimate of typical household utility costs as it takes income and region into account, two important determinants of utility expenditures. The monthly utility expenditures range from $178 for the 50% of median household income category, to $214 for the 120% of median household income category.

For the municipal affordability calculation tables, an adjustment was made for utility expenditures in the Town of Dix due to lower electricity rates in the Village of Watkins Glen. The Village represents about 42% of the town's housing units and the lower rates would influence the average town level utility expenditures. Utility expenditures for Dix are estimated by using the same data described above and then adjusting down by multiplying by 0.80, or 80%.

Mortgage Values and Home Prices

Once the affordable mortgage payment was determined, a calculation was made to estimate the maximum loan value that could be serviced—after adjustment for the 5% down payment assumption. This was done using the following formula which yields the present value of a loan assuming a fixed monthly payment, a fixed interest rate, and a 30 year loan term. The formula is as follows:

$$LoanValue = Payment \times \sum_{t=1}^{n} \frac{1}{(1+r)^t}$$

where, Loan Value represents the nominal dollar value of the mortgage that can be serviced without causing the household housing cost stress, "***n***" is the number of payments (years times 12 months), "***r***" is the fixed interest rate, and "**t**" is each monthly period up to "n." Once the affordable mortgage value was determined, this amount was adjusted up by 4% (e.g. the number was divided by .96) with the assumption that the household would be required to make at least a 4% down payment for the housing unit. Usually, a 5% down payment is considered the

[7] Utility expenditures do not include telephone expenses

minimum down payment, however the technical review committee agreed on using 4% in the affordability calculation. The result of that calculation yields the estimated affordable housing price for that household income category.

Methods Used to Estimate Median House Price in Schuyler County

The 2007 median house price was calculated using sales data from the New York Office of Real Property Service (NY ORPS). The data included single-family, arms-length sales in 2007 and includes condominium sales.[8] The NY ORPS sales data were categorized by municipality and median prices were calculated for the county overall and for each municipality. Table B2 below shows the calculated median house prices. At the County level, there were 147 sales in 2007 and the median sale price was $102,000. For the Towns of Cayuta and Orange, the low number of sales means that the calculated median may not be a reliable measure of house prices in those municipalities.

Table B2. Median House Prices in Schuyler County 2007

	Median Price	Number of Sales
Schuyler County	$102,000	147
Municipality		
Catharine	$82,500	12
Cayuta	$77,000	3
Dix	$102,500	24
Hector	$125,000	49
Montour	$86,000	17
Orange	$84,250	10
Reading	$105,500	16
Tyrone	$103,000	16

Source: NY ORPS

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2. Renter Affordability Calculations

Calculation of affordable rents for the designated income groups of 50%, 80%, 100% and 120% of median income is similar to the methods used in calculating affordable home prices, although the costs of homeowner's insurance, PMI, and property taxes do not apply to rental units.

The renter affordability calculations were built around the same four categories of household income relative to the median household income. As in the owner

[8] The official NY ORPS median prices exclude condominiums from the calculation

affordability calculations, the starting point is household income, and the costs associated with renting are deducted in order to determine an affordable rent. The steps taken are show in the table below:

Table B3. Calculation of 2007 Affordable Rent

Calculation	Step
--	1. Start with annual household income
Divide by 12	2. Equals monthly income
Multiply by 30%	3. Maximum affordable monthly payment
Subtract	4. Utilities Costs
	5. Result: Affordable Monthly Rent

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Renter Utility Costs

Renter utility costs were estimated based on the owner utility costs described above. Originally renter utility costs by income group were estimated to be 48% of that of owners. The technical review committee agreed that renter utility expenditures are roughly 80% of owners' costs, and this was used in the affordability calculations. The renter utility estimates were cross-checked against utility allowance data provided by the Tri-County Housing Council, which bases its allowances on actual rates of the local utility companies. The utility allowances reported by Tri-County Housing vary depending on the type of heating system or the size of the rental unit, and the location as described above for the Village of Watkins Glen. Overall, the assumption that renter utility expenditures were 80% of those of owners appears to result in a reasonable estimate.

2. Estimate of the Median Rent for Schuyler County

The 2007 median rent for Schuyler County was estimated by using data from the 2000 Census and the U.S. BLS. The median rent reported by the 2000 census was carried forward with the U.S. BLS's Rent Consumer Price Index (CPI) for the northeastern region of the United States. The Rent CPI is an indication of how prices increased over time and is a good tool with which we can inflate the 2000 rent levels. The table below shows how beginning with the 2000 rent, increases are estimated based on the percent change in the Rent CPI. The 2007 estimated median rent in Schuyler County is $472.

Table B4. Estimated 2007 Median Rent in Schuyler County

Year	Estimated Median Rent	Rent CPI	% Change
2000	$370	187.4	
2001	$388	196.4	*4.8%*
2002	$400	202.4	*3.1%*
2003	$410	207.7	*2.6%*
2004	$422	213.8	*2.9%*
2005	$435	220.4	*3.1%*
2006	$454	229.8	*4.3%*
2007	**$472**	**238.9**	***4.0%***

Source: U.S. Census Bureau; BLS

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This estimate of median rent was checked against two other sources to ensure reasonableness. First, a rental survey conducted by the Tri-County Housing Council was used as a cross-check for median rent. The survey included 270 rental units in the county and we calculated a median rent of $454. Second, the Schuyler County Fair Market Rent (FMR) developed by the U.S. HUD was used as another source. The 2007 2-bedroom FMR in the county was reported to be $613. The FMR is defined as gross rent estimates, and includes "the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service."[9] As the FMR includes renter utility expenditures, it should be expected to be higher than the CPI-inflated estimate of median rent, which does not include utility expenses. Using these two additional sources of data as cross-checks, the CPI-inflated estimate of $472 appears to be a reasonable estimate of median rent in the County, and this was the median rent used in the affordability calculations.

Estimates were also made for the median rents of each municipality using the same methods as described above for the County median rent. The 2000 median rent was taken forward with the rental CPI and the estimates are shown in the table below.

[9] "Fair Market Rents for the Section 8 Housing Assistance Payments Program." U.S. Department of Housing and Development. July 2007.

Table. B5 Estimated 2007 Median Rent By Municipality

	Estimated Median Rent
Schuyler County	$472
Catharine	$465
Cayuta	$444
Dix	$473
Hector	$493
Montour	$458
Orange	$478
Reading	$537
Tyrone	$432

Sources: U.S. Census and BLS

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3. County Level Affordability Calculation Tables

The results of using the methods described above are shown in Tables B6 and B7 below. On the owner side, the affordable house prices range from $34,972 for the 50% of median household income and below category, to $104,836 for the 120% of median household income and below category. Based on these affordable house prices, house sales in 2007 were analyzed to determine how many units that were on the market were sold at or below each income category's affordable price. With a total of 147 sales in 2007, five houses were sold at or below the affordable price for the 50% of median household income group and it is unlikely that these were sales of units that were in decent and ready to move in condition; 62 units were sold in 2007 at or below the affordable price for households that earned 120% of median income.

The table also shows the difference between the affordable price for each income category and the median house price in the County of $102,000. A gap between the affordable price and the median price existed at all income levels, except 120% of median household income. This difference amounted to $67,028, $36,552, and $17,794 at the 50%, 80% and 100% of median household income levels, respectively. At the 120% income level, the affordable house price exceeded the median price for the county. This analysis implies that when supply and demand are compared by income level, the next step in the study, affordability issues will likely be concentrated at the lower end of the income spectrum. The owner affordability calculation tables for each of the municipalities in the County are included in the following section.

Table B6. Estimated Affordable Home Prices in Schuyler County, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$21,327	$34,122	$42,653	$51,184
Monthly Household Income	1,777	2,844	3,554	4,265
Utility Expenses	$178	$188	$210	$214
Home Owners Insurance Expenses	$13	$24	$31	$39
Property Taxes	$106	$199	$256	$318
Private Mortgage Insurance (0.99%)	$28	$52	$67	$83
Affordable Mortgage Payment Per Month	$209	$391	$502	$626
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$1,399	$2,618	$3,368	$4,193
Affordable House Price (2007)	$34,972	$65,448	$84,206	$104,836
Estimated Median Home Price (2007)	$102,000	$102,000	$102,000	$102,000
Affordable Home Price Gap	($67,028)	($36,552)	($17,794)	$2,836
Number of House Sales at or Below the Affordable Price	5	30	42	62
Percent of Total Sales (147 Sales)	3.4%	20.4%	28.6%	42.2%

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For renters, the affordable rents ranged from $391 for the 50% of median household income category, to $1,108 for the 120% of median household income category. With an estimated median rent of $472 in the County, a gap existed only at the lowest income level. For households that earned 80% of median household income or more, the affordable monthly rent was sufficient to pay the County median rent. This analysis suggests that affordability challenges are concentrated at the lowest income level, 50% of median household income and below, and that when supply and demand of units by income level are compared the unit gap will likely be found at the lowest income level. The renter affordability calculation tables for the municipalities are included in the next section.

Table B7. Estimated Affordable Rent in Schuyler County, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$21,327	$34,122	$42,653	$51,184
Monthly Household Income	$1,777	$2,844	$3,554	$4,265
Monthly Utility Expense (Excluding Telephone)	$142	$150	$168	$171
Income for Housing Costs (Including Utilities)	$533	$853	$1,066	$1,280
Affordable Rent (2007)	$391	$703	$898	$1,108
Estimated 2007 Median Rent	$472	$472	$472	$472
Affordable Rent Gap	($81)	$231	$426	$637
Estimate of Affordable Units	422	1654	1864	1873
Percent of Total Units (1879)	22.5%	88.0%	99.2%	99.7%

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4. Municipal Owner Affordability Calculation Tables

Table B8. Estimated Affordable Home Prices in Catharine Town, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$22,875	$36,601	$45,751	$54,901
Monthly Household Income	1,906	3,050	3,813	4,575
Utility Expenses	$178	$188	$210	$214
Home Owners Insurance Expenses	$14	$25	$33	$40
Property Taxes	$129	$239	$307	$381
Private Mortgage Insurance (0.99%)	$29	$54	$70	$87
Affordable Mortgage Payment Per Month	$222	$409	$525	$651
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$1,485	$2,740	$3,516	$4,365
Affordable House Price (2007)	$37,128	$68,493	$87,910	$109,119
Estimated Median Home Price (2007)	$82,500	$82,500	$82,500	$82,500
Affordable Home Price Gap	($45,372)	($14,007)	$5,410	$26,619
Number of House Sales at or Below the Affordable Price	0	3	5	6
Percent of Total Sales (12 sales)	0.0%	25.0%	41.7%	50.0%

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Table B9. Estimated Affordable Home Prices in Cayuta Town, 2007

Percent of Median Household Income				
Annual Household Income	$21,086	$33,738	$42,173	$50,608
Monthly Household Income	1,757	2,812	3,514	4,217
Utility Expenses	$178	$188	$210	$214
Home Owners Insurance Expenses	$12	$23	$29	$36
Property Taxes	$117	$220	$284	$353
Private Mortgage Insurance (0.99%)	$26	$48	$62	$78
Affordable Mortgage Payment Per Month	$194	$364	$469	$584
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$1,302	$2,443	$3,144	$3,916
Affordable House Price (2007)	$32,548	$61,064	$78,597	$97,904
Estimated Median Home Price (2007)	$77,000	$77,000	$77,000	$77,000
Affordable Home Price Gap	($44,452)	($15,936)	$1,597	$20,904
Number of House Sales at or Below the Affordable Price	0	0	2	3
Percent of Total Sales (3 sales)	0.0%	0.0%	66.7%	100.0%

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Table B10. Estimated Affordable Home Prices in Dix Town, 2007

Percent of Median Household Income				
Annual Household Income	$21,084	$33,735	$42,169	$50,602
Monthly Household Income	1,757	2,811	3,514	4,217
Utility Expenses	$142	$150	$168	$171
Home Owners Insurance Expenses	$14	$26	$33	$41
Property Taxes	$108	$194	$248	$306
Private Mortgage Insurance (0.99%)	$31	$56	$71	$88
Affordable Mortgage Payment Per Month	$232	$418	$534	$660
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$1,556	$2,802	$3,581	$4,422
Affordable House Price (2007)	$38,903	$70,046	$89,526	$110,546
Estimated Median Home Price (2007)	$102,500	$102,500	$102,500	$102,500
Affordable Home Price Gap	($63,597)	($32,454)	($12,974)	$8,046
Number of House Sales at or Below the Affordable Price	2	7	10	12
Percent of Total Sales (24 sales)	8.3%	29.2%	41.7%	50.0%

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Table B11. Estimated Affordable Home Prices in Hector Town, 2007

Percent of Median Household Income				
Annual Household Income	$25,649	$41,038	$51,297	$61,556
Monthly Household Income	2,137	3,420	4,275	5,130
Utility Expenses	$178	$210	$214	$214
Home Owners Insurance Expenses	$17	$30	$39	$48
Property Taxes	$139	$245	$321	$398
Private Mortgage Insurance (0.99%)	$36	$64	$83	$103
Affordable Mortgage Payment Per Month	$272	$478	$626	$776
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$18,202	$32,025	$41,956	$52,027
Affordable House Price (2007)	$45,504	$80,062	$104,891	$130,069
Estimated Median Home Price (2007)	$125,000	$125,000	$125,000	$125,000
Affordable Home Price Gap	($79,496)	($44,938)	($20,109)	$5,069
Number of House Sales at or Below the Affordable Price	4	11	22	25
Percent of Total Sales (49 sales)	8.2%	22.4%	44.9%	51.0%

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Table B12. Estimated Affordable Home Prices in Montour Town, 2007

Percent of Median Household Income				
Annual Household Income	$21,627	$34,603	$43,254	$51,905
Monthly Household Income	1,802	2,884	3,604	4,325
Utility Expenses	$178	$188	$210	$214
Home Owners Insurance Expenses	$13	$24	$31	$38
Property Taxes	$118	$220	$282	$351
Private Mortgage Insurance (0.99%)	$27	$51	$65	$81
Affordable Mortgage Payment Per Month	$205	$383	$492	$613
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$1,376	$2,567	$3,301	$4,108
Affordable House Price (2007)	$34,398	$64,181	$82,534	$102,690
Estimated Median Home Price (2007)	$86,000	$86,000	$86,000	$86,000
Affordable Home Price Gap	($51,602)	($21,819)	($3,466)	$16,690
Number of House Sales at or Below the Affordable Price	0	4	6	6
Percent of Total Sales (17 sales)	0.0%	23.5%	35.3%	35.3%

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Table B13. Estimated Affordable Home Prices in Orange Town, 2007

Percent of Median Household Income				
Annual Household Income	$22,827	$36,523	$45,653	$54,784
Monthly Household Income	1,902	3,044	3,804	4,565
Utility Expenses	$178	$188	$210	$214
Home Owners Insurance Expenses	$13	$25	$32	$39
Property Taxes	$134	$248	$318	$395
Private Mortgage Insurance (0.99%)	$29	$53	$68	$85
Affordable Mortgage Payment Per Month	$216	$399	$513	$637
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$1,451	$2,678	$3,437	$4,267
Affordable House Price (2007)	$36,274	$66,945	$85,928	$106,669
Estimated Median Home Price (2007)	$84,250	$84,250	$84,250	$84,250
Affordable Home Price Gap	($47,976)	($17,305)	$1,678	$22,419
Number of House Sales at or Below the Affordable Price	0	3	3	3
Percent of Total Sales (10 sales)	0.0%	30.0%	30.0%	30.0%

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Table B14. Estimated Affordable Home Prices in Reading Town, 2007

Percent of Median Household Income				
Annual Household Income	$24,404	$39,046	$48,808	$58,569
Monthly Household Income	2,034	3,254	4,067	4,881
Utility Expenses	$178	$188	$210	$214
Home Owners Insurance Expenses	$17	$30	$39	$48
Property Taxes	$112	$204	$261	$323
Private Mortgage Insurance (0.99%)	$36	$65	$83	$103
Affordable Mortgage Payment Per Month	$268	$489	$626	$776
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$1,798	$3,278	$4,199	$5,199
Affordable House Price (2007)	$44,956	$81,961	$104,983	$129,984
Estimated Median Home Price (2007)	$105,500	$105,500	$105,500	$105,500
Affordable Home Price Gap	($60,544)	($23,539)	($517)	$24,484
Number of House Sales at or Below the Affordable Price	3	5	7	8
Percent of Total Sales (16 sales)	18.8%	31.3%	43.8%	50.0%

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Table B15. Estimated Affordable Home Prices in Tyrone Town, 2007

Percent of Median Household Income				
Annual Household Income	$20,079	$32,126	$40,158	$48,189
Monthly Household Income	1,673	2,677	3,346	4,016
Utility Expenses	$178	$188	$210	$210
Home Owners Insurance Expenses	$12	$24	$31	$38
Property Taxes	$84	$159	$205	$257
Private Mortgage Insurance (0.99%)	$27	$51	$65	$82
Affordable Mortgage Payment Per Month	$201	$382	$492	$617
Mortgage Rate	6.34%	6.34%	6.34%	6.34%
Term (Years)	30	30	30	30
Down Payment (4%)	$1,349	$2,559	$3,300	$4,135
Affordable House Price (2007)	$33,715	$63,975	$82,501	$103,375
Estimated Median Home Price (2007)	$103,000	$103,000	$103,000	$103,000
Affordable Home Price Gap	($69,285)	($39,025)	($20,499)	$375
Number of House Sales at or Below the Affordable Price	0	2	3	5
Percent of Total Sales (16 sales)	0.0%	12.5%	18.8%	31.3%

5. Municipal Renter Affordability Calculation Tables

The renter affordability tables presented below include an estimate of the number of units in the housing stock available at or below each income category's affordable rent. These are preliminary estimates and could be revised as we are constantly looking for additional data to help in the development of our estimates, especially at the municipal level for which data is often difficult to obtain. If revisions are indeed made along the course of the study we do not expect them to be substantially different than the figures presented here.

Table B16. Estimated Affordable Rent in Catharine Town, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$22,875	$36,601	$45,751	$54,901
Monthly Household Income	$1,906	$3,050	$3,813	$4,575
Monthly Utility Expense (Excluding Telephone)	$142	$150	$168	$171
Income for Housing Costs (Including Utilities)	$572	$915	$1,144	$1,373
Affordable Rent (2007)	$430	$765	$975	$1,201
Estimated 2007 Median Rent	$465	$465	$465	$465
Affordable Rent Gap	($36)	$300	$510	$736
Estimate of Affordable Units	77	188	191	191
Percent of Total Units (191)	40.3%	98.1%	100.0%	100.0%

Prepared By Economic & Policy Resources, Inc.

Table B17. Estimated Affordable Rent in Cayuta Town, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$21,086	$33,738	$42,173	$50,608
Monthly Household Income	$1,757	$2,812	$3,514	$4,217
Monthly Utility Expense (Excluding Telephone)	$142	$150	$168	$171
Income for Housing Costs (Including Utilities)	$527	$843	$1,054	$1,265
Affordable Rent (2007)	$385	$693	$886	$1,094
Estimated 2007 Median Rent	$444	$444	$444	$444
Affordable Rent Gap	($59)	$250	$442	$650
Estimate of Affordable Units	26	51	51	51
Percent of Total Units (52)	49.5%	98.1%	98.1%	98.1%

Prepared By Economic & Policy Resources, Inc.

Table B18. Estimated Affordable Rent in Dix, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$21,084	$33,735	$42,169	$50,602
Monthly Household Income	$1,757	$2,811	$3,514	$4,217
Monthly Utility Expense (Excluding Telephone)	$114	$120	$135	$137
Income for Housing Costs (Including Utilities)	$527	$843	$1,054	$1,265
Affordable Rent (2007)	$413	$723	$920	$1,128
Estimated 2007 Median Rent	$473	$473	$473	$473
Affordable Rent Gap	($60)	$250	$447	$655
Estimate of Affordable Units	190	589	602	602
Percent of Total Units (602)	31.6%	97.8%	100.0%	100.0%

Prepared By Economic & Policy Resources, Inc.

Table B19. Estimated Affordable Rent in Hector Town, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$25,649	$41,038	$51,297	$61,556
Monthly Household Income	$2,137	$3,420	$4,275	$5,130
Monthly Utility Expense (Excluding Telephone)	$142	$168	$171	$171
Income for Housing Costs (Including Utilities)	$641	$1,026	$1,282	$1,539
Affordable Rent (2007)	$499	$858	$1,111	$1,368
Estimated 2007 Median Rent	$493	$493	$493	$493
Affordable Rent Gap	$6	$364	$618	$874
Estimate of Affordable Units	167	323	342	344
Percent of Total Units (344)	48.4%	93.9%	99.4%	100.0%

Prepared By Economic & Policy Resources, Inc.

Table B20. Estimated Affordable Rent in Montour Town, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$21,627	$34,603	$43,254	$51,905
Monthly Household Income	$1,802	$2,884	$3,604	$4,325
Monthly Utility Expense (Excluding Telephone)	$142	$150	$168	$171
Income for Housing Costs (Including Utilities)	$541	$865	$1,081	$1,298
Affordable Rent (2007)	$399	$715	$913	$1,126
Estimated 2007 Median Rent	$458	$458	$458	$458
Affordable Rent Gap	($59)	$257	$455	$669
Estimate of Affordable Units	111	340	347	347
Percent of Total Units (347)	32.1%	97.9%	100.0%	100.0%

Prepared By Economic & Policy Resources, Inc.

Table B21. Estimated Affordable Rent in Orange Town, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$22,827	$36,523	$45,653	$54,784
Monthly Household Income	$1,902	$3,044	$3,804	$4,565
Monthly Utility Expense (Excluding Telephone)	$142	$150	$168	$171
Income for Housing Costs (Including Utilities)	$571	$913	$1,141	$1,370
Affordable Rent (2007)	$429	$763	$973	$1,198
Estimated 2007 Median Rent	$478	$478	$478	$478
Affordable Rent Gap	($50)	$285	$495	$720
Estimate of Affordable Units	23	90	90	90
Percent of Total Units (90)	25.3%	100.0%	100.0%	100.0%

Prepared By Economic & Policy Resources, Inc.

Table B22. Estimated Affordable Rent in Reading Town, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$24,404	$39,046	$48,808	$58,569
Monthly Household Income	$2,034	$3,254	$4,067	$4,881
Monthly Utility Expense (Excluding Telephone)	$142	$150	$168	$171
Income for Housing Costs (Including Utilities)	$610	$976	$1,220	$1,464
Affordable Rent (2007)	$468	$826	$1,052	$1,293
Estimated 2007 Median Rent	$537	$537	$537	$537
Affordable Rent Gap	($69)	$289	$515	$756
Estimate of Affordable Units	37	119	121	121
Percent of Total Units (121)	30.7%	98.3%	100.0%	100.0%

Prepared By Economic & Policy Resources, Inc.

Table B23. Estimated Affordable Rent in Tyrone Town, 2007

Percent of Median Household Income	50%	80%	100%	120%
Annual Household Income	$20,079	$32,126	$40,158	$48,189
Monthly Household Income	$1,673	$2,677	$3,346	$4,016
Monthly Utility Expense (Excluding Telephone)	$142	$150	$168	$168
Income for Housing Costs (Including Utilities)	$502	$803	$1,004	$1,205
Affordable Rent (2007)	$360	$653	$836	$1,036
Estimated 2007 Median Rent	$432	$432	$432	$432
Affordable Rent Gap	($72)	$221	$403	$604
Estimate of Affordable Units	15	131	131	131
Percent of Total Units (131)	11.2%	100.0%	100.0%	100.0%

Prepared By Economic & Policy Resources, Inc.

Appendix C. Full SWOT Analysis

As part of this Housing Needs Assessment, the strengths, weaknesses, opportunities and threats regarding the economy, housing market and future of Schuyler County were assessed by our team through nineteen interviews with local officials, developers, and non-profit executives who are active in providing housing or are otherwise stakeholders in the results of this study. A presentation was made to the Watkins Glen/Montour Falls Rotary Club followed by a discussion of the housing market in the county during their September 25, 2008 weekly meeting. Interviewees were identified through consultation with Danielle Hautaniemi of the Cornell Cooperative Extension Service and the project steering committee. The interviews were completed during September, 2008. The objective of the interviews were: 1) to obtain a "reality check" on the data the team had assembled to date, (2) to get a face-to-face description of the facts and nuances of the situation "on the ground," and 3) to solicit ideas and insights which might lead to solutions.

Located along two sides of Seneca Lake and crossed by ranges of rolling wooded hills containing national and state forests, Schuyler County has long been a tourist destination. The interviewees were universal in praising the natural resource endowments of the region, including scenery, recreation opportunities and economic potential of the county. Many commented that given the area is such a great place to live, they are frustrated that people who want to live there can not find a suitable dwelling. Historically, development has been limited to Watkins Glen, Montour Falls and a few scattered villages within the county. SWOT participants indicated that the terrain, soils and barriers to transportation presented by the lake limited early development in the county. Later on, the county's rural culture, the seasonal nature of the region's tourism industry and the growth of employment centers in the cities to the south and east resulted in the county over the years alternating between six months of quiet existence as a lightly growing but aging community, and six months of vibrant activity when welcoming visitors to the region.

The assessment of strengths, weaknesses, opportunities and threats that follows is meant to give an unvarnished look at how the interviewees feel about Schuyler County's past and future. No individual's words are quoted or attributed. Although there was a diversity of opinions and ideas, there was surprising accord on what was right, what was wrong and what needed to be done.

A. Strengths

(1) The County is a Favorable Location

Interviewees were universal in praising the physical attributes of the county. The lake, the hills, the streams and waterfalls are all accessible to the public, with many assets owned by federal, state and local governments. Watkins Glen International draws auto racing fans from around the world. In recent years, the Finger Lakes wine industry has emerged as a major domestic producer and exporter of excellent wines. As a result, the dozens of wineries along the shores of Seneca Lake have grown to become a major attraction for visitors to the county.

Most of the praise for the county's location in the SWOT interviews was centered on the attractiveness of the county as a quality lace to live. Several interviewees suggested that the county's destiny was to be a bedroom community for the more economically active surrounding communities. One, however, commented that, "We are a bedroom community without bedrooms."

A recent addition to the list of visitor amenities in the county is the recent Summer of 2008 opening of the Watkins Glen Harbor Hotel. The hotel consists of 104 luxury rooms, conference facilities, restaurant, and other related facilities. It is the most recent major investment in the tourism sector in the county. The owners of the facility hope to encourage additional revitalization activity in downtown Watkins Glen that will result in additional business development and increased visitor activity in the region. As a new and significant source of local jobs, this and potential spin-off activity will potentially add to county housing demand.

(2) A Knowledgeable and Engaged Government and Non Profit Sector

City, County, Regional and Non-Profit professionals interviewed were knowledgeable, energetic and clear-thinking. They had a strong respect for one another and although acknowledging some history of conflict, expressed a desire to cooperate fully in the efforts ahead.

SWOT interviewees also stated that the county has an excellent medical center. Some SWOT participants made a distinction among school district quality. However, opinion was clear that the county's schools have capacity and could absorb population growth without major additional cost pressures.

(3) Local Debt Capital for Housing is Available

Interviewees rated the local banks as cooperative and community minded in terms of mortgage lending capacity and willingness to lend. Although the county has not experienced foreclosures at anywhere near the rates experienced in other parts of the country, SWOT participants indicated that they expected recent financial market developments would lead to a tightening of credit standards and a general increase in the cost of obtaining credit in the county and regionally.

(4) Selected Regional Water-Sewer Infrastructure Assets Have Available Capacity for Housing Development

SWOT participants frequently cited lack of infrastructure to support housing as a weakness (see the discussion below). However, interviewees indicated there are strengths in the current water and sewer infrastructure that are significant. They indicated that water and sewer infrastructure assets could provide the sites for some immediate housing development in the county. SWOT participants indicated that the sewer system in Watkins Glen currently has excess capacity. Interviewees related that when the Watkins Glen system was built, the intent was to have the system serve Reading and Montour Falls as well as Watkins Glen. The multi-town arrangement was never finalized and the treatment plant was "overbuilt" vis-à-vis Watkins Glen's own needs. Furthermore, SWOT interviewees also indicated that the Watkins Glen water system was recently upgraded. In Hector, water has been extended 37,000 feet to serve farmland east of Route 414. Finally, the Town of Dix has extended water up the hill to Watkins Glen International and to the county industrial park.

B. Weaknesses

(1) Uncoordinated County-Local Government Policies

SWOT participants indicated that planning and land use regulation are currently "uncoordinated" in the county. SWOT interviewees cited that the lack of coordination between the County and the county's municipalities was due to a lack of "a common view of how the county should develop and prosper."

SWOT participants indicated that some land served by water and/or sewer is not zoned for development density attractive to housing subdivisions. In addition, local building codes lack consistency among the county's municipalities and they offered the opinion that local land use enforcement is "unfriendly and discouraging" to developers. SWOT interviewees pointed out that the work to establish a regional water district is hampered by the $10 rate disparity between Watkins Glen and Montour Falls. Montour Falls residents, who currently enjoy lower rates, could experience a significant rate increase if the two systems were merged.

SWOT interviewees indicated that pro-development organizations like SCOPED and the Chamber of Commerce are not appreciated.[10] Local governments do not actively solicit new business and in some cases have discouraged development. Nearly all SWOT respondents pointed out property taxes are higher than in surrounding counties and often viewed as a negative to owning and/or developing housing in the county.

(2) Key Natural Barriers to Housing Development Exist

SWOT participants said that the lake, steep slopes, water quality, difficult soil types and significant amounts of publicly-owned forests and parks in the county limit both the amount of land that is feasible to develop and create transportation barriers. This tends to isolate areas of the county from one another, and serves to

[10] SCOPED refers to Schuyler County Partnership for Economic Development

significantly extend commuting distances and times to the region's major employment centers.

Based on the proximity to the lake and relatively steep slopes, some SWOT interviewees raised the issue of storm water disposal as a potential challenge to development in and around the more urban areas of the county. In contrast, SWOT participants indicated that in much of the rural area of the county, individual septic systems are technically difficult (if not impossible) or prohibitively expensive to site due to inhospitable soil types. SWOT interviewees indicated that restrictions of housing density in such areas—even if appropriate—served to limit housing development to relatively low densities on large lots.

(3) Lack of Housing at Appropriate Price Points for Management and Professionals

Businesses, governments and non-profit organization heads interviewed for the SWOT universally stated that a major weakness of the county is the lack of quality new housing in the $150,000 to $350,000 price range. Managers, doctors, executives and small business owners who have come to Schuyler County to work have, with few exceptions, chosen to live outside the county because they could not find a suitable house. With transportation costs and quality of life issues making long commutes increasingly undesirable, the county's essential institutions are at a disadvantage when recruiting key people.

(4) Lack of Housing for Mid-Level Employees

Employers in the county who participated in the SWOT expressed concern about the ability of their middle management and para-professional employees' to find suitable housing in the county. Many of these employees have young families and in the foreseeable future will have a difficult time becoming home owners. Other interviewees complained that young people who grow up in the county and work nearby have to leave the county to find a decent place to live. The lack of market rate rental units was brought up as a weakness which should be addressed quickly to meet the need for housing at rent levels that are affordable by these young people with good jobs.

(5) Lack of Suitable Housing for Seniors and Disabled Adults

SWOT interviewees who are familiar with the 65+ age group and disabled adults in the county stated that the greatest short term need is for housing winterization, general rehabilitation, and other support services designed to help these residents stay in their homes. Longer term, new housing that addresses the needs of seniors and the county's special needs population at all price points and rent levels is a significant need. There are several housing developments for seniors and disabled adults in the county with subsidized rents. A strong local commitment and federal programs will likely continue to keep pace with this need. However, according to

SWOT interviewees knowledgeable in this area, many seniors in the county do not qualify for Section 8 subsidies, cannot afford the needed improvements to their homes, struggle to adequately maintaining the property, and have difficulty traveling to shopping, medical services and social opportunities. As a result, these SWOT participants believe that the county's seniors could benefit from a modest market rate townhouse or apartment living especially near needed services and retail stores.

(6) Lack of Housing Choices for Lowest Income Residents

SWOT interviewees who work with the county's poorest residents painted a dismal picture of the housing options for these residents. Limited job opportunities close to home, unreliable and expensive transportation, and very few affordable housing choices force people to scratch out a life based on short term jobs and moving often from one temporary housing arrangement to another. This lifestyle results in chronic instability for children and adults alike, and an overall poor quality of life.

C. Opportunities

All SWOT Interviewees agreed that housing at all price points and rent levels is needed. They also agreed that there are clear opportunities to address and meet the county's housing needs if county and local governments, key non-profits and the private sector (e.g. landowners, developers, businesses) come together to reach a consensus and work together on solutions. Gleaned from the 19 SWOT interviews here are the general and specific ideas and opportunities we heard:

(1) Form a Committed and Active Council of Governments

County Administrator, Tim O'Hearn has begun an effort to form a Council of Governments (COG). COGs have been successful around the United States to provide a vehicle for county and municipal governments to meet regularly, discuss problems and issues, form a consensus plan of attack, and then work cooperatively to address those problems and issues. One of the most common COG activities is to combine inter-municipal resources to provide infrastructure. Terrain and past development patterns in Schuyler County will require inter-municipal cooperation to provide water and sewer to areas of the county where housing and other development should be located. A COG could also spearhead an effort to prepare a county-wide capital improvement plan and coordinate applications for applying for and receiving federal funding for such projects. This latter task will take on special importance and timeliness if Washington later in 2008 or early 2009 reacts to the current national economic downturn with a proposal for a national public works program.

(2) Identify and Market Suitable Land for Residential Subdivisions

This Housing Needs Analysis will include a map that will show land in the county zoned for residential development and served by water and/or sewer and other amenities. It will also quantify the need for housing for all income levels. These study results should stimulate cooperation between the municipalities involved and private developers to begin building housing on these sites first. Then extension of infrastructure and zoning changes can follow to add parcels to the "ready to go" inventory.

Areas of the county mentioned by SWOT interviewees:

- Additional parcels near Watkins Glen golf course and currently planned subdivision
- Parcel behind Wal-Mart in Watkins Glen
- Land on Route 17 by the Industrial Park
- Land near the hospital

(3) Consider a Housing Trust or Other Vehicle to Buy and Rehab Substandard Housing

SWOT participants stated that Schuyler County has a large number of substandard single and multi family houses. Many have been converted to rentals and many are the homes of seniors who are having difficulty maintaining them. In other communities (Ithaca, for example) an agency or housing trust buys such properties when they come on the market, rehabilitates them, and then sells them to first time home buyers. They also buy, rehab, and rent out multi-family residences. In either case, these activities reduce neighborhood blight, and families are able to purchase or rent safe, decent housing. If a non-profit organization took the lead to develop and operate such a "trust" organization, SWOT participants felt that there would be sufficient government resources and non-profit partners available to help make such a "Housing Trust" organization happen.

(4) Organize a Downtown Marketplace Group for Watkins Glen

Several SWOT interviewees said with the advent of the Harbor Hotel and the increase in upscale tourism visiting wineries and the Watkins Glen International, Franklin Street and environs is a prime candidate for a major upgrade. Despite past failure regarding such efforts, SWOT interviewees indicated that a new effort seems warranted. Other resort towns (e.g. Lake Placid, Camden, Maine) have taken steps to build vibrancy in their downtowns by building an attractive visitor destination. SWOT interviewees who advocated this idea also spoke of the potential housing opportunities in the upstairs floors of many Franklin Street buildings in a mixed development context. In the community development literature, communities that have built successful downtowns have brought in a mix of year around residents and seasonal visitors. Providing a convenient location for residents and visitors to achieve a critical mass of "pairs of feet on the ground" is important to a successful downtown commercial strategy.

There are hundreds of models for successful downtown or marketplace efforts. Funding, especially for places like Watkins Glen with historic buildings, is available. Often, one project can trigger more investment through a “bandwagon” effect. For example, the Montour House in Montour Falls is an example of an historic preservation project that may anchor additional improvements for the Montour Falls downtown. However it is unusual for a major upgrade to occur without an aggressive marketplace group to initiate and sustain it. The Watkins Glen Harbor Hotel could be used as the trigger to start another, potentially more successful effort for Franklin Street corridor.

(5) Water System Extensions in Hector May Open Developable Land

SWOT interviewees pointed to the water lines that run up Route 414 in Hector that were extended to the east to serve an agricultural district as an “opportunity.” Only existing dwellings are now eligible to hook up to the new line. The agricultural district designation is not permanent and when it expires, there may be opportunities for landowners to develop adjacent land served by the water system.

(6) Designate a Housing Coordinator for the County

Several SWOT interview participants recommended that the county needs someone: (1) to coordinate ideas, plans and projects, (2) to be a source of information, and funding opportunities, and (3) to generally be in charge of follow-up efforts from and in addition to this Housing Needs Analysis. Some SWOT participants thought this should be a new position. Other SWOT participants thought the county planning office/extension service should at least initially undertake the job.

D) Threats

There are always events and issues that can impede or delay the best laid plans. Those mentioned here were raised by participants in the interviews.

(1) Current Unfavorable Economic Conditions

As of the writing of this report, the troubles which began in the housing market and Wall Street have spread to the broader economy, and the economy has slipped into recession. This deep and still unresolved recession will certainly delay some housing activity, and likely drag on tourism and recreation, two important economic drivers for the county. However, federal action to mitigate the effects of financial-credit market difficulties, the overall economic downturn, and to provide jobs might generate significant amounts of federal funds for states, counties, and municipalities that could be employed for infrastructure improvements and housing construction.

(2) High Property Taxes

SWOT interview participants were unanimously in agreement that property taxes in the county are too high, and that Schuyler County is currently at a disadvantage compared to its neighboring counties. Property tax rates in the County were researched and analyzed as part of the affordability calculations. An estimate of a county-wide average property tax as a percent of home value was made, but this was not done in a context of comparison to surrounding counties. Average property tax payments were estimated to be 3.6% of the value of the home, including county, municipal, school, and special taxes (for water, sewer, fire etc). Although property taxes are reported to be high relative to neighboring counties based on the SWOT interviewees' comments, this analysis neither supports nor refutes this perception. However, the fact that SWOT interviewees consistently cited high property taxes in the county as a threat to the county's growth, especially with respect to housing, is a strong perception. Many times, perception is more powerful than, and often becomes, the reality in such matters and public discourse. This is true, even though factual data may indicate incongruence between perception and reality.

(3) Continued Lack of High Paying Job Opportunities

Several SWOT interviewees cited the empty industrial park as a potential forecast of the future. Part of the incentive for this housing needs analysis is to promote housing development because it is believed by many SWOT participants that the lack of quality housing is a barrier to high quality economic and job development. It is possible that there are other structural conditions and factors discouraging development. However, it is not at all clear that Schuyler County's destiny is to be a bedroom for its neighbors, as one SWOT interviewee described it.

E) Conclusions

SWOT participants contributed significantly to the value of this housing needs assessment. They made observations and raised concerns that statistical analysis alone can miss. Interviewees observed that like all communities, Schuyler County has a great need for upgrading the quantity and quality of housing for those households (both seniors and families) below median income. But unlike most communities, interviewees spoke of the problem managers and professionals experience finding desirable housing in the county near their jobs. They also cited the lack of quality market rental housing for young middle management and professional employees. Likewise the need for market rate senior housing was reported by participants. Why aren't these types of housing being built if the perceived demand is actually there? SWOT participants mentioned several barriers that have discouraged the kind of private developers and builders who could undertake such projects. There is limited land in the county suitable for development. Inter-municipal planning and cooperation to open those suitable areas to development has been slow to come to the county. Regulation has been perceived as spotty and largely anti-development outside of the more urban areas. SWOT participants, however, were hopeful that this report along with coordinating efforts like the fledgling council of governments will stimulate effort to reduce the barriers to housing development and begin to build housing for residents and newcomers at all points in the household income spectrum.

Appendix D. Housing Wage Analysis

This Appendix describes the housing wage analysis that was conducted to connect housing costs for both owners and renters to a cross section of the most commonly paid wages in Schuyler County. This gives another perspective from which to view the issue of housing affordability, incorporating wages into the analysis and contributing to a better understanding of affordability issues within the County. The term housing wage refers to the wage needed by a full time worker to afford a specifically priced housing unit; those earning below the housing wage for their unit's costs would likely be housing cost-stressed. The housing wage analysis is best suited for assessing the potential for households to be housing cost-burden rather than for determining what proportion of households are actually burdened. This is because the analysis assumes that a worker has no additional source of income and that he or she is the only household member paying the household's expenses.[11]

Two housing wages are used in this analysis: (1) the household wage needed to afford rent on the median priced apartment and (2) the household wage needed to afford mortgage and other housing payments associated with owning a median priced house. The renter housing wage used in the analysis is estimated by EPR from renter survey data. The owner housing wage is calculated by EPR and is based on housing sales records from 2007, estimates of the costs associated with home ownership (e.g. homeowners insurance, property taxes, mortgage payment), and a housing-cost burden threshold of 30% of household income.

Earnings multiples are included in both the renter and owner analyses; in this context the earnings multiple refers to the number of full time workers earning a given wage necessary to meet the housing wage. For example if the average wage in a given industry is $12/hour, and the housing wage needed is $18/hour then the earnings multiple is $18/$12= 1.5, meaning that it would take 1.5 workers working full time at this wage to break the housing-cost stress threshold.

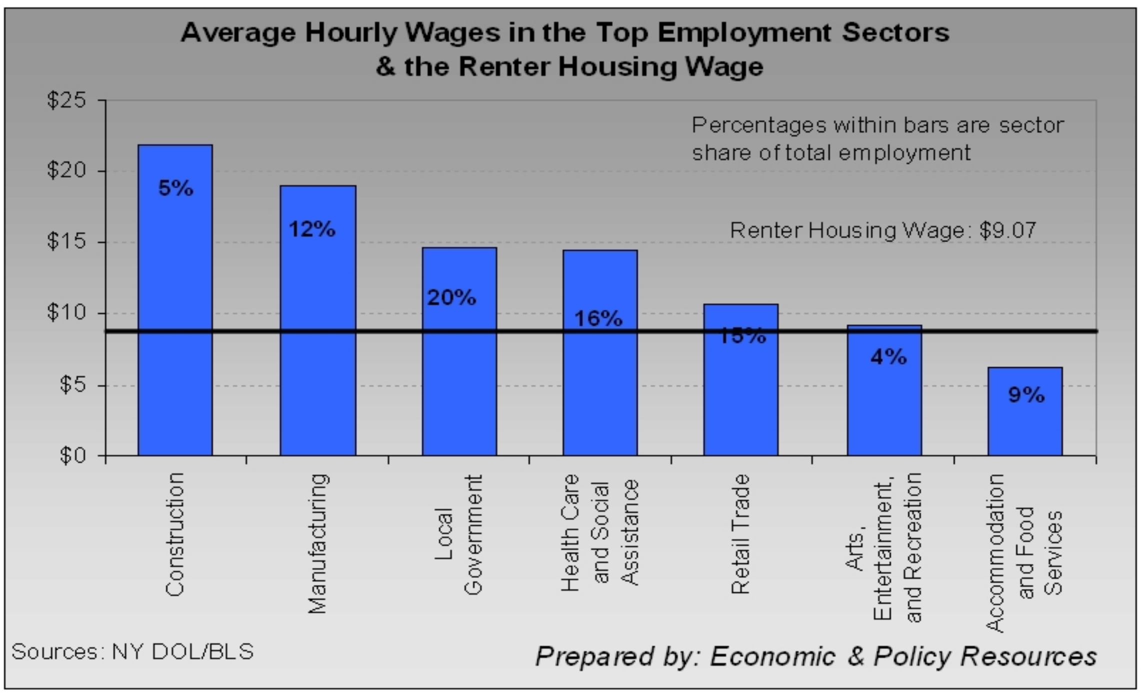
The two housing wages are compared to a cross section of wages at the industry level, as reported in the Quarterly Census of Employment and Wages (QCEW). The New York Department of Labor, in cooperation with the U.S. Bureau of Labor Statistics, conducts the QCEW census every quarter for employers "covered" under the state's unemployment insurance program (UI). The QCEW is part of the quarterly UI filing by employers and require that they report the

[11] U.S. Census Bureau: "A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other persons in the structure and there is direct access from the outside or through a common hall."

number of employees and the total wages paid during the preceding quarter. The analysis uses QCEW data from 2007 (the most recent data available) to measure average wages by industry; this figure includes total wages paid from the lowest to the highest paid workers in each sector. Average wages in the top seven employment sectors (by share of total employment) are shown and compared to the renter and owner housing wages. In the absence of a detailed wage survey for the County QCEW offers the best option for estimating typical wages across sectors.

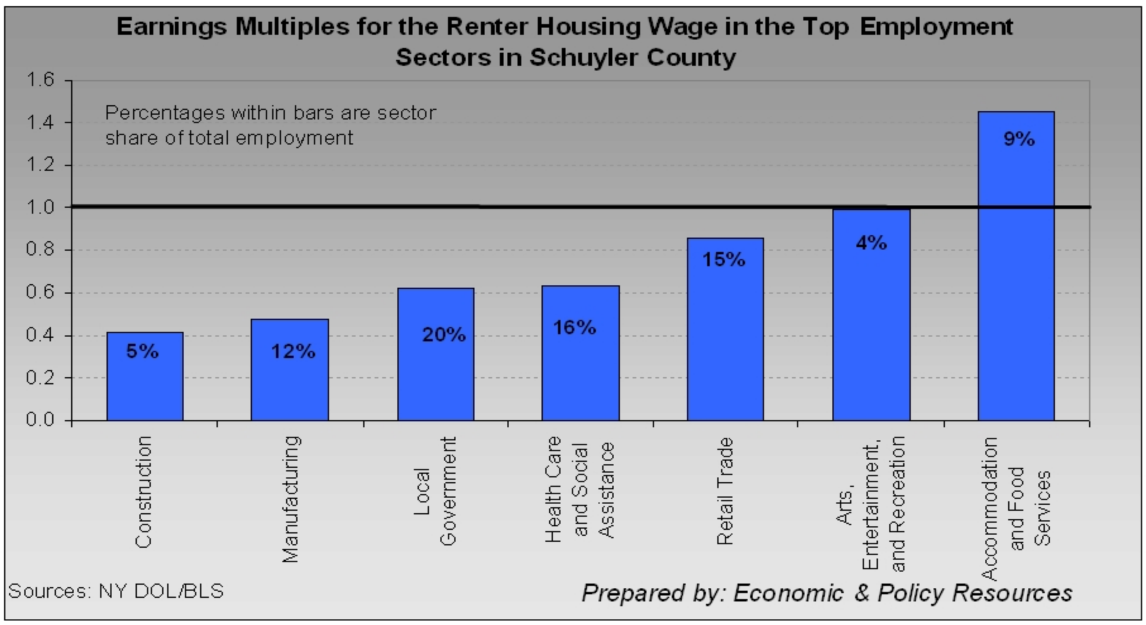
1. The Renter Housing Wage

The charts below show average wages in the County's top employment sectors (by share of total employment) compared with the housing wage needed to afford rent for a typical two-bedroom apartment. Six of the top sectors in the County - Construction, Manufacturing, Local Government, and Health Care and Social Assistance, Retail Trade, and Arts, Entertainment, and Recreation – pay average wages greater than the rental housing wage, meaning that a single worker in those sectors would earn wages enough to afford a typical two-bedroom rental unit in the County.



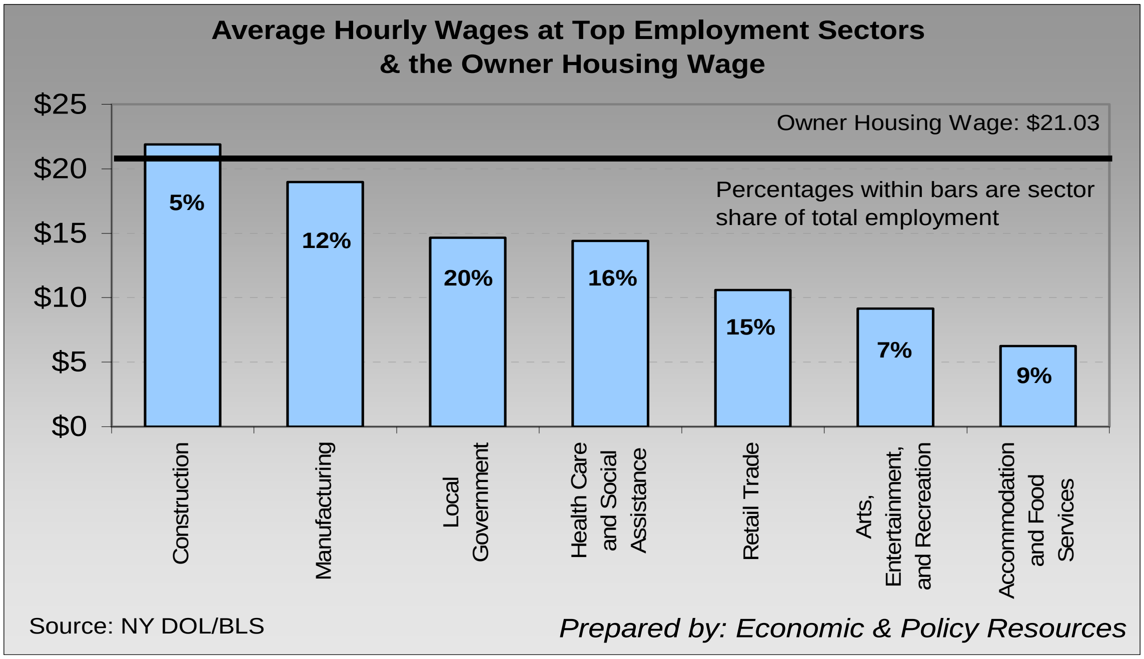
Only Accommodation and Food Services pays and average wage less than the rental housing wage, meaning that a single worker's wages alone, would not be enough to afford the rent for a typical two-bedroom rental unit. The percentages in each bar in the chart represent each sectors proportion of the total jobs in the County. The sectors that pay wages above the rental housing wage add up to 57% of the County's jobs.

The chart below offers a different view of average wages in the County by presenting the average wages for each sector in terms of earnings multiples. The earnings multiple shows the number of workers needed earning each sector's average wages, in order to afford the rent for a typical two-bedroom apartment in the County. Earnings multiples greater than one indicate that more than one worker's wages would be needed to afford rent. Similar conclusions are reached, in that the same six sectors pay wages that would allow a single earner to afford the typical rent, whilst only Accommodation and Food Services pay wages less than the housing wage have earnings multiples greater than 1. It is likely that workers in this sector earn additional income from tips which is not fully reported in the QCEW survey.

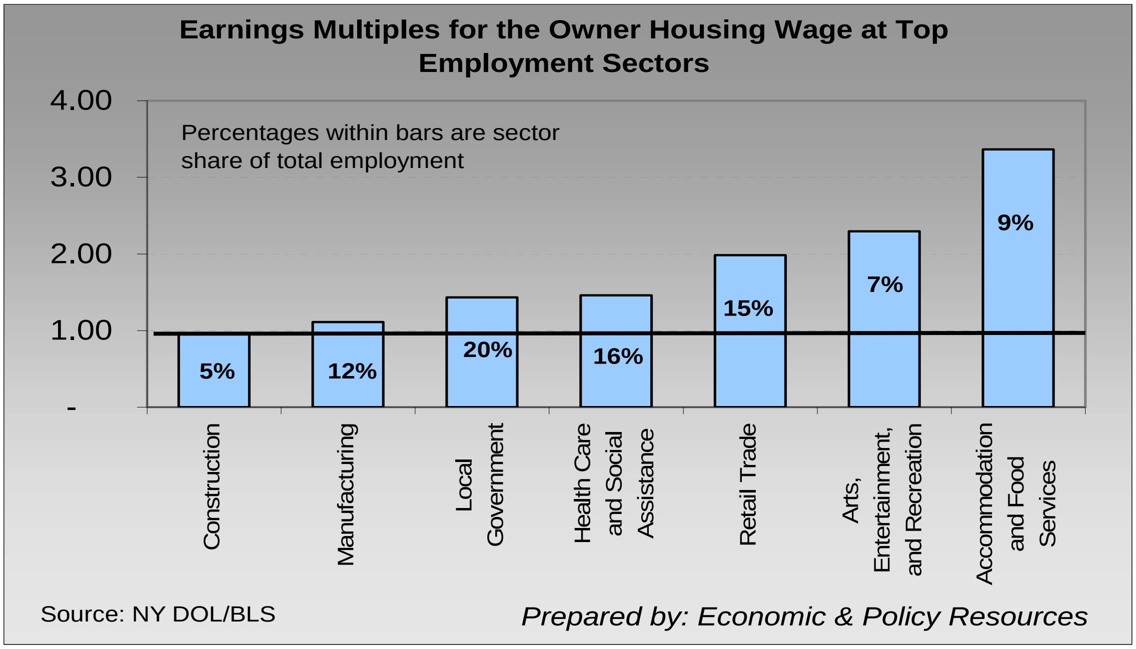


2. The Owner Housing Wage

The owner housing wage is estimated based on the median home price in Schuyler County, as well as the costs associated with home ownership (property taxes, utilities, insurance, and mortgage interest rates). The estimated owner housing wage of $21.66 per hour is well above that needed to afford to rent and as a result typical wages stack up less favorably across the job sectors. Results for the owner housing wage analysis are presented in the charts below, and show that the average wages in all but one sector, are insufficient to allow a single earner to afford a median priced home. The exception is the wage paid in the construction sector, which is slightly higher than the housing wage.



Earnings multiples are particularly appropriate for comparing typical wages to the owner housing wage as it is likely that many households seeking to buy a home have more than one wage earner. With this in mind, it does appear that any combination of the five best paying job sectors would be sufficient to afford a median priced home with two wage earners. The average single earner household with wages from the better paying job sectors could potentially afford a home priced below median; though average workers in the lower paying sectors are likely priced out of homeownership, given they are the lone income earner in their household. In the two sectors with the lowest average wages – Arts, Entertainment, and Recreation and Accommodation and Food Services – a household with even 2 workers would not be able to afford a median priced home.



5. Conclusion

The data imply that rental affordability pressures in the County are not acute and that average wages in most industries are sufficient for a single earner household to rent. Owning a home on average wages in Schuyler County's typical employment sectors is more challenging. Affording a median priced home in the County will likely require a single earner to work extra hours, take another job, be cost-stressed, or be priced out of home ownership.

The table below compares affordable rent and home prices by income category to prevailing rent and home prices. The shaded rows of the table show the ratio of affordable home price to median home price, and the ratio of affordable rent to the estimated median rent in the County. Presenting the data in this form shows that affordability pressures are likely confined to the income level 50% of median household income and below, on the renter side. Households earning 80% or above are likely to be able to afford rent. On the owner side, affordability pressures extend up to the income level at 100% of median household income. Only households earning 120% of the median household income or more are able to afford a median priced home. This suggests that at the average wages in the County's largest job sectors, there still may be affordability pressures at the lower income levels, especially for single earner households.

Table D2. Schuyler County Estimated Affordable Home Price and Rent, 2007

	A	B	C	D
% of Median HH Income (All Households)	50%	80%	100%	120%
Annual Household Income	**$21,327**	**$34,122**	**$42,653**	**$51,184**
Affordable Home Price (2007)	$34,972	$65,448	$84,206	$104,836
Median Price Home (2007)	$102,000	$102,000	$102,000	$102,000
Home Purchase Affordability Ratio	34.3%	64.2%	82.6%	102.8%
Monthly Affordable Rent (Excluding Utilities)	$391	$703	$898	$1,108
2007 Median Estimated Rent	$472	$472	$472	$472
Rent Affordability Ratio	82.9%	149.0%	190.4%	235.0%

Sources: Economy.com, NYDOL, NYORPS

Prepared by Economic and Policy Resources, Inc

Appendix E. U.S. Economic and Demographic Forecast Tables

Tables E1 and E2 below show the forecast for economic and demographic variables for the U.S. The tables put the Schuyler County forecast into context, and show the macroeconomic environment in which the County level forecast was developed.

Table E1. U.S. National Economic Variables, 1991 to 2020

							Annual Percent Change				
	1991	2000	2007	2010	2015	2020	1991-01	2001-07	2007-10	2010-15	2015-20
Gross Domestic Product (Bil. 2000$)	7,101	9,817	11,567	12,476	14,227	16,108	3.4%	2.6%	2.6%	2.7%	2.5%
Total Non-Farm Employment (Mils.)	108.384	131.794	137.618	140.815	146.562	150.852	2.0%	0.7%	0.8%	0.8%	0.6%
Construction	4.784	6.788	7.616	7.498	7.874	8.103	3.6%	1.8%	-0.5%	1.0%	0.6%
Education & Health Services	11.507	15.109	18.327	19.784	21.754	23.459	3.1%	2.7%	2.6%	1.9%	1.5%
Financial Activities	6.559	7.688	8.310	8.196	8.406	8.566	1.8%	1.0%	-0.5%	0.5%	0.4%
Leisure & Hospitality	9.256	11.860	13.470	14.265	15.507	16.566	2.7%	1.9%	1.9%	1.7%	1.3%
Manufacturing	17.068	17.265	13.883	13.448	12.935	12.292	-0.4%	-2.8%	-1.1%	-0.8%	-1.0%
Professional & Business Services	10.715	16.672	17.966	18.771	20.401	21.885	4.4%	1.4%	1.5%	1.7%	1.4%
Transportation & Utilities	4.200	5.013	5.090	5.129	5.100	4.987	1.7%	0.4%	0.3%	-0.1%	-0.4%
Total Labor Force (Mils.)	126.352	142.586	153.129	157.399	162.208	167.275	1.3%	1.1%	0.9%	0.6%	0.6%
Total Employed (Mils.)	117.713	136.901	146.049	148.340	154.020	158.612	1.5%	1.1%	0.5%	0.8%	0.6%
Unemployment Rate	6.8%	4.0%	4.6%	5.8%	5.0%	5.2%	-3.6%	-0.5%	7.6%	-2.6%	0.5%
Median Existing Home Sales Price	$101,935	$145.966	$215,534	$190,326	$229,928	$272,451	4.2%	5.7%	-4.1%	3.9%	3.5%
Consumer Price Index (1982-84 = 100)	136.2	172.2	207.3	225.1	247.1	273.8	2.7%	2.7%	2.8%	1.9%	2.1%
Median Household Income	$30,126	$41,990	$49,709	$53,835	$60,667	$68,049	3.4%	2.8%	2.7%	2.4%	2.3%
Total Personal Income (Bil$)	$5,051	$8,430	$11,666	$13,304	$16,479	$20,142	5.6%	5.0%	4.5%	4.4%	4.1%

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Table E2. U.S. National Demographic Variables, 1991 to 2020

	1991	2000	2007	2010	2015	2020	Annual Percent Change 1991-01	2001-07	2007-10	2010-15	2015-20
Total Population (Mil.)	252.551	281.800	301.263	309.330	322.786	336.260	1.2%	0.9%	0.9%	0.9%	0.8%
0 to 4 yrs	19.164	19.180	20.534	21.137	22.065	22.633	0.1%	1.0%	1.0%	0.9%	0.5%
5 to 19 yrs	53.279	61.306	61.682	61.752	62.719	65.797	1.4%	0.1%	0.0%	0.3%	1.0%
20 to 24 yrs	19.220	19.062	21.151	21.845	22.064	20.977	0.3%	1.2%	1.1%	0.2%	-1.0%
25 to 44 yrs	82.348	85.059	83.857	83.643	85.710	88.762	0.3%	-0.2%	-0.1%	0.5%	0.7%
45 to 64 yrs	46.799	62.155	76.272	80.796	83.601	83.646	3.2%	2.9%	1.9%	0.7%	0.0%
65 yrs and over	31.741	35.037	37.766	40.158	46.627	54.445	1.1%	1.1%	2.1%	3.0%	3.1%
Households (Ths.)	93,483	105,600	112,851	116,204	122,544	127,807	1.3%	0.9%	1.0%	1.1%	0.8%
Persons Per Household	2.702	2.669	2.670	2.662	2.634	2.631	-0.1%	0.0%	-0.1%	-0.2%	0.0%

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Appendix F. Housing Opportunity Index in Detail

Introduction

As part of this Housing Needs Assessment, the Windshield Survey included the development of a Housing Opportunities Index (HOI). The Index was developed as a means to analyze the various factors that can drive residential development, the opportunities and the constraints. Such opportunities and constraints are explained further within the report. This Appendix provides details on the development of the HOI.

A variety of land-use constraints and opportunities can be found in Upstate NY, and especially in the Finger Lakes region. The Finger Lakes region, crafted by the movement of glaciers from the last ice age, is full of lakes, gorges, waterfalls and many other natural masterpieces. In the midst of this geographical hotbed, the rural community of Schuyler County emerged as a common stopping place.

Over 19,000 residents call Schuyler County their home. A growing need has developed as potential residents look to establish a homestead in such a quaint county. These new residents are looking for access to outdoor recreation, higher education, transportation and commercial hubs as well as regional diversity. It is because of this desire to increase such housing stocks that brings us to this study and the development of a Housing Opportunity Index for Schuyler County.

Data Collection

Data collection for the HOI occurred in three phases. The first phase required the acquisition of data to develop the physical and social base layers. Project staff exhausted its resources acquiring data layers from local, regional, state and federal agencies spanning aquifer data to zoning districts.

The second phase entailed the creation of specific data based upon geographic area and the scope of work. Project staff used this phase to spatially correct data that was acquired from third-parties, as well as to create new data specific for this analysis. All data for this project was spatially corrected to the project scale. Some data, i.e. Aquifer data, is developed on a State or National scale.

The third and final phase entailed the collection of data while out in the field, as well as field verification of existing data. Data was collected on every road in Schuyler County. This level of data collection required the most amount of time, however, the quality and extent of such data is extremely valuable in analyzing Land-use constraints and opportunities.

Data Analysis

A data analysis model was developed by Project Staff to create a “Housing Opportunity Index” (HOI). This Index represents a graphical scoring system based upon nearly 40 criteria developed and analyzed through a geographic model. The criteria that were used were identified either as constraints on development or as an opportunity on development. An example of a constraint is steep slopes, where development could be very difficult if not impossible to accomplish. An example of an opportunity is close proximity to schools; an area that young families may flock toward so as to create a strong learning environment.

Each constraint and opportunity was given an individual score so as to overlay all of the layers within the model to derive one final score for any one specific area. The individual scores, or “areas of effect”, ranged from –5 for lands in an agricultural district, to weight the model to protect agricultural resources, to a +5 for areas that possessed a view of one of the major lakes of the County. The model output established a polygon network with a total score associated with each polygon. A high positive score indicates the upper end of the HOI. A high negative score indicates the lower end of the HOI. The data presented in the HOI provides a very talented set of data, which graphically illustrates areas of high development potential.

Data used for the analysis:

Slope (0-10%, 10-15%, 15-20%, +20%)	Proximity to Churches (¼ mile and ½ mile)
Viewshed of the Major Lakes County	Parcel Size (Over 5 acres and over 10 acres)
Floodplain and within 500 ft. of the floodplain	Transportation Corridors (1,000 ft from road)
Proximity to the Major Lakes (200 ft., 1,000 ft., 2,000 ft)	Wetlands and the Proximity to the Wetlands (100 ft., 250 ft., 1,000 ft.)
Agricultural Districts	Proximity to National Registered Historic Sites
Proximity to Watkins Glen Race Track (½ mile, 1 mile, and 1½ miles)	Zoning Districts where two-unit and multi-unit dwelling units are permitted
Proximity to Forest Lands (State and Federal) (500 ft., ¼ mile, 2 miles, 10 miles)	Proximity to Waste Disposal Sites (¼ mile, ½ mile, 1 mile)
Proximity to Schools (¼ mile, ½ mile, 1 mile)	Proximity to Libraries (¼ mile, ½ mile, 1 mile)

Index Interpretation

A tool is only as valuable as the carpenter who utilizes it. The HOI is much the same. Any geographic-based tool is scale dependant. The HOI was developed using community level data but was spatially normalized to a County level scale. This means the tool is designed to illustrate "areas of opportunity" based upon the "areas of effect" which were used in the model. This tool is not designed for individual property level analysis.

The Schuyler County HOI illustrates a strong base of average "areas of opportunity" (the HOI scores ranged from –18 to 28, the average score was 6). The areas within close proximity to the Villages of Watkins Glen and Montour Falls exhibited the strongest "areas of opportunity." However, every Town and Village in the County was found to achieve "High HOI" status in certain locations. The HOI also takes into consideration the land that is undevelopable within the County. These include NYS DEC land, Finger Lakes National Forest, Cornell University's Arnot Teaching and Research Forest, and bodies of water.

Several locations stand out with "High HOI" on paper that were also "hot spots" identified during the Data Collection phase of the project. An area in the Town of Tyrone with a small cluster of dilapidated, yet very historical, buildings caught the eye of project staff during a field visit. Some areas in this neighborhood scored as high as 17 on the HOI.

Another area, found in the Town of Orange was considered the most scenic location among the County tour project staff undertook. This area was gently rolling hills, overgrown cropland, and spectacular views. This area scored an 11 on the HOI.

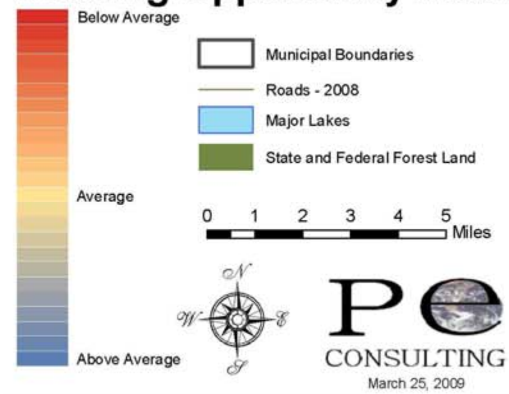
If one were to evaluate strictly the positive HOI values, the generic statement of "positive housing opportunity" would apply to nearly the entire County with exception to a number of wetland and steep slope areas. All in all the interpretation of this HOI is that Schuyler County may contain some land use constraints, but overall the opportunities outweigh the constraints.

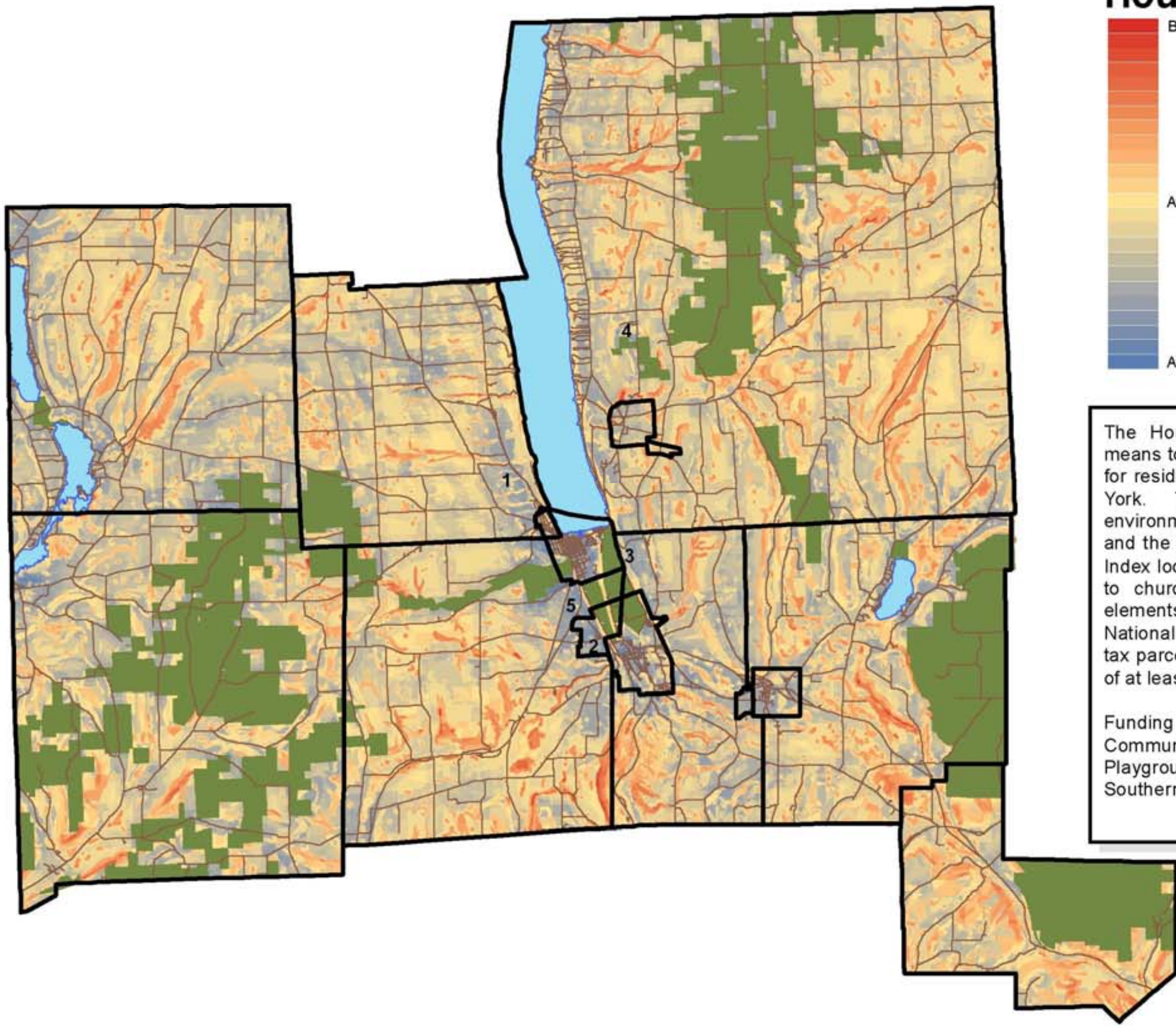
HOI Outcomes

With such talented data in place using the HOI, the local municipalities can begin to maximize their planning and Smart Growth development efforts throughout the County. The number one rule with using this tool is that it is not capable of predicting housing suitability for an individual location, but instead can provide the base work for general site selection. The index was normalized to County level scale to account for any constraints or opportunities that may have been left out of the index. The tool is capable of selecting broad areas within a Town or Village which have the potential for a positive outcome, should a local leader or developer choose to undertake a detailed development feasibility review.

A GIS based application has been developed alongside this study, with the intention being to bring the paper version of the HOI to life. With this application, one has the ability to view roads, municipal boundaries and query the individual "areas of opportunities" of the HOI interactively. A picture version of the HOI is shown in the map on the following page. Part of the HOI analysis included the identification of five strategic sites where development would be most appropriate, considering the many factors that were incorporated into the index. The five locations are marked on the map, and the following pages offer details for each site.

Housing Opportunity Index





The Housing Opportunity Index was developed as a means to illustrate the most plausible and accessible land for residential development within Schuyler County, New York. This particular Index took into account such environmental conditions as slope, wetlands, floodplain, and the proximity to the major lakes of the County. The Index looked at such man-made features as the proximity to churches, libraries, schools, and landfills. Other elements of the Index included the proximity to State and National Forest land, land within an Agricultural District, tax parcels over five acres, and also land that has a view of at least part of the major lakes of the County.

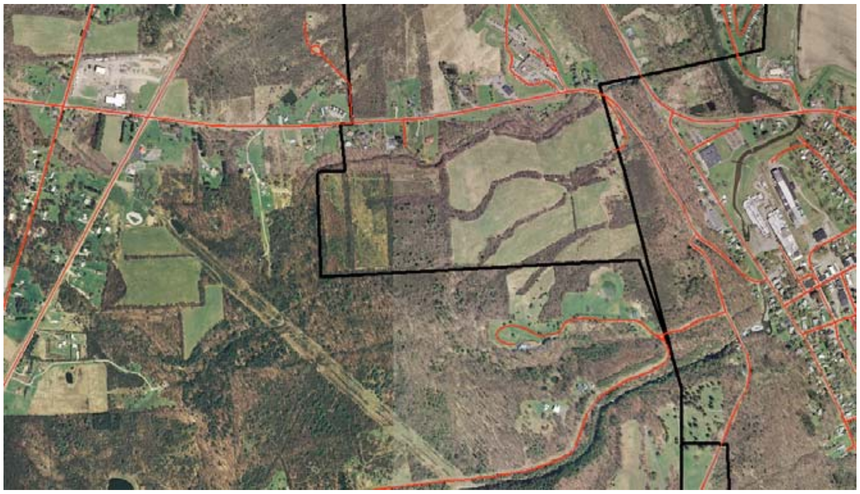
Funding was partially provided by NYS Quality Communities Grant. The Index was developed in 2008 by Playground Earth Consulting, a sub-contractor for Southern Tier Central Planning and Development Board.

Strategic Site #1

- Approximately 600 acres bound by Irelandville Road on the West, Lovers Lane on the North and SR 14 on the East
- The Watkins Glen Golf Club is along SR 14 in this study area and utilizes approximately 100 acres
- The topography of the land is a gentle slope with a few areas which may be classified as steep slope
- Public Water and Sewer service exists along the southern border of this area
- Cable Fiber is available along SR 14, and the area overlooks Seneca Lake

Strategic Site #2

- Approximately 300 acres bound by Steuben St. to the North and East, Coykendall Rd. to the South and a large utility easement on the West.
- Topography consists of gentle slopes with a few steep slopes
- This study area abuts an Empire Zone and is near the Schuyler Hospital
- Public Water and Sewer service exists along the western border of this site
- Fiber Optic Cable is available on the North and East borders of this area



Strategic Site #3

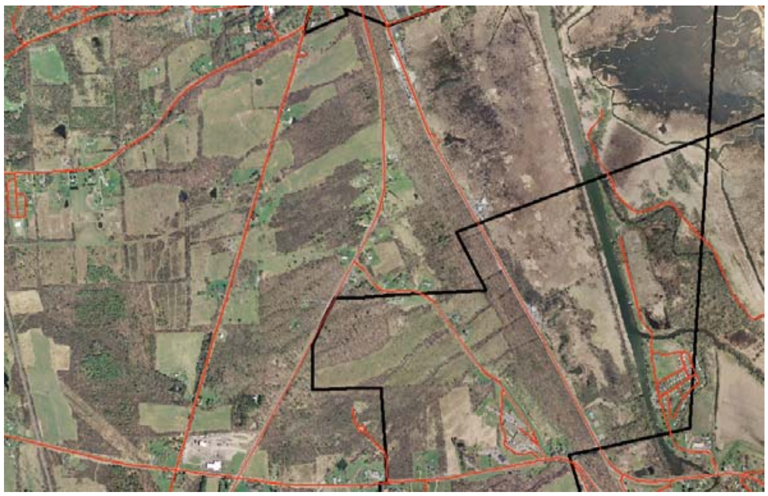
- Approximately 300 acres bound by Skyline Dr. on the East, Cass Rd. on the North and “the swamp” on the West
- The topography of the land is a gentle slope with a few areas which may be classified as steep slope
- Private wells and septic systems would be required in this study area

Strategic Site #4

- Approximately 200 acres west of Satterly Hill Rd., North of the Village of Burdett
- The topography of the land is gentle slope slopes with a few areas which may be classified as steep slopes
- This study area overlooks Seneca Lake
- Private wells and septic systems would be required in this study area

Strategic Site #5

- Approximately 200 acres west of SR 414 and East of CR 17
- The topography of the land ranges from gentle to moderate slopes
- Public Water and Sewer service exists along the western border of this study area
- Fiber Optic Cable is available on the North and East borders of this study area
- This study area is near the Schuyler County Business Park



Appendix G. Housing Unit Demand Forecast

This Appendix provides details on methods used to estimate the 2007 number of housing units in Schuyler County, as well as forecasting housing unit demand to 2020 for both renter and owner units. The forecast was made using econometric models which predict the number of owner and renter housing units in the County based on population estimates developed in the long-term economic and demographic forecast. Two models were developed – one that forecasts owner unit demand and a second that forecasts renter unit demand. Unit demand is a function of population, household formation rates, and income levels. Therefore it was expected that the age groups 25 to 44 years old and 45 to 64 years old would be the most important determinants in the owner model. On the renter side, the younger age groups, under 25 years old and 25 to 44 years old were expected to be the primary drivers of unit demand. The model results were consistent with expectations and the models' output is included in this memo for those committee members interested in the details of the forecast methods.

The models were developed using county level data for all counties in the State of New York, from the 1990 and 2000 censuses. The average annual change in population for each age group was used to predict the average annual change in the total number of units by tenure. The model serves as a way to estimate the relationship between population change and the resulting change in housing unit demand, based on historical data from all counties in the state. The statistical diagnostics of the model are strong and suggest that it should serve to make quality forecasts.

As the most recent data available was from the 2000 census, the 2007 data points were estimates as predicted by the models. The 2007 estimates were cross-checked with a variety of alternate data sources to triangulate data and check the quality of the 2007 predictions. Alternate data sources included tax assessment data provided by Schuyler County, parcel counts from NY Office of Real Property Services, building permit data and total housing unit estimates from the U.S. Census, and another estimate developed by EPR based on an estimated household size trend. The final check for the 2007 unit estimate was the Windshield Survey, completed by Southern Tier Central Regional Planning and Development Board, in which the units were literally counted.

Results of the Forecast

The results of the 2007 estimate and the 2007-20 unit forecasts are displayed in Table G1 and the charts below. The table shows that in the 2000-07 period growth in owner units was relatively stronger, while renter units were added to the inventory at a slower rate. This stronger growth on the owner side was likely due to historically low interest rates and a variety of loan products that made obtaining financing and achieving home ownership more accessible. Owning a home during this period was such an attractive option there was little incentive to rent. This was reflected in the lower growth rates in renter units during the period. In addition, there was likely some conversion taking place, as some landlords essentially cashed out as prices grew rapidly by selling their rental units to owners.

Looking forward, the forecasts show a slow down in demand for owner units, and relatively stronger growth in demand for renter units. This is a result of higher interest rates that are expected to come out of the current conditions in the housing and credit markets. Less credit will likely be available to finance mortgages, and the credit that will be available will likely be relatively more expensive than was the case during the 2000-07 period. Higher interest rates, more restrictive lending standards, and more expensive credit will likely make home ownership more difficult to achieve relative to the pre-2007 run up in housing markets.

The forecast was also broken down by age group and reflects the demographic trend of an aging population. On the owner side, unit demand in the two younger age groups, under 25 years old and 25 to 44 years old, is expected to decline at just under 1.0% per year out to 2015. From 2015 to 2020, demand for owner units will decline at a rate greater than 1.0% per year. The older age groups, age 45 to 64 years and 65 years of age and over, are expected to account for all of the growth in demand for owner units. On the renter side, growth in unit demand for the two younger age groups is expected to be relatively strong during the near-term 2007-10 period, and then essentially turn flat. Similar to demand on the owner side, growth in demand for renter units is expected to remain strong for the two older age groups, but primarily the age group 45 to 64 years old. These trends are shown in the graph below and indicate that, given the status-quo, residents aged 45 years and over will represent an increasing proportion of demand for both owner and renter units.

Table G1. Forecast of Unit Demand in Schuyler County, 2007-2020

	1990	2000	2007	2010	2015	2020	Average Annual Change						
							1990-00	2000-07	2007-10	2010-15	2015-20	1990-07	2007-20
	[Actual]	*[Actual]*	*[Estimate]*	*[Forecast]*	*[Forecast]*	*[Forecast]*							
Total Units	7,055	7,703	7,889	8,031	8,292	8,481	0.88%	0.34%	0.60%	0.64%	0.45%	0.66%	0.56%
Owner Units	5,393	5,838	6,010	6,081	6,272	6,408	0.80%	0.42%	0.39%	0.62%	0.43%	0.64%	0.49%
<25 years	101	58	53	51	49	47	-5.50%	-1.17%	-1.15%	-0.79%	-1.07%	-3.74%	-0.98%
25 to 44 years	2,007	1,832	1,724	1,676	1,615	1,535	-0.91%	-0.87%	-0.93%	-0.73%	-1.01%	-0.89%	-0.89%
45 to 64 years	1,875	2,429	2,630	2,716	2,894	3,040	2.62%	1.14%	1.07%	1.28%	0.99%	2.01%	1.12%
65 years and over	1,410	1,519	1,603	1,638	1,714	1,786	0.75%	0.78%	0.71%	0.91%	0.83%	0.76%	0.84%
Renter Units	1,662	1,866	1,879	1,950	2,020	2,073	1.16%	0.11%	1.25%	0.70%	0.52%	0.73%	0.76%
<25 years	206	211	204	208	209	209	0.22%	-0.46%	0.66%	0.11%	-0.09%	-0.06%	0.16%
25 to 44 years	841	860	846	868	882	888	0.23%	-0.25%	0.88%	0.33%	0.13%	0.03%	0.38%
45 to 64 years	277	450	476	504	540	573	4.95%	0.81%	1.95%	1.39%	1.19%	3.22%	1.45%
65 years and over	338	345	354	370	388	403	0.21%	0.38%	1.51%	0.96%	0.76%	0.28%	1.01%

Notes:
[1] 2007 figures are estimates; figures for 2010 forward are forecasted
[2] Figures include vacant units and year-round only units

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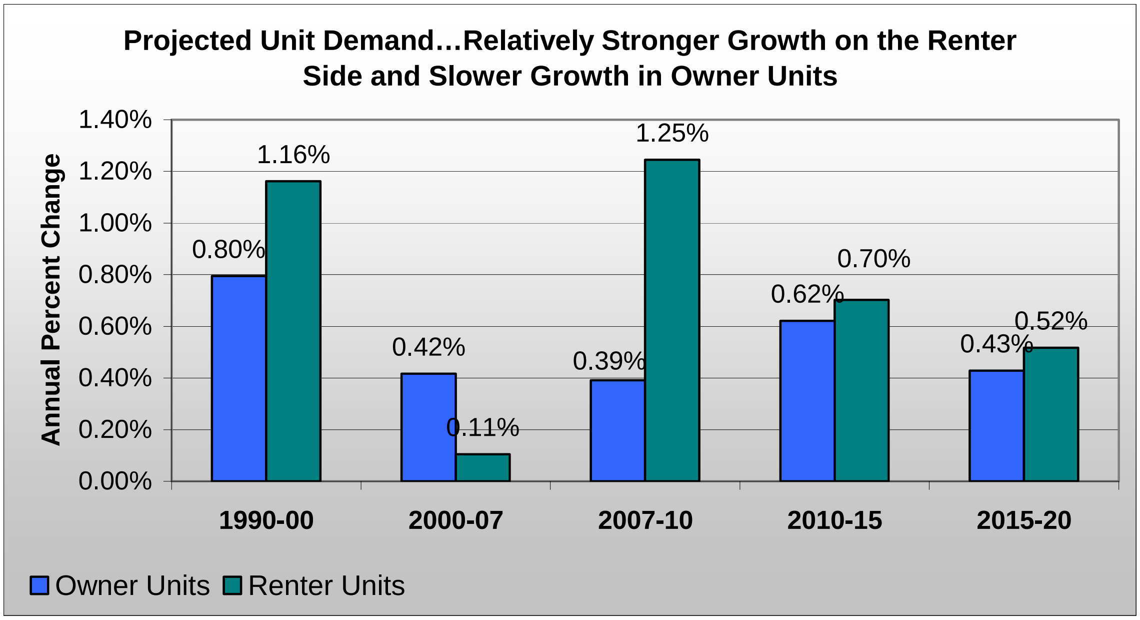
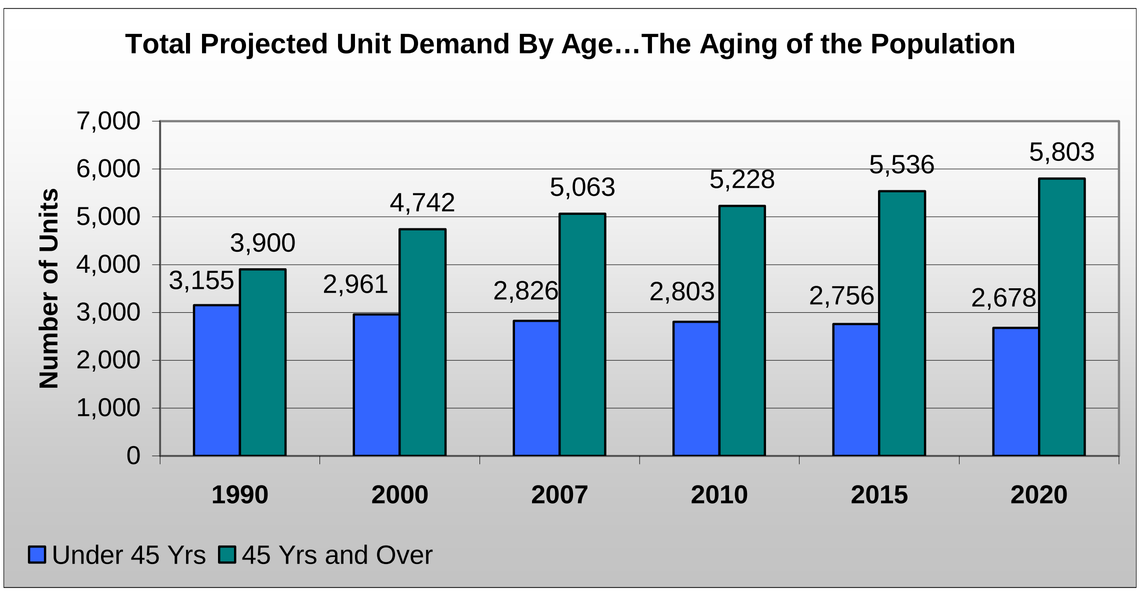

Projected Unit Demand…Relatively Stronger Growth on the Renter Side and Slower Growth in Owner Units
Annual Percent Change
1.40%
1.20%
1.00%
0.80%
0.60%
0.40%
0.20%
0.00%
0.80%
1.16%
0.42%
0.11%
0.39%
1.25%
0.62%
0.70%
0.43%
0.52%
1990-00
2000-07
2007-10
2010-15
2015-20
Owner Units
Renter Units


Total Projected Unit Demand By Age…The Aging of the Population
Number of Units
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
3,155
3,900
2,961
4,742
2,826
5,063
2,803
5,228
2,756
5,536
2,678
5,803
1990
2000
2007
2010
2015
2020
Under 45 Yrs
45 Yrs and Over

Output of Statistical Models:

Dependent Variable: OWNER HOUSING UNITS
Method: Least Squares
Date: 10/10/08 Time: 07:49
Sample: 1 to 62
Included observations: 62

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.658275	33.06205	0.292126	0.7713
Age25	-0.164545	0.046943	-3.505222	0.0009
Age25-44	0.223465	0.047012	4.753396	0.0000
Age45-64	0.400805	0.030651	13.07628	0.0000
Age65	0.369262	0.063044	5.857200	0.0000

R-squared	0.927830	Mean dependent var	443.1129
Adjusted R-squared	0.922766	S.D. dependent var	711.2074
S.E. of regression	197.6521	Akaike info criterion	13.48810
Sum squared resid	2226782.	Schwarz criterion	13.65964
Log likelihood	-413.1311	Hannan-Quinn criter.	13.55545
F-statistic	183.2011	Durbin-Watson stat	1.812720
Prob(F-statistic)	0.000000		

Dependent Variable: RENTER HOUSING UNITS
Method: Least Squares
Date: 10/10/08 Time: 07:49
Sample: 1 to 62
Included observations: 62

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	14.78830	25.37101	0.582882	0.5623
Age25	0.258365	0.036023	7.172262	0.0000
Age25-44	-0.011531	0.036076	-0.319635	0.7504
Age45-64	0.104430	0.023521	4.439859	0.0000
Age65	0.056971	0.048379	1.177601	0.2438

R-squared	0.949057	Mean dependent var	230.3355
Adjusted R-squared	0.945482	S.D. dependent var	649.5894
S.E. of regression	151.6734	Akaike info criterion	12.95854
Sum squared resid	1311274.	Schwarz criterion	13.13009
Log likelihood	-396.7148	Hannan-Quinn criter.	13.02590
F-statistic	265.4735	Durbin-Watson stat	1.350222
Prob(F-statistic)	0.000000		

Appendix H. Historical Data on Demographics and Housing

This Appendix provides historical data on demographics and housing in Schuyler County. This research was completed to track trends over the last 15 to 20 years, and to provide context for economic and demographic forecasts.

1. Introduction

The objective of the Schuyler County Housing Needs Assessment study is to assemble data to help quantify current housing affordability issues in the county, project future housing needs and conditions through 2020, and identify a list of "most promising" recommendations to assist the county in addressing its future housing needs. The study was conducted at the County and municipal level. Portions of villages that extend across Town borders, such as Montour Falls and Odessa, are counted as part of the town in which the villages are located.

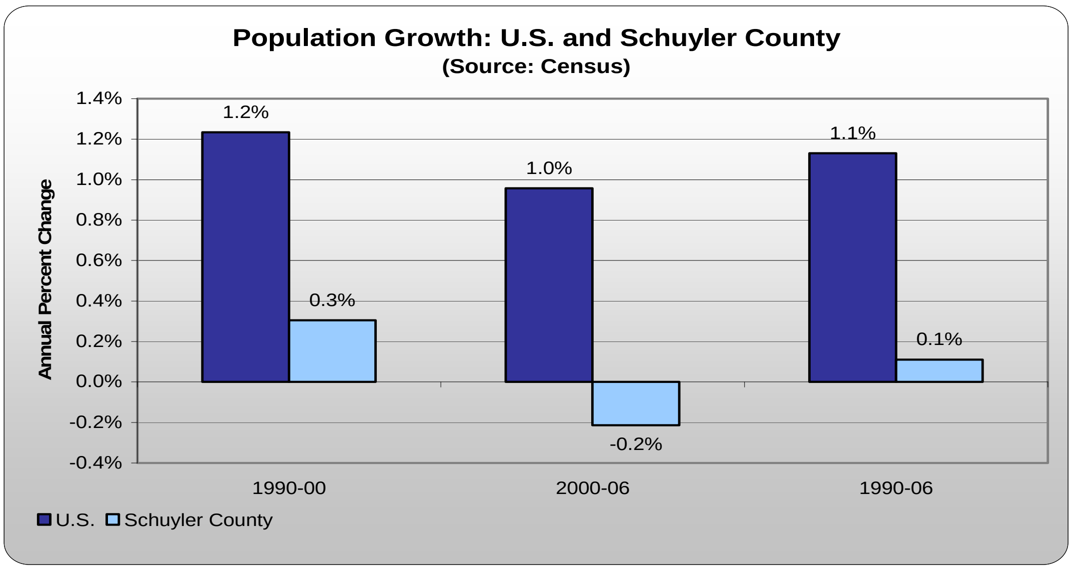
A historical overview of the most significant economic and demographic trends in the study area is given here so that the study's findings can be viewed within a historical context. The highest quality data sets are used for this review, including economic, demographic, and geographic series from the U.S. Census Bureau and employment figures from the New York State Department of Labor and the Bureau of Economic Analysis.

This review of historical data for Schuyler County shows that:

- Overall population growth has been flat since 1990, and Census Bureau estimates indicate population growth has slowed further since 2000,
- The population of the County is aging as the baby boomers approach retirement age,
- Growth in Median Household Income has been slow, but has managed to keep pace with the rate of inflation,
- The housing affordability situation has improved somewhat since 1990, although a substantial number of the County's households remain house-cost burdened,
- Growth in housing units in the county since 1990 has kept pace with the growth in the number of households in the county,
- The housing stock in the county is aging, with most units constructed prior to the 1950's and 1960's,
- The data suggest there are many sub-standard housing units in the county,
- Many residents commute to neighboring counties for work.

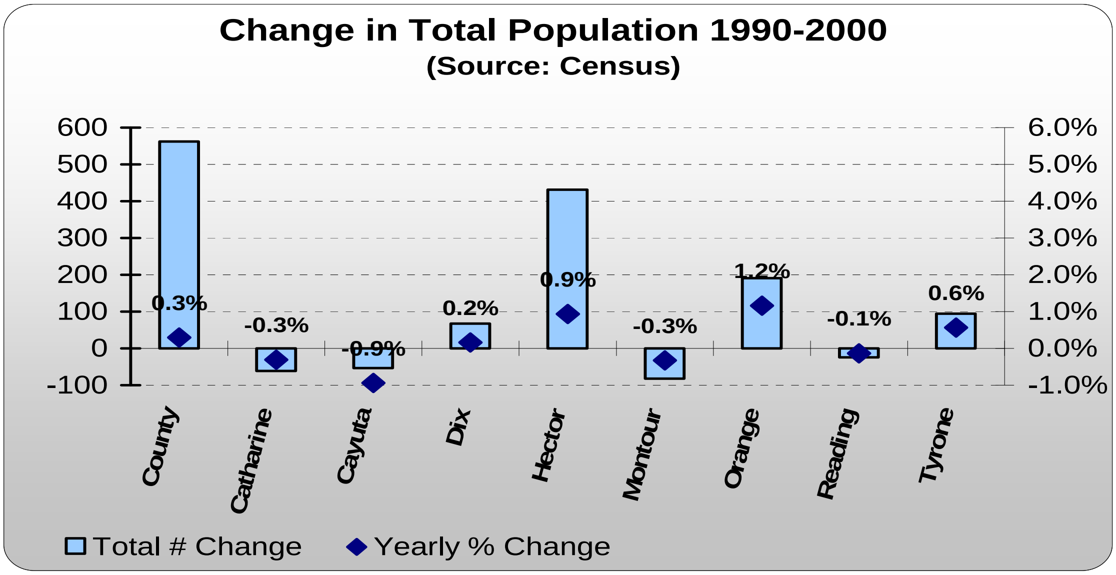
2. Population and Age

Population growth in Schuyler County has been relatively flat since 1990. The total population of the County grew at an annual rate of 0.3% from 1990 to 2000, increasing to 19,224 from 18,662. This rate of growth was below the national average of 1.2%, but not uncommon for rural areas in the Northeast. Indeed, the region overall (Schuyler County and the surrounding five counties - Chemung, Seneca, Steuben, Tompkins, and Yates) had a slightly negative growth rate, with a net decline of 620 residents from 1990 to 2000.



Most of the population growth in Schuyler County from 1990 to 2000 occurred in the towns of Hector and Orange, while the remaining towns had minor changes, increases or declines of less than 100 residents. Since 2000, population growth slowed further and actually declined by 246 residents over the six year period 2000 to 2006. This decline corresponds to a -0.2% annual average change in population over the 2000-06 period.[i] Overall, these are very small changes and essentially represent flat population growth.

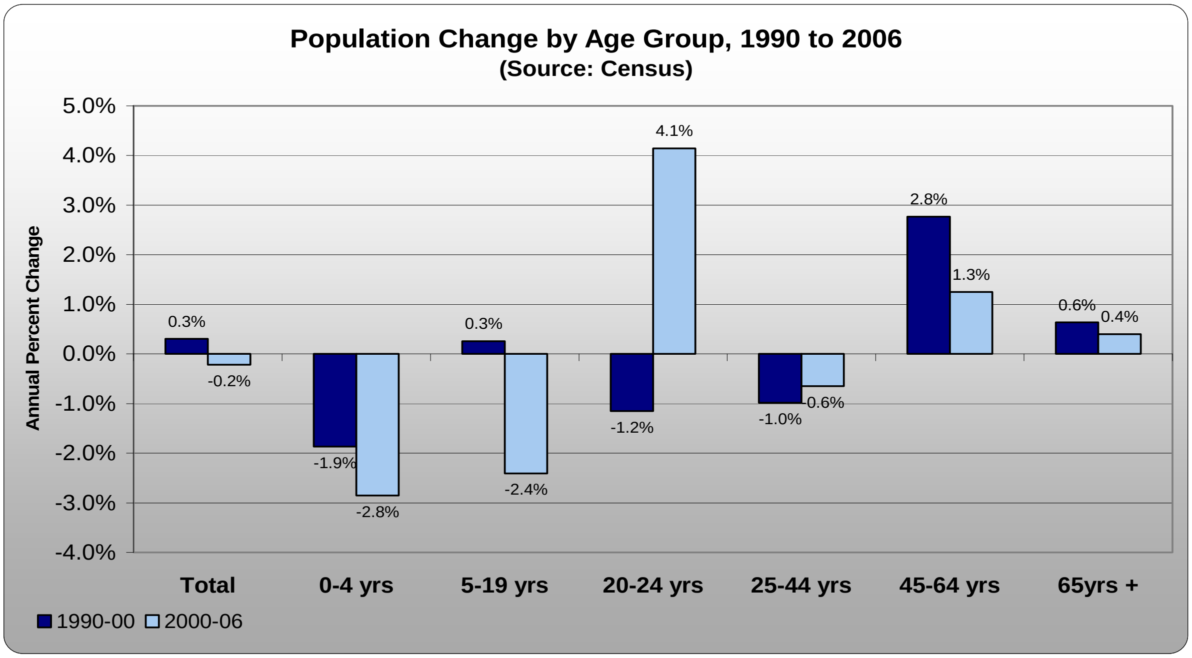
[i] In June of 2008 the Census Bureau released 2007 estimates and revisions for county level population for the years since 2000. The revised estimates brought down the Schuyler County population for 2005, 2006 and 2007.



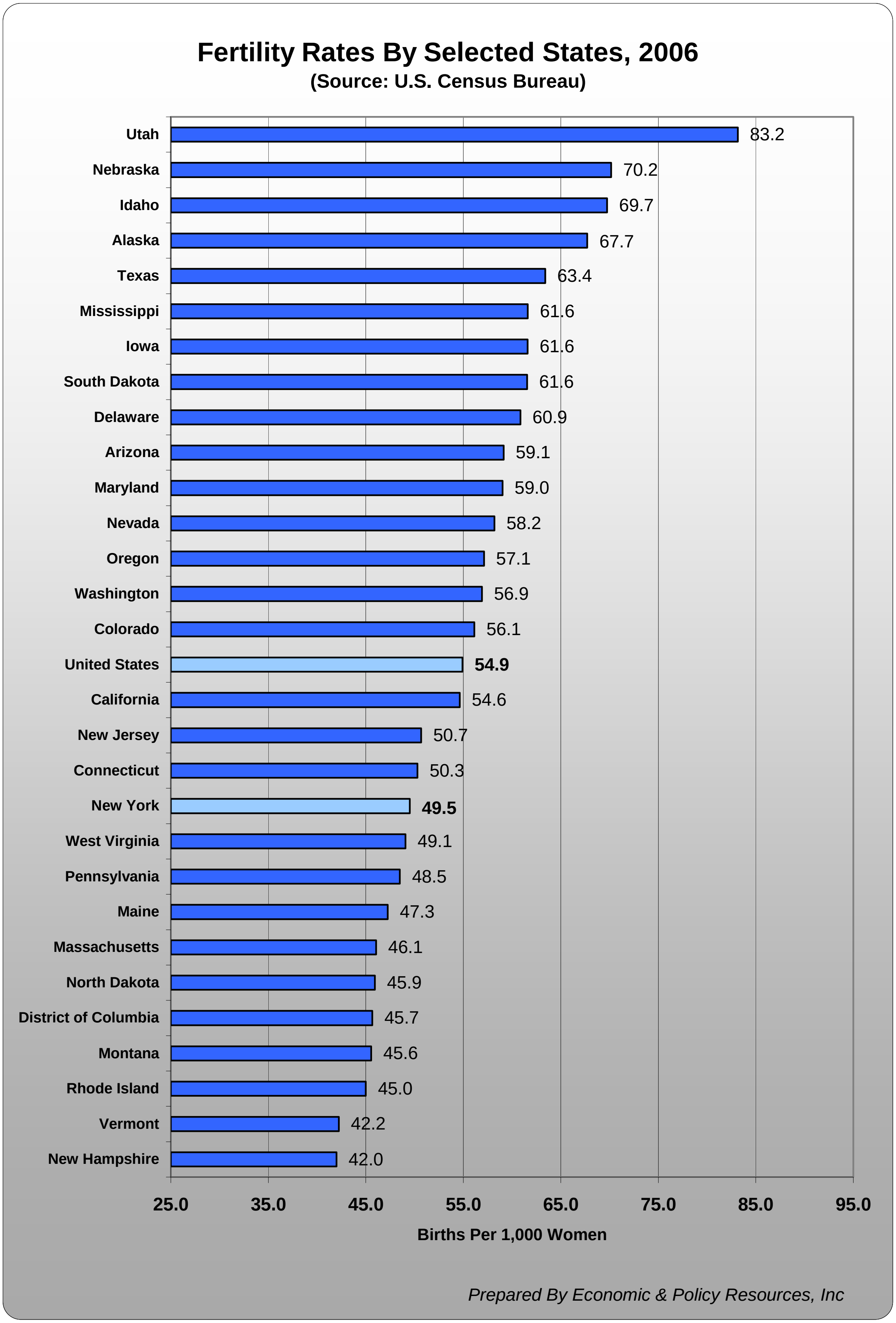
A look at the change in population by age group shows how the County is getting older overall, and that this trend accelerated. Annual average growth rates for the two youngest age groups, 0-4 years and 5-19 years, were weak or negative for both time periods 1990-00 and 2000-06; while growth rates for the two oldest age groups, 45-64 years and 64 years and over, were stronger for the same time periods.

The chart below shows that population change in the 20-24 years and 25-44 years age groups is generally declining, with the exception of the 20-24 years age group from 2000 to 2006.[m] When combined, the age group 20-44 years lost an estimated 580 residents from 1990 to 2006. Growth in these age groups is important because these ages include the usual child bearing years for women. With generally weak or negative growth in the child bearing portion of the population, the simultaneous decreases in the 0-4 age group is not an unexpected development.

[m] The 20-24 years age group represents 5% of the County population, while the 25-44 years age group represents 24% of the County population; therefore the strong positive changes in percent terms in the 20-24 years age group are negated by the negative changes in the 25-44 years age group.



Low fertility rates are not an issue that is unique to the upstate New York region, or to the state as a whole. A recent report released by the U.S. Census Bureau shows that many of the states in the northeast region of the U.S. are experiencing low fertility rates. In 2006, the most recent data available, New York State had 49.5 births per 1,000 women, which was below the national average of 54.9. The figure ranks the state 11th lowest among the 50 states, although most of the other states in the northeast region have even lower fertility rates. The chart on the following page shows fertility rates for selected states, according the Census report.



Fertility Rates By Selected States, 2006
(Source: U.S. Census Bureau)
Utah 83.2
Nebraska 70.2
Idaho 69.7
Alaska 67.7
Texas 63.4
Mississippi 61.6
Iowa 61.6
South Dakota 61.6
Delaware 60.9
Arizona 59.1
Maryland 59.0
Nevada 58.2
Oregon 57.1
Washington 56.9
Colorado 56.1
United States 54.9
California 54.6
New Jersey 50.7
Connecticut 50.3
New York 49.5
West Virginia 49.1
Pennsylvania 48.5
Maine 47.3
Massachusetts 46.1
North Dakota 45.9
District of Columbia 45.7
Montana 45.6
Rhode Island 45.0
Vermont 42.2
New Hampshire 42.0
25.0
35.0
45.0
55.0
65.0
75.0
85.0
95.0
Births Per 1,000 Women
Prepared By Economic & Policy Resources, Inc

Table 1 below shows how the demographic trend of an aging population has changed each age group's share of the total population, both in Schuyler County and at the national level. In Schuyler County, the share of the age groups less than 10 years, 10-19 years, and 30-39 years have all decreased from 1990 to 2006; while the shares of the groups 40-49 years, 50-59 years, 60-69 years, and 80 years and over have all increased. Similar trends are seen at the national level.

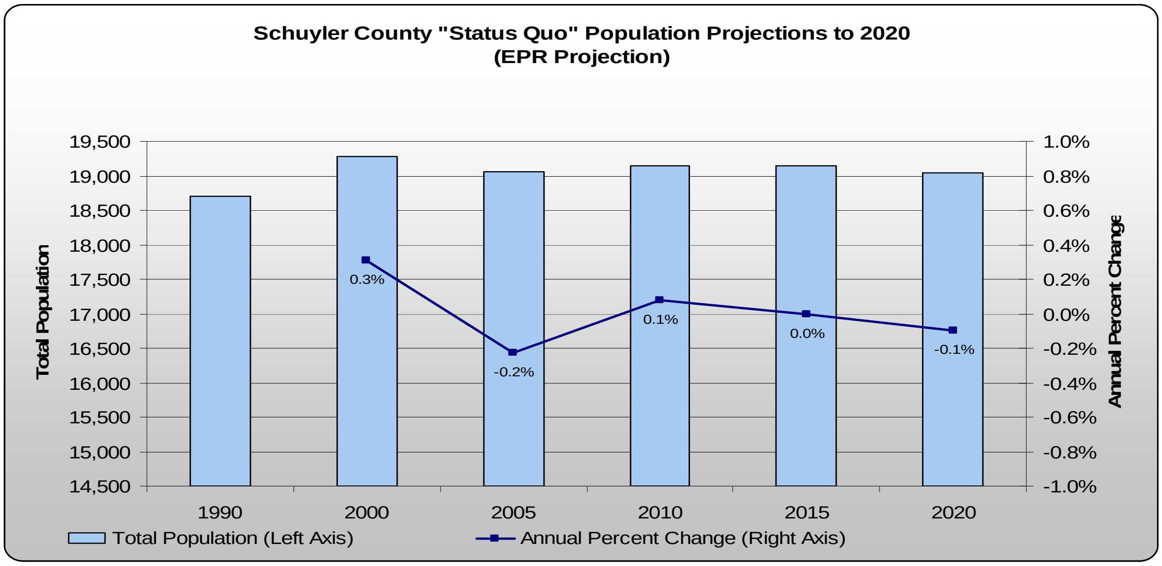
Table H1. Age Cohort Share of Total Population: Schuyler County & U.S.

Age Cohort	Schuyler 1990	Schuyler 2000	Schuyler 2006	US 1990	US 2000	US 2006
less than 10	14.7%	12.9%	10.4%	14.7%	14.1%	13.4%
10 to 19 years	15.1%	15.4%	14.4%	14.0%	14.5%	14.0%
20 to 29 years	12.9%	9.9%	13.7%	16.2%	13.6%	14.0%
30 to 39 years	15.8%	13.9%	11.3%	16.8%	15.4%	13.7%
40 to 49 years	13.1%	15.7%	14.9%	12.7%	15.1%	15.1%
50 to 59 years	9.9%	13.0%	14.8%	8.8%	11.0%	12.9%
60 to 69 years	8.8%	9.0%	9.5%	8.3%	7.2%	7.9%
70 to 79 years	6.6%	6.3%	6.2%	5.7%	5.8%	5.3%
80 and over	3.2%	4.0%	4.7%	2.8%	3.3%	3.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: U.S. Census Bureau

The data show that with an aging population and relatively low fertility rates, Schuyler County is on a course for a population decline in the future—all else remaining the same. Post-2000 population estimates suggest that although the number of young adults (20-24 years old) has increased, the number of children has decreased. For the county to avoid long run demographic decline, the downward trend in the under 20 population must continue to increase in absolute numbers, and ideally fast enough to increase as a share of the county's population base.

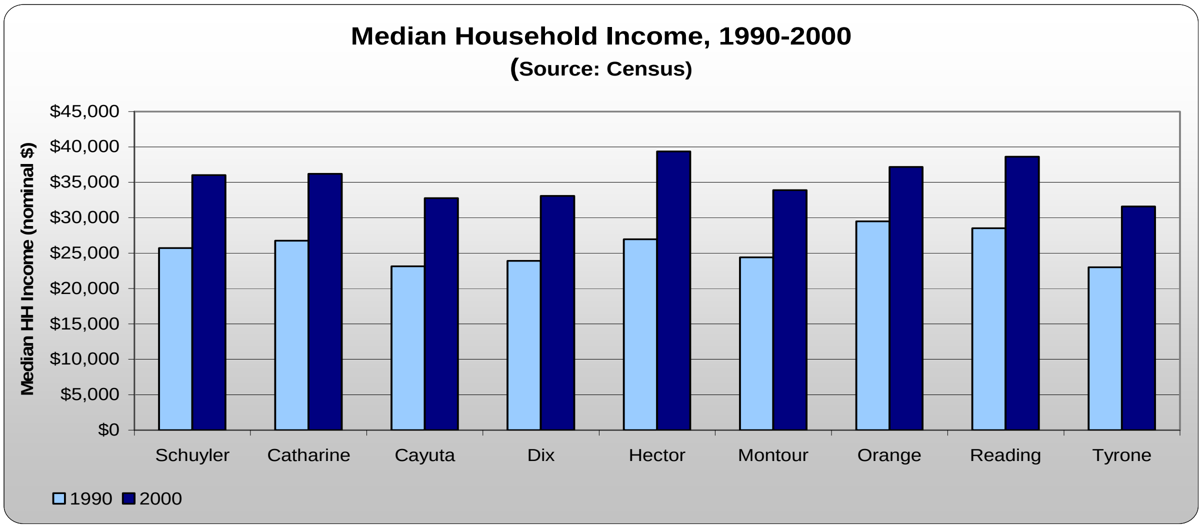
The chart on the next page displays historical population data for Schuyler County going back to 1990, and a straight statistical or "status quo" population projection out to 2020. Total population is displayed along with the annual percent change. The "status quo" projection indicates that total population in the County is expected to be flat out to 2010, and then decline from 2010 to 2020. While this in the end did not turn out to be the final population projection for the county used in this study, it does indicate the flat to somewhat negative underlying demographic trends for the county. Put another way, if not for the recent changes in the county's economic base—including the recent construction of the Harbor Hotel, which is expected to be a tourist attraction in the County—the long-term population forecast for the County would be flat to slightly negative, resulting in a significantly lower future population level than is likely to be the case based on this study.



3. Households and Housing

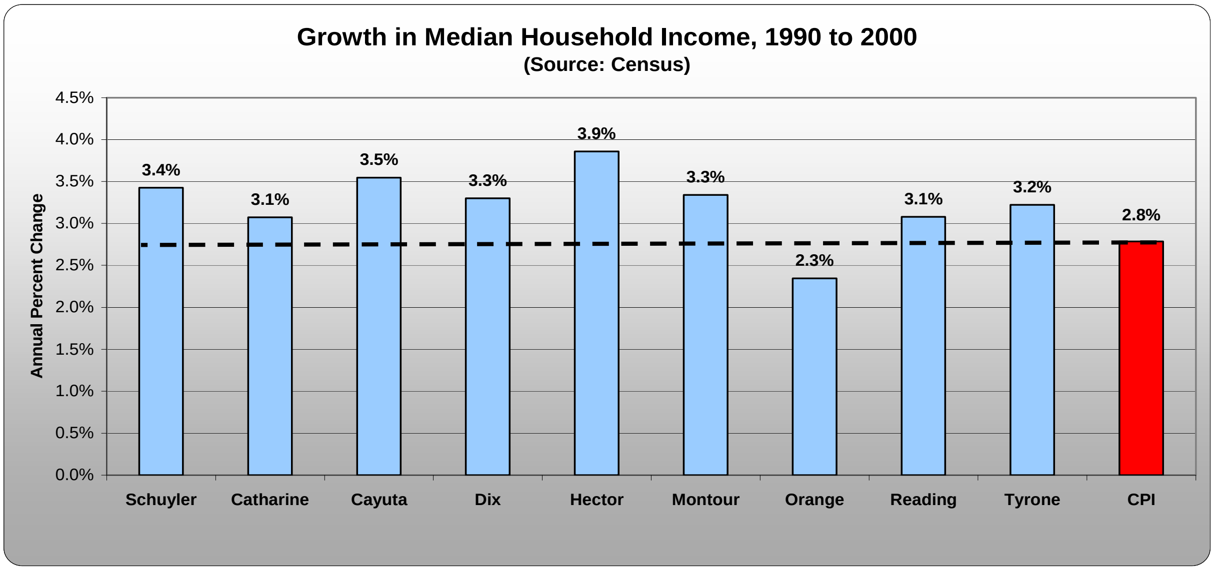
The review of historical data indicates that households in Schuyler County are in a relatively good position in terms of household income, although affordability and the condition of the housing stock remain challenges for the County's residents. From 1990 to 2000, the median household income in the County grew from $25,712 to $36,010, an annual rate of growth of 3.4%.[n] The municipalities within the County grew at rates ranging from a low of 2.3% in the Town of Orange to a high of 3.9% in the Town of Hector. The chart below shows the 1990 and 2000 median household income for the County overall and for each of the municipalities within the County, in nominal dollars.[o]

[n] The reader should note that income data from the Census correspond to the last complete calendar year prior to the Census. Therefore, data from the 2000 Census corresponds to calendar year 1999. Income data from the 1990 Census refers to calendar year 1989.
[o] Nominal dollars are dollars where inflation is not taken into account.



Although household median income grew over the ten year period, another way to evaluate income growth is to compare it to the rate of increase in prices, or what is commonly referred to as the inflation rate. Such a comparison reveals how much real growth in household income was experienced in the County and the County's municipalities. Using the Consumer Price Index (CPI) for the northeast region, prices grew at an average annual rate of 2.8% and negated much of the additional buying power of nominal dollar income growth.[p] The chart below shows the annual income growth in nominal dollar terms for the towns compared with the CPI and indicates that real income growth in the County overall and in individual municipalities was weak. In all municipalities, with the exception of the town of Hector, real growth in income was less than 1.0% per year. In the case of the Town of Orange, prices increased at a faster rate than did nominal dollar median household income. This means that real household income in Orange actually declined over the 10 year period.

[p] The Consumer Price Index (CPI) is a commonly used measure of inflation, or price increases, available from the Bureau of Labor Statistics (BLS).



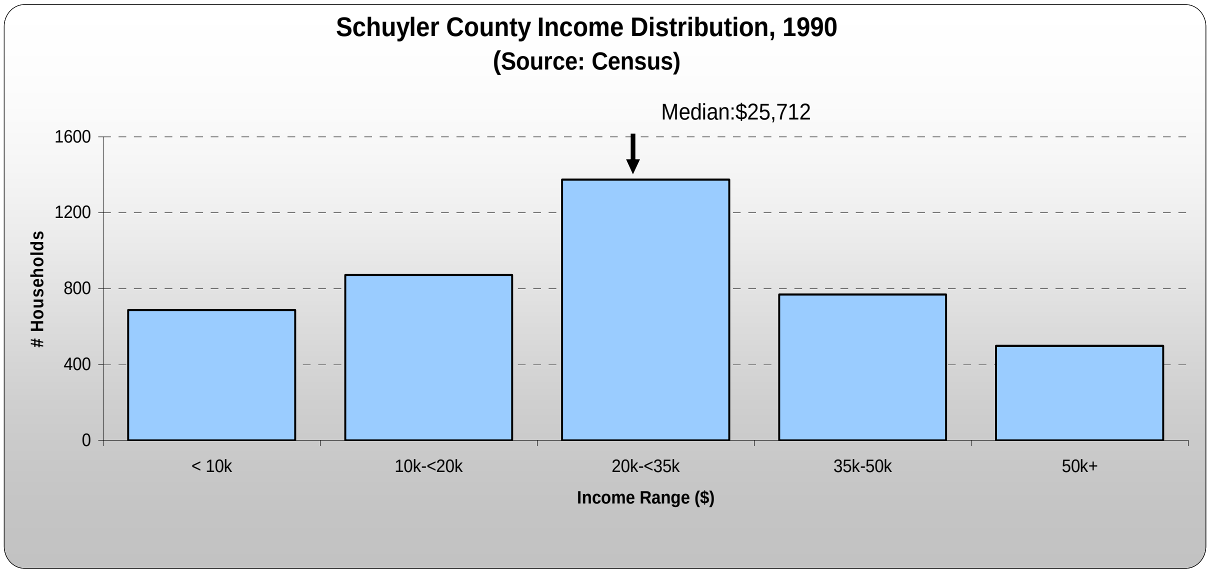
In terms of sources of income, Schuyler County residents are nearly identical to residents in the neighboring counties. Table 2 below shows the distribution of income sources, which reveals minor differences in some sources of income. The most important source of income are wages and salaries, followed by income from self-employment, interest and dividend income, and social security income. The small differences observed are likely due to the County's population being somewhat older than its neighbors, indicated by the higher median age within the county (of 38.8 years) versus the weighted average of the bordering counties (at 35.4 years).

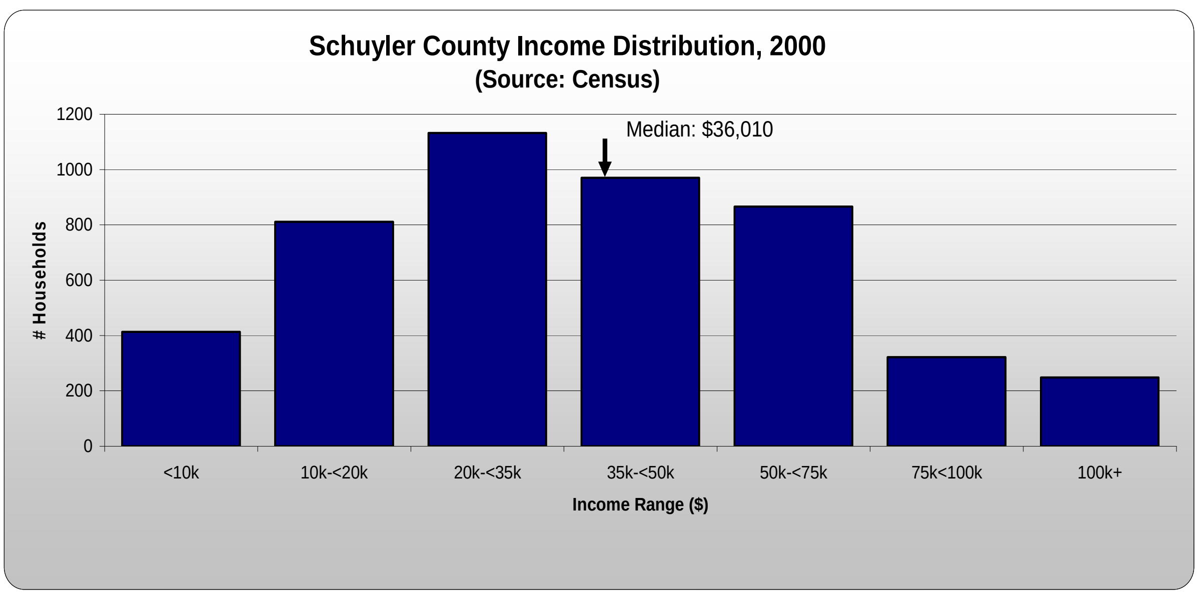
Table H2. Income by Source for Schuyler and Bordering Counties

Source of Income	Schuyler County	Bordering Counties
Wages and Salary	69.0%	70.8%
Self Employment	6.1%	5.5%
Interest, Dividends, and Rent	4.6%	6.4%
Social Security	8.4%	7.2%
Supplemental Security Income	0.8%	0.7%
Public Assistance	0.2%	0.2%
Retirement Income	8.0%	6.9%
Other Income	2.9%	2.4%
Total	**100%**	100%

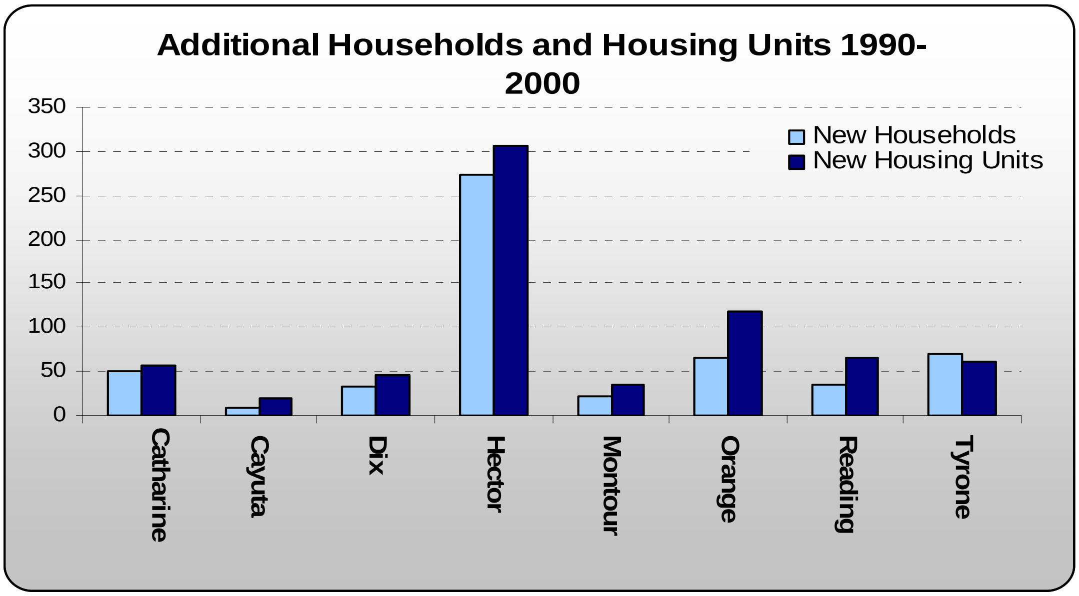
Source: U.S. Census Bureau

As the charts below show, the income distribution in the County was approximately normal (e.g. bell shaped) in both census periods. Comparing the two distributions, the data show that a change occurred over the ten year period—the 2000 distribution is slightly skewed to the right, meaning there is a long tail on the right side—or the higher income side—of the graph. This is consistent with the trend of an aging population and strong growth in the 65 years and over age group. As workers are in their peak earning years in the decade before retirement, income is generally higher. Then retirement usually coincides with a substantial loss of annual income—with households moving back to the left side of the distribution. Over time, an aging population places upward pressure on the left side of the distribution as more residents retire and their household income declines. The skewed right hand side of the distribution was the result of the increased number of higher income, middle aged residents.





The number of persons per household in the county decreased from 2.67 in 1990 to 2.52 in 2000, due to the aging population and subsequent reduction in the number of children per household that typically occurs. This may in fact explain the high household growth rate, relative to the population. The 1990's population growth was matched or exceeded by an increase in both housing units and households. Taken alone, this suggests new housing construction kept pace with the expanding number of households in the period between the 1990 and 2000 censuses.



a. House Cost-Burdened Households

Households that spend more than 30% of their income on housing are considered by the U.S. Department of Housing and Urban Development (HUD) to be house cost-burdened (HCB), and by using this definition the typical household in the county had about $11,000 of yearly income available for housing before crossing the stress threshold.[q] Census data show that from 1990 to 2000, the owner HCB rate decreased from 14.7% to 14.4% and the rate for renters decreased from 37.0% to 35.2%. This suggests that the overall, the portion of renters and owners that are cost burdened has decreased. Across all towns, the rate of house cost-burdened households was higher for renters than owners for both census years. According to 2000 data, the towns of Hector and Dix had the highest HCB rates for renters, while HCB rates were similar for owners across towns, with the exception of Cayuta, which had a higher rate of 20.0%.

[q] Although the data at this point in 2008 seem somewhat dated, they are presented here because they are the most detailed data on housing cost burdens available for the time period where the study is observing trends.

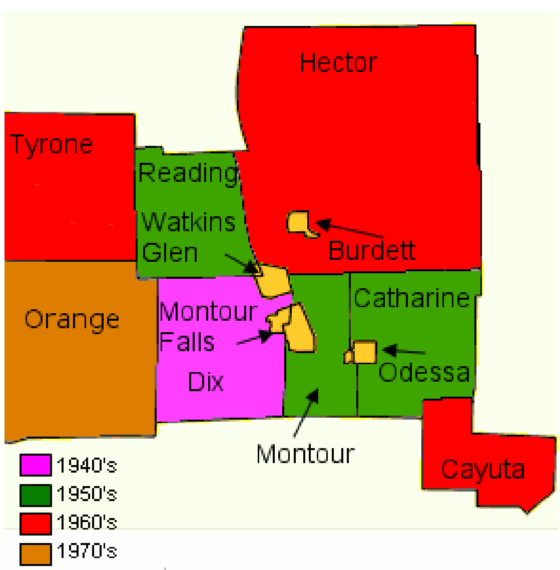
Table H3. Housing Affordability, 1990 and 2000				
	1990		2000	
Location	Renter HCB Rate	Owner HCB Rate	Renter HCB Rate	Owner HCB Rate
Schuyler County Total	37.0%	14.7%	35.2%	14.4%
Catharine town	25.9%	12.9%	33.5%	12.5%
Cayuta town	13.5%	25.0%	20.0%	20.0%
Dix town	37.2%	13.4%	39.5%	13.7%
Hector town	30.4%	15.9%	40.2%	14.4%
Montour town	45.3%	16.2%	32.1%	15.1%
Orange town	47.6%	10.7%	36.5%	15.6%
Reading town	29.0%	11.2%	25.5%	13.7%
Tyrone town	49.5%	19.3%	27.4%	15.6%

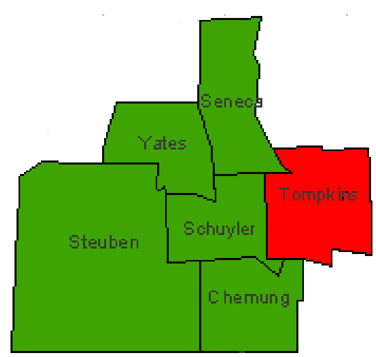
Source: U.S. Census Bureau

b. Age of the Housing Stock and Sub-Standard Housing

While income in the County has managed to keep up with inflation and the affordability pressures have improved somewhat since 1990, the housing stock in the county is relatively old and some units lack standard facilities. Roughly half the housing stock throughout the Finger Lakes region is more than fifty years old. The median year of construction for structures in the surrounding counties was in the 1950's, with the exception of Tompkins County where data indicate a median year of construction in the 1960's. The maps below are color coded based on the median year of construction of housing structures in each area as of the 2000 Census.

Figure 1: Map of the Housing Inventory by Year Built





In addition to an aging housing stock, some of the housing units in the County are considered substandard. For the purposes of this analysis, substandard housing is defined as being: (1) overcrowded, or (2) lacking complete plumbing facilities.[r,s] Those housing units which satisfied both conditions were only counted once, and the number of substandard units was divided by the total number of units for both owner and renter occupied categories.

The table below reveals that 2.4% (or 136 units) of owner occupied and 1.7% (or 28 units) of renter occupied housing in the County were substandard according to the 2000 census. These numbers had declined since 1990, most likely because of the addition of plumbing facilities to some homes in addition to the general trend of fewer persons per household.

Table H4. Substandard Housing in Schuyler County

2000 Census	County	Catharine	Cayuta	Dix	Hector	Montour	Orange	Reading	Tyrone
Owner Occupied	2.4%	1.6%	1.2%	1.5%	3.8%	1.7%	2.7%	1.4%	3.1%
Renter Occupied	1.7%	4.3%	0.0%	1.5%	0.0%	0.3%	0.0%	7.3%	2.7%

Source: U.S. Census Bureau

4. Commuting Patterns

Table 5 shows that Schuyler County residents are more likely to work outside of their county than residents in bordering counties. This implies that housing is comparatively inexpensive in the County relative to other options in other counties. It also implies that the region's major employment centers are located outside of the County. For the region over all, substantial numbers of residents in Schuyler, Yates and Seneca Counties work outside of their county, while most residents in Tompkins, Chemung and Steuben Counties work within their county of residence. Of the Schuyler County residents that work outside of the County, most commute to Tompkins and Chemung Counties, and to a lesser extent Steuben, Yates and Seneca Counties. This reveals which of the neighboring counties play an important role in providing employment for Schuyler County residents.

Table H5: Percentage of County Employed Residents Working in Southern Tier Counties, 2000

	County of Work>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>					
County of Residence	Schuyler	Tompkins	Chemung	Steuben	Yates	Seneca
Schuyler	45.2%	19.2%	16.6%	11.0%	2.7%	1.5%
Tompkins	0.2%	91.4%	0.9%	0.2%	0.1%	0.4%
Chemung	1.3%	2.5%	81.1%	8.9%	0.0%	0.2%
Steuben	0.7%	0.2%	8.2%	77.9%	0.9%	0.0%
Yates[1]	1.8%	0.4%	0.7%	3.0%	59.2%	1.9%
Seneca[2]	0.4%	8.9%	0.7%	0.1%	0.5%	56.2%

Notes: [1] and [2] employed in Finger Lakes Counties

Source: U.S. Census Bureau

[r] Overcrowded is defined as an average of more than one occupant per room in the structure.
[s] Complete plumbing facilities, according to the Census, is considered to include hot and cold piped water, a flush toilet, and a bath tub or shower, all three of which must be located within the unit.

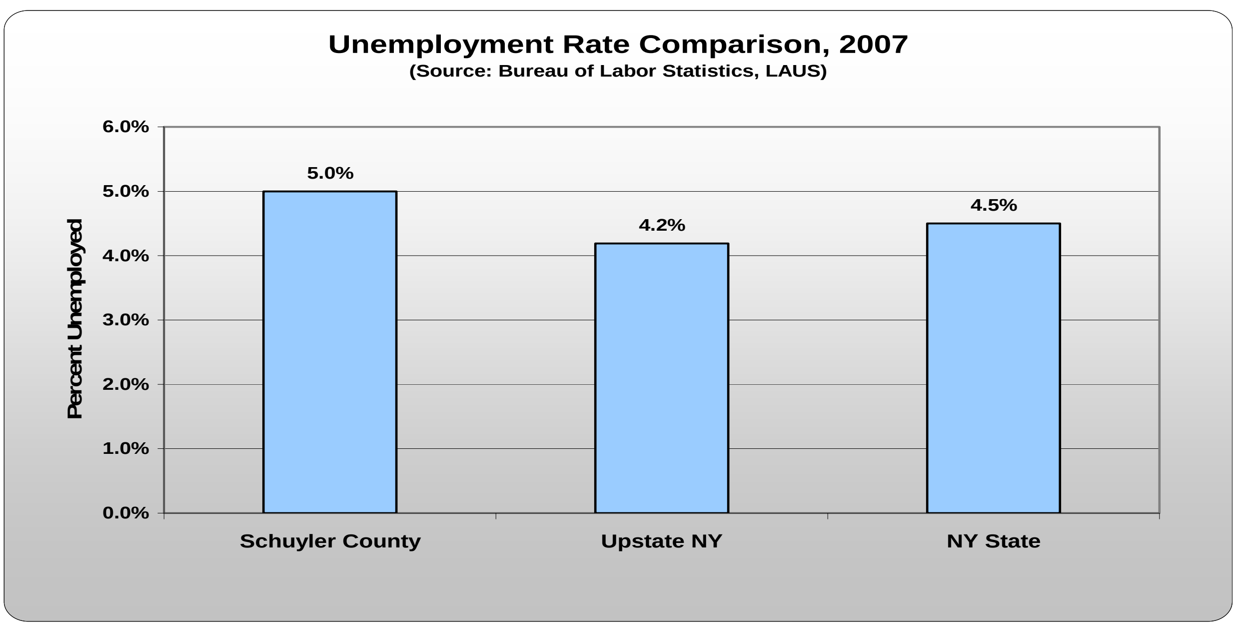
5. Jobs and Employment

The employment situation in Schuyler County is similar to that of the upstate region in terms of labor force, but the County's unemployment rate is slightly higher than that of the upstate New York region and the state overall. While Schuyler County is less populous than other upstate New York counties, and has a smaller labor force, labor force participation rates for males and females in the County were similar to the upstate New York average in both the 1990 and 2000 censuses (see Table 6 below). Unemployment data for 2007 however, indicate that the rate of unemployment was higher in Schuyler County than the upstate New York and New York state averages. The chart below shows unemployment in the County at 5.0% in 2000, compared with 4.2% and 4.5%, for the upstate region and the state overall, respectively.

Table H6. Labor Force Participation By Sex

	Schuyler County		Upstate New York	
	1990	2000	1990	2000
Male	70.2%	66.5%	72.7%	69.7%
Female	54.4%	57.1%	56.7%	57.9%

Source: Census 1990 and 2000



The county's largest employment sectors are displayed along with average wages paid by sector in Table 7. These figures come from the Bureau of Economic Analysis (BEA) Quarterly Census of Employment and Wages (QCEW) for 2006, the most recent complete data set available.[t] The data show that among the NAICS super-sectors the top employment sectors are Local Government, Retail Trade, Health Care and Social Assistance, and Manufacturing. The Agriculture sector shows a direct employment impact of 109 jobs or 2.3% of the county total. Direct jobs do not include the number indirect jobs in other sectors that may result for the presence of those 109 direct jobs in Agriculture in its role as a base industry for the county.

Table H7. Major Industries in Schuyler County, 2006

Industry Title	Average Employment	% of Total Employment	Average Annual Wage
Local Government	947	20.0%	$29,167
Retail Trade	752	15.9%	$21,644
Health Care and Social Assistance	749	15.8%	$28,308
Manufacturing	528	11.1%	$38,337
Accommodation and Food Services	450	9.5%	$12,039
Construction	262	5.5%	$42,158
State Government	210	4.4%	$55,043
Arts, Entertainment, and Recreation	197	4.2%	$20,853
Social Assistance	153	3.2%	$19,312
Memo:			
Agriculture, Forestry, Fishing & Hunting	109	2.3%	$21,178
Total, All Industries	4,743	100%	$28,601

Source: BEA QCEW, 2006

QCEW data is based on place of employment and is useful for describing the employment sectors within the County. Because it is employer-based, it provides no information as to where job holders live. As it is known that many county residents commute to other counties to work, QCEW provides a limited picture of the top employment sectors for Schuyler County residents. To see which industries both commuters and non-commuters work in, it would be helpful to examine employment data based on place of residence, although no recent data is available that is broken down by sector.

Recent data are available that allow us to compare total jobs (by employer located in the county) versus employed persons (by place of residence). The table below shows the number of jobs versus employed residents by county in the Finger Lakes region, and the difference is an indication of how many residents commute to work outside of the county. Schuyler, Steuben, Yates, and Seneca Counties are net “exporters” of workers, meaning that residents commute out to work, while Tompkins and Chemung Counties are net

[t] There are several different employment measures: Quarterly Census of Employment and Wages (QCEW), Current Employment Survey (CES), Local Area Unemployment Statistics (LAUS).

“importers” of workers, meaning they are home to the region’s employment centers. Employment centers are home to companies that attract resident workers from other surrounding counties who commute to work in the employment center County.

Table H8. Total Employment and Employed Residents By County, 2006			
	Total Employment (CES)	Employed Residents (LAUS)	Net Commuters: Out(-) versus In(+)
County:			
Schuyler	**5,000**	**9,500**	**-4,500**
Steuben	38,300	42,300	-4,000
Yates	7,100	12,500	-5,400
Seneca	11,700	16,500	-4,800
Tompkins	62,800	53,500	9,300
Chemung	40,500	38,800	1,700
Source: NY Department of Labor			

6. Conclusions

This analysis of Schuyler County’s recent demographic and economic history provides a background that helps to understand the dynamics of present day housing affordability issues. The data show that Schuyler County has experienced weak population and real income growth, but is similar in many ways to other counties in the surrounding Finger Lakes region.

Schuyler County differs from some of its neighbors in that nearly half of all working residents commute out of the County to work. A potential explanation for this situation is that present conditions are the result of a long term trend which began before 1990, in which residents in neighboring counties moved into Schuyler County but continued working in other counties. The aim of this study is to determine the future course of these economic and demographic trends, and to explore possible strategies to address affordability pressures and other housing related issues. This background information provides a context that is helpful to understand some of the changes that have taken place in the county, as well as how these dynamics may play out in the future.

Appendix I. Inventory of Housing Programs

Overview of Current Federal, State and Local Programs to Support Housing Projects

The following represents an inventory and overview of existing federal, state and local-administered programs that may be available to Schuyler County to assist with affordable and sub-standard housing issues. This section includes information that has been assembled as an information resource and includes program descriptions, links and contact information for potential funding sources.

Research was conducted on existing housing programs available to potential homeowners and renters, non-profit organizations and local governments involved in affordable housing activities in the county. This inventory includes a review of programs that have been initiated with support at the federal, state and local levels. Each program description is broken down into three sections identifying (1) the purpose of the program, (2) the target population and (3) activities found within the county in the past 5 years. Not all of the programs mentioned in this inventory have had activities in Schuyler County, but they are included in the inventory in order to make the County aware that such programs exist elsewhere and could provide ideas for Schuyler County initiatives. This review identified twenty-two significant programs on the federal, state and county levels, and while the list of programs is intended to be as comprehensive as possible, we acknowledge that there may be additional sources of funding that were not captured in this review. The programs included in the review are organized as follows:

FEDERAL HOUSING PROGRAMS

1. Fannie Mae

(Federal National Mortgage Association)
Website: http://www.fanniemae.com

Program Purpose:

The Fannie Mae Corporation is a large public company that buys and sells mortgages on the secondary market. This means that Fannie Mae does not deal directly with people looking for a loan, but instead works to make more money available to lending institutions (e.g. leverages funds of those lending institutions), so that those institutions are able to write more mortgage loans than would be the case without this secondary market mechanism. Fannie Mae agrees to finance mortgage loans that a bank makes to customers, and sets preferred interest rates and down payment requirements to assist in increasing the affordability of those mortgages to those lending institutions' mortgage customers.

As part of its corporate mission, Fannie Mae works to make homeownership affordable for low-, moderate- and middle-income families and has developed a number of specialized mortgage and other types of products. These products include mortgages with lower down payment requirements or more flexible standards, Employer-Assisted-Housing (EAH) programs, and home-buyer education programs.

Overall, Fannie Mae's inventory of Community Lending mortgage products and options are designed to help borrowers overcome the two primary barriers to homeownership: (1) lack of down payment funds and (2) qualifying income. Community Lending mortgage products and options have special affordability features, including lower cash requirements for down payment and closing costs, reduced income requirements to qualify, and higher debt allowances and loan-to-value ratios than required for traditional conventional mortgages

Target Population:

- Low-, moderate-, and middle-income families
- Private sector, public sector, and non-profit sector employees

- Seniors
- Native Americans
- Households with special needs
- Residents of rural areas

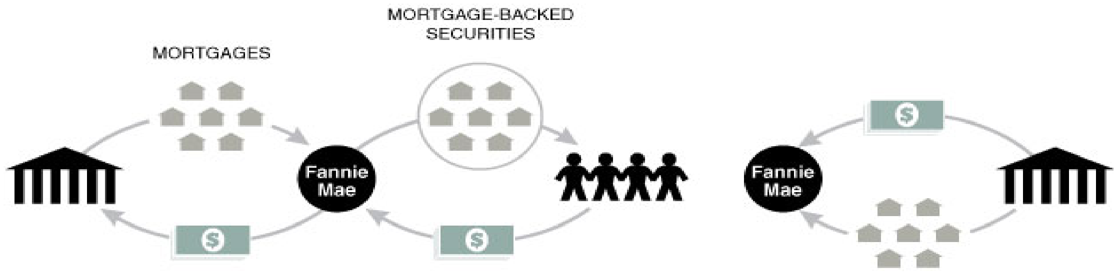
Program Activity in Schuyler County:

Fannie Mae does not have any open funding programs for affordability or community development, or standing grant offers to communities in need. In the past, Fannie Mae has been involved with locally-sponsored programs that promote housing affordability. For example, the company issued a small grant to assist with closing costs in a home loan program for veterans in Massachusetts. This program was developed by the state's affordable housing bank, MassHousing, who secured commitments from several area lenders and solicited the grant from Fannie Mae. **Funding opportunities from Fannie Mae may still exist if the county, through a lending partner, develops a specific housing program or plan. Any collaboration with Fannie May has to be initiated by the lending institution, as opposed to Fannie Mae accepting applications for existing programs.**

The organizational chart below appeared in the New York Times in July 2008 and provides a good summary description of Fannie Mae's role in the U.S. housing market and the challenges it faces in the current housing downturn:

Understanding Fannie's Role . . .

Fannie Mae was originally formed by the federal government in 1938 in order to supply liquidity to the mortgage market. Since 1968, it has been a private corporation. Here is how it works:



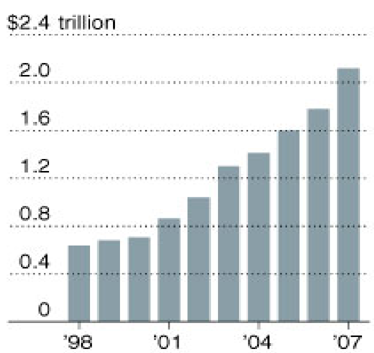
Fannie Mae **takes mortgage loans** from banks, in order to repackage them in the form of **mortgage-backed securities**. There are limits on the types and size of loans it can guarantee.

Those **mortgage-backed securities are sold** to investors, and Fannie Mae guarantees that the loans will be repaid.

Fannie Mae also **borrows money from the debt markets**, traditionally at a rate much lower than other banks, and uses it to **buy mortgages it holds as its own investments**. By buying these loans, Fannie injects new money into the housing economy.

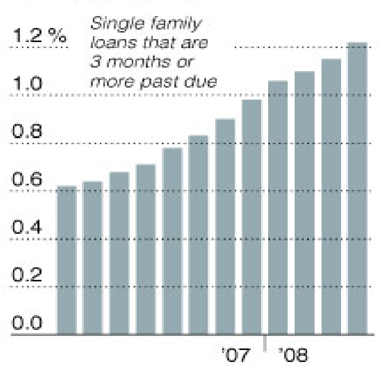
. . . And Its Looming Problems

GUARANTEED MORTGAGES



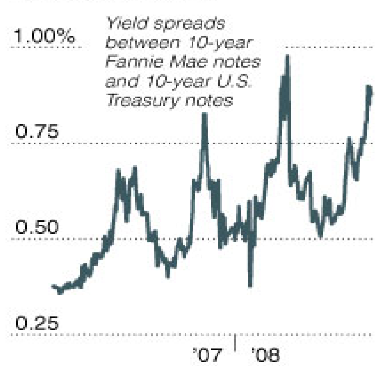
Fannie Mae's **exposure to the housing market has soared**. Its outstanding guaranteed mortgages tripled from 1998 to 2007.

DELINQUENCY RATES



The **delinquency rate on Fannie Mae mortgages is rising**. This increases the chance that the company will have to make good on its guarantees.

BORROWING COSTS



Borrowing costs are volatile and rising, reflecting investor concerns about Fannie Mae's health.

Sources: Fannie Mae; Office of Federal Housing Enterprise Oversight; Bloomberg

The New York Times

2. Freddie Mac

(Federal Home Loan Mortgage Corporation)
Website: http://www.freddiemac.com

Program Purpose:

The Freddie Mac Corporation is a large public company with a function similar to that of Fannie Mae. The corporate mission is to provide liquidity, affordability and stability to the housing market. It does this by operating in the secondary mortgage market, meaning that like Fannie Mae, Freddie Mac does not deal directly with consumers when buying and selling mortgages. Instead Freddie Mac purchases loans from banks and lenders, then turns around and sells the loans, which are packaged together as mortgage backed securities, to investors. The lender uses the money received from Freddie Mac to make more loans to other home buyers.

In addition to Freddie's activities in the secondary mortgage markets, the corporation has a variety of affordable housing and community development programs that operate in collaboration with banks, local governments and non-profits. Freddie's programs consist of efforts to disseminate information, provide legal assistance, offer low-rate financing, provide direct grants for closing costs assistance, and to offer relaxed underwriting standards.

Target Population:

- low-, moderate-, and middle-income families
- specific ethnic groups (Hispanic, immigrant etc)
- home buyers in specifics designated areas

Program Activities in Schuyler County:

No program activity is found in Schuyler County.

Similar to Fannie Mae, funding opportunities from Freddie Mac may still exist if the county, with lending partners, develops a specific housing project. Any collaboration with Freddie Mac has to be initiated by lending institutions.

Although no known Freddie programs are active in Schuyler County, the following is a selected list of initiatives in the State of New York that have been supported by Freddie Mac. Some of the programs are active in communities in the Western NY region and may provide ideas for Schuyler County initiatives and opportunities to work with Freddie Mac.

<u>Special Home Ownership Program (SHOP) – Buffalo, Syracuse, Rochester, Albany, Troy and Schenectady</u>

The SHOP initiatives in various NY cities are a partnership between Freddie Mac, HSBC Bank, and local non profits. The program aims to facilitate affordable lending to potential home buyers. Eligible borrowers receive assistance with closing costs and/or a discounted interest rate.

Target: borrowers with less than 80% of HUD's Median income Limit, or purchases in designated census tracts.

<u>Freddie Mac's Section 8 Home Ownership Program</u>

This program is designed to help those households that currently receive Section 8 rental subsidies to achieve home ownership. The program is implemented in collaboration with local government authorities and lenders and seeks to meet the requirements of the Section 8 program and Freddie's underwriting standards. The program offers a flexible debt-to-income ratio requirement, no expense-to-income ratio requirement, direct deduction of housing assistance payments (HAPs) to the principal, flexible manual underwriting, and pre- and post-purchase counseling.

Target: Recipients of Section 8 rental subsidies.

<u>Working Immigrants Saving for a Home (WISH) – New York City</u>

This program includes participation from 5 NYC area employers, 2 banks, the organization Asian Americans for Equality (AAFE), and Freddie. The initiative helps employers recruit and retain employees while providing direct assistance and information to help participating employees with the purchase of a home.

Target: Immigrant residents (roughly 1% of Schuyler County's residents)

<u>Don't Borrow Trouble: Anti-Predatory Lending Campaign – Syracuse, Rochester, Buffalo, and Long Island</u>

This program aims to help borrowers in Syracuse "avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics." Legal assistance, counseling and general information is provided by numerous participating partner organizations.

Target: all potential home buyers in the Syracuse region.

East River Development Alliance (ERDA) Homes Homeownership Initiative – Queens

This effort seeks to "increase financial literacy and home ownership opportunities" for residents in the area. Collaborating partners include Chase Home Finance, ERDA Homes, Freddie, and Neighborhood Housing Services (NHS) of Northern Queens.

Target: all potential home buyers in the area.

Mi Primera Casa – Long Island

This program aims to dispel rumors about home buying, identify and eliminate barriers to home ownership in the Hispanic community, and screen participants to determine whether or not buyers are ready to purchase a home. Partners in the program include HSBC and a local community development corporation.

Target: local Hispanic residents (an estimated less than 1% of Schuyler County's residents)

3. Rural Development Housing Programs

United State Department of Agriculture (USDA)
Website: http://www.rurdev.usda.gov

Program Purpose:

USDA Rural Development administers a variety of loan and grant programs to assist low-income individuals, state, local, private and nonprofit organizations with economic opportunity that creates affordable housing in rural areas. Single-Family and Multi-Family Housing Programs are designed to finance and facilitate the development of housing in rural communities. The NY State office in Syracuse, NY provides housing program services to Schuyler County individuals and organizations. These housing programs are listed as the following:

Single – Family Housing Programs

Section 502 – Guaranteed SFH Loan – provides assistance to low income individuals and households in rural areas to purchase homes. The loan can also be used in building, renovating, relocating homes or providing water and sewage facilities and purchasing and preparing sites for new or existing housing.

Eligibility: Families must be without adequate housing, however, they must qualify to afford the mortgage payments, including taxes and insurance. The limits for Schuyler County are listed bellow.

Table H1. Adjusted Schuyler County SFH Gauranteed Loan Income Limits

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Low Income	$29,500	$33,700	$37,950	$42,150	$45,500	$48,900	$52,250	$55,650
Mod-Income	$49,550	$56,600	$63,700	$70,750	$76,400	$82,050	$87,750	$93,400

Source: USDA, 2008

Prepared By Economic & Policy Resources, Inc

Terms: Loans are for 30 years and interest rate is set by lender.

Standards: The housing must be modest in design and cost. All manufactured housing must meet requirements set by HUD, RHS thermal and site standards. Houses that are constructed, rehabilitated or purchased must meet the voluntary national model building code adopted by the state and RHS thermal and site standards.

Section 502 – Direct SFH Loan – directly funded by the Government and directed toward low- and moderate-income households to promote affordable homeownership. The mortgage payment is based on the same adjusted household income limits as for the 502 Section – Guaranteed SFH Loan. Funds can be used in building, repairing, relocating renovating homes or purchasing and preparing sites and providing water and sewage facilities.

Eligibility: Applicants must fall under the income category below 90% of the area median income. Applicants must be without adequate housing, however, being able to afford mortgage payments. Down the line, payment subsidy will be available to enhance repayment ability of the applicants.

Terms: Loans are for up to 33 years. If the family income is below 60% of AMI than the term of the loan payments can be extended to 38 years. The loan for manufactured homes is 30 years.

Standards: Same as in Section 502 – Guaranteed SFH Loan

Section 504 – Home Repair Loan and Grant Program - provides loans and grants to repair, improve housing or modernize a dwelling, or to remove health and safety hazards housing for low-income homeowners. The grants and loans are directly funded by the government and directed toward owners/occupants who are 62 years of age and older and cannot repay Section 504 loan. The grant amount is maximum $7,500.

Eligibility: The applicant must have income below 50% of the area median income (AMI) and must be unable to obtain affordable credit elsewhere. Must also be 62 years and older.

Terms: Loans of up to $20,000 and grants of up to $7,500 are available. The applicant must pay 1% interest on loans for up to 20 years. Grant funds may be used only to pay for repairs and improvements that are made to address health and safety hazards.

Standards: The housing must meet code requirements of RHS in installation of water and waste system.

The Mutual Self-Help Loan – Primarily used to assist very low- and low-income households to construct their own homes. Approximately, 65% of the construction labor must be done by the owners under qualified supervision.

Eligibility: applicants must have very low income (below 50% of the AMI) or low income (between 50 and 80% of AMI). Families that live in substandard housing are given priority.

Terms: Up to 33 years and for those who are below 60% of the AMI. The amount of subsidy is also determined by applicant's percent income of AMI. Those applicants that are below 60% of the AMI are given first priority.

Standards: Constructed houses must meet the voluntary national model building code adopted by the state and RHS thermal and site standards.

Multi-Family Housing Programs

Section 515 - Rural Rental Housing – The program provides loans to individuals, trusts, associations, partnership, limited partnerships, state or local public agencies, non-profit and for profit corporations, and consumer cooperatives. Eligible applicants are:

- Ownership – individuals, partnerships, limited partnerships, for-profit corporations, nonprofit organizations, limited equity cooperatives and other public agencies that are unable to obtain credit elsewhere that will be used to promote affordable rental housing for low income tenants.
- Tenancy – Very low-, low,- and moderate-income families

The Housing Preservation Grant (HPG) – The program provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income housing. The grants are competitive and are made available in areas where there is a concentration of need. Those assisted must own very low- or low-income housing, either as homeowners, landlords, or members of a cooperative. Very low income is defined as below 50 percent of the area median income (AMI); low income is between 50 and 80 percent of AMI. Eligible sponsors include state agencies, units of local government, Native American tribes, and nonprofit organizations. HPG funds received by the sponsors are combined with other programs or funds and used as loans, grants, or subsidies for recipient households based on a plan contained in the sponsor's application. Funds must be used within a two-year period.

The objective of the HPG program is to repair or rehabilitate individual housing, rental properties, or co-ops owned and/or occupied by very low- and low-income rural persons. Assistance is available to rental property owners to repair and rehabilitate their units providing they agree to make such units available to very-low and low-income families. Financial assistance provided by the grantee may be in the form of a grant, loan, interest reduction on commercial loans, or other comparable assistance. The program only serves towns with a population of

20,000 or less (Schuyler County would qualify for this program with a population over just over 19,000).

Guaranteed Rental Housing - The program guarantees loans under the Rural Rental Housing Guaranteed loan program for development of multi-family housing facilities in rural areas of the United States. Loan guarantees are provided for the construction, acquisition, or rehabilitation of rural multi-family housing. An applicant must be: a citizen of the United States or a legally admitted alien for permanent residence in the United States; a nonprofit organization such as a local government, community development group or American Indian tribe, band, group, or nation (including Alaskan Indians, Aleuts, Eskimos, and any Alaskan native village); or a for-profit corporation.

Eligible lenders are those currently approved and considered eligible by the Fannie Mae, Freddie Mac, the Federal Home Loan Bank members, or the Department of Housing and Urban Development for guaranteed programs supporting multifamily housing. State Housing Finance Agencies may also be considered eligible lenders. Other lenders have the opportunity to enter into a correspondent bank relationship with approved lenders in order to participate in the program. Occupants must be very low-, low- or moderate-income households, elderly, handicapped, or disabled persons with income not in excess of 115% of the AMI; moderate income is capped at $5,500 above the low-income limit.

The program has been designed to increase the supply of affordable multifamily housing through partnerships between the USDA's Housing and Community Facilities Program (HCFP) and major lending sources, as well as State and local finance agencies and bond issuers. The terms of the loans guaranteed may be up to 40 years, and the loans must be fully amortized. Rates of the loans guaranteed must be fixed, as negotiated between lender and borrower, within the HCFP maximum established under the Notice of Fund Availability (NOFA). The rate is based on the 30-year Treasury Bond rate on the day prior to date of loan closing. Maximum rent is 30 percent of 115 percent of median income, and average rent of all units is 30 percent of 100 percent of the median income adjusted for family size. The program is limited to rural areas. Generally, communities are eligible if they have populations of not more than 10,000, nor more than 20,000 if there is a serious lack of mortgage credit. Loans of up to $1,500,000 must be approved by State Directors. All requests for loans above $1,500,000 must be reviewed by the HCFP National Office.

Other USDA's programs for single family housing can be directly found at: http://www.rurdev.usda.gov/rhs/common/program_info.htm#SFH

Target Population:

- low-to moderate-low income individuals

- state housing agency
- local and Private Organizations
- not for profit Organizations

Activity in Schuyler County:

Table H2. USDA Loans and Grants Awarded in Schuyler County, 2001-08

	504 Loans		504 Grants		502 Direct Loans		502 Guaranteed Loans	
	Number	Value	Number	Value	Number	Value	Number	Value
2001	1	$6,270	1	$5,860	3	$205,510	1	$50,000
2002	0	$0	0	$0	3	$154,530	0	$0
2003	0	$0	2	$9,570	1	$88,000	0	$0
2004	0	$0	3	$13,382	3	$269,040	0	$0
2005	0	$0	0	$0	0	$0	0	$0
2006	0	$0	2	$11,499	2	$166,370	1	$65,306
2007	0	$0	0	$0	2	$166,560	0	$0
2008	0	$0	1	$7,500	1	$136,830	8	$606,196
Total	1	$6,270	9	$47,811	15	$1,186,840	10	$721,502

Source: USDA NY Rural Development

Prepared by: Economic & Policy Resources, Inc

4. HOPE VI Program

U.S. Department of Housing and Urban Development (HUD)
Website: http://www.hud.gov

Program Purpose:

The HOPE VI program serves a vital role in the Department of Housing and Urban Development's efforts to transform Public Housing. The HOPE VI Program, originally known as the Urban Revitalization Demonstration (URD), was developed as a result of recommendations by the National Commission on Severely Distressed Public Housing, which was charged with proposing a National Action Plan to eradicate severely distressed public housing. The Commission recommended revitalization in three general areas: (1) physical improvements, (2) management improvements, and (3) social and community services to address resident needs.

The specific elements of public housing transformation that have proven to be the key to HOPE VI include:

- changing the physical shape of public housing
- establishing positive incentives for resident self-sufficiency and comprehensive services that empower residents
- lessening concentrations of poverty by placing public housing in non-poverty neighborhoods and promoting mixed-income communities
- forging partnerships with other agencies, local governments, nonprofit organizations, and private businesses to leverage support and resources

Eligible applicants are any Public Housing Authority that has severely distressed public housing units in its inventory Indian Housing Authorities and Public Housing Authorities that only administer the Housing Choice Vouchers (Section 8) Program are not eligible to apply. Individuals are also not eligible to apply.

HOPE VI Revitalization grants fund:

- capital costs of major rehabilitation, new construction and other physical improvements

- demolition of severely distressed public housing
- acquisition of sites for off-site construction
- community and supportive service programs for residents, including those relocated as a result of revitalization efforts

HOPE VI Main Street grants provide assistance to smaller communities in the development of affordable housing that is undertaken in connection with a Main Street revitalization effort.

Target Population:

- Public Housing Authority
- Indian Housing Authorities

Activity in Schuyler County:

No activity in Schuyler County was identified in this review.

5. Rehabilitation Mortgage Insurance Program (Section 203(k))

U.S. Department of Housing and Urban Development (HUD)
Website: http://www.hud.gov

Program Purpose:

Section 203(k) insurance enables homebuyers and homeowners to finance the purchase (or refinancing) of a house and the cost of its rehabilitation through a single mortgage - or to finance the rehabilitation of their existing home. Section 203(k) is one of many FHA programs that insure mortgage loans and thus encourage lenders to make mortgage credit available to borrowers who would not otherwise qualify for conventional loans on affordable terms (such as first - time homebuyers) and to residents of disadvantaged neighborhoods (where mortgages may be hard to get).

Section 203(k) fills a unique and important need for homebuyers in another way as well. When buying a house that is in need of repair or modernization, homebuyers usually have to follow a complicated and costly process, first obtaining financing to purchase the property, then getting additional financing for the rehabilitation work, and finally finding a permanent mortgage after rehabilitation is completed to pay off the interim loans. The interim acquisition and improvement loans often have relatively high interest rates and short repayment terms. However, Section 203(k) offers a solution that helps both borrowers and lenders, insuring a single, long - term, fixed - or adjustable - rate loan that covers both the acquisition and rehabilitation of a property. Section 203(k) insured loans save borrowers time and money, and also protect lenders by allowing them to have the loan insured even before the condition and value of the property may offer adequate security. Insurance commitments for 17,000 homes were made in FY 1996; the estimated number of homes to be insured under Section 203(k) for FY 1997 is 19,000, and 15,000 for FY 1998. For housing rehabilitation activities that do not also require buying or refinancing the property, borrowers may also consider HUD's Title I Home Improvement Loan program.

Section 203(k) insures mortgages covering the purchase or refinancing and rehabilitation of a home that is at least a year old. A portion of the loan proceeds is used to pay the seller, or, if a refinance, to pay off the existing mortgage and the remaining funds are placed in an escrow account and released as rehabilitation is completed. The cost of the rehabilitation must be at least $5,000, but the total value of the property must still fall within the FHA mortgage limit for the area. The value of the property is determined by either (1) the value of the property before rehabilitation plus the cost of rehabilitation, or (2) 110 percent of the appraised value of the property after rehabilitation, whichever is less.
Many of the rules and restrictions that make FHA's basic single - family mortgage insurance product (Section 203(b)) relatively convenient for lower income borrowers apply here. But lenders may charge some additional fees, such as a supplemental origination fee, fees to cover the preparation of architectural documents and review of the rehabilitation plan, and a higher appraisal fee. However, unlike other FHA single - family mortgages, Section 203(k) borrowers do not pay an upfront mortgage premium.

The extent of the rehabilitation covered by Section 203(k) insurance may range from relatively minor (though exceeding $5000 in cost) to virtual reconstruction: a home that has been demolished or will be razed as part of rehabilitation is eligible, for example, provided that the existing foundation system remains in place. Section 203(k) - insured loans can finance the rehabilitation of the residential portion of a property that also has non - residential uses; they can also cover the conversion of a property of any size to a one - to four - unit structure. The types of improvements that borrower may make using Section 203(k) financing include:

- structural alterations and reconstruction
- modernization and improvements to the home's function
- elimination of health and safety hazards
- changes that improve appearance and eliminate obsolescence
- reconditioning or replacing plumbing; installing a well and/or septic system
- adding or replacing roofing, gutters, and downspouts
- adding or replacing floors and/or floor treatments
- major landscape work and site improvements
- enhancing accessibility for a disabled person
- making energy conservation improvements

HUD requires that properties financed under this program meet certain basic energy efficiency and structural standards. However, luxury items and improvements that do not become a permanent part of the property are not eligible uses of a 203(k) loan.

Other HUD’s programs for single family housing can be directly found at: http://www.hud.gov/offices/hsg/sfh/ins/singlefamily.cfm

Target Population:

- FHA - approved lending institutions - which include many banks, savings and loan associations, and mortgage companies - can make loans covered by Section 203(k) insurance.
- All persons who can make the monthly mortgage payments are eligible to apply. Cooperative units are not eligible; individual condominium units may be insured if they are in projects that have been approved by FHA or the Department of Veterans Affairs, or meet certain Fannie Mae guidelines.

Activity in Schuyler County:

No activity in Schuyler County was identified in this review.

6. Low Income Home Energy Assistance Program (LIHEAP)

U.S. Department of Health & Human Services
Website: http://www.acf.hhs.gov

Program Purpose:

LIHEAP is a federally funded block grant program that is implemented at the State, Tribal, and Insular Area levels. Grantees serve low income households who seek assistance for their home energy bills. This is an important aspect of housing affordability because energy prices are expected to remain at elevated levels, and energy and heating expenses represent an increased proportion of household income. Assistance with these expenses can reduce pressure on household budgets making housing more affordable.

LIHEAP has been operating since 1982 and its purpose is to assist those with the highest home energy needs, meaning low income households with a high energy burden and/or the presence of a vulnerable individual in the household, such as a young child, disabled person, or frail older individual.

Some forms of assistance available to low income households through State LIHEAP programs include:

- financial assistance towards a household's energy bill,
- emergency assistance if a household's home energy service is shut off or about to be shut off, and
- a range of other energy-related services that States may choose to offer, such as weatherization improvements, utility equipment repair and replacement, budgeting counseling and so forth.

LIHEAP grantees, receive block grant funding from the Administration for Children and Families to run their LIHEAP programs. Additionally, LIHEAP grantees may receive separate contingency funds, which are released at the President's discretion to supplement needs in areas during times of energy emergencies, such as extreme weather or high fuel prices. Grantees may also apply for additional Federal funds through the optional LIHEAP Leveraging program where the Federal government provides funds to grantees that leverage their Federal LIHEAP funds with non- Federal energy assistance resources. Each year LIHEAP also awards a limited amount of funds under the REACH program to grantees that provide innovative plans through local community-based agencies to help LIHEAP-eligible households reduce their energy vulnerability and minimize health and safety risks from inadequate home temperatures.

The Division of Energy Assistance conducts the following activities in administering LIHEAP at the Federal level:

- develops guidelines, policies and regulations to provide direction to grantees (States, the District of Columbia, Indian tribes/tribal organizations, and Insular areas) in administering LIHEAP;
- calculates grantee allotments for block grant, emergency contingency, and leveraging incentive funds;
- develops statistical information regarding home energy consumption, state median income estimates, fuel costs, and housing and demographic characteristics;
- prepares, analyzes, and recommends specific proposals for new legislation; prepares reports as required by Congress;
- identifies and develops research and evaluation priorities and assesses the impact of research and evaluation findings and statistical data in terms of program directions;
- provides leadership in interpretation and application of federal program policy as it relates to compliance activities in the LIHEAP program; evaluates compliance of grantee policies and operations with statutory and regulatory requirements; and provides support in developing and implementing program improvements;
- investigates complaints;
- reviews LIHEAP grantee applications and amendments;
- provides the ACF Office of Financial Management with information necessary to issue LIHEAP grants;
- provides assistance to States, Tribes and Insular Areas in developing energy program policies and operational procedures.
- assists grantees and other public and private organizations by providing training and technical assistance.

Target Population:

- low income households with a high energy burden and/or the presence of a vulnerable individual in the household

Activity in Schuyler County:

Table 3a. Number of Households receiving Assistance by Home Energy Assistance Program (HEAP) in Schuyler County, 2000-07

Year	All Households	Public Assistance	Application Component	Food Stamps
2000-01	930	63	654	213
2001-02	996	73	722	201
2002-03	1,125	80	776	269
2003-04	1,245	92	854	299
2004-05	1,354	115	852	387
2005-06	1,451	103	431	917
2006-07	1,281	118	707	456

Source: Center of Employment and Economic Support - HEAP Bureau

Prepared by Economic & Policy Resources, Inc

Table 3b. Heating Equipment Replacement and Repair in Schuyler County, 2007-08

Authorized	Households	Benefits	$Obligations
Repair	3	3	$904
Replacement	17	17	$42,920
Estimates	0	0	$0
Grand Total HERR	19	20	$43,824
Total Funds			$1,180,424

Source: Center of Employment and Economic Support - HEAP Bureau

Prepared by Economic & Policy Resources, Inc

STATE HOUSING PROGRAMS

1. Low-Income Housing Credit (LIHC) Compliance Monitoring

New York State Division of Housing and Community Renewal
Website: http://www.dhcr.state.ny.us

Program Purpose:

Low-Income Housing Credit Program promotes investment in the production and retention of affordable low income rental housing by providing tax credits to developers and/or owners of low-income housing. The Department of Housing and Community Renewal (DHCR) was designated the lead agency in New York State responsible for allocating tax credits in accordance with a Qualified Allocation Plan (QAP).

Most projects receiving an allocation of LIHC also utilize another governmental subsidy as part of their project financing. Federal subsidies such as the Community Development Block Grant (CDBG), HOME and USDA Section 515 have been used in conjunction with the LIHC.

Project owners use the LIHC allocation as a gap filler in their development budgets. The LIHC is turned into equity to fill the project gaps through the sale of the project and the credit to investors. New York received an allotment of low-income housing credit of $1.95 per capita, or $38.1 million for calendar year 2007. Since the LIHC is available each year for ten years, New York's yearly LIHC allotments support approximately $350 million in low-income housing development.

Target Populations:

- individuals (low income households with income of 60% or less of the area median adjusted for household size)
- corporations
- limited liability corporations

- limited partnerships

Program Activity in Schuyler County:

In 2006, Schuyler County received LIHC award in the amount of $208,797 for Montour Family apartments.

2. New York State HOME Program

New York State Division of Housing and Community Renewal
Website: http://www.dhcr.state.ny.us

Program Purpose:

HOME programs provide loans and grants to expand and preserve the supply of safe and affordable housing within the State of New York. Approximately $33 million is available for capital (multifamily) projects and local program administrators (single family projects) in 2008. The program helps eligible occupants with acquisition, construction and rehabilitation of affordable housing and provides assistance to eligible home buyers and renters through the partnership with counties, towns, cities, villages, private developers, and community-based non-profit housing organizations. Three project types that are listed under this program include: Rental projects, Homeownership Assistance projects and Tenant-Based Rental Assistance (TBRA) projects. The project types listed above must benefit low-income households below 80% of the AMI. The HOME program is administered directly by New York State Housing Trust Fund Corporation (HTFC), although HTFC's degree of involvement varies depending on the type of activity proposed. A minimum of 15% of HOME funds are required to be reserved for locally based non-profit entities that can be qualified as Community Housing Development Organizations.

The state HOME program is funded by a national program through the U.S. Department of Housing and Urban Development (HUD). The federal program operates on an approximately $2 billion annual budget, and a minimum of $3 million in housing funds are given to each state. The remaining funds are given out directly to qualifying localities nationwide without going through state agencies. Those that are ineligible may enter into a legal consortium with neighboring communities whose combined members would then meet the HOME requirements. **This means that in addition to Schuyler County seeking funding through the state HOME program it could investigate the possibility of receiving funds directly from the federally administered program. This could be done as a County or in collaboration with surrounding counties.**

Target Populations:

- low income home buyers
- low-income tenants
- non-profit organizations
- municipalities

Program Activity in Schuyler County:

Table 4. HOME and HOME LPA Awards between 2003-08

Schuyler County:	Program	Year	Award	Units
Bishop Sheen EHF	HOME	2008	$200,000	10
Montour Family Apartments	HOME	2006	$1,005,563	24
Tri-County Housing Council, Inc	HOME LPA	2006	$500,000	46
Bishop Sheen EHF	HOME LPA	2005	$200,000	--
Bishop Sheen EHF	HOME LPA	2004	$200,000	--
Tri-County Housing Council, Inc	HOME LPA	2003	$333,333	--

Source: NYS Division of Housing & Community Renewal

Prepared By Economic & Policy Resources, Inc

3. Low-Income Housing Trust Fund Program (HTF)

New York State Division of Housing and Community Renewal
Website: http://www.dhcr.state.ny.us

Program Purpose:

The Low-Income Housing Trust Fund Program (HTF) provides affordable housing for persons of low income. The HTF program can finance construction costs, predevelopment costs and working capital projects for low-income occupants. The program can fund up to $75,000 per unit for constructing new housing, rehabilitating vacant or under-utilized residential properties and converting vacant non-residential properties to residential use. In addition, up to $25,000 per unit may be provided for projects based on construction cost in the area, location of the project and the impact of the additional funding on the project's affordability to its low-income occupants. Project sponsors must ensure long-term (15-30 years) use by low and/or very low-income persons. Eligible applicants may directly participate as a project developer under this program, although project developers are required to make an equity contribution of 5% of their total project costs from which, 1% must be made as a cash deposit to the project's operating reserve account.

Target Populations:

- low income occupants
- Housing Development Fund (HDF) companies (HDF is described below)
- non-profit corporation
- private developers
- municipality or county
- municipal housing authority

Program Activity in Schuyler County:

No program activity in Schuyler County was identified in this review.

4. Residential Emergency Services to Offer (Home) Repairs to the Elderly (RESTORE)

New York State Division of Housing and Community Renewal
Website: http://www.dhcr.state.ny.us

Program Purpose:

The RESTORE program helps pay for the costs of emergency repairs in home owned and occupied by seniors, when they cannot afford to make the repairs themselves such as furnace, roof, electrical, and water problems. Applicants are selected through an annual competitive funding round. The program follows the same rules and regulations as Housing Trust Fund Corporation. Eligible project recipients must be New York State homeowners, at least one person has to be 60 year or over, household income must fall under 80% of the area's median family income, the primary residency must be consisted of the older (60+) homeowners and the there must be an existing situation that poses a threat to life, health and safety. All areas of the state are eligible and maximum lifetime assistance is limited to $5,000 per building.

Target Populations:

- low income seniors of 60 years and over

Program Activity in Schuyler County:

In 2008, Schuyler County received RESTORE award in the amount of $75,000 for Bishop Sheen Ecumenical Housing Foundation to help pay cost of emergency repair in 17 homes owned and occupied by seniors.

5. Homes for Working Families (HWF)

New York State Division of Housing and Community Renewal
Website: http://www.dhcr.state.ny.us

Program Purpose:

HWF is a housing development program that provides financial assistance to Housing Trust Fund Corporation (HTFC) for project use. For example, financial help is provided for senior rental projects or new construction/rehabilitation of family rental housing, with assistance up to $35,000 per HTFC-assisted unit. Since more than 50% of the project cost can be financed with tax-exempt bonds from the state, the program enables a recipient project to receive an allocation of 4% in Low-Income Housing Credit (LIHC). As a requirement, 100% of project units must follow LIHC rent restriction rules and regulations. HWF has no preference between financing family or senior rental projects.

Target Populations:

- low income families
- low income seniors

Program Activity in Schuyler County:

No reported program activities were found in Schuyler County in this review.

6. The Housing Development Fund (HDF)

New York State Division of Housing and Community Renewal
Website: http://www.dhcr.state.ny.us

Program Purpose:

HDF provides loans to not-for-profit and charitable corporations that are interested in constructing or rehabilitating housing projects for low-income occupants. HDF program provides temporary financing to cover the project development costs. Interest-free loans are divided into three categories: predevelopment; acquisition and construction that can be used in conjunction with each other for up to three years. Some of the predevelopment loans are utilized in legal expenses, feasibility, planning studies, environmental review and site suitability analysis. Besides rehabilitation or construction projects, HDF loan can also be used for purchase of the project site. All areas in New York state are eligible HDF financing.

Target Populations:

- low income occupants
- not for profit corporations
- charitable corporations and their wholly-owned subsidiaries

Program Activity in Schuyler County:

No reported program activities were found in Schuyler County.

7. The New York State Low Income Housing Credit (SLIHC)

New York State Division of Housing and Community Renewal
Website: http://www.dhcr.state.ny.us

Program Purpose:

SLIHC follows the same guidelines as LIHC program. Similar to LIHC, SLIHC program provides dollar-to dollar reduction in certain New York State income taxes. Exceptions are the following:

- SLIHC assisted units must serve households whose incomes are at or below 90% of the area median income (vs. 60% standard of the federal program).
- SLIHC provides a dollar-for dollar reduction in state taxes to investors in qualified low-income housing which meet the requirements of Article 2-A of the Public Housing Law.
- the SLIHC Credit allocation is not calendar year-specific.
- the SLIHC program has selection criteria which are set forth in the SLIHC regulations.

Target Populations:

- low income individuals
- partnerships
- limited partnerships
- corporations and Chapter S

Program Activity in Schuyler County:

No reported program activities were found in Schuyler County in this review.

8. The Rural Rental Assistance Program

New York State Division of Housing and Community Renewal
Website: http://www.dhcr.state.ny.us

Program Purpose:

The Rural Rental Housing Program (RRAP) is administered by Rural Housing Services (RHS) of the United States Department of Agriculture. The program provides monthly rent subsidies for eligible occupants who are residing in projects constructed or rehabilitated with mortgage financing under the Section 515. The program also provides direct loans to sponsors of multi-family rental housing for occupants of low- and moderate-income families or elderly handicapped persons. An RRAP program subsidy can last for up to 15 or 25 years. Eligible projects must be located in a rural area which is to be owned by an eligible applicant that received federal assistance through the Rural Housing Services Section 515 RRP. In addition, HOME and HTF programs provide capital funding to assist RRA program with project development.

Target Populations-Projects:

- low- and moderate-income families
- elderly
- handicapped persons

Program Activity in Schuyler County:

No reported program activities were found in Schuyler County in this review.

9. Section 8 Housing Choice Voucher Program (HCV)

New York State Division of Housing and Community Renewal
Website: http://www.dhcr.state.ny.us

Program Purpose:

DHCR's Section 8 Housing Choice Voucher (HCV) Program provides rental assistance and a home ownership option to extremely low, very low and low income households in New York State. The program also provides assistance to senior citizens and disabled persons on fixed incomes, displaced families, and homeless individuals with disabilities. One goal of the HCV Program is to enable eligible households to rent or purchase decent, safe and sanitary housing in the private housing market. After a voucher is issued it remains with the family or individual as long as they remain eligible, even if they change residence. The dollar amount of HCV Program Housing Assistance Payments will vary depending on the income of the family or individual and the approved rent/mortgage for the unit.

Another facet of the HCV Program is the home ownership option available to current participating families. The voucher assistance is available and being used by current participants, who meet the home ownership eligibility requirements, toward mortgage payments to purchase a home. The DHCR local administrators have programs to empower interested families with readiness for and assistance with home ownership.

Families interested in applying for the HCV Program must obtain an application from the local Public Housing Authority (PHA). Once a completed application is submitted and the applicant is determined to be eligible, the applicant is placed on a waiting list. When a subsidy becomes available, the household is issued a Housing Choice Voucher. The voucher certifies that the applicant is eligible for the HCV Program and also specifies, based on the number or people in the family, the size of the unit the family is authorized for. Among other requirements, the family must participate in the program for a minimum of 12 months before it is deemed eligible for the home ownership option.

The regulations for the HCV Program are set by the U.S. Department of Housing and Urban Development (HUD). Households must meet eligibility requirements and the apartment to be subsidized must meet federal Housing Quality Standards (HQS). The unit must pass the HQS inspection before the PHA can approve monthly Housing Assistance Payments. HCV Housing Assistance Payments are sent directly to participating owners or authorized managing agents.

Target Populations-Projects:

- extremely low
- very low and
- low income households in New York State.

Program Activity in Schuyler County:

Since September 2002, Section 8 Home Ownership Program has had one closing in Schuyler County.

10. State of New York Mortgage Agency Mortgage Insurance Fund (MIF)

NY Homes
Website: http://www.nyhomes.org

Program Purpose:

New York's Mortgage Insurance Fund ("MIF") promotes the preservation and revitalization of neighborhoods throughout the State of New York by insuring mortgage loans and thereby encouraging the investment of mortgage capital by commercial and public lenders.

MIF was created in 1978 to address housing and development needs in areas of New York State suffering from blight or disinvestment. In 1989, MIF's powers were broadened to include insuring projects that:

- Create affordable housing
- Are located in an economic development zone
- Receive a loan from a public entity or
- Provide a retail or community service facility.

MIF provides insurance on single family, multifamily, and retail loans:

Single Family Home Mortgage Insurance

The MIF assists low to moderate income home buyers to obtain affordable housing by providing mortgage insurance on single family home loans.

MIF works with SONYMA and lenders to develop new loan programs to meet the challenge of making home ownership affordable to even more low and moderate income families across the State of New York.

Multi family Housing Mortgage Insurance

Eligible Lenders - Financial institutions as defined under the Public Authorities Law section 2426 including banks, trust companies, savings banks, savings and loan associations, credit unions, insurance companies, pension funds, certain subsidiaries of the above and certain New York State public benefit corporations such as the New York State Housing Finance Agency, the New York State Dormitory Authority, the New York City Housing Development Corporation and local industrial development authorities ("IDAs") (together the "Lender").

New Lenders must submit an "Approval of Mortgagee Application" and receive State of New York Mortgage Agency Mortgage Insurance Fund ("SONYMA MIF") approval before submitting an application for mortgage insurance.

Eligible Properties - New construction, substantial rehabilitation, or acquisition/moderate rehabilitation of multi-family properties.

Properties with occupancy restricted to seniors are subject to separate guidelines.

Affordability Requirements - The SONYMA MIF insures projects that include:

a. Affordable housing units
b. Are located in geographic areas that suffer from a disinvestment of mortgage capital
c. Or are located in economic development zones. The SONYMA MIF also insures affordable, market-rate projects in all areas. Affordability is based on area median income and market rents.

Target Populations-Projects:

- Lending institutions (as defined under the Public Authorities Law section 2426 including banks, trust companies, savings banks, savings and loan associations, credit unions, insurance companies, pension funds, certain subsidiaries of the above and certain New York State public benefit corporation such as the New York State Housing Finance Agency, the New York State Dormitory Authority, the New York City Housing Development Corporation and local industrial development authorities) for new construction, substantial rehabilitation or the acquisition/moderate rehabilitation of multi-family properties.

- Properties for occupancy by seniors.

Program Activity in Schuyler County:

No program activity was found in Schuyler County in this review.

11. State of New York Mortgage Agency (SONYMA)

NY Homes
Website: http://www.nyhomes.org

Purpose of the Program:

The purpose of the Agency is to create affordable homeownership opportunities for "low- and moderate-income first-time homebuyers and other qualifying homebuyers", and to provide mortgage insurance for qualifying real property loans. The Agency accomplishes this through its two major operating divisions: the Single Family Programs and Financing Division and the Mortgage Insurance Fund.

According to the program, SONYMA has long been recognized as a national leader in the housing finance industry, and continues to target low- and moderate- income first-time home buyers as its primary target constituency. Since the creation of the program in 1970, the program claims to have provided affordable financing to over 110,000 New York households through its Single Family Programs and Financing Division.

The Single Family Programs and Financing Division have used proceeds from the sale of the Agency's tax-exempt and taxable bonds to finance the purchase of one-family to four-family homes statewide through a network of participating lenders. Eligible applicants must satisfy income requirements and properties must not exceed purchase price limits. Eligible applicants must be first-time home buyers, as defined under the program, except in "target areas" of the State.

SONYMA's Homeownership Programs are used to help and rebuild economically depressed Target Areas throughout New York State by enhancing opportunities for homeownership. In these Target Areas, SONYMA's income and purchase price limits are more flexible and the first-time homebuyer requirement is not applicable.

SONYMA Homeownership Program Elements:

1. Low Interest Rate Mortgage Program

SONYMA's Low Interest Rate Mortgage Program provides qualified low- and moderate-income first-time homebuyers with low down payment mortgage financing on one- to four-family dwellings (including condominiums and cooperative apartments, as well as manufactured homes permanently attached to real property) at fixed interest rates which are below prevailing conventional rates. The program is financed by SONYMA through the sale of tax-exempt bonds.

The SONYMA Low Interest Rate Mortgage Program features the following:

- A fixed mortgage interest rate
- Financing of up to 97% of the value of the property
    - for three and four family dwellings the maximum financing is 90%
    - for cooperative apartments the maximum financing is 95%.
- A low minimum borrower cash contribution requirement
- 100 day interest rate locks for existing housing
- Terms of 30 or 40 years
    - interests rates for 40 year mortgages are 0.125% higher
- No prepayment penalties
- Closing cost assistance
- Payment Protection in the event of temporary job loss or accident

To be Eligible, Potential Borrowers must have the following profile:

- Be first-time homebuyers
- Meet SONYMA's credit underwriting standards
    - A steady job
    - A good credit history
    - Sufficient income to make the mortgage payment and meet other debt payments
    - Sufficient cash, savings, or other assets for down-payment and closing costs.
- Meet SONYMA's household income limit requirements
- Use the home that is financed with SONYMA funds as their permanent residence

Eligible properties must be properties that:

- are located in New York State
- have a sales price that does not exceed SONYMA's purchase price limits as shown in Table 5
- Not be used for any business or commercial purpose
- Be one of the following property types:
    - Existing or newly constructed one-family home
    - Two-, three-, or four-family home that is at least five years

- o Two-family home located in a target area

- ➢ Be a maximum of 5 acres
- ➢ Have at least 500 square feet of living space

Table 5. Purchase Price Limits for Low Interest Rate, Construction Incentive and Remodel New York Programs

	1 Family New and Existing		2 Family New[1] and Existing[2]		3 Family Existing[2]		4 Family Existing[2]	
County	Non-Target	Target	Non-Target	Target	Non-Target	Target	Target	Target
Schuyler	$237,030	$289,700	$303,450	$370,880	$366,800	$448,310	$455,840	$557,140

Source: NY Homes - SONYMA
Note 1: 1 For target areas only. New Two Families are not permitted in non-target areas.
Note 2: 2, 3, and 4 Family Existing homes must be at least 5 years old as of the loan application date.
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2. Remodel New York Program

The Remodel New York Program was created by SONYMA to provide low interest rate financing to qualified first-time homebuyers for the purchase and renovation of properties in need of improvements or renovations. SONYMA's Remodel New York mortgage loan finances both the purchase and the renovation of the home. The program is intended to serve two purposes: it will revitalize New York's existing housing stock, and it will provide low interest rate financing to low and moderate income New Yorkers purchasing their first home. The funds for Remodel New York are being made available from the proceeds of the sale of tax-exempt mortgage revenue bonds.

The basic requirements of the Remodel New York Program are the same as those for SONYMA's Low Interest Rate Program, with the following exceptions:

- ➢ Maximum financing will be based on the lesser of

  a. the purchase price of the home plus the cost of the renovations
  b. or the "as-improved" appraised value of the property as determined by a qualified real estate appraiser
- ➢ Eligible renovations include repair or replacement of plumbing electrical, and heating systems, structural repairs, additions modernization of kitchens and bathrooms, new siding and windows
- ➢ Certain closing costs associated with the home renovation can be financed. The remaining closing costs may be paid from SONYMA closing cost assistance.
- ➢ Eligible properties are restricted to:
  - o Existing one-family properties. Condominiums are eligible provided the condominium association permits the proposed

renovations. (Manufactured housing and cooperatives are not eligible.)
- Existing two-family properties. Must be at least 5 years old as of the loan application date

3. Achieving the Dream Mortgage Program

SONYMA designed the Achieving the Dream Mortgage Program to assist low-income households to purchase their first home. This program offers up to 97% financing with a very low fixed interest mortgage. The program is financed by SONYMA through the sale of tax-exempt bonds.

All requirements of the Low Interest Rate Program apply to the Achieving the Dream Mortgage Program except for the following features:

- Very low fixed interest rate
- All borrowers must be first-time homebuyers
- Lower household income
- The purchase price and appraised value of the property cannot exceed the maximum limits for the area in which you are purchasing the home
- Prior to giving final approval of the loan application, SONYMA requires borrowers to complete a homebuyer education course

4. Construction Incentive Program

The Construction Incentive Program has been specifically created in an effort to stimulate new construction of one- and two-family homes. The program features 100% financing, a special two-step interest rate, and a longer rate lock period. The program is financed by SONYMA through the sale of tax-exempt bonds.

The requirements of the Construction Incentive Program are the same as those of the Low Interest Rate Program, with the following exceptions:

- Two-step interest rate. The initial rate is fixed for the first 48 payments, then increases 2% and fixed for the remainder of the loan term
- Borrowers will be qualified at the lower initial rate
- Financing of up to 100% of the value of the property for qualified borrowers
- Interest rate is established at loan application and remains in effect for 240 days

Table 6. Income Limits for Low Interest Rate, Construction Incentive and Remodel New York Programs

	1 & 2 Person Household		3+ Person Household	
County	Non-Target	Target	Non-Target	Target
Schuyler	$65,300	$78,360	$75,095	$91,420

Source: NY Home - SONYMA

Prepared By Economic & Policy Resources, Inc

5. Keep the Dream Mortgage Refinancing Program

   Keep the Dream is a new program offered by the State of New York Mortgage Agency (SONYMA) designed to help eligible New York households with certain high-risk mortgages avoid possible foreclosure. The program enables families with adjustable rate, interest-only or other unconventional mortgages to refinance with the help of SONYMA and obtain a 30-year or 40-year fixed-rate mortgage at competitive interest rates. The program provides at risk households with affordable and predictable monthly payments for the full term of the mortgage and removes the threat of losing their home. Borrowers are eligible if they can demonstrate that they have experienced a mortgage payment hardship or will experience in the near future.

Table 7. SONYMA "Keep the Dream" Guidelines

Property Type	Maximum Loan Amount	Maximum Financing
1-Family, Condo, Coop	$417,000	100%
2-Family	$533,850	97%
3- and 4-Family	$645,300	95%

Source: NY Homes- SONYMA

Prepared By Economic & Policy Resources, Inc

Target population-Projects:

- Low-, moderate -income families
- First-time home buyers
- Those that meet SONYMA's credit underwriting standards (Applicants must have: a steady job, a good credit history, sufficient income to make the mortgage payment and meet other debt payments, and

sufficient cash, savings, or other assets for down payment and closing costs)

- Meet SONYMA's household income limit requirements
- Use the home that is financed with SONYMA funds as their permanent residence.

Program Activity in Schuyler County:

No program activity was found in the Schuyler County in this review.

12. New York State Affordable Housing Corporation (AHC)

NY Homes
Website: http://www.nyhomes.org

Program Purpose:

The purpose of the AHC Program is to promote home ownership to low- and moderate-income families. The underlying principle is that such housing, in turn, fosters development, stabilization, and preservation of neighborhoods and communities. To achieve these goals, the AHC provides grants to governmental, not-for-profit and charitable organizations to help subsidize the cost of newly constructed houses and the renovation of existing housing.

The AHC typically provides grants within the following per dwelling unit limits: up to $35,000 per unit, or $40,000 per unit within the limits of available funding, per unit for projects located in high cost areas as defined by the AHC, or projects receiving a U.S. Department of Agriculture Rural Development Service (formerly the Farmer's Home Administration) Loan. The AHC hopes to encourage the leveraging of other private and public funds. Funding from AHC, grants cannot exceed 60% of the total project development cost. By reducing development and rehabilitation costs, AHC assistance hopes to make home ownership affordable to families and individuals for who have no other reasonable and affordable home ownership alternatives in private housing markets. The AHC also funds development and rehabilitation activities to help eliminate conditions of blight and the attendant economic stability those jobs provide in impacted communities. Eligible applicants include: local Municipalities, housing authorities, housing development fund companies, neighborhood and rural preservation companies, as well as, not-for-profit or charitable organizations primarily involved in housing development.

Grants are given to projects servicing individuals or families who generally earn between 100% and 166% of the HUD Low Income Limits.

The AHC works with its parent Agency, the New York State Housing Finance Agency (HFA), and its sister Agency, the State of New York Mortgage Agency (SONYMA) to increase homeownership opportunities. As part of the Agency's policy of one-stop shopping the SONYMA Project Set-Aside application has been incorporated into the AHC application.

Target Population-Projects:

The Program is designed to assist individuals and families of low to moderate income levels. However, individuals and families are not eligible to apply directly for a Program grant. Local Municipalities, housing authorities, housing development fund companies, neighborhood and rural preservation companies, as well as, not-for-profit or charitable organizations primarily involved in housing development can be eligible applicants for AHC funding.

Program Activity in Schuyler County:

Table 8. Awards Received by Schuyler County from New York AHC

Award Year	Number of Grantees	Amount Awarded	Units
2000	1	$40,000	2
2001	1	$112,500	15
2002	1	$112,500	15
2003	1	$25,000	4
2004	2	$50,000	13
2005	3	$122,000	14
2006	0	$0	0
2007	2	$35,716	9
2008	2	$107,713	18
Total Awards	13	$605,429	90

Source: New York State Affordable Housing Corporation

Prepared by Economic & Policy Resources, Inc

13. New York State Housing Finance Agency

NY Homes
Website: http://www.nyhomes.org

Program Purpose:

The New York State Housing Finance Agency creates and preserves high quality affordable multifamily rental housing that serves communities across the State of New York. Developers can take advantage of several financing resources. These include agency-issued bonds – which can be tax-exempt, taxable or 501(c)(3) bonds – Low Income Housing Tax Credits; and subsidy loans.

HFA offers financing to encourage a wide range of affordable housing:

- New construction of multifamily rental housing for affordable households of all ages. There are Federal income restrictions for eligible households, adjusted for family size. Multifamily housing can consist of projects made up of 100% affordable units or mixed-income projects in which at least 20% of the units are reserved for low-income tenants.
- Preservation and rehabilitation of existing affordable multifamily rental housing. Housing was initially financed thought federal and/or state programs, such as federal Section 8, Section 236, Section 202 and Low Income Housing Tax Credit programs are eligible.

Description of HFA Program Types:

1. All Affordable Program

   HFA offers financing for both new construction of multifamily rental housing and for the preservation and rehabilitation of existing affordable multifamily rental housing. Tax –exempt, taxable and 501(c)(3) bond proceeds may be used to finance these developments.

   - New Development —To qualify for financing for new construction under the All Affordable Housing Program, all units must be affordable to households earning no more than 60% of the Area Median Income (AMI), adjusted for family size, in the county where the development will be located.

- Preservation — Projects that were initially financed through federal and/or state affordable housing programs, as well as those not currently part of an affordable housing program, are eligible for the All Affordable Housing Program. To qualify, a majority of the units in a project must be affordable to households earning no more than 60% of the AMI for the county where the development is located. For tax-exempt bond financed projects, rehabilitation costs must not be less than 20% of the bond amount (if enhanced by SONYMA's Mortgage Insurance Fund). Other credit enhancers require varied percentages of rehabilitation.
- Subsidy Loans — Developers who obtain new construction and preservation mortgages from HFA are also eligible for HFA's Second Mortgage "Subsidy Loans." These loans provide subordinate, low interest rate subsidy loans to projects that are receiving HFA financing and which require subsidy to maximize the number of affordable units and to reach lower income or special needs populations.
- Low Income Housing Tax Credits (LIHTC)—The tax-exempt bond financing generates 4% "as of right" Low Income Housing Tax Credits, which can either be syndicated to generate part of the required equity a borrower must contribute to the financing, or be utilized to offset the borrower's tax payments.
- Credit Enhancement — All bonds or bond financed mortgages, including those financed under the All Affordable Housing Program, must be credit enhanced. Credit enhancement provides security for bondholders and ensures a higher rating on the bonds issued, which in turn produces a lower mortgage rate.

2. Mitchell Lama Rehabilitation and Preservation (RAP) Program

HFA's Mitchell Lama Rehabilitation and Preservation (RAP) Program offers flexible, low-cost financing to help lower debt service payments for Mitchell Lama owners. This financing is aimed at freeing up resources for capital improvements and building renovations. In exchange, owners are required to keep rents affordable for an additional 40 years.

HFA started the RAP program because many of New York State's Mitchell Lama projects were built in the early years of the program and are now in need of major repairs.

HFA will finance RAP loans from a number of sources, including tax-exempt private activity bonds; federal Low-Income Housing Tax Credits; tax-exempt 501(c)(3) bonds for eligible nonprofit organizations; taxable bonds; and HFA's available resources.

Repairs and capital improvements could include fixing components in need of immediate repair or replacement; replacing obsolete infrastructure; upgrading facilities to meet applicable new federal, state or local housing or building codes; and improving their buildings' energy efficiency. HFA also offers Second Mortgage "Subsidy Loans." These loans provide subordinate, low interest rate subsidy loans to projects which are receiving construction and/or permanent financing from HFA and which require subsidy to maximize the number of affordable units and to reach lower income or special needs populations.

In addition to the RAP program, HFA has up to $15 million available to fund zero-interest immediate repair loans to nonprofit owners of state-financed Mitchell Lama projects. Mitchell Lama projects that receive these loans are also eligible for the RAP program.

Grants from the New York State Energy Research and Development Authority (NYSERDA) are also available to owners participating in the RAP program in order to make the projects more energy efficient.

3. 80/20 New Construction Housing Program

HFA offers tax-exempt financing to multifamily rental developments in which at least 20% of the units are set aside for low-income residents-so-called "80/20" projects

According to the Federal Tax Code, at least 20% of the units must be set aside for households with incomes at 50% or less of the local Area Median Income (AMI), adjusted for family size. Alternatively, 40% or more of a project's units (25% in New York City) must be affordable to households whose income is 60% or less than the local AMI, adjusted for family size.

Under the 80/20 program, for specific periods of time 20% of a project's units must remain affordable to low-income households and these units will be subject to a Regulatory Agreement between the owner and HFA. HFA's Regulatory Agreement assures that the maximum rent on these affordable units cannot exceed 30% of the applicable income limits. The remaining units in an 80/20 project can be rented at market rates.

The tax-exempt bond financing generates 4% "as of right" (LIHTC), which can either be syndicated to generate part of the required equity a borrower must contribute to the financing or be utilized to offset the borrower's tax payments. All bonds or bond financed mortgages, including those financed under the 80/20 Program, must be credit enhanced.

Credit enhancement provides security for bondholders and ensures a higher rating on the bonds issued, which in turn produces a lower mortgage rate.

4. Second Mortgage Subsidy Loans

   HFA offers Second Mortgage "Subsidy Loans" to developers that receive construction or permanent financing from HFA.

   Subsidy Loans are subordinate, low interest rate loans available to projects that require subsidies to maximize the number of affordable units and to reach lower income or special needs populations.

   A Subsidy Loan may be used in conjunction with subsidies provided by other federal, state or local agencies.

5. 501 (C) (3) Bond Financing Program

   The 501(c)(3) Bond Financing Program offers financing to not-for-profit organizations for the creation and rehabilitation of affordable housing. Eligible projects include those acquired from a not-for-profit owner or those acquired from another not-for-profit organization. Projects currently owned by a 501(c)(3) organization and financed by an entity other than HFA may be eligible for financing—essentially a refinancing—provided the transaction includes a rehabilitation component.

   Provided that the 501(c)(3) organization satisfies its exempt purpose as described in its determination letter from the IRS, there are generally no income restrictions for occupancy of a project financed under this program. However, all financings must further the Agency's public purpose, which is to maximize the benefits to low, moderate and middle income persons.

   Subsidy financing, which may take the form of a subordinate loan or grant, may be available from federal, state and local sources.

   Low Income Housing Tax Credits are not available under this program.

   All bond financed mortgages, including those funded under the 501(c)(3) Program must be credit enhanced. Credit enhancement provides security for bondholders and ensures a higher rating on the bonds issued, which in turn produces a lower mortgage rate.

<u>Target Population-Projects:</u>

- Low-, moderate -income families
- Senior housing

Program Activity in Schuyler County:

No program activity was found in Schuyler County in this review.

14. New York Main Street (NYMS) Program

New York State Housing Trust Fund Corporation
Website: http://www.nyswaterfronts.com

Program Purpose:

The purpose of the New York Main Street Program is to provide financial/technical resources to help communities with their efforts to preserve and revitalize mixed-use (commercial/civic and residential) main street/ downtown businesses districts. NYMS program will provide grants to stimulate reinvestment in properties located within mixed-use business districts located in urban, small town, and rural areas consistent with Articles 16 A and 17 B of the Private Housing Finance Law (PHFL).

Eligible Applicants - Eligible applicants include not-for-profit community-based organizations, business improvement districts, and other entities incorporated pursuant to the Not-for-Profit Corporation Law that will serve as Local Program Administrators (LPAs). LPAs will assume administrative responsibility for evaluating and selecting projects to be assisted, ensuring that NYMS Program funds are expended in accordance with all State and local laws, and for meeting the program's public purpose. Such entities shall have been in existence for at least one year prior to contract execution. NYMS Program funds will be awarded on a competitive basis, with a maximum per contract of $200,000. Applicants will be given a period of up to two years to complete their contract.

Eligible Areas - local NYMS Program must be carried out in a concentrated target area (generally no more than three contiguous blocks) that has experienced sustained physical deterioration, decay, neglect, or disinvestment, and has a number of substandard buildings or vacant residential or commercial units. The target area must be located in a service area in which more than 50% of the residents earn less than 80% of the area median income of the surrounding community or which has been designated by a State or federal agency as an eligible area for the purposes of a community or economic development program. Buildings within the district or the district itself may also be eligible to be listed on the National Register of Historic Places or for local or State historic designation. Proposed service areas that are within officially designated service areas of Neighborhood or Rural Preservation Companies, for example, are considered eligible.

Eligible Activities **-** The following activities can be funded in part through the NYMS Program:

Facade Renovation - Matching grants of up to $10,000 per building, but not to exceed 50% of total cost, can be provided to owners for façade renovations.

Building Renovation - Matching grants of up to $50,000 per building, but not to exceed 50% of total cost, can be provided to owners for renovation of commercial/civic space on first floor and residential units above.

Downtown Anchors - Matching grants of up to $100,000 per building, but not exceeding 25% of project cost, can be provided to owners to help establish or expand cultural or business anchors that are identified in a local plan as key to the revitalization effort. Developments that incorporate residential units on the upper floors will receive priority for funding.

Streetscape Enhancement - Grants of up to $25,000 for programs to plant trees and other landscaping, install street furniture and trash cans, provide appropriate signs in accordance with a local signage plan, and other appurtenant activities. Street lighting may be eligible for funding where applicants can satisfy all feasibility issues. A streetscape enhancement grant will only be awarded if it is ancillary to a program providing building renovation or downtown anchor grants.

Target Population-Projects:

- Not-for-profit community-based organizations
- Business improvements districts
- Other entities incorporated pursuant to the Not-for-Profit Corporation Law

Program Activity in Schuyler County:

Schuyler's County applicant Community Progress Inc. received $200,000 in the Round 3 New York Main Street Program Awardees.

LOCAL HOUSING PROGRAMS:

1. Tri-County Housing Council

Website: http://www.tricountyhousing.org

Program Purpose:

Tri County Housing Council, founded in 1974, is a non-profit housing agency serving residents of Chemung, Schuyler and Steuben Counties. The program provides and/or coordinates housing services for very low to moderate income families in the Tri-County area. Funding for Tri-County programs is provided by the Department of Housing & Urban Development and the NYS Division of Housing & Community Renewal.

Federal Home Program Grant: Schuyler County Income Limits

Household Size	Max Income
1	$29,500
2	$33,700
3	$37,950
4	$42,150
5	$45,500
6	$48,900
7	$52,250
8	$55,650

Target Population:

- Very low to moderate low income families

Program Activity in Schuyler County:

Since 2002, under multi-county grants 8 families were helped to purchase homes, through a total of $82,869 in grant funding for down payment and closing cost assistance. Tri-County also provides assistance through Section 8 Rental

Housing, the Family Self Sufficiency Program, the Federal HOME Program, FHLB Affordable Homes, Home Ownership Made Easy, and counseling services provided to residents in the County.

2. Habitat for Humanity

Website: http://www.habitat.org/

Program Purpose:

Founded in 1976 as an international non-profit organization, Habitat for Humanity is an ecumenical Christian housing group that "seeks to eliminate poverty housing and homelessness from the world." With the help of volunteer workers and donated of money and materials, Habitat has built more than 250,000 homes around the globe, providing affordable shelter to more than 1 million people in over 3,000 communities. The so-called partner family assists with the construction of their new or rehabilitated home and then purchases the structure at no profit, financed with an affordable loan. The amount of effort invested on the part of the homeowner – sweat equity – qualifies Habitat for Humanity for the Self-help Homeownership Program from the U.S. Department of Housing and Urban Development. While funds from this program are not directly available to residents of Schuyler County, Habitat operates in each of the five counties surrounding Schuyler with offices in Corning, Ithaca, Seneca Falls, Elmira, and Penn Yan.

Target Population:

Any family in need of decent shelter is a potential partner family to Habitat for Humanity. Families are selected "based on their level of need, their willingness to become partners in the program, and their ability to repay their loan." Specific requirements vary among local affiliates, but generally low-income families living in overcrowded or substandard homes are likely candidates.

Program Activity in Schuyler County:

No known program activity was found in Schuyler County. While the surrounding counties all have a local Habitat office, no office is listed for Schuyler County.

Appendix J. Sample Community Housing Trust By-Laws

CHAMPLAIN HOUSING TRUST INC.

BYLAWS

Adopted October 1, 2006

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ARTICLE I – GENERAL PROVISIONS

SECTION 1 – Name

The name of the Corporation is "Champlain Housing Trust" (formerly known as "Burlington Community Land Trust, Inc." ("BCLT"), hereinafter the "Corporation."

SECTION 2 – Purposes

This non-profit Corporation is formed for the charitable purposes of the relief of the poor and the distressed and the underprivileged, the promotion of social welfare, and the lessening of the burdens of government by fostering the availability of decent, safe, sanitary and affordable housing for low and moderate-income households through the Corporation's participation, directly and indirectly, in the creating, providing, operating and management of such housing while maintaining the historic and aesthetic qualities of the community. For these purposes the Corporation may (i) acquire, construct, rehabilitate, and provide housing and related facilities without regard to race, color, creed, sex, age, disability, handicap, sexual preference, gender identity or expression, or national origin; (ii) acquire, improve and operate any real or personal property or interest or rights therein or appurtenant thereto; (iii) sell, convey, assign, mortgage, or lease any real or personal property; (iv) borrow money and execute such evidence of indebtedness and such contracts, agreements and instruments as may be necessary, and execute and deliver any mortgage, deed of trust, assignment of income, or other security instrument in connection therewith; and (v) do all things necessary and appropriate for carrying out and exercising the foregoing purposes and powers.

Said Corporation is organized exclusively for charitable, religious, educational and scientific purposes, including for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 as amended (or the corresponding provision of any future United States Internal Revenue law).

Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on: (a) by a Corporation exempt from federal income tax under Section 501(c)(3)
of the Internal Revenue Code of 1954 as amended, or (b) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law.)

The Corporation shall also have the following purposes:

A. To provide access to land and decent housing for low and moderate-income people;

B. To preserve the affordability of housing for low and moderate-income people in perpetuity;

C. To protect the natural environment and to promote the ecologically sound use of land and natural resources and the long-term health and safety of the community;

D. To combat community deterioration in economically disadvantaged neighborhoods by promoting the development, rehabilitation, and maintenance of decent housing in these neighborhoods; by promoting economic opportunities for low- and moderate-income residents of these neighborhoods; by making land available for projects and activities that improve the quality of life in these neighborhoods; and by assisting residents of these neighborhoods in improving the safety and well-being of their community;

E. To provide education, community service, and support for cooperative development throughout the community;

F. To acquire property to preserve open space land; and

G. To acquire property to assist low- and moderate-income persons to obtain housing.

The enumeration above of a specific power shall not be construed as limiting or restricting in any manner either the meaning or the general terms used in any of these clauses or the scope of the general powers of the Corporation created by them; nor shall the expression of one thing in any of these clauses be deemed to exclude another not expressed, although it be of like nature.

SECTION 3 – Offices

The principal office of the Corporation shall be located in Burlington, Vermont unless another location is approved by an affirmative vote of a majority of the Corporation's voting Membership present at a duly called Membership meeting. The Board of Directors may establish other offices from time to time, within or outside the State of Vermont, as the affairs of the Corporation require.

SECTION 4 – Seal

The Seal of the Corporation shall be an adhesive wafer seal or a circular die bearing the name of the Corporation and the State and date of incorporation.

ARTICLE II – MEMBERSHIP

SECTION 1 – Continuing Membership

All persons who were General Members or Resident Members of the BCLT on October 1, 2006 shall continue to be Members of the Corporation, as long as they continue to meet the requirements for eligibility and continuing Membership set forth in Section 2 and Section 4 of this Article.

SECTION 2 – Types of Membership

1. Requirements. Subject to the Continuing Membership Requirements in Section 4 of this Article, a person who meets the following requirements shall be a member of the Corporation.

a. Continuing Members as defined above;

b. Any person 16 years of age or over who is a resident of the Corporation's housing, as defined under "Resident Member" below; or

c. Any person 16 years of age or over who has;
paid annual membership dues of $1.00; and

expressed interest and support for the Corporation and its purposes.

2. Categories. The Membership shall be grouped into two categories:

a. Resident Members shall include all members of any household living in property owned, in whole or in part or otherwise in stewardship with the Corporation, as described in Article V, who are aged 16 years or older. This shall include single-family home-owners who lease land owned by the Corporation, owners of housing units who have granted BCLT or the Corporation a Housing Subsidy Covenant, tenants in rental units owned by the Corporation or by a limited partnership in which the Corporation, or any subsidiary of the Corporation has an ownership interest, and members of limited-equity housing cooperatives that have signed a Contract for Services with the Corporation or BCLT.

b. General Members shall include all other Members.

SECTION 3 – Rights of Members

A. Each Member living in the Corporation's three-county service area of Chittenden, Franklin, and Grand Isle counties shall have the right to one vote on all matters properly put before the Members for consideration, as provided in these Bylaws; to nominate and elect or ratify members of the Board of Directors; to serve on the Board or on committees if chosen, and to receive notices, minutes and reports as provided in these Bylaws.

B. Members living outside of the Corporation's three-county service area shall be non-voting Members of the Corporation.

C. The assent of the voting Membership shall be required before action may be taken on the following issues:

1. The removal of Members or Directors;
2. Except as provided in Article V, Section 4(A), the authorization of the sale of certain lands by the Board of Directors;
3. The amendment of the Articles of Incorporation or these Bylaws;
4. The alteration, amendment, or deletion of the Corporation's limited appreciation formula;
5. The dissolution or merger of the Corporation;
6. The disposition of all or substantially all of the assets of the Corporation other than in the regular course of activities of the Corporation;
7. The movement of the Corporation's principal office to a location outside of Burlington, Vermont;
8. Any other matter which must be approved by the Members under the Vermont Nonprofit Corporation Act (the "Act"); and,
9. Any other major issue concerning the Corporation, as determined by majority vote of the Board of Directors.

SECTION 4 – Continuing Membership Requirements

A. In order to remain a General Member of the Corporation, each General Member, including those who are continuing Members of the Corporation, shall:

1. Pay Annual Membership dues of $1.00, or more at the discretion of the Member, payable on, or within 30 days of, the date of the Annual Meeting; and;

2. Support permanently affordable housing.

B. In order to remain a Member of the Corporation, a Resident Member, including those who are Continuing Members of the Corporation, must remain a resident of any of the homeowner, rental, or co-op units identified under Section 2(2) above. Resident Members shall not be required to pay dues in order to become or remain Members of the Corporation. Former residents of the Corporation's housing, who are 16 years of age or older and who no longer qualify as Resident Members, may become General Members by paying annual dues.

SECTION 5 - Membership Meetings

A. Annual Meeting

The Annual Meeting of the Membership of the Corporation, for reports to the Membership by the Officers and the Board of Directors, the election of Directors, and the transaction of other business, shall be held within four months after the end of the fiscal year. The location and time of the Annual Meeting shall be determined by a consensus of the Board, and written notice shall be given to all Members at least one month but not more than 60 days before the meeting. The written notice shall include a description of matters which must be approved by the Members under Article II, Section 3(C) of these Bylaws. Only those persons who are Members on the date of the Annual Meeting may vote at the Annual Meeting. Any Member who has let his/her Membership lapse within the last year may renew his/her Membership on or before the day of the Annual Meeting and shall be eligible to vote at the meeting.

B. Regular Meetings

Regular Meetings may be scheduled by the Membership at such times and place as they shall establish at an Annual Meeting. Additional notice thereof shall not be required.

C. Special Meetings

Special Meetings of the Membership may be called by a majority vote of the Board of Directors, a quorum having been established, or by a written petition or petitions addressed and delivered to an officer of the Corporation, signed and dated by at least 5% of the voting Membership or 20 voting Members (whichever is less) and describing the purposes for which the special meeting is to be held. Notice must be given to all Members at least ten but not more than 60 days in advance of each Special Meeting. Notification must be a written announcement of when and where the meeting will be held and must include an agenda and a description of the matters for which the meeting was called. At a Special Meeting, only those matters, for which the meeting was called, as stated in the notice, may be acted upon by the Membership.

SECTION 6– Procedures for Membership Meetings and Actions

A. All Membership Meetings shall be open to the public.

B. Record Date for Notice of Membership Meetings.

Not more than seven days prior to the notice of any Membership meeting, the Corporation shall determine the Members who are entitled to: a) receive notice of the meeting; and b) vote at the meeting. This date shall constitute the record date for the meeting. After fixing the record date for any Membership meeting, the Corporation shall prepare an alphabetical list of the names of all of its Members who are entitled to notice of the meeting. The list must show the address of each Member who is entitled to vote at the meeting and shall indicate whether the Member is a General or Resident Member. The list shall be available for inspection by any Member and shall be made available at the meeting.

C. Minutes

Minutes of all Membership Meetings shall be kept in the Corporation Minute Book. This record shall be reviewed by the Directors at the second Directors meeting following the Membership Meeting, and shall be approved by the Membership at the next Membership Meeting. A copy of the minutes of the Annual Meeting of the Membership shall be made available to all Members within one month following that meeting. The Corporation Minute Book shall be open for inspection by any interested person.

D. Quorum

A quorum shall be established when 30 voting Members, excluding proxies, are physically present at an annual, regular, or special meeting.

E. Decision-Making

Whenever possible, decisions shall be made at Membership Meetings by consensus of the voting Members. If consensus cannot be reached, then a decision shall be made by a majority of those voting Members present and voting, a quorum having been established.

F. Proxy Voting by Special Populations

Members who have a physical or mental disability and are unable to attend Membership Meetings because of their condition may vote through a Member representative. Such representation must be authorized by a written statement by the absent Member, delivered to the Board of Directors in advance of the meeting at which it is to be utilized.

The statement need not endorse or reject a particular motion, but must specify clearly described and specific issues and must also show good cause for the Member's absence. This authorization shall permit the designated representative to vote for the absent Member on all matters relating to those issues, as prescribed by the written statement.

During any particular vote, no Member may represent more than one absent Member. Such representation shall be valid for one meeting only. No Member may vote by any other form of proxy, although any absent Member may send statements to be read at the meeting by other Members.

G. No person who has been a Member for less than 30 days may vote at a meeting other than the Annual Meeting.

SECTION 7 – Resignation

Any Member of the Corporation may resign at any time by delivering or mailing a written resignation to the Corporation. Unless otherwise specified, such resignation shall be effective upon its receipt by the Corporation.

SECTION 8 – Removal

A. Removal for Failure to Comply with Continuing Membership Requirements

Membership of all types shall be terminated when a Member has failed to comply with the Continuing Membership Requirements (as provided in Section 4 of this Article).

B. Removal for Cause

Membership may also be suspended or terminated for good cause, should a Member act in a manner seriously detrimental to the Corporation.

C. Procedure for Removal.

Before a suspension or removal of a Member or Director can occur under this Section 8:

1. Written charges specifying the conduct must be filed with the Secretary of the Board. Any Member of the Corporation may file the charges and appear before the Board with respect to the charges. The Board shall review the charges and if it votes to proceed with the charges, the Board shall set a date for suspension or removal and follow the procedure described in this Section. If the Board determines that the charges are not sufficient to support a suspension or removal, the Board shall dismiss the charges and that shall constitute the final action of the Corporation with respect to the particular charges.

2. If the Board votes to support the charges, it shall give a copy of the notice of the charges to the Member charged along with a notice that the Board has voted to support the charges and the date set for suspension or removal (the "Notice"). The date for suspension or expulsion shall be after the date by which the Member may request a fair hearing. The Notice may state that a Member may avoid suspension or expulsion by taking specified action prior to the date of suspension or expulsion. The Notice shall be mailed or hand delivered to the Member. Notice by mail shall be by first class or certified mail sent to the last address of the Member shown on the Corporation's records. Notice by mail shall be deemed delivered within 5 days of mailing.

3. The Member charged shall have had at least twenty-five days following the mailing of the Notice in which to request a fair hearing before a special committee of the Corporation consisting of three persons: one selected by the affected Member; one selected by the Board of Directors within ten days following the selection of the first, in consultation with the Member who brought the charges; and one selected by the first two. These persons may be, but need not be, Members of the Corporation. No suspension or expulsion shall take place pending the outcome of the fair hearing procedure described in this paragraph C of this Section. If a Member fails to request a fair hearing, or fails to take corrective action if corrective action is specified in the Notice, the suspension or removal shall take effect on the date set forth in the Notice.

4. If requested by the affected Member, the committee shall hold a hearing, allowing each of the charging Member and the affected Member to present evidence in the presence of the other. The committee shall base its decision on all of the relevant facts and circumstances. After the hearing, this committee shall prepare a written report of its findings and its recommendation (by majority vote, if consensus cannot be reached) whether the Member should be suspended or removed. This report must include the vote of each member of the committee and a personal statement

explaining the basis for his/her decision. The report shall be completed within one month following the appointment of the committee, if that is reasonably possible.

5. If the committee recommends that the Member be suspended or removed, this recommendation must be approved by 2/3 of the voting Members present at the next Membership Meeting held after the completion of the committee's report. The affected Member shall be afforded a fair opportunity to appear before the Membership and present evidence in his/her defense before the decision is made.

ARTICLE III – BOARD OF DIRECTORS

SECTION 1 – Designated Board of Directors

The Designated Board of Directors of the Corporation shall be as named in the Plan of Merger for the BCLT and Lake Champlain Housing Development Corporation (hereinafter referred to as "LCHDC"). This Board includes a number of currently elected members of the Board of Directors of BCLT, as well as other Board members designated in the Plan of Merger. They shall serve until the first Annual Meeting of the Membership, at which time a successor Board shall be elected, as provided in Sections 2, 3, 4, and 5 of this Article.

SECTION 2 – Successor Boards of Directors

Successor Boards of Directors shall consist of not fewer than 12 nor more than 15 Members. The first successor Board following the Merger referred to in Section 1 shall consist of 15 Members. The number of Directors may be increased or decreased at any time by a decision of the Board, but the number of Directors must never be less than 12 nor greater than 15. All successor Boards, must contain the balance of representation hereinafter provided (Section 3 of this Article). Directors' terms shall be staggered to maintain the continuity of the Board. All members of the Designated or any Successor Board of Directors must be Members of the Corporation.

SECTION 3 - Composition of the Board

The Board of Directors shall contain three categories of representatives:

A. <u>Resident Member Representatives</u>

1. One-third of the Directors shall be Resident Member Representatives.

2. Resident Member Representatives may be any Resident Member, except that:

    a. at least one Resident Member Representative shall be a shareholder/member who lives in a limited equity housing cooperative that has signed a Contract for Services with the Corporation;

    b. at least one Resident Member Representative shall be a homeowner who either leases land from the Corporation or who has granted the BCLT or the Corporation a Housing Subsidy Covenant; and;

    c. at least one Resident Member Representative shall be a tenant in a rental unit owned by the Corporation or by a limited partnership of which the Corporation, or a subsidiary of the Corporation, is a member.

B. General Member Representatives

1. One-third of the Directors shall be General Member Representatives.

2. General Member Representatives shall not be Resident Members.

3. Of the General Representatives, there shall be at least one representative from the private sector.

C. Public Representatives

1. One-third of the Directors shall be Public Representatives.

2. All but one of the Public Representatives shall be municipal officials from four different cities or towns located within the Corporation's three-county service area. These municipal officials shall be the city's or town's highest-ranking elected or appointed executive officer or the designee of this highest-ranking executive officer.

3. The remaining Public Representative shall be either a municipal official from a city or town within the Corporation's three-county service area not already represented on the Corporation's Board or a person with experience in regional or state-wide public service. Included within the latter category may be state legislators, members of regional planning organizations, or persons with regional or state-wide experience who are members of a charitable organization or another nonprofit organization providing housing or social services for low-income and moderate-income households.

4. Public Member Representatives shall not be Resident Members.

SECTION 4 – Nomination and Election of Directors

A. Nomination

1. The names of persons to fill all vacancies on the Board of Directors shall be solicited, reviewed, and selected by the Corporation's Executive Committee, which shall serve as the Nominating Committee for the purpose of filling Board vacancies.

2. Nominations must be received by the Nominating Committee at least six weeks, but not earlier than ten weeks, before the Annual Meeting of the Membership.

3. The Nominating Committee shall mail the list of nominees to all Members at least four weeks, but not more than 60 days before the Annual Meeting.

4. Nominations shall be made in the following manner:

a. Resident Member Representatives

The Nominating Committee shall actively solicit nominations from Resident Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

b. General Member Representatives

The Nominating Committee shall actively solicit nominations from General Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

c. Public Representatives

The Nominating Committee shall actively solicit nominations from cities and towns in Chittenden, Franklin, and Grand Isle counties, seeking a balance of Public Representatives between municipalities where the Corporation has developed many units of affordable housing in the past and municipalities where the Corporation hopes to develop affordable housing in the future. Nominees shall be submitted to the entire Board for consideration.

B. <u>Election</u>

Board members shall be elected at the Annual Meeting of the Membership as follows:

a. Resident Member Representatives

Shall be elected from the nominees by a majority of the Resident Membership voting at the Annual Meeting, whether in person or by proxy.

b. General Member Representatives

Shall be elected from the nominees by a majority of the entire Membership voting at the Annual meeting, whether in person or by proxy.

c. Public Representative Nominees

Shall be elected from the nominees by a majority of the entire Membership voting at the Annual meeting, whether in person or by proxy.

SECTION 5 – Term of Office

A. <u>Term of First Elected Board</u>

To ensure the continuity of the Board of Directors, after the Designated Board is chosen pursuant to Section 1 of this Article III, Directors elected at the first Annual Meeting following the merger between BCLT and LCHDC shall draw lots among themselves so that one Director in each category shall begin a one-year term, two Directors in each category shall begin a two-year term, and two Directors in each category shall begin a three-year term. Directors elected for a one- or two-year term under this Subsection A shall be deemed to have served a full term for all purposes under these Bylaws, including without limitation Subsection D of this Section 5.

B. <u>Terms of All Successor Directors</u>

Except as otherwise provided for in Section 5(A) of this Article III of these Bylaws, each Member of the Board of Directors shall serve for a term of three years. A Director elected to fill a vacancy shall serve for the balance of the time remaining on that term.

C. Commencement of Term

The term of office of a regularly elected member of the Board of Directors shall commence at the adjournment of the Annual Meeting at which they were elected.

The term of office of a Director elected to fill a vacancy shall commence at the time of his/her acceptance of that position.

D. Limitation on Consecutive Terms

No Resident Member Representative or General Member Representative shall serve as a member of the Board of Directors for more than three consecutive full terms. No Public Representative shall serve as a member of the Board for more than two consecutive full terms. After an absence from the Board of one year, a former Director may return to the Board, if reelected. He or she shall then be allowed to serve as a member of the Board for no more than two consecutive full terms.

SECTION 6 – Duties of the Board

The Board of Directors shall:

A. Carry out the purposes of the Corporation, implement decisions of the voting Membership, and be responsible for the general management of the affairs of the Corporation.

B. Prepare a written Annual Report for the Corporation outlining the nature and results of the Corporation's activities during the preceding year, showing the financial condition of the Corporation, listing all land and/or interests in land acquired by the Corporation during the preceding year and the nature and purposes of all leases granted by the Corporation for use of the land, and proposing a plan for Corporation activities during the coming year. Copies of the Annual Report shall be made available to any Member of the Corporation upon request.

C. Elect all Officers of the Corporation.

D. Supervise the activities of all Officers and committees and the Chief Executive Officer of the Corporation in the performance of their delegated responsibilities.

E. Determine by whom and in what manner deeds, contracts, and other instruments shall be executed on behalf of the Corporation.

F. Acquire property through donation or purchase and develop resources for the acquisition, rehabilitation and use of land.

G. Convey the right to use land, which is owned by the Corporation in accordance with the purposes of the Corporation and the provisions of these Bylaws;

H. Provide notice of meetings, minutes and reports, as required by these Bylaws or otherwise required by the Membership.

SECTION 7 – Powers of the Board

The Board of Directors may:

A. Appoint, employ and discharge advisors and consultants who have skills necessary or helpful to the Corporation; provided, however, that such power shall not prevent the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, and the Chief Administration Officer and their designees from appointing, employing and discharging advisors, employees and consultants consistent with the authority granted such executive and other staff by their respective job descriptions.

B. Create such committees as will be necessary or desirable to conduct the affairs and further the purposes of the Corporation. Committees other than the Executive Committee may include individuals who are not Board members, provided that a majority of the full Board consents to the appointment of these individuals and provided that the chair of every committee is a member of the Board. Beyond any additional ad hoc or standing committees which the Board may decide to create, there shall be a minimum of six standing committees, as follows:

1. <u>Executive Committee.</u>

   Chaired by the Corporation's President and composed of the Corporation's officers plus the chair of the Asset Management Committee, the Executive Committee shall oversee an annual performance evaluation of the Corporation's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer, serve as the Nominating Committee in filling Board vacancies, conduct an annual performance evaluation of the Board of Directors, and perform any other duties assigned by the full Board.

2. <u>Finance Committee.</u>

   Chaired by the Corporation's Treasurer, the Finance Committee shall oversee preparation of the Corporation's annual budget, commission and review the annual audit, and perform any other duties assigned by the full Board.

3. <u>Chittenden Loan Committee</u>.

   Chaired by a member of the Board and including at least one employee of a private financial institution and at least one Resident Member of the Corporation, this committee shall oversee all loan programs and products offered by the Corporation which are targeted to Chittenden County.

4. <u>Franklin/Grand Isle Loan Committee.</u>

   Chaired by a member of the Board and including at least one employee of a private financial institution and at least one Resident Member of the Corporation, this committee shall oversee all loan programs and products offered by the Corporation which are targeted to Franklin County or Grand Isle County.

5. <u>Asset Management Committee.</u>

Chaired by a member of the Board and including at least one Resident Member Representative, the Asset Management Committee shall provide for the stewardship of the Corporation's portfolio of land, housing, and non-residential buildings and shall oversee the policies and performance of the Corporation's property management department.

6. Co-op Committee.

Chaired by a member of the Board and including at least one Resident Member Representative who resides in a limited-equity cooperative, the Co-op Committee shall also include two Resident Members who do not serve on the Corporation's Board who shall be elected for one-year terms by the Coop Resident Members present at the Annual Meeting. The Co-op Committee's duties shall include:

a. Overseeing the management of pooled coop reserves;
b. Supervising the financing of co-op shares; and
c. Providing guidance to the full Board regarding cooperative housing policy, program implementation, and implementation of the Contracts for Services with individual cooperatives.

C. Call special meetings of the Membership.

D. Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in conformance with the Articles of Association and these Bylaws, including, without limitation, the power to authorize the Corporation to purchase real property, enter into contracts and other legal instruments and authorize the staff of the Corporation to execute such contracts and other legal instruments on behalf of the Corporation.

SECTION 8 – Limitations on the Powers of the Board

The Board of Directors shall not:

A. Give a blanket mortgage on all the land owned by the Corporation.

B. Take action on any motion for the removal of Directors, sale of land, amendment of the Articles of Association or these Bylaws, amendment of the limited appreciation formula, disposition of assets in the event of dissolution or any other matter for which Membership approval is required by the Act or these Bylaws without the approval of the voting Membership, as provided in these Bylaws.

SECTION 9 – Conflict of Interest

Prior to election (or after the acquisition of such interest, if later), each Director shall file with the Secretary of the Corporation a statement indicating the identity of each parcel of property other than their primary residence and each business within the Corporation's service area, in which such Director has a direct and substantial interest. Such statement shall be preserved among the records of the Corporation and shall be open to inspection by any Member of the Corporation.

No matter in which a member of the Board of Directors or any parent, spouse, relationship by civil union, child, other family member, partner, employer or similarly related business entity has a direct or indirect interest may be approved by the Board unless, in advance of the vote by the Board or by any committee of the Board: (A) the material facts of the transaction and the Director's interest are disclosed or known to the Board or committee of the Board; and (B) the Directors approving the transaction in good faith believe that the transaction is fair to the Corporation; and (C) the Director who has an interest does not participate in the discussion and does not vote on the matter.

SECTION 10 – Meetings of the Board of Directors

A. Annual Meeting

The Annual Meeting of the Board of Directors shall be held no later than one day following the Annual Meeting of the Membership, in the same location. Notice of this meeting shall be included in the notice of the Annual Meeting of the Membership and sent to all Members of the Corporation.

B. Regular Meetings

The Board of Directors shall hold regular meetings at such times and places as the Board may establish. Notice must be given to each Director at least one week prior to each regular meeting. Notification may be by mail, telephone or in person.

C. Special Meetings

Special Meetings of the Board may be called by the President, by any three Directors, or by 20% or 20 (whichever is less) Members of the Corporation. Notice must be given to each Director at least five days prior to the meeting, by mail, telephone or in person unless any four members of the Board determine that the matter at hand constitutes an emergency. In the event of such an emergency, a Special Meeting may be called on one day's notice provided that every reasonable effort is made to notify all Directors by telephone or in person.

At a Special Meeting of the Board, only those matters for which the meeting was called, as stated in the notice of the meeting, may be acted upon by the Board unless all of the Directors are present at the meeting and consent to take action on other matters.

D. Quorum

1. A quorum shall consist of a majority of the number of seats on the Board, provided that at least one member from each of the Board's three categories of representatives is physically present.

2. A quorum may be a majority of the existing Board members for the sole purpose of filling vacancies.

E. Meetings by Telephonic Means

Any or all Directors may participate in a regular or special meeting by conference telephone call by which all Directors participating may simultaneously hear each other during the meeting.

SECTION 11 – Procedures for Meetings

All meetings of the Board of Directors shall be open to any Member, except when the Board votes to meet in executive session.

A. The Board may meet in executive session only upon the affirmative vote of two-thirds of its members present, a quorum having been established. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter may be considered in the executive session. The vote shall be taken in the course of a public meeting and the result of the vote recorded in the minutes. No formal or binding action may be taken in executive session except actions relating to the securing of real estate options under Subdivision 2 of this Subsection. Minutes of an executive session need not be taken, but if they are, shall not be made public. The Board shall not hold an executive session except to consider one or more of the following:

1. Contracts, labor relations agreements with employees, arbitration, grievances, or litigation involving the Corporation where the Board has determined that premature general public knowledge would place the Corporation or person involved at a substantial disadvantage;

2. Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts;

3. The appointment, employment or evaluation of an employee;

4. A disciplinary or dismissal action against an employee.

5. Relationships between the Corporation and any party who might be harmed by public discussion of matters relating to the relationship;

6. A clear and imminent peril to the public safety;

7. Discussion or consideration of records or documents excepted from the access to public records provisions of Article VI, Section 2 of these Bylaws. Discussion or consideration of the excepted record or document shall not itself permit an extension of the executive session to the general subject to which the record or document pertains.

B. Attendance in executive session shall be limited to members of the Board, its staff, clerical assistants, its legal counsel, and persons who are subjects of the discussion or whose expert information is needed.

SECTION 12 – Compensation

The members of the Board of Directors shall serve without compensation (except for reimbursement of actual authorized expenses) unless approved by the voting Membership.

SECTION 13 – Resignation

Any member of the Board of Directors may resign at any time by giving written notice to the Board. Unless otherwise specified, such resignation shall be effective upon its receipt by the Board.

SECTION 14 – Removal

A. <u>Removal For Failure to Attend a Sufficient Number of Meetings.</u>
A Director may be removed if he/she fails to attend 50% of the meetings of the Board in any one year, unless good cause for absence and a continuing interest in participation on the Board are shown. A Director may be removed under this paragraph A only if a majority of the Directors then in office vote for the removal.

B. <u>Removal Without Cause</u>
The Members may remove one or more Directors elected by them without cause.
C. <u>Removal for Cause</u>
A Director may also be removed, should the Director act in a manner seriously detrimental to the Corporation or to the Board in the fulfillment of its responsibilities. However, before such removal can occur:

1. Charges must be filed with the full Board of Directors and the Director affected offered a fair hearing (as provided in Article II, Section 8 (C) (1- 4) for Members, except that the Director charged shall not participate with the remaining Directors in the selection of the second member of the special committee).

2. If the special committee recommends that the Director be removed from the Board, this recommendation must be approved by 75% of the participating voting Members voting at a meeting properly held within one month of the completion of the committee's report. The affected Director shall be afforded a fair opportunity to appear before the Board and the Membership and present evidence in his/her defense. The Membership meeting to vote on the removal of a Director must be called for the purpose of considering removing the Director and the meeting notice must state that the purpose or one of the purposes of the meeting is a vote on the removal of the Director.

3. Subject to the same procedures and protections described in Subdivision 2 above, a Resident Member Representative to the Board may only be removed by a vote of 75% of the participating Resident Members present at the special Membership meeting.

4. Subject to the same procedures and protections described in Subdivision 2 above, any General or Public Representative of the Board may only be removed by a vote of 75% of the entire Membership.

SECTION 15 – Procedure for Filling Board Vacancies

Should vacancies occur on the Board of Directors as the result of resignation or removal, the remaining members of the Executive Committee may nominate, and the remaining members of the Board may (though they may constitute less than a quorum) elect by two-thirds majority the person(s) who, in their judgment, will best serve the Board category represented by the vacating member(s). Board members so elected shall serve until the next Annual Meeting, at which time the seat will be filled for the remainder of that term, pursuant to Article III, Section 4 of these Bylaws. During the period of time in which the Designated Board constitutes the Board of Directors, the remaining members of the Board of Directors shall fill any vacancy of a Director who holds his or her position as a result of being designated pursuant to Article III, Section 1.

ARTICLE IV – OFFICERS

SECTION 1 – Designation

The Officers of the Corporation shall include a President, Vice-President, a Treasurer and a Secretary.

SECTION 2 – Election

The Officers of the Corporation shall be elected by the Board of Directors, from among themselves, at the first Board meeting following the Annual Meeting. They shall take office immediately. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.

SECTION 3 – Tenure

The Officers shall hold office until their replacements are elected (unless removed as hereinafter provided). No Officer shall hold the same office for more than three successive one-year terms.

SECTION 4 – Duties of the Officers

A. Duties of the President
The President shall:

1. Preside at all meetings of the Board of Directors and of the Corporation or properly delegate such duty.

2. Preside at all meetings of the Executive Committee of the Board.

3. Report on the affairs of the Corporation to the Membership at their Annual Meeting and at any other time they may require.

4. Consult with the Officers of the Corporation regarding the fulfillment of their responsibilities.

5. Perform such other duties as the Board of Directors may direct.

B. Duties of the Vice President
The Vice-President shall fulfill the duties of the President when the President is absent, assist the President as needed, and oversee the Board's standing committees.

C. Duties of the Treasurer
The Treasurer shall perform or cause to be performed the following duties:

1. Collect all money owing to the Corporation and receive all gifts of money or property to the Corporation.

2. Hold all funds of the Corporation in such manner as the Board directs.

3. Maintain all deeds, title papers, and assets of the Corporation other than money in the name of the Corporation and in such manner as the Board directs.

4. Keep full and accurate account of all financial transactions, receipts, expenditures, debts owed by and to the Corporation, and the balance of corporate funds and other corporate holdings in books of the Corporation maintained for that purpose.

5. Perform such other duties as the Board of Directors may direct.

The Board may require that the Treasurer be bonded, in any amount satisfactory to the Board.

D. Duties of the Secretary
The Secretary shall perform or cause to be performed the following duties:

1. Give notice of all meetings of the Membership and the Board of Directors in accordance with these Bylaws.

2. Maintain a list of all Members of the Corporation and their mailing addresses.

3. Keep the minutes at all meetings of the Membership and the Board in such manner as the Board directs, and provides copies of the minutes as required by these Bylaws.

4. Confirm and record the status of motions and votes in meetings of the Membership or the Board.

5. Perform such other duties as the Board of Directors may direct.

SECTION 5 – Resignation

Any Officer may resign from his/her office at any time by giving notice to the Board. Unless otherwise specified, such resignation shall be effective upon delivery of notice to the Board.

SECTION 6 – Removal

The Board of Directors may remove any Officer from his/her office at any time by unanimous decision of all members of the Board, excluding the affected Officer.

ARTICLE V – STEWARDSHIP OF LAND

SECTION 1 – Lease of Land

The Board of Directors shall convey the right to use land owned by the Corporation:

A. To facilitate access to land by landless people and others in need of its use, with special concern for those whose need is greatest;

B. To provide for the environmental health and preservation of the land and natural community on and around it; and

C. To guarantee the common stewardship of the land for the common good, in the present and the future.

In making such conveyances, the Board shall consider the real personal needs of potential lessees, and shall attempt to effect a just distribution of land use rights.

The decision to grant leases (or other limited conveyances) of these lands entrusted to the Corporation shall require the agreement of at least two-thirds of the members of the Board, present at a meeting at which a quorum is present.

The Directors shall establish policies and procedures for the Corporation's staff to a) supervise the use of the land and provide for periodic inspection of all leased lands; and b) terminate the leases if necessary for the protection of the land, the surrounding community, or the rights of future generations.

SECTION 2 – Use of Natural Resources

The decision to convey or authorize the use of any minerals, timber or other natural resources, except for reasonable personal use by lessees, shall require the agreement of at least two-thirds of the members of the Board. Notice of the proposed conveyance of natural resources must be given to all Directors at least two weeks in advance of the meeting at which a decision is to be made.

SECTION 3 – Encumbrance of Land

The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval of two-thirds of the Board of Directors and the consent of any Leaseholder whose house is located on the land being encumbered.

SECTION 4 – Sale of Land

The sale of land does not conform with the philosophy or purposes of this Corporation. For this reason, land shall not be sold except in extraordinary circumstances, and then only in accordance with the following guidelines:

A. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors, a quorum having been established, at a regular or special Board meeting, provided that (i) the Corporation has owned the parcel for no more than ninety (90) days at the time the vote is taken, (ii) the parcel is not leased to any party, and (iii) the resolution states that the location or character of the parcel is determined by the Board to be such that the charitable purposes of the Corporation are best served by selling the land and applying the proceeds to the support of other activities serving those purposes.

B. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors, a quorum having been established, at a regular or special Board meeting, provided that (i) the Board resolution states that the Board has determined in connection with a particular transaction that it is essential to the transaction and in the best interest of the Corporation and its mission to include a sale of land as part of the transaction and the parcel has not been leased to any party at the time of the sale; or (ii) the properties being sold are listed in the Plan of Merger as properties which had been owned by LCHDC and were expected to be sold by LCHDC had the merger not occurred.

C. In all other circumstances a parcel of land may be sold only with the 2/3 agreement of the entire Board of Directors, the approval of 75% of the voting Members at a Membership Meeting, and the consent of all Leaseholders of the land to be sold. Notice of the proposed sale must be given to all Members at least two weeks in advance of the meeting at which a decision is to be made.

ARTICLE VI – MISCELLANEOUS PROVISIONS

SECTION 1 – Equality and Personal Freedom

The rights of all Members of the Corporation to absolute freedom of religion, political commitment, personal conviction, association, expression and action shall not be abridged or impaired by the Corporation, or any body or agent of the Corporation, except insofar as freedom of an individual Member seriously conflicts with the rights of other Members or persons, or with the public welfare. In all of its dealing with Members, prospective Members, prospective Leaseholders, and all other persons, the Corporation and/or its duly authorized agents and bodies shall not discriminate against any individual or group for reasons of race, color, creed, sex, age, culture, national origin, sexual preference, handicap, family size, or marital status.

SECTION 2 – Openness and Public Accountability

The records and minutes of all Membership and Board meetings of the Corporation shall be open to, or available for, inspection by any person upon reasonable request, except as follows:

1. Records of executive sessions of the Board of Directors and the minutes thereof, as specified in Article III, Section 11 (A);

2. Records which by law or ethical standards are designated confidential or by a similar term; including, but not limited to any communication in any form to or from the Corporation's attorneys;

3. Records which by law may only be disclosed to specifically designated persons;

4. Records which, if made public pursuant to this Section, would cause the custodian to violate duly adopted standards of ethics or conduct for any profession regulated by the state;

5. Records which, if made public pursuant to this Section, would cause the custodian to violate any statutory or common law privilege;

6. Personal documents relating to an individual, including information in any files maintained to hire, evaluate, promote or discipline any employee of the Corporation, information in any files relating to personal finances, medical or psychological facts concerning any individual to whom the Corporation leases land, is considering for the lease of land, or has entered or is considering entering into a covenant with; provided, however, that all information in personnel files of an individual employee of the Corporation shall be made available to that individual employee or his/her designated representative.

7. Records concerning formulation of policy where such would constitute a clearly unwarranted invasion of personal privacy if disclosed;

8. Information pertaining to the location of real or personal property before public announcement of the project, and information pertaining to appraisals or purchase price of real or personal property before the formal award of contracts for sale or purchase thereof;

9. Records relating specifically to negotiation of contracts including, but not limited to, collective bargaining agreements with employees.

SECTION 3 – Notice

A. Determination of Notice Given

Whenever, pursuant to the provisions of these Bylaws, notice is required to be given to any Member or Director, such notice shall, unless otherwise provided, be given in writing, in person or by mail. If mailed, the notice shall be deposited in a post office or mailbox, postage paid and sealed, addressed to the Member or Director at such address as appears on the records of the Corporation or to an address at which the Member or Director usually receives mail; and such notice shall be deemed to be given at the time when mailed.

B. Waiver of Notice

1. Any Member or Director may waive any notice required to be given pursuant to the provisions of these Bylaws.

2. Any Member or Director who did not receive notice of a meeting, but who attends such meeting in person or by proxy shall be deemed to have waived notice thereof unless he/she causes his/her protest to be entered in the record of the meeting.

SECTION 4 – Indemnification

Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any demand, claim action, suit or proceeding by reason of the fact that he or she is or was a Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorneys' fees and disbursements, actually incurred by him or her (or his or her heirs, executors, or administrators) in connection with the defense or settlement of such demand, claim action, suit, or proceeding, or in connection with any appearance therein, provided such Officer or Director has acted in good faith for a purpose which such Officer or Director believed to be in the best interest of the Corporation.

ARTICLE VII – AMENDMENTS

The Articles of Association and these Bylaws may be altered or amended, in whole or in part, by 2/3 of the entire Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting, provided that written notice setting forth the nature of the proposed change(s) shall have been given to all Members no later than two weeks prior to the meeting. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.

ARTICLE VIII – DISSOLUTION

In the event that the Corporation must be dissolved, the assets of the Corporation shall be distributed in accordance with the Corporation's Articles of Association to one of the following organizations organized and operated as an exempt organization under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue law) as follows:

> A. To the local non-profit "Community Land Trust" Corporation(s) serving the area(s) closest to the area(s) in which the Corporation owns land and/or interest in land; or
>
> B. To any other local Community Land Trust, or regional or national Community Land Trust federation or organization; or
>
> C. If no other Community Land Trust organization is willing to assume responsibility for the assets of this Corporation, or if no other Community Land Trust organization meets the approval of the Board and the voting Membership of this Corporation to any other 501(c)(3) tax-exempt non-profit organization which agrees to administer the assets of this Corporation in accordance with its goals and purposes.

The types of organizations listed above do not constitute a list of priorities, and the determination of which non-profit, tax-exempt organization or organizations shall receive the Corporation's assets on dissolution shall be in the discretion of the Board of Directors and the Membership of the Corporation. The motion for disposition of the assets of the Corporation must be approved by 2/3 of the Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting. Notice of the motion for disposition of the assets of the Corporation shall be given to all Members no later than one month prior to the meeting at which a decision is to be made. The notice must state that the purpose, or one of the purposes, of the meeting is to consider dissolving the Corporation and contain or be accompanied by a copy of the plan of dissolution.

ARTICLE IX – PROCEDURE TO AMEND THE LIMITED APPRECIATION FORMULA

SECTION 1 – Introduction

The procedure set forth in this Article for amending the limited appreciation formula, as embodied in the legal documents used by the Corporation to convey title to improvements located on land owned by the
Corporation or to convey title to housing units encumbered with a Housing Subsidy Covenant has been set down by the Board of Directors of the Corporation, its Members, lessees, and Covenantors in consideration of the following:

A. The concept of limited appreciation is the cornerstone on which the Corporation, its Members, lessees, and Covenantors rely to meet the stated purposes of this organization as set forth in Article I, Section 2 of these Bylaws.

B. The term "limited appreciation" is used to describe the concept of moderating the rate at which real estate, (i.e., land and improvements) increases in value, to the extent that an unrestricted rate of increase is recognized by the Membership of the Corporation as a major obstacle to occupancy by and resale among low- and moderate-income persons of safe, decent and affordable housing. The "limited appreciation formula" is the method by which the Corporation, its Members, lessees, and Covenantors implement the concept of limited appreciation.

C. Any formula devised to accomplish the goals embodied in the concept of limited appreciation necessarily affects the ability of the Corporation, its Members, lessees and Covenantors to realize the mutually-held goal of promoting the occupancy by and resale among low- and moderate-income persons of safe, decent and affordable housing.

Therefore, the procedure set forth in Section 2 of this Article shall govern any action by the Board of Directors to amend the limited appreciation formula.

SECTION 2 – Procedure for Amending the Limited Appreciation Formula

A. Any discussion by the Board of Directors relative to amending the limited appreciation formula shall be noted as an agenda item and each Director shall receive ten (10) days' notice of the Board meeting at which this item is scheduled for discussion.

B. Any motion by a Director to amend the limited appreciation formula shall be made only after two-thirds of the Board of Directors, a quorum having been established, find that the current formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors as established by these Bylaws, including this Article.

C. If two-thirds of the Board of Directors finds that the current limited appreciation formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors, the Board may propose and vote on a specific amendment to the current limited appreciation formula which addresses the Board’s concerns. Any such amendment must be adopted by a vote of two-thirds of the Board of Directors. If the amendment is adopted by the Board, the Board shall then call a Special Meeting of the Membership for the sole purpose of voting on the Board’s action to amend the limited appreciation formula. An affirmative vote of at least two-thirds of the voting Members present at the Special Membership meeting, a quorum having been established, is required to amend the limited appreciation formula. Any such amendment shall not affect or impair any agreement involving a limited appreciation formula which is in effect on the date of the Amendment.

Secretary______________________

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