

Tioga County Housing Study



Tioga County Industrial Development Agency
Tioga County Department of Economic Development and Planning
Tioga Opportunities, Inc.

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Purpose and Scope of the Study

- Understand the demographic and social factors impacting the housing market
- Assess the impact of economic factors and market trends on supply/demand for single-family, senior, moderate-income rental housing and market rate rental housing
- Identify barriers and challenges to housing and community revitalization
- Project gaps and realistic targets to meet demand (3-5 years) by target market group
- Recommend strategic priorities and action steps to position the county to address the housing needs

Housing: a key element of the short-term viability and long-term sustainability of Tioga County's economy

- Attract and retain a qualified workforce; particularly the prime workforce age group (20 – 45)
- Strengthen the business sector
- Provide safe and affordable places to live for all income and age groups
- Create a pathway to homeownership as a tool to achieve wealth and economic stability among all income households
- Stabilize and grow the tax base of the county and individual municipalities
- Attract private investment to stabilize and enhance the community centers

Study Topics

Ages of the population groups

Workforce retention and attraction issues

Workforce participation issues among those ages 20 – 25

Job classifications and wages

Household incomes

Capacity to pay rent and purchase single-family housing

Property taxes

Number, age and quality of the housing stock in all categories

Regulatory issues

Environmental issues such as flooding and need for flood insurance

Physical and financial barriers communities face in meeting housing needs



Key Facts

What do we
know?

Households

Household Trends

- 19,872 households
- 50% are headed by married couples
- 28% are female headed
- 41% include one or more persons aged 60 or older
- 70% reside in single-unit structures
- 14% reside in structures including 2 or more units
- 15% reside in mobile homes

What do we know?

Workforce

Shift in Population: 2010 - 2040

- Loss: 10,000+ residents ages 15-64
- Gain: 1,800 residents age 65+
- Median age: 43

Shrinking Workforce Pool

2015: 23,960 2016: 23,200 2017: 22,100

Declining Unemployment

- 4.4% unemployment rate
- Only 1,000 unemployed
- 96% workforce participation rate.

Replacement of the Aging Workforce

- Need to replace nearly 30% of workforce in next 5-7 years
- Younger worker cohort not adequate
- Participation rate <70% among those ages 20 – 25

What do we
know?

Financial Burden

Growing financial burden on owners and renters

- ▶ What is housing burden? Greater than 30% of a household's annual income.
- ▶ Highest among renters: 41%
- ▶ Less among homeowners: 21%

Difficult for struggling families to save money to achieve homeownership

- ▶ 26% of all households with an annual income of <\$20,000 are spending more than 30% on rent.

What do we
know?

*Financial
Burden*

Affordability for Low and Moderate-income Residents

- Greatest financial burden is among households with annual median household incomes of <\$35,000, especially renters
- Median household income for renters: \$28,732
- Only 27% of renters have an annual income of \$50,000+
- 13% earn less than \$10,000 per year
- 33% earning less than \$20,000 annually
- 86% of households with an annual income of <\$20,000 spend 30%+ of their income on rent
- *56% of households with an annual income of \$35,000 - \$50,000 spend 30%+ on rent*

What do we know?

Struggling Families

Municipality by County	HHs	Poverty %	ALICE %	Above ALICE Threshold %	Poverty + ALICE %	Housing Burden: Renter Over 30%
Apalachin	492	15%	22%	63%	37%	31%
Town of Barton	3,553	15%	26%	59%	41%	45%
Town of Berkshire	566	11%	29%	60%	40%	50%
Town of Candor	1,995	11%	27%	62%	38%	54%
Village of Candor	283	17%	16%	67%	33%	36%
Town of Newark Valley	1,692	7%	32%	61%	39%	38%
Village of Newark Valley	449	11%	33%	56%	44%	47%
Town of Nichols	931	14%	26%	60%	40%	28%
Village of Nichols	172	22%	14%	64%	36%	54%
Town of Owego	7,665	7%	21%	72%	28%	37%
Village of Owego	1,699	14%	34%	52%	48%	48%
Town of Richford	480	14%	35%	51%	49%	14%
Town of Spencer	1,262	15%	36%	49%	51%	47%
Village of Spencer	391	21%	33%	46%	54%	42%
Town of Tioga	2,034	8%	33%	59%	41%	64%
Village of Waverly	1,885	14%	31%	55%	45%	46%

What do we
know?

*Buying Power:
Homeownership
and Renting*

Median Incomes

- ▶ County-wide: \$57,514
- ▶ All homeowners: \$66,897
- ▶ 48% of homeowners: \$50,000 - \$149,000
- ▶ Married couples with families at \$78,325
- ▶ People 25-64 years: \$66,259 - \$67,665
- ▶ Buying power: \$90,000 - \$175,000

Annual Wages

- Limited number of new jobs at management or professional levels seeking housing at \$250,000+ price point
- Majority of new jobs: \$35,000 – \$40,000 annual wage
- Household income: \$50,000 - \$70,000
- Limits demand for single-family housing to \$90,000 – \$150,000

Buying Power

Job Category	Median Annual Salary	Projected Median Household Income for Workers Age 25 – 45	Capacity to Purchase a House: Ideal Price Point Range
Administrative support	\$40,000	\$40,000 - \$70,000	\$125,000 - \$175,000
Business and financial operations	\$49,500	\$50,000 - \$85,300	\$175,000 - \$225,000
Clerical	\$31,200	\$31,000 - \$68,750	\$150,000 – \$200,000
Construction	\$42,930	\$43,000 - \$70,000	\$125,000 – \$175,000
Engineering support	\$49,610	\$50,000 - 75,000	\$150,000 - \$200,000
Grounds & maintenance	\$34,500	\$35,000 - \$50,000	\$95,000 – \$125,000
Lift drivers	\$24,500	\$25,000 - \$45,000	\$90,000 - \$120,000
IT	\$65,000	\$65,000 - \$90,000	\$175,000 - 220,000
Management	\$75,000	\$75,000 - \$100,000	\$200,000 – 250,000
Mfg installation & maintenance	\$35,700	\$36,000 - \$60,000	\$95,000 – \$125,000
Quality	\$46,800	\$47,000 - \$70,000	\$125,000 - \$175,000
Retail	\$22,000	\$22,000 - \$35,000	\$75,000 - 110,000
Semi-skilled production workers	\$34,650	\$35,000 - \$55,000	\$90,000 – \$125,000
Skilled production workers	\$45,760	\$46,000 - \$68,500	\$150,000 – \$175,000
Supervisors	\$45,000	\$45,000 - \$68,500	\$150,000 – \$175,000
Technical and professional sales	\$64,960	\$65,000 - \$90,000	\$200,000 – 250,000
Transportation/material handler	\$45,220	\$45,000 - \$70,000	\$125,000 – \$175,000
Warehouse	\$35,000	\$35,000 - \$55,000	\$85,000 - \$115,000

Capacity to Rent

Job Category	Median Annual Salary	Projected Median Household Income for Workers Age 25 – 45	Maximum Monthly Rent: A Financial Burden on Households
Administrative support	\$40,000	\$40,000 - \$70,000	\$950 - \$1,350
Business and financial operations	\$49,500	\$50,000 - \$85,300	\$1,100 - \$1,700
Clerical	\$31,200	\$31,000 - \$68,750	\$700 - \$1,300
Construction	\$42,930	\$43,000 - \$70,000	\$850 - \$1,350
Engineering support	\$49,610	\$50,000 - \$75,000	\$1,200 - \$1,450
Grounds & maintenance	\$34,500	\$35,000 - \$50,000	\$725 - \$1,100
Lift drivers	\$24,500	\$25,000 - \$45,000	\$650 - \$1,025
IT	\$65,000	\$65,000 - \$90,000	\$1,250 - \$1,750
Management	\$75,000	\$75,000 - \$100,000	\$1,200 - \$2,050
Mfg installation & maintenance	\$35,700	\$36,000 - \$60,000	\$750 - \$1,025
Quality	\$46,800	\$47,000 - \$70,000	\$700 - \$1,350
Retail	\$22,000	\$22,000 - \$35,000	\$600 - \$725
Semi-skilled production workers	\$34,650	\$35,000 - \$55,000	\$750 - \$1,150
Skilled production workers	\$45,760	\$46,000 - \$68,500	\$650 - \$1,200
Supervisors	\$45,000	\$45,000 - \$68,500	\$650 - \$1,200
Technical and professional sales	\$64,960	\$65,000 - \$90,000	\$600 - \$1,750
Transportation/material handler	\$45,220	\$45,000 - \$70,000	\$650 - \$1,350
Warehouse	\$35,000	\$35,000 - \$55,000	\$750 - \$1,150



Single-family Housing



Concerning Trends

Old Housing Stock

- ▶ Median age is 50 years
- ▶ > 30% constructed before 1949
- ▶ 9,782 built prior to 1960
- ▶ 7 housing units constructed in 2014 or later
- ▶ Village of Nichols has the oldest housing stock with 91.0% built before 1939

Vacant Houses Contributing to Blight

- ▶ Vacant housing stock: 10% (2,311)
- ▶ Highest rates:
 - ▶ Village of Candor: 18.6%
 - ▶ Village of Newark Valley: 18%
 - ▶ Town of Spencer: 17.2%



Concerning Trends

Increasing percentage of housing units are renter occupied ...

filling the void for moderate income housing

- Village of Owego: 43%
- Village of Waverly: 45%
- Village of Spencer: 41% and a high concentration of mobile homes
- Investors paying cash for properties in \$30,000 - \$40,000 price range with no required flood insurance.

Concerning Trends

Real Estate Taxes

- Housing units with a mortgage: \$3,000 No mortgage: \$2,400
- Village of Newark Valley (\$3,167), Town of Owego (\$3,792), Village of Owego (\$3,961), Town of Richford (\$3,226), Village of Spencer (\$3,182)

Flooding and Cost of Flood Insurance

- Flood insurance: \$2,000 - \$3,000 per year
- Cost of flood insurance PLUS property taxes higher than the monthly mortgage payment

Property Appreciation

- ▶ Rate is flat line due to history of flooding and increasing property taxes

Single-family Housing Market

- Sales increased in 2017 over 2016
- Median sales price up 14% at \$143,000
- Majority of sales to first-time home buyers ages 28-38: \$120,000 - \$180,000
- Sales activity impacted by lack of inventory:
 - Number of new listings down 14%
 - Inventory of houses for sale down 25%
- Majority of listings: \$50,000 - \$150,000
- 50% of sales: \$75,000 - \$175,000
- *Only 50 houses, representing 15% of all houses for sale, are priced at \$200,000+*

Popular Market Area	For Sale	Median Listing Price
Apalachin	40	\$122,450
Barton	14	\$109,700
Candor	47	\$89,900
Lounsberry	19	\$94,900
Newark Valley	43	\$94,250
Nichols	20	\$102,400
Owego	86	\$117,250

Popular Market Area	Median Closing Price
Apalachin	\$142,000
Barton	\$108,000
Candor	\$108,000
Lounsberry	\$126,000
Newark Valley	\$65,000
Nichols	\$126,000
Owego	\$112,000

Barriers to Healthy Housing Market and Strong Tax Base

Inadequate Single-family Housing Inventory: \$90,000 - \$175,000 for:

- First-time home buyers
- Move-up middle income families
- Moderate-income renters on pathway to homeownership

Barriers to New Construction and Neighborhood Revitalization

- Lack of potential sites
- Environment issues such as flooding
- Local resistance to low-moderate income housing
- Limited land use regulations

Dynamic Community Centers

- Lack of attractive “gateway entrances and vibrant community centers” to attract buyers

Single-Family Housing

DEMAND

Home Buying Demand

<p>First-time Homebuyers</p> <p>Married couples with families. MHI: \$75,000 - \$80,000</p> <p>Working people ages 25-55 years. MHI: \$60,000 - \$70,000</p>	<p>Family homes in community centers Preference for "move-in" condition</p> <p>Price Point: \$90,000 - \$175,000</p>
<p>First-time Homebuyers</p> <p>Young couples and families. MHI: \$50,000 - \$65,000</p> <p>On the cusp of having financial capacity to afford a "starter home"</p>	<p>Affordable starter homes in community centers Preference for "move-in" condition; possible interest in renovations.</p> <p>Price Point: \$50,000-\$80,000</p>
<p>Middle Income Move-up Households</p> <p>Married couples with families MHI: \$65,000 - \$90,000 moving up from a current house at the \$75,000 - \$125,000 price point</p>	<p>Family homes that may require modest renovations and upgrades.</p> <p>Price Point: \$150,000 - \$225,000</p>
<p>Low-Moderate Income Renters on the Path to Homeownership</p> <p>Young couples and families MHI \$35,000 - \$50,000 Long-term renters, employed, lack a credit line, limited access to down payment</p>	<p>Affordable starter homes.</p> <p>Price Point: \$40,000 - \$65,000</p>

First-time Home Buyers

Strategy	Targeted Level of Activity: Years 1-5
<p>Group 1. Focus on revitalization of housing units with the potential for modest rehabilitation and immediate acquisition price in the \$40,000 – \$75,000 range, and a subsequent market list price in the \$75,000 - \$150,000 range.</p>	<p>Conservative: 40 - 65 Moderate: 65 - 80 Aggressive: 80 - 120</p>
<p>Group 2. Focus on houses with potential for modest rehabilitation and immediate acquisition price in the \$25,000 – \$40,000 range, and a subsequent market list price in the \$50,000 - \$75,000 range.</p> <p>This group also will require financial assistance to achieve home ownership such as a home revitalization program that also includes a path for seniors to move into quality rental housing and free-up existing housing units, financial incentives for the home buying families to renovate houses, and property tax relief in select neighborhoods targeted for revitalization.</p>	<p>Conservative: 45 - 65 Moderate: 75 - 100 Aggressive: 100 - 150</p>

Middle-income Move-up Families

- Demand in the \$150,000 - \$225,000 range.
- Families with a household income of \$65,000 – \$90,000.
- Moving up from a current house at the \$75,000 - \$125,000 price point.
- Have equity in their existing homes, established credit, and capacity for a larger down payment

Strategy	Targeted Level of Activity: Years 1-5
<p data-bbox="236 968 1498 1063">Strategic and aggressive approach is to “free-up” stock currently occupied by households in the 65+ age range.</p> <p data-bbox="236 1125 1666 1272">Consider relocation of the senior population to newly constructed rental housing and subsequent revitalization of that housing stock through a low-interest loan program for houses in targeted neighborhoods.</p>	<p data-bbox="1712 968 2175 1006">Conservative: 35 - 50</p> <p data-bbox="1712 1019 2175 1058">Moderate: 50 - 75</p> <p data-bbox="1712 1071 2175 1109">Aggressive: 75 - 100</p>

Renters on the Path to Homeownership

20% of residents are renting either apartments or entire houses.

Renting provides flexibility, but does not allow people to save for a down payment to purchase a house and prevents them from building up equity in a real estate investment.

Much of this target market group includes the low and moderate-income families with a median household income of \$25,000 - \$40,000 and target purchase price of \$40,000 - \$65,000.

Strategy	Targeted Level of Activity: Years 1-5
<p data-bbox="168 839 919 882">Purchase price point: \$40,000 - \$65,000</p> <p data-bbox="168 933 448 976">Pathway tools:</p> <ul data-bbox="168 982 1696 1285" style="list-style-type: none"><li data-bbox="168 982 1595 1025">• Education and job training to obtain jobs that will provide adequate income<li data-bbox="168 1031 1651 1153">• Counseling about how to become self-sufficient, get off of public assistance, accumulate savings, achieve good credit, and manage money to avoid future foreclosure; restricted savings accounts<li data-bbox="168 1159 1696 1245">• Financing mechanisms and housing options where the housing payments are less than 1/3 of a family's combined monthly income<li data-bbox="168 1250 1549 1285">• Inventory of housing units that do not require major repairs and upgrades.	<p data-bbox="1814 845 2262 882">Conservative: 25 - 40</p> <p data-bbox="1814 896 2262 933">Moderate: 45 - 60</p> <p data-bbox="1814 948 2262 985">Aggressive: 60 - 75</p>

Rental Housing

DEMAND

The Aging Population

- 65+ population will peak at 11,026 in 2030 and decline to 9,808 by 2040, which sends a caution signal not to over build.
- 223 existing units of independent living.
- Conservative need for a minimum of 35 - 40 net new units by 2025.

Strategy	Targeted Level of Activity: Years 1-5
<p>Developers will require financing subsidies to fill the gap between construction costs and a monthly rent structure that matches the incomes of the residents.</p> <p>Financing subsidies range from grants to Low Income Housing Tax Credit (LIHTC), IDA Pilots, HUD Project Based Section 8 program, USDA Section 515 and the Rural Development Rental Assistance Program, and The HOME Rental Assistance Program.</p>	<p>Conservative: 35 - 50 Moderate: 50 - 65 Aggressive: 65 - 75</p>

Affordable Rental Housing for Moderate Income Households

Who are the moderate-income families that need affordable housing?

- Households with an annual income between 51% and 80% of the median family income.
- Median household income for the entire county is \$57,514. More than 6,000 households have an annual income of <80%, which is \$46,011. ***This represents 1/3 of all households in Tioga County.***
- 41% of all households (8,100) live under asset-limited income-constrained employed (ALICE) conditions, where households earn more than the U.S. poverty level but less than the basic cost of living for the county. That translates to \$19,380 for a single person and \$56,965 for 2 adults and 2 young children. **G**reatest number live in the Village of Owego (48%), the Town of Richford (49%), and the Town (51%) and Village (54%) of Spencer.
- Majority of jobs being created have an annual wage of \$35,000 - \$40,000, which translates into a typical median household income of \$45,000 - \$70,000.

Affordable Rental Housing for Moderate Income Households

30% of all rental units, or 1,286, are occupied by persons whose annual income is \$25,000 – \$50,000 and who are considered moderate-income households.

15% spend \$300 – \$499 and another 45% spend \$500 - \$799 each month on housing.

Immediate gap of no less than 150 - 225 units, and an identified gap reaching 300 units, of moderate income-based housing that must be filled in the next 3 years.

Strategy	Targeted Level of Activity: Years 1-5						
<p data-bbox="193 958 894 996">Shared objectives to meet demand:</p> <ul data-bbox="193 1005 1676 1143" style="list-style-type: none"><li data-bbox="193 1005 1510 1043">• New construction of apartments and townhouse style rental units,<li data-bbox="193 1052 1676 1090">• Positioning moderate income families on a trajectory for home ownership<li data-bbox="193 1099 1676 1138">• Returning single-family rental units to their original home ownership status. <p data-bbox="193 1196 1696 1310">It is essential for the long-term economic viability of the communities to reverse the trend of purchasing single-family houses for the purposes of converting them into rentals. Initial focus should be in Owego and Waverly areas.</p>	<table data-bbox="1719 958 2216 1110"><tr><td data-bbox="1719 958 2000 1001">Conservative:</td><td data-bbox="2040 958 2216 1001">150 - 175</td></tr><tr><td data-bbox="1719 1009 1936 1052">Moderate:</td><td data-bbox="2040 1009 2216 1052">175 - 225</td></tr><tr><td data-bbox="1719 1061 1949 1103">Aggressive:</td><td data-bbox="2040 1061 2216 1103">250 - 300</td></tr></table>	Conservative:	150 - 175	Moderate:	175 - 225	Aggressive:	250 - 300
Conservative:	150 - 175						
Moderate:	175 - 225						
Aggressive:	250 - 300						



Strategic Priorities

Communities that invest in themselves can better keep and attract the young families that energize communities and create new businesses.

Revitalize neighborhoods in select villages.

(Owego, Newark Valley, Waverly)

- ~Demolition and rehabilitation of housing in specific neighborhood blocks.
- ~New construction of moderate income rental properties to create mixed income neighborhoods.
- ~Street scape improvements in targeted neighborhoods.

Attract public and private investment.

- ~Housing rehabilitation and new construction of multi-family for middle/moderate income families and senior independent living.
- ~Revitalization of community cores including streetscape and façade improvement.
- ~Small business development.
- ~Upgrade existing market rate rentals.

A comprehensive revitalization strategy is essential and should involve enhanced regulatory controls and an injection of capital investment to:

- ~Upgrade existing housing, replace housing jeopardized by environmental issues.
- ~Fill gaps in target market demand.
- ~Undertake new construction and revitalize community centers.

Such strategies should serve as the basis for decision-making and project development.

Enhance appearance and overall quality of life.

- ~Enforce codes and create other regulatory tools.

Proactively acquire properties.

- ~Reverse the trend of increasing numbers of single-family houses being purchased as investment properties for conversion into rentals.

1. **Adopt an overall housing strategy** that functions as a trajectory to meet the housing needs of the priority target market groups and positions communities for paced renewal and economic sustainability.

Senior Population

~Provide a pathway to move seniors from single-family housing into safe and affordable rental housing.
~Unleash gridlock on the \$90,000 - \$125,000 single-family housing stock.

Moderate Income Renters

~Meet rental needs of moderate income households on their way to future home ownership, and free up low-mod rental housing for the neediest.
~Motivate existing property owners to upgrade existing market rate rental housing stock.
~Construct new moderate/middle-income rental housing to create mixed-income neighborhoods.
~Put in place a pathway to homeownership.



Vibrant Communities and Desirable Neighborhoods

~Revitalize and upgrade the existing housing stock in target neighborhoods*
~Simultaneously revitalize community centers.

Home Buyers

~Invest in updated and quality housing stock that is available in the \$90,000 - \$150,000 price point.

Revitalize the Single-family Housing Stock in Target Neighborhoods

- Focus on housing stock available for first-time home buyers and those moving up to \$90,000 – \$150,000 price point.
 - Drive revitalization of the existing housing stock in targeted neighborhoods with financial incentives for owners and prospective home buyers.
 - Initially focus on neighborhoods in the villages of Newark Valley, Owego and Waverly.
- Capture and revitalize single-family houses in the \$30,000 – \$75,000 price point to reverse the trend of houses being purchased for conversion to multi-tenant rentals.
- Renovate and target homeownership for moving- up home buyers and moderate-income families seeking quality rental housing and on a trajectory to home ownership.
- Address issue of an increasing percentage of renter-occupied properties in the villages.
- Meet the needs of more than 1/3 of the households that are “moderate income” and require safe and affordable housing.

Municipality	Total Housing Units	Renter-Occupied	
		Estimate	% Total
Barton town	3,561	1,185	33.3%
Apalachin CDP	515	191	37.1%
Newark Valley village	445	124	27.9%
Owego village	1,673	723	43.2%
Nichols town	1,032	210	20.3%
Nichols village	218	62	28.4%
Spencer town	1,212	346	28.5%
Spencer village	378	155	41.0%
Waverly village	1,902	855	45.0%

2. Develop investment strategies to revitalize the community centers.

Initially undertake community investment strategies in the villages of Newark Valley, Owego and Waverly.

At a minimum, include:

- Identification of targeted residential neighborhoods and a block-by-block assessment of the housing stock to determine the future status of each property ranging from demolition to major rehabilitation.
- Investment in a financing strategy.
- Demolition as necessary and rehabilitation of the existing single-family housing stock.
- Conversion of rental properties back to original single-family use.
- Neighborhood streetscape improvements.
- Enhanced code enforcement and creation of new regulatory tools as necessary.
- Revitalization of the community centers.
- Development of senior and moderate-income rental housing.



3. Develop and pursue financing strategies to implement the investment strategies.

4. Create an organizational structure to implement the recommendations.

- Create a public-private partnership to drive community investment strategies.
- Develop a county-wide housing pipe-line strategy that leads to a mixed-income housing stock focused on:
 - Overall population's economic characteristics
 - Retention of the prime workforce between the ages of 24 – 45
 - Aging population
- Create pathways to home ownership.
- Focus on priority target market groups including first-time home buyers, moving-up home buyers, and moderate-income families seeking quality rental housing.
- Work with the target communities to develop community investment strategies and financing/business plans.
- Collaborate with county and regional government agencies and community organizations.



Recommended Action Steps

Strategic Priorities and Immediate Action Steps

1

Development community investment strategies to revitalize community centers and targeted neighborhoods.

2

Capture low-priced housing stock, with initial focus on Village of Owego and Waverly, to reverse trends of single-family houses being converted into rentals.

3

Incentivize existing and prospective homeowners to revitalize housing stock.

Create pathway to homeownership.

4

Construct senior housing.

5

Target areas for creation of mixed income neighborhoods, including housing revitalization and demolition for construction of affordable income housing.