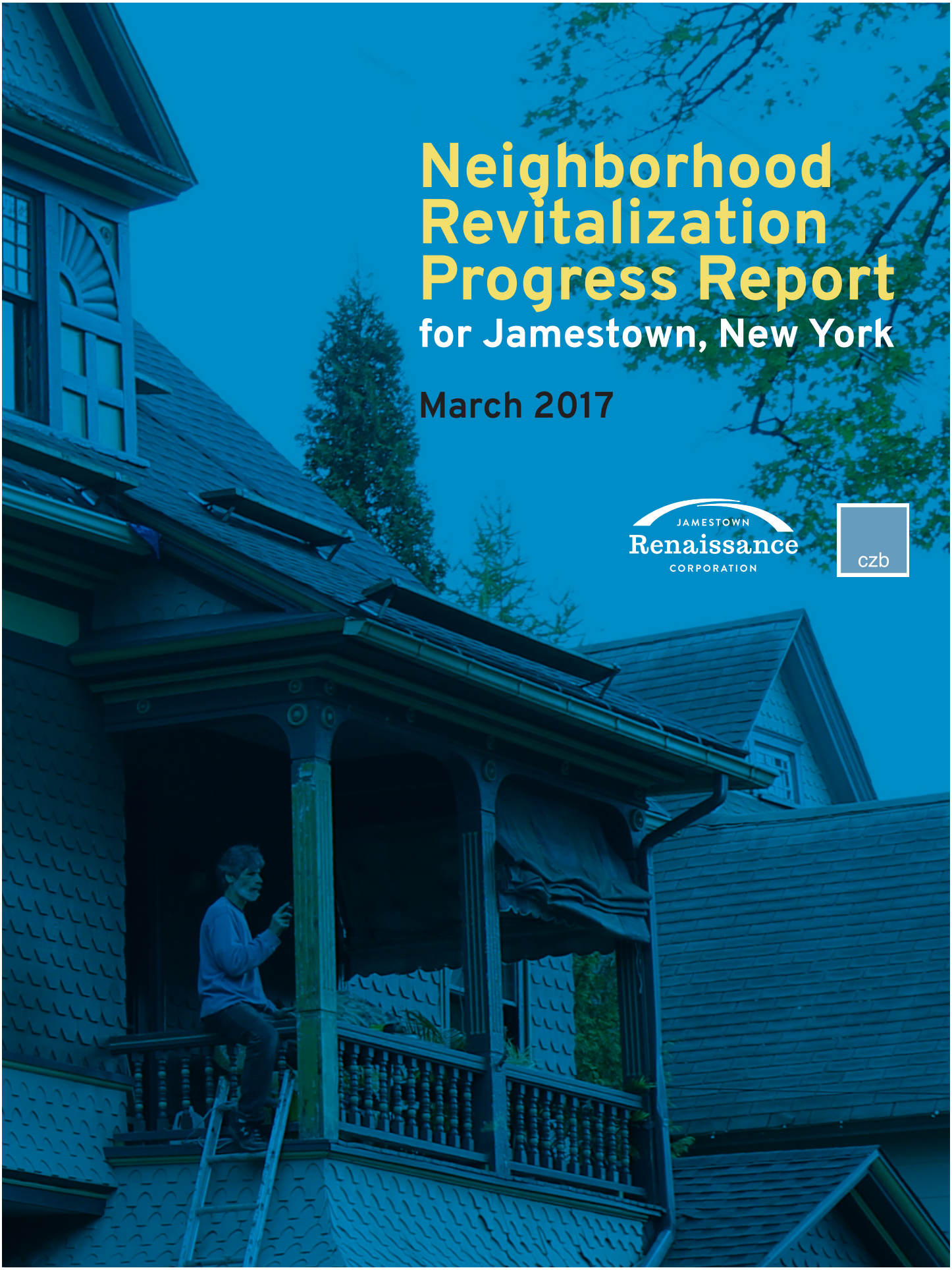


Neighborhood Revitalization Progress Report

for Jamestown, New York

March 2017

JAMESTOWN Renaissance CORPORATION

czb

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This report was prepared by czb for the Jamestown Renaissance Corporation and was made possible by generous support from the Chautauqua Region Community Foundation and the Ralph C. Sheldon Foundation.

Part 1

Introduction & Context

Jamestown passed an unsettling milestone in late 2016 – one that should give pause to cities across upstate New York:

With the adoption of its 2017 budget, Jamestown reached its constitutional taxing limit – extracting the maximum value from its property tax base allowed by New York State law.

How did Jamestown get to this point?

It's been nearly a century in the making…

Decline in demand for downtown and industrial real estate

During the Great Depression and World War II, Jamestown's role as a hub for industry and commerce in the region began a long, gradual slide. Manufacturing activity shifted from the cramped and narrow flats along the Chadakoin River to modern facilities on large parcels of land – mostly outside the city's limits. Jobs in the sector shrank as productivity improved and as some industries left the region entirely. Retail and services, long centralized in downtown, scattered to the city's edges and beyond. The opening of the Chautauqua Mall in 1971 – two miles west of the city – established the Fairmount Avenue corridor as the region's dominant commercial center, which it remains today.

Population loss and movement

People followed jobs and retail to areas outside the city, building new houses on a growing supply of inexpensive and fallow farmland. As they did, the city's population fell and surrounding communities grew. For almost 50 years now, however, the entire population of southeast Chautauqua County has been falling. The city itself is nearly 90 years past its population peak.

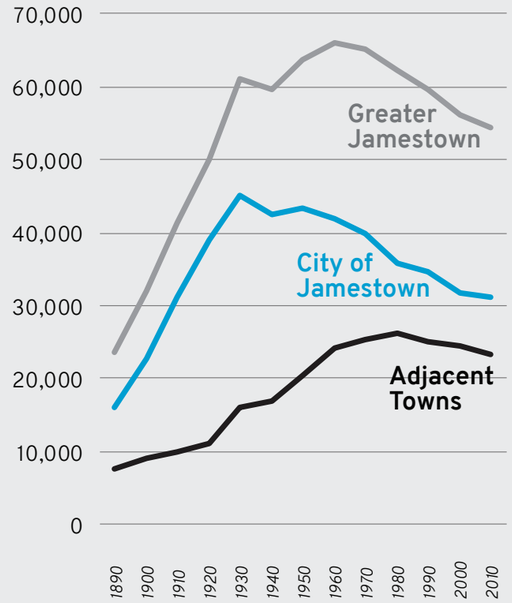
Socioeconomic shifts

As the city's population fell, it also grew poorer. A large share of those who left were middle income families. Between 1970 and 2013, the number of families in the city fell by 26%, but the number of families earning between $50,000 and $75,000 (adjusted for inflation) fell by 55%. At the same time, the number of families earning less than $20,000 grew by 90%. Although this socioeconomic shift reflected broader economic struggles in Chautauqua County, it also echoed household decisions about where to live locally – those with resources choosing to live outside the city, and those with few resources and few choices remaining inside.

Surplus housing

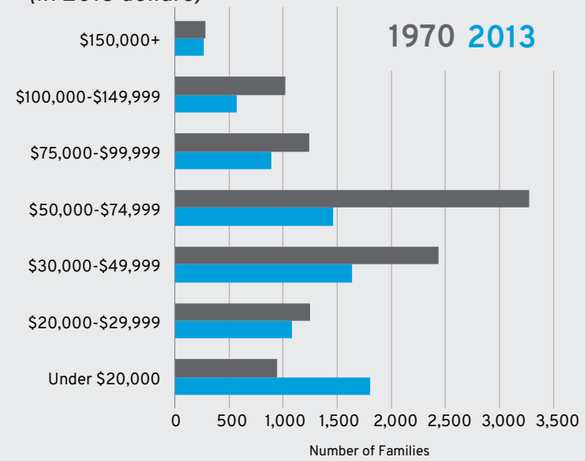
As people left and took their demand for housing elsewhere – and were not replaced by sufficient levels of incoming demand – the city's housing stock became increasingly imbalanced with empty homes and apartments.

Population Change in Greater Jamestown, 1890-2010



Family Income in Jamestown, 1970 VS 2013

(in 2013 dollars)



1970 Estimated aggregate income of Jamestown families: **$636M**

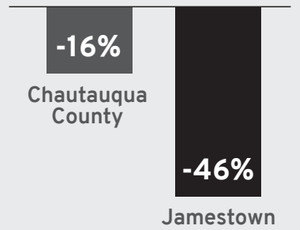
2013 Estimated aggregate income of Jamestown families: **$405 M**

Purchasing power of families in Jamestown declined by **$200+ M**

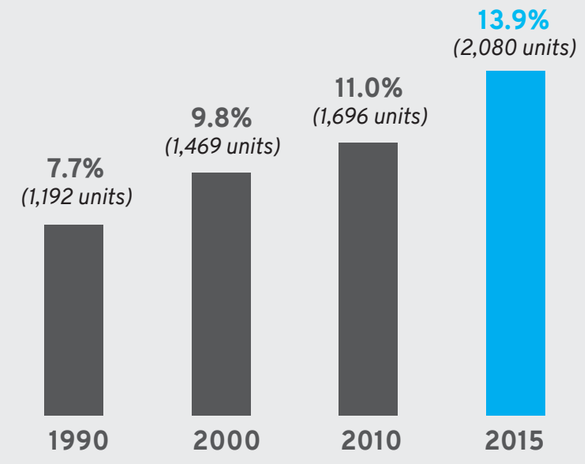
Jamestown's share of...

	1970	2015
Chautauqua County's population	27%	23%
Chautauqua County families making $50k or more	27%	17%

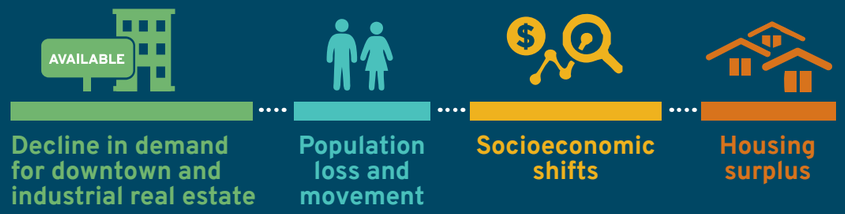
% change in number of families making $50K+ between 1970 and 2015



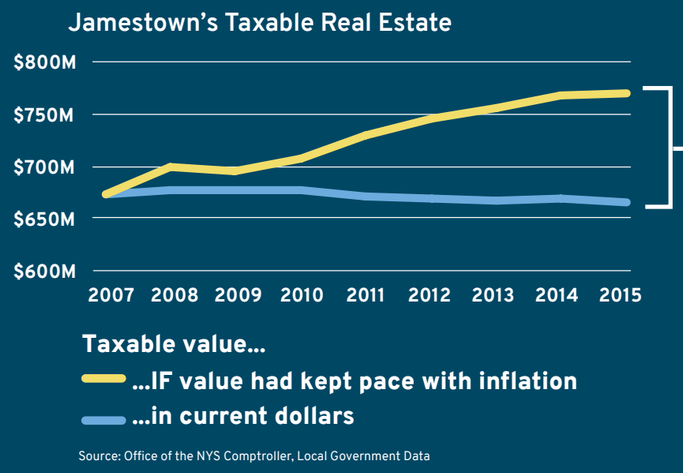
% of Housing Units Vacant



Source: czb analysis of data from U.S. Census Bureau



The cumulative results of these forces?



Source: Office of the NYS Comptroller, Local Government Data

An evaluation of the city's taxable real estate since 2007 alone crystalizes the impact of this hard-to-reverse process. Between 2007 and 2015, the value of taxable property in Jamestown fell slightly in current dollars from $672 million to $665 million. But if the tax base had merely kept pace with inflation, it's value would have climbed to $768 million by 2015 – a level that would have meant **$2.5 million in extra revenue** at the 2015 tax rate, or some combination of more revenue and a lower tax rate. Such resources could have been put to use in any number of ways to stimulate demand and build value.

What can $2.5 million pay for?

- 20 or more police officers
- 100 vacant and blighted home demolitions
- 5 miles of reconstructed sidewalks
- Strategic acquisition and rehab of 15 or more troubled houses
- New furnishings, plantings, and pavers for existing Riverwalk segments

Too few people and dollars chasing too much housing, resulting in **low property values**.

Low property values resulting in a **smaller and smaller tax base**.

Rising expenses get spread over the smaller base – **tax rates rise as services are reduced**.

The city's capacity to invest in ways that might attract households and boost property values is nearly eliminated, **forcing a reliance on outside funding to accomplish more than the bare minimum.**

Confidence and demand continues to decline,

reinforcing the downward cycle.



What has Jamestown been doing to slow and reverse this erosion of fiscal capacity?

Limiting expenses and improving the cost efficiency of city government has been a long-term effort in Jamestown – and one that helped to keep the city within its constitutional taxing limit until the 2017 budget. But reducing the expense side of the ledger has its limits and its dangers. Every city in New York must comply with state rules and mandates that often increase the cost and decrease the flexibility of government operations, especially with regard to labor. State laws also severely limit the exercise of the most obvious solution – broadening the tax base by redrawing municipal boundaries.

Such limitations imposed by the state – and reinforced locally by long-ago labor contracts that deferred pain well into the future – mean that cost savings achieved through true efficiencies are too often used to fill structural gaps (e.g. rising obligations for retiree health care) and too seldom used to stimulate demand and cultivate value. And where efficiency measures have been insufficient to fill gaps, reducing services and pulling back on investment has become a fiscally necessary but self-defeating practice.

The inherent limits of expense reduction are why so much energy in Jamestown in recent years has been devoted to preserving and rebuilding the tax base in two general areas:

Downtown Revitalization

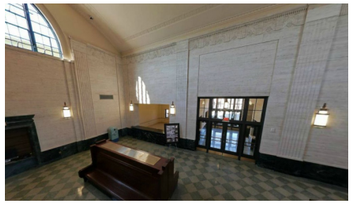
Neighborhood Revitalization











Downtown Revitalization

Although downtown revitalization initiatives have been happening in one form or another in Jamestown for over 50 years, the current phase dates to the late 1990s – at the end of a decade that buried any hopes that downtown could be sustainably revived as a center for traditional retail.

Instead, with a heavy infusion of federal, state, and philanthropic resources, efforts have focused on repositioning downtown as an urban center that blends residential, entertainment, cultural, dining, office, and retail uses. Especially noteworthy projects during this phase have included:

- Northwest Arena (2003), originally Jamestown Savings Bank Ice Arena, an early part of the Gebbie Foundation's commitment to downtown;
- Nearly 40 façade and building enhancement projects coordinated by the Jamestown Renaissance Corporation, largely with Gebbie Foundation resources (2008-present);
- The Wellman Building (2012), a market-rate apartment and retail project completed with help from historic preservation tax credits;
- Jamestown Gateway Train Station, involving the renovation of the long-abandoned Erie Railroad depot with mostly federal funding – and a facility now set to house the National Comedy Center;
- Riverwalk expansion over multiple phases, including proposed state-funded pedestrian bridges behind the Jamestown Gateway Train Station;
- Master facilities plan for the Reg Lenna Center for the Arts (2016), with a blueprint for realizing the full potential of East Third Street as an arts district.

The recent listing of downtown Jamestown as a district to the State and National Registers of Historic Places, and Jamestown's selection as the Western Region winner of Governor Cuomo's $10 million Downtown Revitalization Initiative, provide additional resources to leverage private investment and enhance the demand for downtown real estate.

Strong demand, after all, is what Jamestown needs in its downtown. It needs to be a place that is desirable enough for building owners to command rents sufficient to pay for truly high-levels of upkeep and improvement. It needs to be a place where healthy levels of capital investment and rising sales prices boost downtown's taxable value. Currently, the downtown core's taxable assessed value (minus exemptions) is under $30 million – roughly 5% of the city's taxable base. For the city to recover its fiscal strength, downtown must be strong enough to contribute far more.

A highly desirable downtown contributes not only from a direct tax revenue standpoint, but also from an economic competitiveness standpoint – providing the amenities, lifestyle, and atmosphere that talented workers seek. A strong downtown is a prerequisite today for strong levels of job creation and retention.

But if downtown Jamestown becomes desirable enough to spur greater levels of business development and job creation in the city, will the job-holders choose to live in the city or somewhere beyond the city limits? **Are Jamestown's neighborhoods desirable enough to support and build on the gains of a revitalized downtown – or will their weaknesses prevent a durable renaissance?**

Neighborhood Revitalization

Recognizing that neighborhood conditions were a growing source of instability in the city, including its downtown, the Jamestown Renaissance Corporation and its partners commissioned czbLLC in 2009 to develop a neighborhood revitalization plan. Titled Reinvesting in Itself, the plan confirmed what many in the community had been observing for years – neglect was taking a toll. Specifically, the plan found that:

- Neglect is expensive, with a single blighted house extracting as much as $25,000 in value from good homes on otherwise healthy blocks.
- Neglect is not isolated, with 90% of streets is Jamestown having at least two homes in below-average condition.
- Neglect is contagious, with market and neighborhood conditions signaling households to withhold up to $17 million on housing and home upgrades each year.

To respond to these conditions, the plan recommended two general objectives:

1. Using policy levers to install a firm floor in the market – with a particular focus on the regulation and improvement of rental property conditions.
2. Promoting reinvestment and instilling pride, especially in areas where incentives and encouragement are most likely to leverage a strong level of investment by property owners.

Since the report's completion in 2010, the Jamestown Renaissance Corporation has spearheaded research and advocacy towards the first objective and implemented programs in support of the second. These have included:

- Neighborhood Coordination: Maintenance of a dedicated, full-time coordinator to oversee projects and build neighborhood leadership capacity.
- Renaissance Block Challenge: Distribution of small matching grants totaling $375,000 to clusters of property owners on a competitive basis since 2011, leveraging total investment of $900,000 in exterior home improvements.
- GROW Jamestown: Promotion of landscaping and gardening as community beautification and pride-building activities has been carried out through (1) an annual front garden recognition program, (2) establishment and support for community gardens, and (3) an annual garden fair and expo.
- Lakeview Avenue Historic District: Nomination of over 200 properties on the Northside to the State and National Registers of Historic Places, making homeowners and landlords eligible to use historic preservation tax credits.

These efforts have been reinforced through coordination with several city departments, including Public Safety, Parks and Recreation, Public Works, and Development.

They have also been reinforced by close strategic coordination with the Chautauqua County Land Bank Corporation. Since its establishment in 2012, the CCLBC has obtained funds from the New York State Attorney General's Office to support the demolition of over 50 blighted tax foreclosed properties. It has also acquired and marketed over 20 neglected but salvageable homes on otherwise stable blocks – vetting buyers for their capacity to improve the property and ensuring timely completion of renovations.

















How have neighborhoods been changing since 2010, and how do we move forward?

This report has been commissioned by the Jamestown Renaissance Corporation to assist it and its community partners in understanding the following:

What do Jamestown's neighborhoods and housing markets look like today – and how have conditions changed since 2010?

To what extent have revitalization efforts had an impact – and what can be learned from that impact?

How should JRC and its partners proceed – and are there ways to have a greater impact on revitalization of the city's neighborhoods, market strength, and fiscal capacity?

The erosion of demand and fiscal capacity in Jamestown took place over decades, while current revitalization activities in the downtown and neighborhoods are a recent undertaking. Understanding how conditions and markets have been changing – and responding to change in ways that are likely to produce the highest impact from limited resources – is a vital capacity for any community, and one that conveys the seriousness of the Jamestown community to the task of creating a stronger and more vibrant city.

Part 2

Jamestown's Housing Market Today

Jamestown's housing market is far from monolithic. Within the city's eight square miles, a wide range of conditions can be found, from blocks where levels of investment are strong and conditions are highly desirable to blocks that are rapidly crumbling under the weight of decades of deferred maintenance.

Consequently, deciding how to direct resources and tools for revitalization – and which resources and tools to direct – requires a careful understanding of the investment behaviors that are prevalent in each neighborhood. Since neighborhoods are constantly changing, and a full seven years have passed since the 2009 market analysis that informed Jamestown's neighborhood revitalization plan, an up-to-date analysis of the market was necessary to understand how it has changed and how to move forward constructively.

At the core of this updated analysis are four factors related to housing conditions and economics that, in combination, reveal patterns of neighborhood health and stability.

What determines market types?



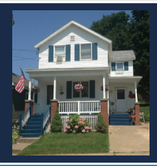
Five Market Types

An examination in late 2016 of the **physical condition of the housing stock, price levels, pricing trends,** and **return on investment for home improvements** shows that Jamestown's housing market can be divided into five distinct market types within czb's system of neighborhood classification:

VERY HEALTHY

VERY UNHEALTHY

1 STRONG



Properties are generally in excellent or good condition; prices are above average and trending upward; a solid return on investment from upgrading a property in average condition is demonstrated.

2 HEALTHY BUT STAGNANT



Properties are generally in excellent or good condition; a solid return on investment from upgrading a property in average condition is demonstrated; prices are above average but are stagnant or declining.

3 IMPROVING MIDDLE



Properties are in average condition, with the number of good properties offsetting distressed ones by a comfortable margin; prices are trending upward; a solid return on investment from upgrading a property in average condition is demonstrated.

4 SOFT AND GETTING SOFTER



Properties are in average condition overall, but distressed properties are beginning to eclipse those in good condition; prices are stagnant or declining; return on investment from upgrading a property in average condition is weak.

5 VERY WEAK

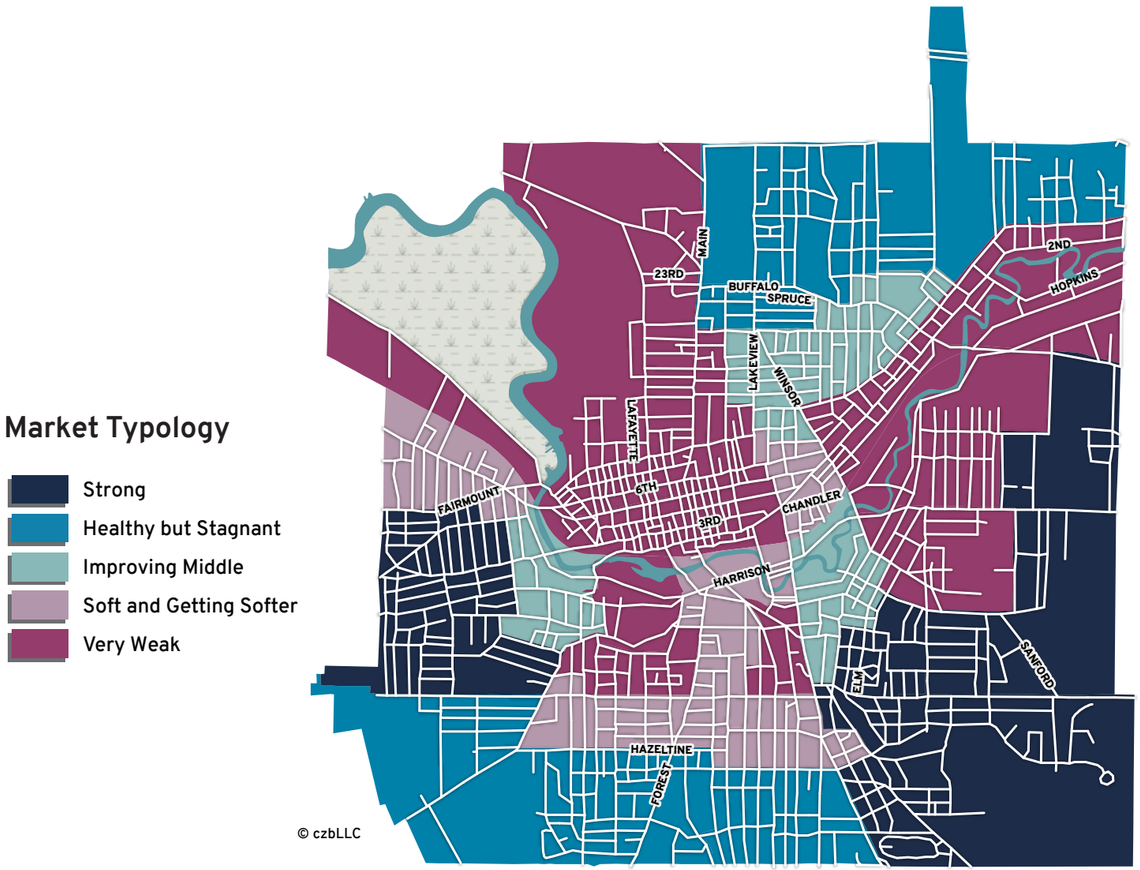


Distressed property conditions predominate, with very few properties in good condition; prices are much lower than citywide median and may be close to bottoming out if they haven't already; return on investment for upgrading a property in average condition is weak; the market is deeply dysfunctional and not generally responsive to code enforcement or the carrots and sticks of traditional housing policy.

Geography of Jamestown's Market Types

Jamestown's market types follow a clear and predictable geographic pattern: The healthiest types cover large areas near the city limits where the housing stock is comprised of mostly single-family homes that are several decades newer than homes closer to downtown. Besides being older, homes in the least healthy markets are in areas that would have been closest to factories and the railroad during the height of industrialization, when there was intense demand for inexpensive housing within walking-distance of the city's furniture and metal-working industries.

Demand and investment has been dwindling in the "very weak" markets for decades – keeping prices low and conditions in an ever-worsening state of deterioration. But the weakening of the "soft and getting softer" areas is a more recent occurrence and brings Jamestown close to a tipping point today – where roughly half of its residential blocks are unhealthy or visibly sliding.



PART 2 JAMESTOWN'S HOUSING MARKET TODAY

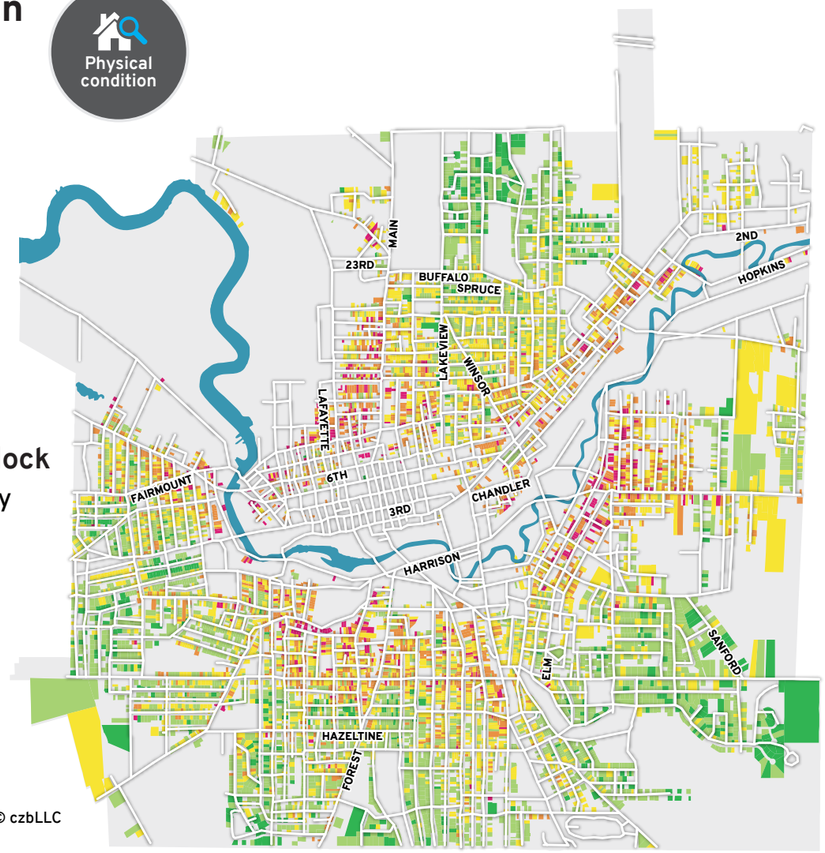
Housing and Population Characteristics by Market Types

Although these market types have been identified using place-based characteristics such as physical conditions and pricing variables, they also clearly reflect socio-economic patterns across the city. The "very weak" market – home to one-third of the city's population – has a poverty rate approaching 50%, the lowest homeownership rate in the city, and extremely high levels of distress and abandonment. At the same time, the "strong" and "healthy but stagnant" markets – also home to one-third of the city's population – have poverty rates close to the national average, high levels of homeownership, and low levels of distress and abandonment. Income is clearly a factor that helps determine levels of investment in housing. And over time, levels of investment influence the sorting of households: those with options choose desirable streets and those without options generally end up living where conditions are worst and rents are lowest.

	STRONG	HEALTHY BUT STAGNANT	IMPROVING MIDDLE	SOFT AND GETTING SOFTER	VERY WEAK
% of Homes in condition: Excellent or Good	68%	69%	32%	34%	11%
Average	26%	27%	48%	36%	37%
Moderate or severe distress	5%	4%	20%	30%	52%
Population	5,931	5,370	4,188	5,400	9,657
Poverty Rate	17.5%	12.8%	28.4%	29.8%	45.3%
Median Household Income	$45,424	$49,412	$32,979	$31,385	$23,084
Abandonment Rate	0.0%	3.2%	6.6%	3.1%	12.2%
Homeownership Rate	70.3%	75.8%	49.1%	45.1%	31.5%
Average Sale Price	$71,576	$79,014	$50,082	$50,846	$29,993
Taxable Value of Residential Properties	$128,081,780	$133,072265	$39,799,600	$50,350,900	$43,802,534

Physical Condition of Residential Structures

Physical condition



Field Survey Scores Averages by Census Block

Field Survey Score

VERY HEALTHY ↑
1
2
3
4
5
↓ VERY UNHEALTHY

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To gauge the current physical condition of each residential structure, a field survey was conducted in October 2016. Scorers rated each property on the following 1 to 5 scale:

1 = Excellent; top of the market, "staying on top of the details"

2 = Good; only modest levels of investment needed

3 = Average; solid, but tired and in need of upgrades

4 = Moderate distress; trending downward

5 = Severe distress; numerous signs of prolonged disinvestment

Average Sale Price

Price levels

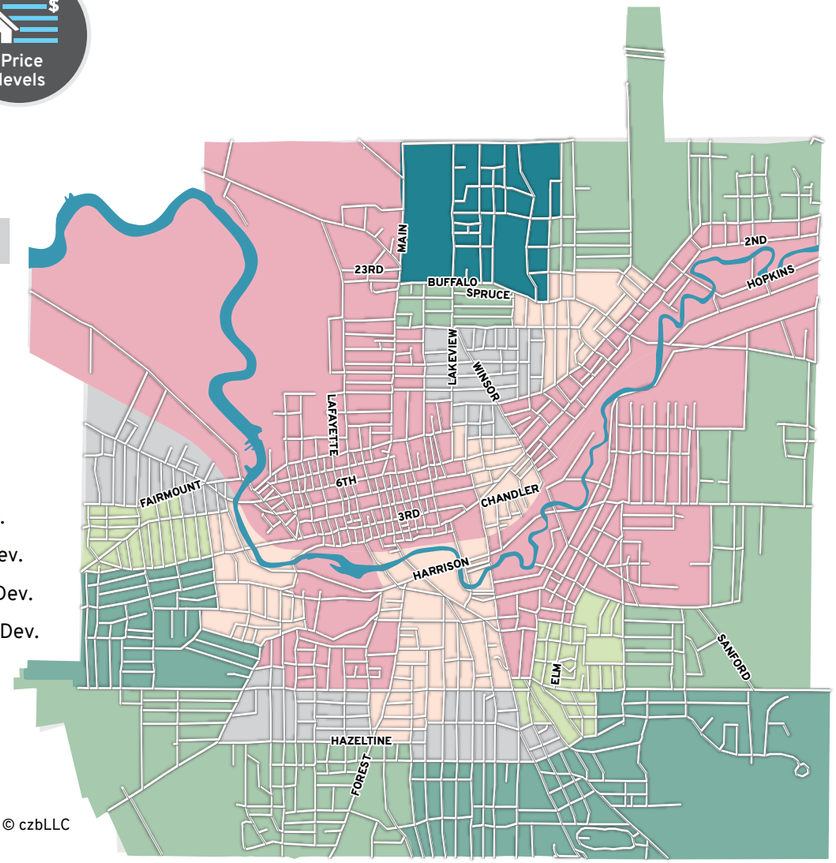
Average sale price = $58,608

Sale Prices Relative to Citywide Average

ABOVE ↑
- > 2.3 Std. Dev.
- 1.8 - 2.3 Std. Dev.
- 1.3 - 1.8 Std. Dev.
- 0.75 - 1.3 Std. Dev.
- 0.25 - 0.75 Std. Dev.

Average
- -0.25 - 0.25 Std. Dev.

BELOW ↓
- -0.75 - -0.25 Std. Dev.
- < -0.75 Std. Dev.



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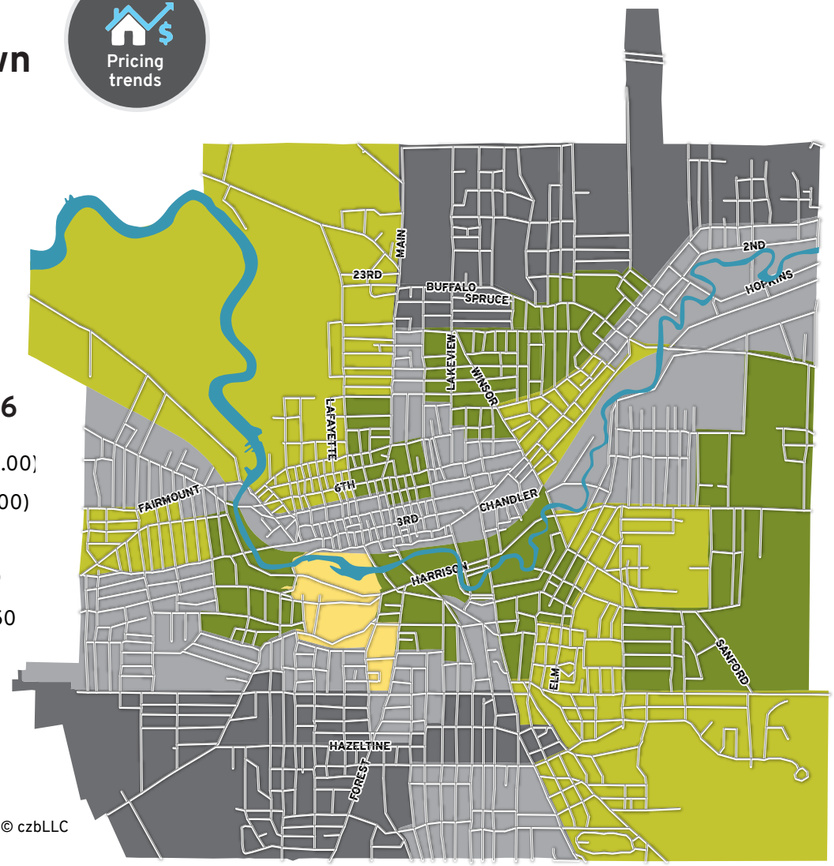
The average sale price of Jamestown homes between 2011 and 2016, based on nearly 1,200 valid transactions, was $58,608. While a few areas of the city had price levels close to the citywide average, most areas were either significantly above or below the average and reflect, to a large degree, the condition patterns revealed by the 2016 field survey.

Sales Below Average
Where conditions are weaker, prices are noticeably lower.

Sales Above Average
Conversely, areas with larger, well-maintained homes – near Lake View Cemetery, Allen Park, and south of the oak tree canopy on West Third Street – average prices are the highest in the city.

Pricing Trends Across Jamestown

Pricing trends



Home Prices Losing Ground

Average sale prices actually dipped by between $5,000 and $15,000 in the northeast and southwest corners of the city – areas where prices and conditions are better than average.

Home Prices Holding and Gaining Ground

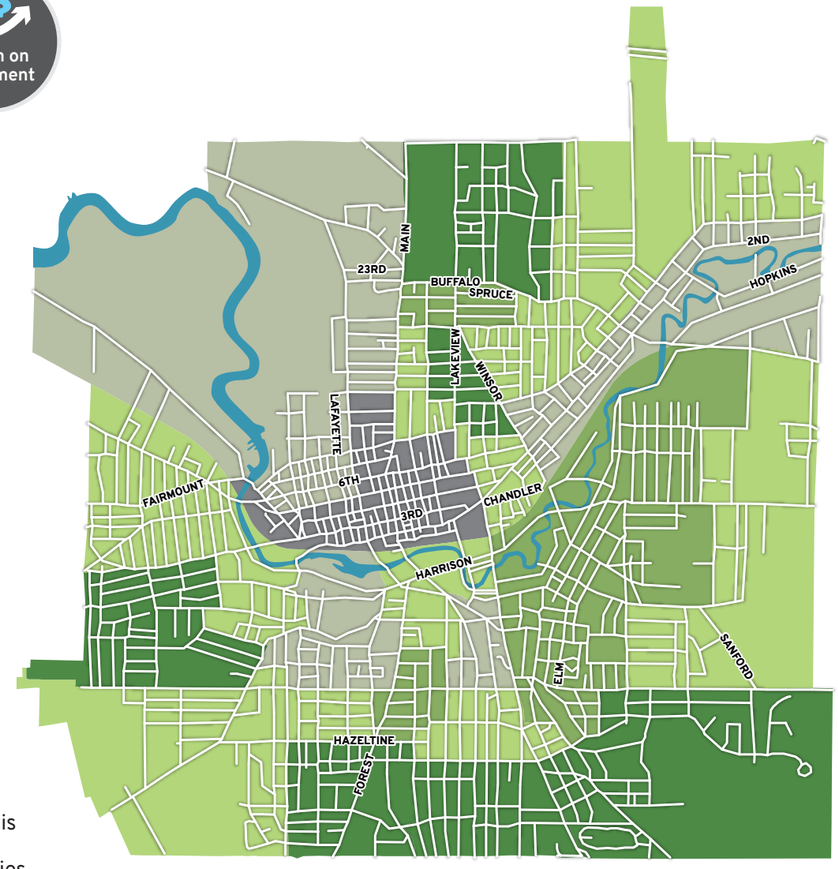
Prices appreciated, however, in the Allen Park area, Park West, and near Bush School – areas that are also generally above average in price and condition.

Some areas near downtown with the steepest appreciation have much lower-than average prices and conditions – potentially indicating a bottoming-out in those areas. In other words, they have nowhere to go but up.

PART 2 JAMESTOWN'S HOUSING MARKET TODAY

Return on Investment

Return on investment



The return on investment analysis is based on the difference in assessed value between properties that received a physical condition score of 2 ("Good") and those that received a score of 3 ("Average"). The bigger the difference, the more incentive there is for an owner to invest in their home because the investment is likely to pay off when the time comes to sell.

In areas shaded dark green, the premium for a "Good" property versus an "Average" property averages at least $15,000. In dark gray areas, there is essentially nothing to be gained, in terms of market value, from upgrading an "Average" property.

Minimal or No Gain in Home Value

Gain in Home Value

Jamestown's Place in the Regional Market

At the same time that markets within the City of Jamestown reflect a sorting of households into areas of greater or lesser desirability – based on the financial ability of a household to access a healthy neighborhood – a similar kind of sorting is apparent regionally. Average sale prices during 2011-2016 were much lower in Jamestown and the villages of Celoron and Falconer (all of which have similar housing stocks and socioeconomic profiles) than in the towns of Busti, Ellicott, and Kiantone, and the Village of Lakewood.

Although larger lots, newer houses, and, in some cases, the advantage of lake-frontage all play a role in pricing differences between the city and other communities, it is clear that even the strongest parts of the Jamestown market and its highest-value property types are substantially undervalued and bear the burden of a "city penalty" conferred by homebuyers – at a time when the strongest markets in many cities are experiencing something closer to a "city premium" due to their architecture, location, walkability, and other desirable traits. While prices outside the city reflect something close to a market equilibrium for southeast Chautauqua County, prices in the city are steeply discounted – a discount that property owners must take into account when thinking about how much to invest in home improvements.

Average Sale Price, 2011-2016

Place	Average Sale Price, 2011-2016	# of Sales
Jamestown	$58,608	1,165
Lakewood	$135,814	172
Busti	$150,860	216
Carroll	$83,923	124
Celoron	$63,797	35
Falconer	$70,284	87
Ellicott	$112,197	244
Kiantone	$130,213	69

City Sub-markets

Strong	$71,576
Healthy but Stuck	$79,014
Improving Middle	$50,082
Soft and Getting Softer	$50,846
Very Weak	$29,993

Change in Average Sale Price, 2011-2016

1,000 to 1,499 Sq Ft
3 Bedrooms
2 Full Baths

Place	# of Sales	Average Sale Price
Jamestown	45	$62,815
Lakewood	8	$111,438
Busti	9	$121,400
Carroll	13	$104,723
Falconer	4	$75,975
Ellicott	17	$115,951
Kiantone	5	$129,200

In the category of slightly larger homes with 3 bedrooms and 2 full bathrooms, prices in Jamestown were well below those of surrounding communities – and almost 50% below prices in Ellicott, Busti, and Lakewood.

2,000+ Sq Ft
3 Bedrooms
2 Full Baths
0-1 Half Baths

Place	# of Sales	Average Sale Price
Jamestown	12	$106,082
Lakewood	11	$221,586
Busti	20	$194,135
Carroll	3	$170,600
Celoron	1	$172,000
Falconer	4	$120,750
Ellicott	14	$193,393
Kiantone	3	$230,667

2,000+ Sq Ft
4 Bedrooms
2+ Full Baths
0-3 Half Baths

Place	# of Sales	Average Sale Price
Jamestown	40	$120,314
Lakewood	21	$214,557
Busti	19	$271,065
Carroll	4	$124,125
Falconer	4	$146,955
Ellicott	6	$289,417
Kiantone	6	$171,850

Average prices cracked the $100,000 mark in Jamestown in the category of homes with more than 2,000 square feet – but city prices were still much lower than surrounding communities.

Change in Average Sale Price

Place	Average Sale Price 2011-2013	Average Sale Price 2014-2016	Change	# of Sales
Jamestown	$59,837	$57,320	-$2,516	1,165
Lakewood	$146,240	$125,388	-$20,852	172
Busti	$152,102	$149,829	-$2,273	216
Carroll	$82,238	$85,180	$2,943	124
Celoron	$71,339	$58,768	-$12,571	35
Falconer	$71,023	$69,625	-$1,398	87
Ellicott	$107,020	$116,966	$9,946	244
Kiantone	$147,380	$115,366	-$32,013	69

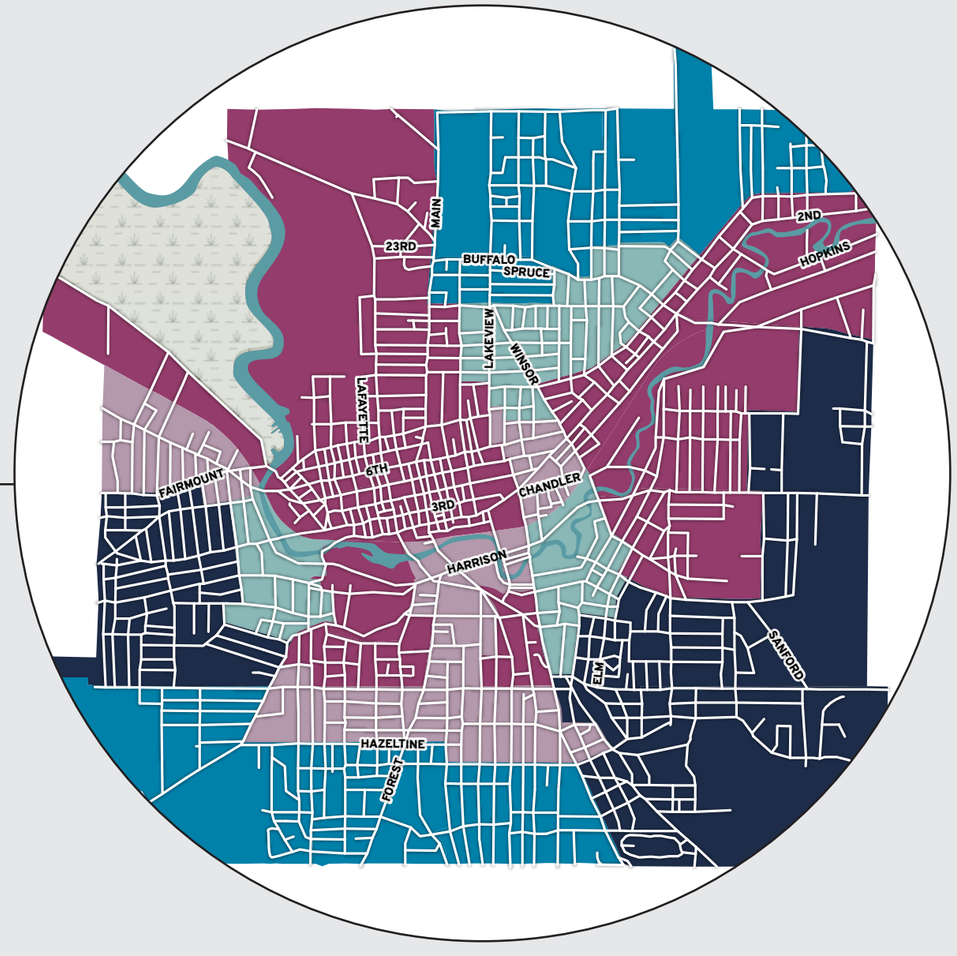
While average prices in Jamestown have been relatively low, city prices have been fairly stable compared to some surrounding communities. Average sale prices citywide fell slightly (-4.2%) between the period 2011-13 and 2014-16, faring much better than prices in Lakewood, Celoron, and Kiantone. Only Carroll and Ellicott experienced a positive change in average price.

The Bottom Line

The distribution of Jamestown's five market types reveals a city with pockets of real momentum and swaths of general stability – more strength, overall, than the average Jamestown homeowner probably assumes. But these areas are in close proximity to zones of considerable weakness and instability. Where confidence exists, it is likely fragile and highly sensitive to proximate signals of distress and disorder.



Concerns about the direction of the city's markets – interwoven with perceptions about crime, schools, taxes, and return on investment – are clearly reflected in regional pricing patterns. Buyer preferences for urban, rural, or lakefront housing aside, people are paying more for areas outside of the city that seem to be safer bets in a stagnant regional market.



Part 3

Strategy Impact Analysis

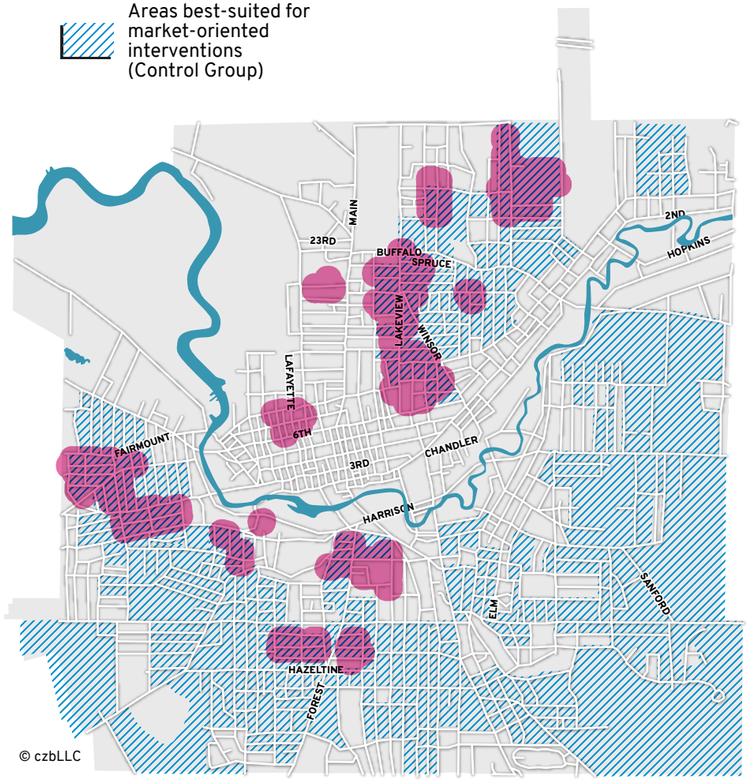
Since launching its neighborhood revitalization programming in 2011, the Jamestown Renaissance Corporation's flagship project, the Renaissance Block Challenge, has sought to boost levels of homeowner pride and reinvestment in areas of relative stability and strength – a strategic need largely ignored by federal and state housing programs. Through a competitive process that emphasizes neighborhood teamwork and camaraderie, small matching grants have been made to more than 300 property owners to support over $900,000 in exterior home improvements.

The "Intervention Areas" labeled to the right represent areas where the Renaissance Block Challenge occurred between 2011 and 2015. In most instances during that period, clusters of applicant property owners were located within areas identified by the 2010 neighborhood revitalization plan as being suitable for market-oriented interventions due to their stability and the high likelihood that visible improvements in neighborhood condition would trigger transformative levels of pride and investment. Those stable market areas identified by the 2010 plan – shaded blue – were designated as the Control Group for this analysis.

Renaissance Block Challenge

Intervention Areas

Areas best-suited for market-oriented interventions (Control Group)



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To measure recent change in areas touched by the Renaissance Block Challenge against the Control Group, units of measurement were created around the intervention areas. **Participant properties** – those that received grants and invested in exterior improvements – are shaded in yellow on the map to the right and are surrounded by boxes that correspond with Census blocks. These boxes represent the units of measurement – recognizing that one of the goals of the Renaissance Block Challenge is to have an influence on confidence and reinvestment on areas surrounding the participant property clusters.

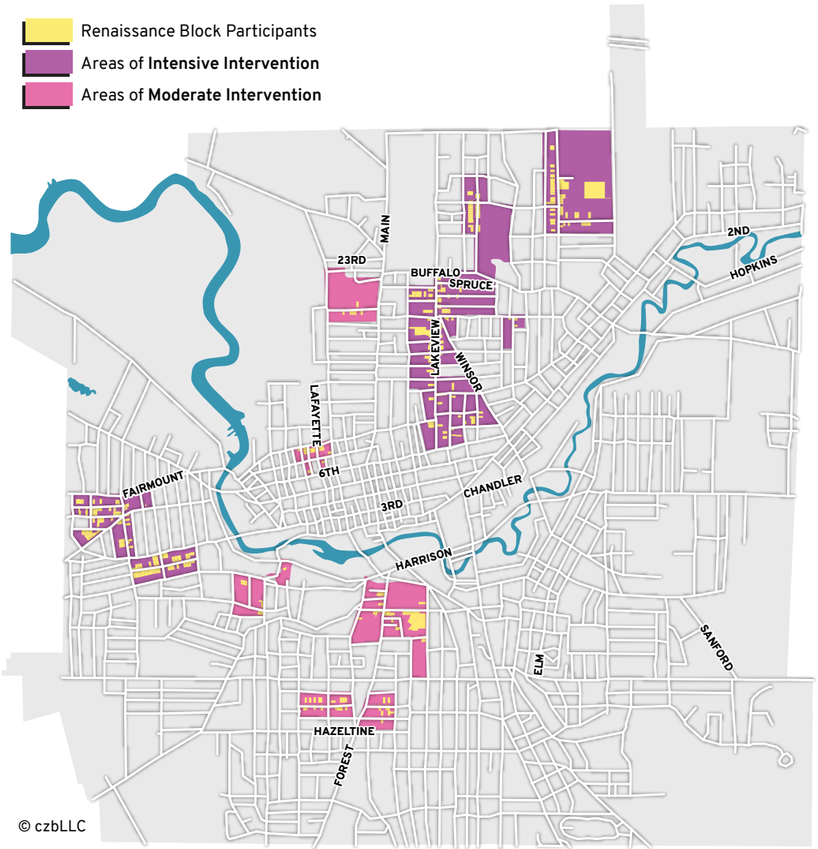
These units of measurement were then split into two groups. One group represents areas of intensive intervention, where multiple rounds of the Renaissance Block Challenge have occurred within a fairly tight geography, often with many properties as repeat participants. The other group represents areas of moderate intervention, where only one round of matching grants have been distributed, or where project non-completion rates were high.

Renaissance Block Intervention Areas

Renaissance Block Participants

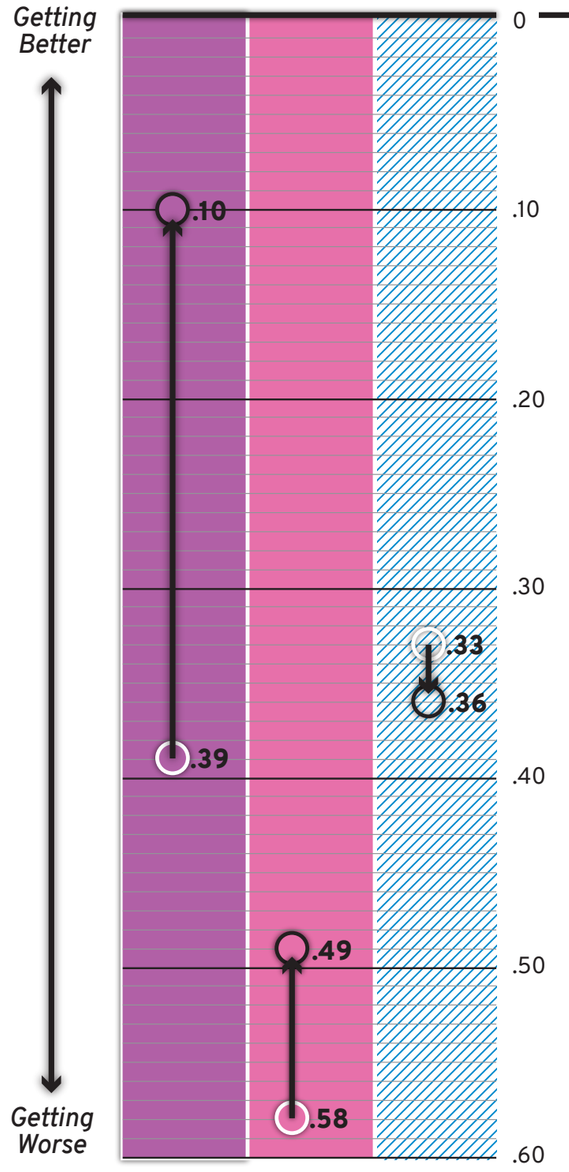
Areas of **Intensive Intervention**

Areas of **Moderate Intervention**



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Influence on conditions since 2009



*A relative measure of 0 would indicate that the average field survey score in the analyzed area is equal to the **average score found within the city's two strongest market types.***

1 STRONG

2 HEALTHY BUT STAGNANT

The relative measure is provided to account for the different scorers used in:

2009 2016

Analyzed Areas:

Intensive Intervention

Moderate Intervention

Control Group

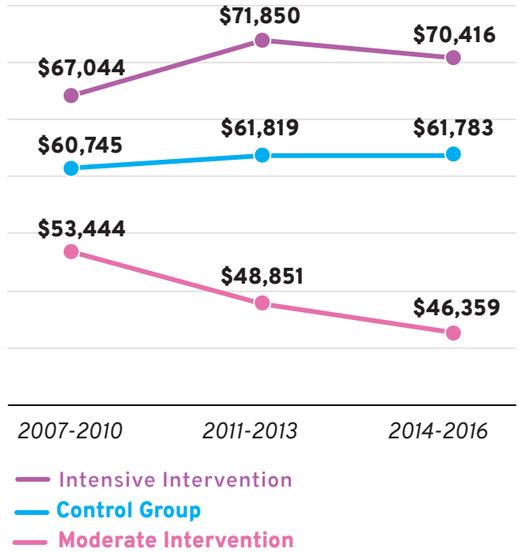
How did the physical condition of housing change in the three areas of measurement – the control group, the areas of intensive intervention, and the areas of moderate intervention – between the market analysis completed in 2009 for the neighborhood revitalization plan and 2016? Did conditions improve, degrade, or stay the same?

To test this, and to remove the possible impact of different individuals scoring the properties in 2009 and 2016, average property condition scores of each area were compared to a baseline ("0" on the adjacent scale) represented by the average scores of Jamestown's "strong" and "healthy but stagnant" market types. Movement toward "0" between 2009 and 2016 indicates a relative improvement in housing conditions, while movement away from "0" indicates a relative worsening.

This analysis reveals that conditions in the areas of intervention – both intensive and moderate – improved relative to the baseline, while the control group worsened slightly. Additionally, conditions in the areas of intensive intervention improved the most, going from just lower than the control group and .39 points beneath the baseline in 2009 to just .10 points beneath the baseline in 2016. The areas of moderate intervention, which started out with the lowest average scores of the three groups, improved to a lesser degree but still outperformed the control group.

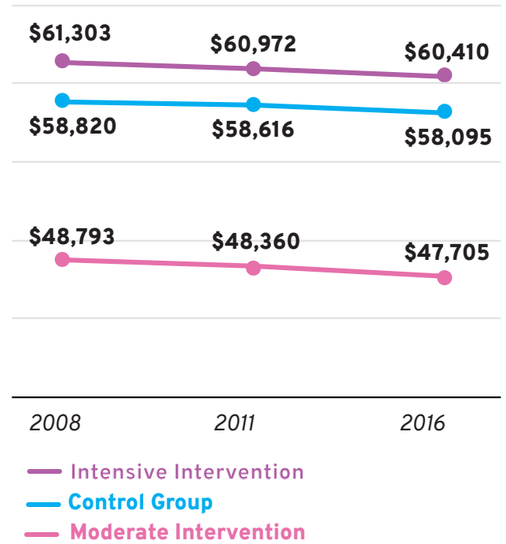
Influence on price

Average Sale Price of Single-family Homes by Area



Influence on taxable value

Average Assessed Value of Single-family Homes by Area



How did the market and taxable value of housing change in the three areas of measurement? In the areas of intensive intervention, average sale prices rose by 5% between the periods 2007-10 and 2014-16 – although it peaked in 2011-13 and then dipped slightly to $70,416. That 5% overall rise compares with a 1.7% overall rise in the control group, which started at lower overall price levels than the areas of intensive intervention.

In areas of moderate intervention, which started with average sale prices below the citywide average, average sale prices slid 13.2% between the period 2007-10 and 2014-16 – exhibiting the troubling downward momentum apparent in the city's "soft and getting softer market type."

Average assessed values, which take into account all properties in these areas of measurement and tend to lag behind patterns shown in average sale prices, slid by nearly equal rates in all three areas of measurement – by 2% or less between 2007-10 and 2014-16. This decline is on par with change in citywide taxable value. But, as with the erosion of the overall tax base, inflation takes a toll. If areas of intensive intervention had kept pace with inflation, their average value would have been closer to $69,000 in 2016 instead of just over $60,000.

Intensive Intervention in Jamestown – Progress in the Making



The market-oriented strategies reflected by the Renaissance Block Challenge and the JRC's other efforts – including development of neighborhood leadership capacity and promotion of beautification through gardening and landscaping – take time to develop and transform market attitudes. After five years, this strategy impact analysis shows that these efforts are likely contributors to visible improvements in housing conditions – especially in areas of intensive intervention – although these improvements have not yet been taken into account by the housing market in ways that translate to significant and sustained increases in value that are needed to narrow and eventually close the gap between Jamestown and surrounding communities.

Nevertheless the **areas of intensive intervention provide evidence that these strategies are creating momentum** – and that a combination of tools patiently developed and deployed over time in focused areas is making a difference.

A good example of intensive intervention using multiple tools since 2011 is the area around the southern end of Lakeview Avenue. In this relatively small area, several partners have contributed to a stronger and more stable neighborhood in a short period of time:

- The JRC's Renaissance Block Challenge has provided matching grants to several properties in coordination with the Lakeview Avenue Community Action Project (LACAP) and Northside PRIDE;
- The City of Jamestown rebuilt Lakeview Avenue, installed new sidewalks, and planted new trees;
- The JRC and Chautauqua County Health Network partnered on the development of a community garden on a vacant lot, creating a gateway at Lakeview Avenue and E. 6th Street;
- The Chautauqua County Land Bank provided resources for the city's demolition of a long-blighted tax-foreclosed property on Liberty Street;
- The Land Bank acquired the historic Lucille Wright House on Liberty Street from an out-of-state bank and sold it to a new homeowner committed to its complete renovation;
- LACAP started a neighborhood watch and developed an interpretive plaque program to communicate the street's architectural value;
- Lakeview Avenue and the southern end of Liberty Street were nominated to the State Register of Historic Places in late 2016 after a two-year effort by the JRC, making dozens of properties eligible for historic preservation tax credits.

These actions, all coalescing in the same small area, represent the value of collaboration and focus to neighborhood revitalization – and provide a tangible Jamestown example of best practices to replicate going forward.

Part 4
Recommendations

The current state of Jamestown's housing market – its mixture of strong, vulnerable, and extremely weak areas – and lessons from neighborhood revitalization efforts since 2010 offer several useful signals to guide the next five to ten years of neighborhood work in Jamestown. Key among these signals are the following:

- **Resources are limited and becoming more so:** Local foundations have been very willing to lend their support to the JRC's work – both in terms of enabling the staff capacity necessary to implement programs and cultivate neighborhood leadership, and providing flexible funding for property owner incentive programs. Those resources are not likely to expand in coming years and may even diminish, thus requiring ***acute focus*** on what and where to invest to achieve the strongest return with the resources on hand.
- **Intensity matters:** The areas of intensive intervention from the strategy impact analysis provide confirmation that one-off investments are unlikely to achieve a noticeable change in confidence and investment attitudes. Shifting resources around – especially on a competitive basis – creates a general sense of fairness, but it comes at the expense of predictability and the confidence that predictability instills in property owners.
- **Proximity of strong and weak blocks is a central barrier to revitalization:** Underscoring the dearth of predictability is how close the city's strongest areas are to signals of distress and disinvestment – whether on an adjacent residential block or the traffic artery that connects strong areas to the rest of the city. Distress is almost inescapable during one's daily routine in Jamestown and drives the discounting of sale prices and investment across the city.
- **A mixed-toolkit is essential:** The areas of intensive intervention also demonstrate the value of a mixed toolkit – of having resources and tools on hand that match a range of opportunities and challenges on the ground. A mixture of tools has the advantage of drawing from several potential resources (private, city, county, state, and federal) and bringing expertise from several potential partners to the table.
- **Incentives are important, but they are not enough:** The central policy recommendation of the 2010 neighborhood revitalization plan was City Council adoption of a rental registration program – one that would involve an inspection regimen to put an effective floor beneath a weak market with hundreds of substandard rental properties. That hasn't happened due to predictable objections from landlords. As a result, the market still lacks a firm floor, the rental market is still saturated with barely habitable stock, and neighborhood confidence continues to be limited by a relative handful of negligent landlords.

These signals can be translated into five basic principles for guiding neighborhood strategies in Jamestown going forward. Efforts across the public, private, and non-profit sectors should be **focused, patient, visible, assertive, and coordinated.**

Principles to Guide Strategy and Action

Focused
operate in well-defined, concentrated areas

Patient
stay in a focused area for a while so that resources can be marshaled and leadership capacity builds; predictability pays dividends

Visible
invest, whenever possible, in visible signals of improvement

Assertive
carrots can make things happen, but be prepared to step in and push things forward

Coordinated
multiple partners with multiple tools

Using the five principles and drawing from the updated market analysis, **four focus areas** have been identified as having the most potential to maintain strong or improving markets where they exist, and to transform general attitudes about the city and its neighborhoods. Each focus area sits in a transitional zone between strong and weak areas and include two components: (1) an area where stability exists and **market-oriented** (or healthy neighborhood) approaches such as the Renaissance Block Challenge will pay dividends, and (2) an adjacent **node or corridor** where blight or disinvestment are highly visible and send poor signals to those in the former and to the wider market.

FOUR FOCUS AREAS

Northside/Lakeview Focus Area

Destabilizing corridor:
North Main Street

Assets: Lakeview Historic District and several high-performing Renaissance Blocks

Western Gateway Focus Area

Destabilizing node:
Fairmount/Hall/Livingston

Assets: Several high-performing Renaissance Blocks; high visibility western gateway

Hazeltine/Forest Focus Area

Destabilizing corridor:
Forest Avenue

Assets: Bergman Park/Persell School; a few high-performing Renaissance Blocks; critical buffer to areas south of Cole Avenue

Allen Park/Hospital Focus Area

Destabilizing corridor:
Foote Avenue

Assets: Allen Park; UPMC Hospital



Focus Areas and Nodes/Corridors

FOCUS AREAS for **Renaissance Block** and **Healthy Neighborhood approach**

DESTABILIZING NODES or CORRIDORS for **targeted blight removal or beautification**

Market Typology

- Strong
- Healthy but Stagnant
- Improving Middle
- Soft and Getting Softer
- Very Weak

In each focus area...

If enough partners commit to focusing geographically in this manner, that commitment should last for no fewer than five years and involve a toolkit such as the following:

Small matching grants for residential property owners, including landlords (through a redesign of the Renaissance Block Challenge)

Cultivation of resident leadership capacity

Aggressive abatement of blight or removal of blighted properties

Prioritized use of homeowner and rental rehab programs

Prioritized street maintenance and tree planting

Community selection and support for catalytic beautification projects

Prioritized interventions by Land Bank at tax-foreclosed or bank-foreclosed properties

Targeted code enforcement and compliance assistance

In non-focus areas...

Outside of the recommended focus areas, the five principles – focused, patient, visible, assertive, and coordinated – offer additional guidance, especially when paired with the market types defined in this report and the tools that are most likely to promote stability in each type. Examples of strategic action citywide and outside the focus areas include:

Citywide

Prioritize the abatement or removal of blight around schools and other community assets through proactive code enforcement or acquisition/demolition.

Institute a rental registration and landlord licensing program to (1) improve standards of maintenance in rental housing across the city, (2) drive neglectful landlords from the market, and (3) level the playing field for conscientious landlords.

Strong and healthy but stagnant

Only 16 properties in these two market types were scored as severely distressed in the 2016 field survey (3% of the citywide total). These should be priorities for acquisition, demolition, rehab, or proactive code enforcement.

Improving middle

50 properties in this market type were scored as severely distressed in the 2016 field survey. These should be targets of proactive code enforcement but are second-order priorities for acquisition, demolition, or rehab – unless they fall within a focus area.

Very weak and soft and getting softer

These markets have 456 properties in severe distress – an almost $10 million demolition expense, not including acquisition costs. If outside a focus area and not adjacent to a community asset or gateway corridor, these properties should be acquired, secured, and held as they become available through tax foreclosure.

Poverty in very weak market areas is already approaching 50%. Do not further concentrate poverty in these areas through the construction of additional affordable housing units.

Neighborhood Revitalization Progress Report
for Jamestown, New York

March 2017

