

What to do?
How best to handle problem properties? What do distressed homes mean for our city?



Where to do what?
Do regulations matter? What role do I have in the status quo of my community?



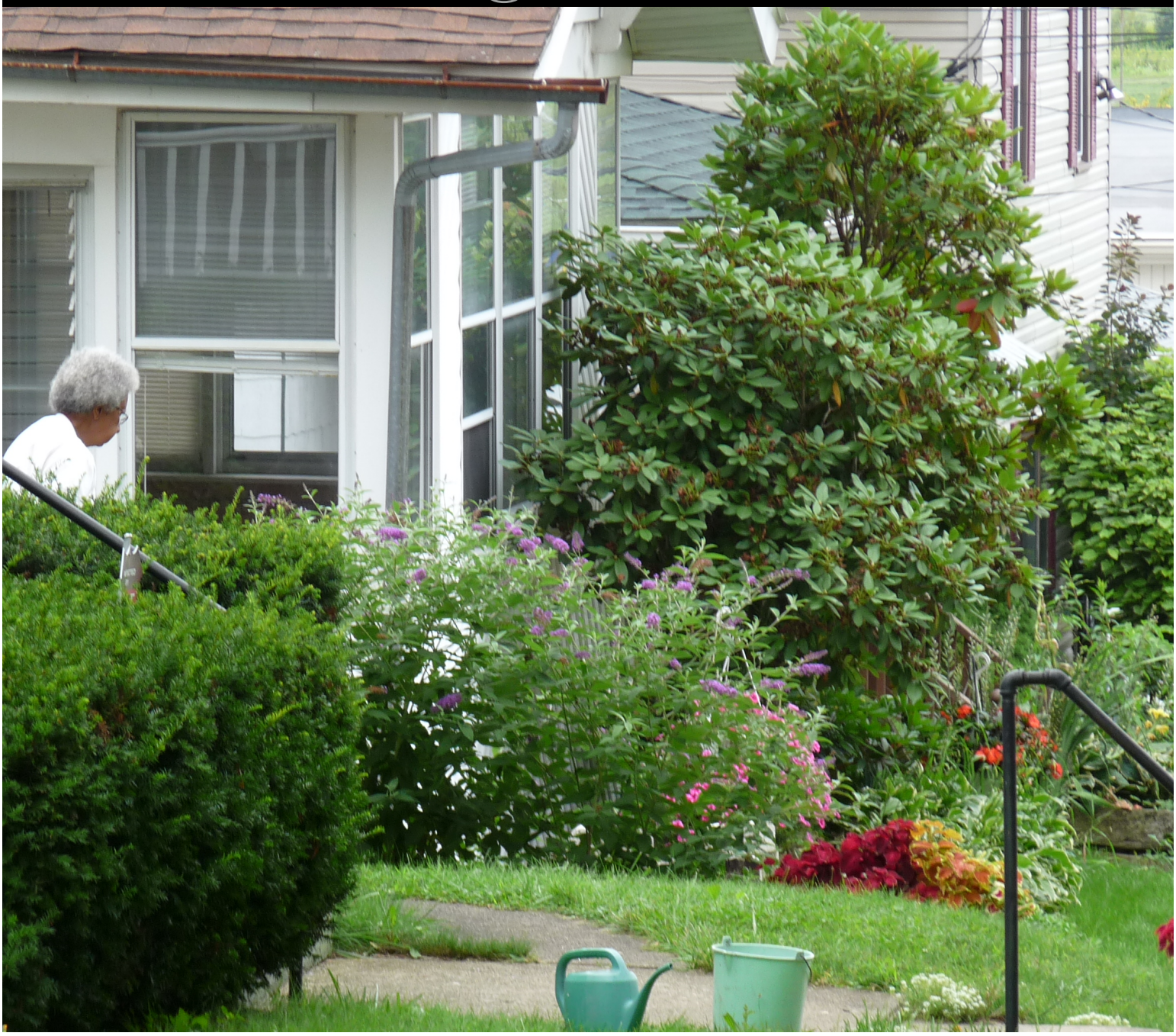
How much to spend?
What's the best use of scarce resources?

March 5, 2010
czbLLC

A project of the
Jamestown Renaissance
Corporation

Report to the City of Jamestown, NY

Reinvesting in Itself





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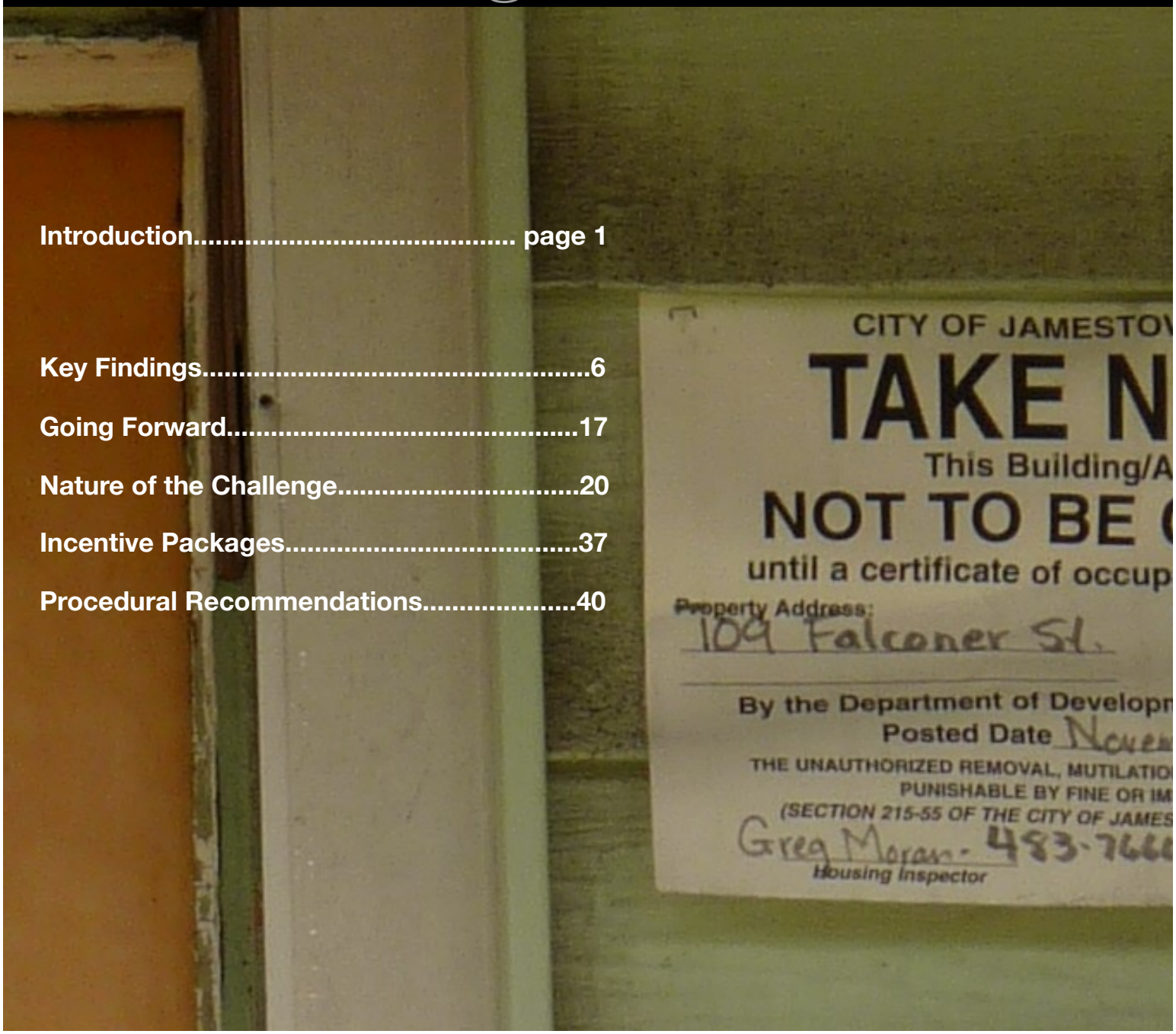
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INTRODUCTION

This report is written to the citizens of Jamestown, New York. As a consultant team researching Jamestown and writing this report, czb had an unparalleled opportunity. We were fortunate to work with some of the finest civic leaders and residents in one of America's great hometowns.

Jamestown is a remarkably livable community with valuable resources, great civic and governmental institutions, and an enviable quality of life. Indeed, one major disappointment in this work is that too many of the residents of Jamestown focus on the failings without recognizing the unique worth of so much of this great community.

In a nutshell, Jamestown is a place that ought to be valued and loved more. It is a place that deserves attention and investment. It was our great challenge to look thoughtfully at what is happening today and to suggest what ought to be done to assure that Jamestown thrives and emerges over the next decade as an even better community.

To do this we employed leading edge research methodologies and collected a large amount of qualitative and quantitative data. Importantly, though, we also relied heavily on some very old-fashion tools – we looked carefully and we listened intently. We saw what was happening in the neighborhoods and on the blocks and we thought through what that means and how things could change.

This effort springs from our rather unique position: while we have experience in hundreds of communities, we still look at each place from a fresh perspective. The result is a report that is a reflection of your community's strengths and an honest and realistic analysis of what is and what is not working in Jamestown.

We have pulled no punches in this report. Where the data show weakness, we point it out. Where there's strength, we draw attention to it. The report is also, *intentionally*, repetitive. Housing econometrics is very complex. Boiling down the many moving parts of a complex system runs the risk of missing key insights. By repeating and re-examining certain concepts we target the most important themes Jamestown needs to focus on.

The challenges of change needed in Jamestown are well known, and have been documented for decades. Shifts in employment, declining population, stagnant incomes, changing retailing, and dozens of similar dynamics have shaped the community, just as these forces have shaped countless cities and small towns across America. In fact, Jamestown has weathered these impacts better than many similar communities.

But the Jamestown of today is a very different place from only a few decades ago. While in the early 1900s Jamestown was reportedly becoming a major city, by the end of the century Jamestown was transforming into a small town. Today, Jamestown is smaller than at any time since Theodore Roosevelt was President, but it occupies - and importantly must pay to maintain - a costly infrastructure built for a much larger population.

This change did not happen overnight. The Jamestown of today is the product of decades of changing economics. What citizens must wrestle with now is the complex array of factors that have shaped Jamestown, and how citizens now can today exert positive influence going forward in part by building on what works: its strengths.

The residents of Jamestown in 2010 benefit from many important strengths. Surely, Jamestown is one of the most beautiful towns in the United States. Second, the setting - Chautauqua County - is one of the most idyllic, as well. Third, the homes, spacious yards, rich civic life, good schools, and historic architecture, all make Jamestown a great place to raise a family. Dollar for dollar Jamestown may offer among the highest quality of life options found anywhere in America.

Ordinarily, this powerful combination of strengths results in a place being in great demand, first by those already there who seek to stay and for whom it makes sense to continually reinvest, and second by those from elsewhere who aspire to move to such a place.

This is not the case in Jamestown, though.

Regrettably, Jamestown residents in 2010 must also contend with some problematic realities. First, Jamestown is getting smaller and has been shrinking for a long time.[1] Second, housing values are flat, and have been for a long time. Third, low standards of home upkeep have created pocket blight, with measurably negative impacts on neighboring housing values.

Jamestown's citizens need to know that this is a deeply ironic, explainable, and solvable situation.

It is ironic given that Jamestown is a city with such strengths and the basis to sustain population levels and property values. Ironic as well since Jamestown is a city with substantial philanthropic capacity and sizable if limited public sector resources.

It's explainable in that the ingredients that drive market strength are not woven into the combined fabric of city policies, city council deliberations, or resident behaviors.

It is solvable in that most of the challenges Jamestown faces are problems of its own making, and thus can begin to get fixed mainly by adhering to the first Law of Holes, which states that the if one wants to get out of the hole one is in, the first order of business is to stop digging. It's solvable in that the problems of population decline and falling housing values and weakened neighborhoods can be repaired.

But to be fixed, almost everything being done in Jamestown now by way of policies that affect housing and neighborhoods needs to be re-thought and re-imagined. A whole new approach is needed, an approach that focuses on growing strengths (not fixing problems), leveraging reinvestment (not chasing subsidies), and building a base for confidence in Jamestown (not sanctioning the bottom-of-the-foodchain property ownership behaviors of a few reprobates).

All of this is within reach. Jamestown can be a strong community of 25,000 to 30,000 residents, committed and invested in the city. This report details the way to get there.

A critical key in repositioning Jamestown to become a stronger market is further development of the on-going partnership between the City of Jamestown, the Jamestown Local Development Corporation, large employers, and both the Gebbie and Community foundations. The purpose of an expanded partnership is to help make it make sense for average home owners to reinvest

in their homes, upgrade them and continue their tradition of prideful ownership but at a more significant and sustained level.

It means that actions of each of these critical civic, government, nonprofit, and private sector leaders need to be in sync, organized around a common understanding of baseline conditions, based on agreement of interpretations, and capable of performing roles in recovery in mutually reinforcing ways.

In sum, the baselines tell us that Jamestown is shrinking and has excess housing.

Everyone in the community needs to come to terms with that reality.

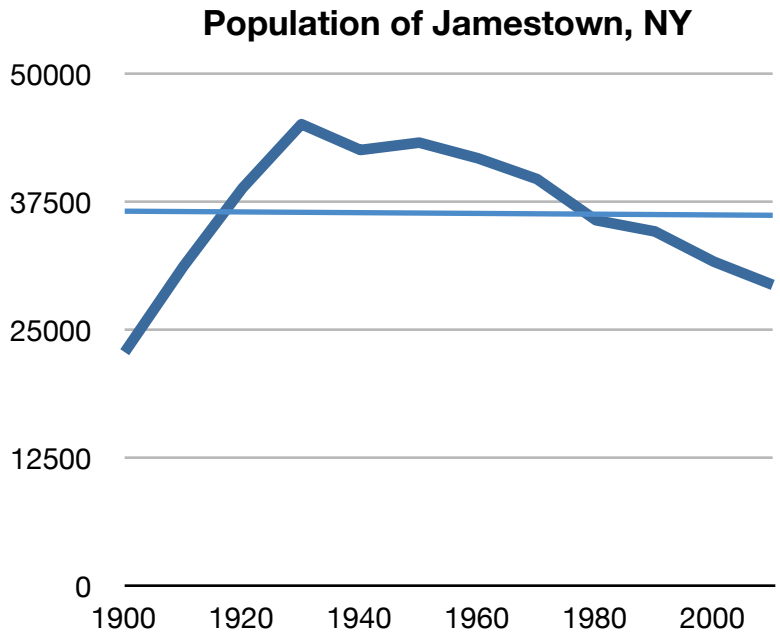
Leaders in Jamestown must also share a common interpretation of what this means and what it does not mean. It means that Jamestown has a demand problem to solve. It has supplies of housing that are unmarketable and hold back the great virtues Jamestown does possess.

Growing strengths is more important than ever. It means institutions in Jamestown cannot afford to work at cross-purposes. Code enforcement must be sensibly supportive of rental property law. Street repair must be consistent with housing improvement.

What are the baselines we recommend everyone commit to memory and start with?

1. Population Loss.

Since 1950, fewer and fewer people have chosen to live in Jamestown. It is an astonishing fact that Jamestown has been steadily losing population not for ten years, or 20, or even 30, but rather for a full 60 years!



During the *six decades* since the US fought the Korean War - the last period of population growth was in the early 1950s - Jamestown has become smaller by approximately 5,900 fewer families.

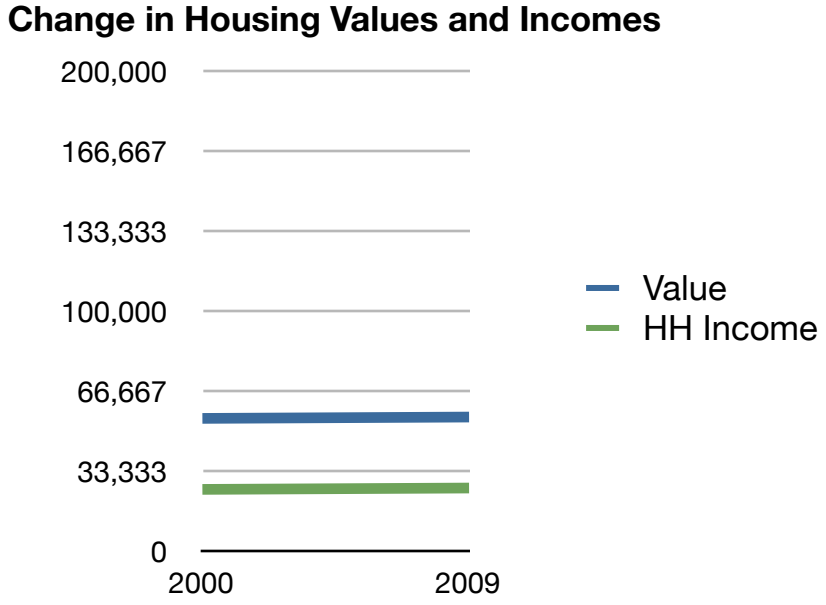
If one discounts a period of population growth following WWII, Jamestown has actually been losing population since before the Great Depression, and, in fact, Jamestown today is about the same size in population as it was during the second Theodore Roosevelt administration. And while it has shed households, a good portion of the physical homes themselves - many of which were not built well to begin with, are obsolete and unappealing, or in severe physical distress - remain and function as a downward weight on housing values.

What does this mean? Fewer and fewer people mean less and less demand. Less and less demand means lower and lower housing values. Lower values mean less incentive to reinvest. Less reinvestment means a degraded condition and image. Lower quality conditions and images mean a weaker market. A weaker housing market means lower capacity households, which in turn means less of the behaviors and abilities cities need to project the pride and high standards that help promote a community.

Sustained population losses make it harder for homes to hold value as demand is less and less and as the cumulative effects of deferred maintenance define more and more of the housing stocks. Actions by civic institutions and government alike must be organized to respond to the market realities of a smaller city.

2. Housing values have been and remain flat.

In 2000 the average sale price of a single family home was $55,417 at a time when the median household income was $25,837, an astonishingly affordable 2.14 housing value to household income ratio.[2]



Ten years later, the ratio remains an overwhelmingly affordable 2.12, with average sales for single-family homes in 2009 at $55,980, and median household incomes for 2008 at $26,405. So during a period of unprecedented access to creative financing, and the advent of wholesale transfers of homes equity stores from the leading edge of the baby boomers to retirement and second homes in virtually every market in the US, Jamestown values and incomes remained flat in absolute terms and fell against inflation.

Though it is true that the Jamestown market's flat rate of growth has a silver lining because there was no housing bubble to burst, the more pressing matter is that families with homes to sell cannot find buyers with offers sufficient to finance their next stage of life - whether a new larger home for a growing family, or a smaller place to retire.

Due to the impact of such sustained decline on housing values and the reduced demand for quality retail, the economic multiplier effect has been profound. Fewer families means less demand for household goods, for groceries, for cars, for hardware. It means less spending in an already weak economy.

3. Low standards of upkeep

Reduced levels of care of homes by many in Jamestown has had serious negative consequences.

For families trying to sell their homes, the impact of deferred maintenance on home sales is substantial: a house near a distressed property in Jamestown will, on average, sell for $25,106 less than it would have if that distressed property were removed or placed back in service at a high level of repair.

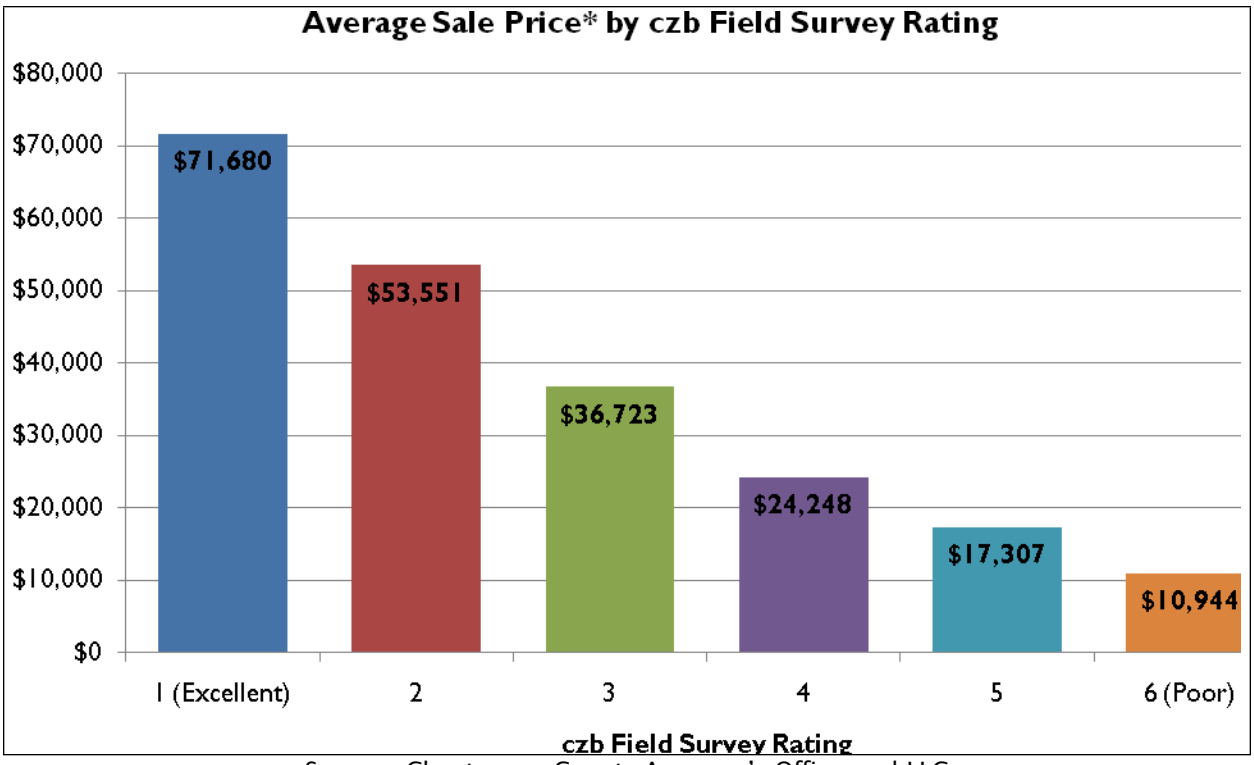
This means that withholding maintenance and upkeep has complex financial consequences for Jamestown. When good upkeep is limited, housing values decline and people can't sell their homes to pay for all they've put into them and for what they need. When housing values are low, tax rates rise to compensate.

The irony is that many homes (77 percent) are in fair to good condition and could be made excellent for as little as $1,000 each over two years. But these six thousand or so fair-to-good-condition homes are both being seriously impacted by a few hundred problem properties, and, importantly, they themselves (the 77 percent) *all could stand improvement*. In other words, it's not just the bad houses over on Tower that are dragging down the market, it's also the markedly sub-optimal upkeep on Lakeview and the creeping blight on Hallock, *to cite just two of hundreds of examples*.

KEY FINDINGS REGARDING PROPERTY CONDITIONS AND VALUES

Conditions and Impacts

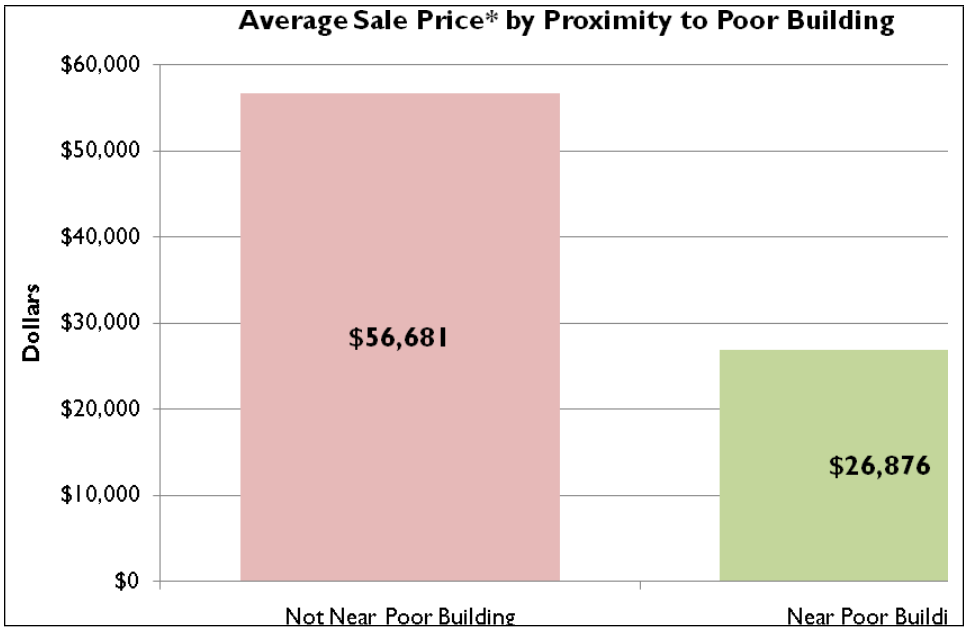
A property's condition affected its value.[3] While properties ranked in excellent condition (by czb fieldworkers) sold, on average, for more than $71,000, those ranked in poor condition sold, on average, for less than $11,000. With each step down in quality (from 1 to 2, or from 2 to 3, for example), the average sale price declined by roughly 30%.



Source: Chautauqua County Assessor's Office., czbLLC
Note: The average sale price was calculated for significant sales (those over $100) of single-family homes (Property Class of 210) only.

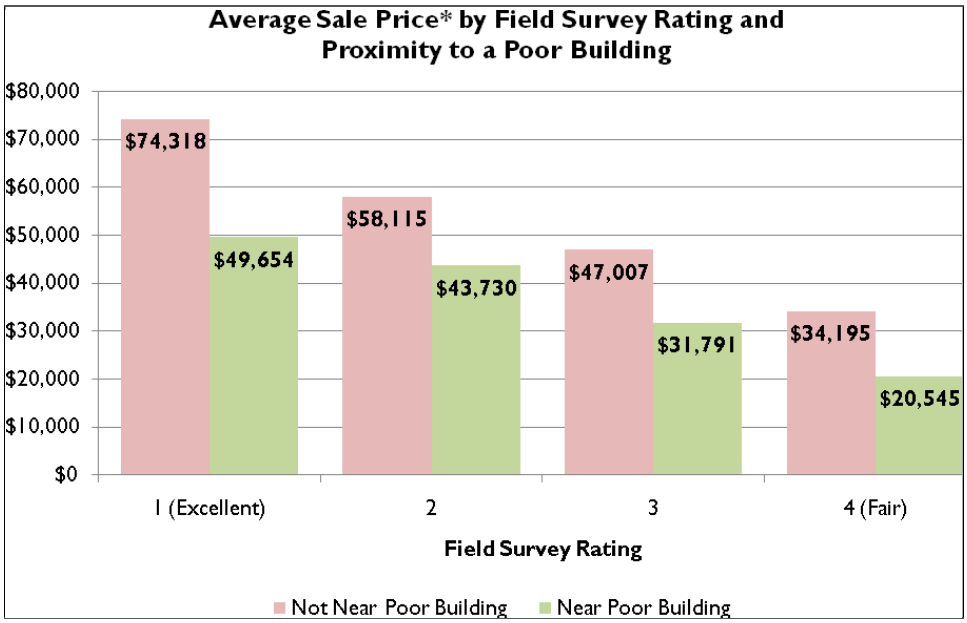
Approaching the situation from the opposite direction, any improvement in quality (from 5 to 4, or from 4 to 3, for example) has the potential to substantially increase the resale value of the targeted property. For instance, transforming a "5" property into a "3" property or a "4" property into a "2" property could more than double its value. (On average, 3s sold for 2.1 times the amount that 5s did; 2s sold for 2.2 times the amount that 4s did.)

What's more, poor conditions not only affect the value of the poor building itself, but also all other properties on its block. According to property surveys conducted by czbLLC and data from the Chautauqua County Assessor's Office, buildings within 300 feet (the length of a typical city block) of a "poor" building (rated as either a "5" or a "6" during field surveys conducted by members of the czb team) sold, on average, for less than half of what properties not near poor quality buildings sold for ($26,876 vs. $56,681).



Source: Chautauqua County Assessor's Office., czbLLC
Note: The average sale price was calculated for significant sales (those over $100) only for parcels where "Building Style" was not null.

Proximity to a "poor" building reduced a high-quality property's average sale price by more than one-third (33%); proximity to a "poor" building reduced a fair-quality property's average sale price by nearly two-fifths (39%). Put another way, an excellent-quality (1) property on the same block as a poor quality building sold, on average, for the same price as an average quality (3) building not on the same block as a poor quality building.



Source: Chautauqua County Assessor's Office., czbLLC
Note: The average sale price was calculated for significant sales (those over $100) only for parcels where "Building Style" was not null.

Therefore, removing a block's poor properties, particularly when there are only a few, can reap substantial dividends – profoundly increasing the value of all surrounding properties. According to czb's analysis, there are 137 poor quality properties (field survey rated 5 or 6) in stronger Jamestown Census Tracts (302, 304, 307, 308).

They represent just 2.5% of the residential properties in these tracts. (In contrast, 17% of residential properties in the city's weaker tracts (506 properties) received a 5 or 6 field survey rating.) Assuming the "payoff" of removing a nearby poor property follows the averages shown in the graph above, removing these tracts' poor properties could add nearly $24 million in value to the local housing stock:

czb Field Survey Rating	# of Properties Near a Poor Building	Average Impact of a Nearby Poor Property	Combined Impact of Removing Nearby Poor Property
1	140	$24,664	$3,452,993
2	411	$14,386	$5,912,460
3	595	$15,216	$9,053,598
4	396	$13,650	$5,405,285
Total	1,542		$23,824,336

Even if each poor property required $40,000 to rehabilitate, the cost of addressing all of them would be roughly $5.5 million – or barely 1/5th of the gain of removing them.[4]

Not all of the costs would have to come from public funds, nor would we recommend that it do.

Excess Capacity

According to a separate czb analysis, Jamestown households have the capacity to pay more for housing – or to invest in improving the housing they have.

The local "capacity to spend on housing" was derived from 2000 Census Data describing the number of owner households at various income levels who paid less than 30% of their income on housing costs. This analysis calculated a "low" and "high" estimate of this capacity. The "low" estimate assumed all households at a given income level earned the lowest income in that level and paid the highest percent of that income on housing; the "high" estimate assumed all households at a given income level earned the highest income in that level and paid the lowest percent of that income on housing. (In other words, if 100 owners earned between $10,000 and $19,999 and paid 20% to 29.9% of their income on housing, the "low" estimate assumed that all 100 earned $10,000 and paid 29.9% of their income on housing; the "high" estimate assumed that all 100 earned $19,999 and paid 20% of their income on housing.) *This approach was taken to generate most conservative projections possible.*

Using these conservative projections, the excess capacity translates into at least $17.7 million available to spend on owner-occupied housing – or an average of $3,000 per owner household. The typical household at 120% of the Area Median Income (AMI) has at least $4,500 to spend.

Household Income	Households	Untapped Capacity (Low)	Untapped Capacity (High)
<$10,000	257	$0	$34,997
$10,000 to $19,999	915	$320,980	$1,827,909
$20,000 to $34,999	1,283	$1,484,860	$7,708,530
$35,000 to $49,999	1,218	$3,165,295	$13,007,240
$50,000 to $74,999	1,341	$6,027,450	$26,459,647
$75,000 to $99,999	368	$2,663,250	$10,459,895
$100,000 to $149,999	258	$2,465,800	$10,882,427
$150,000+	105	$1,590,750	$6,299,969
All Households	5,745	$17,718,385	$76,680,613

Household Income	Average Untapped Capacity (Low)	Average Untapped Capacity (High)
<$10,000	$0	$136
$10,000 to $19,999	$351	$1,998
$20,000 to $34,999	$1,157	$6,008
$35,000 to $49,999	$2,599	$10,679
$50,000 to $74,999	$4,495	$19,731
$75,000 to $99,999	$7,237	$28,424
$100,000 to $149,999	$9,557	$42,180
$150,000+	$15,150	$60,000
All Households	$3,084	$13,347

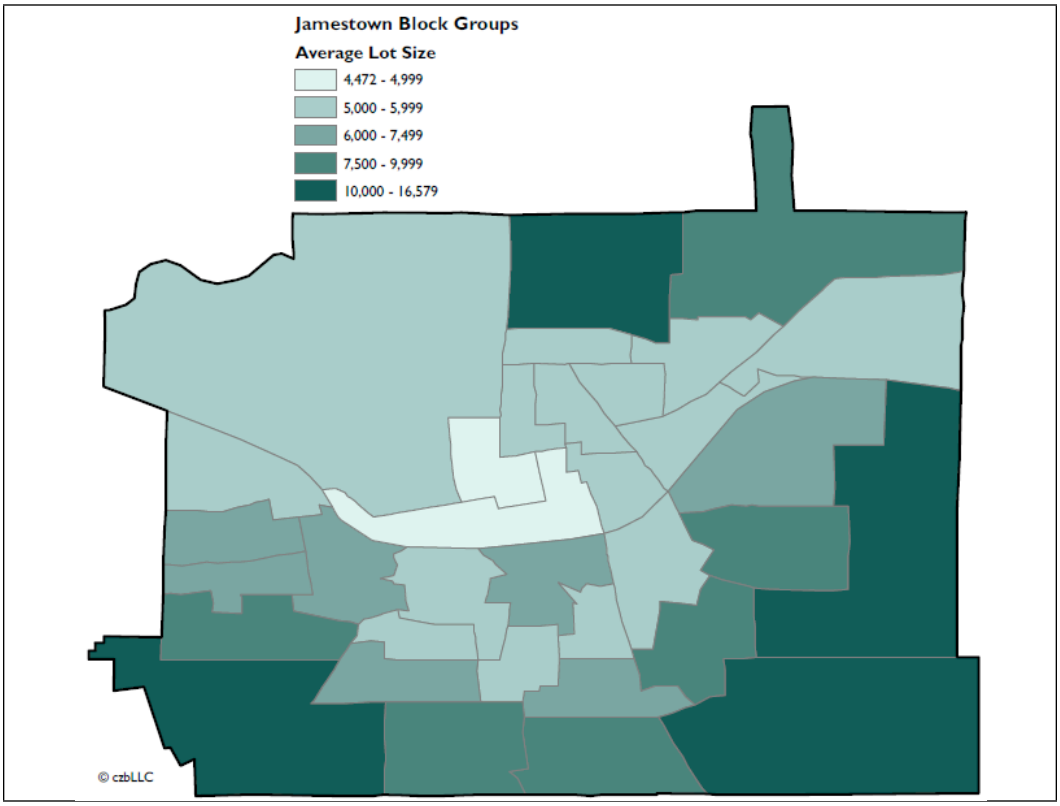
Composition of the Housing Stocks

Most of the city's housing stock (77%) was built prior to 1940; just 2.2% was built since 1980 (1.6% between 1980 and 1999, and 0.6% since 2000). The city's oldest buildings are located closest to the center of the city. Buildings get successively younger as one moves out from the center.

On average, Jamestown's oldest and youngest buildings are also its biggest, while those built in the 1940s and 1950s are its smallest. The average square footage of living area was 1,848 for buildings built before 1900 and 1,886 for those built since 2000; in contrast, the average square footage of living area for buildings built between 1940 and 1959 was just 1,337.

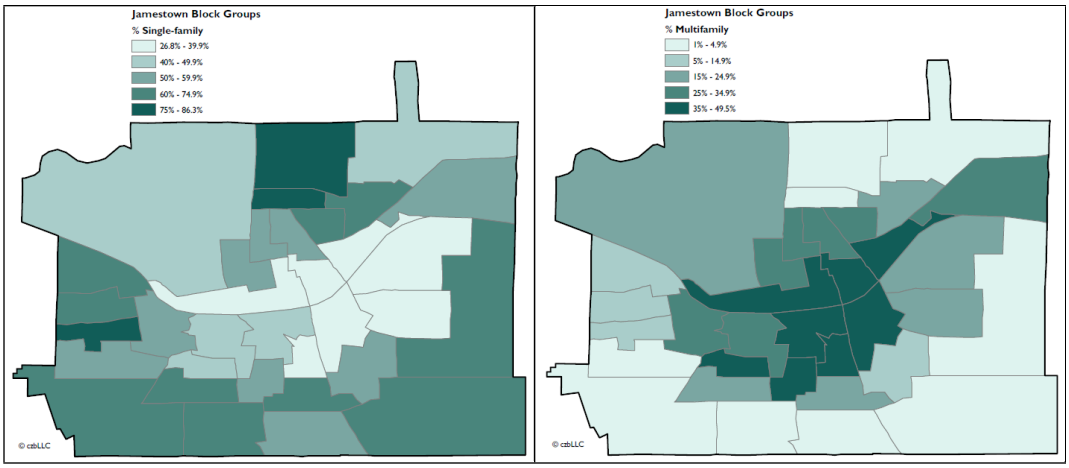
Newer housing is distinguished more by its lot size. On average, Jamestown's newest homes sit on lots of over 24,000 square feet. The typical lot for a home built before 1940 was roughly 6,200 to 6,500, on average.

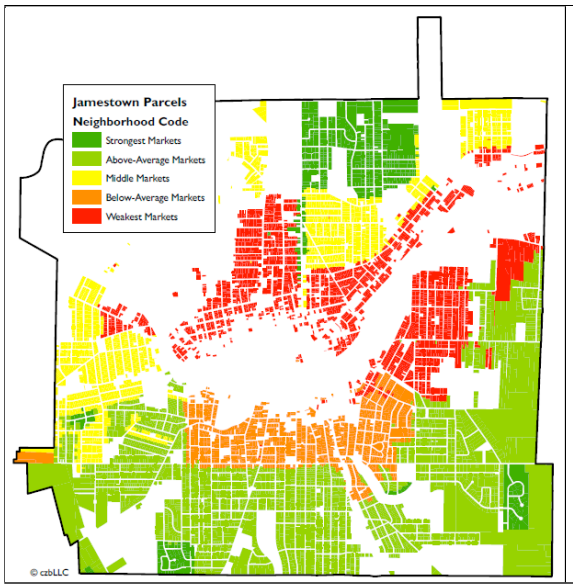
Those buildings on the smallest lots are also located in the center of the city. Lot sizes (although not building sizes) are much larger on the fringes of the city.



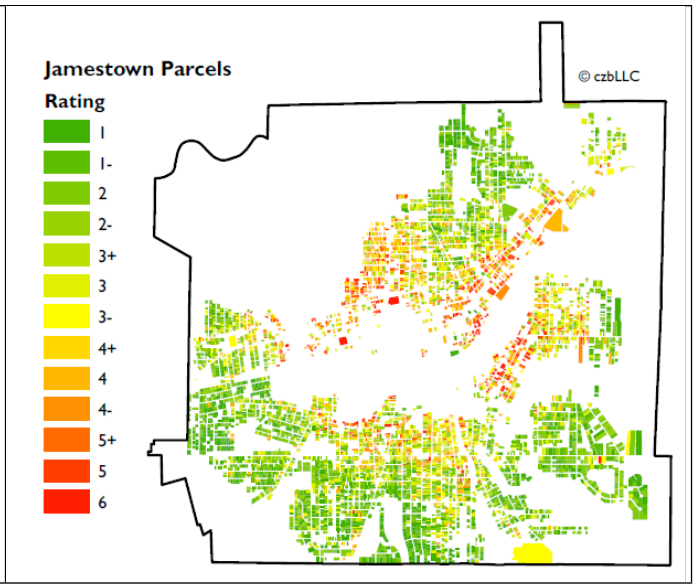
Source: Chautauqua County Assessor's Office.

Multifamily housing is largely limited to those block groups in central Jamestown. Less than 5% of parcels in most block groups around the city's periphery (particularly along its southern, eastern, and northeastern border) included multifamily buildings. These areas have some of the city's largest percentages (often over 75%) of single-family homes.





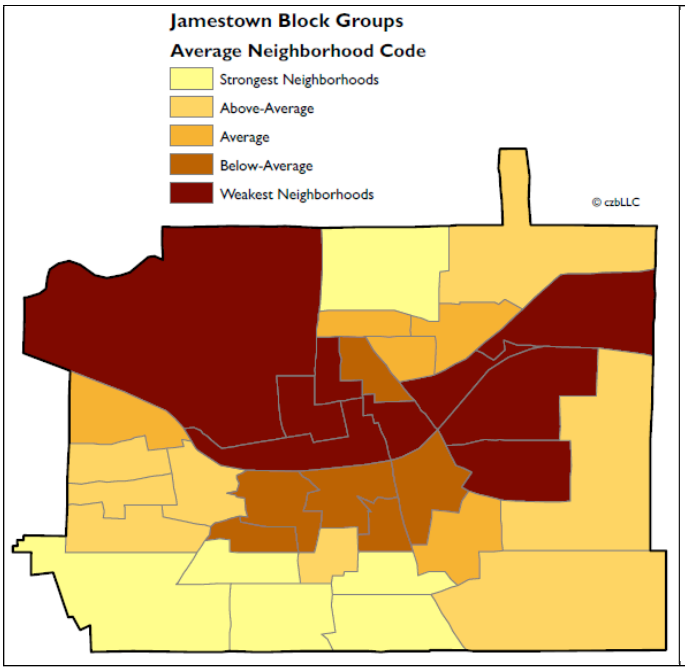
Source: Chautauqua County Assessor's Office.



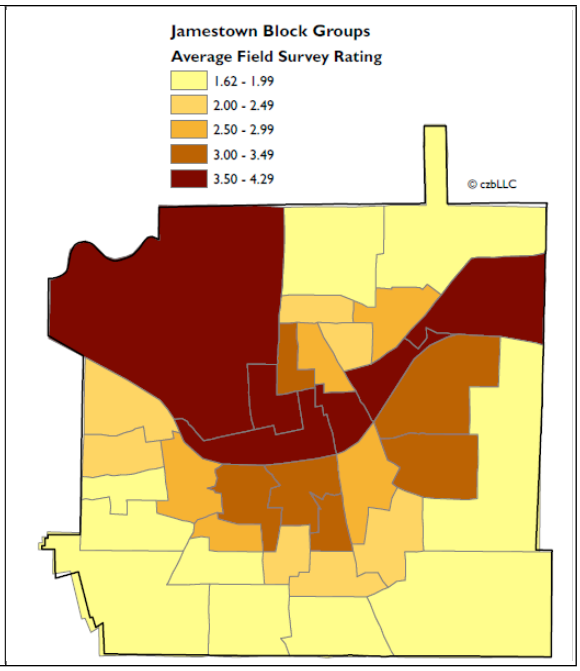
Source: czb fieldwork.

Source: Chautauqua County Assessor's Office.

czb's fieldwork highlighted pockets of strength in north central Jamestown and greater variety in south central and southeast Jamestown that the Assessor's Office data did not reflect.

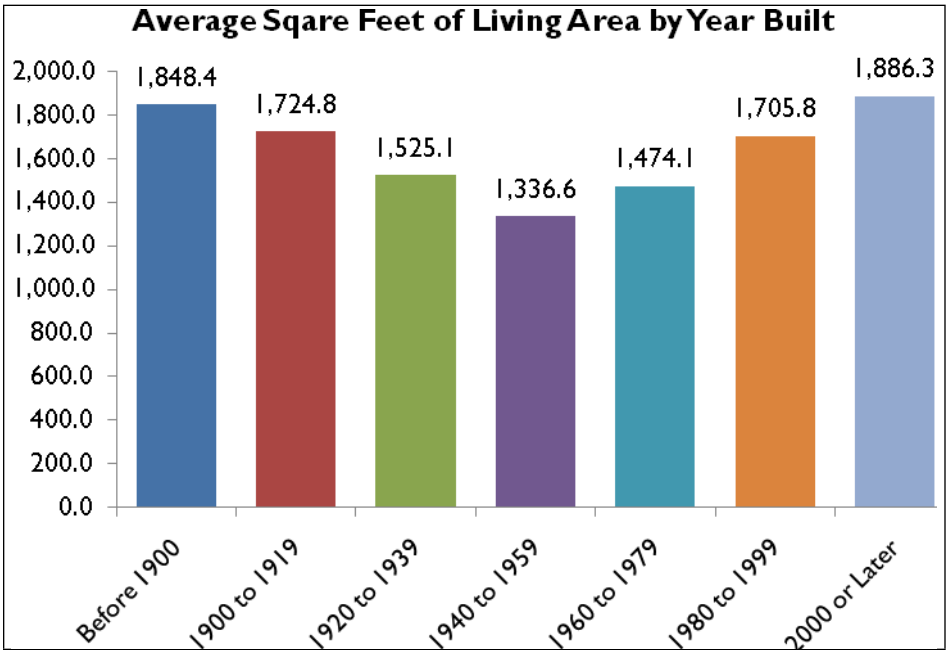


Source: Chautauqua County Assessor's Office.

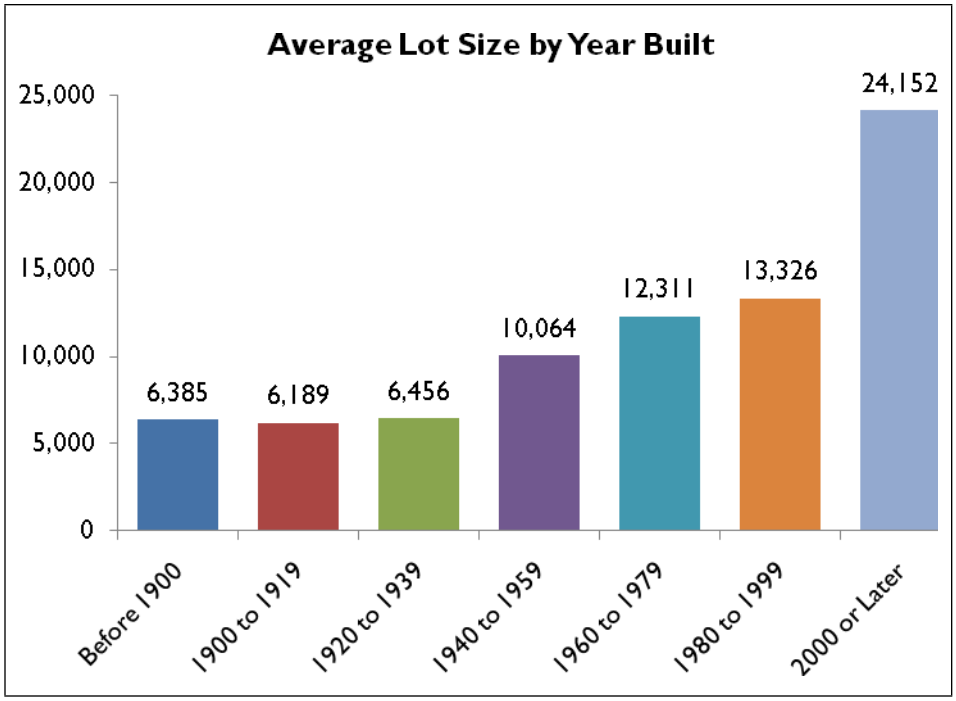


Source: czb fieldwork.

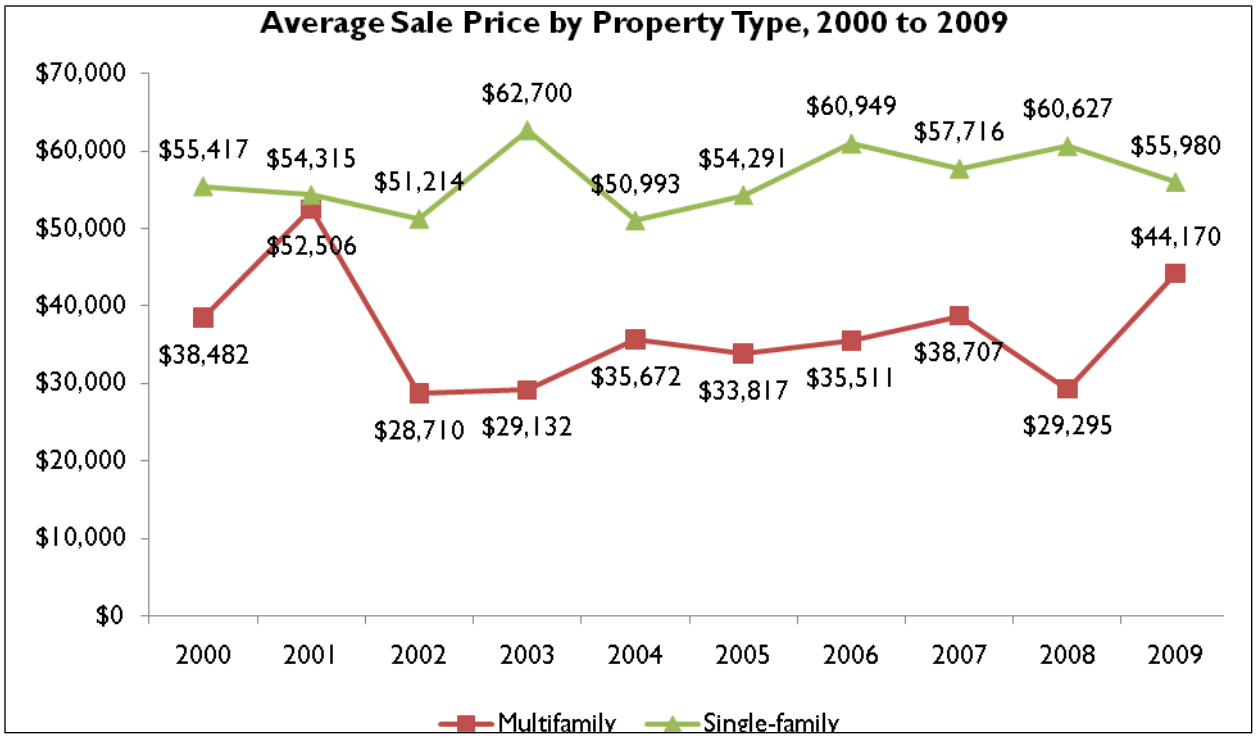
According to the Multiple Listing Service, the average sale price for single-family homes has stayed fairly constant in Jamestown since 2000, spiking briefly in 2003. The average sale price for multifamily properties has been slightly more erratic.



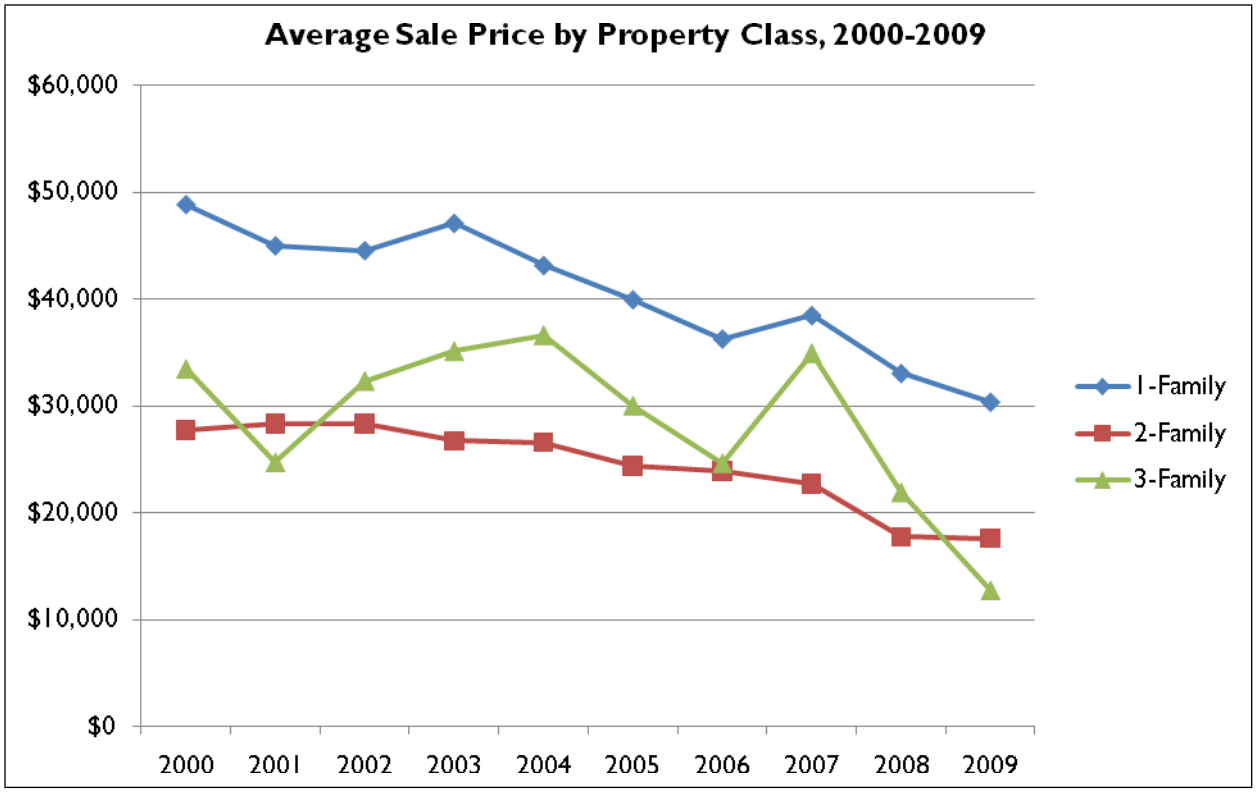
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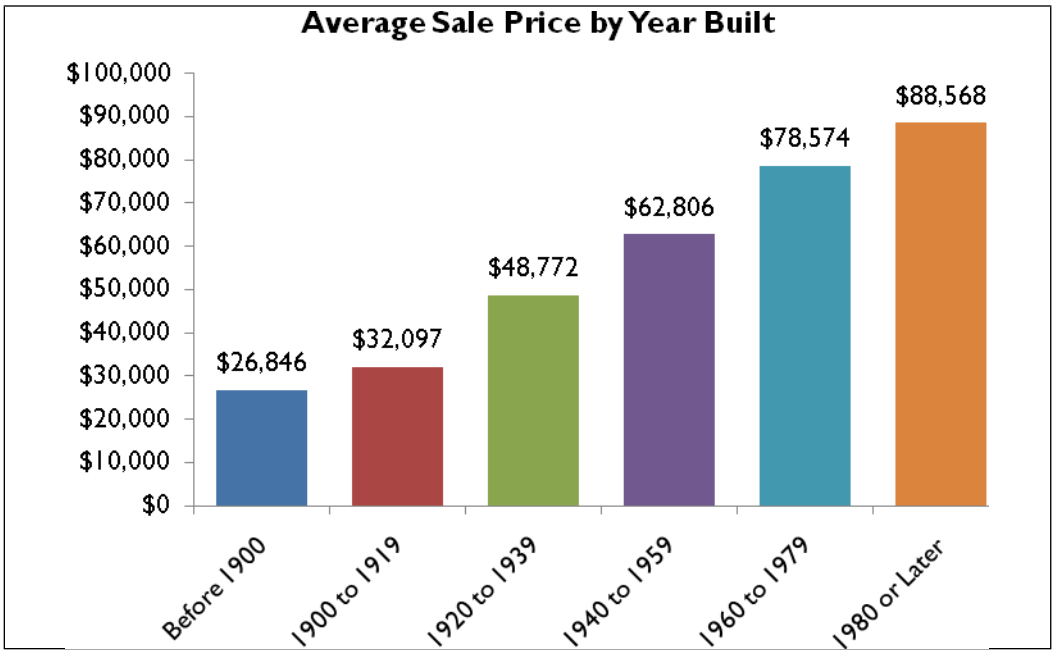


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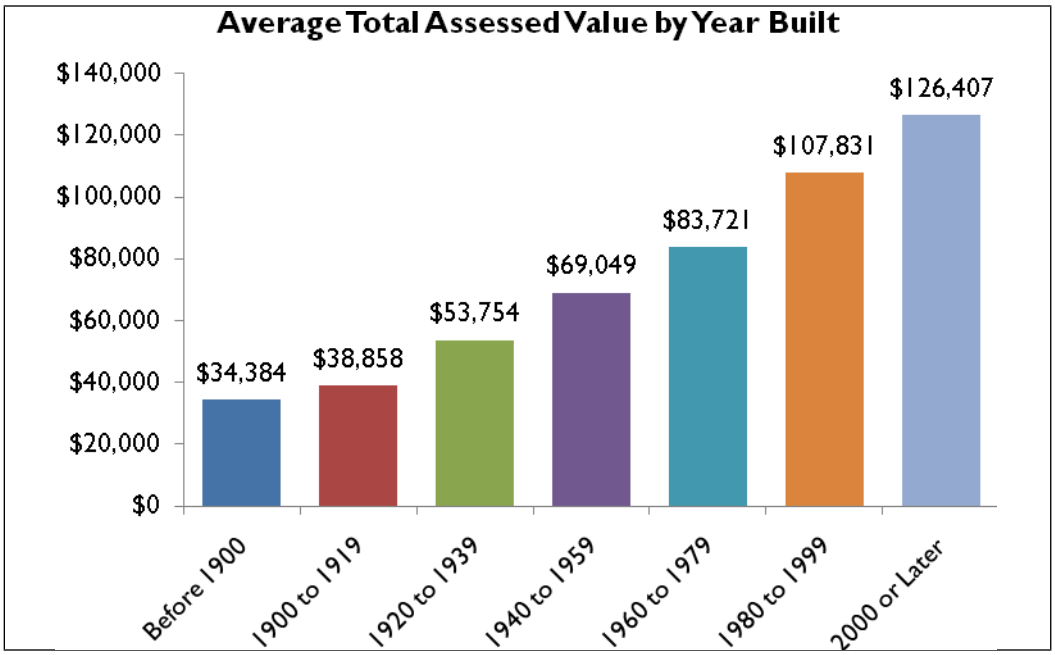


Source: Chautauqua County Assessor's Office.

Data from the Assessor's Office shows a decline in the average sale price since 2000 – for 1-, 2-, and 3-family homes. According to this data, the average sale price for a Jamestown single-family home was just $30,000 in 2009; the average sale price of a multifamily home was less than $20,000.



Source: Chautauqua County Assessor's Office.

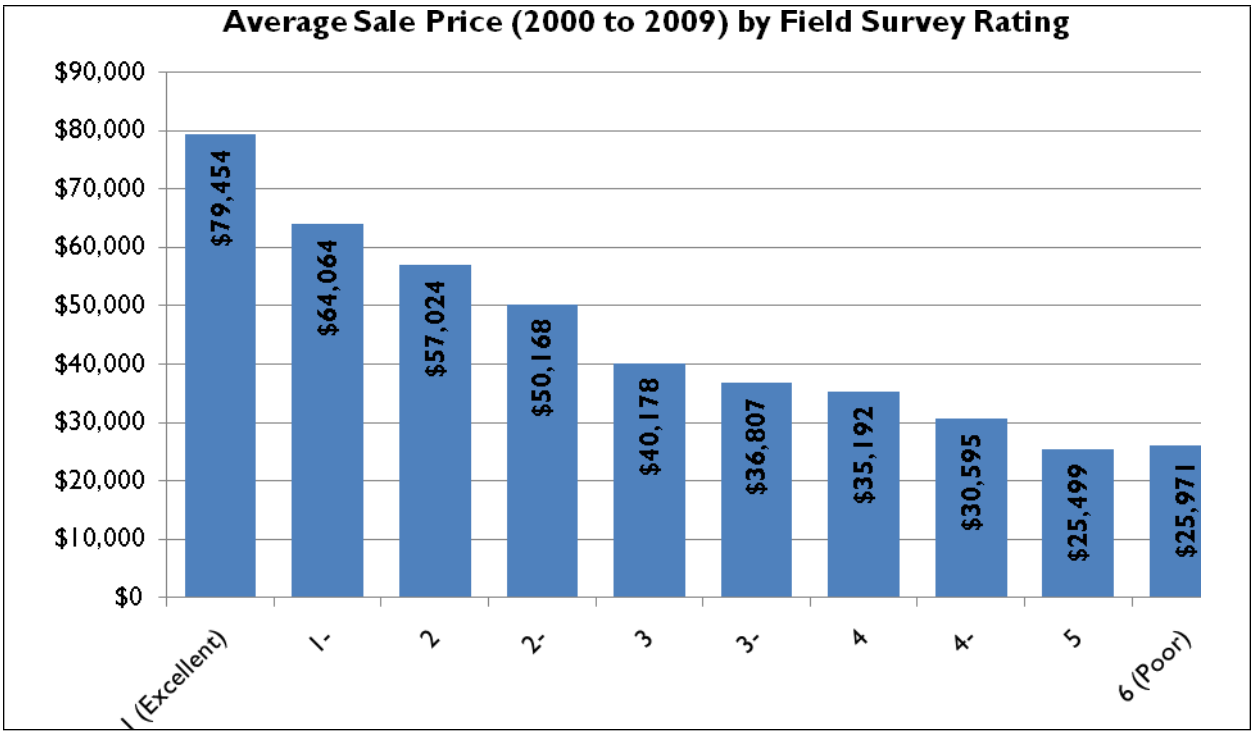


Source: Chautauqua County Assessor's Office.

More than any other feature (like number of bedrooms or square footage of living area), the year a home was built appeared to dramatically affect its value. While the total assessed value averaged under $35,000 for buildings built before 1900, it averaged over $126,000 (or more than three-and-a-half times as much) for buildings built since 2000.

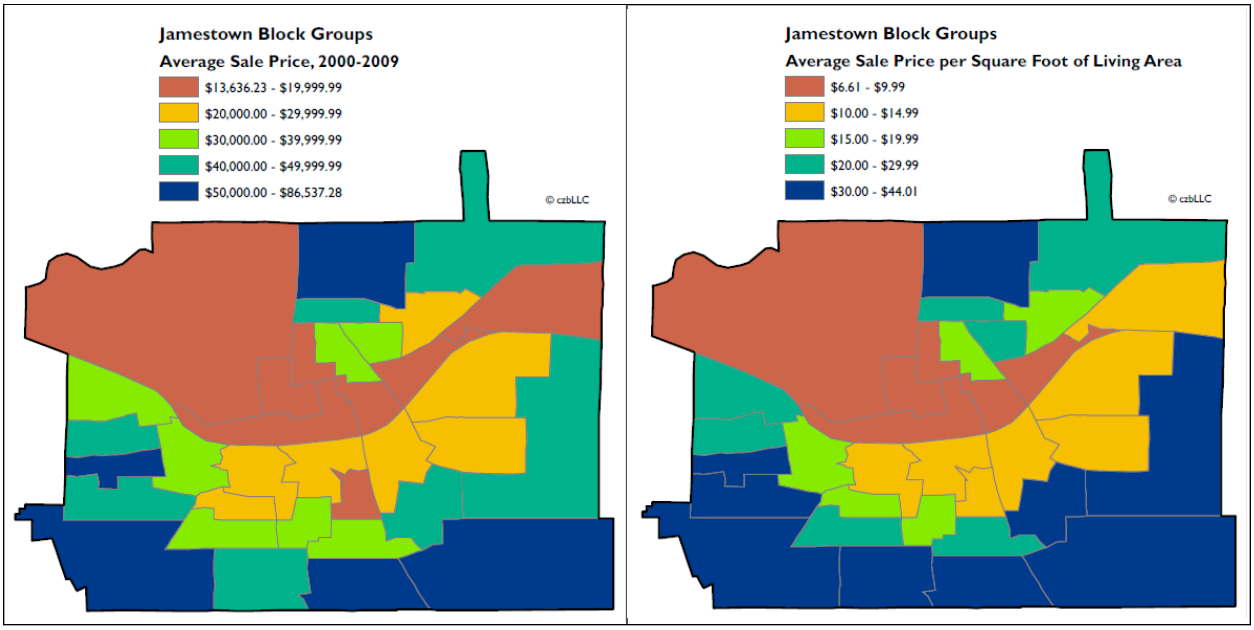
Sales followed similar trends. Between 2000 and 2009, the average sale price was less than $27,000 for buildings built prior to 1900 and nearly $90,000 for homes built in 1980 or later.

A property's condition also affected its value. While properties ranked in excellent condition (by czb fieldworkers) sold, on average, for nearly $80,000, those ranked in poor condition sold, on average, for just over $25,000.

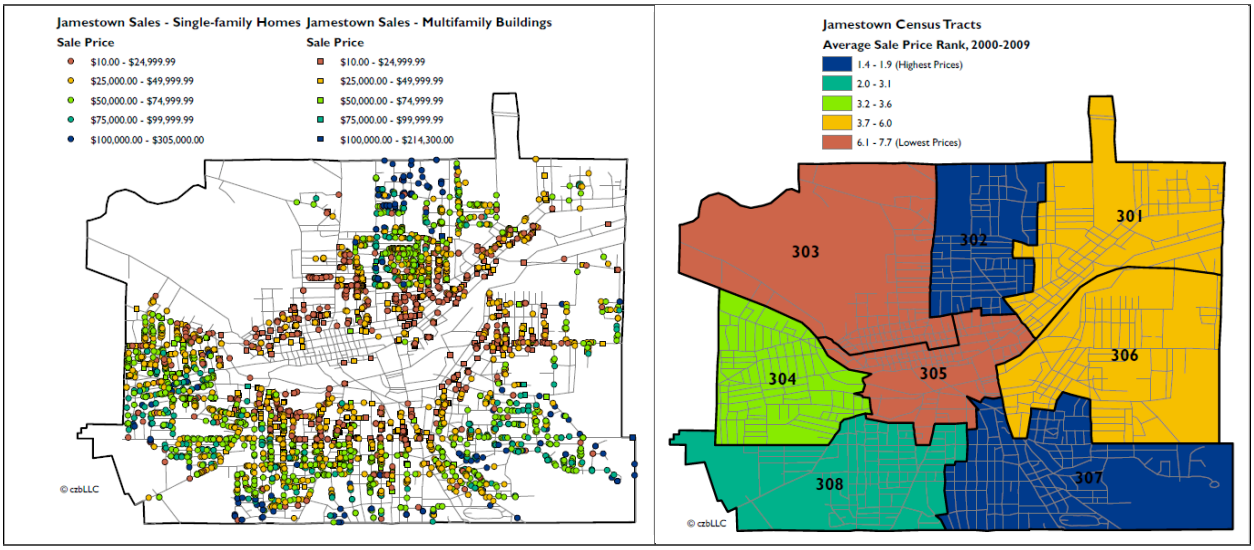


Source: Chautauqua County Assessor's Office.

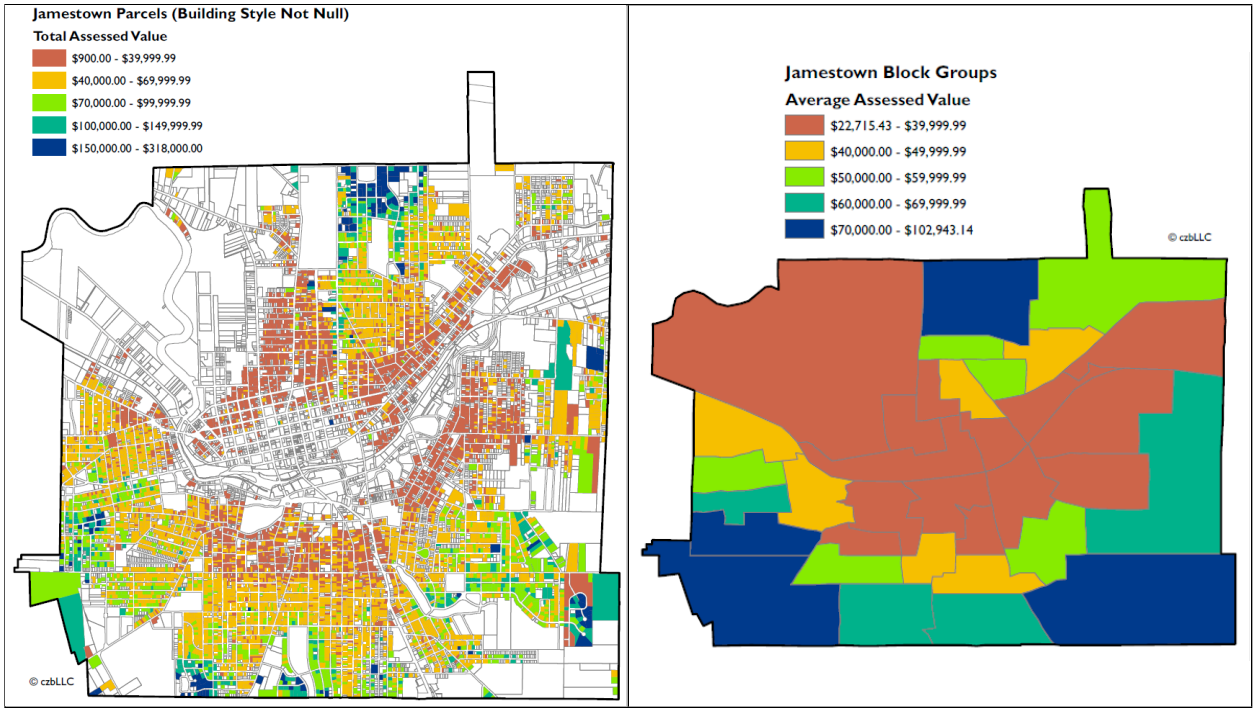
Not surprisingly, the geographic pattern of total assessed values followed a pattern similar to that of year built; assessed values also tended to be lowest where older housing was concentrated.



Source: Chautauqua County Assessor's Office. (Only includes those parcels with buildings – where "Building Style" is not null.)



Source: Multiple Listing Service.



Source: Chautauqua County Assessor's Office. (Only includes those parcels with buildings – where "Building Style" is not null.)








Report to the City of Jamestown, NY

is this your jamestown?










Report to the City of Jamestown, NY

or is this?











Report to the City of Jamestown, NY

which jamestown do you want to be?



GOING FORWARD

By the mid 1990s downtown Jamestown had become too large a space given demand, and deferred maintenance had really taken a toll. The image downtown projected was vacancy and fatigue. To help understand this process of decline and to learn how to address the challenges, the Jamestown community – government, corporate, institutional, philanthropic and civic leaders – came together to sponsor and endorse a vision for downtown.

In 2006, a leading planning group was commissioned to look at the core downtown blocks and to propose changes that would shape and direct a renewed role for certain downtown blocks. That plan – the Jamestown Urban Design Plan – proposed a number of actions but at its center, the document called for better access to the Chadakoin riverfront, increased development of housing downtown, and a commitment to design excellence. A subsequent traffic and streetscape plan in 2008 emphasized alley-scaping, multimodal integration, pedestrian focus, and other enhancements in the urban core. Coupled with some dramatic investments already underway, these actions formed a plan that made sense and it became a guide for community decision making.

These studies were intentionally drawn somewhat narrowly, and both promoted an optimistic confidence in the "build it and they will come" concept. While Jamestown offers much in the way of architecture and urban design to leverage, such a *Field of Dreams* strategy by itself is not likely to succeed without extensive subsidies as it does not address the essential nature of Jamestown.

In a major city the downtown can be treated as a distinct place. However, in a small town, such as the community that Jamestown has become and is apt to remain (with about 30,000 residents), the downtown and the neighborhoods are too closely tied for any plan to fully succeed without thinking more broadly. The questions addressed in the 2006 urban design report were the right ones, but for the purposes of transforming the Jamestown market, the focus of the study site needed broadening.[5]

The actions recommended *in this report* widen the aim of these previous and excellent efforts to focus on the neighboring residential fabric of Jamestown, and set the discussion less in the context of a supply problem to be solved (fix the buildings), and more in the realm of a demand challenge: encourage property owners to want to reinvest in their properties resources they already have, and bring their buildings to a higher standard that can be communicated to the wider market. This is building a firm floor (that does not now exist) in your housing market.

In this process, czb strongly encourages the leaders of Jamestown to pay special attention to a number of key points:

1. The standards in most of the Jamestown community show significant pride and individual responsibility. Good neighbors are already striving for a good community.
2. Jamestown's investment dynamics and housing values demonstrate the powerful impact of scattered disinvestment properties. Bad properties are a profound force furthering additional property disinvestment.
3. There is economic value in making greater investments in homes in Jamestown's stable neighborhoods. Making good investment decisions pays off.

4. The residents of Jamestown have untapped resources for further investment in their homes. For many good neighbors the challenge is not too little money; it is too little confidence.
5. There is community spirit and energy that can be tapped to rebuild confidence and to engage the residents. Good neighbors can be galvanized for change if there is a plan and leadership.
6. The city government, corporations, foundations, and civic groups have shown the ability and willingness to support positive change, but they lack a shared plan and coordinated tools. Together with committed neighbors, local leadership can set a national model for recreating a small formerly industrial city that is a place of choice.

WRESTLING WITH DISINVESTMENT

The City of Jamestown, NY now confronts a decades-in-the-making challenge: how best to address today's weak market housing conditions.

Sustained job and population loss have precipitated, and been the result of reduced levels of investment in physical property on virtually every street in Jamestown.

The result is a housing market that does not inspire confidence by residents to maintain their homes to a high standard. This in turn results in properties becoming further degraded, and which again sends powerful - *and uninspiring* - signals throughout the region about Jamestown.[6]

The main economic consequence of such disinvestment is reduced demand by residents to stay and reinvest in Jamestown. Families most financially able to stay and make major improvements to their homes are also those most able to leave. Their continual departure from Jamestown is a loss of inestimable weight as they take with them not just their financial capacity, but their presence in the community as scout leaders and little league coaches, and also take with them their contributions to businesses as lawyers, accountants, planners, secretaries, teachers, and firefighters.[7]

The second most important economic consequence of disinvestment is reduced demand by non-residents to move to Jamestown. These are families who are committed to the area but are unwilling to make Jamestown their home. Families committed to the Chautauqua Lake region, who are able to choose either Jamestown or any of the communities around it, are also capable of making important financial and civic contributions to the community in which they ultimately choose to live. Their decisions to live in Chautauqua County but not in Jamestown add to the qualities of the very places Jamestown must compete against.

The drop off in demand for housing in Jamestown results in falling home prices at exactly the same moment that demand outside of Jamestown is stable and where home values are dependable. This simultaneously encourages homebuilding and home improvement outside the city, while discouraging it within.

It generates a significant fiscal outcome as well: communities outside Jamestown have higher property values from which to generate revenue through taxes for public services, while Jamestown has falling values and a fixed infrastructure to maintain. In part "rising taxes" are the indirect result of owners refusing to upgrade their properties, and frustration with "rising taxes" usually fails to acknowledge that the key culprit driving tax increases is property investment decreases.

It is a deadly serious self-fulfilling set of behaviors, a very salient result of which is the fact that Jamestown is in what the State of New York labels the “danger zone”, with the city presently at 90.94% of its constitutional taxing authority.

I see my neighbors not taking care of their homes...I start taking less care of mine....another neighbor takes their cues from these decisions and opts not to buy (as they planned) but to move...their now vacant home is put on the market as a rental but the owner discovers that she cannot get the $700 a month tenant she wants, so she rents to a struggling family able to pay $525 a month instead...this in turn leaves the owner without sufficient resources to properly maintain the house, at the exact time the house is absorbing a high level of wear and tear...

I eventually do have to sell my home, which cost me $57,000 in 1985, but I find in 2015 I can only get $42,000 for it...the new buyer is not an owner occupant, but an investor...

the monthly obligation for the investor is $600 before utilities and maintenance, but no renters in the Jamestown market except severe credit risks will pay more than $450 given its degraded condition...

the new owner turned out to be financially stretched herself, taxes go unpaid, and the house is liened and vacated, with notices from the magistrate going to a PO Box in California...

the house is abandoned and vandalized....

...the City condemns the property and is ready to demolish it, but lacking funds, and getting no help from the State of New York in terms of providing environmental or other waivers, the property sits...and sits...and sits

...meanwhile,

across the street is Mabel Johnson, who has lived in her home since 1962 and maintained it meticulously since her husband died and who needs to sell in order to finance the assisted living facility she requires. In its condition, Mrs. Johnson’s house on another Jamestown street would sell for $75,000...on this street the most she can sell it for is $40,000...

...and the Schneiders, visiting the region from Washington, DC decide to take an afternoon excursion to Jamestown from their Chautauqua vacation. Arriving early for dinner downtown at Forte, they decide to park and walk in the area around 7th and Jefferson, having deduced from a map that it might be a historic district of large Victorian era homes near parks and riverfront access...they return to Chautauqua and communicate their impression of Jamestown based on how it looked coming in on Rt 60, what the neighborhood looked and felt like from Washington to Monroe between 4th and 8th Streets, and told their many friends: “The dinner was great, but...”

THE NATURE OF THE CHALLENGE
Now faced with this long-in-the-making situation, pressing questions include:

What to do?
Should we demolish all the problem properties in town? Should we acquire them instead and fix them up? Maybe we should fix them up and sell them at discounted prices to nonprofit organizations so they can use them to help house low-income families. Should we do nothing and let the market sort it out? What about rental properties? Should we be requiring more of the landlords? Code enforcement? Is that what we should focus on?

Where to do what?
Whatever we decide is the appropriate thing to do - code enforcement, affordable housing development, demolition, auctions - where should we do it? Should we be focusing on the conditions of houses on Barrows and Tower where there's a lot of deteriorated housing and too many marginal landlords, or on Foote, which is so heavily traveled, or Baker or Newland, or elsewhere?

How much to spend?
Let's face it, the amount of resources we have is nominal. At best. As a small town we don't have much status when applying for State and Federal grants. We have limited CDBG and HOME funds. Those come with constraints in any case. But more to the point, we do not have deep pockets. Our taxing authority is as close to its constitutional limit as possible; we are "danger-zoned" according to the state. We have the Gebbie Foundation and the Community Foundation but the market has really taken a toll on their portfolios. So, how much should we be spending and, of course, how should it be spent?

These are exactly the right questions!
But before these questions can be properly addressed, it's critical that the residents of the City of Jamestown come to terms with the essential nature of the situation.

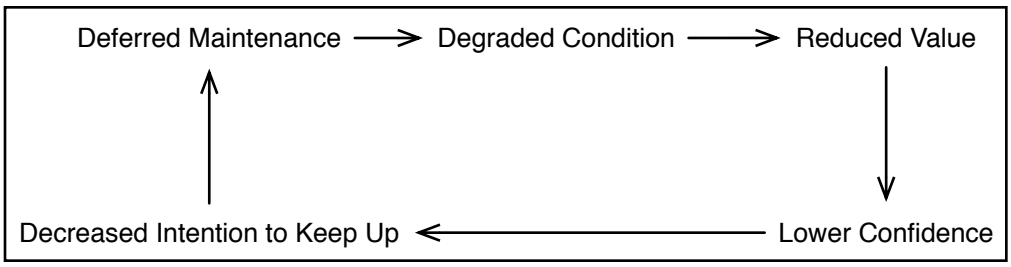
Not only is Jamestown a shrinking weak market city far from other markets, it is also a city where decades of sustained job and population loss have been worsened by decades of failed approaches to the resulting housing and neighborhood challenges.

As demand falls, the worst thing policies and programs can aim to do is anything that further softens demand. Reduced cost housing is an example. More housing is another. Code enforcement on blocks of limited market influence is another. Policing from cars and not on foot is another. These examples are not necessarily actions taken by Jamestown; rather they are typical of what many Rust Belt communities have mistakenly done or been advised to do.

The central lesson could not be more clear: Jamestown is not going to ever find its way out of the dilemma of falling property values by adding more net housing supply, or by just making it more possible for struggling families to live in Jamestown. The former undermines market strength. The latter addresses an important problem but if done inappropriately, also adds to market weakness.

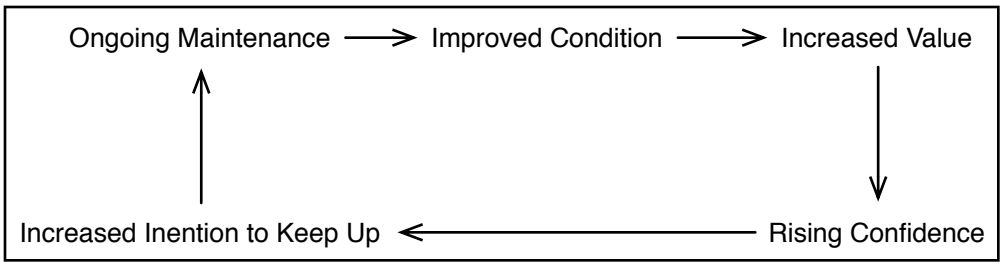
In any event, such approaches worsen a demand dilemma that hinges on confidence that in turn is based on signals, the main signal being the level of care of residential property by the

average resident of Jamestown. Instead, current levels of commitment to the existing supply of housing must be raised.[8] And though a significant portion of residential structures are in at least fair condition (77 percent), the underlying problem to solve is a lack of confidence in the market in Jamestown, primarily among current residents, manifested as deferred maintenance on owner-occupied homes.



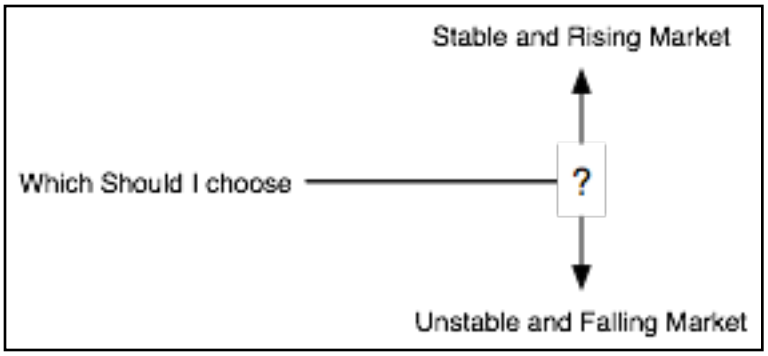
Jamestown Disinvestment Cycle

Absent sufficient confidence, families will continue to disinvest socially and financially at rates that exceed the Jamestown's capacity to absorb further withdrawal of resources, either by taking decreasing care of their homes, or by leaving the city altogether. Worse, the exact opposite is the prevailing manifestation outside Jamestown but, for example in Lakewood and Bemus Point (other frames of reference for those who visit)



Lakewood Investment Cycle

This matters because side by side, the two options communicate to any potential resident stark contrasts: in Jamestown the market seems to be stable at best on strong blocks and tired or distressed in many highly visible blocks; in Lakewood and other parts of Chautauqua County one might be considering, the market seems to be strong with few signs of distress.



The Set of Choices All Buyers Face When Evaluating Whether to Move to Jamestown or Elsewhere in the Region;

Also the Set of Choices All Buyers Face When Evaluating Whether to Live on Ellis or Palmer, on Thayer North of Newton or South

Implicit in these questions - what to do, and where, and for how much - is the issue of how hard it is to intervene in a cycle that is self-fulfilling. Where in the cycle to drive needed change? With limited resources, where to optimally intervene?

In our experience the pattern that needs to be broken is the disinvestment cycle. Each reduced commitment to a high standard of care precipitates ever-decreasing levels of commitment by others. The disinvestment cycle of deferred maintenance leading to reduced value and, therefore, additional deferred maintenance can also be described as the relationship between "who is there" and "what is the image being broadcast"? This can be elaborated as the relationship between market (who is there), capacity (ability and willingness to invest), condition (standard of care), and image (what is projected and seen).



Based on our work in 44 states and hundreds of communities, most attempts to fix weak market problems fail. They fail for many reasons but chief among them is a combination of misdiagnosing a demand problem (too little demand and falling prices) as a supply problem (too costly a market) on one hand, and intervening in the wrong place in the cycle of disinvestment on the other.

In Jamestown the problem is too much supply in general and too much unappealing supply specifically. This means reducing the amount and increasing the quality.

Moreover, in Jamestown, as in other similar communities, the intervention must be aimed at addressing the capacity issue first. Each family has a certain financial capacity (ability to pay for housing) and a certain social capacity (willingness). In costlier markets, the issue of financial capacity must be addressed to a greater degree than in Jamestown. In Jamestown, the real issue is willingness to pay. This means the work of intervening in Jamestown is the work of increasing the average resident's willingness to pay more for their housing.

What does this mean? To fix the Jamestown housing market, an assemblage of incentives must be created to strongly encourage residential property owners to spend more of their money on their homes and rental properties, so that the physical condition will improve, the image will become more appealing, and the market will begin to change.

Fortunately, an example of this is already happening downtown. Because the Renaissance Corporation made the smart decision to build on the many strengths of downtown and grow them, there is a renewed confidence in the potential for businesses to do well.

Incentives to small businesses in the form of subsidized leases or building improvements have kept some businesses from leaving and induced others to come. As they have come, they have brought additional capacity as shown by higher levels of upkeep and pride, which are infectious in a profoundly positive way. Once Jamestown complements these investments with additional right-sizing measures aimed at returning Jamestown's commercial footprint to a size in line with its population, the results will be very positive.

This same kind of action planning now must be applied to the neighborhoods. And just as only some of the structures downtown were determined to be genuinely catalytic, so too is this the case in the neighborhoods. Some parts of Jamestown will be more likely to drive change than others.

Knowing that the "location" to intervene that's most likely to have a success is in growing capacity, however, still falls short of knowing exactly what to do (specific actions) and where (specific locations, especially with limited resources). In other words, we must know both where to intervene (where the return is greatest) and how to intervene (what to do)

In order to best answer these critical questions as they affect Jamestown specifically - what to do, and where, and for how much - czb collected and analyzed both quantitative and qualitative data, secondary and well as primary.

Every residential structure in the City of Jamestown was seen by czb at least five times. A member of the czb team lived in Jamestown for six weeks. Two additional team members made a total of nine person trips giving czb's total time in Jamestown quite substantial.

Each structure was evaluated according to scale from 1-6, with 1 being excellent.

Every residential real estate sales transaction from 2000 - 2008 was evaluated.

By evaluating each residential structure in terms of how near or far it was to the goal of being excellent, which we defined as a market leader capable of attracting a strong buyer within 30 days for at least the median sales price in the city, we were able to establish an estimate both of current physical condition and cost by structure (and by street, block, section of town, and city as a whole) to become more marketable.

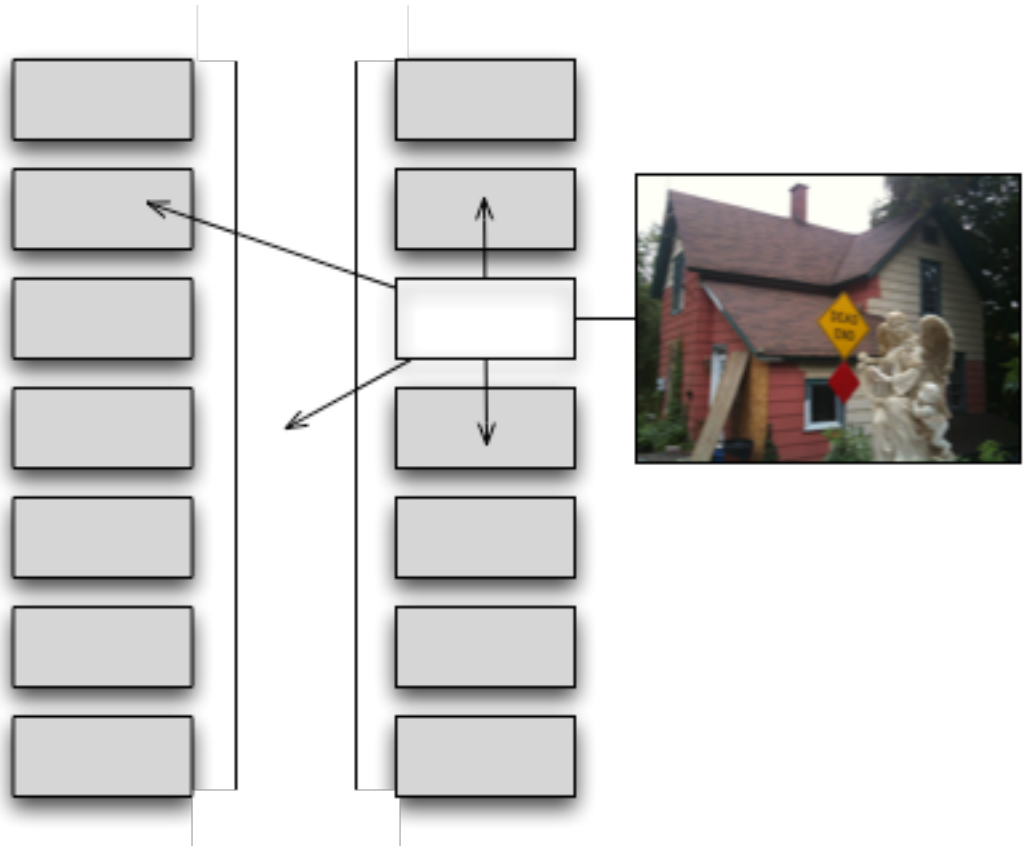
By examining each residential property sale record from the eight year period 2000-2008, we were able to isolate, all else being equal, which specific factors drive sales in Jamestown, from age of structure to bedroom and bath configuration, to location, and to what degree.

By combining the two, we were able to see not just patterns regarding property conditions, but, more importantly, the impact of property conditions (good and bad) on the value of homes.[9]

Why is this essential? What is its value to the City of Jamestown?

Very simply, it shows how a structure's degraded (or excellent) condition - whatever the reason - impacts the value of property. And though this is anecdotally known to every property owner already - the nicer my house the more valuable it is - knowing the exact relationship between

conditions and value helps make sense of the cost of improving conditions on one hand, and the benefits on the other.



More precisely, it helps illustrate exactly which houses are most influential in shaping the market. And in what ways. For example, the combination of property conditions analysis with sales activity can pinpoint to particular blocks the value of a second bath in an old home, or the likely market impacts that new paint and trim would provide, or the impact of demolishing an abandoned home.[10]

As noted, in weak real estate markets, all efforts must be pointed towards strengthening the demand within the market to stay, to reinvest, to upgrade, and for those in the region not in the city, to give Jamestown a second look when it's their turn to buy or rent.

Merging sales and conditions analyses tells us about the relationship between value and standards of care and norms from block to block. Estimating what it costs to "bring a property to excellent condition" helps us see what the magnitude of recovery will look like, and this helps define the scope of the job facing Jamestown.

But neither yet tells us anything about whether the market can afford such upgrades.

And given the terrible realities confronting the city's taxation authority, the weakened portfolios (and thus reach) of local foundations, and the nature of the current economy and jobs markets, this is crucial. For this reason, czb also took into consideration the degree to which average Jamestown households are underwater financially with respect to housing.

We evaluated rents and mortgage payments in the context of incomes. Additionally, we considered property taxes and utility costs to better understand just how affordable or unaffordable the Jamestown housing market really is for the average resident, whether homeowner or renter, when the all the costs of housing are added together. A typical housing payment for an owner consists first of their monthly obligations to pay back the bank, interest on the loan, insurance, and property taxes. There may be in some cases additional costs like PMI.

Typical Jamestown Housing Cost Breakdown	
Family Income Combined	$41,000
Value of Home They Might Buy	$81,000
Ratio of Income to House Price	1.98
First Trust Payment	$431
Second Trust Payment	$102
Insurance	$61
Taxes	$277
Front Ratio	25.47%

When these costs exceed 33% of a family's gross income, the house is at the edge of what is no longer considered affordable. At less than 33%, the reverse is true.

Another way to look at how affordable a house is to determine the ratio of the purchase price of a house to the total annual income of a household. When this ratio is 3:1 or less, the house is considered affordable. Of course there are other important considerations such as short and long term family debt obligations, savings, and transportation that are highly individualized.

Additional Costs	
Balanced Billing Utilities	$120

This illustrates that a family earning $41,000 (which is a fairly typical Jamestown family) buying an $81,000 home (a pricey home in the Jamestown market) would pay the bank and insurance and taxes and heating, and still have what is called a combined front ratio of 29%. This means this family still has an additional $137 per month of unspent housing purchasing power in their pockets, or more than $1,600 a year.

Together, such stories add up to a remarkable opportunity for the residents of the City of Jamestown, NY.

The data shows that the problem to solve in Jamestown is a function of too much supply of housing in poor condition, which reinforces weak demand. *The essence of the work involves improving what's there but in ways that improve the market.*

The data shows that some blocks are more pivotal than others in shaping a recovery strategy. *The essence of the work is to locate investments on precisely those pivotal blocks that improve the market.*

The data shows that the total costs of recovery are quite high, but that the market is also quite affordable, meaning that beneath the surface most residents have the ability to pay more towards their homes, even after accounting for taxes and high home heating costs. *The essence of the work is to create incentives to leverage these resources to improve the market.*

This all points towards in the direction of intervening in the disinvestment cycle at the moment when the greatest change can result, and that means tackling the issue of confidence by residents to raise their level of commitment to their homes and in doing so to their community.

To leverage the kinds of resources needed to turn the Jamestown market around, resources largely in existence already within the pocketbooks of average citizens today, government and civic leaders will need to create incentives sufficient to encourage a behavior of investing and reinvesting that has not existed in Jamestown for 30 years.



This will take more than money.

It will take a variety of public and private sector actions that speak loudly and communicate a genuine shift in thinking. It will take a shift from thinking in a deficit-orientation that requires subsidies to an investment-driven approach grounded in positive change. To help Jamestown plan a course to do this, czb evaluated a range of other data to determine where in the normal course of life in Jamestown shifts in behavior are needed, and where these shifts are possible for limited cost.[11]

For example, code enforcement activities were considered. Owner behaviors from attentiveness to leaf raking and snow shoveling responsibilities were observed, as also were issues of lawn care, outbuilding (shed) maintenance, fence care, landscaping, and other related signs of pride and caring.

In another instance, if there was new construction to evaluate (typically commercial or low-income housing or an occasional market rate project), we took into consideration locational choice, site planning, architectural design, program planning, target market, and pricing.

From this list of factors taken into account to understand the Jamestown market, and how to be effectively responsive to it, the core approach we recommend is summarized as follows:

Question	Answer (What to do)		Elaboration
Type of Market	Weak		Recognize the excess housing supply Acknowledge the limited reinvestment
How to Respond?	Grow Demand	Build a floor in the housing market	Rationalize code enforcement to generate predictability and establish standards Establish rental property guidelines Remove abandoned properties on a targeted basis
		Stimulate reinvestment in properties	Provide incentives to residential property owners to upgrade their homes Encourage rental property owners to make repairs
	Improve the Supply	Infill market rate products	Upgrade existing housing stocks mainly though addition of second baths and kitchen upgrades As sites become available through demolition add new stocks at competitive price points

In other words, the work is straightforward.

The Jamestown housing market will remain weak without an intervention. This is not a market that is going to right itself unattended. Jamestown is too isolated to depend on a strong neighboring market to generate spillover demand. It is largely an internal market with internal dependencies[12]. So it is incumbent upon the city's leadership to intervene.

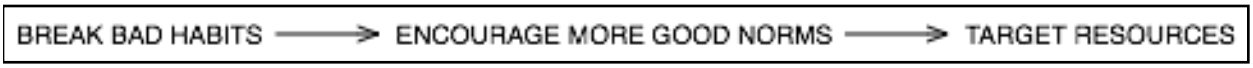
Within the Jamestown market, there is too much excess housing. This trend will grow as more and more older structures become physically obsolete, either too costly to upgrade or too unappealing to undertake. So it is incumbent upon the city's leadership to intervene.

Within the Jamestown market, most property owners take splendid care of their homes. But overall, too many inconsistently perform enough maintenance on their homes at a level sufficient to stabilize the Jamestown market. So it is incumbent upon the city's leadership to intervene.

Within the Jamestown market, there are quality rental units available and many good tenants. But overall, rental properties drags down the overall market as too many landlords can't or won't maintain their properties - especially midsize multifamily properties (with two to four units) - to a standard of care that serves to strengthen the overall market. So it is incumbent upon the city's leadership to intervene.

INTERVENING

To begin rebuilding the Jamestown housing market and strengthen its neighborhoods, our approach promotes breaking bad habits to change the norm and proposes incentives aimed at encouraging more of the current excellent behaviors we noted in our evaluation of the community. The recommended approach then targets those and other resource to specific geographic sections of Jamestown that are likely to help build a firm floor in the housing market.



The strategy we recommend is based on three governing realities that more than all others shape the Jamestown market.

First is the lack of confidence in the wisdom of investing in the Jamestown market.

Second is the irony that most Jamestown families have the means to do so; what they lack is willingness.

Third, that public resources are insufficient to cure every problem property at the same time, so special attention must go to spending scarce resources most wisely, which means on those blocks where a few dollars will go the furthest in driving market improvement.

To turn the market around, Jamestown's leadership will have to focus energy in three main respects.

First, every action taken by the city must be engineered to grow confidence within the housing market that things are getting better. Special attention must be given to the ability of property owners in a weak market to sniff out anything that comes remotely close to justifying their own default behavior of disinvesting. If an intervention activity seems like it might further weaken the market, observers will continue to pull back. Interventions have to drive market improvement.

Second, the data czb collected clearly show that the average family in Jamestown can afford to invest more in their homes than they do. In some cases considerable amounts of money that in any other market would be spent on housing are not going for mortgage payments, energy costs, or home improvements. Aggregated, the amount is in the hundreds of millions of dollars annually. Therefore to right the Jamestown market that already exists, interventions have to be based on leveraging the current capacity of the residents.

Third, the number of residential structures with problems exceeds the amount of money available to fix them, so the flow of the money that can be raised must be aimed at those houses on those blocks that matter most to market recovery. Interventions must be possible on a city-wide basis but also have to be targeted for effectiveness.

Users of this report are therefore urged to remember these three elements: interventions must drive improvements, improvements can be financed from within if leveraged, and success hinges on improvements being geographically targeted.

The focus of effort needed in Jamestown by city leaders (government, business, residents) is to help restore confidence in the market, begging the question: how is confidence restored?

In the simplest sense, the problem of restoring confidence is a chicken-and-egg dilemma. People don't think the market is getting better if properties look tired and vacant and disheveled. And owners disinvest and leave properties tired and vacant and disheveled if they don't think the market is getting better.

To restore confidence is to intervene in this cycle by breaking it and then beginning to change it. The first step is to understand the process, which, in fact, reflects everyday normal positive human emotions: a hope for predictability, a willingness to take responsibility, and a desire to take pride in oneself and one's community. Taken together these typical emotions impact how we live together. Planners often use a couple of clumsy terms for how this works: the "Prisoner's Dilemma" and the more common "Keeping Up with the Joneses".

The Prisoner's Dilemma can be seen almost any night in television crime shows. The suspects are taken in for questioning and separated. Each immediately realizes that since there is no arrest, the police lack sufficient evidence. Therefore, if neither of the suspects confesses, both of them will probably go free. But neither one can predict what the other will do. Will they go along with the agreed story (cooperate) or will they stop participating in the plan (defect)? Most of us want to be convinced that the others will act as previously agreed. We want assurance and predictability. We look for signs that it makes sense to cooperate. We look for signals.

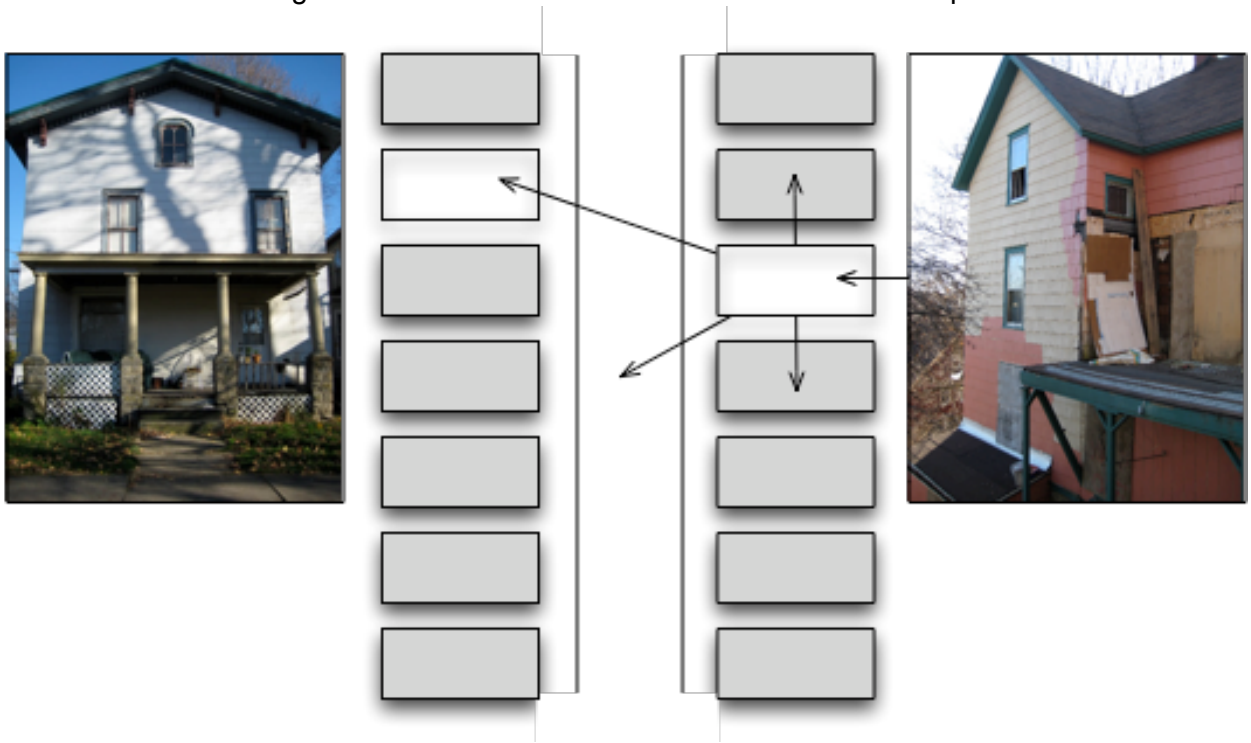
In neighborhood terms we also want predictability. We want to be assured that our neighbors will take care of their properties so that the neighborhood remains stable and well maintained. Both consciously and unconsciously, we notice if nearby houses need paint or if roofing shingles are missing or if yards are untended or if porches are cluttered. We want to be able to predict a certain level of positive behavior in property upkeep. If we start seeing negative behaviors, we question whether it makes sense for us to make our own investments of time, effort and money. This decision making is often done very subtly. One household decides to put off a new roof and just installs an obvious patch. Another property owner decides to remove the front porch and replace it with inexpensive steps and unpainted railings. And yet another family determines that it is best to not upgrade grandma's house because the neighborhood isn't as nice as it used to be.

None of these decisions by themselves is critical, but taken together they undermine the predictability of the neighborhood. Will the old agreed-upon standards prevail or will new standards dictate how the community will be maintained? Just like the Prisoner's Dilemma, can we predict what others will do? Should we invest anyway or should we wait and see, or is it best to stop putting any more money in our property? Different property owners reach different decisions, but we know from experience that many of us will delay investing and some will stop altogether. What results is lower property values and greater unwillingness to invest, which usually leads to even lower property values.

How does this apply to Jamestown?. A careful analysis of housing values show that if even just one property on the same block is significantly under-maintained or distressed, property values drop by *tens of thousands of dollars*.

A distressed house on a basically stable street in Jamestown will reduce the market value of a neighboring property by $25,106. In other words, as noted in the example below, the house on the left when not near (within 300 feet of) the house on the right would be worth approximately $60,000. On the same street as the house on the right, in the exact same condition, it would be worth $35,000. This means the house on the right is taking market value from the house on the left. Our view is this constitutes nothing less than sanctioned theft.

The owner of the house on the left is unable to sell her home for what it should be worth. The owner on the left has to pay higher property taxes because of the behaviors of the owner on the right. (see appendices for a full breakdown of property value impacts). Importantly, policies (or a failure to enact corrective measures) that effectively protect owners of poorly kept property amount to a de facto agreement with this clear transfer of wealth from responsible owners.



This has profound impact on investment by others and it reduces the tax base. The resulting higher tax rate makes properties in the city less competitive with nearby communities and the sale price of Jamestown houses goes down. The lack of predictability – the Prisoner's Dilemma – has led to an outcome no one wants to see because everyone loses.[13]

In addition to the Prisoner's Dilemma, there's also the matter of *Keeping Up with the Joneses*, which speaks to the reality that behaviors that can reverse disinvestment. It involves that Jones family down the street. The Jones' are the ones who are so "house proud" that leaves are barely on the ground before being raked up and made into mulch. The wind is blowing and they are out there raking. These Joneses don't just re-roof. They install the best architectural shingles and at the same time the porch is given new railings and a fancy paint job.

Simply said: the Joneses love their home and their neighborhood and plan to stay.

Of course, most of the rest of us end up looking at our yard or our roof and decide that we need to be more responsible. We don't want the shabbiest house on the block; old fashioned pride takes over and suddenly we get that new mulching mower or we re-paint the house in contemporary colors or we decide it is time to finally install new windows. Now, we might rationalize that those new windows are much more energy efficient, but we also know that when we see others invest, we can be more confident about our investment and we can take pride in being a good neighbor. The results are usually as expected. Neighborhoods that have solid standards of upkeep are more desirable and house prices reflect that higher level of investment. Houses sell more quickly for better prices and the tax base grows.



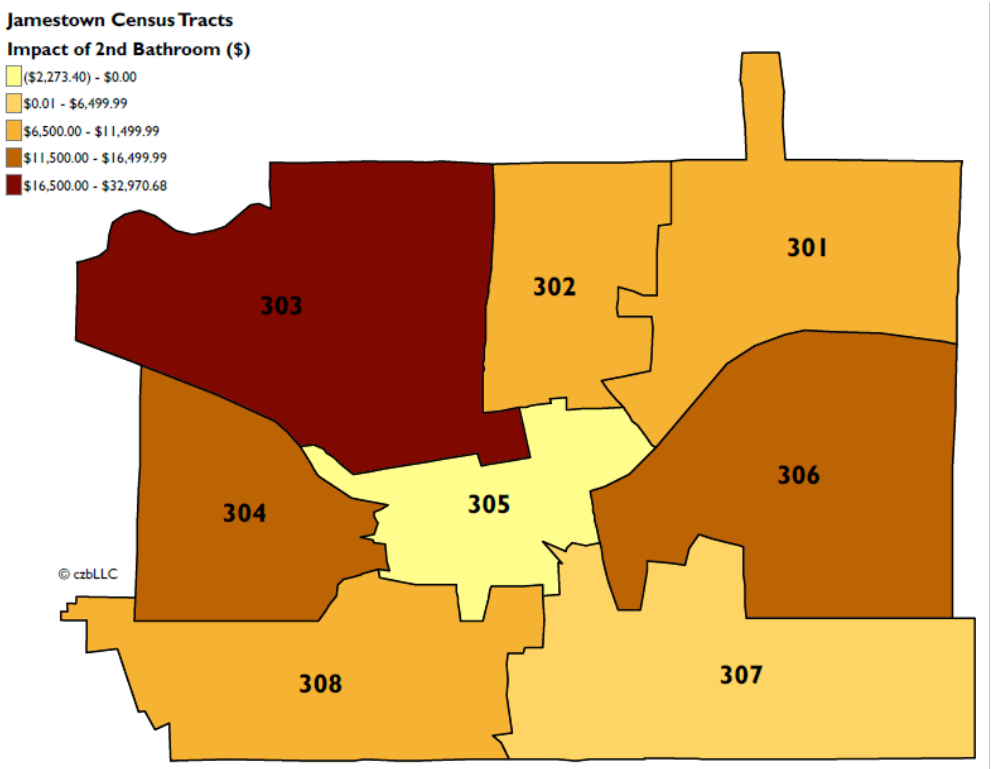


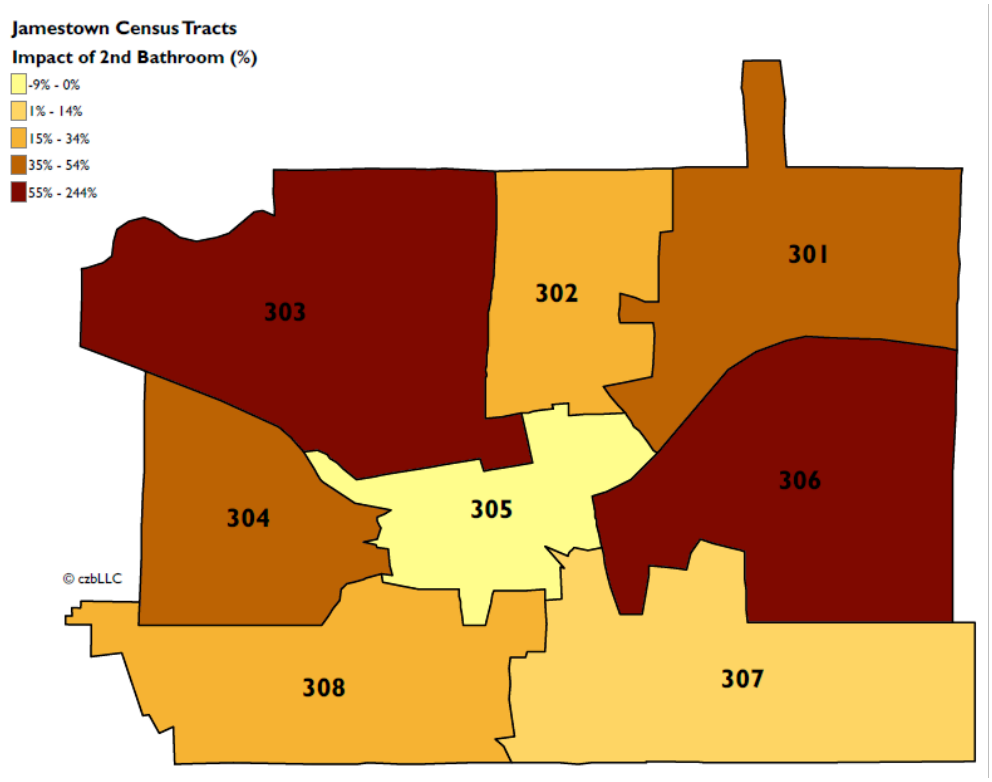
A better tax base makes living in the city more desirable, which, in turn, increases house values and encourages more people to invest. In fact, what has happened is that the Prisoner's Dilemma is now working in reverse. When we can predict that our neighbors will do a good job of maintaining and improving properties, we are more willing to do the same. In this case we all win.

One striking finding from czb's work in Jamestown is that the absence (and presence) of a second bathroom matters tremendously in terms of market value.

Location	Sales (1BA)	Sales (2BA)	Avg Sale Price - 1	Avg Sale Price - 2	($)	(%)
Citywide	744	157	$31,380	$43,266	$11,886	38%
Census Tract 301	100	21	$30,831	$42,122	$11,291	37%
Census Tract 302	111	35	$36,109	$46,130	$10,020	28%
Census Tract 303	78	3	$13,496	$46,467	$32,971	244%
Census Tract 304	116	19	$36,208	$52,686	$16,479	46%
Census Tract 305	41	8	$24,236	$21,963	-$2,273	-9%
Census Tract 306	55	15	$28,025	$43,589	$15,563	56%
Census Tract 307	97	30	$37,428	$40,634	$3,205	9%
Census Tract 308	63	16	$41,090	$47,620	$6,530	16%

This is for significant sales (according to DOD) from 2000 to 2008 of single-family, 3-bedroom homes built from 1900 to 1925.





Except for downtown and parts of Jamestown where there is already a preponderance of second baths, the addition of a second bath, which need not exceed a $10,000 cost, tends to return $11,000 to $15,000 in average value at the time of sale.

None of what has been said above is remarkable. It is just common sense.

But that doesn't change how important these dynamics are. We are all guided by what makes sense to us. Therefore, it is critically important that every action be taken that increases predictability that properties will be maintained and that this maintenance will be done at a high standard that shows that owners take pride in their properties.

HOW DECISIONS ARE MADE

This dynamic investment view of how neighborhoods in Jamestown operate leads to broader questions about confidence, capacity and community.

We all want greater confidence about our neighborhood, both in terms of the standards of upkeep and the standards of behavior. To achieve such confidence, we need to assure that property owners have the reasons and the capacity to maintain and improve the houses and we need to create and grow the social networks that manage the everyday issues of the community.

Consider the concerns about good maintenance of properties. This is a widely shared goal, but we know that there are reasons why good upkeep doesn't happen. Some homeowners are too old or too physically limited to handle all of the challenges of ownership. Some households are facing job loss or divorce and others are just new to ownership and don't have the experience or the tools to do a good job.

Landlords aren't all the same either. Many landlords do an excellent job of owning and renting property at standards that support the neighborhoods. Other landlords are financially strapped and can't take on large repairs and some lack the skills or foresight to even make critical minor repairs. Still others aren't experienced enough at selecting stable tenants and some are actually a "landlord-by-accident" having inherited a property and not being able to sell it.

Regardless of the reasons, property owners aren't always able to easily and effectively maintain and improve properties. The costs of these failures fall on all the nearby owners, so in most cities concerted responses to the problems have been developed. There are many examples of such actions and none is perfect, but it is important to remember that the reason for assisting in the repair and improvement of other properties is that there is a benefit to everyone. Greater confidence leads to better communities with higher housing prices and lower tax rates.

Examples of intervention include: volunteer programs to repair homes of elderly, low-income, and disabled owners, workshops and tool lending libraries to help new buyers to be better owners, loan programs to help landlords and homeowners improve their houses, small grants to encourage better curb appeal of houses, training and grants to improve energy efficiency, and dozens of other efforts. In addition to these actions, many communities also use regulations to set standards. For example, when neighborhoods take on self-help activities, local government can assist by employing a concentrated code compliance program. That means that those property owners that aren't willing to upgrade their houses will have to at least make sure minimum standards are met. Trash must be removed and overgrown vegetation cut back. Abandoned vehicles are towed away and safety repairs are made. With the right combination of carrots and sticks, whole neighborhoods can be improved and with those improvements confidence will be strengthened.

Of course, good repair is only part of what makes people more confident. It has been said that people buy a house and a neighborhood, too. Thoughtful buyers look at the surroundings and consider who lives there. Are the residents responsible? Do trash cans go out on the right days and get taken in promptly? Is noise kept to a minimum? Are sidewalks shoveled soon after the snow has fallen? Are the neighbors neighborly? Are porch lights turned on in the evening? Does anyone pay extra attention to an elderly resident? Is there a reputation that residents watch out for each other? Good neighborhoods have good neighbors.

That doesn't mean that all neighbors are friends; it does mean that there is respect and consideration. People have confidence when they know that good investments and good upkeep are the standard and when they know that their neighbors are being good fellow citizens about the challenges of living near each other. This confidence is critical for any community to be stable and to thrive.

We refer to this as what happens in a healthy neighborhood, which we have defined as a place where it makes sense to invest one's time, effort and money in one's home and where neighbors are willing and able to manage the everyday issues in the neighborhood. In sum, we want to live in places where it makes economic sense and where we are comfortable.



Too many areas in Jamestown are not fully healthy, however. In some places the housing standards and housing values have eroded too much to support confidence; in other places, there is a sense that the neighbors aren't watching out for each other. And, of course, there are those parts of town where it doesn't make sense to invest time or money. Reversing these patterns is critical if Jamestown is to re-position itself as a thriving small town with good affordable housing in many desirable neighborhoods.

Unfortunately, as we've noted throughout, there are too few resources to deal with all these issues, but in some ways that can be a positive. The first step is to change the norms have have come to take hold in Jamestown and have set the market.

Which norms? In our evaluation of Jamestown, there are four especially critical habits to break, each important in the signals they now communicate to the market.

The first habit to break is the sanctioned deterioration of the condition of properties on influential corridors.

Every property is important and influential. But those on highly traveled routes become especially important. Those on highly trafficked routes lead travelers to strong parts of town are the most important.

Properties on influential corridors in Jamestown have been permitted to slowly decline over time and the resulting influence they have is disproportionately corrosive . This is the first habit that must be broken. Resources must be allocated to more aggressively choose select properties on highly visible corridors to upgrade.

As properties on these influential corridors are either removed or improved physically, and as the strength of the market on these corridors is strengthened, important signals will be sent - sometimes subtly - that the overall condition in town has stabilized.[14]

The job in this case is to start upgrading properties on key corridors.

The way to do this is through a set of incentives for owners wishing to stay, married to occasional acquisition and demolition, and both married to especially unforgiving code enactment and enforcement.

The second habit to break is the permissible degraded standard for too many rental properties. Unfortunately, too much of the rental market in Jamestown is in a race to the bottom. This habit must be broken.

The cost of owning a home in Jamestown relative to incomes is so affordable that a prominent reason for renting is the lack of good credit and savings sufficient to obtain a mortgage. This means the pool of renters in Jamestown is frequently (financially) weak and without negotiating strength to do better than accept second rate units offered by too many unqualified landlords.

Likewise, the nature of residential property in Jamestown - older and expensive to maintain - is such that landlords in the rental property business in Jamestown are functioning on extremely thin operating margins, must to cope with substantial wear and tear, and often have tenants without consistent employment and reliable income. The pressure is too great on many landlords to resist the rational response of bleeding properties down to a worthless shell and then abandoning them. This kind of resource extraction math is common in weak markets and has been a disaster for Jamestown. The result is too many structures that are poorly maintained by landlords. The impact of poorly maintained rental property in Jamestown is profound, bringing nearby individual home values down by tens of thousands of dollars.

To address this, the job is to incentivize the good landlords to upgrade their properties while concurrently making it financially prohibitive for problem landlords to remain in business.

The approach has two flanks. On one hand, incentives for upgrades must be designed and marketed and made easily accessible. These should be aimed squarely at those landlords already doing an excellent job at property maintenance and who already have sustained relations with good tenants. On the other, a highly regimented rental property registration law must be passed, requiring every rental property to be inspected on a regular basis, every owner to pay a registration and inspection fee, and all fees and processes to be more and less odious depending on each history of compliance.

As key properties on visible corridors are slowly being upgraded, rental property must become increasingly regulated as a business and property conditions of rental property treated on par with health and workplace safety issues as is done in every other business.[15]

The third habit to break is the uneven application of property code enforcement in Jamestown. There is no clearly understood strategy or standard for code enforcement. The average citizen in Jamestown experiences a confusing jumble when trying to understand code enforcement. There is no easily discernible pattern since on any given block some distressed houses are labeled as being in violation while similar properties are not, or properties that have been cited remain, sometimes for years, cited, in violation, and with no change in their status. This confusion must be clarified and made much more transparent.

Remember, at the core of confidence is the issue of predictability. Signals are being sent by property owners about their own take on the market and their own financial position, in the form of how they tend to their properties. If care vacillates, other owners aren't sure what to make of things and they too waver. Code enforcement plays a key role in stabilizing the trampoline effect, for it communicates that whatever else is true, there is a firm floor beneath which we as a community will simply not permit property to degrade. Absent predictability on this score, which derives from consistency and legibility, people will - and in Jamestown have - concluded that there simply is little point to fix my place if that guy down the street can let his property go to pieces.

In Jamestown, moreover, this mindset is now so baked into the DNA of some at-risk but not yet fully degraded streets like Grant and Lincoln that upgrades are more suspect than code violations, a sure precursor to further distress more on par with a Chandler or an Orchard or a Franklin.

The fourth habit to break is to continue to think that the market can be remedied in Jamestown by using federal and state dollars that are a poor fit for Jamestown, as they tend to respond to symptoms and not structural issues, and fail to contribute to building a firm floor in the market.

Having made the decision to break four counterproductive norms - degradation of major arterials, low standards for rental property, uneven code enforcement, and reliance on poorly designed state and federal dollars to address blight - the next step is to build a package of incentives to encourage more of the many positive property owner behaviors already now holding so many of Jamestown truly excellent blocks together.

The incentives need to be organized in two respects. First is a set of highly targeted incentives that are aimed towards specific blocks where a return to healthy market condition is cost effective. Second is an accompanying set of incentives available city-wide.

The incentives need to be established through collaboration. It is not the job solely of the City of Jamestown's to provide incentives for better property maintenance. Nor is it the job of private foundations alone. Nor that of the individual citizens. It is a combination of all three.

The best way to do this is to establish an incentive-based matching program where home owners that pledge their own time and their resources to upgrade their homes and contribute to the improvement of their blocks receiving matching funds and other assistance from a combination of public and philanthropic sources.

RECOMMENDED INCENTIVE PACKAGE

Clustered Good Neighborhood Initiative
A partnership of the City of Jamestown, local foundations, and citizens investing in home exterior improvements and community building.

What it is: Matching funds for home owners to upgrade their properties, with bonus funds available for properties on high *visibility value* streets and/or those on high *market value* streets.

How it works: Home owners pledge to invest an amount equal to 1% of the assessed value of their homes (up to $500) per year for three years in exterior upgrades. This plus a pledge of four Saturdays a year in sweat equity and the agreement by at least four others on the same street (forming a cluster).

An owner investment of $1,500 over three years in equal $500 amounts is matched by the City of Jamestown in the form of property tax relief equal to $250 per year. The owner investment is also matched by a Gebbie Foundation gift of $850 ($100 in year one, $250 in year two, and $500 in year three), and a Community Foundation gift of $150 (three equal $50/year gifts). An owner who invests $1,500 over three years receives matching gifts of $1,750.

Administration: JRC and CODE

Cost to City: $225,000 over five year program to support three cohorts of clustered investors, each lasting three years.

Cost to Gebbie: $255,000 over five year program to support three cohorts of clustered investors, each lasting three years. Plus possible $600,000 bonus grants, totaling a commitment potential of $855,000 ($171,000/yr average)

Cost to TCF: $45,000 over five year program to support three cohorts of clustered investors, each lasting three years.

Owner Investments: $450,000 over five years

Total Cost: $975,000

Total Value: $.975 - $1.575M

Based on maximum 20 clusters of 5 owners per year, each committing $500/yr for three years

- czb has identified 10 streets in Jamestown that are *high visibility and thus high leverage value* streets. For clusters of owners on these streets, there will be matching funds of an additional $5,000 for for landscaping.
- czb has identified 178 blocks in Jamestown that are *very high market improving and thus very high leverage value* streets. For clusters of owners on these streets, there will be matching funds of an additional $5,000 for for landscaping.
- czb has identified 169 blocks in Jamestown that are *strong market improving and thus strong leverage value* streets. For clusters of owners on these streets, there will be matching funds of an additional $1,000 for landscaping.
- **Note: A $1,000 bonus to CODE for each cluster they organize**

Good Landlord Project

A partnership of the City of Jamestown, local foundations, and citizens investing in exterior structure and landscaping improvements to rental properties in Jamestown

What it is: Matching funds for rental property owners of duplexes to upgrade their two unit properties, with bonus funds available for properties on high *visibility value* streets and/or those on high *market value* streets.

How it works: Owners pledge to invest an amount equal to 1/12 of their gross annual rental income from the property (up to $1,000) per year for three years in exterior upgrades and landscaping improvements. This plus a pledge of four Saturdays a year of *both* tenant's (could be an owner) time in sweat equity.

An owner investment of $3,000 over three years in equal $1,000 amounts is matched by the City of Jamestown in the form of property tax relief equal to $500 per year. The owner investment is also matched by a Gebbie Foundation gift of $1,000 ($100 in year one, $400 in year two, and $500 in year three), and a Community Foundation gift of $150 (three equal $50/year gifts). An owner who invests $3,000 over three years receives matching gifts of $1,750.

Administration: JRC and CODE

Cost to City: $45,000 over five year program to support three cohorts of up to ten good landlords each, each lasting three years.

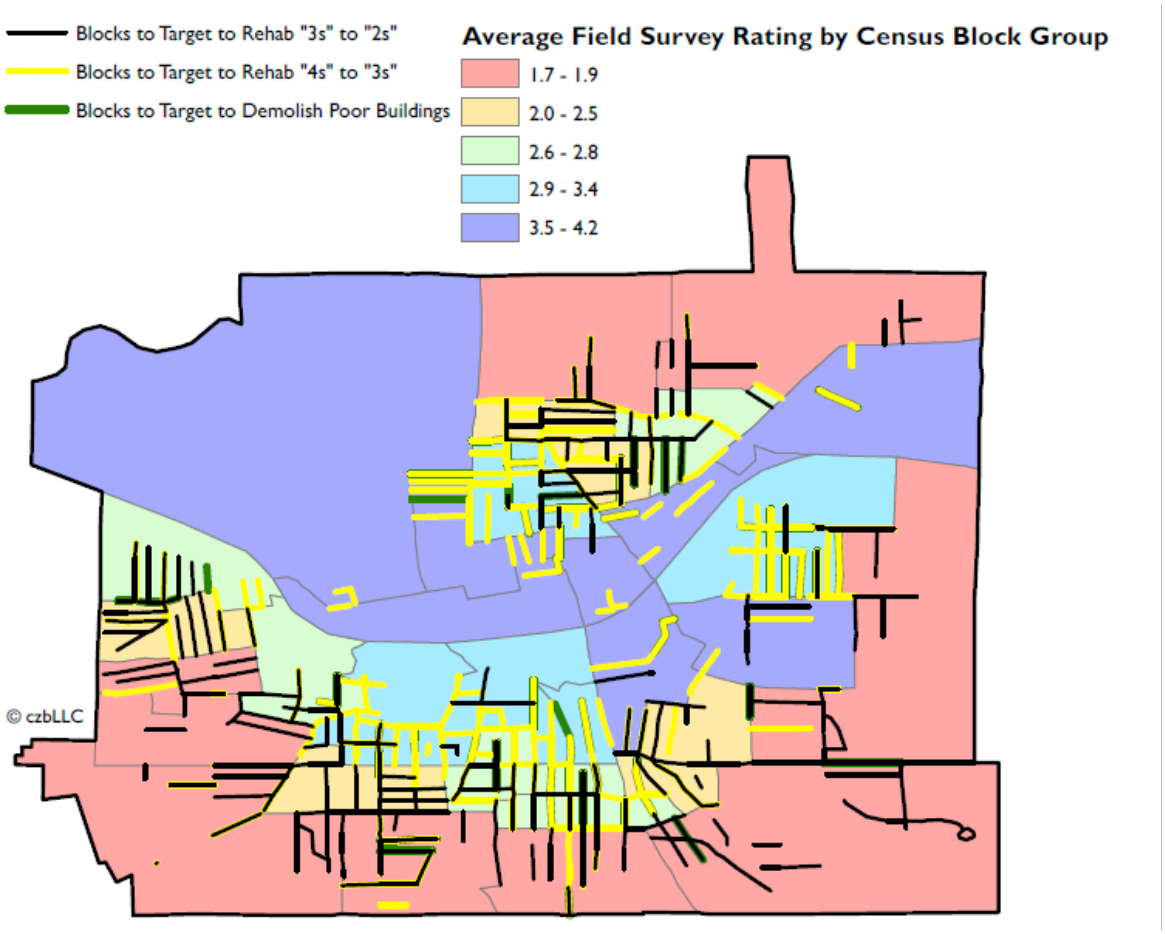
Cost to Gebbie: $30,000 over five year program to support three cohorts of clustered investors, each lasting three years. Plus possible $60,000 bonus grants, totaling a commitment potential of $90,000 ($18,000/yr average)

Cost to TCF: $4,500 over five year program to support three cohorts of up to ten good landlords each, each lasting three years.

Owner Investments: $90,000 over five years

Based on maximum 10 good landlords per year, each committing $500/yr for three years

- czb has identified 10 streets in Jamestown that are *high visibility and thus high leverage value* streets. For clusters of owners on these streets, there will be matching funds of an additional $1,000 for for landscaping.
- czb has identified 178 blocks in Jamestown that are *very high market improving and thus very high leverage value* streets. For clusters of owners on these streets, there will be matching funds of an additional $1,000 for for landscaping.
- czb has identified 169 blocks in Jamestown that are *strong market improving and thus strong leverage value* streets. For clusters of owners on these streets, there will be matching funds of an additional $1,000 for landscaping.
- **Note: A $5,000 bonus to CODE for every five duplex landlords they mobilize**



- Candidates for the rehabilitation of "3" properties into "2" properties are those blocks with at least one "3" property and an average block-wide field survey rating below 3, and where the average assessed value of a "2" is greater than the average assessed value of a "3" (meaning that a property's value should increase as it is rehabbed). THESE ARE HIGH MARKET VALUE IMPROVING STREETS[16]
- Candidates for the rehabilitation of "4" properties into "3" properties are those blocks with at least one "4" property and an average block-wide field survey rating below 4, and where the average assessed value of a "3" is greater than the average assessed value of a "4" (meaning that a property's value should increase as it is rehabbed). THESE ARE LESS BUT STILL STRONG LEVERAGE VALUE STREETS[17]
- Candidates for the demolition of poor properties (those receiving a field survey rating of 5 or 6) are those blocks with at least one poor property and a ratio of Good and Fair-to Poor Property Ratio of at least 10 (meaning that for every 1 property receiving a 5 or 6 field survey rating, at least 10 properties received a 1, 2, 3, or 4).

PROCEDURAL AND PROGRAMMATIC RECOMMENDATIONS

Governmental Activities: Institute Rental Registration

Rental property is a significant part of housing in Jamestown. There are 8,014 residential structures in Jamestown that comprise 15,369 units of housing. More than 7,000 of them are occupied by renters.

Occupied **Units**	13558	
By Owners	6962	51.3%
By Renters	6596	48.6%

Total Housing **Units**	15369	
Occupied	13541	88.1%
Vacant	1828	11.9%

Quality rental provides a necessary and desirable option for many households. The issue isn't whether there ought to be a certain amount of rental housing; that should be determined by the market.

The issue is *how rental housing can be monitored effectively*. In the case of a house owned by its resident, there are clear lines of responsibility. In the case of a rental property, there is an owner, perhaps a manager, and one or more tenants. Because of this complexity, there needs to be a structured system. In many cities that system is rental registration. This entails the owner of the property registering all units with the city government and paying an annual fee.

With that registration, the owner agrees to be or to identify a local person who can be contacted easily and who has management responsibility. The owner also agrees to notify the City whenever a tenant moves out so that an inspection can take place. The City agrees to make such inspections promptly and to keep the owner or manager informed about all general regulations and specific issues about the property. Most landlords are concerned with the conditions of their units and the stability of their tenants. Those landlords welcome this sort of system because they no longer have to compete with landlords who under-maintain their properties and rent to tenants without proper oversight. In a soft housing market, competition can be especially critical and should be fair. Rental registration sets standards that go a long way to supporting a level and fair playing field and thereby support good rental opportunities.

Recommendation: In early 2010 establish a residential rental property registration requirement as follows:

1. All rental property must be inspected and in compliance. The fee is $50 per bedroom per year. Inspections are every two years unless waived.
2. Rental property that passes two consecutive inspections has all fees waived and moves to an inspection schedule of every third year.
3. Rental properties that fail an inspection are re-inspected after being permitted a cure period.
4. A failure to cure rescinds compliance.

Governmental Activities: Clarify Tax Foreclosure Process; Acknowledge Impacts of Upkeep

Too often the tax foreclosure process doesn't work to successfully solve problems. The common pattern is that distressed houses become vacant and eventually are sold for back taxes. There is no requirement that the new buyer demonstrate the resources needed to properly repair the house. While government has gained a few dollars of tax revenue, the neighborhood still has an eyesore and all of the nearby property owners have to face lower sales prices and rents due to the blight. *This needs to be addressed immediately.*

Property Class	# of Properties	Near Poor Building	Average Field Survey Rating	Average Sale Price	Average # of Bedrooms	Average # of Full Bathrooms	Average # of Half Bathrooms	Average Year Built	Average Sq. Ft. of Living Area
210	4,284	No	1.925	$48,847	2.9	1.2	0.3	1934.1	1,444.5
210	2,359	Yes	3.179	$23,741	3.1	1.2	0.2	1908.1	1,499.4

Sources: czbLLC, Chautauqua County Assessor's Office

According to property surveys conducted by czbLLC and data from the Chautauqua County Assessor's Office, single-family residential properties within 300 feet (the length of a typical city block) of a "poor" building (rated as either a "5" or a "6" during field surveys conducted by members of the czb team) were typically of lower quality – receiving an average survey rating of over 3 (average) versus less than 2 (above average) for those not near poor buildings – and sold, on average for just half of what properties not near poor buildings sold for ($23,741 vs. $48,847).

Single-family residential properties near and far from poor buildings shared most other characteristics: both groups averaged 3 bedrooms, 1 ½ bathrooms, and between 1,450 and 1,500 square feet. The biggest difference was in property age – buildings near poor properties were built, on average, in 1908 compared to 1934 for those not near poor properties.

Year Built Summary	% Near Poor Building	Difference in Average Sale Price	Ratio of Average Sale Price, Near Poor-to-Not Near Poor	Difference in Average Rating	Ratio of Average Rating, Near Poor-to-Not Near Poor
1 - Before 1900	77%	$12,491	60.9%	-1.10	141.6%
2 - 1900 to 1925	58%	$17,655	56.0%	-1.14	147.9%
3 - 1926 to 1949	20%	$14,608	70.6%	-0.98	151.9%
4 - 1950 to 1979	9%	$19,695	65.5%	-0.65	138.0%
5 - 1980 or later	0%	N/A	N/A	N/A	N/A

Sources: czbLLC, Chautauqua County Assessor's Office

This difference in age stems from the fact that, according to this data, three-quarters (77%) of single-family residential buildings built before 1900 were within 300 feet of a "poor" property. In contrast, this was true of over half (58%) of buildings built between 1900 and 1925, 20% of those built between 1926 and 1949, 9% of those built between 1950 and 1979, and 0% of those built in 1980 or later.

Poor quality properties represent a substantial "cost" to neighborhood property owners: Being close to a poor building reduced the oldest properties' average sale price by roughly $12,500 and newer properties' average sale price by nearly $20,000.

These poor quality properties are also typically associated with nearby deterioration: properties in all age brackets were likely to receive a 1-point worse field survey rating if they were within 300 feet of a "poor" building than if they weren't.

Property Class	# of Properties	Near Abandoned Building	Average Field Survey Rating	Average Sale Price	Average # of Bedrooms	Average # of Full Bathrooms	Average # of Half Bathrooms	Average Year Built	Average Sq. Ft. of Living Area
210	4,972	No	2.094	$45,662	2.9	1.2	0.3	1930.8	1,450.6
210	1,671	Yes	3.192	$23,298	3.1	1.2	0.3	1907.1	1,503.0

Sources: czbLLC, Chautauqua County Assessor's Office

Abandoned properties had nearly the same effect as "poor" buildings.

Year Built Summary	% Near Abandoned Building	Difference in Average Sale Price	Ratio of Average Sale Price, Near Abandoned-to-Not Near Abandoned	Difference in Average Rating	Ratio of Average Rating, Near Abandoned-to-Not Near Abandoned
1 - Before 1900	57%	$9,462	65.9%	-0.75	124.6%
2 - 1900 to 1925	42%	$13,492	62.1%	-0.90	133.9%
3 - 1926 to 1949	13%	$11,332	76.4%	-0.98	149.8%
4 - 1950 to 1979	5%	$16,288	70.9%	-0.78	144.8%
5 - 1980 or later	0%	N/A	N/A	N/A	N/A

Sources: czbLLC, Chautauqua County Assessor's Office

Older single-family homes were far more likely than newer homes to be near abandoned properties: over half (57%) of single-family residential buildings built before 1900 were within 300 feet of an abandoned property. This was true of 42% of buildings built between 1900 and 1925, just 13% of those built between 1926 and 1949, only 5% of those built between 1950 and 1979, and 0% of those built in 1980 or later.

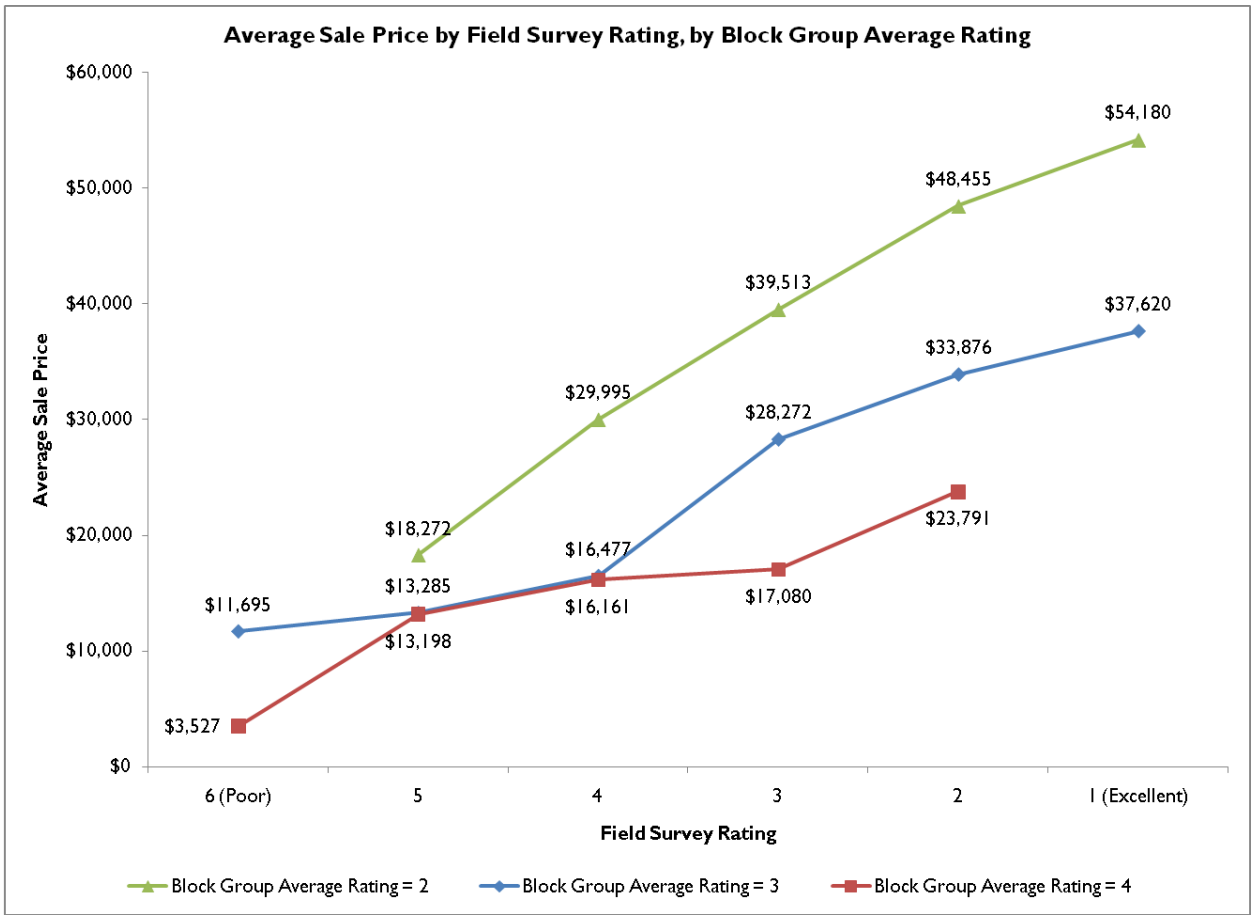
Abandoned properties also represent a substantial "cost" to neighborhood property owners. Unlike "poor" buildings, though, abandoned properties are costliest to newest homes: Being close to an abandoned building reduced newer properties' average sale price by more than $16,000 and oldest properties' average sale price by less than $10,000.

Field Survey Rating	Difference in Average Sale Price
1	$24,048
2	$14,012
3	$14,160
4	$12,061

Sources: czbLLC, Chautauqua County Assessor's Office

Having a "poor" property nearby was the biggest drag on the highest quality single-family residential buildings: Among properties receiving a "1" field survey rating (the highest score), those near poor quality properties averaged sale prices $24,048 less than those not near poor properties. Among below-average properties (those receiving a "4" field survey rating), a nearby "poor" property reduced the average sale price by just $12,061 – or half as much.

For properties in block groups with the worst average field survey rating (4), individual property sale prices (on average) jumped most substantially as properties went from a field survey score of 3 ($17,080) to 2 ($23,791). Properties in block groups with an average field survey rating of 3 started increasing in value most between field survey rating 4 ($16,447) and 3 ($28,272). Properties in block groups with the highest average field survey value for a block group (2) saw a similar jump (of roughly $10,000 in average sale price) between each field survey value.



While these tax foreclosure properties have negative impacts on their neighbor houses, this dynamic is much more important if the houses are on an important through street or adjacent to an important facility such as a school or a church. Even the presence of the foreclosure posting (like the condemned postings on other buildings) creates a sense that the real estate market is failing. When the property is then further under-maintained, the message is reinforced. This undermines property values and further erodes the tax base.

Governmental Activities: Reduce the Costs of Demolition

Many of the houses in Jamestown have deteriorated beyond what makes economic sense to renovate. Distressed properties – especially long-term abandoned houses – are reducing the value of nearby houses, eroding the tax base, and undermining any attempts to re-position Jamestown as a strong community of choice. While there appears to be no significant interest or rationale for salvaging these properties, the costs of demolition are substantial and are a real obstacle to removing the scores of houses that need to be immediately demolished. It has been the experience of City staff that typical demolition costs are $13,000 to $15,000 a structure. This is not unusual when compared to larger cities in New York State. However, in nearby Ohio costs are about one-third as much. Right now only about three abandoned houses can be removed annually through City funds; double or triple that number would still be modest but would have more impact on rebuilding confidence, which must happen if disinvestment is to be halted and reversed.

Recommendation: Every effort should be made to reduce the costs of demolition. Some example actions are: having a nonprofit organization negotiate for the removal these properties in order to simplify contracting, using a volunteer group or salvage business to remove parts of the existing abandoned houses through a process called de-construction, and working closely with both State elected officials and agency heads to find ways to reduce demolition costs in the State. In the last instance, it is important that Republicans and Democrats from Jamestown, Buffalo, Utica, Rochester, and other weak housing market cities come together with unified legislation in the State House.

Governmental Activities: Upgrade Boarding Requirements and Vacant Building Minimums

Owning a vacant property in Jamestown is not a particularly expensive decision for a buyer. While there are some modest taxes and periodic mowing is required, owing to a historically timid City Council, the likelihood of repeated and expensive fines is minimal. There isn't an aggressive housing court system that imposes substantial fines and jail time for flagrant offenders. Indeed, broken doors and windows are often left un-boarded and vandals remove those boards that are installed. Code compliance officers might cite a property, but significant "sticks" aren't in place to prompt quick action. Nevertheless, as we've shown, these properties have enormous costs on the neighborhoods and the city. Vacant buildings often are left untended with overgrown bushes, un-mowed lawns, and litter. As we've repeatedly noted, buildings in this condition almost always drive down housing values and undermine local investment.

If City and court actions don't produce the results needed, neighbors should use flyers, meetings and the media to make sure that everyone knows who owns the distressed houses and what needs to be done. Where courts and resident groups have used these shaming procedures, there is seldom a need to repeat the process with other uncooperative property owners. This isn't being done as a vindictive act; this is being done so that the cost of negatively impacting one's neighbors is clearly understood.

Recommendations: Owning a vacant property should carry significant responsibility. There are oversight actions that must be taken: boarding, re-boarding, mowing, and cleaning. If such actions aren't taken promptly, there should be quick and substantial fines. If this doesn't produce a positive result, the owners should be identified publicly.

Governmental Activities: Streamline Court Compliance Process

Frustrated city staff members across the country point to the courts as complicated stumbling blocks, which undermine prompt and effective action on property violations. Of course, the courts have the responsibility of balancing a number of conflicting issues: the law as strictly written, the position and performance of the property owner, the likelihood of compliance, and the need for fairness in court rulings. In this process, the impact of the property is seldom discussed in the context of reduced housing values in the neighborhood. Each property is seen as a distinct case, but it is clear that these houses do impact nearby houses and in many cases the perception of the whole city.

Therefore, it is important that the court process be as efficient and effective as possible. This usually means having a regularized set of procedures, including specific court time set aside and a judge acquainted with the regulations and with the challenge of maintaining older properties. Some of these measures are already in place, but more should be done. Fortunately, one of the nation's premier courts in this field is located in Cleveland, Ohio, and could provide an excellent model for shaping a fair and legally appropriate response.

Recommendation*:* Local judges, elected officials, code compliance staff, and civic leaders should come together to build on the systems that are place in order to implement consistent court actions that both support community outcomes as well as property owner rights. It is important that civic leaders be part of this process, since in many cases there will have to be community-wide effort to assist those who cannot maintain their properties without help.

Governmental Activities: Make Inspection Process Logical and Readily Legible

Problem properties are presently inspected on a complaint-driven basis. Properties that are eventually cited may languish as vacant derelict structures for years in Jamestown. Each level of degradation further impacts the market values of surrounding properties. It is not in the best interest of the City of Jamestown to continue along these lines.

Recommendation: As noted, all rental property must be registered and inspected. There are nearly 6600 rental units in Jamestown. These should be inspected regularly. Once a rental property registration program is started in 2010, inspections can begin in 2011. We recommend that a target of 10 **units**/day be inspected by the City of Jamestown, which will result in approximately 2,000 units annually. Of this number many will require a re-inspection, but by 2015 all rental property in Jamestown will have been inspected at least once.

There are 8,014 residential structures in Jamestown. 5,688 are single family detached, 1,577 are duplexes, 254 are three-family properties, and there are 495 multifamily properties with at least four units but with an average of 11.64 units per MF structure. Based on this, we estimate that the following structure breakdown applies:

Residential **STRUCTURES**	8014	
Unknown Occupancy	309	3.9%
Owner Occupied Structures	5622	70.2%
Renter Occupied Structures	2083	26.0%

Occupied **Units**	13558	
By Owners	6962	51.3%
By Renters	6596	48.6%

This leaves roughly 6,900 owner-occupied units that also need to be considered, nearly all of which are in 5,688 single family detached houses. In our analysis of these structures, less than four percent (237 houses) were in poor enough condition as to be in probable violation of health and safety codes and less than 15 percent (820 houses) were in poor enough condition to presuppose that a complaint about property condition might be warranted.

These 820 structures need to be inspected for possible health and safety code violation (237 houses) and possible violations of local nuisance ordinances (existing or new as modeled after codes adopted in states as varied as Georgia and Washington). We recommend a rate of two single family detached **houses**/day, which will lead to coverage of 400 annually of which a number will require re-inspection. Subsequent years may result in 100 new and 300 reinspections. By 2013 the bottom 15 percent of single family detached houses that are most distressed will be inspected and compliant. There are various ways to focus on the target properties, including the creation of a citizen panel chartered to contact the city for potential violations.

Nonprofit Activities: Collaborate and Expand Nonprofit Roles

Jamestown and Chautauqua County have a number of nonprofit organizations that can be valuable partners in the strengthening of the city and its neighborhoods.

In particular, Chautauqua Opportunities, Inc (COI), CODE, and the Chautauqua Home Rehabilitation and Improvement Corporation could be even more effective partners and could play pivotal roles in the proposed initiatives.

In each case these fine organizations should be asked to expand on their current work to serve a broader population or to assist in a specific defined activity. This means asking each organization to carefully consider expanding its mission to address both the current housing needs, but also *to support improving the housing market*.

Such a request requires additional funding in most cases, although some re-focusing of current work could be helpful. Since New York State has so many government programs, it will be important to see the State as a partner in this process of planning and funding.

Recommendation: Local nonprofits should be convened to review what is being done already in order to find ways to better leverage the work already being done. In subsequent meetings New York State agency officials should be present to discuss potential resources. Local government, nonprofit, and civic leaders should identify needs in light of a market-driven reinvestment plan. Out of this process, a shared work plan should be developed with clear responsibilities and resources.

Nonprofit Activities: Encourage Expanded CODE Renovation of Scattered Rental Properties

The CODE organization has a long and very credible record of buying, repairing, and managing rental property. Many CODE properties were previously troubled houses located on busy thoroughfares or significantly distressed, over-sized houses. These properties were purchased, improved and managed by CODE. With years of experience, CODE is a well-capitalized rental corporation that is addressing a number of disinvestment issues while also providing affordable quality housing. There are few communities the size of Jamestown that have the benefit of this sort of capacity.

Nevertheless, it should be noted that CODE's expertise is in new construction of subsidized housing and the redevelopment of existing property. Its traditional funding sources are low-income housing tax credits and other subsidized housing programs. Great care should be taken to broaden CODE's template. While the Jamestown market desperately needs blighted property to be addressed - sometimes demolished and sometimes rehabilitated - it does not need more low-income housing units unless others are removed from the inventory.

Recommendation: A carefully constructed investment plan (especially one focused along Main Street or in conjunction with Northside Pride) could produce significant improvements at key locations. The leadership of CODE should be assisted in seeking local, state and national grants and there should be some financial assistance as the organization moves away from a business model tied to production of new housing dependent on government subsidies. CODE is too valuable an asset in Jamestown to allow it to be underfunded.[18]

Nonprofit Activities: Support CODE New Construction as In-fill

The CODE organization has recently focused its attention at a concentrated site at the Appleyard site on Second Street at Winsor. The properties are well constructed and have a number of amenities that distinguish this project. However, due to the nature of the funding, certain local development regulations, and limited resources, this project was built at a density that isn't common in Jamestown and it places family-style units opening directly onto Second Street. This well-built project lacks the open space and play areas that typify the small town character of Jamestown, but it does suggest that excellence could be easily achieved with some modest support to the group and with greater flexibility in development restrictions.

Currently, the leadership of CODE is exploring additional new construction with the hope that development could be better integrated into more conventional residential blocks and sited on more generous lots in keeping with the standards of Jamestown. Efforts should be made to assist this outstanding nonprofit group to develop new housing that de-concentrates low-income households, that places new construction in older neighborhoods, and that role models how affordable housing can be built to successfully serve both the future residents and the neighborhoods and city.

Recommendation: Funders, city officials, and civic leaders should partner with the board of CODE to encourage continued excellence in affordable housing development in ways that strengthen the neighborhoods and the image of Jamestown. In particular, every effort in terms of funding and legal flexibility should be made to use new construction as in-fill on appropriate blocks and with designs and standards that reflect the livable small town character of Jamestown. Again whenever possible, new construction should be accompanied with significant removal of excess low quality housing.

Nonprofit Activities: Promote Homebuyer Education for All

Chautauqua Opportunities, Inc. is a well-managed organization with a long established and commendable homeownership counseling and training program and a well deserved national reputation for addressing challenges common to rural areas. As a Community Action Agency, the main focus has been on those households with lower incomes or with disabilities. While this offers important outcomes, it is equally important that the full range of income groups are prepared to be homeowners. In many cities, an agency like COI has partnered with the real estate industry to provide training directed at households above 80% of median income. The homebuying information is much the same, but the style of presentation is very different and the clients are often assisted in taking on more complicated purchases. As a community, Jamestown needs additional middle-income homebuyers and particularly more buyers willing to take on properties that need substantial upgrading.

Since, COI is largely dependent on funding from resources tied to low-income households, it will be necessary to help the organization raise the necessary funds to support a comprehensive program. Moreover, other community groups should assist in promoting and operating homeownership fairs and coordinated open houses by real estate agents. Expanded procedures should be in place for referrals from banks, for training for real estate agents on special lending packages, and for reaching out to current renters interested in possible home purchase. Further, there should be a system to assist buyers with low cost or no cost estimating on home repairs and renovations and with the government sponsored programs that combine purchase and rehab funds in a single mortgage.

Recommendation: Chautauqua Opportunities, Inc. should be encouraged to take the leadership in developing a comprehensive home purchase program for Jamestown that includes the full range of buyers and properties, that utilizes all possible incentives and financing programs, and that provides rehab support services. The real estate community, lenders, and others interested in expanded homeownership and home renovation should supplement this program.

Philanthropic Activities: Fund a Neighborhoods Coordinator

The neighborhoods of Jamestown are its greatest asset.

Therefore, it is especially important to invest in the initiatives outlined in this report. Perhaps the single most effective investment would be in a staff person able to coordinate a wide range of activities from block projects to volunteer efforts and from marketing programs to grant writing for community-based initiatives. This individual would need to work closely with the City staff and the various nonprofits in Jamestown and would have to be very skilled at finding consensus and motivating action. The job will surely be one of the most interesting and varied in the community.

Further, there would need to be some very modest funding to cover the costs of communication, trainings, testing new ideas, and reporting to the community. These costs can often be met through in-kind contribution, small gifts, and support from community-focused groups and foundations.

Recommendation: It is strongly recommended that a person be identified to facilitate many of the suggestions in this report. After reviewing local groups and interests, it is further recommended that this person be housed in the Jamestown Renaissance Corporation, which would take on the duties of oversight. This action would broaden the work of the organization in ways that would make it even more effective as a force for change in Jamestown.

Civic Activities: Create Major Entry Installations at Four Gateways into Jamestown

The whole city of Jamestown lacks a clear sense of arrival. It is not obvious exactly where the city begins and there certainly is not the sort of high visibility signage that signals civic pride in a great community. Entry signs with a compelling message, a memorable logo, and strong design aesthetics are a must. This encourages current residents, gives a positive signal to potential residents and businesspersons, and it conveys the right message to tourists and other visitors. Civic groups and local governments have recognized this for years, but too often the messages are out-of-date or not consistent.

Fortunately, Jamestown has only four major entries and two or three lesser gateways. This offers an opportunity to create and construct coordinated installations at the major entry points and provides a template that could be used on other entry points. Moreover, the graphics can be leveraged by repeating them on banners, on major public buildings, on wayfinding signage, and on brochures and other public documents. The more integrated the “branding”, the more effective the program and its outcomes.

Recommendation: Civic groups need to convene elected officials, corporate leaders, and philanthropic supporters to create a task force with the challenge of developing themes, finding appropriate sites, and investigating branding options. This task force should investigate good examples from other communities and should use professional help in designing both the plan and the actual installations. These gateways and the related products are critical opportunities to build confidence, encourage reinvestment, stimulate business, and strengthen the local economy. It is well worth doing this effort effectively and with enthusiastic small town pride.

Civic Activities: Celebrate the Whole Community through Work and Play

Jamestown has some great community events that bring the together a cross-section of residents to enjoy the city and its events. Certainly the holiday parade is an excellent example. These sorts of activities should be encouraged and expanded, in order to celebrate Jamestown and to help people see and interact with residents from all areas and all walks of life.

Moreover, this interaction can be reinforced by also supporting events that encourage people to work together. Neighborhood clean-up projects, city-wide volunteer days, community-wide park projects, and similar work efforts not only make the city a better place in which to live, but allow everyone to be part of the whole community. Of course, it never hurts to have a mini-celebration at the end of each workday. One of the great virtues of a small town is that many people can know each other, work together for common goals, and share in enjoying the results.

Recommendation: Civic leaders, nonprofit boards, and government officials need to come together to look for opportunities to strengthen Jamestown through celebratory events and through improvement projects. While it is unlikely that one group could sponsor all the desired activities, it is suggested that an informal task force evaluate what is already being done and determine how the current efforts are building a sense of community. Where opportunities are being overlooked, sponsors should be sought. Where current efforts are not reaching their full potential, assistance should be provided. Remember, the goal isn’t a clean-up project or a parade; the goal is bringing diverse people together for a shared outcome.

Civic Activities: Develop an Annual Curb Appeal Challenge

People enjoy a challenge, an opportunity to do something special. Based on this, many communities have instituted annual challenges around such themes as best Halloween displays or best holiday lighting installations. Increasingly, this has been expanded to best landscaping or most improved property or best restoration. The intention is to highlight those individuals that make a special effort to enhance their homes and, therefore, their neighborhoods. It is common to reward these efforts with an award plaque, a story in the local media, citation by the city council, or even a cash gift or coupon.

To encourage more households to participate, communities can provide trainings and workshops in landscaping, home repairs, paint color selection, proper installation of improvements, and other skills that make curb appeal activities have real impact and in some cases provide long-term change. These workshops are a great way to expand interest in property improvement and can be offered in a formal setting or even just in someone's front yard. The core notion is that better curb appeal is a critical element in building confidence and willingness to invest.

Civic Activities: Audit and Edit Negative Symbols

Many times we see the same situation day after day and fail to recognize what it is saying about the community. For example, someone might park in the same parking lot for years without noticing that there is a rusting chain link fence around part of the lot. What is the purpose of the fence? Is it to keep people out? If so, where is the rest of the fence? Is it to express concern that the neighborhood is dangerous or that the nearby residents are undesirables? Certainly many of the neighbors might see it that way. Is it to show boundaries? If so, why are the other boundaries defined by attractive plantings and these boundaries are defined by rusting metal that collects litter? Even something as everyday as a fence can easily become a negative symbol that says something is wrong in this community. The fact that people are used to it does not make it less important.

Attention needs to be paid to such conditions: graffiti, falling signs, storage of old tires behind a service station, dead vegetation and littered areas, and the dozens of other symbols that undermine community pride. In most cases the responsible party no longer sees the problem. When the problem is identified, the situation is usually resolved, but most of us don't really see what has been there for years. Therefore, some communities have instituted informal teams of residents who periodically monitor buildings, streets, alleys, and other spaces in the neighborhoods. When a negative condition is noted, a letter is sent to the property owner calling attention to the problem and offering to help eliminate it. There is no legal requirement, but the level of cooperation is usually outstanding.

Recommendation: It is strongly suggested that a community volunteer team come together, agree on examples of negative conditions, and then take on a defined set of blocks. This process can result in an annual list of properties that show the greatest improvement and this list can publicly recognize those properties that are consistently kept at a high standard.

Civic Activities: Create a Sponsor-A-House Program for Seniors and Disabled

The housing challenges of seniors and disabled householders can certainly be assisted through the programs outlined in this report. Nevertheless, the conditions that lead to the problems aren't always treated through a one-time effort. In very many cases, there needs to be a system of follow-up. This is best done on an assigned basis, which means that an individual or a group commits to an extended relationship with a homeowner. Once the property has been brought to a safe and healthy condition and an effort has been made to give the house good curb appeal, the sponsor sets up a schedule to oversee the changes. That might mean cleaning the gutters, raking up the leaves and trimming the hedges every fall and installing fresh mulch and planting flowers every spring. While it could include putting the chairs back on the front porch, it certainly includes keeping an eye out for loose railings, wobbly steps, and all the everyday maintenance issues that keep a house a safe place to live. In short, the sponsor partners with the owner to make sure the house reinforces neighborhood standards.

Recommendation: Either in conjunction with a citywide repair program or as a separate effort, there should be a simple mechanism through which individuals and groups can sign up to assist a qualified homeowner with occasional but regular maintenance duties. This need not be a complicated system; it could be sponsored by a small congregation, through a civic group, or as a part of a larger volunteer initiative.

Civic Activities: Create a Sponsor-A-Lot Program for Vacant Parcels

Much like the situation outlined above, there will be many cases where a community initiative will do an excellent job of cleaning up littered lots and cutting back overgrown vegetation. It has been shown repeatedly nationally is that a clean, well-managed lot conveys a message that someone cares for the place. One consistent result is that dumping is greatly reduced. Cleaner lots just stay cleaner. But like any open space, litter eventually appears, weeds return, and bushes and vines resume growing. In order to minimize the negative impact of the vacant parcel, there should be regular follow-up with a simple maintenance plan. If a group or an individual is willing to be part of this process, there should be a procedure to make it happen. This is particularly true when an adjacent resident is willing to take care of a vacant lot or abandoned piece of land.

The process is somewhat different if we are dealing with a privately owned lot or a publicly owned parcel, but the core issue is the same. Is there a legal mechanism for an individual or group to clean and maintain a lot on an on-going basis without creating unacceptable levels of liability? Most jurisdictions are experienced with volunteer labor doing park clean ups or removing litter from riverbanks; this experience should be applied to a broader list of lots. Again the key will be the setting up on the system and the creation of a standard method for announcing the qualified lots and ways for residents to participate.

Recommendation: Much like an adopt-a-road program, a sponsor-a-lot effort is a way to minimize public costs while encouraging local responsibility. Therefore, a program should be established in conjunction with local government that allows and encourages better maintenance of vacant space that would otherwise be an eyesore that reduces livability and equity.

AFTERWORD

Jamestown has benefited from involved, creative civic leadership.

This leadership has augmented the work of the city government, state agencies through a group of nonprofits, foundations, corporate, and individual leaders. Over many years this collaboration has achieved a number of successes, especially the ongoing renewal of the downtown, the development of key cultural institutional and the strengthening of the medial and educational facilities.

The success of this collaboration is well demonstrated in the 2006 planning document that outlined and detailed the Jamestown Urban Design Plan. Ultimately, the Design Plan spurred interest in the re-thinking how the various residential areas of Jamestown are thriving or failing. These questions led to the commissioning of czb to undertake a nontraditional analysis of the houses, blocks, and neighborhoods of Jamestown.

One overwhelming observation is that most government and civic leaders and a wide range of residents haven't decided whether Jamestown is a city or a small town.

Indeed, careful reading of the Goody-Clancy plan from 2006 references terms like downtown or urban center or the *City* of Jamestown. The implication is that Jamestown is a city and all of the design and programs suggested reflect tools that have been used in the revitalization of other cities of much larger size.

It is our belief that this leads to confused and contradictory messages and approaches that aren't consistent with the character of Jamestown as a small town and not as city with a limited population.

In our view Jamestown is not a city with a highly urban downtown that is set distinctly apart from the neighborhoods. The relatively modest sized downtown has housing immediately adjacent and few neighborhoods in the whole city are more than a couple of miles from the downtown.

In reality, Jamestown is a small town and the residential neighborhoods, the institutions, the parks and schools, business strips, and the downtown need to be seen *as a whole*. Indeed, if the neighborhoods aren't made a key part of renewal of the city, no amount of tourism or other downtown development will compensate for neighborhood decline, decline we estimate to be on the order of $100M in lost market value.[19]

If the determination is that Jamestown is to be a successful small town, a number of policies need to be reconsidered. What follows are some examples.

At the present time one of the outstanding recommendations is that the city develop gateways to the downtown, but if those were installed, it would further separate the downtown from the rest of the community. In fact, gateways are needed, but these gateways need to be at the entry points into Jamestown and the sense of entrance needs to be carried out along the corridors that lead into the core.

While there has been discussion about creating attractive riverfront resources downtown as part of a broader tourism initiative, it is unlikely to have major appeal nor would it generate much

expenditure by visitors. Indeed, public dollars spent on massive development on the riverfront would mean fewer dollars for maintaining and improving current recreational facilities.

While there is some merit in looking at a tightly defined part of downtown as the Goody-Clancy plan did, the reality is that much of downtown and the nearby neighborhoods are intertwined. The WCA Hospital is a case in point. Is it downtown or on the Southside? What is its role with its nearby residential blocks? Is it an open campus or a distinct compound? How are staff members expected to use commercial facilities at or near the downtown?

Further, if it is determined that Jamestown is to be managed as a small town, it is likely that the term “neighborhood” will have very different meaning here than it does is typical cities.

Because cities are so large, most citizens identify most strongly with their blocks and their neighborhoods and are largely unacquainted with issues of the overall city.

In the case of Jamestown it is possible to visit many areas on a single day. The high school is central to all the neighborhoods and serves everyone. Likewise the hospital, the major parks, the library, and a dozen other institutions are part of the whole town and not part of neighborhoods.

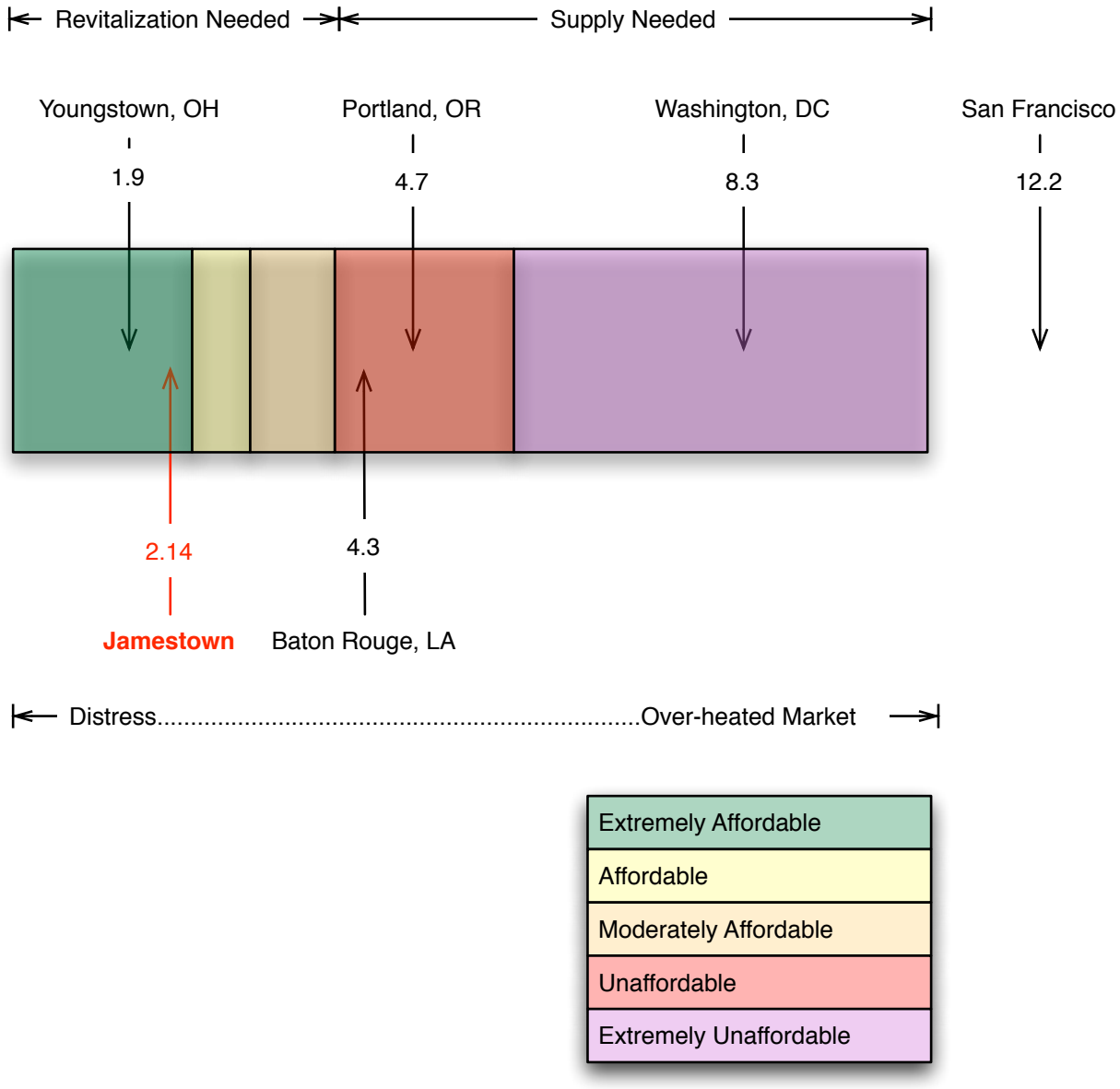
While particular areas of Jamestown have unique housing styles or different ages of houses or different mixes of commercial and residential buildings, there are seldom clear lines where one neighborhood begins and another ends. Indeed, whole areas of town are referred to as the Southside by some and as the Westside by others. Certain areas such as the historic northside are thought of as a place but there is no agreement about where the historic part begins or ends. Indeed, Jamestown functions as an integrated place with different areas, but without set boundaries that separate communities or citizen responsibilities. This is a reality that gives coherence to Jamestown that should be nurtured.

ENDNOTES

[1] Though there is some disagreement as to whether Jamestown has 28,000 or 29,000 or 30,000 people, it is far smaller than the infrastructure it occupies for which it was built.

[2] The 2.14 housing value to housing income ratio is a key finding and a key policy driver.

Ratio of Median HH Income to Median Housing Value - 2008/2009
czbLLC for City of Jamestown, NY



[3] czb evaluated every residential structure in the City of Jamestown at least five times. A member of the czb team lived in Jamestown for six weeks. Two additional team members made a total of nine person trips giving czb's total time in Jamestown quite substantial. Each structure was evaluated according to scale from 1-6, with 1 being excellent.

1 - **Excellent**. A best in class market leader ready to sell "as is" needing little if any exterior work to immediately command top dollar on the market.
2 - **Good**. An otherwise excellent property but which requires a bit more than mere TLC to become marketable; in it's "as is" condition, strong buyers would discount their offer to account for these required changes, and such changes tend to range from 15-25 percent of the median value of a Jamestown single family detached home.
3 - **Adequate**. An otherwise good property but which has not been upgraded recently, thereby shifting significant costs onto any prospective buyer, costs which can range from 15-40 percent of the median value of a Jamestown single family detached home.
4 - **Marginal.** A clearly substandard property long suffering from extended deferred maintenance, which is on the edge of being uninhabitable, and will fall into an unrecoverable state if not cured immediately; costs of fully curing a marginal (4) Jamestown property can range from 40-55 percent of the median value of a Jamestown single family detached home.
5 - **Distressed**. A bottom of the market property at best, usually long-neglected, often tired from over-use requiring repairs that could average 55-60 percent of the median value of a Jamestown single family detached home. These structures are almost always below minimum health and safety code requirements and should be condemned. Almost never worth saving.
6 - **Poor**. The worst in class residential structure in Jamestown. Uninhabitable. Not suited for rehabilitation at any price unless historic.

It is important to reiterate a point made early in the report: any upgrades to property should be understood as valuable. Even moving a "5" to a "4", though less in impact than moving it from a "5" to a "1", can have a profoundly valuable impact on market values, and should be encouraged.

Every residential real estate transaction from 2000 - 2008 was evaluated. By evaluating each residential structure in terms of how near or far it was to the goal of being excellent, which we defined as a market leader capable of attracting a strong buyer within 30 days for at least the median sales price in the city, we were able to establish an estimate both of current physical condition and cost by structure (and by street, block, section of town, and city as a whole) to become more marketable. By examining each residential property sale record from the eight year period 2000-2008, we were able to isolate which factors drive sales in Jamestown, from age of structure to bedroom and bath configuration, to location. By combining the two, we were able to see not just patterns regarding property conditions, but, more importantly, the impact of property conditions (good and bad) on the value of homes.

[4] As has been noted by community leaders in Jamestown, setting a 5 year goal of renovating all of these 137 properties would be bold but appropriate. As has been said, "this would be a major challenge, but the result of doing so would be dramatic and measurable. Similar to the strategy of targeted façade renovation in Downtown Jamestown, a focused mobilization of all resources designated in the study plus involvement of Jamestown's banks could make this achievable. In each of the five years 28 poor quality homes in these Census Tracts could be targeted for renovation (or in extreme cases, demolition). Targeted strict code enforcement of these properties would force existing property owners to make needed investments or get rid of these properties. In either case a series of strategies would be developed to raise these homes from a 5 or 6 condition to a 3 or 4 condition. A critical strategy would be to enlist the banks in creating a lower interest investment pool which would help the existing or new owner to bring the property up to the 3 or 4 condition. Such a bank-sponsored investment pool could also leverage a 25 percent match of county funds from the newly formed Chautauqua Housing Trust Fund. This initiative should serve to increase homeowner confidence in their neighborhoods.

[5] Neither the Goody-Clancy nor Bergmann Associates PC report provided what czb would call contextual advice, which is advice based on the greater market context that shapes demand. Jamestown is a working class community with industrial roots baked into the history, culture, and urban design. It is too large and working class to be a tourist destination, and too far away from the larger Buffalo market to be able to poach excess or unsatisfied housing demand from adjoining markets. It will succeed or fail largely on the basis of being an attractive place for people from Jamestown to stay and reinvest and thrive in their own home, and occasionally reel in imports who discover the community and its extensive amenities, low cost, and high quality of life. (see next endnote)

[6] Recent work downtown sends the opposite signal. Upgrades to valuable historic property powerful inspire residents and visitors alike to feel good about Jamestown. This is exactly the kind of inspirational reinvestment tone that now needs to be set in residential neighborhoods.

[7] It's true this amounts to a proverbial *brain drain* but there larger truth is that it amounts to a needless loss of social capital (participation) in the community on one hand, and behavioral capital in the neighborhoods on the other (in the form of high, prideful standards that say to the market: we care, so should you; as opposed to "we don't, you shouldn't, either")

[8] See numerous research on signaling pertinent to Jamestown, from Rolf Goetz (Building Neighborhood Confidence, 1976), to Alan Mallach (Housing Programs in Weak Market Neighborhoods, 2008); see also the work of Richard Zeckhauser (Harvard) and Thomas Schelling (Maryland) and Paul Resnick (Michigan) on signaling.

[9] No such comprehensive (100%) analysis of any market in the US has ever been done to our knowledge, thus giving Jamestown's leaders a document of substantial originality.

[10] In so precisely linking disinvestment with conditions and conditions with sales data, it also tells us about the ironic relationship between stewardship of one's home and tax rates. The less we invest in our homes, the lower the assessed value. The lower the assessed value the higher the millage needs to be to compensate. For those who want lower taxes, the best path forward is to maintain their home to a higher standard.

[11] The shift in thinking needed in Jamestown has several components:

1. From a deficit-orientation that requires subsidies to an investment-driven approach grounded in positive change
2. From a "that's a problem on other blocks" to "that's a problem on my own block"
3. From a "that's a problem for government to fix" to "that's a problem I have to help fix"
4. From a "fixing my property will raise my taxes" way of thinking to one that truly understands and accepts responsibility for the reality, which is that "not fixing my property is what is causing my taxes to go up"
5. From a City Council historically too timid to take on reprobate property owners - particularly absentee landlords - to one with the backbone to partner with City Hall to create truly useful policies

[12] By internal dependency, we mean Jamestown owners selling dependent largely on Jamestown buyers.

[13] The impact of distressed properties is greatest on nearby houses but still significant in depressing overall prices of homes throughout Jamestown. The nature of this distress and the ways to respond are often determined by the ownership of the properties and the type of structures.

For example, many distressed properties – especially single-family houses - face specific challenges that can be readily addressed over time. The properties are usually under-maintained because of the age or disability of the owner or because there has been a financial reversal such as a job loss or a divorce. These situations are important to the health of the whole community and it is critical that community-based response mechanisms be put in place to deal with these problems before the disinvestment makes repairs economically unfeasible. A few dollars spent on assistance to the owner or on conservation of the properties can forestall major repairs or even abandonment. Possible ways to intervene are included in the list of options for housing improvement included in this report.

While such efforts are important, they do not address the much greater challenges, which are those severely distressed properties with certain features that undermine improvements and reinforce negative investment behaviors. These types of properties are described below; they represent the most serious challenges to rebuilding a strong housing market in Jamestown.

The first type of distressed properties is those visually important abandoned, boarded properties, which profoundly undermine neighborhood confidence. They are eyesores and residents know that it takes years for an abandoned property to be renovated or demolished. Once a house is boarded, there is little likelihood of a good outcome and there is concern that the house will be used as a makeshift and dangerous playground, as a dumping ground, or as a potential arson site. The property will be overgrown and littered; the house will literally dissolve over time. The property becomes a potent symbol of on-going decline.

Although not as visually powerful, there is a second kind of property that plays much the same role. Many houses have not been in use for years; they are vacant houses that have not declined to the level of broken windows and collapsed steps. On the other hand, these houses are clearly no longer in use and the length of vacancy suggests that it is unlikely that they will be used again. The reasons for this type of near abandonment are many and include: a elderly owner moves in with a relative with the hope of returning “home”; there has been a death with no will or clear heir; a squabbling couple completed a divorce but neither one is taking on responsibility for the house; or a foreclosure took place but no one knows for sure which bank now owns the house. While the reasons are many, the impact is predictable. A long-term vacant house erodes neighborhood confidence and constantly reminds the neighbors that homes aren’t valued enough for someone to recover these properties.

A similar type of distressed property is the oversized house that has been converted into many low quality apartments that are no longer desired in the marketplace. One or two of the units might be rented, but much of the property is obviously not in use. Although casual observers won’t notice the long-term under-use of the house, neighbors know that units aren’t being rented and they expect that maintenance will decline as rent income declines. This environment of negative expectations also infects potential stable renters. As a result the remaining renters are often households with very limited incomes and serious problems. This reinforces the cycle of disinvestment. The property is too substantial to be abandoned and too undesirable for any real reinvestment. The result is an untenable investment situation for nearby property owners.

Another distressed property situation often arises when a property is either of very poor quality construction or is built in an undesirable location like the side of steep hill or is sited very close to the street or on an extremely busy thoroughfare. The pattern is a predictable one. The cost of upgrading a poorly built building is prohibitive when much better quality housing is selling for very affordable prices. The re-sale value of a house perched on a steeply sloping lot is much lower because so many well-sited houses are on the market. And the negative conditions of living in a property on a very busy street means that neither homeowners nor renters choose to live there. Higher costs and lower desirability soon translate into very depressed prices and such prices quickly mean that it doesn’t make sense for owners to improve the properties. Without these improvements, the value of all nearby housing is depreciated.

Other problematic properties are those that were poorly converted from single-family use to multi-family, those that were built as storefronts but are now used as housing, and those that offer low quality units above commercial space. In a strong market, property conversions - whether in houses or stores - are difficult but the extra costs can be rationalized by high demand for housing. In a weak market the competitive properties are too desirable to encourage further investment in upgrading a poor conversion. And even when the units make sense, such as rentals above commercial sites, there are still many disadvantages, which often include noise from below, dumpsters in the rear, difficulty in parking, and lack of any yard space. Once again, in high growth markets these kinds of mixed use properties are in demand, but in weaker markets there is much less interest and, therefore, much less investment.

[14] The subsidized rental property at Second and Cross is not the recommended approach. Though problem properties were removed and though newer better properties infilled, the nature of the infill (design and siting), and programming (income mix), are in the long run counterproductive *both* to the corridor challenge, and also to the overall goal of getting supply and demand in better balance.

[15] **High Visibility Streets of High Market Value**

Northside
- North Main between 9th and 18th
- Lakeview between Newton and 8th
- Winsor between Newton and Falconer

West End
- Fairmont between Hanford and Genesee
- Hallock between Livingston and Newland

Southside
- Newland between Hallock and Foote
- Baker between Hazeltine and Chapman
- Forest between Prather and Hazeltine
- Prospect between McKinley and Cole

Eastside
- Linwood between Newland and Martin

[16] High Market Value Improving Streets

00 Block of Adams St	00 Block of Dearborn St	00 Block of Kenmore Ave	00 Block of Roland Rd
100 Block of Allen St	00 Block of Dearing Ave	00 Block of Kinney St	00 Block of Royal Ave
100 Block of Allendale Ave	00 Block of Delaware Ave	100 Block of Lakeview Ave	300 Block of S Main St
00 Block of Alton Pl	200 Block of Delaware Ave	200 Block of Lakeview Ave	500 Block of S Main St
00 Block of Anderson St	300 Block of Delaware Ave	400 Block of Lakeview Ave	00 Block of Sampson St
00 Block of Andrews Ave	00 Block of Dewey Pl	700 Block of Lakeview Ave	100 Block of Sampson St
00 Block of Arden Pky	00 Block of E Virginia Blvd	00 Block of Lakin Ave	200 Block of Sampson St
00 Block of Arlington Ave	300 Block of E Virginia Blvd	00 Block of Laurie Ln	00 Block of Shaw Ave
300 Block of Baker St	400 Block of E Virginia Cir	00 Block of Lee Ave	200 Block of Sprague St
400 Block of Baker St	00 Block of Elam Ave	100 Block of Liberty St	100 Block of Springdale Ave
100 Block of Barker St	00 Block of Elliott Ave	100 Block of Linwood Ave	200 Block of Springdale Ave
00 Block of Beech St	00 Block of Ellis Ave	00 Block of Lovall Ave	00 Block of Spruce St
00 Block of Beechview Ave	200 Block of English St	100 Block of Maple St	200 Block of State St
100 Block of Beechview Ave	00 Block of Euclid Ave	500 Block of Margaret St	00 Block of Stewart Ave
100 Block of Benedict Ave	00 Block of Fairfield Ave	00 Block of Martin Rd	100 Block of Stowe St
100 Block of Bowen St	300 Block of Fairmount Ave	100 Block of Martin Rd	300 Block of Stowe St
200 Block of Bowen St	00 Block of Forest Ave	00 Block of Meadow Ln	500 Block of Stowe St
300 Block of Broadhead Ave	300 Block of Forest Ave	00 Block of Myers Ave	00 Block of Sturges St
100 Block of Buffalo St	800 Block of Forest Ave	00 Block of Myrtle St	00 Block of Summit Ave
00 Block of Camp St	400 Block of Front St	100 Block of Myrtle St	300 Block of Summit Ave
100 Block of Camp St	00 Block of Grandin St	1200 Block of Newland Ave	300 Block of Superior St
200 Block of Camp St	00 Block of Grant St	1300 Block of Newland Ave	400 Block of Superior St
300 Block of Camp St	00 Block of Gwendolin Ave	600 Block of Newland Ave	100 Block of Thayer St
400 Block of Camp St	100 Block of Hall Ave	00 Block of Newton Ave	200 Block of Thayer St
300 Block of Charles St	100 Block of Hallock St	100 Block of Newton Ave	00 Block of Todd Ave
400 Block of Charles St	300 Block of Hallock St	200 Block of Newton Ave	300 Block of Trenton St
100 Block of Charlotte Ave	00 Block of Hammond St	100 Block of Niagara Ave	00 Block of Utica St
00 Block of Chautauqua Ave	700 Block of Harding Ave	200 Block of Niagara Ave	200 Block of Valleyview Ave
200 Block of Chautauqua Ave	100 Block of Harris Ave	00 Block of Norton Ave	200 Block of Van Buren St
300 Block of Chautauqua Ave	100 Block of Hazeltine Ave	00 Block of Ohio St	00 Block of Vinnie St
400 Block of Chautauqua Ave	200 Block of Hazeltine Ave	300 Block of Palmer St	00 Block of W Virginia Blvd
00 Block of Chestnut St	200 Block of Hazzard St	400 Block of Palmer St	00 Block of Walnut St
200 Block of Clyde Ave	300 Block of Hazzard St	500 Block of Palmer St	100 Block of Weeks St
00 Block of Cole Ave	400 Block of Hazzard St	600 Block of Palmer St	300 Block of Weeks St
100 Block of Colfax St	400 Block of Hebner St	00 Block of Pardee Ave	500 Block of Weeks St
00 Block of Collins Ave	00 Block of Hickory St	100 Block of Park St	00 Block of Whitehill Ave
200 Block of Connecticut Ave	00 Block of Highland Ave	100 Block of Parkview Ave	00 Block of Widrig Ave
100 Block of Cook Ave	00 Block of Hotchkiss St	00 Block of Pearl Ave	400 Block of Willard St
300 Block of Crossman St	100 Block of Hotchkiss St	00 Block of Pennsylvania Ave	100 Block of Wilton Ave
400 Block of Crossman St	00 Block of Howard St	00 Block of Pershing Ave	500 Block of Winsor St
100 Block of Crown St	100 Block of Howard St	00 Block of Peterson St	00 Block of Woodworth Ave
	100 Block of Indiana Ave	00 Block of Prather Ave	
	00 Block of Ivy St	100 Block of Prather Ave	
	100 Block of Ivy St	1200 Block of Prendergast Ave	
	100 Block of Johnson St	800 Block of Prendergast Ave	
	00 Block of Juliet St	200 Block of Price St	
		300 Block of Price St	
		200 Block of Prospect St	
		500 Block of Prospect St	
		00 Block of Raymond St	

[17] Less but still strong leverage value streets

200 Block of Ahrens Ave	100 Block of Fulton St	1100 Block of Prendergast Ave
00 Block of Arlington Ave	200 Block of Fulton St	1200 Block of Prendergast Ave
100 Block of Baker St	00 Block of Glendale Ave	600 Block of Prendergast Ave
200 Block of Baker St	00 Block of Grandin St	00 Block of Price St
300 Block of Baker St	00 Block of Hall Ave	100 Block of Price St
400 Block of Baker St	100 Block of Hall Ave	200 Block of Price St
00 Block of Barker St	200 Block of Hallock St	300 Block of Price St
00 Block of Barrett Ave	300 Block of Hallock St	00 Block of Prospect St
100 Block of Barrett Ave	100 Block of Harding Ave	100 Block of Prospect St
200 Block of Barrows St	00 Block of Hazzard St	200 Block of Prospect St
600 Block of Barrows St	100 Block of Hazzard St	00 Block of Regent St
00 Block of Bassett St	200 Block of Hazzard St	200 Block of S Main St
100 Block of Beechview Ave	300 Block of Hazzard St	300 Block of S Main St
00 Block of Benedict Ave	400 Block of Hazzard St	400 Block of S Main St
100 Block of Benedict Ave	00 Block of Hedges Ave	500 Block of S Main St
00 Block of Beverly Pl	100 Block of Hedges Ave	00 Block of Sampson St
00 Block of Blanchard St	00 Block of Highland Ave	200 Block of Sampson St
00 Block of Broadhead Ave	00 Block of Hopkins Ave	00 Block of Scioto St
100 Block of Broadhead Ave	00 Block of Hotchkiss St	200 Block of Sprague St
200 Block of Broadhead Ave	100 Block of Hotchkiss St	800 Block of Spring St
00 Block of Buffalo St	00 Block of Howard St	200 Block of State St
100 Block of Buffalo St	100 Block of Howard St	00 Block of Strong St
200 Block of Buffalo St	00 Block of Ivy St	00 Block of Sturges St
300 Block of Buffalo St	00 Block of Johnson St	100 Block of Superior St
100 Block of Bush St	100 Block of Johnson St	00 Block of Terrace Pl
00 Block of Cedar Ave	100 Block of Kidder St	100 Block of Thayer St
00 Block of Chapin St	00 Block of Kingsbury St	200 Block of Thayer St
00 Block of Chapman St	00 Block of Lakeview Ave	00 Block of Van Buren St
00 Block of Charles St	100 Block of Lakeview Ave	00 Block of Vega St
100 Block of Charles St	400 Block of Lakeview Ave	00 Block of 10Th St
200 Block of Charles St	500 Block of Lakeview Ave	00 Block of 12Th St
00 Block of Chautauqua Ave	600 Block of Lakeview Ave	00 Block of W 13Th St
200 Block of Clyde Ave	00 Block of Lee Ave	00 Block of 14Th St
100 Block of Cole Ave	00 Block of Liberty St	700 Block of W 5Th St
00 Block of Colfax St	400 Block of Lincoln St	600 Block of W 6th St
00 Block of Columbia Ave	00 Block of Linwood Ave	00 Block of Walnut St
200 Block of Connecticut Ave	00 Block of Lovall Ave	00 Block of Warner Pl
00 Block of Cook Ave	100 Block of Maple St	00 Block of Water St
100 Block of Cook Ave	00 Block of McKinley Ave	100 Block of Water St
100 Block of Crescent St	100 Block of McKinley Ave	00 Block of Wescott St
100 Block of Curtis St	200 Block of McKinley Ave	100 Block of Wescott St
800 Block of E 2nd St	500 Block of Monroe St	200 Block of Willard St
300 Block of E 5Th St	00 Block of Mount Vernon Pl	300 Block of Willard St
00 Block of E Virginia Blvd	00 Block of Myrtle St	100 Block of Wilson Pl
00 Block of Eagle St	00 Block of N Cowden Pl	500 Block of Winsor St
00 Block of Elk St	800 Block of N Main St	600 Block of Winsor St
00 Block of Ellicott St	1300 Block of Newland Ave	00 Block of Woodlawn Ave
00 Block of Elliott Ave	200 Block of Newland Ave	00 Block of Woodworth Ave
00 Block of Elm St	400 Block of Newland Ave	
200 Block of English St	500 Block of Newland Ave	
100 Block of Euclid Ave	600 Block of Newland Ave	
00 Block of Fairview Ave	00 Block of Newton Ave	
00 Block of Falconer St	00 Block of Norwood Ave	
200 Block of Falconer St	100 Block of Palmer St	
300 Block of Foote Ave	500 Block of Palmer St	
100 Block of Forest Ave	00 Block of Park St	
200 Block of Forest Ave	100 Block of Park St	
300 Block of Forest Ave	00 Block of Peach St	
800 Block of Forest Ave	00 Block of Peterson St	
00 Block of Franklin St	1000 Block of Prendergast Ave	
500 Block of Front St		

[18] While CODE is an extremely effective organization, efforts should be made to condition funding of CODE upon the requirement that net reduction of units, mixed-income new product, and integrated urban design become folded into all activities as a condition of continued supports.

[19] There are 7,265 houses in Jamestown that are either a single-family detached dwelling unit or a duplex consisting of two units. These were typically built between 1900 and 1925. Of the 5,688 SF detached structures, one in four are in excellent condition, but one in three are in only adequate to marginal condition. The 1,892 SF detached houses in adequate to marginal condition are structures that for the most part for less than $10,000 can become excellent, market-ready structures. Of the 1,577 duplexes, 60 percent are adequate to marginal and *only three percent* are in excellent condition. The reduced market value and the drag on all market values by such properties is significant, averaging approximately $20,000 per SF detached house by our estimate.