

JUNE 2024

PLAN ONONDAGA

Planning
Consultants



**EXECUTIVE
SUMMARY**

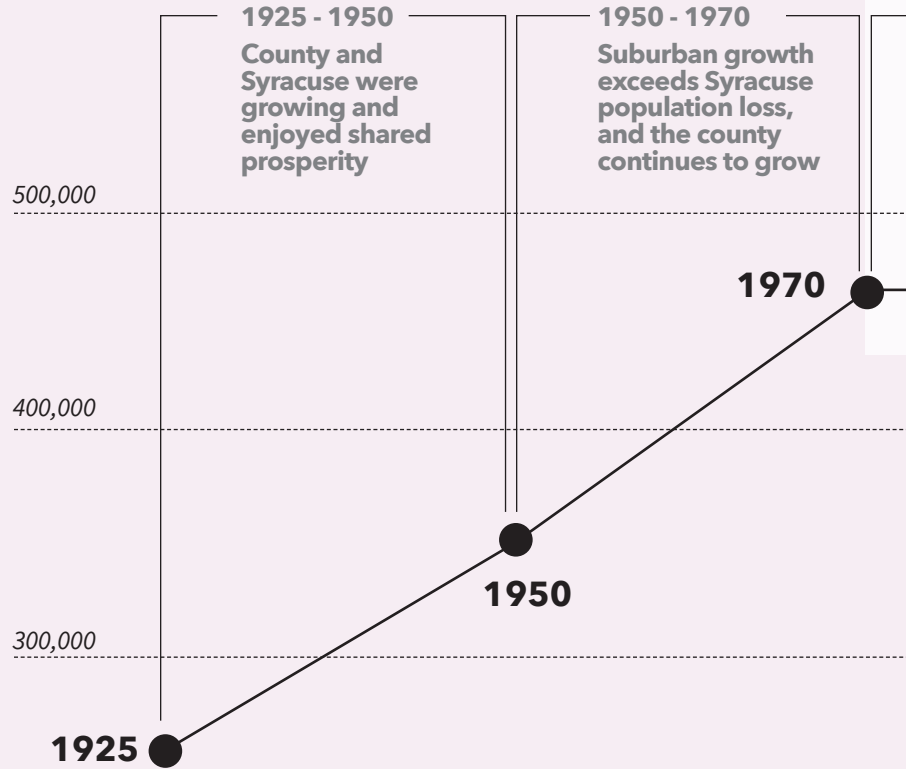
**HOUSING
ONONDAGA**

**ONONDAGA COUNTY
HOUSING NEEDS ASSESSMENT**

EXECUTIVE SUMMARY

The guidance contained in *Plan Onondaga* plus the arrival of Micron suggest real opportunity for county prosperity in the years ahead

ONONDAGA COUNTY POPULATION



Projections provided by New York State’s economic development agency indicate that the five-county Central New York region could have 60,000 additional residents in 2040, above and beyond whatever the population would otherwise be at that time. Onondaga County, home to over half the population of the five-county area, is in position to add well over 30,000 new residents by 2040.

In 2023, Onondaga County adopted a new comprehensive plan, titled **Plan Onondaga**, a state-of-the-art regional planning and policy document. **Plan**

Onondaga points the way toward a stronger county by curtailing suburban sprawl, strengthening existing and adding new “Centers” of concentrated development, which include the county’s

villages and the City of Syracuse among others, and diversifying the county’s housing stocks to meet future needs.

The county’s housing market in the early 21st Century is characterized by low values relative to the state and nation, sprawling suburban single-family home development in the absence of population growth, and long-term distressed conditions in the urban core of Syracuse. This fundamentally remains true in the early and mid-2020s despite market tightness and rising home sale prices in the post-2020 period. But new housing demand attributable to the Micron development—estimated by czb at 20,000 to 25,000 households—has the potential to positively impact chronic housing market challenges.

At the same time, the county already has substantial housing market issues in need of attention. **Housing Onondaga** speaks to historical, current, and future housing issues and opportunities both within the context of Micron and outside of Micron.



Strong Centers



Housing and Neighborhoods

1970 - 2025

Suburban growth is offset by Syracuse population loss. Suburbs grow only at the expense of Syracuse.

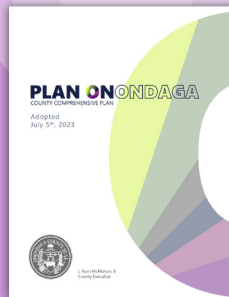
2000

TODAY

THE COMBINATION OF MICRON AND PLAN ONONDAGA

THE BIG OPPORTUNITY

Housing Onondaga leans heavily on the county's existing development policy foundation of **Plan Onondaga** as the way to both overcome existing challenges and make the absolute most out of the Micron investment. The potential positive impact from Micron is a once-in-a-generation opportunity, but it can only be maximized if the county's housing development system moves away from business as usual and along a new path of smarter growth. Accomplishing this task will require leadership and cooperation from multiple levels of government across many jurisdictions, as well as partnership with the private sector.



Modifying zoning at the local level



County to provide gap financing to ensure quality of built forms



TODAY - 2050
What will Onondaga County choose?

ECONOMY	PLANNING	OUTCOMES
	PLAN ONONDAGA Zoning Funding 	Progress on structural challenges and overall growth and prosperity Flat trajectory with continued softness, strength in some areas along with persistent structural challenges
	Planning As Usual	Decline and worsening structural problems
Business As Usual	Planning As Usual	Decline and worsening structural problems

With Micron's arrival, Onondaga County is positioned to add well over 30,000 new residents by 2040.

Plan Onondaga is the guidebook to make the most of the growth that Micron brings.

Plan Onondaga shows the way the County's present housing challenges can be addressed:



Building residential form for changing needs



Addressing racial, economic and social **disparities**



Shortage of **rental housing** outside of Syracuse



Looming shortage of **senior rental housing**



Affordability for working middle

KEY FINDINGS

Onondaga County's market conditions are rooted in decades of history.



Onondaga County's housing market in the first part of the 21st Century is characterized by low values relative to the state and nation, sprawling suburban single-family home development in the absence of population growth, and long-term distressed conditions in the urban core of Syracuse.

The county was a net attractor of new residents from elsewhere during the middle of the 20th century which, along with the post-war Baby Boom, helped increase the county's population. After 1970, however, the county overall stopped growing and suburban growth in the towns and villages came from the movement of Syracuse residents out of the city and into the suburbs. As those with the means and inclination to leave Syracuse did so, low-income households became ever more concentrated in the city, vacancy increased in the city, and real estate values became chronically low in the city.

Syracuse is a distinct housing market within the county, and requires a customized approach.

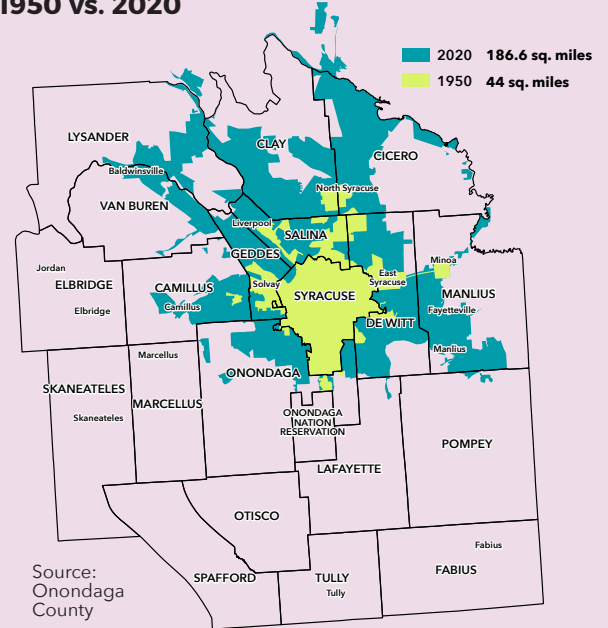
The housing market in the City of Syracuse does not closely resemble any other part of Onondaga County. The disparities between Syracuse and the rest of the county can be found in nearly all data indicators related to housing market conditions.



To co-mingle analysis of Syracuse and other parts of the county is to do a disservice to both. **Housing Onondaga** makes the case to look at Syracuse separately, and to examine the rest of the county as its own kind of market, while recognizing that the two are linked together and influence each other.

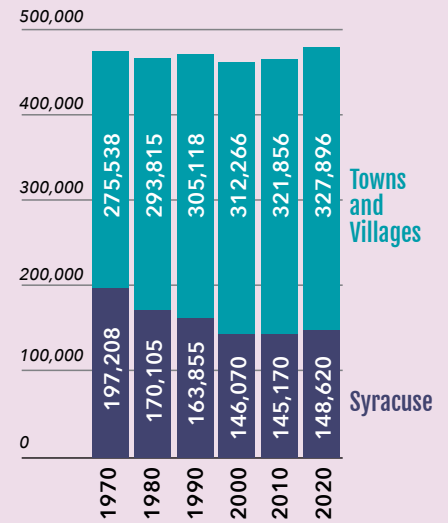
Fortunately, the City of Syracuse has already undertaken a detailed study of the city's housing market and is moving forward with a new strategy to address identified housing market challenges. Interested readers should refer to the **2023 Syracuse Housing Study** and **2024 Syracuse Housing Strategy** for additional detailed analysis of the Syracuse city housing market.

Onondaga County Urbanized Area, 1950 vs. 2020

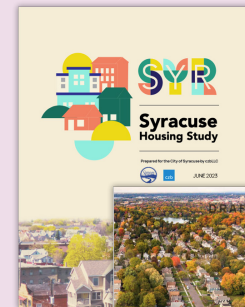


Onondaga County Population, Syracuse vs. Towns/Villages, 1970-2020

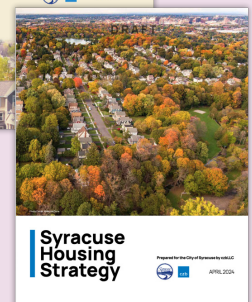
Source: U.S. Census



2023 Syracuse Housing Study



2024 Syracuse Housing Strategy



KEY FINDINGS

Outside Syracuse, the county's housing market is in transition.



Non-Syracuse Onondaga County as it exists today was largely formed during the middle and late part of the 20th Century, and its housing stocks and demography reflect that reality. As the population grows older in the county—an American phenomenon not unique to Central New York—and households generally become smaller, the housing market is changing in ways that would have been difficult to imagine in past decades.

Between 1990 and 2020, suburban household growth occurred amongst households with one person or two people, and amongst those households headed by someone aged 65 or older. During the same period, households with three or more people decreased, as did households raising children.

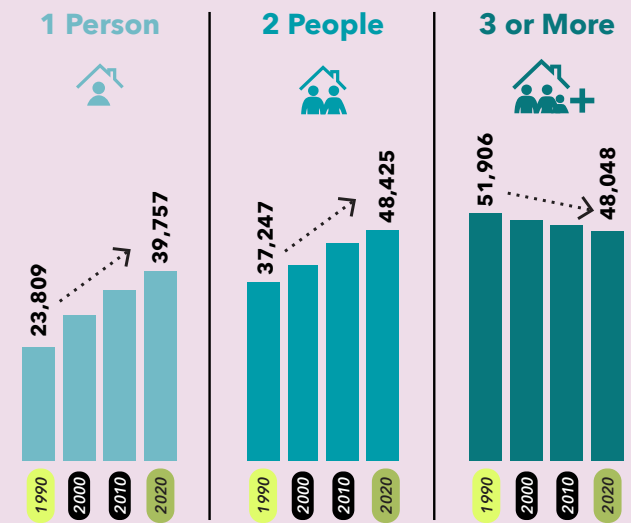
Outside Syracuse, the total number of homeowners has grown each decade, but the growth has gotten smaller and smaller each decade. Suburban Onondaga County added over 12,000 new homeowners per decade from 1960 to 1990. From 1990 to 2010, about 6,500 new homeowners were added per decade. In the 2010s, suburban Onondaga County added fewer than 2,000 new homeowner households.

As suburban homeownership growth slowed down, suburban rental growth sped up. In the 2010s, suburban Onondaga County experienced for the first time a greater increase in the number of renter households than in homeowner households. Owner households increased by about 2,000 while renter households increased by nearly 4,000.

Demographic and market changes have had an impact on existing and new housing stocks. Single-family detached home construction in the county peaked in 2004 and declined steadily through the early 2020s. The peak year saw over 1,000 new single-family units but that decreased to fewer than 400 each year during the late 2010s. From 2010 to 2022, it is estimated that over 1,000 single-family homes converted to rental use outside of Syracuse. During the 2000s, suburban rental units increased, on average, by 300 units each year. During the 2010s the average annual production more than doubled, to 620 rental units per year.

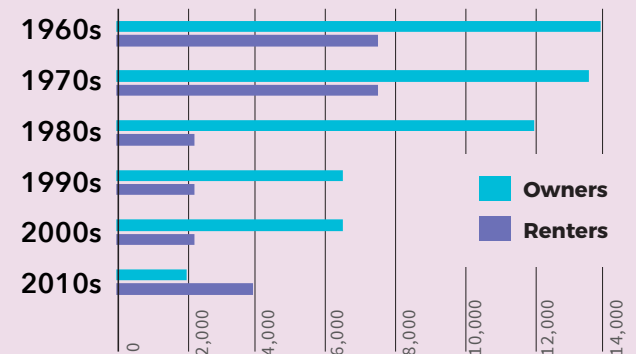
Despite increasing rental unit construction, the suburban market is still undersupplied. In the first quarter of 2024, the multifamily rental vacancy rate in suburban Onondaga County was 2.5%, half of the 5%

Household by Size



Source: U.S. Census

Increase in County Households outside Syracuse by Tenure by Decade, 1960-2020



Source: U.S. Census

that is considered normal in a balanced market. This market tightness is specific to suburban multifamily as the same type of properties in the City of Syracuse had a vacancy rate of over 6% during the same period.

Homebuyers face a more challenging market in the early to mid-2020s than Onondaga County has experienced in recent years. Supply chain issues and rising material and labor costs have impacted new home prices in the aftermath of the Covid-19 pandemic. Rising interest rates in response to inflation pressures have made financing a purchase more difficult and also helped to depress for-sale inventory as many current owners abandon plans to move, thus remaining in place. The combination of 1) higher costs at the top of the market in new construction; 2) higher borrowing costs for all buyers, and; 3) relatively limited for-sale inventory is resulting in a “stuck” market as of 2024.

KEY FINDINGS

Onondaga County has tangible housing issues in the early 2020s which require attention independent of Micron considerations.

Regional disparities drive housing market dysfunction in the county. Disinvestment and continued market distress in Syracuse deprive the region of a strong core and undermines regional real estate values. The concentration of poverty and overspending for low-quality housing that afflict Syracuse households must be alleviated if Syracuse is to regain a market foothold.

The county needs more rental units outside the City of Syracuse. The number of renter households is projected to grow, and it is plausible that suburban Onondaga County could need at least 3,000 additional rental units by 2040, and over 4,000 if Micron impacts play out as expected.

The county needs to prepare for thousands of additional senior renters outside Syracuse by 2040. *Housing Onondaga* projects an increase of 2,000 senior renter households in Syracuse and 6,000 outside Syracuse from 2020 to 2040, mostly attributable to the aging of those already renting rather than new senior renters exiting the ownership market.

Non-Syracuse Onondaga County faces a substantial affordable rental housing challenge. Outside Syracuse, there are nearly 12,000 renter households with incomes below \$50,000 that pay more than they can afford for their rent and therefore face a cost burden. This group represents 37% of all non-Syracuse renter households.

For-sale housing stocks are mismatched to a changing market. Increased growth in small households and the aging of the population suggest the need for smaller ownership units that can better accommodate growth segments in the market. New ownership units should be more diverse than has historically been the norm (e.g., size, detached vs. attached, multifamily vs. single-family). In addition, both the slowing demand for newly built single-family detached houses—evident before 2020—and the conversion of single-family detached houses to rental use, even outside of Syracuse, suggest that the local housing supply does not need many more single-family detached houses.

Onondaga County must plan for both the known and the unknown in its future housing market.

Assuming the Micron development occurs as planned, the number of households in the county could grow by almost 25,000 by 2040. Taking advantage of the positive housing demand increases from the Micron project means shifting development business as usual to a smarter growth framework that leads to more diverse housing types in new and existing Centers, where additional development makes the most sense.

If, in the absence of expected Micron, or other catalytic economic growth drivers, and housing demand does not increase as projected, then demographic realities in the county will manifest as overall weaker housing market conditions than expected, with fewer new housing units needed. But the county's identified housing issues would still require attention. Insofar as new housing development could play a role in addressing these issues in a lower growth future, the housing development framework laid out in *Plan Onondaga* and *Housing Onondaga* would still be the best way to proceed.

New housing development—up to 25,000 units could be needed—should be concentrated in existing and new Centers, such as villages and the City of Syracuse among others, and should be built at higher densities than the county has been used to in the past. Higher-density housing units will necessarily be smaller, mostly attached, often in a stacked-flat format, and a mixture of rental and ownership. In their combination, these are the types the county needs.

Furthermore, increasingly diverse new housing should accommodate all ages by employing universal design principles, and have a mixed-income component with some number of new units specifically priced below market. This approach to housing development will begin to address the county's identified housing needs.

Onondaga County will need new policies, programs, and resources to prepare for the future housing market.



All policy makers across the county should recognize the following:

Achieving housing development outcomes as described here will require overcoming obstacles related to:

- Land use regulations and zoning.
- Financial gaps for the private sector owing to the difference between total development costs and the market’s ability and willingness to pay.
- Specific financing, legal, and execution challenges on the part of the private sector (e.g., mixed-income development, condos, etc.).

Towns, villages, and the City of Syracuse control **planning, land use, and zoning at the local level**, where policy and regulatory **changes will be necessary**.

Onondaga County is the public sector actor with the greatest local capacity to **provide financial incentives and subsidies, which will be necessary**.

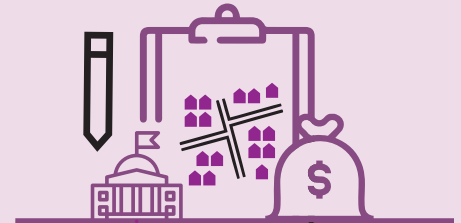


Towns and villages should:

Update comprehensive plans to reflect the policy aims of, and harmonize with, *Plan Onondaga* and *Housing Onondaga*. This means local comprehensive plans should incorporate housing components recognizing the need for new housing to be concentrated in new and existing Centers, to be mixed-tenure (ownership and rental), to be mixed-income, to accommodate all ages, and to be built at higher densities above 10 units per acre and in some cases above 30 units per acre.

Update zoning codes to implement updated comprehensive plans, specifically identifying locations where new housing types at specified densities would be allowed. Zoning tools to achieve desired housing outcomes could include new districts with clear standards that would allow development by-right, overlay districts, or planned development approaches.

As zoning codes are updated, **stringent and clear design standards should be put in place** for new higher-density housing developments so that they will be long-term assets to the communities in which they are built.



Onondaga County should:

Develop and adopt a formal housing policy aligned with *Plan Onondaga* and *Housing Onondaga* to govern its housing-related investments, including OCIDA incentives.

Expand existing housing investment efforts, such as the Onondaga County Housing Initiative Program (O-CHIP), to incentivize rehabilitation, redevelopment, and new development that conforms to the adopted housing policy.

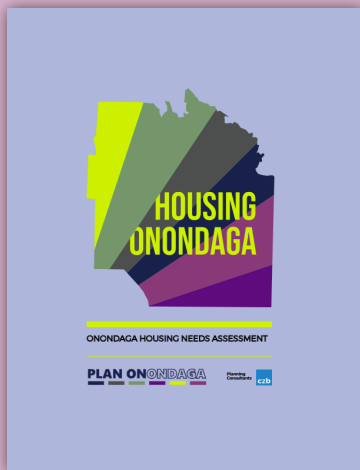
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HOUSING ONONDAGA EXECUTIVE SUMMARY

ONONDAGA HOUSING
NEEDS ASSESSMENT

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Visit
housingonondaga.org
to read the full
assessment