



A TIME TO CHOOSE: WORKING FOR A BETTER OSWEGO

A report prepared by czbLLC for the
Oswego Renaissance Association

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INTRODUCTION

There are many great small cities in America. Places characterized by the charm with which visitors are greeted. By their cultural history. Their architecture. Their setting along rivers or lakes or in valleys. Their festivals. Traditions. Fight songs. Local rivalries. Memories.

Indeed, the greatness of a small city can be described in many ways. But one indication of greatness rises above the rest, and it is the measurable extent to which those who call a city home treat it well and invest of themselves in their homes, their businesses, and their community. This is what is known as pride, and there is no substitute for it. Pride is the foundation on which stability and prosperity are based. A place can be in economic turmoil but, with pride, it can hang on during times of transition.

Oswego, New York used to be one of America's great small cities. A place full not just of pride, but of good neighborliness well. Yet - regardless of measure - for the better part of the last several decades Oswego's small city charm has retreated in profound ways. The people of Oswego have continually invested less and less into their community. Neighbors have stopped talking to one another. New people have moved in. And the neighborhood has started to feel different.

Troubling trends were taking root on residential blocks. Homes were painted less frequently. Fences were repaired less often. New kitchens and baths were installed with less regularity. Street trees were maintained with less vigor. And flower boxes were installed on fewer and fewer properties. Such disinvestment behavior was not just a matter of reduced frequency, but reduced quality as well. Chained links replaced wood fencing. Slate was replaced with asphalt shingles. Wood siding gave way to vinyl.

And as these small acts of disinvestment were occurring, **who was moving in and who was moving out** began to change for the worse. Financially strong families -families with the capacity to invest - were leaving and, too frequently, whole blocks were destabilized.

Concurrently, the City itself began to appear tired and withdrawn. All cities age – their infrastructure, schools, parks - but Oswego was not taking care of herself. The riverfront wasn't being redeveloped. Important east side parcels between the lake and Mercer Street went fallow. Bridge and Utica Streets fell into visible disrepair.

So what happened?

In a sentence, loss of confidence in Oswego's future made it more logical for residents to withdraw, than to be present. To withhold rather than invest. And, as more and more families began to rationalize disinvestment, whole blocks fell tattered and distressed. West 1st became a shell of its former self. And the very idea of great living in Oswego became more elusive.

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However, what's important for citizens to know is that the tide is turning back towards investment. Towards citizenship. Towards beauty.

Real signs of pride are reemerging. A strategic partnership of businesses, institutions and committed citizens has surfaced. This growing coalition is laying the groundwork to restore Oswego's neighborhoods. And in profound ways. This core believes in Oswego. Its potential. Its assets. Oswego is small enough to foster a sense of community. It is affordable enough to attract buyers. And it is has an urban center that appeals to younger generations.

These are profound and uncommon strengths, and they must be leveraged. **To reclaim its status as a great small city, Oswego will have to shift its energy from one focused on problems and how to fix them, to one aimed at building on the existing strengths and assets.** From complaining to acting, from withdrawing to reinvesting.

With work, by building on this budding sense of renewal and optimism, Oswego can reassert itself as one of America's great small cities.



Choose Your Oswego

DISINVESTMENT IN CONTEXT

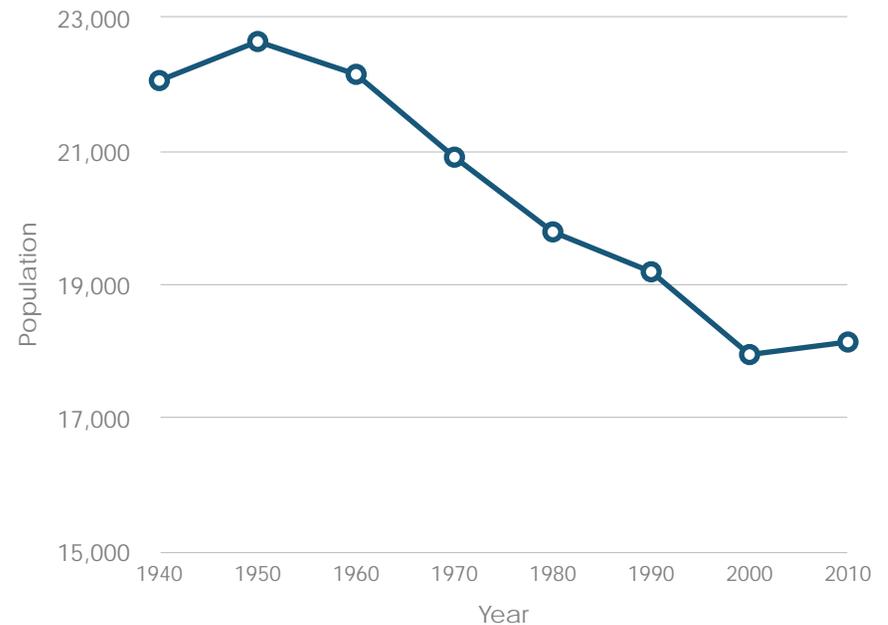
How did Oswego get where it is today? For the better part of thirty years - from 1960 to 1990 - Oswego and like towns in America struggled. Places with Main Streets or small downtowns you could walk to, serviced by alleyways, connected to tight, bound, walkable neighborhoods of tree-lined streets, all seemed to go out of fashion. The seductive power of the subdivision and the shopping center - the essential groundwork of which was laid between 1946 and 1964 - offered new homes that related to a new kind of street network and all just outside of the city limits. If Oswego had become worn at the edges by the mid-1970s, the departure to the new home on the new street just a few moments outside the municipal boundary made all kinds of sense.

Suburban jurisdictions seized on their newfound competitive advantage and opened more and more new grocery stores, shopping centers, malls, golf courses, and country clubs. By 1990, most such situations left cities in tatters and suburbia stable, even if temporarily so. In effect, the period from 1950 to 2000 was for much of America characterized by a physical shift from cities to suburbia, and a resulting economic shift whereby the suburbs got the middle and the cities got the top and bottom.

During the same period of suburban growth, America's aging industrial base lost significantly in the competition for manufacturing jobs and plant reinvestments. Millions of jobs were shed, and countless facilities were closed. In many cases, the mills and factories and plants that were downsized or closed were in the city core - near river fronts, rail lines, and the hundreds of houses that workers called home.

As factories and plants began to collect dust, workers had little option than to seek alternative employment. Many found it by moving. Some were lucky and stayed. Regardless, by the 1980s the housing and neighborhoods initially built to match the scale of employment were losing tenants. Furthermore, these empty homes were rarely built to the marketable proportions and standards that appealed to later generations, making adaptive reuse difficult if not prohibitive.

Chart 1: Oswego's Population Loss, 1950-2010



In these all too common circumstances community after community, across much of the arc from Milwaukee to Buffalo, endured the combined effects of job loss, retirees leaving for warmer climates, and middle class flight to newer homes in the suburbs. For almost all of these communities, the result was population loss. Oswego was no exception. From 1950 to 2000 Oswego lost 21.6% of its population (Chart 1).

The result of population loss in Oswego and in similar cities was excess housing supply in the core, excess retail space on Main Street, excess school capacity, and excess factory space. Oswego was left with too many homes and too few people, too much industrial and commercial space and too few jobs, and all the bills that came with financing the infrastructure bought in previous years.

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With few options available to cope with such population loss, municipalities could keep their cities running only by raising taxes and trimming costs. But even these offsets had a limiting effect. The more a city needed to compensate for the loss of sales to tax, or housing values to assess, the less competitive it would become. The suburbs had an inverse tax advantage owing to higher values, newer structures, and wealthier residents. Cities had a shrinking base, bills to pay, and infrastructure to manage. Raise taxes too high, and the competitive disadvantage worsens. Trim maintenance spending too much, and tired and worn soon becomes troubled and distressed.

While these transformations were occurring, it made sense for many communities to undertake a series of actions that would have unintended negative consequences in later years.

In recognition of the increasing number of vacant buildings, many communities began to tear down older structures in an effort to stem disinvestment and departure to suburbia reasoning, not illogically, that blight had owed to deterioration and vacancy. However, in this process, many historically significant structures were demolished. In their place came newer structures that worked better on paper than in real life.

Even though these newer buildings were sometimes backfilling for the older ones that had been removed, the migration of the middle class as residents and as consumers away from cities had become a cemented pattern. If the middle class of Oswego had not entirely left the urban core, it now did its shopping at the Walmart and Price Chopper more than at Paul's Big M.

Moreover, as banking and real estate development practices evolved alongside an increasingly suburbanized zoning code, it became harder and harder to underwrite urban redevelopment. Loan to value ratios were simply too risky and capital became scarcer. With the loss of significant historic structures - either to vacancy and subsequent abandonment, or through policies such as urban renewal - cities like Oswego were losing what would become important marketing advantages in future years - historic

architecture, their Main Streets, river frontage, and factories with significant adaptive reuse potential.

While Oswego was trying to stem such losses, its - like Jamestown's and Syracuse's and Binghamton's and Corning's and Utica's and countless others - real estate became less and less valuable owing to too little demand. Prices fell while supply remained more or less constant. And, as price instability became the norm, it made less and less sense for owners to own their homes and less and less sense for those who did to keep them up to the standards of previous years. As such, values declined, and for lending institutions, the risks of lending on blocks with negative equity became almost too great.

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Resulting disinvestment did not occur overnight. It took a full 30 years - from 1975 to 2005 - for the market to bottom out in Oswego. But it is very important to remember that during this span of time, while people had left, structures remained. Most owners of remaining structures - who still had the financial obligations that accompany ownership - either sold for a loss, disinvested themselves, or began to participate in the transition to a more renter-dominated tenure. While each year a few owner occupied houses would sell in the inner core to good buyers who were willing to absorb disproportionate risk, most homes sold to buyers of less financial and social wherewithal. For those homeowners who failed to find good buyers at a good price, the next best option was to find renters - renters who were often ever less stable families and students.

"The maintenance of some of the homes has started to slow down. They used to be beautiful, but people aren't keeping them up as much. I think one of the houses across the street is actually vacant, it's hard to tell."

Although not illogical, an effect in many cities - including Oswego - was too often a concentration of decreasingly stable households in older structures too poorly maintained to contribute to the economy and to civic life in a positive way. In Oswego, blocks on the edge of collapse - like Seneca and Utica - became locations where well-intended housing and community development interventions helped accelerate, not stem, decline.

Retirees who had not fled to Florida or Arizona or to nearby suburbs, and working and middle class families who remained were now contending not only with the loss of Oswego's vibrancy, but also with the accelerated decline of hundreds of otherwise significant homes on previously standard blocks. *Their blocks.*

As this spiral was occurring - owing partly to policies like urban renewal and emerging national underwriting practices, and partly to market activity illustrated by the ever decreasing quality of owners and levels of investment - many cities began to wrestle with the presence of a growing underclass. Oswego was no exception. (Chart 2).

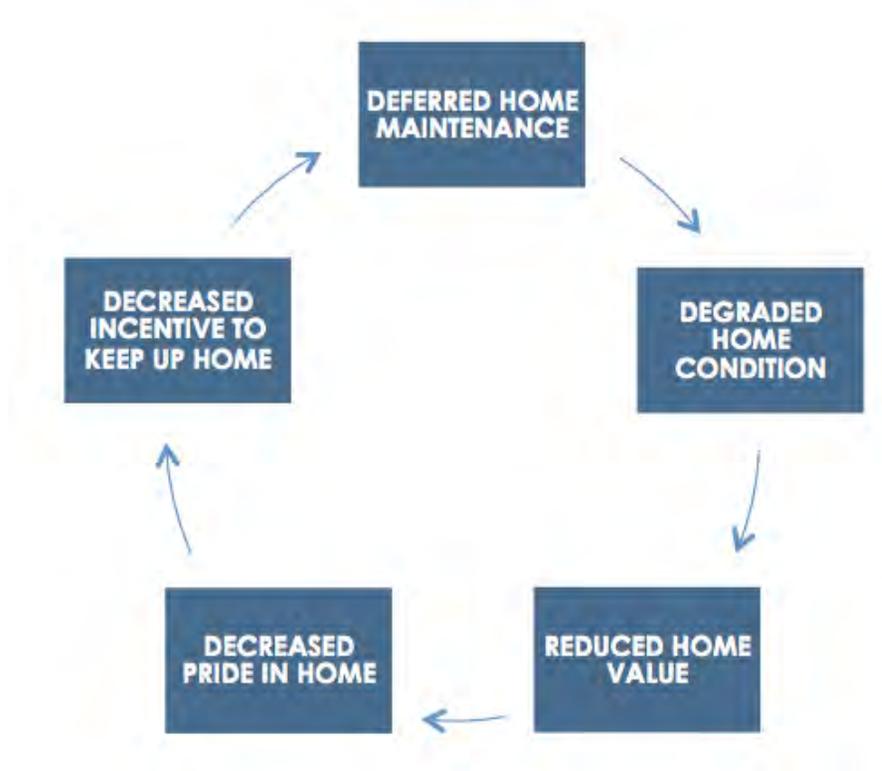
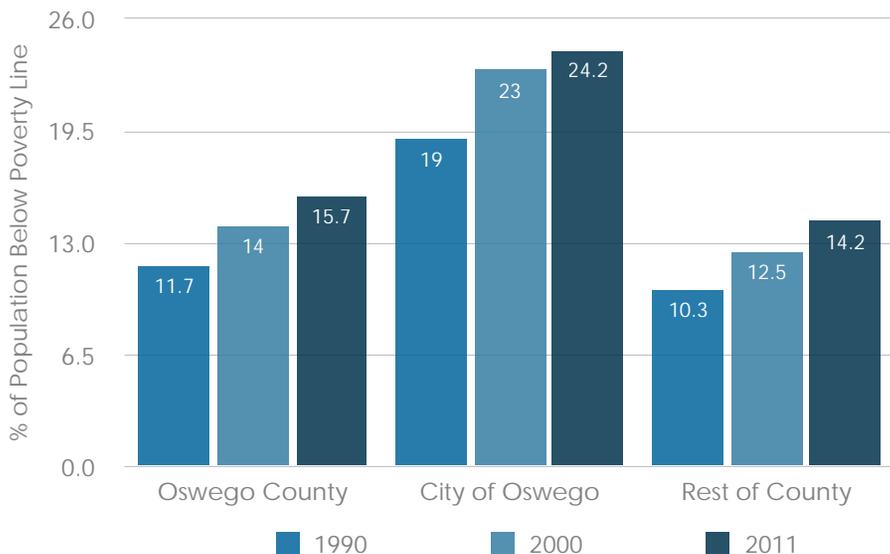


Chart 2: Poverty Rate in Oswego County and the City of Oswego, 1990-2011



Taxes were going up. A lot of money was being spent to upgrade housing to help the poor, but the blocks were not getting better, and it made less and less sense for Oswegonians to keep putting money into homes that were not likely to hold their value. And so with few exceptions, they didn't. A cycle of disinvestment permeated through Oswego's blocks. Deferred home maintenance led to degraded home conditions. Degraded home conditions led to reduced home values. Reduced home values led to decreased pride. Decreased pride led to decreased incentive to invest in the home and further deferment of home improvement (See above).

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THE IMPORTANCE OF STUDENTS IN OSWEGO'S RENAISSANCE: SUNY OSWEGO

An important antidote to these serious struggles, enjoyed by only a few cities in Oswego's position, was the presence of the State University of New York at Oswego, formerly the Oswego State Teachers College that in 1961 became a liberal arts college. Of course, cities with colleges did not escape the ravaging effects of deindustrialization, but they fared far better than those without such institutions.

Students add buoyancy to the rental market, if with downsides. Administrative staffs can add demand for services and owner-occupied housing. Faculty can bring their worldview, broaden the civic canvass, rent and own homes to high standards, and contribute intellectual capital to local markets.

In ideal situations, colleges are tightly integrated - socially and physically - into the community fabric. Campuses, of necessity and tradition distinct from their community, nonetheless occupy a place along an integration spectrum. While there is no uncertainty where one exactly one is in Cambridge or on the Harvard University campus, the edges of both are highly permeable, and city residents and students alike move from one to the other and back again continually. This is less, but still the case in Chapel Hill and Nashville where The University of North Carolina and Vanderbilt share seamed but sharing boundaries with one another.

By contrast, Hobart and William Smith, a small liberal arts college in Geneva, NY, like Jamestown Community College in Jamestown, NY, and SUNY Oswego in Oswego are more separated than integrated. In such

instances, the exchange of ideas, people, money, aspirations, and destinies takes more work. It takes intentionality on the part of City Hall and the community on one hand - by policy and custom - and the college or university on the other. Both parties have to want to integrate to greater end result.

To leverage the powerful value of students, staff, and faculty, both the institution and the city have to be determined to fully invest in one another's assets. Two good examples of communities where both town and college need but fail to really appreciate one another are Bowling Green, Ohio (home to Bowling Green State University), and Norfolk, Virginia (home to Old Dominion State University). SUNY Oswego's suburban campus outside the core or Oswego presents challenges. But they are not insurmountable.

All of this combined - loss of manufacturing jobs, concentrated poverty on key blocks, policies that cemented such concentrations, declining standards of care, and disinvestment - placed Oswego in a very precarious economic situation by 2000.

By 2000 there were several manifestations of these interconnected and culminating trends: A degraded downtown with former customers spending money outside the core along highway 104 for everyday goods and going to Syracuse and Rochester for large ticket purchases. A strong suburban market surrounding the Country Club on the west side, but roughly 100 deteriorating urban blocks from Niagara to the river. A dozen and a half stable blocks on the east side between Mohawk and Albany surrounded by another 100 or so deteriorating blocks. A shopping center development along 104 in dire need of a facelift. Unsightly thoroughfares that had transitioned from pedestrian friendly and civic and beautiful to loud and problematic truck traffic along 104 and to a lesser extent along West Utica.

And by 2010 the decline was complete. Beautiful, historic city neighborhoods typified by the west side blocks between Breitbeck Park and Downtown had hit bottom. West First was in trouble. Factories along the river were empty. The hospital functioned but, seen from Bridge Street, had become less a beacon of beauty than an unsightly service delivery box. The waterfront had hotels, but was a fraction of its potential, lacking a coherent guiding vision to shape redevelopment. And Bridge Street had become a shining example of tradeoffs that hurt Oswego: trucks could move east to west, salt could be spread and snow could be plowed efficiently, but door to door concrete made it unsightly.

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And yet, despite all of this, notable strides have been made to stem these troublesome trends. Strides that need to be acknowledged and built upon.

“It’s...gotten better. Neighbors have moved in and made improvements, that’s what makes it better.”

Over the past several years pride has shined through in small but profound and profoundly important ways.

Canele’s Restaurant would never fail to wash its parking lot, and their flower boxes were full of blooms. Red Sun Fire Roasting Company (Port City Cafe) made significant investments on West First Street. Coffee Connection on Water Street. River’s End. The Best Western on East 1st. The development of Kingsford Woods. Reinvestments by owners of historic properties on both sides of the river. The Beacon Hotel. And a recent and complete rethinking of the SUNY Oswego physical presence highlighted by new entryways, new facilities, and student outreach.

The long slide into a weak market condition that began in 1950, accelerated from 1970 to 1990, and remained more or less flat through the mid to late 2000s, had, by 2010, started to point in a good direction. Leadership by Pathfinder Bank, SUNY Oswego, the Shineman Foundation, and a creative city staff initiated a turn in the proverbial Queen Mary.

There has emerged in Oswego a sense that Oswego’s best days are ahead. It’s most charming architecture yet to be built. It’s historic blocks imminently recoverable. Indeed, the evidence bears this out.

The assets on which an Oswego renaissance can be predicated are clearly identifiable. A potentially beautiful historic downtown. Dozens of centrally located blocks each with beautiful and historically significant homes. A lakefront with the best sunsets east of California. A remarkable university with thousands of talented students. And great pricing advantages for anyone considering living in Oswego County.



Choose to Care

MOVING IN THE RIGHT DIRECTION

The old way or a new way? Beauty? Or treeless, charmless cement? Disengaged, and sometimes (rightfully) enraged citizens who have seen their blocks decline and who need partnership? Or a discontinuation of falling standards and a no-nonsense approach to a cadre of reprobate landlords -- who for years have destabilized Oswego and given good landlords a bad name.

These are the choices the community has been wanting to make for at least two decades. When confronted with a failure to choose, many of those who cared just left. While quite a few stayed, they became ever more frustrated.

The fact is that most of Oswego is comprised of hard working, middle class families who take good care of their homes and want their neighbors to do the same. The central task now facing Oswego is to do right by those who have great pride in living in or being from Oswego.

And for this reason Oswego, like so many communities that have suffered decades of disinvestment, is at a crossroads. Now is the time for Oswego to make a decision. The community as a whole and citizens acting individually must decide to stop self-defeating disinvestment - financial and civic - and start reinvesting. Now is the time to harness the overwhelming desire on the part of so many Oswego households to live in a beautiful, vibrant, full-of-pride city. To capture the desire on the part of employers to take part in Oswego's renaissance, to bring students into the community as neighbors, not just renters. And finally, to assert community standards - property upkeep as well as behavioral - through code enforcement, policing, and city policies.

Oswego is ready for it to make sense to invest, and for it to make sense for the community to invest, small, well-aimed investments need to occur in the *right locations*. Such small investments in the right locations must be designed to prompt similar, more frequent investments, and these more frequent investments must be leveraged into larger, more significant, and increasingly visible investments.

The work in Oswego is about the replacement of self-repeating disinvestment behaviors with self-repeating investment activity. The way this work is done is straightforward.

First, for Oswego's neighborhoods to become vibrant, families already living in Oswego have to want to stay, and those visiting have to conclude they might want to live in Oswego too. It is the job of revitalizing to coordinate efforts to make this so.

While it is true the modern family wants a modern home, it is also true that America is undergoing renewed demand for city living, on traditional blocks, in traditional, walkable neighborhoods of exactly the sort that Oswego offers. What Oswego lacks is not product - though occasional, well-priced, well-designed infill housing products will eventually be needed - but demand. Therefore the problem to solve, at its most fundamental level, is not a problem of supply. Consequently, all efforts public and private must aim to stimulate demand **for housing and the neighborhoods**. The aim is not to meet the needs of those who are struggling, but, rather, to stimulate demand of those who are not. This is how cities become strong. One house at a time. One resident partnership at a time. One block at a time.

Second, it is necessary to build confidence **in the housing market**. Families and businesses make investments when they anticipate competitive returns. When returns seem elusive, scarce investment time and money goes elsewhere. Decision makers should be aimed at one and only one measurable objective: growing the confidence of strong, middle class Oswego families to stay and reinvest their time, energy, and money into their homes, blocks, and neighborhoods.

This point cannot be overstated. A simple but profoundly important filtering metric for the Oswego City Council, for the Oswego Planning Board, for the Oswego Zoning Board, and for every business and household in Oswego needs to be: is the application (or activity) we are about to approve (or deny) or do (or not do) going to result in adding to the confidence level of homeowners to reinvest their scarce time, energy, and money in Oswego? If not, it should not go further. Period. Oswego is in such a

precarious market condition of uncertainty that the most pressing psychological hurdle to clear is confidence in Oswego to become a better place to live tomorrow than it is today.

Third, investments - of capital, time, or energy - are scarce. Not every appealing stock can be bought, nor is every donation of time as a volunteer possible. Choices have to be made, begging the question: based on what? In the work of neighborhood revitalization, the shortest distance between a struggling market and prosperity is in identifying and stabilizing existing assets. For the last 40 years, Oswego and every other city in America got this important point backwards, spending scarce resources trying to fix problems when, for far less, strengths that were at risk could have been rescued before decline.

In Oswego, identifying and stabilizing existing assets will be especially difficult because - unlike most soft market cities which have really good un-compromised blocks in one part of town and terribly troubled blocks in other parts of town - almost every block in Oswego is compromised in some way. Nevertheless, analysis shows that while every block has some kind of challenge, most strong blocks are readily identifiable. These are the blocks where investments should be occurring. And on weak blocks, when investments are important to make, endeavors should aim to invest in the stronger properties to keep them stronger.¹

In sum, the approach recommended here has three connected core elements. First, the problem to solve is that of too little demand. Second, it is to help the market conclude that Oswego is the smart choice for middle class families and the businesses they support; the root of demand is confidence. Families and businesses alike have to begin to feel confident in the future of Oswego. And third, the way to stimulate confidence, and thus demand, is to always lean in favor of protecting, nurturing, and growing Oswego's assets.

The assets Oswego must protect and grow are those that appeal to stable families everywhere:

- Neighbors with high standards,
- Strong and vibrant blocks of neighbors who know one another and come to rely on each other,
- Homes and neighborhoods where a healthy and rich family life can be envisioned, and
- A growing package of amenities that add to quality of life.

Of course, the underlying essence of all these elements is pride. Pride is what comes through when mailboxes and house numbers shine, when lawns are mowed and snow is shoveled and leaves are raked. Pride comes through in washed windows, fresh coats of paint, holiday lighting, and landscaped yards. Pride is the name of the game. It is the essence of housing market stability which in turn is the backbone of good schools, a strong tax base, a vibrant civic and cultural life, and a thriving downtown.

The direction Oswego must go in is towards a city of neighborhoods filled with families who take care of their homes, honor their community, and inspire one another. It is the direction Oswego is beginning to point itself towards.

¹ Here a note is in order on the inherent complexity of this nuance. There are times when problems require fixing. If an otherwise stable block is being dragged down by one or two troubled properties, then fixing those properties is appropriate. The main point here is to default towards building on Oswego's strengths as the objective.

TARGETING INVESTMENT

The transition from a stable community to today's Oswego didn't happen overnight. It has occurred over decades and has been comprised of tens of thousands of small decisions. Whether to stay or move. Whether to paint the house this year or next. Whether to rent out Grandma's house after she's passes away, or sell it.

To influence the direction neighborhoods may take in the future begins with a solid understanding of how neighborhoods change: what causes what. This helps inform one's sense of what happened.

The most important relationship to understand is the one between market and image. The market – who lives in a community – shapes a place. "Who" lives in a neighborhood is who does or does not take care of their homes, who does or does not volunteer at the animal shelter, who does or does not do well in school. "Who" (the market), is comprised of stakeholders – residents, business owners and others – who have, and sometimes deploy their capacity to manage their community day in and day out. Their capacity to take care of their properties becomes their capacity to advertise their homes and their blocks as good places to raise a family. This is communicated by the condition of those blocks. It is these conditions that, in turn, either successfully promote a strong image or convey a weak one. And it is the resulting image – strong or weak or something in between – that attracts or pushes away investment.

The condition of a property becomes a profoundly important proxy indicator of capacity. It is, in many ways, the marketing literature – the billboard – for a community. By measuring the condition of property in the context of the market value of property, it becomes possible to establish relationships between the two. And, because price is a function of demand, demand can be understood as a function of condition.

In Oswego, after evaluating all 5,681 resident properties at least five times, and after analyzing them in the context of more than 10,000 sales transactions that occurred over more than a decade, it became possible to make statistically sound conclusions based

on correlations of condition to value and value to condition. By carefully examining the condition of thousands of Oswego homes and by knowing who was living in Oswego, it became possible to understand the relationship between the market, deducible capacity, and resulting (visibly discernible) condition. By then adding a layer of qualitative data – 187 resident interviews – it became possible to link condition to perceived image.

The power of this – of determining the quantifiable relationship between condition and value – is that it then becomes possible to create a fact-based strategy. When poor physical conditions correlate to measurable declines in value, working in reverse can constitute the basis of a strategy to revitalize a distressed block or even a whole soft market city.

The key to intervening successfully is to focus on the capacity part of the equation, not the bricks and mortar, even though it is the condition of properties that substantially sell or value. Houses are inanimate. They don't maintain themselves. They don't fall into disrepair on their own. They are improved or become fallow solely because of who owns or lives in them. And so the place to intervene in a disinvestment cycle is wherever it is possible to reimagine and grow a community's capacity to return to high standards, to exhibit pride, and to become civically re-engaged.

Of course, in practice this means having to figure out not just where in a theoretical cycle of disinvestment one should aim, but where, among hundreds of blocks, attention is most required. The answer to that is on blocks that are both strong and at risk at the same time. Those blocks are sometimes referred to as being "in the middle". They are neither blocks in outright distress, nor blocks where everything is working. And those blocks are those whose conditions are measurably in between.

From a recovery strategy standpoint, middle blocks are the most valuable to a city because, if they decline further, they may not be affordably recovered later. Yet, in their present "middle" condition, they can generally be affordably revitalized in terms of time and money. These are blocks with families eager to meet and work with

their neighbors. Families hungry to upgrade their homes, but not sure it makes sense to do so. What these blocks – what these families need – is a spark, a reason to reinvest. Lacking that spark, they will inexorably retreat and disinvest further, one house and one block at a time. Identifying Oswego’s middle blocks was therefore the priority in the analysis part of our work.

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In order to identify which of Oswego’s blocks require the most attention, it was first necessary to evaluate each of the City’s residential structures on an individual basis. To do this we employed a scoring mechanism that assessed residential property on a scale of “1” to “6” (Table 1). Homes in the best physical condition were assigned a “1” or “2” and those in the worst condition a “5” or “6”. Homes considered “in the middle” were assigned either a “3” or a “4”. Examples of home receives scores “1” through “6” are provided on the following page.

Table 1: Housing Stock Scoring Mechanism

Score	Description			Risk
1	Best in class; ready to sell; top of the Oswego market Demand >Supply	STRONG	Can generally be counted on to hold value, attract buyers, and generate positive cash flow if a rental property; typically in a good location.	Little to no risk of decline; the risk is that owners of these properties will move out after having grown frustrated with decline
2	Very little investment needed for property to move into the “best in class” category Rising Prices - Good Buyers			
3	Good, solid, middle Oswego home, but tired and needing upgrades Supply~Demand~Supply	MIDDLE	Middle market houses that often represent good “buy low” opportunities that - with sweat equity and creative financing - can turn around a market	Major risk of decline
4	Troubled property with significant issues and trending downward; still recoverable Prices Vacillate - Good Potential			
5	Blighted property with risk of abandonment Demand<Supply	WEAK	Tends to have negative equity and often too expensive to recover in a weak market	Exerts a major drag on the market
6	Property in abject distress; often abandoned Prices Falling - Attracts Reprobate Buyers and Slum Landlords			



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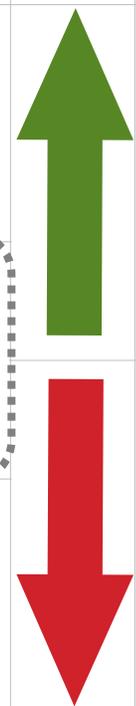
4

5

6

Table 2: Scores of Oswego's Residential Structures

Score	Number of Structures	% of Structures		Number of Structures	% of Structures		% of Structures
1	481	8.5%	STRONG	2,104	37.0%		71.0%
2	1,623	28.6%					
3	1,932	34.0%	MIDDLE	3,190	56.2%		29.0%
4	1,258	22.1%					
5	358	6.3%	WEAK	387	6.8%		
6	29	0.5%					



Our review revealed that approximately 56% of Oswego's residential structures can be classified as being in a "middle" condition (Table 2). The largest percentage (34%) of Oswego's residential structures were assigned a score of "3". These homes are in relatively good condition, but are tired looking and in need of upgrades.

After having assigned each individual residential structure a unique score we were then able to determine the average score of each of Oswego's blocks. Map 1 on the following page depicts the average score of each block in Oswego.

Again, we are focused on Oswego's middle blocks. Blocks in Oswego with average scores of around "3" have common characteristics. They are mainly owner-occupied blocks, but have some renters. They have some elderly, but mostly families. They have some poor families but are mostly working or middle class. The homes are often attractive, but they are rarely show stoppers. Most of all, middle blocks already exhibit unmistakable pride while at the same time, are on the edge of falling into decline.

Map 1: Average Field Score Survey of Each Block

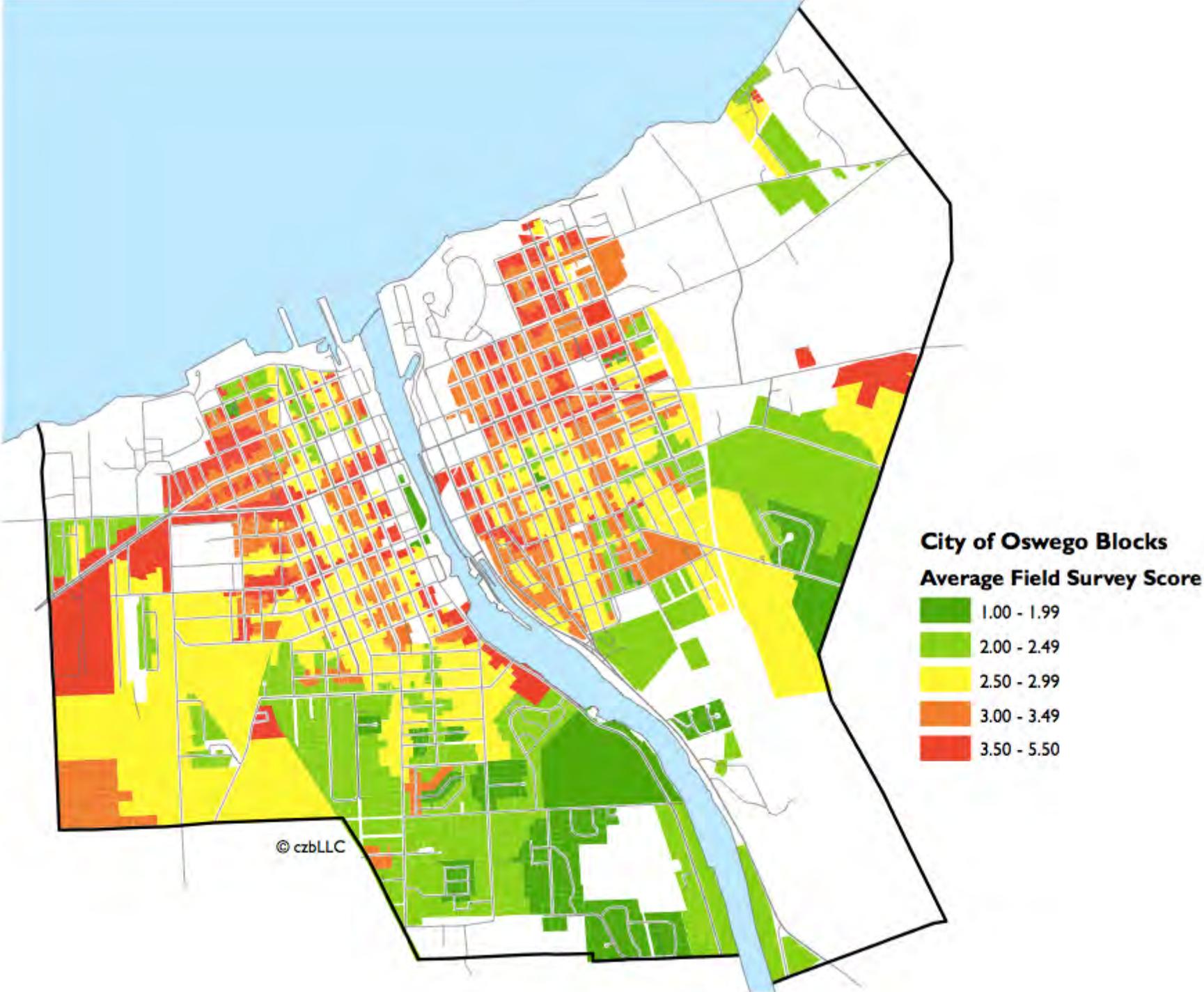
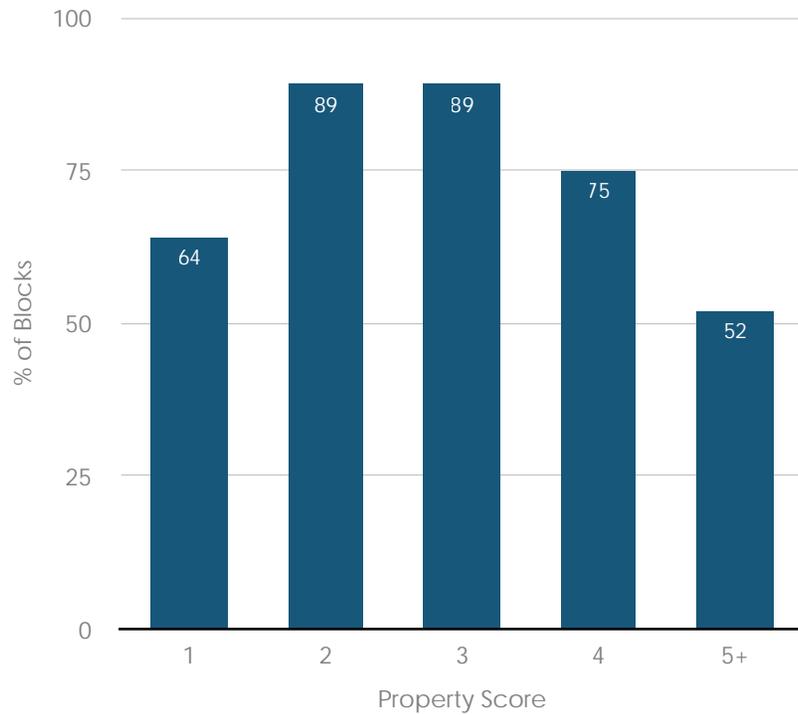


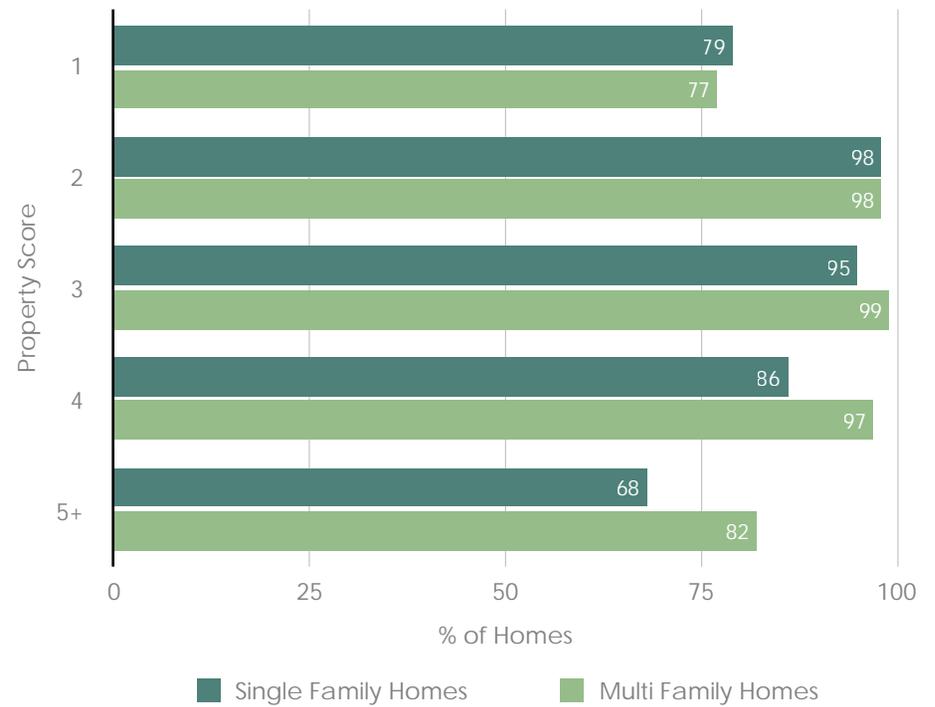
Chart 3: % of Residential Blocks with a Property Receiving a Field Score Survey of...



...

Significant to deciding where and how Oswego should spend its time and resources is an understanding of the ways in which disinvestment - or investment - in one property affects surrounding properties. **Importantly, a property in a condition of distress has a profound impact on the value of neighboring properties.** By analyzing scored residential structures in the context of more than 10,000 sales transactions we are able to demonstrate how, and to what extent, weaker properties steal value from surrounding properties.

Chart 4: % of Single and Multi Family Homes on a Block with a Property Receiving a Field Score Survey of...



While only 28.9% of structures received a field survey score of 4, 5, or 6, these properties are not concentrated in one unique area - they are dispersed throughout the City. Three quarters (75%) of all blocks with residential properties have at least one property that received a field survey score of "fair" (4) and over half (52%) have at least one "weak" property (i.e. one that received a field survey score of "5" or "6") (Chart 3). Multi-family structures (2-family, 3-family, and apartment buildings) are more likely than single-family structures to be situated on a block with weaker properties (Chart 4).

Map 2: Number of Properties Scored "5" or "6" per Block

The presence of a "weak" property on a block has a measurable impact on the value of surrounding homes. We were able to calculate this impact in Sections 128 and 146 of Oswego (Map 2).

Table 3 statistically shows the negative effect that one disinvested property has on others. In Section 128, a home on a street with four or more "weak" structures will sell for nearly 40% less than a comparable home on a street with no "weak" structures. In Section 146 the statistics are even more striking. A house on a street with just three "weak" structures will sell for close to 65% less than a comparable home on a street with no "weak" structures. Such negative impact is nothing short of profound.

Looking at how average field score surveys on each block affects average sale prices reinforces the correlations identified in Table 3. Our analysis has shown that the values of single-family homes situated on blocks with average survey scores of anything less than 1.75 are severely compromised (Table 4).

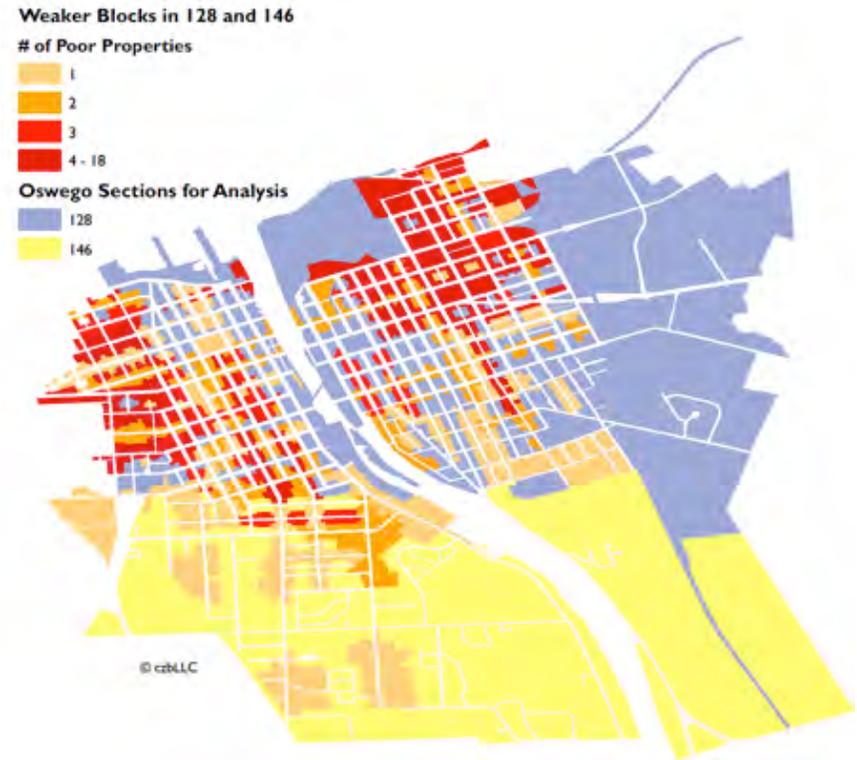


Table 3: Impact of the Number of Distressed Properties (with scores of 5 or 6) on Average Sale Prices Per Block

Number of Distressed Properties on a block (scored 5 or 6)	Section 128				Section 146			
	Average Sale Price Per Block	% of \$77,270	Difference from \$77,270	% Difference from \$77,270	Average Sale Price Per Block	% of \$136,499	Difference from \$136,499	% Difference from \$136,499
0	\$77,270	-	-	-	\$136,499	-	-	-
1	\$60,559	78.4%	\$16,710	21.6%	\$85,562	62.7%	\$50,936	37.3%
2	\$59,314	76.8%	\$17,956	23.2%	\$64,606	47.3%	\$71,893	52.7%
3	\$55,571	71.9%	\$21,699	28.1%	\$48,074	35.2%	\$88,425	64.8%
4+	\$46,733	60.5%	\$30,537	39.5%	N/A	N/A	N/A	N/A

Table 4: Impact of Average Block Score on Average Sale Price of Homes

Average Field Survey Score of Block	Average Sale Price of Homes with a Field Survey Score of 1	Average Sale Price of Homes with a Field Survey Score of 2	Average Sale Price of Homes with a Field Survey Score of 3	Average Sale Price of Homes with a Field Survey Score of 4	Average Sale Price of Homes with a Field Survey Score of 5+
1 - 1.99	\$195,790	\$199,369	N/A	N/A	N/A
2.00 - 2.49	\$126,096	\$114,784	\$83,140	\$64,300	N/A
2.50 to 2.99	\$90,739	\$82,188	\$60,880	\$43,485	\$40,584
3 or more	\$86,928	\$66,997	\$51,334	\$41,238	\$31,972

Chart 5: Average Sale Price of Single-Family Home with a Survey Score of 1 by Average Block Score

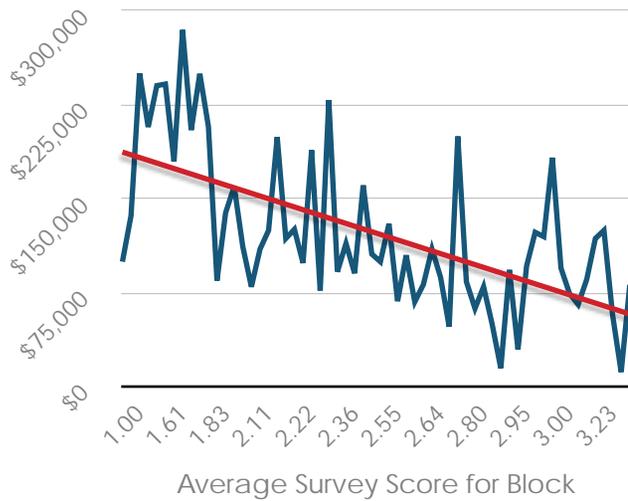


Chart 6: Average Sale Price of Single-Family Home with a Survey Score of 2 by Average Block Score

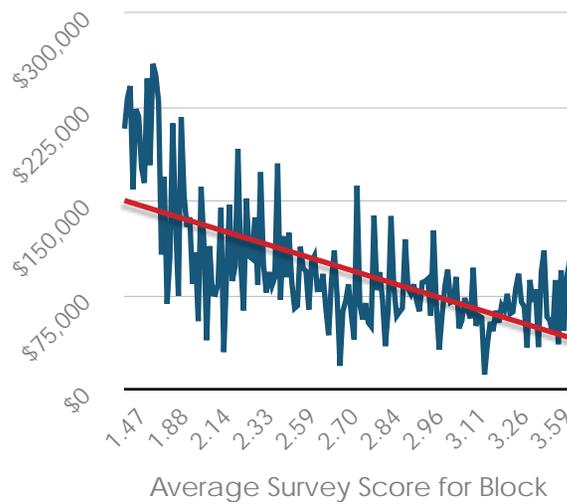
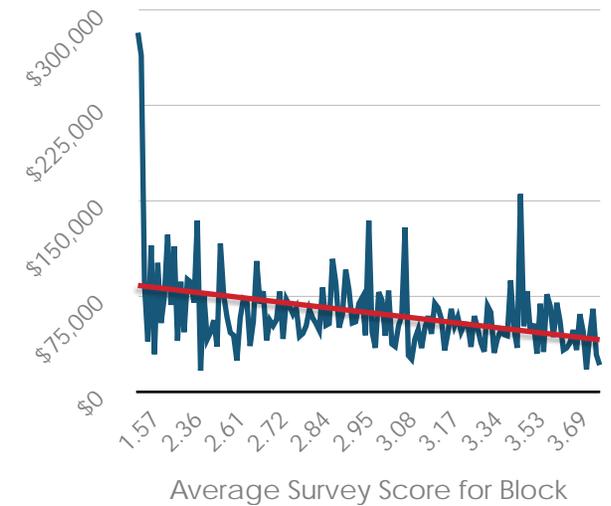


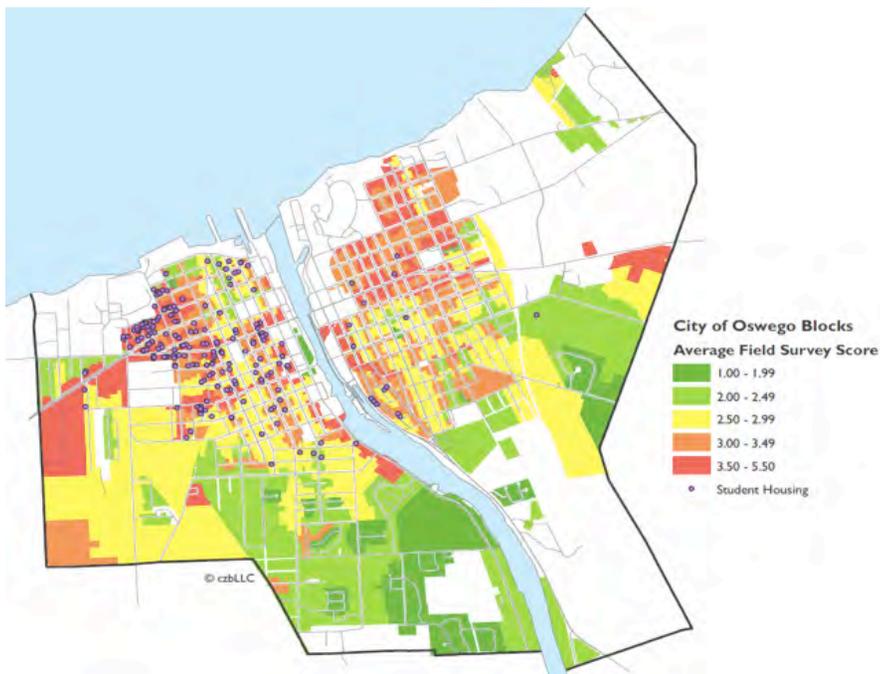
Chart 7: Average Sale Price of Single-Family Home with a Survey Score of 3 by Average Block Score



In looking at the graphs that coincide with Table 4 (Chart 5, Chart 6, and Chart 7) we see that block-level conditions have a considerable impact on the sale price of properties that are scored as a "1" or a "2". Even after controlling for such things as the condition of a property, age of structure and number of bathrooms, **declining conditions of the houses surrounding a property still have a profound influence on market prices.** Regression analyses (see appendix i) show that **for every 1-point drop in the average block survey score, an additional \$23,796 in market value is lost from an otherwise stable property.** This is happening to property owners in blocks throughout Oswego.

This demonstrates a serious problem. Fair and poor properties - those scored as "3", "4", "5", or "6" - are dragging down property values of those owners who are investing and trying to maintain their homes. Such reduced property values ultimately means it makes less and less economic sense for homeowners to maintain a property at a "1" or a "2" on blocks with declining conditions.

Map 3: Impact of Off-Campus Student Housing on Average Block Survey Score



These data show what is known as equity theft, and it is literally costing residents tens of thousands of dollars in home value loss, as well as eroding confidence in the housing market. Moreover, our analysis of the relationship between eroded property conditions and value indicate that Oswego is losing an estimated \$253,000,000 in actual market value city-wide, and suffering from an eroded tax base, all due to continued tolerance of low standards of maintenance.

This has produced a serious problem that Oswego can no longer afford to ignore. **The decision of the City of Oswego to ignore problem properties, and decisions by residents to continue to disinvest, drives residents out of the city, and repels potential homebuyers from moving in. The result: reduced population, lower demand for houses in Oswego, reduced home prices, eroded tax base and ever higher property tax rates to compensate for the loss. This weakens the market further, causing more disinvestment. This self-sustaining cycle must be broken.**

...

Another significant feature of Oswego's housing market is the presence of SUNY Oswego's off-campus student housing. According to the data we received from the City and the university, there are 388 off-campus units occupied by students. Student buildings averaged a field survey score of 3.75 - nearly a full point worse than single-family homes occupied by non-students. Student housing therefore exerts a significant drag on Oswego's neighborhoods by negatively affecting the average field score survey of their blocks and, subsequently, the value of all homes situated on those blocks. Blocks with off-campus student housing averaged field survey scores well below those without - 3.76 as opposed to 2.93. This is made evident in Map 3, which overlays student housing with average block survey score.

The impact of off-campus student housing is especially evident where these units are clustered - in the northwest corner of the city. In this "Student Housing Area" (Map 4), blocks' average field survey score are nearly universally over 3.

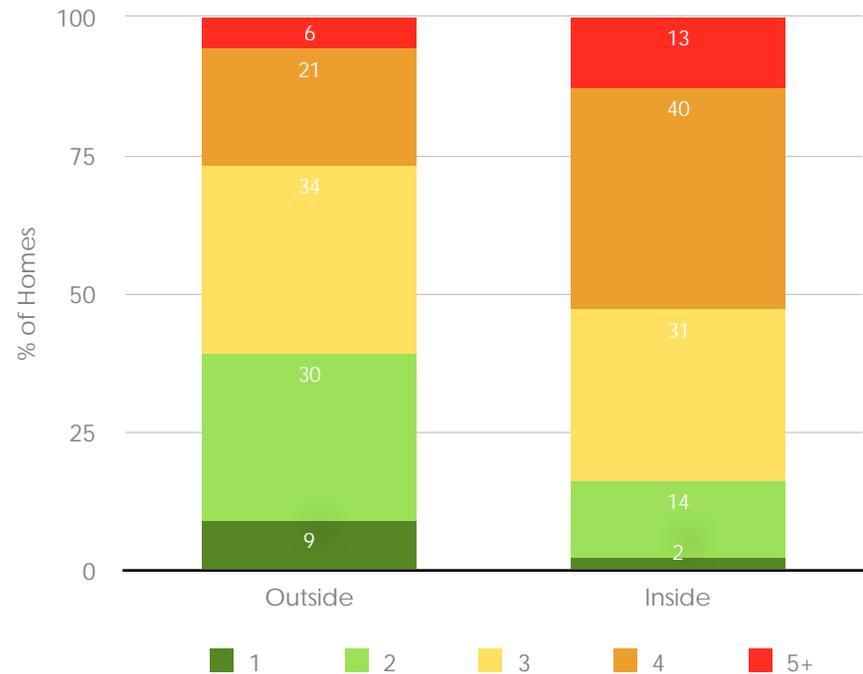
Most (85%) properties inside this "Student Housing Strategy" Area were scored "3" or higher and over half (53%) were scored "4", "5", or "6". In contrast, outside of the "Student Housing Strategy" Area, 61% of properties were scored "3" or higher and only 27% were scored "4", "5", or "6" (Chart 8).

Given this data we feel that blocks affected by off-campus student housing deserve particular attention. Possible strategies for improving these blocks are included among our recommendations.

Map 4: Impact of Off-Campus Student Housing On Average Block Survey Score in Northwest "Student Housing Area"



Chart 8: Average Field Survey Scores Inside and Outside Student Housing Area

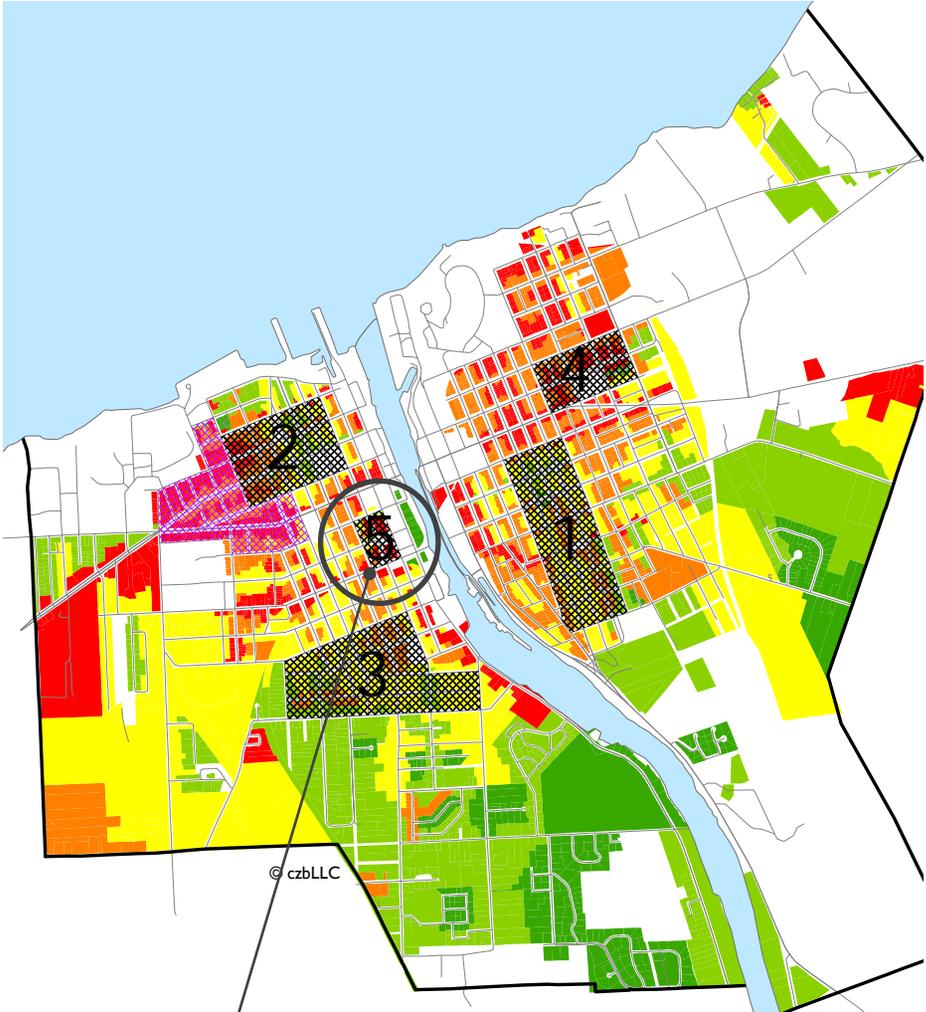


Map 5: Key Middle Markets

...
The key to reversing Oswego’s decline is to obey the First Law of Holes: when you find yourself in a hole, the first order of business is to stop digging. The City of Oswego must begin a strategic and targeted reinvestment in city blocks, in neighborhoods where blocks have the best chance to be made strong and competitive for homeowners. These are Oswego’s middle-market blocks.

In our review of Oswego’s unique housing market we have identified four key middle-market where resources should be targeted over the next five years (Map 5, Map 6). Each of the key areas identified is characterized by two main traits. First, they are asset rich blocks of well-kept homes owned by families that have invested themselves in their homes. They are on beautiful streets that are highly visible and that anchor Oswego’s market. Second, they are at measurable risk. Either some of the homes have not been as well maintained, or are next to or near very neglected properties. Together these two traits merge to create blocks that Oswego simply cannot afford to lose. These blocks are strong but at risk and directing resources towards these blocks will provide the greatest possible return on investment.

*Note that, although we recommend resources be directed at these key middle-market neighborhoods, strong resident leadership may warrant minor modification of the boundaries; boundaries that are clearly visible in Map 7, Map 8, Map 9, and Map 10. If it is decided that sufficient resident leaderships exists, we recommend that boundaries be modified no more than one to two blocks in any direction.



Attention is to be directed to this fifth recommended middle-market area only if sufficient resources exist and only after the needs of the other key middle-markets are addressed.

This fifth area is confined by W Oneida Street to the North, W 1st Street to the East, W Utica Street to the South, and W 5th Street to the West.

Map 6: Key Middle Market Sub-Areas



Sub-Area	# of Structures	Average Field Survey Score	# of Single-Family Home Sales	Average Sale Price (2003-2013), Single Family
1	536	2.86	172	\$70,414
2	406	2.99	120	\$73,767
3	549	2.78	152	\$58,243
4	205	3.35	43	\$45,932
5	44	3.19	10	\$107,930

Map 7: Key Middle Market 1



Map 8: Key Middle Market 2



Map 9: Key Middle Market 3



Map 10: Key Middle Market 4





Choose to Reinvest

RECOMMENDED ACTION PLAN

What all of this means - from Oswego formerly being great, to declining, to hitting bottom, to climbing out, and now, to moving forward, is that investments are - ultimately, choices. An investment of time coaching Little League baseball is a choice to contribute one's time and energy to the community. An investment of \$200 and the time it takes to dig and plant a flower bed and water and nurture it all summer is a choice to make one's home beautiful, and, by extension, to honor one's neighbors. A decision to shovel a neighbor's walk is a choice to be a good neighbor. A choice to turn down the music at a bar is a decision made by an owner to favor good citizenship over the extra profit obtainable by staying loud past a reasonable hour. Such choices reflect confidence and grace.

To trigger enough positive decisions in Oswego, it is estimated that 15% of the residential structures in Oswego need to be influenced over a five year period. Our experience suggests that when one structure in seven becomes positively affected by the behaviors of neighbors, a critical mass is achieved and sufficient positive momentum becomes the *new normal*. It is this *new normal* that must be engineered; a new normal where active investment - as opposed to sitting on the sidelines - becomes Oswego's new DNA. Where it becomes more the norm than not to reroof, repaint, reside, and upgrade continually. Where the slum landlord profiting from code enforcement and zoning loopholes is rare.

Based on experience, directly and positively influencing the *right* 100 residential properties each year for five consecutive years by incentivizing investments by owners will indirectly shape how 1,500 households perceive Oswego. By helping 100 property owners each year for five years upgrade their homes and participate in leveraging those upgrades by collaborating to upgrade their blocks, key streets in Oswego will move from relatively stable but at risk, to very stable.

Four program efforts are recommended to stabilize Oswego's neighborhoods, each connected to the over- arching three-part essence of the work (stimulating demand, growing confidence, building on strengths). They are: (1) stimulate homeowner

reinvestments; (2) encourage neighbor-to-neighbor interactions; (3) strengthen the blocks where students are living; and (4) grow resident leadership capacity.

The recommended four program efforts need to be geographically concentrated in the parts of Oswego that we identified as strong but at risk (Map 6). We suggest that these efforts will be carried out over the course of four to five years.

...

1. STIMULATE HOMEOWNER REINVESTMENTS

Through a series of analyses we have calculated that each month owners in Oswego pocket \$2M that, in a stable market, they would otherwise be spending on home upgrades. Each dollar of withheld upgrades is eventually manifest as a home that is weathered or a yard that shows poorly. Such properties send signals to everyone else that investing is not sensible.

To turn around that self-fulfilling cycle, owners need a reason to invest. They need a short term reason to be irrational. They need to know their money will have a positive impact, and they need to know their money will not be undermined - as it is now - by persistent problems around the corner pulling down the value of their homes. We therefore propose that the City of Oswego stimulate homeowner reinvestment by way of Block Challenge Grants and Demolition Assistance.

Block Challenge Grants (Years 1-5): Under our Block Challenge Grants owners in pre-selected areas who are willing to invest their own money on exterior upgrades will receive matching grant assistance from local foundations and corporations. The result is an immediate two for one upgrade. The multiplier is a result of several upgrades on the same block, and to this end we recommend that clusters of five be the minimum to participate. This approach creates investment, stimulates matches, encourages neighbor-to-neighbor connections, and does so on blocks that are critical for Oswego's long term fiscal viability. Consider the impacts over five

years. If \$1,000 per owner were matched by local foundations and corporations, \$1M in exterior upgrades across 500 homes will radically strengthen dozens of Oswego blocks.

Demolition Assistance (Years 2-5): The focused demolition of nearby derelict structures will help to ensure positive investment activity is not continually undermined by the toxic property ownership behaviors of a small number of moral reprobates. Properties that have been vacant and uninhabitable for prolonged periods of time need to be condemned and removed. This will clear out costly drags on local values, create infill opportunities, and, on removal, as czb's analysis in 2013 demonstrated, instantly add approximately \$15,000 in value to each of the nearby homes (once removed).

2. ENCOURAGE NEIGHBOR-TO-NEIGHBOR INTERACTIONS

Whether students who increasingly feel as unwelcome as families are cautious about them, or the elderly less able to participate in civic life, many blocks in Oswego would be strengthened by increased neighborliness. This was a constant theme across the more than 200 resident interviews czb conducted in Oswego in 2013, and it is strongly related to prevailing disinvestment trends.

To turn this around, residents need good reason to reach out to their neighbors, and neighbors need good reason to accept engagement invitations. Just as pride of ownership is a powerful tool for rebuilding, so too is pride related to the block one lives on. Throughout Oswego are numerous pocket parks, intersections, empty lots, side lots, and other opportunities for neighbors to beautify the spaces they share with one another. The recent (2013) West Bridge Tree Canopy project is a perfect example of what's needed in Oswego on a scaled and consistent basis: endeavors that bring people together, beautify, instill pride, help create friendships, and remind one another of how good life has the potential to be in Oswego. For these reasons, we recommend the funding of Neighborhood Pride Projects to complement home owner pride efforts.

Neighborhood Pride Projects (Years 1-5): Local foundations and corporations should be encouraged to support 10-15 resident led block improvement efforts, each costing between \$2,000 and

\$10,000. These efforts will generate two absolutely critical outcomes for Oswego. The first will be improved public and private spaces. The second, and more valuable, will be an increase in resident leadership capacity. By providing the financing needed for such projects conditioned on groups of residents coming together to plan and execute, the result each year will be as many as three dozen resident leaders taking part in the work of getting to know one another, identifying an asset, making a plan, and upgrading an important property. Over five years, as many as 150 resident leaders in Oswego will have emerged to go along with the 50-75 improved lots or areas.

3. STRENGTHEN THE BLOCKS WHERE STUDENTS ARE LIVING

The arrival of students into the older blocks in the inner core areas of Oswego has been a measurable blessing and equally measurable curse. In many instances, students have been living in homes for which there would not otherwise be any occupant at all. It's a Hobson's Choice; if there were no students much of the housing along Cayuga, Seneca, and Schuyler would be either vacant or rented to very troubled tenants. So students are better than no tenants, but it's an improvement not without significant cost. Many SUNY Oswego students are good neighbors, but others have a mixed record of citizenship in the community. In addition, many absentee owners have a record of property maintenance is, frankly, dismal. Underneath these two troublesome issues - student conduct and marginal quality ownership - though is a sizable opportunity. Students are potentially great neighbors: young, industrious, spirited, creative, and engaging.

To help strengthen the blocks where students are living we recommend that the City of Oswego support a Good Landlord Program.

Good Landlord Program (Years 1-5): Each year for five consecutive years, owners of ten student-occupied properties in the West Side blocks north of Bridge should receive incentive grants to upgrade property exteriors. At \$1,000 each for already code compliant properties, that comes to ten \$2,000 upgrades; over five years that's 50 properties upgraded for a total of \$100,000. Since this is principally designed to occur over a ten block area, considerable impacts are to be expected.

“At the beginning of every year I go over and introduce myself to the students on the street and tell what my expectations are: I expect them to have their lawn cut and take their trash in and out and not keep me up at night. But then I also let them park in my extra parking spot and I help them out if I can.”

4. GROW RESIDENT LEADERSHIP CAPACITY

In each owner occupied home is a family that pays their mortgage, mows their yard, trims branches and shrubs, attends Harborfest, sometimes has dinner at Thai Rose, is maybe a member of the Country Club, possibly sings during Open Mike at the Yacht Club, and maybe teaches Sunday school or is Adjunct at SUNY. Each has significant contributions to make to their community: as scout leaders or members of their vestry. But one of the most important contributions Oswegonians can make is to be a good neighbor. To maintain their homes and expect the same of their neighbors. To reach out to the elderly and help them put up and take down holiday decorations.

Each of the three program endeavors already presented speak to the importance of maintaining property to a high standard. And that is critical, as the condition of property is the basis of a place's image and it is Oswego's image that has been pushing away investment and which needs to be reversed. But the essence of the reversal is not physical; it is community. It is neighbors. And so it is proposed that each of the recommended endeavors - home owner reinvestment, block beautification, and student housing improvements - is tethered to a concerted effort to grow resident leadership capacity. We suggest that the best way to grow resident leadership capacity is by way of a Resident Leadership Development Program.

Resident Leadership Development Program (Year 1): Under this program consultation services are provided to facilitate small groups of residents working to identify, plan, and execute projects.

...

Grants should not materialize unless residents are working together: unless residents are identifying projects and planning projects and collaborating to implement them. Project after project - from small landscaping efforts to more substantial tree plantings - efforts begin to yield a powerful sense of resident ownership. Trees that took thousands of dollars to procure and hundreds of hours to install are not easily orphaned. When a dozen residents along a street all come together to agree on mailboxes and porch lights and house numbers and then all install them together over a cookout on a July afternoon, they more readily take the next step: to upgrade a storm door, or to remove an old and decaying shed from out back, or to help their neighbor do the same.

These are not empty gestures. They are not Pollyannish feints substituting for bricks and mortar. They are the glue that binds a community to one another, and over the last four decades one of the most damaging injuries to Oswego has been the self-inflicted wounds of withdrawal and disinvestment. In our collective 50 years experience, no maxim has proved more true than that "social disinvestment precedes financial disinvestment". Long before a house becomes vacant and dilapidated, it's owner decided to pull back, and long before that happened, others withdrew in their own ways. Now is the time to reverse decades of withdrawal, and the best way to do this is to invest in residents and their capacity to lead Oswego.

LEVERAGE AND PARTNERSHIPS

Of course, the four recommended endeavors - home owner reinvestment, block beautification, student housing improvements, and resident leadership development - are not likely to succeed in a vacuum. Each of these efforts requires three things. They must be:

- Constantly aimed at stimulating demand through confidence building and asset enhancement.
- Occurring in identified middle market areas of Oswego noted both for their strengths and fact that they are at risk, and circumscribed inside of a focused effort to link all of the work together.
- Closely linked to public programs and decision making. Just as grants to owners require owners to have "skin in the game", residents need to know their city - from their Mayor and Council and other elected and appointed boards, to local businesses and institutions - are in there with them, too.

This third point is crucial. While home owners are busy in the coming years working together to improve their homes and blocks, they will need the support of a committed City Hall in the form of new zoning codes, beefed up community policing, revamped code enforcements, and better oversight of rental property management.

"I saw a difference when we bought this house and started to fix it up. People started to sit up and take notice. But now we need the City to work with us in our neighborhoods."

Married to the support from local foundations and corporations helping the work of growing home owner reinvestment levels, strengthening neighbor-to-neighbor relationships, developing resident leadership, and improving student housing must be support from the City.

To strengthen the probability that home owner upgrades will occur, it is recommended that:

- The City of Oswego freeze any increase on assessments owing to the \$2,000 improvements made. This is estimated to be a minor loss of revenue for the city - \$3,500 a year - but one with tremendous symbolic importance. Residents should not feel penalized for creating value.
- The Oswego Police Department dedicate officers to working closely with owners to identify issues on the blocks where new investments are occurring. At the number of potential owners involved in this effort, it is estimated this could cost the city between \$14,000 and \$15,000 a year in police officer time.
- The City dedicate code enforcement officers to work closely with assigned police officers working on targeted blocks where reinvestment is occurring. This is estimated to cost nearly \$6,000 per year in code enforcement time.

To strengthen neighbor-to-neighbor relations and further enhance resident leadership development, it is recommended that:

- The City of Oswego create a team of professionals consisting of the Police Chief, a new Planning Director, the city's chief code enforcement officer, and the Director of Public Works. This team would meet weekly with resident leaders to go over progress on making blocks safe, having code violations enforced, and coordinating CIP spending and aligning it with block beautification efforts. Over time these meetings will generate protocols for managing change on key blocks in Oswego, applying a dashboard of metrics to staying on top of

issues as they arise, and instilling confidence among owners that they are not alone.

And to improve the conditions of blocks where students live when off campus, it is recommended that:

- The City dedicate sufficient police and code enforcement staff time to address quality of life weakening student behaviors and property value deflating owner conduct. This is estimated to cost approximately \$15,000 a year in police time and \$6,000 a year in code enforcement time.

It is anticipated these action will be unpopular with some. City officials will have to evaluate how committed they are to a stronger Oswego and deploy resources accordingly. But there should be no misunderstanding: distressed property conditions cost neighbors tens of thousands of dollars in market value, and tolerance of problematic student behavior weakens the community's civic fabric.

KEY ROLES OF THE MUNICIPALITY

In addition to making investments of time and energy and money now withheld, important behavioral shifts will be essential, without which Oswego's recovery will be undermined. Significant percentages of residential rental property will have to be upgraded. Meaning, owners, managers, and tenants alike will have to become better citizens. When this doesn't happen voluntarily, the City will have to make it happen. Owners of establishments that cater to Oswego's vitally important student population will have to improve their average level of stewardship and become better neighbors than they are now. When this doesn't happen voluntarily, the City will have to make it happen. Students will have to become better neighbors than they have been for some time, and the residential community into which students move each fall will have to be better neighbors to incoming students. And, when this doesn't happen voluntarily, the City will have to make it happen.

On top of supporting investments and behavioral shifts, City government will have to change in critical ways. While disinvestment was increasing the last thirty years among property owners, several local public policy efforts were lacking, and these require attention. Neither the 2003 City Of Oswego 2020 Plan nor its 2011 Update appropriately dealt with market reality. Neither applied appropriate metrics to the challenge of measuring progress. Neither located the source of challenges. And among the recommendations made that should have been carried out – principally, to update the city's zoning/development code, to strategically focus CIP funds, and to address the well-deserved negative image of the Rt 104/Western Gateway - none were.

Going forward – while residents begin to reinvest, while businesses do their part, and while students are inspired to engage as good neighbors – City Hall will have to act as well. Indeed City Hall will have to lead in specific ways. They are as follows:

- The Mayor and Council will need to mandate the drafting and implementation of a new zoning code. Though updated with some frequency, current development guidelines are more than 30 years old. Too many neighborhoods are undermined

by non-conforming uses. The existing code fails to shape development aesthetics, thus enabling very nearly any proposal good or bad to be approved or denied without sufficient deference to a community vision.

- Mayor and Council will need to revisit the Oswego 2020 Plan sooner rather than later. While the zoning code can be upgraded without a wholesale rewrite of the Comprehensive Plan, the existing Comprehensive Plan is so general that its lacks sufficient firmness to guide new zoning for the long haul.
- Considerable innovation has been occurring within the Oswego Police Department, principally through focused deployment of scarce public safety resources. The Mayor and Council will need to enhance the police department's capacity to put officers on foot and in neighborhoods.
- Mayor and Council will need to retool code enforcement in Oswego. For too long, code enforcement has been aimed at addressing gross violations of minimum habitability, minimal standards, and minimum safety thresholds. Further, enforcement of codes has been marginal. A complete overhaul of code enforcement by the City is needed.
- The City of Oswego does not have any formalized, modern, 21st century planning capacity. In addition to a new zoning code, a new code enforcement capacity, and a new comprehensive plan (eventually), Oswego will need to construct an office of planning that is professionally staffed, outfitted with state- of-the art GIS and other planning tools, and that reports directly to the Mayor.
- Community development is a critical aspect of effective city government. By design - market economies apportion rewards unequally, leaving some percentage of every community in a bind caused by wage- housing price gaps. Sound community development practices respond to such challenges in ways that strengthen blocks and neighborhoods. Oswego will need

to maintain an office of community development that is professionally staffed, but such an office will need to rebalance the focus of programs from responding to the needs of the poor to doing so in ways that result in stable residential blocks. **Oswego's problem to solve is attracting the middle class.** For Oswego this means attracting buyers who can choose where they wish to live, and increasing the likelihood that Oswego will again be a community of choice.



Choose to Rediscover
Your Oswego

IMPLEMENTATION

These recommendations constitute a complex undertaking. It will require organization acumen, from bookkeeping to volunteer coordination. It is not for the faint hearted. It will require hundreds of thousands of dollars a year, so it is not to be taken lightly. Serious money is needed, and serious money needs serious commitment by capable individuals and organizations.

It is recommended that the first year of implementation be a transition year. During this first year, what's most important are the following:

- Development of groups of residents capable of exercising leadership on their blocks in the target areas.
- Development of City Teams assigned to work closely with residents to develop partnerships and strategies for block improvements.
- Creation of a new and fully funded planning department staffed by professional planners and designers.
- Planning, design, and implementation of the first (and more modest) projects by late summer 2014
- Planning and design of the second series of (more ambitious) projects by late 2014 for Spring 2015 implementation
- Adoption of a new zoning code by the end of 2014.

It is envisioned that eventually these efforts will lead to more robust aspirations, such as mortgage partnerships between SUNY Oswego and other large local employers and local lending institutions. Other near future efforts should include loans to home owners for significant rehabilitation even when loan to value ratios are especially thin; in such instances, the City of Oswego will likely need to assume a role of risk mitigator in the form of issuing soft equity to lenders or guaranteeing loans. But such efforts will be

appropriate after the Oswego market has begun to turn the corner, and that will likely take several years.

Nonetheless, the groundwork for such endeavors should begin immediately. It is recommended that the Oswego Renaissance Association, Pathfinder Bank, representatives of the City Council, the new Planning Director (if the City follows these recommendations and establishes a new planning capacity), SUNY Oswego, and other leading institutions begin to formalize a monthly discussion on the roles each party can play in the coming years to stimulate even large home owner reinvestments, and new homebuyer development.

APPENDICES

Oswego Regression Analysis

i.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-455,689.28	55,116.15		-8.268	.000	-563825.768	-347552.802
Property's Field Survey Score	-10,991.60	1,038.44	-.217	-10.585	.000	-13028.983	-8954.208
Block's Average Field Survey Score	-23,796.02	2,123.41	-.260	-11.207	.000	-27962.094	-19629.953
Property's Year Built	304.25	27.44	.230	11.089	.000	250.418	358.077
Property's Total Bathrooms	34,477.69	1,676.22	.382	20.569	.000	31188.989	37766.394

a. Dependent Variable: Property's Sale Price

According to this regression model, a property's own field survey score, the average field survey score on a property's block, the year a property was built, and the number of bathrooms a property has were all significantly influential on its sale price. For every 1 point a property's field survey score declined (as a property moved from a "1" to a "2" or from a "3" to a "4"), its sale price declined by roughly \$11,000. Average block-level conditions were even more powerful – as a block's average score declined by one point (from a "1" to a "2" or from a "3" to a "4"), the sale price of properties on it declined by twice as much – nearly \$24,000. And sale prices tended to increase by \$300 for every year newer a property was, and by nearly \$35,000 for each additional bathroom.

ii.

Impact of Property and Block-Level Conditions on Sale Price, by Location

Citywide

Average Field Survey Score for Block	Average Sale Price of Homes with a Field Survey Score of 1	Average Sale Price of Homes with a Field Survey Score of 2	Average Sale Price of Homes with a Field Survey Score of 3	Average Sale Price of Homes with a Field Survey Score of 4	Average Sale Price of Homes with a Field Survey Score of 5+
1 to 1.99	\$195,790	\$199,369	N/A	N/A	N/A
2.00 to 2.49	\$126,096	\$114,784	\$83,140	\$64,300	N/A
2.50 to 2.99	\$90,739	\$82,188	\$60,880	\$43,485	\$40,584
3 or More	\$86,928	\$66,997	\$51,334	\$41,238	\$31,972

Traditional City: Section 128

Average Field Survey Score for Block	Average Sale Price of Homes with a Field Survey Score of 1	Average Sale Price of Homes with a Field Survey Score of 2	Average Sale Price of Homes with a Field Survey Score of 3	Average Sale Price of Homes with a Field Survey Score of 4	Average Sale Price of Homes with a Field Survey Score of 5+
1 to 1.99	\$152,174	\$149,560	N/A	N/A	N/A
2.00 to 2.49	\$125,808	\$108,033	\$67,085	\$45,350	N/A
2.50 to 2.99	\$101,676	\$81,122	\$63,937	\$42,463	\$33,598
3 or More	\$78,411	\$67,198	\$49,901	\$40,252	\$31,788

New Developments: Sections 146 and 147

Average Field Survey Score for Block	Average Sale Price of Homes with a Field Survey Score of 1	Average Sale Price of Homes with a Field Survey Score of 2	Average Sale Price of Homes with a Field Survey Score of 3	Average Sale Price of Homes with a Field Survey Score of 4+
1 to 1.99	\$225,779	\$200,878	N/A	N/A
2.00 to 2.49	\$140,291	\$121,614	\$95,275	\$101,750
2.50 to 2.99	\$76,567	\$77,963	\$54,262	\$45,621
3 or More	N/A	N/A	N/A	N/A