

## **Talk CNY- Transcript for S1E11**

Andrew Fish 0:06

Welcome to CenterState CEO's semi monthly podcast, Talk CNY, presented by NBT Bank.

Kate Hammer 0:12

On Talk CNY, you get an inside look at the people, projects and planning moving Central New York forward.

Andrew Fish 0:18

I'm Andrew Fish, Senior Vice President of Member and Business Experience at CenterState CEO, Central New York's leading business leadership and economic development organization.

Kate Hammer 0:28

And I'm Kate Hammer, business coach and member at CenterState CEO. We are your hosts for Talk CNY. Take a moment right now to subscribe in your listening app for new episodes every other Wednesday.

David Mankiewicz 0:41

Here's the community problem we face right now. We've got to build a lot of housing fast and well. But we've got to build it fast.

Andrew Fish 0:51

Regional growth is putting significant pressure on the Central New York housing market. How do we prepare for continued growth and ensure that the housing market doesn't create economic challenges for the region? To help us unpack this big question. We welcome CenterState CEO's, Senior Vice President of Research Policy and Planning, David Mankiewicz. Welcome, David, thank you so much for joining us today. First of all, we know that you have tremendous background and experience in leading issues that shape our community. I mean the 1-81 project and all the work that you have led through CenterState CEO and our members is a prime example of that. But when it comes to this topic, housing, tell us a little bit about your experience and what you've done leading into this particular topic.

David Mankiewicz 1:30

Oh, sure. I'm a city planner by trade and training. So that's what I do. But over the years, we've been a builder of affordable homes with one of the organizations I used to work with we went out and built homes in the Syracuse neighborhoods, we've also- with all the work that went on in downtown revitalization for several decades now, the basis of most of that

was housing. We were we, that became the market driver that allowed everything else to go on in downtown Syracuse. So I've done a lot of work with developers over the years, a lot of interaction with the financing years and the historic preservation folks and planners and the approval processes and all the rest. So yeah, we've we've done quite a bit in the housing world.

Andrew Fish 2:16

A lot of experience.

David Mankiewicz 2:17

A lot of good experience.

Andrew Fish 2:19

Yeah.

Kate Hammer 2:19

So earlier this month, we talked to Ryan Benz, local developer. He came in and he was talking with us about some of the challenges that he's seeing coming up with housing. Can you help our listeners who may not be aware, what is driving this demand for housing, and why does this issue need to get addressed?

David Mankiewicz 2:39

Well, there's, first of all, think about what's driving the demand for housing today. And this is pre Micron, right? Micron is, is just beginning to appear in the community. So today, what do you think about there's always demographic change that's going on and housing, because people need different forms of housing as they go through their lives. And so for example, Syracuse right now happens to be one of the leading centers in the country for attracting Gen Z ers, basically. So these kids from 18 to 24 are coming here. So what do you see a lot of student housing on the hill, and a lot of apartments are being developed for them. So that becomes a market driver. Now, you got to recognize that as they age, you know, and they get their first jobs or suddenly those they'll look for better apartments. And then maybe they go through the finding partners and and creating families, then they need the starter homes. And then as they get more established, the larger home, you get that and when you become a Baby Boomer like I am, right, you start to get to the point where you're saying, okay, maybe it's time to get out of the big home and move into something smaller. So that demographic change is going on all the time. And so that generates different demands for housing at different periods. So a lot of what's going on today is being driven by those types of changes that are happening in this market. And Syracuse happens to be doing well, economically. So more of like students when they graduate from college are staying here and not leaving. And so that's a great thing for us.

Kate Hammer 4:24

Oh, yeah.

David Mankiewicz 4:24

All of this is good for us. But all of that demographic change drives different demands for housing different times, then, we certainly just came through the period of COVID. Right? And during COVID-

Kate Hammer 4:38

Yes, we certainly did.

David Mankiewicz 4:42

Drop off in the number of units that were constructed all over the country, all over the world, not just here, but there was a drop off in the number of units. And then on top of that, when people tried, when builders were trying to build they would order cabinets and supply chain disruptions and cabinets didn't arrive. Even, you know, different parts of components of like refrigerators and things did not show up. And so that slowed down their ability to deliver what they were trying to build in time. And as the public, we came out of that, well, we all want to start buying new homes or getting new apartments. And so there was, there was a lot of disruption in that market. And now what do we have rising interest rates? Right. And rising costs, which again, signals a slowdown in in the housing markets, housing is one of the things that really gets impacted by by interest rates. So that's kind of a long answer. But all that change is going on, which is and there's pent up demand for that housing. Now, Micron is coming, right? Micron is coming. And what are they bringing 9,000 new jobs, their direct suppliers are going to bring another 9,000 jobs. And then there's this fancy term that economic developments like to use talked about induced jobs will be created in the greater economy, because that's all going on another 32,000 jobs, 50,000 jobs that will be created, some of which will be filled by residents of Central New York today. And those folks, when they get those new jobs will probably be looking for new and better housing. And a lot of them will be people coming in from the outside or again, college students staying because the opportunity's here, which is going to generate a whole new demand for housing. And that is far in excess of what we've done in recent years.

Andrew Fish 6:46

So that growth is coming, right. And there's some real challenges if we just kind of let the market drive those outcomes, right. What, talk to us a little bit, we use this term a lot, but talk to us what Smart Growth means and what that would look like for us as a community?

David Mankiewicz 7:01

Sure, let's answer the question a little different short, right? Given given all those pressures, we talked about, what would the market tend to do? What would be the response? Well, developer is going to say, look, I want to get as close to Micron as I can get and find a piece of land. And then they have to look at land prices, because we can all imagine that land prices close to Micron have shot up. So they're going to be moving around trying to find that. They need to find infrastructure. And then if they get go further out, they're going to come to towns that basically have zoning regulations that say, okay, you can build a single family home and a large lot like an acre. So what do you what's the result? You get a lot of sprawl. And you end up passing things, leaving certain sites behind, because either the price wasn't right, or the infrastructure wasn't there, or whatever. So what the developer is doing is absolutely critical to our economy, that is where most of the reach the response is going to come to, we absolutely need that. But at the same time, you want to avoid a situation where you have to build all new water lines and sewer lines and roads that are all expensive for the public sector to build. And you also want to try to make it in a way that maybe you can use public transportation or shared transportation to get back and forth to a place like Micron, so we just don't end up with all, you know, cars jamming up Route 31.

Andrew Fish 8:36

Yeah.

David Mankiewicz 8:37

So that's, those are the kinds of things that you want. So what a Smart Growth all about? Well, Smart Growth would say what you really want to do, and County Executive Ryan McMahan has been a champion of creating, you know, communities, really real communities, as opposed to just having a bunch of subdivisions out there. And real communities have centers, they have places where people can shop and pick up things. They have libraries, they may have town halls, they have all sorts of resources like that. But surrounding them is a concentration of housing. And oftentimes, that could be in the form of apartments or condos and a remix of that and single family homes or townhomes or anything like that. That uses a lot less land. So you don't get the sprawl, you don't need to build so much infrastructure. And in this day and age when we're trying to deal with things like global warming, and we're trying to figure out how to reduce our carbon footprint, we want to really make sure that we're not having people drive forever to get to places. So that's that's kind of the essence of what Smart Growth is about.

Kate Hammer 9:51

So there are going to be other zoning and permitting challenges that will come up can you speak a little bit more to that and to what we're going to be facing here in Central New York?

David Mankiewicz 10:01

Sure. The first issue is that a lot of zoning ordinances and this is not again, not just us, but it happens nationally, or out of date. Okay. There may have been adopted years ago, the city of Syracuse right now is going through its process is almost done with its rezoning. And it's it's working on its old zoning that was done back in the 1960s. That is actually very typical, if you go around and look at a lot of our towns, that everything we just described in Smart Growth is not what is described in the zoning ordinance, because the zoning ordinance will generally say, single family homes, large lots, strip development, you know, we have retailers running up and down a road, but they're not concentrated together. And that's what the zoning ordinance permits. So the developer goes into that environment and says, Well, I want to do something that works with the, for example, Onondaga County's new plan. So I'm trying to build a community as opposed to, you know, your standard subdivision. And then you run into planning officials who need to understand that A and B, you hear the term nimbyism, not in my backyard, right? You have people who turn out and say, Wait a minute, that I don't like that I own a single family home, and I don't want an apartment building next to me. And I think that's going to create a lot of traffic. And, you know, I'm used to walking my dog through that field at night. And it's been a farmer's fields for like years, and, and now suddenly, there's going to be houses there, and I won't be able to do that anymore. I mean, I know that sounds a little bit silly. But those are, those are tend to be the reaction that that people give, because there's a lot of people who don't like change, and in this case, are going to have to deal with sudden and significant change. So those are the challenges that are still there. And, of course, the state, again, just having adopted what we call the, you know, the CLCPA, you know, the, we're struggling with new environmental regulations, that are saying to developers, things like well, we don't want you building standard furnace systems and heating systems in the homes anymore, we want you to go into heat pumps. So many builders gotta go out and find a whole new supplier of heat pumps, which you know, are not easy to find in large numbers. So they're dealing with all these challenges, too. And they're in an approval process. And, and I don't mean to, like, go out some of our friends who have to do this for for communities. But our approval processes today include things like subdivision regulation and process that you have to go through, you have an environmental impact process. Yeah, you have to answer the questions about the traffic studies and how you're going to do that. They have to come back and get site plan review, they oftentimes have to get permission for the infrastructure connections that they need. They have to be able to prove that they can they can service infrastructure that they build. And and then you get down to building permits, right. So there's this long, long, I'm doing (gestures with arms outstretched) a long approval process. That can can take months, if not, in some cases, years. And over that time, of course, things change, costs change prices change desires of what people want change. So that is a real challenge to get through that process. And here's the community problem we face right

now. We've got to build a lot of housing fast, and well, but we've got to build it fast. And we are we are when I say we our communities are used to having a large amount of time. Let's have the engineers review then let them take a few months and come back to us. And then we'll ask some more questions and ask for more studies. And I don't mean to belittle that. But we don't have the time right anymore. Micron has made it very clear. They are going to have the first building up and ready to go by the end of 2026. That is a very short period of time from now and think about what the developer has to go through to build right? It's gonna be 18 months before two years to get them to be able to once they get on display all the build everything.

Kate Hammer 14:53

Yeah.

David Mankiewicz 14:54

So right now, we have a problem. We have to be moving right now, not two years from now. And so that's a challenge.

Andrew Fish 15:06

It's a big challenge. And, you know, I mean, we've only scratched the surface of some of these complex issues. But you know, it's also part of the reason why as an organization, we've we're putting together a Housing Taskforce, right, so CenterState CEO, we oftentimes reach out to our members who are experts in this field, we convene them. What's gonna be the role of our Housing Taskforce? Talk a little bit about that, and what do we hope to accomplish with it?

David Mankiewicz 15:27

Well, the great thing about CenterState CEO is that we have experts in all different parts of the process that it takes to build housing. We have home builders, we have developers, we have financiers, we have lawyers, we have architects and designers. And so we can call upon that private sector expertise, and to try to help the community and all the decision making bodies to think through the kinds of issues that are they're going to be faced that we just talked about. And so you have to be able to work out things. Whenever a developer goes in the community, there's there's almost always something that they don't agree about. So there's there's always things who are perhaps we can help by helping find more financiers, or maybe there are some sources of public financing that could help in a project in projects like this. So there are things that can be resolved that this group can bring its expertise to the table, and and try to resolve it. And everything we do, we do starting with a set of values. What's important to the community, what are we trying to achieve? And so there's certain things that you really need to think about in this process. Ryan Benz, in the last episode, was very articulate on the need for affordable housing-

Kate Hammer 16:56

Oh, yeah, market rate. No, mixed rate. Sorry.

David Mankiewicz 16:57

You need to be able to make sure that everybody has access to the opportunities. And so that's not easy to bring together, affordable housing and market rate housing. But that's, that's something absolutely has to be there. Again, we talked about the environmental challenge, we're all we're all aware of that around here about and how the environment is changing. So what can we do when we when we build this to try to reduce those carbon footprints? So those are the values that you can bring to the table.

Andrew Fish 17:32

Sure.

David Mankiewicz 17:32

And then the last role, probably we advocacy, or there are there, either certain projects or programs that we're going to need to try to work with our partners. The county is a partner at the city as a partner, a lot of the towns and villages will be on board with this. How do we work with those partners so we can quickly get to yes, when it comes to approval for projects?

Kate Hammer 17:59

Yeah, so let's talk about that in terms of participation for our listeners, what can they be mindful of that they can be doing? What tangible real things can they be doing to help drive those changes that we need?

David Mankiewicz 18:13

Well, the first thing is being informed. Most importantly, be informed there is a national housing crisis that we're going through. It's not just in Central New York, it's it's really throughout the country. So understanding the nature of that and understanding all the pieces that go into trying to resolve that. So be informed first and foremost, understand what's going on. And, you know, the other things they can do is, is talk to their own local leaders, and, and engage and talk to people about how we might change or how we might be able to do things more quickly. And we do have to overcome the nimbyism response that that we're going to have to get people to understand that, okay, I know that farmer's fields been next to you for all these years, but they haven't grown anything on it in the last three or four years, and maybe it's time that it has a different use than I thought. So there's lots of things that people can do to try to help.

Kate Hammer 19:25

Yeah. But addressing that discomfort in particular is a big one, it sounds like.

David Mankiewicz 19:30

Yes, getting over those types of concerns. And a lot of those concerns are legitimate. Don't I don't I don't not trying to belittle them.

Andrew Fish 19:41

As an individual, absolutely.

David Mankiewicz 19:42

I do want to emphasize that there's a lot of times when it's easy to say we don't want change. But the world is changing. And it's going to change very quickly here and we're not we as a community as a region, we're not used to that.

Andrew Fish 19:59

Nope.

David Mankiewicz 20:00

So this is a time where there's gonna have to be a lot of effort by a lot of people to help us getting moving quickly, because there's this incredible opportunity that we have, that's better than, quite frankly, anyplace else in the country right now. This is the single largest economic development project creating 1000s of jobs. And so as a as a community, we really need to embrace this, and embrace the change, and do the things that we need to do to get things done.

Andrew Fish 20:36

You know, it's funny, because you said it right, we as a community are not used to that change. And I think that's come, we've talked about this before, really, from a scarcity mentality.

Kate Hammer 20:44

Yeah.

Andrew Fish 20:44

Like, I'm gonna hold on to what's mine, I don't want to change because if I lose it, I don't have something better, I don't have something else that I can get. And that's just not going to be the way it is around here moving forward. I mean, there's going to be opportunities. And so getting people understand that and getting our community as a whole to realize this is now a growth community is going to be a challenge.



David Mankiewicz 21:03

Yeah. And well, it's an exciting one, for sure. And if we do it, right, and we've talked about the things like Smart Growth and other ways to do it right, we can be a really good community when we're done. We do have to preserve our open space, we do have to keep our environmental quality. We do have to do all those things. And no, we don't want traffic backing up. I mean, let's face it, we pride ourselves on being the 15 Minute Community.

Kate Hammer 21:32

Oh yeah.

David Mankiewicz 21:32

Can get anywhere in 15 minutes.

Kate Hammer 21:34

Yeah.

David Mankiewicz 21:35

We can still do that. But it is going to require a lot of thinking and a lot of execution to get it done right.

Andrew Fish 21:44

Well, we'll be back to continue our conversation and talk more about Central New York's housing challenges. But first, here is a note from our Talk CNY presenting sponsor, NBT Bank.

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Kate Hammer 22:24

This is Talk CNY and we are continuing our conversation with David Mankiewicz.

Andrew Fish 22:29

So certainly a lot of great things in front of us. But you know, I guess, to ask the question in a slightly different way, David, what's the risk if we don't do something proactively?

David Mankiewicz 22:39

Well, the risk is there's several items of risk, you know, and what Micron has expressed a lot of one of their items on their worry list is housing. Where they are, Boise, Idaho is your headquarters is, is one of the most expensive housing markets and difficult housing markets in the country. And Syracuse has a blessing that most of us don't realize, but housing prices in Syracuse, generally run about half the national average. So it's really affordable to live here. So the first thing is, although I know price appreciation is good for Baby Boomers, right? Hey, want to sell houses, it's not the best thing for younger people trying to start out and get their lives going. So we don't want to lose that affordability element. And that's a risk. Because if we don't build enough housing fast enough, Micron is still coming. Their employees are still coming. And when they do, they will come here, and they will start buying up in there always houses for sale on the market, but the prices of those homes will start to rise and probably rise more dramatically than other places in the country. And then if you have young folks who can't get into that first starter home, and they stay back in the apartment units, what happens to apartment rents? They start to rise, right and reflecting that sort of demand. And we lose that affordability that has been such a great aspect of living in Central New York. We don't want to have that happen. We don't want displacement. We don't want gentrification, we don't want those kinds of things. So it's very important to do that. And then you think about the other wonderful attributes of Central New York, right, the open space, it's the waterfront, all those things that all of us use all the time. And you can take it for granted. And if we have sprawl as our response, which you could, then suddenly a lot of great things are going to disappear a lot of that open space, where were the agricultural industry here has, you know, is just kept a lot of places active but still, you know, wonderfully open and intriguing areas to go to, you could lose that, because it could get pushed out or you could lose a lot of our public waterfront access. Because you know, the builders and developers are gonna go where they can do where they can build and a lot of times that may push them out into places that maybe we wouldn't rather see them build. So our environmental quality is at risk, our prices are at risk. Our easy transportation could be at risk. And really the thing the what we have right now is incredible opportunity for all the young people in the kids, because those folks are going to work for Micron in the future. They're sitting in our high schools in our junior high schools right now. They're our kids, our families, and for years, they have left this place to go find Microns somewhere else in the country. Instead, it'll be here. So we have to think about that we really have to build this in a way that it provides a future for our kids. That is the wonderful attributes that we find in Central New York are still there when those kids are ready.

Kate Hammer 26:31

I love that, the generation that stays. Yeah.

David Mankiewicz 26:35

It would be great.

Andrew Fish 26:37

Well, David, thank you so much. I mean, incredible opportunity. Risks are clearly there but don't have to be the end result if we can work together, come together around some of this Smart Growth and opportunity. Look forward to seeing kind of how we lean in on this work moving forward together.

David Mankiewicz 26:53

It will be exciting. It will it will be a very interesting time to be in Syracuse, New York.

Andrew Fish 27:00

Great, thanks, David.

Andrew Fish 27:01

Thank you.

Andrew Fish 27:02

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Kate Hammer 27:28

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