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John C. Williams, president and CEO of the powerful Federal Reserve Bank of New York, was in the City of Newburgh on Wednesday as part of his listening tour throughout New York, learning how to improve local and national economies. He heard about the 600 empty residential buildings in the city and how they are a drag on the community. [ROBERT G. BREESE/TIMES HERALD-RECORD FILE PHOTO]

OUR REGION

'Renaissance' in Newburgh? Key issues remain

Experts address housing, jobs and more in meeting with head of NY Fed

By Daniel Axelrod
Times Herald-Record

CITY OF NEWBURGH — Newburgh is better off than it's been in decades, but the city must improve public transit, increase the public and private sectors' collaboration, lower taxes, improve housing and add higher-paying jobs.

That's what a panel of local bankers and housing experts told John C. Williams, president and CEO of the powerful Federal Reserve Bank of New York, at a Wednesday meeting at the Newburgh offices of Hudson Valley Pattern for Progress.

Pattern is a non-partisan local research institute. The Federal Reserve System is the U.S. government's central bank, with the New York bank the most influential of 12.

Williams is on a listening tour of New York, learning how to improve local and national economies.

Newburgh "is probably at the precipice of a real renaissance, but Newburgh will continue to suffer from the same ills it has for the last 50 years if it can't get out of its own way," said Jim Dittbrenner, Sterling National Bank's senior vice president, community development banking.

Dittbrenner's solution? State and local governments, businesses, developers and nonprofits should collaborate, with a clear leader, to find and share public and private funding sources for expensive residential rehab projects. "There's no reason (in Newburgh) you couldn't create cooperatives to take 20 buildings to rehab them," Dittbrenner said. "You've got growing government and growing services, but fewer and fewer properties on the tax rolls."

Locals shouldn't be hurt by efforts to create more affordable homes and rental units, said Joseph Czajka, Pattern's housing expert.

"Gentrification is a delicate balance," Czajka said. "Investment in a community is



John C. Williams, right, president and CEO of the Federal Reserve Bank of New York, visits the City of Newburgh on Wednesday as part of his listening tour of New York, learning how to improve local and national economies. [ALLYSE PULLIAM/ FOR THE TIMES HERALD-RECORD]

a good thing. Displacement is a bad thing."

"In cities like Newburgh, where there's 600 empty (residential) buildings, gentrification doesn't just happen," Czajka added. "There has to be a grand plan to get these units back onto the market and make them affordable."

Efforts to help distressed Hudson Valley cities recover also must weigh troubling disparities between low incomes and high rents, said Allison Capella, executive director of the Newburgh Community Land Bank. In the City of Newburgh, for example, median rent rose 27 percent to \$1,094 in 2016 from 2000. Meanwhile, the city's inflation-adjusted median household income fell 21 percent to \$33,469, given the lack of good-paying jobs. Meanwhile, 41 percent of Newburgh residents pay more than 50 percent of their gross income toward rent, meaning they're severely cost-burdened.

"The jobs we're bringing in are \$15, \$18, \$22 an hour" or \$30,000 to \$45,000 annually, Czajka pointed out. "Where can

you live in the Hudson Valley on that?"

The resulting hardship, including "a 57.8 percent of female head-of-the-household poverty rate," must be addressed, said Michelle McKeon, COO of RECAP, a local nonprofit that fights poverty.

New York's burdensome property taxes were another issue, besides a lack of quality jobs, cited by the panel as preventing home ownership.

The stakes are high to lower property taxes, said Pattern president and CEO Jonathan Drapkin. New York led all nine states that lost population in 2017, with 132 people leaving daily, the Census found.

New York's high living costs relative to other states come largely from property taxes' central role in funding local school districts, Drapkin said, including 18 in Orange County, 10 in Ulster County and eight in Sullivan County.

"The governor tried to cap (annual property) tax increases at 2 percent, and it's commendable, but the damage has already been done," Drapkin said. "It's like



A condemned sign is posted in the second-floor window of an abandoned home in the City of Newburgh. The city has 600 empty residential buildings, according to Joseph Czajka, housing expert for Hudson Valley Pattern for Progress. [ROBERT G. BREESE/TIMES HERALD-RECORD FILE PHOTO]

letting A-Rod (former Yankee Alex Rodriguez) hit 600 home runs and then saying, 'Now, you can't take steroids.'"

Williams said the Central Bank can help increase home ownership, particularly among millennials, by pushing for solutions to lower student loan debt and increase credit for home

purchases.

"We have nearly \$4 trillion in our accounts, but unfortunately we're not allowed to disperse that," Williams joked, adding he hopes local leaders use the Fed's data resources to come up with economic solutions.

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