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Student housing plan draws mixed reaction

Development's influence on housing stock remains point of contention.



Bob Ellis/staff photographer

SUNY Cortland student Tanna Pascarella walks past student housing on Clayton Avenue, Wednesday morning.

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CORTLANDVILLE — Local landlords and city and college officials have different ideas about what the proposed development of apartments for more than 350 students off routes 13 and 281 near the former Cortlandville fire station would do to the local student housing market.

The college and city hope the influx of fully furnished apartments will push local developers to improve their own properties. Landlords see market over-saturation and declining housing stock as the most likely scenarios.

United Development, a division of the United Group of Companies, based in Troy, Rensselaer County, presented plans to the Cortlandville Planning Board on Jan. 15.

The company hopes to construct a total of 134,000 square feet, split between two buildings, on an 8.5-acre parcel between routes 13 and 281. A total of 90 apartment units would house 358 students and the complex would be monitored 24 hours a day by maintenance, security and residential management personnel.

United Development Executive Vice President Jeffrey Smetana declined to comment substantively for this article. He said he preferred to stay within the official channels while the

project is under consideration by the town Planning Board.

The private development company is not formally associated with SUNY Cortland, but college President Erik Bitterbaum said he has met with company representatives.

The apartments would be furnished with the kind of trendy furniture expected to appeal to students, and there would be common areas in the buildings themselves as well as in grassy areas in the center of the property.

Many local landlords already provide safe, clean and attractive housing, Bitterbaum said. For those who do not, he hopes the increased competition from a high-end developer would spur even more improvements.

“We’re anxious to have the best for our students’ living arrangements off campus,” Bitterbaum said. “But for me, it’s always about safety. Are these clean, safe places?”

Assistant Fire Chief Chuck Glover, city director of code enforcement, said he expects the housing stock to improve with the increased competition.

He pointed to Clayton Avenue as an area that has vastly improved over the last couple of years.

All parties agree some students are now in substandard housing because in some cases, that is all that is available. The new project will leave those less-desirable developments empty, said local developer and landlord John Del Vecchio of Cortlandville.

“If it’s in a good location and it’s quality housing, it will get rented,” Del Vecchio said. “A lot of the apartments that aren’t going to get rented to students are going to deteriorate further.”

Del Vecchio said he is not personally concerned — he said the majority of his properties, which amount to about 130 student beds, are in good shape and in good locations.

He and John Jackson, the owner of the JE Management Group, feel the improvements in rental properties over the past several years, both student and nonstudent housing, would reverse itself if the new development were completed.

Jackson said he manages apartments for about 50 students, and he knows there are already a couple of hundred vacancies in the city.

“I’m not a landlord, so I have a different perspective. I’m not saying that (housing deterioration) might not initially happen; there might be some of that,” Glover acknowledged, but he believes an upswing would follow soon afterward and the housing stock would continue to improve.

And if landlords who currently do not maintain their properties to a high standard start to feel the crunch, that could be an opportunity.

“That’s not a bad thing, because if they get out of the business then maybe someone who has the ability to properly maintain the property will buy it up,” Glover said.

Although Mayor Tom Gallagher has some questions about the project, he is also hopeful for the opportunities it could provide. He points to last year’s controversy over the seeming proliferation of student housing in the city.

“Is it going to draw students out of the city apartments?” Gallagher asked. “If, in fact, that does happen, then this gives the opportunity to all the people who wanted the neighborhoods turned back into residential to help give young families the ability to purchase and transform these houses to (single-family) residences.”

The mayor said he does not see a downside to the development, except that “the property owners who are currently owners of student housing will have to upgrade to compete.”

Del Vecchio disagrees. Out-of-town landlords with run-down housing do not know what is going on locally and only have the bottom line to work with.

“When you take the students out of the picture and the numbers go down, they’re not going to be able to afford their mortgage payments,” Del Vecchio said.

Mike Holland, the assistant to the vice president for student affairs at SUNY Cortland, sees the positive possibilities for those he is most concerned with — students. Rents should go down and the quality of housing should improve.

The college enrollment is about 7,000 students, and there are only accommodations for about 3,000 students on campus. Freshmen and sophomores are required to live on campus — sophomores can apply for special dispensation — and Holland says he does not like turning away graduate students who want to live on campus because the dorms are already overcrowded. He believes the United Group development would provide college dorm-like facilities without the college having to expend the money.

The college is rehabilitating its residence halls, about one a year since 2000. Fitzgerald Hall is scheduled for improvements starting in December or January 2009 and finishing before August 2009.

Del Vecchio pointed to the development of the West Campus apartment complex in the early 1990s as an example of what an influx of about 240 student beds could do to the market.

A private developer had built the apartments, formerly called Pineview, at the request of the college. The college leased the complex between 1991 and 1998, after which it was left vacant for a year before the college purchased it.

Steve Muka, a local landlord who rents to only a handful of students, said when the college began requiring that transfer students move into the West Campus apartments, there was a decline in the housing along Lincoln and Maple avenues that the students had vacated.

Muka said the influx of apartments would affect his business, which for the most part does not rely on students but rather families and working people.

“The thing that I noticed over the years with the stock of housing in Cortland is that landlords, by and large, are just barely making ends meet, especially for the nonstudent housing,” Muka said.

“Whenever you have disruption, which could keep the rental rates down, there really isn’t much cash flow for landlords to put back into their property,” he added. “Whenever there is an oversupply, I think it tends to show itself by houses not being fixed up.”

Del Vecchio provided the starkest warning.

“If you look around, you will see that there are landlords ... who have bought properties and improved them to make them nice for students. And you’re not going to see that anymore,” he said. “It’s going to help Cortlandville, but it’s going to hurt Cortland badly.”