

# Tompkins County Industrial Development Agency

ADMINISTRATION PROVIDED BY 

## **Ithaca Arthaus, LLC – Community Benefits Overview** *4/10/19*

### Project Overview

Ithaca Arthaus is a proposed 5-story, 124-unit affordable housing project located at 130 Cherry Street in the City of Ithaca. Apartments will be rented to residents earning between 50%-80% of Area Median Income (AMI). The applicant is partnering with Tompkins Community Action to include 40 units dedicated for supportive housing targeted to at-risk youth including formerly foster care or homeless young people ages 19-26.

The building will include an approximately 8,800 square foot amenity space that includes tenant supportive services, a community room, fitness room and a flexible gathering/workspace. The apartments will be a mix of studio, one and two bedroom units.

The project is located outside of the downtown density zone outlined by the current City of Ithaca Incentive Tax Abatement Program. The requested incentive is a 30-year incentive that is similar to what was previously approved for the INHS 210 Hancock affordable housing project, which also was not in the defined density zone. The applicant has also requested an administrative fee of ½% of project costs, which is consistent with the INHS project as well. The proposed incentive deviates from the IDA's standard policies.

### Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – there will be no direct jobs created as a result of this project. There will be an undetermined number of indirect jobs to be created as Tompkins County Action may have staff on site to provide supportive services.

- Estimated value of tax exemption

\$3,539,142 Estimated Property Tax Incentive (30 years)

\$960,000 Sales Tax Incentive

\$45,700 Mortgage Recording Tax Abatement

\$4,544,842 Total Tax Exemption

- Estimate of private sector investment to be generated by the project – \$28,792,128
- Likelihood of completing project in a timely manner – The Vecino Group has completed over 25 affordable housing projects totaling nearly 2,000 units. The project team has an established timeline that has remained on schedule for several months, indicating their ability to gain necessary approvals in a timely fashion. The tax credit approval in the fall will be the final hurdle to moving forward shortly thereafter.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions  
New property taxes paid over 30 years are estimated at \$3,732,284. Residents occupying the 124 units will likely generate new sales tax revenue.

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Ithaca Arthaus Benefits Memo  
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- Other benefits that might result from the project:

Affordable Housing – 124 units of affordable housing units serving individuals with incomes between 50%-80% of Area Median Income.

Supportive Housing – 40 supportive housing units targeted to at-risk youth including formerly foster care or homeless young people ages 19-26 with supportive services on-site.

Energy Efficiency – The project is pursuing the NYSERDA Multi-Family New Construction Program Performance Path with Energy Star for Low to Moderate Income Incentive Program, Tier II. This will include high-efficiency insulation, heat recovery ventilation, and other energy efficient features. Solar Panels on the roof may be considered as well.

Neighborhood Revitalization – This will be the first housing project in the recently rezoned section of Cherry Street, making it possible to revitalize this area for a vibrant, mixed use neighborhood.

Transportation Accessibility – The project's location encourages walkability and bicycling to nearby services. The project developer is in conversation with Ithaca Carshare, LimeBike and CAT bus service regarding the potential location of these services near the site.