

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

Housing Committee Meeting Agenda January 13, 2022 11:00am via zoom

Committee Members: Martha Robertson, Laura Lewis, John Guttridge, Nels Bohn (IURA), (Jennifer Kuszniir (City of Ithaca)

Staff: Heather McDaniel, Ina Arthur

Guests: Megan McDonald (County Planning), Theresa Alt

Martha Robertson called the meeting to order at 11:03 am

Heather McDaniel asked that the project housing fee and timing of payment be added to the agenda.

1. Suggested Short Term Rental Language addition to Policy:

The TCIDA will not deliver incentives to housing projects that include short term rentals defined as "Residential or non-commercial structures used for transient lodging with occupancy under 30 consecutive days"

Heather McDaniel referenced the suggested language that could be added to the policy to address short term rentals/AirBnB. The question was raised about hotels also being a "short term rental." It was pointed out that hotels are considered a commercial project and would not be subject to the housing policy.

Concerns of apartment tenants turning their apartments into AirBnB units was discussed. Heather McDaniel stated that developers of the apartment complexes have prohibited this via tenant lease agreements.

Heather McDaniel will add language prohibiting short term rentals in housing project and circulate the red line to the committee for further comment. Any approved changes will go to the full IDA board for approval.

2. Discuss potential for increasing area the TCIDA will deliver incentives for housing projects to maximize payments into CHDF

Background: Heather met with Megan McDonald and Susan Landfried from County Planning to look at Development Focus Areas and identify areas where there is infrastructure and likelihood of sufficient project density to allow for large enough multi-unit residential rental projects in which to deliver a TCIDA incentive. Conclusion: Likely the Urban Core is the only Development Focus Area that could support the density needed.

Recommendation: Expand TCIDA Housing Policy from CIITAP downtown density to the County defined Urban Core Development Focus Area (map to be provided before the meeting).

John Guttridge asked about adding smaller municipal nodes to the map. Heather McDaniel commented that smaller projects in those areas usually do not see many benefits (costs outweigh benefits) and thus developers usually do not come to the IDA. Nels Bohn stated that there have been tax-credit housing projects outside of the Ithaca urban core that have been IDA projects. Yes, those have been considered on a case-by-case basis. It was suggested that instead of just increasing the housing map, perhaps the full CIITAP map boundary could be increased.

Heather McDaniel will work with Meghan McDonald on developing a concept paper that can be presented to the municipalities interesting in being included in the housing policy boundary.

3. Discuss aligning TCIDA payment amount with local subsidy required for tax credit projects

Background: Heather met with Megan McDonald and Susan Landfried from County Planning to understand the needed subsidy amount based on their research with the CHDF. The amount varies widely from one project to the next and between LIHTC 4% and 9% projects. Conclusion: It is likely not feasible to establish a one size fits all. Recommendation: keep subsidy amount the same (\$25,000 x 20% of project units).

There was discussion as to how increasing the subsidy amount could “turn off” future development. The committee decided to keep the subsidy amount the same and to review periodically.

4. Discuss expansion of policy to include student housing

This discussion item was tabled.

5. Housing Fee payment options and timing of payment

John Guttridge commented on housing projects paying the required housing fee per the policy at the time of closing. Pushing payments out to when the project is operational will delay the money that comes into the fund and thus also delays affordable housing projects. He suggested creating an incentive for projects to pay at time of closing. If projects choose to delay payment then the fee should be increased.

Heather McDaniel and Nels Bohn will work together on a possible solution to incentivize payment of the fee at closing.

It was also decided that the following would be added to the policy regarding any deviation of the payment timing: “any deviation of payment will be reviewed at the board level.”

Comment from Theresa Alt – The IDA’s job is not housing. It is to get people jobs which would help with better housing.

The meeting was adjourned at 12:30 pm.