

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

TCIDA Housing Committee Meeting Minutes

March 15, 2023

1:00pm-2:30pm

**at IAED offices at 401 E. State Street
and via zoom**

Committee Members present: John Guttridge (chair), Anne Koreman, Ducson Nguyen, Nels Bohn (IURA), Jennifer Kuszniir (City of Ithaca)

Staff present: Heather McDaniel, Ina Arthur

John Guttridge called the meeting to order at 1:07 pm.

Review outcomes to date

Heather McDaniel presented an update on all the housing projects since the Housing Policy came online. 1133 affordable units have been or will be built and \$3,415,000 will has been designated for payment to the Community Development Housing Fund.

Construction and project completion updates were discussed in terms of when payments could be anticipated. It was mentioned that more workforce level housing units are needed in the community.

Existing policy review

Heather McDaniel updated the committee on her efforts to expand the eligibility to the Ithaca Urbanized area. She has visited the Town of Ithaca and the Village of Dryden in response to their interest in setting up a program similar to the City of Ithaca's CIITAP policy. It was noted that the IDA can deviate from its UTEP and offer PILOTS for affordable housing projects outside of the CIITAP boundaries. **This should be codified in the housing policy.**

Heather reported that some not for profits organizations are doing directly to the County to set up a PILOT for their affordable housing project. This is a way to not be charged an administrative fee.

John Guttridge proposed to codify in our policy the ½ 581a PILOT model that we use for 100% affordable housing projects. This model was used successfully with several INHS projects before they started going directly to the taxing authorities for theirs (this is possible because they are non-profit building affordable housing, and it saves them fees). It was also used successfully for Asteri, Carpenter Business Park, and Arthaus. I like that we are starting to get some for-profit developers that are building affordable housing and I think that codifying this approach in our policy gives clarity to our staff and also signals to private developers that we are there for them for this kind of development. **This will be added to the policy.**

Requiring for profit developer to do a market study when submitting an application was also discussed. There is still a lot of need in the housing market at all levels that it was felt that there was no reason to require market studies at this point. This will be review next year during the annual policy review.

John Guttridge asked the developer's election to defer the payment under the policy be disclosed to the board during the application process if they wish to go that route. **A statement to the section on the CHDF payment will be added to the TCIDA application.**

The payment per unit to the housing fund was discussed. Should it remain at \$5,000 per unit? Should it be tied to the CPI index? Should it be raised to \$5,500 per unit? The rising costs of construction and inflation impact this.

John Guttridge raised the following from an email he sent to the committee: For projects that are multiple parcel covered under the language Rich inserted after the Carpenter Business Park abatement I would like to consider two paths: my preferred path is that we strike all this language and replace it with a statement that any project receiving a PILOT agreement be subject to the policy and that the developer cannot calculate their participation in this program using related projects. As a less favorable alternate, we could make a statement that in cases of multiple parcels with multiple related ownership groups that wish to use multiple PILOTs and separate ownership structures it would only be allowed if all of the parcels use the same structure of PILOT (i.e. we would not allow one parcel to use the ½ 581a assessment PILOT model, and another to use the 10 year CIITAP model while still counting the first as the affordable housing for the second).

Nels Bohn stated that he feels this would disincentivize a for profit developer to partner with a not-for-profit organization.

The meeting was adjourned at 2:23 pm