

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
August 9, 2018
3:30 PM
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Rich John, Jennifer Tavares, Mike Sigler, John Guttridge, Laura Lewis

Absent: Martha Robertson, Leslyn McBean-Clairborne

Staff Present: Heather McDaniel, Ina Arthur

Guests: Sue Kittel, Schelley Michell-Nunn (City of Ithaca Diversity Consortium), Nels Bohn (Ithaca Urban Renewal Agency), Joe Bowes, Melody Susco (INHS), Seph Murtaugh (City of Ithaca), Deborah Dawson, Robert Brown

CALL TO ORDER

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 3:35 pm.

PRIVILEGE OF THE FLOOR

Robert Brown – TC Workers Center – Mr. Brown spoke to encourage adoption of the CIITAP Diversity and Inclusion Policy and Toolkit.

ADDITIONS TO THE AGENDA

None.

OLD BUSINESS

CIITAP Diversity and Inclusion Policy and Toolkit – continued discussion

Heather McDaniel began the discussion by recommending that the Board adopt the Diversity and Inclusion Policy for CIITAP projects with a few modifications. The chair recommended the policy be adopted for projects countywide.

The towns and villages will be notified of this and allowed a 30-day comment period.

After discussion, additional modifications were agreed to as follows:

- the fee to join the Diversity Consortium be capped at \$500
- the reporting form have an additional column for projects to report any diversity proportions based on their businesses sector where applicable.
- Reporting forms to be modified to remove references to CIITAP

John Guttridge moved to add the claw back provision to the proposed Diversity and Inclusion Policy for not meeting the stated requirements of the policy. Laura Lewis seconded the motion. The motion failed 1-4.

John Guttridge moved to send the proposed amended Diversity and Inclusion Policy to the County's towns and villages for comment before a final vote. Laura Lewis seconded the motion. The motion was approved 5-0.

CIITAP Affordable Housing Policy – continued discussion

Joe Bowes and Melody Susco of INHS joined the meeting to give a brief overview of how one of their project's rent levels are set and how they income qualify applicants and then re-qualify them annually.

Joe Bowes – talked about rents and incomes and how rents are established based on area median incomes. They start with the regulatory agency, usually NYS allocating agency for low-income housing credits. Funding comes through the State of NY and conventional loans. NYS uses HUD guidelines and adjusts them for bedroom size. One bedroom median income is different than 2-bed room. Then we are required to use 30% of the area median income – cannot pay more than 30% of income for rent. So there are 4 or 5 categories. 40%, 50%, 60%, 80% of AMI. Strong markets like Ithaca might have someone at 100% AMI still not being able to pay rents in the area. Each project has a set number of units set aside for these different levels and they stay at that level for the life of the projects (50 years).

Melody Susco explained income verification and annual requalification. Any income source and percentages of assets are considered. Some income sources are earned income, Social Security, Disability, Annuity, etc. This information is verified via third party. The HUD handbook is used for formulas for determining total income.

Annual increases in rents are based on the project budget. This needs authorization from the regulatory body. Rents generally increase 2% to 3% annually.

Software helps with all this verification. Staff is trained to make sure they do this correctly.

It became apparent that the formula to be used in the policy from the City differs from what INHS uses and that is based on HUD information. Nels Bohn of the IURA stated that the City was looking for a good benchmark, something that could be measured and they used different information from another source that is also measurable. It would make sense to use what has been in use.

Heather McDaniel reviewed two abatement scenarios of the proposed CIITAP affordable housing policy and how it might work. It comes out that the cost per affordable unit in terms of tax exemptions is very high in return for a small number of affordable units. Heather will continue providing background information related to the housing policy at the next IDA meeting and will make a recommendation to pause, establish a committee of IDA and City constituents to get this right. She proposed continuing to work with applicants with housing projects on a case by case basis to assess incentive levels needed to provide affordable units.

NEW BUSINESS

2017 Annual Project/Job Report

Heather McDaniel presented the annual project report, commenting that over all these numbers look good and the incentive given to job created ratio is excellent in comparison to other IDAs in the State. Projects that have not met their job creation goals will be met with to review why they have not yet met their projections. A full write up will be provided for review by the IDA and discussion whether to take action on recapture.

CHAIR'S REPORT

None.

STAFF REPORT

Heather McDaniel reported that the executive committee reviewed the proposals for attorney services that were received. Harris Beach PLLC with Russ Gaenzle has been chosen as the TCIDA's new attorney. Mariette Geldenhuys has been informed and she will be handling any projects that need to be finalized. We wish to thank her for her long years of service.

Harris Beach will be reviewing all policies of the IDA for compliance with PAAA legislation. The Governance Committee will take up the discussion should any policies need to be updated or amended.

The need to find a new meeting day and time for the TCIDA/TCDC Board meetings was discussed. A doodle poll will be sent out to finalize this.

The 2Q 2018 Financial Report was presented with no questions.

The Arrowhead housing project is on track for their building permits. This was confirmed by Deborah Dawson.

APPROVAL OF MEETING MINUTES

Mike Sigler moved to approve the draft minutes from the July 12, 2018 Board meeting. John Guttridge seconded the motion.

A vote was taken. The minutes were approved. 5-0.

The meeting was adjourned at 5:05 pm.

Minutes approved at September 13, 2018 Board meeting