

Housing Strategy for Tompkins County

There is a severe and growing housing shortage in Tompkins County, as documented in the Tompkins County Affordable Housing Needs Assessment completed in August 2006. While more housing is needed at all cost levels, the gap between supply and demand is most critical for housing that is affordable to families with median income (about \$50,000) or less.

"Affordable" has a specific meaning according to HUD: a household should have to spend no more than 30 % of income on housing expenses (for owners, mortgage, taxes, utilities and insurance; for renters, rent and utilities). If a family spends more than 30 % they are considered "cost-burdened." That is, they may be holding on to their home or apartment, but they probably run out of money every month for other expenses such as health care, clothing, transportation and even food.

With housing prices among the highest in upstate New York, Tompkins County has a significant percentage of residents who are cost-burdened. In 1999:

- 40 % of non-student renter households paid more than 30% of their income on housing;
- 20 % of households paid more than *half* of their income on housing.

By 2005, the median home price had escalated 74 % while the median household income had grown only 19 %, exacerbating the affordability gap for Tompkins County families.

The costs of this housing shortage are felt not just by those who struggle to keep a roof over their heads. We all bear the costs of heavy in-commuter traffic; high assessments; poor school performance by children in unstable housing; economic and social stress on families related to housing insecurity (contributing to mental health and substance abuse problems); and the large need for emergency shelter for the homeless. The consequences can be lifelong for our neighbors, co-workers and family members who can't find and keep safe, stable homes.

It is safe to say that people who are cost-burdened include carpenters, farmworkers, bank tellers, retail workers, home health aides, office support staff and teachers' aides. They live in every community in Tompkins County. Young families and seniors living on fixed incomes are often among the most affected households but the housing affordability issue impacts a broad segment of the population. There are solutions to this problem but they will necessitate countywide participation.

What is the need?

The county's Affordable Housing Needs Assessment identifies a need for at least 3,894 new non-student housing units between 2005 and 2014. This includes both rental and owner-occupied units across all income levels. Of these units:

- 38 % need to be affordable to households with up to 50% of median income;
- 16 % for households making between 50% and 80% of median income; and
- 21 % for households making between 80% and 120% of median income.

During the 1990s, on average 328 units per year were added to the supply. For the next decade the total number of needed units is not substantially higher than that level of construction. However *the market is currently not meeting any substantial portion of the demand for low to moderate income households*. This need will only be met in the future by a concerted community-wide effort to build appropriate housing.

The projected needs do not include any additional capture of current or future in-commuters, so the demand could be substantially greater if local affordability and availability issues were addressed. Moreover, the 2006 Tompkins County Economic Development Strategy identified an increased and diverse housing supply as one of three major goals critical to the cultivation of a prosperous and sustainable regional economy. *Therefore, a housing strategy for the county should plan for adding at least 4,000 units to the local housing stock over ten years, with at least half of these units affordable to households making less than 80 % of median income.* It needs to be emphasized that this demand does not include students so any addition to the undergraduate or graduate student population in the county will require additional initiatives by the educational institutions to address those housing needs.

Locating New Housing

Addressing the housing needs of the community should – and can - be done in a way that contributes to the area's long-term sustainability. The Tompkins County Comprehensive Plan recommends a nodal pattern of development focusing on infill development and development in existing population centers where public water and sewer infrastructure is in place or can be provided in a fiscally sound manner.

Traffic concerns in the county have historically created opposition to new housing development. These concerns can be mitigated through land use management policies that strongly encourage the location of new housing developments near job centers and require a nodal development pattern along major highway corridors, in conjunction with improvements to the transportation infrastructure system. If housing can be built close to major employment centers, and if a nodal pattern is emphasized in new construction, the increased population densities would have the potential to support increased TCAT service. The planned siting of new housing could thus improve transit service and make it more cost-effective, reduce auto dependence, and enhance community vitality. The location of new housing near major employment centers also offers more opportunities

for persons to reside where they may commute as pedestrians or bicyclists. Improvements to the transportation system should encourage such alternative modes of travel, and, whenever possible, priority should be given to funding multi-modal improvements on projects that support new housing proximate to employment centers and in nodal development patterns in accordance with the County Comprehensive Plan. Finally, measures should be implemented to protect the quality-of-life in existing neighborhoods from projected new traffic generated from the build-out of development nodes.

The type of housing development also needs to include higher density, mixed use and multi-family development. Of course, housing should be constructed to be as energy efficient as possible to assure long-term affordability and sustainability.

The locations for new housing units that would support such a nodal development pattern suggest that the following communities may provide appropriate locations to meet the identified need for a total of up to 4,000 housing units, 54 % of which need to be affordable to those making less than 80 % of median income, over ten years:

- **City of Ithaca** - 500 to 1,000 units, including development of the Southwest neighborhood and downtown housing development.
- **Town of Ithaca** - 500 to 1,000 units, including balanced growth on East, West and South hills concentrated in a nodal pattern to be determined by the Town.
- **Town of Lansing** – 500 to 1,000 units largely concentrated in a nodal pattern in and around the planned town center in South Lansing.
- **Other Villages and Hamlets** – 500 units
- **Other Infill and Rural** – 500 units
- **Total Units: 2,500 to 4,000**

These numbers can serve to guide development of local goals and priorities. As can be seen, all geographic areas would have to achieve the high end of the estimate to meet the total demand of 4,000 housing units. Affordable units should be distributed among communities, with no single municipality expected to accommodate a disproportionate percentage of such units. However, developing housing in proximity to major employment centers is key to a successful nodal development approach that will reduce auto dependence, improve the cost-effectiveness of transit service, and enhance community vitality.

Promoting Affordable Housing

As mentioned above, current market forces will not assure that new housing is developed that meets the affordability needs of the community. It is believed that in the current market climate, and considering the relative lack of sufficient Federal or State government assistance, the best chance for meeting local affordability goals is through four principal strategies. These have proven successful in other communities and were among the recommendations of the Tompkins County needs assessment.

Strategy One: Inclusionary and Incentive Zoning

Use Inclusionary and Incentive Zoning to achieve goals that at least 20 % of units in new market rate projects are affordable to those making 80 % of median income and that at least 40 % of units are affordable to those making up to 120 % of median income.

Among the incentives that municipalities may offer are density bonuses and streamlined approval processes. Local municipalities have the authority to amend their local zoning ordinances to incorporate these strategies. Zoning changes will be most effective – in producing affordable housing while combating rural sprawl – if there is coordination among municipalities. The Tompkins County Council of Governments could be an appropriate forum for this coordination.

Strategy Two: Community Housing Trust

Establish a Community Housing Trust with support from major employers, financial institutions, educational institutions, government and private donors to acquire and own land on which housing for those making less than 80% of median income can be built. These housing units would be kept affordable through deed restriction on resale and/or provisions to keep rents affordable. Work with private developers to use all available sources of funding and financing tools to make a portion of the units on these Housing Trust properties affordable to those making 50% of median income.

Strategy Three: Employer Assistance

Encourage major employers to provide assistance, such as low-interest financing, down-payment subsidies, or closing-cost assistance, to employees who purchase homes in targeted infill and nodal development projects. This would support efficient provision of public services and provide an added incentive for developers to build new units in these target areas. Additionally, where employers are major land owners in a nodal location, they could make land available for housing development.

Strategy Four: Community Housing Affordability Fund

Establish a Community Housing Affordability Fund, with contributions from public and private sources, to fill funding gaps needed to keep units affordable and assist not-for-profit housing developers with pre-development expenses. Even if strategies one through three are fully implemented it will still be difficult to meet all of the housing needs of those with household incomes below 80% of median. Federal and State housing funds have not kept pace with need, leaving a gap in funding for affordable housing development. Not-for-profit developers are often deterred from pursuing projects because of an uncertain development review process and the risk of losing the considerable up-front expenses inherent in such development. Availability of this local funding source could allow the Tompkins County community to maximize the use of Federal and State funds that are available.

These strategies could be used in creative combinations to achieve income diversity in neighborhoods.

Implementation, Monitoring and Evaluation

The County Planning Department will monitor both supply and demand to determine how successful these efforts are at meeting the community's housing needs. It is important that new housing units reach the market at a relatively even rate over the ten-year period. Even with a market that is deficient in housing supply, new units should be gradually absorbed if developments are to be successful and not have unintended adverse consequences for the existing housing market. For that reason it is important that projects that are now in the planning stages move to construction during the first half of the ten-year period while other conceptual projects are progressed for development in the latter half. Monitoring efforts will include a renter survey to provide current and trend information. The survey will be repeated on a regular basis if support can be obtained from community partners. In the near future a survey of senior housing needs should also be conducted to make information available regarding the types of housing that will be needed ten years from now to serve our aging population.

Conclusion

It should be recognized that even if this strategy is successful it will be difficult to meet all of the housing affordability needs of the community over the next ten years. However, we believe that a concerted, coordinated effort will yield results: we can cut the number of households spending more than 30 % of income for their homes and reduce the amount by which they overspend. Absent such a strategy the affordability and availability gap will only get worse, with far-reaching consequences for the local economy and the social cohesion of the community.