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DEPUTY COMMISSIONER

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April 13, 2023

Jessica Giles, Village Clerk Village of Trumansburg 56 East Main Street Trumansburg, NY 14886

Re: Review Pursuant to §239 -l, -m and -n of New York State General Municipal Law

Proposed Action: Village of Trumansburg Proposed Zoning Update - 2023

Dear Ms. Giles:

This letter acknowledges your referral of the proposed action identified above for review by the Tompkins County Department of Planning and Sustainability pursuant to §239 -l, -m and -n of the New York State General Municipal Law.

We have determined the proposed action will have no significant county-wide or inter-community impact. We do, however, have the following comments on the proposed action:

Comments

Thank You

We want to start by thanking Ben Darfler for meeting with our staff for an informal discussion on the Village's objectives in proposing amendments to its Zoning Ordinance. Having his insights into the Village's intentions was exceedingly helpful as we reviewed the proposal.

Support for Housing Development

We commend Trumansburg for including revisions to the existing Zoning Ordinance that aim to encourage housing development of varied types to meet housing needs in the community and foster affordability. Specifically, these include:

- Categorizing development of one- and two-unit uses as permitted uses within the Residential Zoning District [Section 301];
- Reducing the minimum lot size and frontage requirements for one- to four-unit uses [Section 302];
- Providing incentives for creation of affordable housing [Section 308];
- Allowing Accessory Dwelling Units (ADUs) without family relation requirements [Section 309.3]; and
- Reducing the requirements for off-street parking for residential uses [Section 701.1].

These particular provisions are in alignment with and would advance the <u>Tompkins County Housing Strategy</u> and <u>Tompkins County Comprehensive Plan</u>.

Twenty Unit 'Cap' on Housing on a Single Lot

We suggest that the Village eliminate the 20-unit cap on any lot in the residential zone. The 20-unit cap, with up to 30 units possible if the entire project is for affordable units, that is in the proposal poses a serious barrier to implementing projects funded by Low-Income Housing Tax Credit (LIHTC) programs, which are the primary sources of affordable housing financing in the United States. Both the 9% LIHTC program and the 4% LIHTC program typically fund projects of at least 40 units.

The reduced potential to access LIHTC funding for a project can severely constrict affordable housing development. Local funding support cannot realistically replace LIHTC funding, so the proposed 20-unit cap would result in fewer affordable housing opportunities in the Village.

Definition of Affordable Housing

We suggest the Village consider revising the definition of "Affordable Housing" to establish a higher housing cost-to-income ratio for for-sale projects.

A housing debt-to-income ratio of up to 35% is a typical underwriting standard for for-sale, affordable housing units, and the local Tompkins Community Housing Development Fund program even allows monthly payments of up to 40% when projects significantly mitigate household expenses related to transportation and energy. Either one of these standards would be reasonable in the Village.

Other Definitions Related to Affordable Housing

The proposed Zoning Ordinance provides specific incentives to support the development of affordable housing. This effort to encourage affordable housing development in the Village is highly laudable. However, the definitions for some of the terms related to affordable housing (e.g., income limits, cost limits, and periods of affordability) do not match the guidelines imposed by the most commonly used sources of State and Federal funding available for the production of affordable housing. It may be difficult for affordable housing developers to meet both sets of definitions in order to receive funding support and to avail themselves of the Village's incentives.

While the Village could change its definitions to match those currently used in State and Federal guidelines, the latter are updated on occasion, creating a possible future conflict between the requirements of the Trumansburg Zoning Ordinance and those imposed by funding entities. We therefore suggest the Village use a two-tiered approach to address this issue.

<u>Projects using State or Federal funding support</u>. For such projects that wish to invoke the "Affordable Housing Provisions" of the Village Zoning Ordinance, the ordinance could, by definition, accept all projects that receive State and/or Federal affordable housing funding as eligible to receive the Village's affordable housing incentives. Almost all affordable housing projects rely on those funding sources so this would likely apply to the development of most affordable housing units in the Village.

<u>Projects not using State or Federal funding support</u>. For these projects that wish to invoke the "Affordable Housing Provisions" of the Village Zoning Ordinance, the ordinance could require them to meet the definitions and standards provided in the Zoning Ordinance in order to receive the Village's affordable housing incentives. This scenario is more likely to apply in the case of very small projects (e.g., someone building a two- or three-unit building and making one of the units affordable), which would not compete well for outside funding but could still help address the need for affordable housing in the community.

This two-tiered approach would have several benefits:

- The administrative burden on the Village to ensure that affordability expectations are met would be greatly reduced. The Village could at least partially rely on the funding organizations to enforce the affordability standards.
- Alignment of definitions will make it easier for developers of affordable housing to meet a single set of standards versus ensuring compliance with the differing (and potentially conflicting) standards of the Village and of the funders.
- And, for the small developer uninterested in taking on the onus of all the requirements of seeking funds from State or Federal entities, the Village's affordability standards would still provide some incentive to develop affordable housing units.

Dimensional Requirements for Lots with Five or More Units

We suggest the Village consider reducing the dimensional requirements for lots with five or more dwelling units to optimize the efficient use of land and infrastructure. This is especially important in areas, such as the Village, that have been identified by Tompkins County as a Development Focus Area. Under the existing provisions of the Zoning Ordinance, the maximum density would range from 5.8 to 7.7 units per acre for these larger residential development projects. The County's <u>Development Focus Areas Strategy</u> urges that residential development in Established Nodes (such as the Village of Trumansburg) provide for a range of development densities, with **net** densities ranging from four to 15 units per acre, with the higher densities located in or close to the core of the Node. The lot area requirements for lots with five or more units, as well as the 20-unit cap, will limit the Village's ability to achieve these densities.

Feedback from Developers of Affordable Housing

Given the Village's interest in small-scale as well as for-sale opportunities for affordable housing, we suggest the Village obtain feedback on the proposed Zoning Ordinance from local affordable housing developers. It is our understanding that Habitat for Humanity of Tompkins and Cortland Counties and Ithaca Neighborhood Housing Services are the two entities working in our area most likely to deliver the types of projects the Village is interested in supporting. And, in fact, both have already undertaken projects in the Village.

Feedback from these two entities may help to ensure the definitions and requirements in these proposed amendments do not unintentionally preclude development of affordable housing under grant, conventional lending, and other requirements these entities must meet.

Our staff would be happy to meet with the Planning Board, Village Board, or other community representatives to discuss some of our recent experiences and elaborate further on our comments.

We look forward to receiving notification on the final action taken by your municipality within 30 days of decision, as required by State law.

Sincerely,

Katherine Borgella, AICP

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Commissioner of Planning and Sustainability