

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: ORDER OF THE BOARD OF ALDERS OF THE CITY OF NEW HAVEN
approving a tax abatement agreement between the City of New Haven and Monarch Apartment Homes LLC for a 64-unit, affordable housing development at 149 & 169 Derby Avenue.

Submitted by: Monarch Apartment Homes LLC

REPORT: 1623-08

ADVICE: Approval

BACKGROUNDThe Property

The building currently occupying 149 Derby Avenue was originally constructed around 1900 and was occupied by a commercial laundry business until approximately 2021. Over the years the building has experienced substantial change by way of additions and renovations, leaving little, if any, historical value in the existing structure. Dry cleaning was conducted in this building from approximately 1938 to 1987. Filter materials that contained tetrachloroethylene (PCE) were reportedly dumped in an area to the north of the 169 Derby Avenue building. The building occupying 169 Derby Avenue was initially used as a stable and garage after its construction circa 1900. Subsequent uses included a gasoline filling station (1923 to mid-1980s), a metal polishing company (1920s), an auto repair facility (mid 1930s to late 1960s), an oil and heat equipment manufacturer and plumbing supply warehouse (1950s and 1960s), professional offices in the 1980s, and laundry operations from approximately 1996 to 2021. The former gasoline USTs associated with the former gasoline filling station were removed from the site in 1997.

Based on past use of the site as a dry cleaner, the 149 Derby Avenue parcel meets the definition of an establishment pursuant to the Connecticut Property Transfer Act (Transfer Act). The 149 Derby Avenue parcel entered the Transfer Act program in 2004 with a Form III and ECAF being submitted to the CTDEEP. Based on the findings of the Phase II/III investigation, the degree and extent of the extractable total petroleum hydrocarbons (ETPH), volatile organic compounds (VOC), polynuclear aromatic compounds (PAHs), and metal concentrations in site soils has been defined and no further investigation is warranted at any of the 14 AOCs identified.

Project Description

This development will be transformational for the neighborhood and broader community. The proposed development plan for this 1.67 Acre site is to raze the existing structures, remediate the environmental issues, and build an affordable housing development consisting of 64 apartment homes with amenity space for its future residents. The rents will be set at levels affordable to residents earning at or below 80% AMI.

This is a prime location in the West River neighborhood, down the street from Westville Music Bowl and Barnard Nature Center and directly on a main bus line. The property is on the Connecticut Transit

bus line, near services, and is adequately supported by all required utilities, including water, sewer, electric, gas and telecommunications.

Like many other cities across the country, New Haven is experiencing an affordable housing crisis. The city of New Haven and its residents have been vocal about addressing the needs of its local residents. In New Haven, about 57% of renter households and 26.6% of the owner households earn less than 50% of the area median income (AMI) totaling 23,859 households. These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income.

The Financing Plan

The development will be financed using 4% low-income housing tax credits and tax-exempt bonds issued by CHFA. Additional sources are proposed to include a second mortgage from DOH, Brownfield funds, and a deferred developer fee.

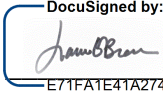
Tax Abatement

The Monarch Development is seeking a 15-year tax abatement with property taxes starting at \$352 per unit per year. This rate will increase at the lesser of CPI or 3% per year after the properties first full year in service.

PLANNING CONSIDERATIONS

This Commission previously approved the Site Plan, Coastal Site Plan, and a Special Permit for the Monarch Apartment Homes development (CPC Reports #1621-02 and #1621-04). The new development meets many of the city's overall goals from both an affordable housing and neighborhood development perspective. While the tax agreement will be further reviewed by the appropriate city entities, the Commission lends its support to the project as highly consistent with the Comprehensive Plan of Development.

ADOPTED: December 15, 2022
Leslie Radcliffe
Chair

ATTEST:  December 19, 2022 | 1:
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Laura E Brown
Executive Director, City Plan Department