

LCI Board Minutes
September 23, 2020 Regular Meeting Via Zoom

PRESENT: Timothy Yolen, Patricia Brett, Neil Currie, Seth Poole, Mary Wadley (joined via cell phone due to technology issue), Evan Trachten, Serena Neal-Sanjurjo
Absent: Hon. Ernie Santiago, Hon. Delphine Clyburn

Meeting called to order at 6:07 P.M.

Review of LCI Board meeting minutes from June 24, 2020. A motion to approve was made by Neil Currie, Seconded by Pat Brett. Approved unanimously

New Business

0 Franklin Street MBP 200 0582 00105

Evan told the Board that the City proposes to dispose of this land to the City of New Haven Housing Authority for \$1000. This strip of land is a buffer area. The former Farnam Courts has been renovated as Mill River Crossings. Evan showed a google street view as well as a map. The applicant will move their dumpster off of the street and onto this area. This land is abuts the I91 Highway. The Housing Authority is our largest housing partner so we are happy to support their Phase 2 of this project by proposing to sell this land for \$1000.

Seth Poole made a motion to approve the item, seconded by Neil Currie, Approved unanimously

0 Grand Avenue MBP 200 0583 00400

Evan told the Board that the City proposes to also dispose of this land to the City of New Haven Housing Authority for \$1000. This strip of land will be used for road realignment as part of the Phase 2 of Mill River Crossings. Evan showed a google street view as well as a map of the development. This sale is very similar to the previous item on the agenda. The Phase 2 will occur in the back of the existing site. Tim asked about the Assessor's appraised value is \$93,000. Evan said it is likely based on a unit price per square foot.

Neil Currie asked about the Status of the Housing Authority, are they a non-profit? Serena told the Board they are a quasi- government agency funded by the federal government / HUD. Neil asked if there was a profit element to the Housing Authority? Serena told the Board "no".

Neil Currie made a motion to approve the item, seconded by Tim Yolen Approved unanimously

156-158 Humphrey Street

Evan told the Board that this sale is an RFP of a former automotive site and sliver lot. Eric O'Brien of Urbane New Haven, LLC is here to discuss the project. Evan told the Board the City foreclosed on this former auto site. The site is a corner parcel between Fair Haven and East Rock. This proposal has received positive reviews in the community and from the PAD committee, Alder Festa was supportive of the project. The site is currently a blighted garage building and sliver lot.

Evan showed the site via google street view. The proposal is to develop 12 units of residential housing with no subsidy from the City for the affordability. This sale will also eliminate a non-conforming auto use and revitalize this area. Eric was given the floor to address the Board.

Eric told the Board that Urbane was the developer of "the District / Former CT Bus Depot". That was a \$20 million project. This site is behind this District. Urbane designed this project as 6, 2-unit row houses and is offering the City \$25,000 for the site. They designed an affordable project with no subsidy which is not common in the housing market. Eric told the Board he is providing 4 affordable units 1 studio at 60% AMI, 1 studio at 80% AMI, 1 2 bedroom at 60% AMI, and 1 2 bedroom at 80% AMI as a deed restriction for 20 years (New Haven's AMI will be utilized). He has presented this project to the Fair Haven Management Team as well as East Rock. Urbane is trying to develop a housing product for the workforce.

Board members asked if this would be a homeownership project. Eric told the Board he plans to sell 6 row houses. He is working with City plan to be able to sell the row houses, the alternative would be to keep it as a 12 unit rental building. He wants to sell the units and create home-owners. Neil Currie asked Eric about making sure the affordable units still allow for wealth creation given the deed restriction. Neil also asked about the parking, Eric told the Board that there is plenty of parking on street and he has been working with Traffic and Parking to expand on-street parking on Lombard / Humphrey street towards the rail road crossing which is very close to this site.

Pat had a few questions for Eric. What is a 60% AMI? Eric said the income limit for a 60% is about \$41,000 income. Pat asked about the language on the PAD Coversheet about "if amore extensive period is required"? Evan told the Board there is no funding subsidy from the Federal Government, that language will not apply.

Seth asked about washer / dryer hook ups. Eric confirmed the units will have them. Pat asked about the assessed value and current value of the building. Evan told the Board the values are exiting assessments and do not reflect the current blighted condition. This is a liability to the City, it is subject to the Transfer Act as a former automotive use, and has an unknow environmental status. Pat asked how long it would take to build, Eric said about 9 months of construction. Serena told the Board the LDA would have timelines, Serena told this Board this is a great project. Pat asked for clarification about will the units be sold or rented? Eric would like to sell the units a two-unit row houses. He ran the numbers for both sale and rental and they work in both instances if he builds 4 affordable units (1 studio at 60% AMI, 1 studio at 80% AMI, 1 2 bedroom at 60% AMI, and 1 2 bedroom at 80% AMI as a deed restriction for 20 years). Eric told the Board the

rents: 2 bedroom @80% = \$1766 2 Bedroom @ 60% = @1374, studio @ 80% = 1374, studio @ 60% = \$1030.

Eric confirmed that he would demolish the structure and rebuild a new structure at the site . He has environmental experience from his project at the District and he has not done an official environmental study yet. He has estimated / projected \$250,000 for the clean up at this site. Tim asked if a professional; has provided this value, Eric said no, his team has the experience to properly estimate the value. Eric will do a phase 3 and drill holes for testing prior to building, there is no environmental information from the City. The total project estimate is \$1.5 million with hard and soft costs.

Tim asked about the floor plan. Eric said the bottom floor is the studio at 450 sq./ft. and the combined second and third floor are the two-bedroom units. Evan showed the floor plan from Urbane. Mary asked about the development timeline, Serena noted we will put it in the LDA and it will be negotiated. Eric said he will not sit on this property. Evan talked about safeguards: The LDA is a safeguard, the fact that Zoning approval is required prior to closing is also a good safeguard.

Neil Currie asked about the discrepancy about the AMI restrictions. Evan told the Board internally staff made a mistake and proposed all units at 60% AMI when the Developer had presented the proposal as a mix of 60% & 80%. LCI has the power to make this change. Eric has presented this to Alder Cupo as providing 4 affordable units (1 studio at 60% AMI, 1 studio at 80% AMI, 1 2 bedroom at 60% AMI, and 1 2 bedroom at 80% AMI as a deed restriction for 20 years) as well as to the Management teams.

Neil asked about precedence for the pricing and consistency with pervious sales. Evan explained that as an RFP the price can be as low as \$1.00. Although we want to get a fair market value, we can lower the price to create an opportunity where one would not otherwise exist. The alternative to doing this project is to spend City funds on a demolition and the result is a vacant lot that may have environmental issues. The sale price at \$25,000 is a good number for the City. Serena added, this is a no subsidy project with affordability so a reduced sale price is justified because we are getting several benefits from the project.

Tim asked about the appraised value by Vision being \$331,000. Evan told the Board the City does not file Board of Assessment Appeals for City property. Any reasonable property owner would appeal given the blighted condition of the property. Eric noted that he plans to create 6 individual property owners. He does not plan to make them condos. Seth asked who can live in the units. Eric said the buyer can elect to live in the studio and rent the 2-bedroom. Renting apartments is a business and creates wealth. There is a lot of interest in tis type of housing. Wealth is created in real estate. Eric reiterated that it is one building / structure with 5 party walls. Urbane will require all the units to be owner occupied at the time of sale. Eric does not want these units sold to large landlords.

Evan told the Board that we can trust this developer based on previous projects. The \$25,000 sale price is justified because this property is a liability. It is a great project because the City gets 4 affordable units with no subsidy. Tim again questioned the estimated \$250,000 environmental value, which Eric said is his team's number, it was not provided by a professional abatement company. Serena spoke about clean ups and told the Board that this estimate is consistent with many other projects but sometime

there is more contamination and more cost. Pat praised Eric's work at the District and LCI staff for all of the information and insight. Mary also praised Eric's work and track record. Neil also commended Eric. Neil is still concerned about dividing the affordable units, he doesn't want anyone's potential wealth creation hampered. Eric will look at that aspect. Serena told the Board there will be monitoring of the affordability on an annual basis.

Neil Currie made a motion. Eric told Neil a component of the motion might make the project impossible, Neil asked that no structure have more than one affordable unit if the building is subdivided. Eric described the difficulty implementing that aspect, he cannot commit to this without running the numbers, it may be detrimental to the project. Eric told the Board this project has been delayed and he would like to move this forward. This is a pilot project and a lot of work has gone into making this viable, and that new idea is a change. Neil expressed that given the low sale price by the City he saw this as a way to protect a future owner of an affordable unit's potential equity. Eric told the Board that he has been negotiating this project for a long time, originally there was no affordability requirement, we arrived at this by having on going discussions to provide 4 affordable units 1 studio at 60% AMI, 1 studio at 80% AMI, 1 2 bedroom at 60% AMI, and 1 2 bedroom at 80% AMI as a deed restriction for 20 years. Evan said we have a shovel ready project that meet our goal, we have safeguards, and there are benefits to this moving forward. Neil told the Board he has studied this issue in graduate school and he the City is leaving some value on the table. Neil withdrew his motion.

A motion was made by Pat Brett to approve the item as follows: sell property to Urbane for \$25,000 to develop 12 total units by providing 4 affordable units; 1 studio at 60% AMI, 1 studio at 80% AMI, 1 2-bedroom at 60% AMI, and 1 2-bedroom at 80% AMI as a deed restriction for 20 years, seconded by Mary Wadley, Roll Call vote was taken, Approved unanimously.

665 Washington Avenue

Evan told the Board this is a basic sliver lot sale. This is a corner lot and quite small (31'X52'). The prices is \$2613 based on \$1.50 per sq./ft per the pricing guidelines. The buyer does not live on site. The lot is currently utilized by the adjacent occupant. We are not proposing to split the lot because we already sold a sliver lot to the Clover Place homeowners. Tim asked about the size, Evan said it's 1742 sq./ft. and the use will be for parking. Evan noted the benefit to the City, less liability, no maintenance, and property going back on the tax rolls. There is little development potential as a corner lot under current zoning regulations.

Seth Poole made a motion to approve the item, seconded by Tim Yolen Approved unanimously

LCI Election

Pat asked why we keep delaying the election. Evan reminded the Board a Motion was passed at a previous meeting requiring full attendance by our membership for the election. Pat wants to hold the election tonight.

Pat made a motion to hold the election, which was seconded by Mary, All were in favor. Tim announced that he would withdraw from consideration as Chair.

Pat asked what the role of the Secretary is, Evan said for correspondence, the position is currently vacant.

**Neil was nominated and accepted the nomination for Secretary;
Pat was nominated for Vice-Chair and accepted the nomination;
Seth was nominated for Chair and accepted the nomination.**

Serena gave an update: She will be leaving LCI and wishes everyone well. She thanked the Board and staff for their work. The Board thanked her for what she has done and wished her well.

**A vote was taken for the three available positions on the Board of Directors. Members were confirmed by unanimous vote to the above positions:
Neil Currie / Secretary
Pat Brett / Vice-Chair
Seth Poole / Chair**

Adjourned @ 8:03 PM.