

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: 138 PUTNAM STREET, Property Acquisition from Hill Development Corp. (City of New Haven).
REPORT: 1437-11
ADVICE: Approval

PROJECT SUMMARY:

Developer: City of New Haven
Disposition Price: Negotiated, undetermined
Site: 3,972 sq.ft.
Zone: RM-2
Use: Owner-occupied home
Financing: Not Provided
Subsidy: None
City Lead: Evan Trachten
Agency: Livable City Initiative
Phone: 946-8373

BACKGROUND

The City seeks to acquire Reuse Parcel TF-265-0053-02600 from Citizen’s Bank of Rhode Island and accept a deed in lieu of foreclosure from Hill Development Corporation (HDC). The subject parcel is located on a residential street in the Hill neighborhood between Edgar and Cedar Streets.

HDC purchased this previously foreclosed property (and others) from the City for redevelopment and sale (Homeownership Phase II project) with certain affordability provisions included in the Land Disposition Agreement and financing mechanism (CPC 1299-13, 02/14/01). These homes were to be sold to owner-occupants. The project has come to an unexpected halt through a variety of circumstances, which threatens its completion.

A total of eleven properties in the Homeownership Phase II project were to be developed by HDC with the City as a partner. Five of the properties were rehabilitated and sold, one of the remaining six is the subject of this LDA. In order to safeguard the City’s investment and to preserve federal funding, the City seeks to reacquire this property, finish the rehabilitation and sell it to an owner-occupant.

PLANNING CONSIDERATIONS

Evaluation of the site was based on examination of a plot plan, the LCI PAD submission materials, the zoning regulations and the geographic information system. The City proposes to acquire TF-274-0021-00800 for a negotiated price. The Commission has not addressed the issue of price. This item was presented at the February 17, 2010 PAD meeting and was approved without conditions.

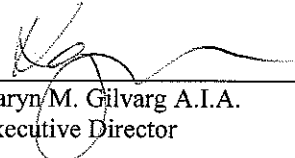
Livable City Initiative seeks to purchase the blanket mortgage from Citizen’s Bank of Rhode Island and accept a Deed in Lieu of Foreclosure from Hill Development Corporation eliminating the debt. This property is currently owned by HDC and was part of the larger Homeownership Phase II project but has suffered both legal and monetary problems. HDC attempted to finance the completion of this project and five others but was unable to arrange the necessary financing due, in part, to the faltering economy. Hill Development Corporation is currently restructuring and an elimination of debt is a part of that effort.

The City of New Haven proposes this remedy to preserve the affordability restrictions that have been attached to these properties due to the HOME (\$1.4 million dollar) funding provided to the overall Homeownership project. If the affordability provisions are not preserved HOME funding is in jeopardy. This proposed solution is structured to serve the interests of all parties, including the City of New Haven.

ADVICE

The Commission finds the proposed reuse of the property suitable for the site in question and recommends approval.

ADOPTED: February 17, 2010
Edward Mattison
Chair

ATTEST: 
Karyn M. Gilvarg A.I.A.
Executive Director