

LCI Board Special Meeting Minutes
September 29 2021 (Via Zoom)

PRESENT: Seth Poole, Patricia Brett, Neil Currie, Nadine Horton, Arlevia Samuel (Acting Executive Director), Evan Trachten (LCI staff)

Absent: Hon. Ernie Santiago

Guests: Kat Calhoun, Mike Pinto, Josh Levy

Meeting called to order at 6:04 P.M.

Review of LCI Board meeting minutes from July 28, 2021 Regular Meeting. A motion to approve was made by Pat Brett, seconded by Neil Currie; Approved unanimously.

New Business

364 Ferry Street

Evan told the Board this is a negotiated sale at \$20,000 to Escalante, LLC. This land was once owned by 229 Grand Avenue but the City foreclosed on this land. This sale will reconnect these parcels. This area was historically used as a trash area for 229 Grand Avenue.

Evan showed the Board that there is a utility easement and equipment is located on our lot, which makes the parcel difficult to develop a residential use. The property is basically a driveway. Evan told the Board that the City Plan report has a few conditions of approval: The gate must be closed unless trash is being collected, lighting must be installed, and the owner must keep the area litter free.

The price is based on an appraisal. The buyer offered \$15,000 but LCI negotiated up to \$20,000. Evan discussed this land with another appraiser and the City feels the price is correct. Neil asked about the adjacent uses in the area. Evan showed the google street view. There area is commercial on Grand Avenue and residential along Ferry Street. Evan noted this sale will create a buffer between the commercial area and the residential zone. This strikes a good balance; this will be a low impact use. The current businesses at 229 Grand Avenue is retail (liquor store and shoe store, with an event space upstairs).

Nadine Horton made a motion to approve the item, seconded by Neil Currie, Approved unanimously.

136 Hemingway Street

Evan told the Board the City is proposing to sell this property for \$40,000 to Vessel Technologies, Inc. who will develop up to 30 units of affordable rental units. The City appraised the property, and the value came back at \$55,000. The

developer intends to give the wetland portion of this site to the Land Trust. The Land Trust worked with the City to acquire this area years ago, but it never purchased the land due to the cost. This parcel is continuous with 1081 Quinnipiac Avenue which is part of the Hemingway Creek Preserve.

The proposed price of \$40,000 reflects the fact that a lot of engineering and geotechnical work needs to be done at this site, that is why LCI is proposing this as a negotiated sale below the appraised value. Vessel is proposing to develop modern, high quality, energy efficient units, which currently do not exist in this area. Evan told the Board there are several large developments and condo complexes in this area such as Bella Vista. Staff believe this proposal is compatible with this area.

Josh Levy from Vessel presented this project to the Board. Vessel's goal is to provide high end housing at lower market rents using sustainable materials and practices. Vessel has patents on smart technology that run their buildings (security, energy efficiency, air quality). This creates a high-quality housing product. The entire building is ADA accessible and units can be set up to accommodate the needs of diverse occupants. The building is made of steel and is modular. Local labor will be used to erect this structure. The building is designed to be easy to maintain and less costly to maintain. These features allow the rents to be lower because of the lower maintenance costs and greater longevity.

Josh discussed the options for colors and positioning of the structure. The plan is to keep the structure as far away from the wetlands as possible. There will be onsite parking in the back of the structure. The wetlands will be offered to the Land Trust. Josh discussed the energy features of the smart system that monitors water, electricity, temperature, and overall efficiency. Information is custom to each unit.

Pat Brett asked a few questions: How many bedrooms are in a unit? Most of the units are 1 bedroom but there are 3 two-bedroom units. Josh hopes this will be built in 4-6 months, if they are approved in Spring 2022, the building should be complete in fall of 2022. Josh will utilize local labor to construct this building. Pat asked if he would use minority contractors? Josh told the Board Vessel is happy to utilize minority contractors. Pat also asked if children are allowed? Josh told the Board yes, all are welcome.

Kat Calhoun of 288 Eastern Street addressed the Board and asked Josh a few questions. Kat noted that the proposed plan does not have visitor parking. Kat noted there is no on-street parking on Hemingway. Josh told the Board there will be some visitor spots onsite. Josh is happy to meet with the community and work on the landscape, color of the structure, and hear feedback about this project. Kat also asked about the proposed rent. Is this affordable? Can you add larger units such as 3 bedroom units? Kat also mentioned the community would like to

restore the Hemingway Creek with native species. Josh addressed several concerns. This project is geared towards 80% AMI which makes this affordable. There are not tax credits or subsidies to develop this parcel. The project is not subsidized thus the rents must be able to sustain this project. Josh also noted that it is not possible to develop 3-bedroom units or efficiencies and his team added 3 two-bedroom units based on feedback from Alder Antunes.

Nadine Horton noted the look of the structure is commercial. The project isn't actually affordable based on how the community views affordability. At 80% AMI, the cost to rent a unit is not affordable to many people in our community. Nadine also noted that she is a Board Member of Gather New Haven and she would be able to inform the Board about this matter. Josh has only had an initial conversation with Gather New Haven. Nadine ask if there was a sidewalk in front of the property? Josh was not certain because they haven't gotten to that level of detail with the final site plan. Josh would be happy to maintain the continuity of the sidewalk. Kat Calhoun confirmed there is a missing portion of sidewalk in front of 136 Hemingway. Nadine also asked about the price: why sell it for \$40,000 when the appraised value is greater (\$55,000)? Evan told the Board that staff made this recommendation because there are many engineering challenges and unknown costs. The size of the buildable area can shrink based on the flagging of the wetlands and thus the number of units will decrease. Staff were trying to arrive at a fair price in the middle given the unknowns, and the predevelopment costs to investigate. There is risk and the developer is spending their own money to investigating the feasibility of this project. This is a common practice for the City to slightly discount the acquisition cost to incentivize the project. Nadine suggested raising the price to \$45,000.

Neil Currie told the Board that we have worked with non-profits and with deed restricted affordable housing. How likely is it that Vessel will rent more than one unit at \$1050? Josh told the Board the entire property will be deed restricted at 80% AMI and below. The mission of Vessel is to keep rents as low as possible. They are a for-profit company.

Josh talked about the "Caretaker Program" which utilizes a local person to manage the structure. They receive the surplus cashflow from the building. They provide the training to do this via a program they called "Vessel University". Neil noted the AMI limit for 2021, which is \$56,000 for a single person. The pricing of a unit at \$1050 falls around the 50% AMI.

Neil wants to avoid a situation that turns into a bait-and-switch. Renting at 80% AMI means units can be rented at about \$1500, which is not affordable by our measure. Can Vessel commit to a more restrictive deed restriction than that is on the table? Josh told the Board that there is no subsidy or public financing, the rents are not anticipated to be anywhere near \$1500. Based on current costs to build, and other development costs, the project has arrived at these likely rents. Neil pointed out that being a for profit developer means maximizing profits and given this proposal Vessel could collect \$1500 per month rents based on 80% AMI.

Neil asked who is the local operator, is it a non-profit? Josh told the Board they do not have one yet. Vessel has worked with a non-profit caretaker before. Seth asked about the operator: would the local operator be able to make rent increases? Josh said rent increases would be coordinated with the ownership team and the caretaker. If insurance costs go up or sewer costs go up, those factors can cause increases in rents. Seth also asked about Vessel's company history. Josh said the company has been developing this concept for about 5 years. It has been an actual company for about 3 years, and they have been working with municipalities during the last 12 months. Josh mentioned working with East Haven, Stratford, Shelton and Stamford Connecticut. They are also working in Trenton, East Orange, Vineland, and Hamilton New Jersey. They are currently finishing their first permanent structure in Trenton New Jersey, and they were just approved to build in Stratford Connecticut last week. They have 7 other projects pending with other communities and they hope to be doing many more.

Pat Brett made a motion to approve the item but there was not a second to the motion. A friendly amendment as offered by Neil Currie. Neil noted we should require the sidewalk to be installed, the developer should present this project to the CMT, and there should be a one year rent price-cap on the one bedroom units in addition to the 80% AMI restriction. Neil asked Nadine if this would cover her concerns, she said yes.

Neil Currie made a motion to approve the sale of 136 Hemingway for \$40,000 subject to the following requirements: The Developer will complete a sidewalk to it connects the existing adjacent sidewalks, the developer meet and present the design, paved area for parking, and lighting and colors for neighborhood comment meet with CMT for input , and Vessel would commit to a maximum year-one rent cap at \$1350 per month for a one bedroom unit (in addition to the 80% AMI restriction), seconded by Pat Brett, All were in favor, Approved.

Evan reminded the Board we have finished our review of the guidelines. Our lawyers are finalizing a few things and we are hopeful to have this as an action item in the near future.

Michael Pinto introduced himself to the LCI Board. He is an attorney at Corporation Counsel and Counsel to LCI. Attorney Pinto asked Chair Poole to do a roll-call style vote because it is a better practice. Chair Pool thanked Attorney Pinto for his counsel.

A motion to adjourn was made by Nadine Horton, seconded by Neil Currie. All were in favor, approved unanimously.

Adjourned at 7:25 P.M.