

**CITY OF BRIDGEPORT
ECONOMIC AND COMMUNITY
DEVELOPMENT AND ENVIRONMENT COMMITTEE
REGULAR MEETING
JULY 23, 2015**

ATTENDANCE: Lydia Martinez, Co-Chair; Eneida Martinez, Co-Chair; Jose Casco; Michael Marella

OTHER: Milta Feliciano; Alfredo Castillo

CALL TO ORDER

Co-Chair L. Martinez called the meeting to order at 6:15 PM. A quorum was present.

AGENDA ITEMS

Approval of Committee Minutes of June 16, 2015

- ** COUNCIL MEMBER MARELLA MOVED TO ACCEPT THE COMMITTEE MINUTES OF JUNE 16, 2015.**
- ** CO-CHAIR L. MARTINEZ SECONDED THE MOTION.**
- ** MOTION PASSED UNANIMOUSLY.**

98-14: Proposed Resolution authorizing an affordable Housing Tax Incentive Agreement for Crescent Crossing II, a mixed-income affordable housing development located at 252 Hallet Street with the State of Connecticut Department of Economic and Community Development.

David Kooris, Director of the OPED, came forward and distributed hard copies of the revised resolution, changed in response to the concerns the committee addressed at an earlier date. He stated that there is now increased frequency in auditing, which enabled them to ensure there are no significant increases in revenue for the developer without a proportional tax raise. He further stated that Kevin Gremms, a consultant for the National Development Council, was present to answer question. Mr. Kooris stated that the National Development Council assesses development deals for cities, and help determine the appropriate public participation in said deals. Mr. Gremms has direct experience working in Bridgeport and has lived in a neighboring area for years.

Co-Chair L. Martinez requested a hard copy of the resolution, and Bill Coleman went to retrieve one.

Mr. Gremms came forward and presented the following information:

1. Crescent Crossing is a 177 unit, mixed-income development, and in phase 1 they intend to build 93 units.
2. They need a multi-layer capital structure to help fund and cover costs, and the project has 6 different funding sources at present. 89% of the funding structure comes from 3 competitive resources from the State of Connecticut. The development itself costs a little under \$32 million.
3. The region's median income is \$90,000, which makes predetermined 'affordable' rental rates reasonable by regional standards, but not necessarily for the City of Bridgeport.
4. The development received 2 allocations this year (2 out of 6 awarded in the state, amounting to 40% of the state's total allocation) from LIHTCs. This is the largest affordable housing in the country, and it has three criteria- income 20% below 50% of area median, rent restriction and state approval. It is dollar for dollar credit against federal taxes.
5. They also received assistance from CHAMP (Competitive Housing Assistance for Multiple Family Properties), which cannot be received without municipal support.
6. The development received funding from the CDBG.
7. Tax incentive development agreements are common throughout the State for comparable developments.
8. The rent restrictions are 25, 50, and 60% of the AMI (Area Median Income), with the amount averaging \$900.
9. Mandatory federal rent restrictions for the pilot term must be in place for at least 30 years per IRS regulations, and JHM has agreed to a term of 50 years, in the interest of being more competitive. With the income restriction in place for the extended period of time, the lender will want the pilot to be conterminous with rent restrictions. The proposed pilot has escalators at 3%, higher than the anticipated 2% income growth.
10. There is an affordable housing tax incentive (Sections 8-215 and 8-216), and the pilot is established at 7.7% of Effective Gross Rent.
11. Without the affordable housing tax incentive, the development is not feasible without somehow finding \$2.2 million in non-debted funding sources.
12. The units will be worth roughly \$3,000 with taxes at full assessment, while units with the affordable buying tax incentive at \$780 per unit.
13. Investors become part of ownership structure and will stay in the structure for 15 years. They are paying more than a dollar to dollar ratio of credit because of their investment in positive development in the Bridgeport area.
14. The currently proposed structure allows the city to go back and check the numbers, and developers must create audited financial statements every year. The City may adjust the pilot period if the EGI is high than forecasted amount in pro-forma.

Co-Chair L. Martinez stated that she would like to know the specifications of the pricing on the unit. Mr. Kooris stated that of the 84 units in Phase 1B, 40 will be reserved for households making just under \$20,000 for a family of three. She asked if the individuals would come from the housing authority of the Marina Development, and he answered that 21 of 84 were marked for the Marina Development residents. She asked about the size of the apartments, and he stated they are 1, 2, and 3 bedrooms. He stated that these were distributed over 20, 50, and 60% of the MAI, as well as market. Milta Feliciano asked why the AMI was broken down differently than the state government, and Mr. Kooris stated that the state government, city and developer are not necessarily targeting those same income brackets. She stated that they use the federal income levels to scale and make adjustments, and that they then extrapolate off of those three set areas.

Co-Chair E. Martinez stated that they needed hard copies of the resolution, but the printer was apparently broken. Mr. Kooris stated that he would find copies.

**** COUNCIL MEMBER MARELLA MOVED TO RECESS AGENDA ITEM 98-14 UNTIL SUCH TIME AS A HARD COPY WAS MADE AVAILABLE.**

**** CO-CHAIR E. MARTINEZ SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

**** COUNCIL MEMBER MARELLA MOVED TO OPEN THE REST OF THE AGENDA.**

**** CO-CHAIR E. MARTINEZ SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

117-14: Grant Submission: re: 2015 Housing & Urban Development (HUD) Lead for Bridgeport Lead Free Families Program (#16372).

Renu Gupta came forward to present the grant submission. Ms. Gupta stated that the grant totals \$3,323,954 with \$74,900 in cash CDBG Funds and \$403, 375 (14%) in kind. She stated that if they receive the grant it holds a three year contract, and that only 16 grants are awarded in the country. She stated that the goal of the funding is to create lead free units and healthy homes for low income families with children who have high lead levels. She stated that the grant substantiates 185 units, as well as education, outreach and lead level testing for kids.

Co-Chair E. Martinez asked if this was affiliated with Audrey's Program, and Ms. Gupta stated that they work closely with Audrey's Program, but are founded by the state. Co-Chair E. Martinez expressed her concern that those holding the grants do not adequately publicize the availability of the grant funds to the community.

Sabine Kuczo came forward and stated that this particular grant receives referrals specifically from families who receive the lead abatement, as identified by the Health Department or hospitals. Ms. Kuczo stated that they had to reduce outreach because they didn't have enough

funding. She stated that the qualifications are that the family must be low income, and that there must be children in the unit. She stated that they have been inundated with requests, and that while the grant has a three year contract, their funds were exhausted near the 2 year mark due to need. Co-Chair L. Martinez asked how many families they were able to assist, and Ms. Kuczo stated that the number is around 984 homes. She further stated that they have received healthy home funds, so in addition to lead abatement, they remove mold, asbestos and work closely with UI to get the apartment energy efficient, and the fire department to install smoke detectors.

**** COUNCIL MEMBER MARELLA MOVED TO ACCEPT ITEM 117-14: GRANT SUBMISSION: RE: 2015 HOUSING & URBAN DEVELOPMENT (HUD) LEAD FOR BRIDGEPORT LEAD FREE FAMILIES PROGRAM (#16372).**

**** CO-CHAIR E. MARTINEZ SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

118-14: Grant Submission: re: State Department of Public Health for Best Practices in Tobacco Use Prevention and Control Grant Program (Project #16460).

Kristin Dubay-Horton came forward and stated that the funding is from the State Department of Health from tobacco settlement money. She stated that the amount totaled \$467,000 to be shared jointly with the Police Department to do tobacco cessation work within Bridgeport, specifically stopping retailers from selling to minors. She stated that a recent study amongst her group of 7th to 12th graders found that 38% of them use e-cigarettes, an increase from previous years. She stated that this is a way to train young people to do social marketing within communities, and affords them 25 kids a year for 2 years.

Co-Chair L. Martinez asked who the grant benefits, and Ms. Dubay-Horton stated that a portion of it was used to provide police overtime. Co-Chair L. Martinez asked if there was a match from the city, and Ms. Dubay-Horton answered in the negative.

**** COUNCIL MEMBER MARELLA MOVED TO ACCEPT ITEM 118-14: GRANT SUBMISSION: RE: STATE DEPARTMENT OF PUBLIC HEALTH FOR BEST PRACTICES IN TOBACCO USE PREVENTION AND CONTROL GRANT PROGRAM (PROJECT #16460)**

**** CO-CHAIR E. MARTINEZ SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

121-14: Grant Submission: re: 2015 Robert Wood Johnson Foundation Culture of Health Prize.

Ms. Gupta stated that this is not in fact a grant, but a prize, and if they receive it, it provides \$25,000. She stated that the decision should air around October 28th, and at that time, the

allocation would be determined. Ms. Dubay-Horton stated that the award comes from the largest private philanthropic organization in the country, and that even the consideration is a huge honor.

**** COUNCIL MEMBER MARELLA MOVED TO ACCEPT ITEM 121-14: GRANT SUBMISSION: RE: 2015 ROBERT WOOD JOHNSON FOUNDATION CULTURE OF HEALTH PRIZE.**

**** COUNCIL MEMBER CASCO SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

122-14: Grant Submission: re FY2015-2018 State Preventive Health & Health Services Block Grant (Farmers' Market) (Project #16605).

Ms. Dubay-Horton stated that the grant amounts to \$154,797. She stated that the program will address cardiovascular disease prevention by creating environmental change and promoting fresh food consumption through Farmers' Markets at 6 locations in the city. She further stated that part of the funding will be used to address the goal of getting Bridgeport Health Department accredited by National Public Health Accreditation Committee.

**** CO-CHAIR E. MARTINEZ MOVED TO ACCEPT ITEM 122-14: GRANT SUBMISSION: RE: FY2015-2018 STATE PREVENTIVE HEALTH & HEALTH SERVICES BLOCK GRANT (FARMERS' MARKET) (PROJECT #16605).**

**** COUNCIL MEMBER MARELLA SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

123-14: Grant Submission: re: State of Connecticut Department of Education for YSB Enhancement Grant (Project #16540).

Tammy, the grant representative, stated that they receive YSB funding on an annual basis, and that the total comes to \$9500. She stated that they go to G. Beck for their prevention services, and are specifically targeting children grades six through twelve for their Making Healthy Choices program.

**** COUNCIL MEMBER MARELLA MOVED TO ACCEPT ITEM 123-14: GRANT SUBMISSION: RE: STATE OF CONNECTICUT DEPARTMENT OF EDUCATION FOR YSB ENHANCEMENT GRANT (PROJECT #16540).**

**** COUNCIL MEMBER CASCO SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

124-14: Grant Submission: re: State of Connecticut Department of Education for Youth Service Bureau Grant (Project #16532).

Tammy, the grant representative, stated that they received a dollar for dollar match through Lighthouse Funds, and that those programs are providing the Lighthouse Services. She stated that this particular grant does not go out into the community for bid, and that they had roughly thirty applications come in and have fifteen to seventeen in mind they'd like to fund.

Co-Chair L. Martinez asked for the names of the organizations, and Tammy named Family Reentry, Family Studios, Life Bridgeport Community Services, the YMCA, Teen Fathers Program and Family Guidance, among others. Co-Chair L. Martinez asked if these were the same organizations they gave the funding to the previous year, and Tammy stated that some were new. The Co-Chair asked if all of the organizations would receive the same amount of money, and Tammy stated that no one would be receiving over \$10,000, and that they anticipated some cuts in light of the state budget cuts.

**** COUNCIL MEMBER MARELLA MOVED TO ACCEPT ITEM 124-14: GRANT SUBMISSION: RE: STATE OF CONNECTICUT DEPARTMENT OF EDUCATION FOR YOUTH SERVICE BUREAU GRANT (PROJECT #16532).**

**** CO-CHAIR L. MARTINEZ SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

107-14: Proposed Resolution Concerning the Disposition and Redevelopment of City Owned Property to Abutter located at 138 Clifford Street and Ordering a Public Hearing Relative to the same.

Bill Coleman came forward to represent the application. He stated that the property in question is a blighted, city-owned building that is surrounded by other bank foreclosed properties that are not city owned. He stated that it is adjacent to a redevelopment area (Civic Block) they've been working on. Mr. Coleman stated that Max made inquiries to the adjacent and abutting owners to see if there was interest in buying the property, and found one in the owner of the property across the street. He stated that the man in question is an investor with a home of Clifford Street who would like to purchase the property and rehab it. Mr. Coleman stated that the appraised value is \$7,000, as determined by Scott Cornier on June 16, 2015.

Co-Chair L. Martinez asked if there was a time limit on the rehabilitation of the property, and Mr. Coleman stated that there is no strict time limit. However, he stated that as a piece of diligence, they ran the man's bank accounts to check liquidity, and he is in promising fiscal shape. Co-Chair L. Martinez reiterated the need for a time limit. Mr. Coleman was amenable to the time limit condition.

Milta Feliciano asked Mr. Coleman who the property was marketed to, and Mr. Coleman stated that it was primarily anyone on the block, with not citywide RFP.

**** CO-CHAIR E. MARTINEZ MOVED TO AMEND THE RESOLUTION TO READ**

AS FOLLOWS: “Now therefore be it resolved that provided the developer completes construction within one year of closing...”.

Co-Chair Martinez asked about the consequences of violating the year condition, and Mr. Coleman stated that there would be a reverter on the deed, so a violation would cost him the property. He stated that the year time limit was preferable over six months, as a reverter on the deed in addition to the short time period may compromise financing.

**** COUNCIL MEMBER MARELLA SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.**

**** COUNCIL MEMBER MARELLA MOVED TO APPROVE ITEM 107-14:
PROPOSED RESOLUTION CONCERNING THE DISPOSITION AND
REDEVELOPMENT OF CITY OWNED PROPERTY TO ABUTTER LOCATED
AT 138 CLIFFORD STREET AND ORDERING A PUBLIC HEARING
RELATIVE TO THE SAME AS AMENDED.**

**** COUNCIL MEMBER CASCO SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.**

**** COUNCIL MEMBER MARELLA MOVED TO ORDER A PUBLIC HEARING
ON ITEM 107-14: PROPOSED RESOLUTION CONCERNING THE
DISPOSITION AND REDEVELOPMENT OF CITY OWNED PROPERTY TO
ABUTTER LOCATED AT 138 CLIFFORD STREET AND ORDERING A
PUBLIC HEARING RELATIVE TO THE SAME AS AMENDED.**

**** CO-CHAIR E. MARTINEZ SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.**

119-14: Proposed Resolution regarding the Resilient Bridgeport Project to reduce flood risk for the most vulnerable public housing stock in the City’s South End/Black Rock Harbor Area.

Mr. Kooris stated that they had received \$10 million from HUD for coastal resilience in the South End and Black Rock Harbor, with no necessary match from the City. He stated that the funding will be used to design a floor protection system and construct a piece of it. He stated that they expect to used \$2 million on design and \$8 million on construction. He further mentioned that there was a great deal of competition for the funding in the tri-state area.

**** COUNCIL MEMBER MARELLA MOVED TO ACCEPT ITEM 119-14:
PROPOSED RESOLUTION REGARDING THE RESILIENT BRIDGEPORT
PROJECT TO REDUCE FLOOD RISK FOR THE MOST VULNERABLE
PUBLIC HOUSING STOCK IN THE CITY’S SOUTH END/BLACK ROCK
HARBOR AREA.**

**** CO-CHAIR E. MARTINEZ SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.**

Co-Chair L. Martinez asked when this item would be brought to the East End NRZ, and Mr. Kooris stated that it would likely happen during their September meeting.

120-14: Grant Agreement: re: State of Connecticut Department of Transportation for the P.T. Barnum Rail Station Conceptual Design (15%).

Mr. Kooris stated that this grant was due in large part of the efforts of one Jay Habanski. He stated that it amounts to \$2.5 million to design the Barnum Train Station, and that they also received \$275,000 from the federal government to do a feasibility study. He stated that they asked the governor for funding to get it to the construction drawing phase, and that they went through the procurement process. He further stated that they have selected a consultant, who consulted of the last three train stations built in the larger New England area (specifically Rhode Island and Connecticut).

**** COUNCIL MEMBER MARELLA MOVED TO ACCEPT ITEM 120-14: GRANT AGREEMENT: RE: STATE OF CONNECTICUT DEPARTMENT OF TRANSPORTATION FOR THE P.T. BARNUM RAIL STATION CONCEPTUAL DESIGN (15%).**

**** CO-CHAIR E. MARTINEZ SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.**

The committee resolved to return to agenda item 98-14.

98-14: Proposed Resolution authorizing an affordable Housing Tax Incentive Agreement for Crescent Crossing II, a mixed-income affordable housing development located at 252 Hallet Street with the State of Connecticut Department of Economic and Community Development (Part 2).

Mr. Coleman stated that, in reference to the uneasiness about the development, these types of agreements are done all the time, in numerous cities, not only Bridgeport. He stated that after researching online, he found the following:

1. In 2009, Stamford legislature approved tax abatement and waived 100% of taxes for 51 affordable units.
2. Edgemere in Queens approved a 40 year property tax abatement for 100 units at a rate of 100%.
3. New York City has 421A, which has no taxes for 21 years of operation and 3 years of construction.
4. West Haven approved a 7 year deal because its market rate was unaffordable.
5. In New Haven, a skyscraper asked for a 15 year freeze on a tax abatement.

6. In June 2015, Stamford approved 2 deals, one with a 100% tax abatement for 40 years for 60 units of affordable housing.

**** COUNCIL MEMBER MARELLA MOVED TO APPROVE ITEM 98-14:
PROPOSED RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING
TAX INCENTIVE AGREEMENT FOR CRESCENT CROSSING II, A MIXED-
INCOME AFFORDABLE HOUSING DEVELOPMENT LOCATED AT 252
HALLET STREET WITH THE STATE OF CONNECTICUT DEPARTMENT OF
ECONOMIC AND COMMUNITY DEVELOPMENT.**

**** CO-CHAIR MARTINEZ SECONDED THE MOTION.**

Alfredo Castillo expressed his desire for Bridgeport residents to be involved with the development of large projects.

Council Member Casco expressed concerns about taxes raising for residents, and Mr. Kooris presented evidence that this would not be the case. Council Member Casco asked where the developers are based, and it was stated that they are based out of Stamford, and the general contractor works on Seaview Avenue. Council Member Casco asked if there was anything ensuring local hiring, and Mr. Kooris stated that there are provisions in the tax incentive agreement and funding sources that prioritize local hires.

Co-Chair L. Martinez asked who is overseeing the project, and it was reported that an internal consultant would be doing so. She stated that it will be essential for them to prioritize communication with the council, and expressed her desire for local hiring to be prioritized. The General Contractor concurred with this statement, and noted that he will not know the specific numbers related to hires until they determine what services they need.

**** MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

**** COUNCIL MEMBER MARELLA MOVED TO ADJOURN.**

**** COUNCIL MEMBER MARTINEZ SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 7:50 PM.

Respectfully submitted,

Catherine Ramos
Telesco Secretarial Services