

**CITY OF BRIDGEPORT
JOINT COMMITTEE ON ECONOMIC AND COMMUNITY
DEVELOPMENT AND ENVIRONMENT
AND CONTRACTS
SPECIAL MEETING
JULY 13, 2021**

ATTENDANCE: **Contracts**
Matthew McCarthy, Co-chair
Jeanette Herron, Co-chair
Ernest Newton
Samia Suliman

ECD&E
Maria Valle, Co-chair
M. Evette Brantley, Co-chair
Scott Burns
Mary McBride-Lee
Rosalina Roman-Christy

OTHERS: Council Member(s): D. Taylor-Moye & M. Pereira;
Atty. Ronald Pacacha, City Attorney's Office; Bill Coleman, OPED
Deputy Director; Constance Vickers, Director, Legislative Affairs;
Atty. John Stafstrom, Pullman & Comley

This meeting was conducted by Zoom/Teleconference.

CALL TO ORDER

Co-chair Herron called the Joint Committee Meeting of the Economic and Community Development and Environment and Contracts to order at 6:01 p.m.

A quorum was present.

APPROVAL OF JOINT COMMITTEE MINUTES:
MAY 11, 2021 (SPECIAL MEETING)

- ** COUNCIL MEMBER NEWTON MOVED THE MINUTES OF THE MAY 11, 2021 SPECIAL MEETING.**
- ** COUNCIL MEMBER VALLE SECONDED.**
- ** THE MOTION TO APPROVE THE MINUTES OF THE MAY 11, 2021 SPECIAL MEETING AS SUBMITTED PASSED UNANIMOUSLY.**

92-20 Proposed Resolution Authorizing an Affordable Housing Tax Incentive Development Agreement for the Reads Artspace Affordable Housing Development.

Mr. Coleman said that Atty. Pacacha representing the City and Mr. Stafstrom representing the Artspace Affordable Housing Development were on the call.

Mr. Coleman displayed an aerial photograph of the area of Broad Street by John Street. He then gave a brief history of the original discussion involving a 15-year Affordable Tax Incentive on the building. All of the units in the building are affordable. The 15-year incentive ended in 2017 and since then the project has been paying their full tax amount. However, Artspace has let the City know that they have struggled to cover the taxes and they have now requested that original Tax Incentive be renewed.

Mr. Coleman then gave a summary of the discussions between OPED and Artspace. CHAFA has also been notified of this. He said that the rent would increase from \$1500/per unit to \$1700/unit.

Mr. Coleman said that there was some surface parking that Artspace pays only one dollar per space per year until sometime in the 2080's. He asked Artspace to return the surface parking to the City, but CHAFA must approve the release of the surface parking back to the City.

Council Member Newton asked if Artspace were willing to release the parcels of land back to the City. Mr. Coleman confirmed this. He added that CHAFA has been given the same information that the Council has for their review. Mr. Coleman said that he believes that CHAFA will be in favor of it because it will lend stability to the project.

Council Member Newton asked the Committee that this item be tabled until they hear from CHAFA. Mr. Coleman said that tabling the matter would be appreciated.

Atty. Stafstrom said that Artspace had been in contact with CHAFA and CHAFA appears to be willing to waive the previous parking requirement of one space for each unit.

Council Member McCarthy asked what the differential would be between the full Artspace taxes versus the tax rate with the incentive renewed.

Mr. Coleman spoke about the parking area first and displayed some photos of the underground parking area. He said that the underground lot extended about halfway under the building.

Atty. Stafstrom said that there were about 35 spaces under the building but felt that their tenants would not need more than that. Artspace is willing to yield air space over the ramp as long as they retain access to the ramp.

Atty. Pacacha, said that the two parking areas were separate parcels and did not believe that they would need to infringe on the air space over the ramp.

Mr. Coleman then displayed a spreadsheet showing the current tax rate and a projected tax rate with the tax incentive model for the units that included an escalator. Discussion followed about the details.

Council Member McCarthy said that he would be voting in favor of this project as it would bring value to the City.

Council Member Roman-Christy said that in order for Artspace to receive the tax abatement, they will yield the two parking lots with HUD's approval. Mr. Coleman confirmed this was so and said that the lots would be the City's in perpetuity until they went out on an RFP.

Council Member Roman-Christy asked where the other tenants would be parking.

Mr. Coleman said that they could park on the street, but it is his impression that not every unit equates to a car. He added that BNT had done a study that showed that each unit needs a space. There would be options, such as street parking or paying for nearby garage spaces at about \$75/month. He said that he believes that the City should start to consider permit parking.

Atty. Stafstrom said that Artspace had looked at this and many of the tenants do not have cars. However, they have considered this and have alternative plans.

Council Member Brantley said that she was pleased to hear that CHAFA was in agreement with the parking. She asked Atty. Stafstrom if there was any consideration of the homeless population.

Mr. Coleman said that if the properties come back to City control, the RFP could include some affordable housing and housing geared towards homelessness. The approach to public housing has changed and mixed income projects are now the norm.

Council Member Brantley said that it would be important to pay attention to the parking downtown, however, the downtown employees are having more of a problem finding parking lately.

Council Member Herron recognized Council Member Martinez next because Council Member Martinez had not spoken yet.

Council Member Pereira objected and claimed Council Member Martinez was not on either Committee and Council Member Pereira had been waiting to speak. Council Member Herron replied that Council Member Martinez was on Economic Development.

Council Member Martinez confirmed that she was on Economic Development and said that she was in favor of the proposal but would like to ensure that there would be units for the disabled, veterans and the homeless included in the RFP, similar to Crescent Crossing. The Council Members have no input on the selection of tenants, it is done

by the management company.

Council Member Pereira said that the City Council Committee list did not show Council Member Martinez on the Contracts Committee or the Economic Development Committee. She wished to be clear about this since she waited patiently for her turn.

Council Member Pereira said that she was very pleased that Mr. Coleman was so concerned about the developer who received a 15-year tax break at \$1,500 a unit. She said that the developer had to start drawing on his bank reserves while so many of the Bridgeport homeowners received no tax breaks. She said that a 90-year-old constituent from the 135th District called her in tears because her taxes increased by \$900 a year. She had a husband with dementia and is receiving every tax break she is eligible for but will have to choose between heating the house and paying the taxes. Council Member Pereira said that she was so glad the Council is concerned about developers while residential constituents are being driven out of their homes and out of Bridgeport.

Council Member Pereira said that Mr. Coleman had stated the development paid \$1,500 per unit for 15 years, which ended in 2017 and now 19 years later they are asking for another 15-year tax break with \$1,700 per unit. That's a \$200 increase over a 19-year period and 3% the first year would be \$51.00 per unit increase. There are only about 35 parking spaces but they want to cut a deal with the Artspace to get back the City's property to potential build 30 or 40 more units with no parking that would be connected over the air rights over the parking ramp.

Council Member Pereira reiterated that the tax break agreement expired in 2017 but noted that in order to get the tax break, all the units must be rented as affordable units. She said that it was hard to believe that all the units were being rented as affordable housing four years after the tax break expired.

Council Member Pereira made a detail about the Whereas clause where the 2019 Grand List was cited with a full tax payment of \$180,000 and asked for confirmation that Artspace received a tax reduction of \$48,864 on the new Grand List.

Mr. Coleman said that the figures were correct and that the Assessor's evaluation.

Council Member Pereira said that this agreement would give them a further tax reduction as of January 1, 2022.

Mr. Coleman said that the taxes would be reduced as outlined in the resolution.

Council Member Pereira said that the two parking lots equal a half-acre of land with no place to park. She reiterated that Mr. Coleman believed that a developer would build another 30 or 40 units with the building connected over the parking ramp for Artspace.

Mr. Coleman said that a developer could design a building in any number of ways, including parking on a platform or underneath the building. The developer might want to do two separate buildings with no connection over the parking ramp. That remains to be determined.

Mr. Coleman added that he was very bullish on downtown and the developers and mentioned several recent projects that had parking included. The key is getting the properties out into the market. When the proposals come in, they will be presented to the Council Members.

Council Member Pereira said that she would not support this item because she has several homeowners who are paying \$9,000 or \$10,000 a year in taxes while the City is giving another tax break to a development that had one for 15 years.

Council Member Pereira said that in her opinion, the City does not have an Economic Development Office, they have a Give Away Office.

Council Member Burns said that he was glad they would be able to continue to provide affordable housing and having the two parcels come for development is good.

Council Member Burns asked about the 15-year abatement, which would start January 1, 2022 and when they would start paying the abated taxes.

Council Member McBride-Lee said that there were about 10 questioned in a previous speaker's comments and she felt like they were in a court of law.

Council Member McBride-Lee asked how they select tenants and wished to know if the Council would have any input on the tenants. She wanted to make sure there was equal opportunity for all.

Mr. Coleman said that the compliance aspect of these types of projects is strict and there are regular reports from the developments to CHAFA.

Atty. Stafstrom said that those projects that are financed through CHAFA require the annual reports for recruiting new tenants, provide a rent roll and the income to CHAFA.

Council Member McBride-Lee asked how one would access the process, so the tenants all have equal opportunity.

Mr. Coleman said that the Fair Housing laws have been there, but he would reach out to some developers about

Council Member Herron said that the constituents should be calling their Council Members and those residents who are over 65 should be contacting the Tax Collector's Office for a reduction. There are two Council Members from the 135th that should have been told about this situation.

Council Member Taylor-Moye said that the City needs these developers and this same process takes place across the country. It is a give and a take and this looks like a win/win situation. She thanked all those who had answered questions and said that they were doing a great job. It is important to understand affordable housing.

Council Member Newton said that if Bridgeport did not give tax breaks, they would really have a problem. However, tax breaks are not bad words. He reminded everyone that recently the mill rate had been cut significantly. Tax breaks are tools that the City uses to attract people to move into the City. He said that he would support this and hoped that his colleagues would support it.

Council Member Roman-Christy said that the Artspace was one of the first projects that off-set all the other downtown development. She said that she was in favor of this project even though they would be giving a tax abatement in lieu of the parking lots.

She asked if the units would be assessed at \$1,700. Mr. Coleman said that it was per unit and the payment would lock in at \$1,700 per unit, regardless of the number of bedrooms. The proposal was for 15 years and would escalate at 3% a year.

Council Member Roman-Christy said that she would be supporting this project.

Council Member Martinez said that she would be communicating with Council President Nieves to confirm that she was restored to her previous Committees prior to Council Member Martinez stepping aside. When it came time to resume her appointments, she was on Economic Development, Co-chair of Ordinance and also on Public Safety and Transportation. She said that she did not need another elected official telling her what her Committee assignments are. The Council Members are not attorneys, teachers or attendants or bookkeepers. They are elected officials. Council Member Martinez said that she would be following up on this, Council President Nieves will need to correct any errors on the City's list.

Council Member Pereira said that there were many discussions about the affordable housing. Council Member Herron requested Council Member Pereira to ask a question. Council Member Pereira replied that she had the right to speak.

Council Member Pereira said that there were over 1,000 public housing units that were decommissioned. She added that Mr. Coleman had stated that people could rent spaces in local garages and wished to know how they would pay for off street parking if they were in affordable housing.

Mr. Coleman said that the current numbers shows that Artspace was able to manage the parking with the space they have. There are other options that Artspace will have to discuss with their tenants.

Council Member Pereira said that the new developments could be up to 30-40 units and the visitors would have to find parking, which would make parking more difficult.

Mr. Coleman said that there was a development on Main and the developer decided to provide parking on a platform underneath the building. The developers know they have to factor in parking and they do so.

Council Member McCarthy said that he was downtown almost every day and saw parking spaces available. He said that the comment regarding the “massive” tax break was not accurate. He pointed out that currently, the City was not receiving any taxes on the two parking lots. Mr. Coleman confirmed this was so. Council Member McCarthy if the City received the parcels back, they would receive taxes from the new development. Mr. Coleman said that it would depend on the project, but the building fees alone would be \$100,000 and depending on the building would generate more taxes.

Council Member Herron said that Council Member Suliman was calling in from another country.

Council Member Herron said that in cities all over the country, people pay for parking. The Artspace has tenants who are low income and this allows them to survive and continue to live there. This project has been here for years.

Council Member Herron said that as a transplant, she feels she knows more about the history of the developments. She said that the Council does not want to give 30 or 40-year tax breaks. She commended Mr. Coleman on this proposal for regaining control of the two surface lots. With all the growth, Bridgeport was not prepared, and there will be people getting tickets. She added that Mr. Coleman may be correct about having the Council consider permit parking.

While the mill rate went down, some residents found their tax bills increased. She thanked Mr. Coleman, Atty. Pacacha and Atty. Stafstrom for all the information.

Council Member Newton said that after Council Member Brantley spoke before moving to table.

Council Member Brantley said that affordable housing was needed throughout the city and the nation. Affordable housing is important. There had never been an issue with parking in the past. Affordable housing reduces the homelessness in the City. She encouraged her fellow Council Members to support this.

Council Member Newton asked if CHAFA was in support of the proposal. Atty. Stafstrom said that based on recent conversations, he believes that CHAFA would be supportive.

Council Member Newton suggested that they approve this item. Mr. Coleman said that he wished to err on the side of caution in case there was a technical problem.

**** COUNCIL MEMBER NEWTON MOVED TO TABLE AGENDA ITEM 92-20 PROPOSED RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING TAX INCENTIVE DEVELOPMENT AGREEMENT FOR THE READS ARTSPACE AFFORDABLE HOUSING DEVELOPMENT PENDING A DECISION FROM CHAFA
** COUNCIL MEMBER BRANTLEY SECONDED.
** THE MOTION PASSED UNANIMOUSLY.**

ADJOURMENT

**** COUNCIL MEMBER BRANTLEY MOVED TO ADJOURN.
** COUNCIL MEMBER NEWTON SECONDED.
* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:25 p.m.

Respectfully submitted,

Telesco Secretarial Services