

SUPPLEMENTAL AGENDA
MEETING OF THE COURT OF COMMON COUNCIL
OCTOBER 15, 2019

ACTION TAKEN

COMMUNICATION

30. MAYOR BRONIN, with accompanying resolution authorizing the City of Hartford to enter into a 15-year tax abatement agreement with Westbrook II Housing, LLC for rental housing units to be developed at 144 Mark Twain Drive, officially known as 1550 Albany Ave, Hartford, CT 06112.

Attest: John V. Bazzano
City Clerk



ITEM# 30 ON AGENDA

Luke A. Bronin
Mayor

October 15, 2019

Honorable Gwendolyn L.H. Thames, Council President, and
Members of the Court of Common Council
City of Hartford
550 Main Street
Hartford, CT 06103

RE: Westbrook II Housing, LLC Tax Abatement

Dear Council President Thames,

Attached for your consideration is a resolution authorizing the City of Hartford to enter into a tax abatement agreement with Westbrook II Housing, LLC for rental housing units to be developed at 144 Mark Twain Drive, officially known as 1550 Albany Ave, Hartford, CT 06112.

Westbrook II Housing, LLC has entered into a Ground Lease for no fewer than 65-years with the Housing Authority of the City of Hartford (HACH) for redevelopment of a 5.14-acre parcel of the 39.5-acre site currently known as Westbrook Village. Upon completion, Westbrook Housing, Phase II will consist of 60 rental apartments, including 45 affordable units and 15 market rate units, made up of one, two, and three-bedroom units. Approximately 10% the affordable units will be reserved as permanent supportive services units and Phase II will also benefit from a playground and resident meeting space developed as part of Phase I.

Westbrook II Housing, LLC has committed to set aside 15% of the total construction project cost for certified Minority & Women Business Enterprises, assures that no less than 15% of total project work hours by trade will be worked by minority and/or women trade workers and further assures that no less than 30% of total project work hours will be worked by Hartford residents.

The 15 market rate units are excluded from the abatement described in the resolution and will be subject to full taxes. This parcel does not and has not generated tax revenue for many years as a result of a Cooperation Agreement between the City of Hartford and the Housing Authority of the City of Hartford. The new development and the abatement are a chance for the City to grow the Grand List while providing this important neighborhood project with the financial stability it needs to operate the affordable housing units.

The Tax Abatement Committee approved these abatement terms at their meeting of September 25, 2019.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Luke A. Bronin", is written over a horizontal line.

Luke A. Bronin
Mayor

550 Main Street
Hartford, Connecticut 06103
Telephone (860) 757-9500
Facsimile (860) 722-6606

INTRODUCED BY:
Luke A. Bronin, Mayor

COURT OF COMMON COUNCIL
City of Hartford, October 15, 2019

WHEREAS, Westbrook Housing Phase II, is a proposed 5.14 -acre development which will include a total of 60 units consisting of 45 affordable residential units and 15 market rate residential units on a parcel land located at 144 Mark Twain Drive, officially known as 1550 Albany Avenue, (the "Property"), owned by the Housing Authority of the City of Hartford (HACH) and proposed by Penrose, LLC. Westbrook II Housing, LLC will lease the land from the HACH for a term of 65 years. Construction is to commence in the year 2020.

WHEREAS, Westbrook II Housing, LLC, has submitted an application for a new tax abatement which documents the need for tax relief and the Tax Abatement Committee has recommended such an agreement, now, therefore, be it

RESOLVED, That the Mayor is hereby authorized to enter into a Tax Abatement Agreement with Westbrook II Housing, LLC for the Property, subject to the following conditions:

1. The term of the Agreement shall not exceed Fifteen (15) years from the date on which the first temporary certificate of occupancy (TCO) or permanent certificate of occupancy (CO) whichever is earlier issued on the property.
2. Developer will pay prorated real estate tax on any improvements that receives TCO or CO for the fiscal year such is issued during the construction phase.
3. Developer will pay taxes according to the following for the 45 affordable units:

- **Year 1-15** Eight Hundred Dollars (\$800.00) per unit, per year for a total of \$36,000.00 per year. After year 4, the unabated taxes shall be subject to a 2% increase per unit per year in each year the city upwardly adjusts the Grand Levy (e.g., the amount of revenue raised by property taxes in a fiscal year), with the 2% increases being effective July 1st of each year as applicable. Years 8-15 increases in the unabated taxes due to an increase in the Grand Levy will become permanent and accumulative.

4. During the term of the abatement, all 45 units are to remain affordable as prescribed by the Low Income Housing Tax Credit Program. In the absence of a Deed or Mortgage Instrument defining affordability, the City of Hartford will determine affordability utilizing an established, transparent methodology
5. Owner shall comply with all applicable laws, regulations, ordinances and codes of the United States, the State of Connecticut and the City of Hartford in the operation and management of the Premises.
6. The tax abatement agreement shall be non-assignable, non-transferable without written consent of the Mayor of the City of Hartford.

(Remainder of the page intentionally left blank)

7. Notwithstanding anything to the contrary in this Agreement, City agrees that this Agreement shall automatically transfer and inure to the benefit of any party succeeding to the interest of the Owner under this Agreement. as a result of a foreclosure of a mortgage encumbering the Property or a transfer in lieu of foreclosure or realizing on a pledge or security interest of the equity interests in such Owner (including, without limitation, replacement of the managing member of such Owner), and if such transferee is a bank or other financial institution, such rights shall automatically transfer and inure to the benefit of any party immediately succeeding to the interest of such bank or other financial institution.
8. Upon any future sale or refinance, during the term of the abatement payment shall be made to the City of 10% of the net sales proceeds, or equity recapture, not to exceed the total of abated taxes.
9. During construction, Developer will comply with Article XII, Section 2-680 of the Hartford Municipal Code, Hartford Affirmative Action Plan / Equal Employment Opportunity which requires developer to set aside 15% of the total construction project cost for certified Minority & Women Business Enterprises, assure no less than 15% of total project work hours by trade will be worked by minority and or women trade workers, no less than 30% if total project work hours to be worked by Hartford Residents.
10. In the case of default, the City of Hartford shall retain the right to cancel the agreement and its remedy may include the payment of abated taxes.

RESOLVED, That the Mayor is authorized to execute any and all manner of other documents and to take such other actions as he and the Corporation Counsel may deem appropriate and in the best interest of the City in order to effectuate the above transition, and be it further

RESOLVED, That no person or entity shall be entitled to rely on, or otherwise claim any benefit by reason of this resolution should the Mayor fail to execute the aforementioned agreement or other documents, or to take any of the aforesaid actions, and be it further

RESOLVED, That all approvals and authorizations provided hereby are contingent upon and only shall be effective on and by means of, the parties executing such documents, and taking such actions, all of which shall be, in form and substance, acceptable to the Mayor and the Corporation Counsel.