

**Town of Montville Town Council
Special Meeting Minutes
Wednesday, January 25, 2012
7:00 p.m. – Town Council Chambers – Town Hall**

1. Call to Order

Chairperson Buebendorf called the special meeting to order at 7:00 p.m. after establishing a quorum.

2. Pledge of Allegiance followed by a moment of silence in honor of our military.

3. Roll Call

Present were Councilors Caron, Jones, Longton, McFee, Murphy and Buebendorf. Absent was Councilor Tanner. Also present was Mayor McDaniel.

4. Special Recognitions/Presentations

- a. A presentation by Al Ippolito and Julie Savin of New Horizons Neighborhood regarding a proposed affordable housing project in the Town of Montville.

Motion made by Councilor Longton, seconded by Councilor Jones. Discussion, Mr. Alphonse Ippolito Attorney at Law from the law firm of Fasano, Ippolito and Lee, LLC, distributed documentation regarding the proposal for the affordable housing tax credits for the Council to review. He is requesting a partnership with the Town and requesting tax relief in the first five years of the project to offset starting costs of the construction of the building. He reviewed the information he distributed to the Council, including the statutory authority to provide property tax credits for affordable housing, the phased in tax plan that includes a five year phase in proposal, the amount of taxes that will be paid during the first full five years, infrastructure limitations, a proposed ordinance for the tax credit requested and drafted by Mr. Ippolito, the authority of the Tax Collector to give the tax credits to a specific property and the deed restrictions required by Statute, the schedule of the tax credits requested from the Town for the project, and the formal legal description of the property. He discussed the obligation of the town to provide affordable housing and a letter from the Town Planner supporting the location of the proposal. He stated if the town grants this request the project will be allowed to apply for more funding than they would if they do not.

Ms. Julie Savin, Director of Real Estate Development, Southeast Region, Neighbor Works, New Horizons discussed the company qualifications and how they provide and offer help to residents in the community. She discussed how the development will be a part of the community and listed and reviewed the numerous developments she has been involved it throughout Connecticut. She discussed her qualifications and how they will benefit this project as well as the community. She discussed the tax program and the construction time line for the project, management costs, and rental criteria. She indicated the company is a non-profit but does pay taxes in the State of Connecticut. She justified asking the Town for the tax relief stating the bank would be willing to lend larger amounts of money to be used toward solar panels and a recreation room. She discussed possible grants that are available and discussed keeping expenses are under control for the first years of the project.

Councilor McFee inquired regarding prices of the rental units and Ms. Savin stated the rents are never adjusted to more than thirty percent of a family's income including the utilities for the unit.

She discussed the occupancy restrictions of the units by the size of the units. Councilor McFee expressed concern regarding affordable housing because there are many foreclosed housing units already in the town and he is concerned the affordable housing proposal will bring the value of the current properties down and could possibly take potential home buyers away from the current market. Ms. Savin stated the people who rent the units are not in the market to purchase a home and would not be potential buyers for the foreclosed homes.

Councilor Jones inquired regarding the fair market value of the units and Ms. Savin stated the one bedroom units are approximately nine hundred forty dollars per unit, a two bedroom unit leases for one thousand one hundred and forty five dollars and a three bedroom unit rents for one thousand four hundred and one dollars. Councilor Jones inquired if HUD has committed to a mortgage for the one hundred and twenty unit proposal and inquired regarding the target population for the development. Ms. Savin stated the rental units are for those who earn a living in the local community, they are local professionals, empty nesters and low income earning individuals who are employed. She discussed funding for the project and the various sources of income for the project and methods to offset start up costs including grants. The entire project will be approximately sixteen million dollars, it is an energy star energy saving complex and she is hoping to get a nine million dollar loan to start the project and discussed how the seven million dollar gap will come through various grants, lenders and contributions. She discussed the gap in the funding and how to best fill this gap. She discussed the cash flow analysis for twenty years and stated the first five years are the toughest to get through and would appreciate any help the town can offer.

Councilor Murphy inquired regarding the impact the development will have on the school system. Ms. Savin stated there are studies available comparing the number of children per unit depending on the size of the unit. A discussion was held regarding how the residents of the units are selected and screened. Councilor Murphy inquired regarding the costs for the site work and the amount of ledge on the property that could raise costs. He discussed the tax loss to the town if the tax credits are given toward the project.

A discussion was held regarding the number of children to potentially enter the school system as a result of the one hundred and twenty unit apartment building and the impact it could have to the school system.

Councilor McFee asked if the tax credits are denied if the project will still go forward and Ms. Savin stated this decision would depend on the lenders.

Mayor McDaniel inquired regarding the ownership of the property and Ms. Savin listed those with ownership interest in the proposal.

Ms. Savin stated this job will help the local economy because they will go out to bid for all the work to be done at the site.

Councilor Longton asked for clarification regarding a percentage of people that will move into the units that are currently living in the Town of Montville. Ms. Savin stated she will send this information to the Council as she does not have the information with her but she does not anticipate a substantial increase in students into the school system.

Mayor McDaniel stated the issue of tax credits was not brought up during the Planning & Zoning process and only came up after the project was approved by the Planning & Zoning Commission. Ms. Savin stated the project was first discussed six years ago as a condominium project and has since evolved into an affordable housing unit and they recently discovered the tax credit may be

a requirement to move forward with the project. Mayor McDaniel stated the Town of Montville has never given any project a tax credit.

Councilor Caron stated he is not in favor of giving a tax credit for this project and he will not vote in favor of granting the tax credit because he feels he could not look at the tax payers in the eye and tell them this would be in the best interest of the town and the taxpayers to do so.

Councilor Jones stated she is in favor of the project but not in favor of granting the tax credit and encouraged them to look for alternative ways to fill the gap in the funding that does not include a tax credit from the town.

5. Remarks from the public relating to matters on the agenda with a three minute limit.

Mr. Wills Pike, 71 Pheasant Run, Oakdale, stated the presentation was ill prepared and the language was not clear as to what the company is requesting. He stated affordable housing should not be forced on the Town of Montville and there are many issues that need to be addressed prior to accepting the proposal. He stated the town is not in a position to entertain the proposal at this time and he is not in favor of giving out tax credits. He stated the town must look at the checks and balancing and there are too many things that are unclear about the project at this time. He stated he checked with Planning & Zoning and was told that this project was not approved by the Planning & Zoning Commission as indicated during the presentation.

6. New Business

a. To consider and act on a motion to introduce the ordinance titled “AN ORDINANCE REGARDING PROPERTY TAX CREDITS FOR AFFORDABLE HOUSING DEED RESTRICTIONS FOR REAL PROPERTY LOCATED AT 1710 & 1856 NORWICH-NEW LONDON TURNPIKE (CONNECTICUT ROUTE 32, ASSESSORS MAP 94, LOT 29) MONTVILLE, CONNECTICUT” and to set the date of Monday, February 13, 2012 at 6:30 p.m. in the Town Council Chambers at the Town of Montville Town Hall for a public hearing regarding these matters. (Councilor Buebendorf)

Motion made by Councilor Longton. There was no second to the motion.

b. To consider and act on a motion to introduce the ordinance titled “ORDINANCE AMENDING CHAPTER 130 ORDINANCE 2002-02 VOTING DISTRICTS” and to set the date of Monday, February 13, 2012 at 6:45 p.m. in the Town Council Chambers at the Town of Montville Town Hall for a public hearing regarding these matters. (Councilor Buebendorf)

Motion made by Councilor Jones, seconded by Councilor Caron, Discussion, Mayor McDaniel stated Ms. Mary Clark Wilson from the Registrars office will attend the public hearing to explain how the redistricting will impact the voting districts. He stated everyone impacted will receive a letter and he would like to get the letters out to the residents as soon as possible. He urged the Council to move this to public hearing. Roll call vote, 6-0, voting in favor were Councilors Caron, Jones, Longton, McFee, Murphy, and Buebendorf, voting in opposition, none, motion carried.

7. Remarks from the Public

8. Remarks from the Councilors

Councilor Jones stated she supports the affordable housing project but does not support the tax credits requested and hopes they find additional funding for the project from an alternative source.

Councilor McFee stated he does not support the tax credits requested.

Councilor Murphy stated he has additional questions for the affordable housing project in the future and stated there are too many variables that were not answered during this meeting that should be addressed. He stated he is not comfortable with the tax credits at this time but agrees the affordable housing option is needed in town but expressed concerned regarding the number of children the housing unit will add to the school system.

Chairperson Buebendorf stated she supports the affordable housing project and believes it is necessary for the town but she does not support a tax credit and cannot in good conscience vote in favor of the tax credit and she wished them luck in finding alternative funding for the project.

9. Adjournment

Motion made by Councilor Longton, seconded by Councilor Caron to adjourn the meeting at 8:18 p.m. Discussion, none, voice vote, 6-0, all in favor, motion carried.

Respectfully Submitted by:

Audrey Ulmer, Recording Secretary for the Town of Montville