

10 Liberty Project

EXHIBIT 1

Project Summary Response

The 10 Liberty Project (the “Project”) is an 100% affordable housing development (the “Project”) and a transit oriented development (“TOD”) to be constructed in the Hill neighborhood of New Haven within walking distance to Union Station, downtown New Haven and the Medical District. The new five-story building will replace a former industrial complex that is currently vacant and dilapidated. When completed, the Project will provide 150 affordable apartments with tenant amenities, such as a gym and co-working spaces. Apartment sizes will vary from efficiencies to three-bedroom units, with many apartments enjoying views of Long Island Sound and downtown New Haven. Occupancy of the Project will be limited to tenants whose incomes range from 30% to 80% of the Area Median Income (“AMI”), with the average AMI calculated at approximately 60% of AMI.

Existing Conditions



Current view of 10 Liberty Street from the corner of Liberty and Spring Streets. View is looking west along Liberty Street

10 Liberty Street a/k/a 45 Spring Street (the “Site”) is 1.71 acres and currently includes four vacant, conjoined and dilapidated industrial buildings that were built between 1919-1930 as well as a surface parking lot. The buildings were formerly occupied by Electrix Lighting Company, a lighting design and manufacturing company, which was located at the Site for almost four decades until the Company vacated the premises at the end of December in 2020. The State Historic Preservation Office has reviewed the Project and determined that because the buildings have experienced “excessive alterations over time”, they “no longer possess sufficient historic integrity to be considered eligible for either the State or National Register”, and therefore, the Project, which involves the demolition of the buildings, will not affect any “historic properties.” (See Exhibit 18).

Project Description

The Project includes the demolition of the existing deteriorating industrial buildings and the construction of a five-story 150-unit apartment building (the “Building”). The square footage of the Building will be approximately 150,000 sf. There will be 136 at-grade parking spaces and bike storage for at least 45 bikes. The first floor of the Building will include a lobby and amenity spaces, including a coworking space and a gym as well as package, utility, trash/recycling rooms. The façade design of the Building, including its windows and site signage, is inspired by the Site’s industrial history, while respecting its context, as the Site is bounded by both commercial and residential uses.

Sitework includes a new stormwater retention system that involves the installation of four new bioswales, construction of new curbs and sidewalks along Spring, Liberty, and Putnam Streets, installation of 24 new street trees, and new lighting. Sustainable measures for the Building include, in addition to the bioswales, an all-electric HVAC system and solar panels.

Site Plan approval was granted by the New Haven City Plan Commission approval on February 16, 2022 (Exhibit 18). Additionally, the Office of State Traffic Administration (“OSTA”) issued an Administrative Decision letter confirming that the traffic that will be generated by the Project will not require any improvements to the adjacent roadways. (Exhibit 18). In addition, environmental remediation was undertaken by the current property owner in accordance with the Connecticut Transfer Act, which remediation permits residential development. A No Audit Letter was received from the Connecticut Department of Energy and Environmental Protection (“DEEP”) in December 2021. In connection with the Project, the City was recently awarded a \$995,600 Brownfields grant from the Connecticut Department of Community and Economic Development (“DECD”) to abate and demolish the buildings currently located on the Site, which work the Applicant will undertake (see Exhibit 7).

The Project is a Transit Oriented Development (“TOD”). Bounded by Putnam, Liberty and Spring Streets, the Site is proximate to multiple modes of transportation. A local bus stop is located adjacent to the Site at the corner of Liberty and Spring Streets, and the Site is two blocks (0.3 mile) from New Haven’s Union Station Transportation hub (Metro North commuter rail, Amtrak Northeast Corridor, public and regional bus service, the free Downtown shuttle, and the Yale Shuttle). The Site is also within .8 miles of Exit 46 off of I-95. The Site is walkable and within biking distance of downtown New Haven and its array of employers. Situated 0.5 mile from the corner of Cedar Street and Congress Avenue, the Site is within close proximity to the center of the Medical District, which includes Yale-New Haven Hospital (YNHH), Yale’s Medical school and other Yale-affiliated lab, clinical, academic, and administrative spaces. In addition, the Site is proximate to the 101 College Street and 100 College Street bioscience lab and office buildings and to the Ancora bioscience building to be constructed on the former Coliseum site. The Site is also located one block away (.1 mile) from the City of New Haven Bike Network on Church Street South.

As described above, the Project will be 100% affordable. It is one of very few new 100% affordable housing development expected to be developed in the City. Despite the dramatic expansion of employment opportunities in the Biosciences/Medical District and adjacent area of downtown New

Haven, comparatively few housing units have been constructed in the area. Newer residential projects offer predominantly luxury market rate units. In New Haven, about 57% of renter households and 26.6% of the owner households earn less than 50% of the AMI, totaling 23,859 households. These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income. A recent market study completed by the real estate firm CBRE estimated that the demand for income-restricted affordable housing within the City of New Haven totals almost 27,000 units. There are currently only 3,600 such units. Existing units are fully leased with extensive waiting lists. The Project will help fill this greatly necessary need. It is located within a HUD Qualified Census Tract (140300), which as of the 2021 ACS five-year estimates, was characterized by a 35.7% poverty rate and a median household income of \$50,000. The Census Tract is in an Urbanized Area, a Qualified Opportunity Zone and is within the City's Enterprise Zone.

The Project's expected target population includes low and moderate-income tenants seeking improved quality of affordable housing and access to employment opportunities in the expanding Medical District and in other locations readily accessible from the Site's multi-modal TOD connectivity. As stated above, the average AMI of the families living in the Building will be 60%, with all of the unit sizes being made available to families earning 30% AMI or lower. The finishes in all of the units will be of the same quality, and families with differing income levels will be disbursed throughout the Project. The Project will have income deed restrictions (approximately 30 years) in accordance with the requirements of its funding sources.

Funding for the Project

Total construction costs are estimated to exceed \$60 million, as certified by the architect, and contained in the attached Exhibit 15 Funding will be provided from a variety of governmental and private sources. The sources include tax-exempt and taxable bonds for which Applicant has submitted a Consolidated Application to the Connecticut Housing Finance Authority ("CHFA"); proceeds from the sale of 4% Low-Income Housing Tax Credits, a CHFA Opportunity Fund grant; and a Connecticut Department of Housing (DOH) loan. In addition, Applicant has submitted an application to the City of New Haven's Livable City Initiative Department for funding. Further, the City has been awarded a municipality grant from DECD of \$995,600 under the Brownfields Program for the Project for abatement and demolition of the current buildings on the Site. To assist in the funding for the Project, the Applicant will also defer a portion of its entitled development fees. See Exhibit 7 for Commitment Letters which includes the DECD Notice of Award.

However, the above potential sources, as well as the overall financial feasibility of the Project, is contingent upon a tax abatement. The Applicant is thus seeking under the LISHTA program a freeze on the assessment of the Site for two years and a subsequent tax abatement for the next 15 years of \$400/unit with a 3% escalator after the first year of the abatement. This abatement is comparable to other abatements granted by the Board of Alders and would enable the Project to move forward to secure funding in order to construct 150 sorely needed affordable housing units in an ideal location in the City.

About the Development Team

Jon Cortell, Principal of Cortell Development Group LLC (“CDG”) and Strategic Partner for Acquisitions and Investment at LMXD Management LLC (“LMXD”), an affiliate of L+M Development Partners LLC (“L&M”), will serve as the project executive on behalf of the Applicant, 10 Liberty Owners LLC, to redevelop the Site. In addition to integrating a tax credit investor into 10 Liberty Owners LLC, CDG expects to partner with either an affiliate of L&M or WBP Development LLC, with whom it has worked previously. Mr. Cortell has had extensive experience in developing affordable housing projects in New Jersey, NY and Washington, DC. His experience includes:



- 20 Littleton, a \$42 million, 78-unit mixed-use ground up development in Newark, NJ, which broke ground in March 2022 and is now completed and leased. In addition to units that serve low- and moderate-income households as well as supportive housing for formerly homeless individuals and families, 20 Littleton includes an open access health center on the ground floor that will be operated by the University Hospital, an independent, state-owned teaching hospital and anchor institution in Newark.



- 50 & 55 South Essex Avenue is a mixed-use, mixed-income development completed in 2014 and comprised of 72 high-quality and attractive rental apartments as well as nearly 10,000 square feet of ground floor retail, including a day care and a craft brewery, located on two lots adjacent to the main train station in the City of Orange Township in New Jersey. This property has helped to spur development at the station and is a model for underutilized transit resources in other communities.



- CDG, in partnership with Sackman Enterprises, a national development concern, is developing 101 units at 1012 Asbury Avenue, which will include no fewer than 40 affordable apartments. As Asbury Park continues to flourish, this project will leverage New Jersey subsidies to deliver a mixed income, mixed use project on a major roadway for entering downtown and on a site that is an easy walk to the City's transit center. Projected completion is Spring 2027.

Conclusion

The Applicant thanks the LISHTA subcommittee, the Tax Abatement Committee and the Board of Alders for their thoughtful consideration of this Application which will provide badly needed affordable housing for New Haven residents.