

Common Ground's Redevelopment of the Main Street Hotels:
Frequently Asked Questions
June 2004

▪ **What is the Proposed Program for the Seth Chauncey and Nathan Hale Buildings?**

Common Ground proposes to rehabilitate the former Hotel Hooker, now known as the Seth Chauncey, and the adjoining Nathan Hale Hotel, from transient housing into no more than 100 units of permanent mixed income housing for working people and the former tenants of the Seth Chauncey Hotel and YMCA. The redevelopment will feature over 3,200 square feet of ground floor retail space.

One-half of the units would be reserved for those currently living in the Hotel and half for working people of limited means, including artists, entry-level workers, and others interested in living close to downtown businesses. To be eligible, prospective tenants must have incomes below 50% of the area median income, which is \$25,850 as determined by HUD for single adults in 2004.¹ Marketing for these apartments will be focused on Willimantic residents and major employers in the area, including UCONN, ECSU and the casinos.

Common Ground took over the management of the Hotel and YMCA on May 4, 2004. Both buildings were acquired that day by the Connecticut Housing Finance Authority. Common Ground will move the tenants from the YMCA into the Seth Chauncey as units are renovated there, making the YMCA building available for commercial development.

Common Ground proposes two development strategies for the Seth Chauncey and Nathan Hale Hotels. In "Scheme A" we plan to renovate both buildings. Within the scope of "Scheme B" Common Ground would rehabilitate the Nathan Hale and demolish and rebuild the Seth Chauncey. Under both plans, the Nathan Hale will be rehabilitated first to enable current residents of the Seth Chauncey to relocate there while that building is either renovated or demolished and rebuilt. will be placed in the Nathan Hale for temporary housing.

▪ **Will the Project Require Zoning Relief?**

Current zoning regulations required 2.5 parking spaces per unit which is excessive for a supportive housing project. Other supportive housing buildings in Connecticut have found that tenants typically do not own cars and therefore do not require parking to be made available. However, we will be able to provide 14 parking slips that can be used for staff and visitor parking.

▪ **How will you Finance the Project?**

Full plans and cost estimates have not yet been developed. Based on the average costs of other supportive housing buildings in the State, which have ranged from

¹ http://www.chfa.org/TaxCredits/multifamily_IncomeLimits.asp

\$120,000- 190,000 per unit, our development budget assumes a total development cost of \$16,000,000. An exact development budget will be developed once architectural plans are finalized, and a decision is made between Plan A (restoration of both buildings) and Plan B (restoration of the Nathan Hale and demolition and reconstruction of the Seth Chauncey). The project will be financed through CHFA's Supportive Housing Pilots Initiative, (The PILOTS program is a special set-aside of credits and debt for supportive housing) which includes the following sources of financing:

- Low Income Housing Tax Credit program
- HOME financing
- CHFA low-interest debt financing

In addition, we will pursue the Federal Home Loan Bank's Affordable Housing Program fund for additional program capital.

Our social services will be financed through the State Department of Mental Health and Addiction Services. Operating funding for the very low-income tenants will be provided by the Department of Social Services in the form of Section 8 subsidies.

▪ **Will you Pay Taxes?**

Yes. Our research of other comparable supportive housing projects in the state indicates that this type of permanent housing pays from \$300 to \$550 per unit per year in taxes. Based on our current financing plan, our proposal is to pay approximately \$500 per unit per year, which would yield \$50,000 in annual taxes. Please note that if the project scale were to diminish, the tax yield would diminish corresponding to the number of units developed.

Currently, the Seth Chauncey pays \$17,000 per year in taxes and the Nathan Hale pays only a nominal amount under the ECSU PILOT. Based on the assessed value and current mil rate, the Nathan Hale would generate \$27,000 in annual tax revenue.

▪ **What will you do if you have Disruptive Tenants?**

Using aggressive property management and talented service providers, we will intervene appropriately. If the problem is not corrected after reasonable efforts, the tenant will be evicted. Our experience is that this step is rarely necessary if appropriate services are provided.

▪ **What Types of Retail Businesses are Contemplated?**

CG will seek to attract businesses to stimulate downtown development. Our focus will be on recruiting retail tenants who will draw students, town residents, those from the surrounding area and visitors to Main Street. We are organizing a series of focus groups with ECSU students and discussions with local business operators and economic development officials to identify specific retail needs/opportunities to pursue.

▪ **How will Common Ground Manage the Buildings on a Daily Basis?**

Karen Kucher, an experienced and certified property manager with an extensive social service background, began as the on site Property Manager. Karen quickly made modest quality of life improvements as well as upgrade the fire safety features of the building. She has also engaged off duty Willimantic Police to provide front desk and security coverage in the building for weekends and holidays.

We have hired Russell Bonner as a Maintenance Superintendent. Mr. Bonner is a seasoned veteran in affordable housing property maintenance and will become full-time no later than June 30, 2004.

Common Ground has also engaged Suzanne Andrews, a local resident, as the social work coordinator for the project. She will be responsible for coordinating and implementing all social, psychological, self-help and recreational programs to enhance the quality of life of the residents.

▪ **What are the Resident House Rules?**

Tenants are expected to be courteous and respectful of others at all times. Loud and disruptive behavior will not be tolerated. Furthermore, tenants may not loiter outside of the building. Public intoxication, drug use and other illegal activities are strictly forbidden. They are required to be good neighbors and to pay their rent on time. If they fail to meet these standards, property management will intervene and aggressively pursue the appropriate course of action as necessary, including eviction and referral to other housing.

▪ **How will Common Ground Work With and Inform the Community of its Plans?**

We continue to meet with local officials, businesses, community groups and concerned citizens in an ongoing effort to familiarize Willimantic residents with the vision for the buildings and our organization.

We have established a Community Advisory Board of 18 local residents representing various perspectives, which will meet monthly. In addition, Town Officials will organize periodic Community Meetings on the project. The next community meeting will be held on June 30th at 7 p.m. at the Windham Middle School auditorium.

Karen Kutcher and other CG staff are available at the building to discuss the management of the property. If you have questions regarding the plan or any development issues, please call Michael Skrebutenas at 203-773-1700 or Alana Smith-Trani at 203-773-1708.