FIFTEEN ROPE FERRY ROAD

WATERFORD, CT 06385-2886

DEPARTMENT OF PLANNING AND DEVELOPMENT

MEMORANDUM

TO: Planning and Zoning Commission

FROM: Mark Wujtewicz, Planner

DATE: July 23, 2024

TITLE: Waterford Central & Waterford Woods
61 Myrock Avenue & 394 Willetts Avenue Extension
Workforce Housing

EXECUTIVE SUMMARY

The Developers/Owners of Waterford Woods and Waterford Central MultiFamily Projects have entered into a memorandum of Agreement with the Connecticut Housing Finance Authority and the CT Department of Housing to acquire funding for Workforce Housing through the Build for CT program. The developer/owner, in return for the funding is required to designate and maintain 44 residential units of the 216 total units at the Waterford Central multifamily project for Middle Income residents.

DISCUSSION

The Waterford Woods Phase I project at 384 Willetts Avenue Extension was previously approved by the Commission through application #PL-21-1. The applicant voluntarily designated 10 of the 98 units proposed as affordable. Subsequent to Waterford Woods Phase I, the Waterford Central multifamily project was approved by the Commission through Application #PL-23-9. The same developer as Waterford Woods Phase I voluntarily designated 18 of the 216 units proposed as affordable to those earning 80% of the maximum medium income threshold. These unit designations are stated in the minutes of the Commission for each respective application.

The Memorandum of Agreement states that a total of 44 units in the Waterford Central Multifamily project will be designated as affordable to Middle Income applicants with 4 units at 60% AMI and 40 Units at 80% AMI. The developer proposes to increase the initial number of designated units for Waterford Central from 18 to 34 and to reallocate the 10 designated units that were proposed for Waterford Woods Phase I to Waterford Central. This will result in a combined total of 44 designated units of the 216 approved. The developer has provided a plan to transition the existing 10 designated units located within the Waterford Woods Phase I Development to the Waterford Central Development (Waterford Woods Phase 3). All of the 44 designated workforce housing units will be distributed among the 6 buildings in the Waterford Woods Development Phase 3.
There are no changes to the previously approved site plans and all conditions will remain as approved.

The request before the Commission is to acknowledge the voluntary designation of affordable restrictive units associated with the previous site plan approvals, PL-21-1 and PL-23-9 and to support the increase in the number of Workforce Housing units and reallocation of the previously approved restricted units from Waterford Woods Development Phase I to the Waterford Central Development.

RECOMMENDED ACTION

Based on the information provided, staff recommends the Planning and Zoning Commission find that:

Findings:

1. Application PL-21-1 was granted site plan approval by the Planning and Zoning Commission on March 9, 2021 for the Waterford Woods Multifamily development located at 384 & 394 Willetts Avenue Extension.
2. As reflected in the meeting minutes of the Planning and Zoning Commission for March 9, 2021, the applicant for Application PL-21-1 voluntarily designated 10 units in the Waterford Woods Development as affordable.
3. Application PL-23-9 was granted site plan approval by the Planning and Zoning Commission on May 23, 2023 for the Waterford Central Multifamily development located at 61 & 61A Myrock Avenue.
4. As reflected in the meeting minutes of the Planning and Zoning Commission for May 23, 2023, the applicant for Application PL-23-9 voluntarily designated 18 units in the Waterford Central Development as affordable.
5. The proposal is consistent with the Town of Waterford Affordable Housing Plan and the 2012 Plan of Conservation and Development in that it increases the amount of Affordable Housing Opportunities in Waterford and an increase in the number of Housing Options for present and future residents of Waterford..
6. Section 4.8.7 of the Town of Waterford Affordable Housing Plan is to support owner/tenant CHFA assistance programs.

MOTION: That the Commission adopt the findings 1 thru 5 of the Staff Report and approve the increase in the number of Workforce Housing Units originally designated in the W Waterford Central Multifamily Development through application PL-23-9 from 18 to 44 units, which total number includes the relocation of previously designated 10 affordable units from the Waterford Woods Phase I development, Application PL-21-1 to the Waterford Central Development.

MINUTES
Remote Access

Planning & Zoning Commission
Waterford Town Hall

March 9, 2021
6:30 PM

Members Present:	J. Bunkley, J. Bashaw
Members Absent:	G. Massad, J. DiBuono, T. Bleasdale
Alternates Present:	K. Barnett
Staff Present:	A. Piersall, Planning Director; D. Choisy, Recording Secretary

1. CALL TO ORDER AND APPOINTMENT OF ALTERNATES
Chairman Bunkley called the meeting to order 6:34. K. Barnett was appointed to sit for J. DiBuono.

2. APPROVAL OF MINUTES
MOTION: Motion made by J. Bashaw, seconded by K. Barnett, to approve the minutes of the February 23, 2021 meeting as written.
VOTE: 3-0

3. RECEIPT OF APPLICATIONS
No new applications were received.

4. APPLICATION REVIEW
#PL-21-1 – Request of Home Theater TV, Inc. and Douglas Z. Wieczorek, owners, Sig Con Associates, LLC, applicant for site plan approval to locate a multi-family development on property located at 384 & 394 Willetts Ave., Ext, in accordance with Sections 16 & 18 of the Zoning Regulations and as shown on plans titled "Waterford Woods Site Development Plans" dated 11/18/20, revised to 2/10/21.

Project Engineer Brandon Handfield, Architect John Wicko and Traffic Engineer Joseph Balskus were present.

The proposal as submitted is to construct a 98-unit multifamily development in three buildings at 384 and 394 Willetts Avenue Extension with a mix of 58 one-bedroom and 40 two-bedroom units. The parcels are adjacent to each other and located within the C-MF (Commercial-Multi Family Zoning District). The parcels are currently vacant and as a result of this proposal will be merged into one parcel. The properties combined contain 26.64 acres. The parcels were recently included in a Zone District Change from C-G (General Commercial) to C-MF (Commercial Multi-Family) Application PL-20-20 approved on September 28, 2020. There are 9.19 acres of wetlands on the site and an area of Special Flood Hazard Designation "A" along the western and southern portion of the site. The Designated Special Flood Hazard Area is located almost entirely within the inland wetlands. The Waterford Conservation Commission approved inland wetland permit #C-20-19 with conditions for regulated inland wetland activities associated with the project.

The site will be served by municipal water and sewer. A sanitary sewer pump station is proposed to be installed to provide the sanitary service to the municipal system located within Willetts Avenue. The pump station will be privately owned and operated.

B. Handfield reviewed how the development will be accessed and exited, and noted that a total of 168 parking spaces will be provided. The existing contours will be used as much as possible in order to reduce the amount of grading. Each building will have a recreation area, and the amount of recreation area proposed exceeds the required amount. He reviewed the floor plans and elevations of the buildings. They will be reconstructing the sidewalks along the sites frontage with Willetts Avenue. The Design Review Board has requested additional detail regarding the recreation areas be shown on the final plans. B. Handfield reviewed the E&S, proposed landscaping and lighting plan. The Commission requested that the dog park area be fenced.

Traffic Engineer J. Balskus reviewed the traffic report. He stated that he feels that there will be no significant increase in traffic. Commission members stated concerns with the traffic back-up heading towards Boston Post Road.

A. Piersall stated that the Planner has reviewed his Staff report with the applicant, and the applicant is working to address outstanding items.

K. Barnett asked if any of the units will be offered as affordable. B. Handfield replied that the applicant is voluntarily offering 10 units, or 10.2% as affordable.

MOTION: Motion made by J. Bashaw, seconded by K. Barnett, to find that:

1. The parcel is located within the C-MF Zoning District as identified on the most recently adopted Zone District Map
2. The project is a multi-family development which is a permitted use within the C-MF Zone District
3. The Waterford Conservation Commission issued Inland Wetland Permit# C-20-19 for regulated inland wetland activities.
4. The Waterford Conservation Commission has submitted to the Planning and Zoning Commission a final report in accordance with CGS 8-3(g)
5. With modifications as specified within the staff report, the site plan conforms to Section 22 of the Town of Waterford Zoning Regulations.
6. This application has been reviewed by the Town of Waterford Design Review Board in accordance with Section 22b of the Waterford Zoning Regulations and which Board submits a positive report to the Planning and Zoning Commission.

And that the Commission approves Application #PL-21-1 for 384 & 394 Willetts Avenue Extension with the following conditions:

1. The boundary of the restored wetland buffer indicated on the plans shall be designated as the wetland area non-encroachment area boundary. This shall be required in order for the plan to be consistent with Inland Wetlands Permit #C-20-19 which is incorporated into this decision. This shall be shown on the final plans prior to filing on the land records.
2. The stormwater basin outlet details and the spillway elevations shall match the grading and drainage plan as shown on Sheet 6 of 15 prior to filing the final plans on the land records.

3. A detail for the temporary and permanent stormwater swale along the western side of the project ring road shall be provided on the plan prior to filing on the land records.

4. The pine and spruce trees shall be relocated off the fore-bay berm of basin OCS-01. This shall be shown on the final plans prior to filing on the land records.

5. Stormwater basin underdrain discharge pipes shall be extended to the rip-rap outlet areas to reduce the risk of erosion. This shall be shown on the final plans prior to filing on the land records.

6. A DEEP Construction Stormwater Permit will be required for this project as the total disturbed area exceeds 5 acres.

7. A temporary sediment trap shall be installed near the proposed sediment forebay located north of the proposed ring road. The location of this temporary sediment trap shall be shown on the final plans prior to filing on the land records

8. The final design of the proposed sanitary sewer pump station shall be submitted and approved by the Waterford Utility Commission prior to issuance of Building Permits.

9. All conditions of approval for Inland Wetland Permit #C-20-19 shall be incorporated into this decision as if fully set forth herein.

10. The final locations of grills, seating, bike racks and any other site amenities be shown on the final plans.

11. Fencing for the dog park be provided and shown on the final plans.

VOTE: 3-0

5. CORRESPONDENCE

No correspondence was received.

6. ADMINISTRATIVE REVIEW

No items were reviewed.

7. ADJOURNMENT

MOTION: Motion made by J. Bashaw, seconded by K. Barnett, to adjourn the meeting at 7:40.
VOTE: 3-0

Respectfully Submitted,

Dawn Choisy

Dawn Choisy
Recording Secretary

PLANNING AND ZONING COIMMISSION
MEETING M I N U T E S
REMOTE MEETING

Planning & Zoning Commission
Remote Access Only

May 23, 2023
6:30 PM

Members Present:	Tim Bleasdale, Karen Barnett and Tim Conderino
Members Absent:	Chairman Greg Massad and Victor Ebersole
Alternates Present:	Doris Crum and Bertrand Chenard
Alternates Absent:	Joseph DiBuono
Staff Present:	Jonathan Mullen, AICP, Planning Director, Mark Wujtewicz, Planner and Katrina Kotfer, Recording Secretary

1. CALL TO ORDER AND APPOINTMENT OF ALTERNATES

T. Bleasdale, acting Chair called the meeting to order at 6:30 PM. B. Chenard was seated for G. Massad and D. Crum was seated for V. Ebersole.

2. APPROVAL OF MINUTES

MOTION: Motion made by B. Chenard, seconded by T. Conderino, to approve the May 9, 2023 meeting minutes.

VOTE: 5-0

3. APPLICATION RECEIPT

No applications were received by the Commission.

4. APPLICATION REVIEW

#PL-23-9 – Request of Waterford Central, LLC and 61A Myrock, LLC, owners, Sig Con Associates, LLC, applicant for site plan approval to locate a multi-family development on property located at 61 and 61A Myrock Avenue, in accordance with Sections 8.1.3, 16.1.2 & 22 of the Zoning Regulations and as shown on plans titled "Waterford Central Site Development Plans" dated 3/16/23, revised to 5/2/23.
ACTION REQUIRED BY: 7/13/2023

Brandon Handfield, PE, Yantic River Consultants, LLC, John Wicko, Architect and Joseph Balskus, PE, PTOE, Traffic Engineer, VHB, were present for the application.

B. Handfield presented the project to the Commission. He reviewed the existing property conditions and stated that 61 and 61A Myrock Avenue parcels will be merged with a total area 27.62 acres. Waterford Central will be an independent project from the adjacent Waterford Woods multifamily project located at 394 Willetts Avenue Ext. There is a proposed lot line revision with 394 Willetts Avenue Ext. to accommodate the interior access driveway to Waterford Central. He noted that the applicant is proposing 6 three-story apartment buildings, each with 36 units and 5 freestanding garage buildings. Access to Waterford Central will be internal to the site utilizing the main access drive at Waterford Woods. The existing Office Building located at southern end of the property that housed the former cable company will remain and there are no modifications proposed for the existing parking that accommodates the building other than a fence and locked gate with a knox box to provide for emergency access to the property. A portion of the building will be repurposed to accommodate maintenance and storage for the project. The remaining office portion of the building will remain to be used as a business office facility. This will be a continuation of the previous business office use which is permitted use in the Zoning Regulations. Dumpster locations were reviewed and B. Handfield noted that the recreation areas were designed to incorporate the grading on the property. He noted there will be cross easements between Waterford Central and Waterford Woods to allow the residents of each complex to use the amenities on both properties.

B. Handfield referenced the area on the southern side of property has been identified as a an area where there has been dumping of mostly construction debris such as brick, concrete, wood, metal, pipes, ect. An investigation of the area was conducted by a CT Licensed LEP. As construction commences in the area, additional research and testing will be conducted.

John Wicko, architect reviewed with the Commission the proposed elevations of the buildings and garages. He noted the buildings are similar to buildings E&F for the Waterford Woods project on the adjacent lot.

B. Chenard asked if any of the units were to be designated as affordable. B. Handfield stated that 18 units are to be designated as affordable units meeting the criteria of the 80% maximum median income threshold.

J. Balskus, Traffic Engineer reviewed the existing traffic conditions and noted that the State has replaced the traffic signal at the intersection of Willetts Avenue Ext. and Boston Post Road. They have had discussions with OSTA and will formally apply for a permit from OSTA after they finish the town approval process. He anticipates receiving OSTA approval sometime this summer. He reviewed the proposed second lane to be built by the applicant within the existing Willetts Avenue Extension right of way in order to improve the traffic conditions for Willetts Avenue Ext. towards Boston Post Road.

M. Wujtewicz reviewed with the Commission the staff report he had prepared.

The Commission made the following findings:

1. The parcel is located within the C-MF Zoning District as identified on the most recently adopted Zone District Map.
2. The merger of 61 and 61A Myrock Avenue, as a result of this project is consistent with Zoning Regulations.
3. The proposed lot line adjustment impacting 394 Willetts Avenue Extension and 61 Myrock Avenue indicated on the Lot Line Revision Plan is compliant with Town of Waterford Zoning Regulations
4. The project is a multifamily development which is a permitted use within the C-MF Zone District and is developed in accordance with Section 18 of the Town of Waterford Zoning Regulations.
5. The project is proposed as a Site Plan in accordance with Section 18.1a of the Town of Waterford Zoning Regulations

6. The project as proposed includes the repurpose of an existing Office Building, which is a permitted use in accordance with Section 8.1.3 of the Town of Waterford Zoning Regulations.
7. The Waterford Conservation Commission has reviewed this proposal and determined that there are no regulated inland wetland activities.
8. With modifications as specified within the staff report, the site plan conforms to Section 22 of the Town of Waterford Zoning Regulations.
9. This application has been reviewed by the Town of Waterford Design Review Board in accordance with Section 22b of the Waterford Zoning Regulations and which Board submits a positive report to the Planning and Zoning Commission.
10. The approval of the site plan includes fire zones as may be established and enforced pursuant to Chapter 8.08 of the Waterford Code of Ordinances.

The Commission discussed the following modifications and conditions:

1. An operation and maintenance manual and inspection checklist for all elements of the stormwater treatment system shall be submitted to the Planning Department at the time final plans are filed. The manual shall identify the party responsible for the maintenance and inspection and repair of the system components and responsible for submission of the annual maintenance report to the Town, in accordance with Section 25.6 of the zoning regulations.
2. The final plans shall include a note identifying that the stormwater treatment system is in compliance with Section 25.6.10.14 of the Waterford Zoning Regulations
3. A DEEP Construction Stormwater Permit will be required for this project as the total disturbed area exceeds 5 acres.
4. Waterford Utility Commission approved details shall be added to the final plans prior to filing on the land records.
5. A CT Licensed Environmental Professional (LEP) shall be present to verify that any debris encountered during excavation is disposed of properly.
6. The stormwater detention basin and treatment system shall be completed and stabilized prior to the issuance of the Certificate of Zoning Compliance for the first completed residential building. Subsequent Certificates of Zoning Compliance for each remaining residential building will be issued upon inspection and verification by the design engineer that the stormwater basin and treatment system remains stabilized and continues to function as designed.
7. A planting schedule for the detention basin aquatic shelf is to be submitted to the Planning Department for review and approval prior to planting.
8. Proposed access easements for 61 Myrock Avenue (Waterford Central Apartments) to utilize the common access drive located on 394 Willetts Avenue Extension (Waterford Woods) as depicted on the site plan shall be provided and filed at the time of filing the final plans on the land records.
9. The Applicant's Traffic Impact be updated to incorporate any comments and recommendations from the Peer Review Study performed by the Town's Traffic

Consultant prior to filing the final plans on the land records.

10. The project shall provide that 18 units will be designated as affordable meeting the criteria of the 80% median income threshold as defined by State Statute.

MOTION: Motion made by B. Chenard, seconded by T. Conderino, to approve with modifications and conditions, the Waterford Central MultiFamily Development site plan application Permit #PL-23-9 for 61 & 61A Myrock Avenue with conditions 1 thru 10 and adopt the findings 1 thru 10 of the staff report.

VOTE: 5-0

5. ADMINISTRATIVE REVIEW

No action was taken.

6. CORRESPONDENCE

No correspondence was received.

7. COMMISSION BUSINESS

M. Wujtewicz updated the commission on existing ongoing projects and potential upcoming projects.

MOTION: Motion made by T. Bleasdale, seconded by B. Chenard, to add the discussion of Design Review Board Members reappointment to this part of the agenda.

VOTE: 5-0

MOTION: Motion made by B. Chenard, seconded by T. Bleasdale, to reappoint Joy Merrill and Bob Nye to an additional 3-year term on the Design Review Board.

VOTE: 5-0

8. ADJOURNMENT

MOTION: Motion made by K. Barnett, seconded by T. Conderino, to adjourn the meeting at 8:21 PM.

VOTE: 5-0

Respectfully Submitted,

Katrina Kotfer

Katrina Kotfer
Recording Secretary

4.8.6 Support / Facilitate Aging In Place

- Continue to offer tax relief for lower income seniors / disabled
    - State-sponsored program for elderly / disabled earning less than $45,800 (married) or $37,600 (single or widowed) providing a tax credit up to $1,250 (married) or $1,000 (single or widowed)
    - Town tax relief program providing a tax benefit up to $225 for eligible property owners.
- Maintain / expand Town services (Social / Nutrition / Health / Education / Transportation, etc.) which can help older residents age in place

4.8.7 Support Owner / Tenant Assistance Programs

- Promote CHFA/USDA Mortgages
- Promote "Tenant-Based" Rental Assistance
- Promote "Project-Based" Rental Assistance

4.8.8 Seek To Reserve Sites For Meeting Housing Needs

- Seek to re-use municipal buildings / properties
- Seek to preserve tax delinquent / foreclosed sites for affordable housing

4.8.9 Enable/Encourage Livability Improvements

- Exempt required accessibility improvements from yard setbacks
- Consider encouraging / requiring universal accessibility / livability (zero step thresholds, lever door handles, handicapped accessible bathrooms, higher toilets, lower light switches, first floor master bedrooms, etc.)

4.8.10 Seek Partnerships To Create Affordable Units

- Partner with organizations such has Habitat for Humanity to produce affordable units
- Investigate public-private partnerships which would result in the production of affordable units
- Work with area financial institutions to help them meet their Community Reinvestment Act obligations by supporting the creation of affordable housing

B. Provide For A Diverse Housing Portfolio In Waterford

Waterford's housing "portfolio" consists primarily of owner-occupied, single-family dwellings which were constructed over the years to meet the housing needs of Waterford residents at those times. However, what was built in the past may not be what is needed to meet the housing needs of future residents because:

Conditions and Trends	Possible Housing Result
• People are living longer and healthier lives	• There may be more interest in smaller homes, homes with accessory units, and homes with less maintenance • There may be a demand for more assisted living options
• The cost of a typical home is exceeding the ability of many people to afford it	• There will be increasing interest in housing options that are less expensive
• People are focusing more on housing for shelter and comfort rather than an investment	• This may result in housing units which are smaller but have more amenities
• People are considering other housing choices for energy and lifestyle reasons	• There may be interest in newer housing units with lower operating costs and newer technologies

The housing needs of the community are evolving and Waterford will continue to consider ways to address the housing needs of current and future residents. This includes housing options for an aging population as well as housing opportunities for younger persons and families.

In the telephone survey, residents supported the concept of diversifying the types of housing in Waterford. Participants tended to feel that Waterford had the right amount of single family homes and condominiums but that there may be too few other types of housing opportunities.

Issue	*Amount Is Too Little*	*Amount Is Just Right*	*Amount Is Too Much*	*Not Sure / Don't Know*
Single family homes	17%	63%	5%	15%
Condominiums	14%	49%	21%	16%
Rental housing for young people	51%	22%	1%	26%
Affordable housing for first-time home buyers	47%	30%	1%	22%
Smaller houses for senior citizens	44%	31%	1%	24%
Affordable apartments for senior citizens	40%	30%	3%	27%
Rental housing for families with children	36%	30%	3%	31%

Waterford will seek to encourage the availability of housing for a variety of age and income groups. At the same time though, the Planning and Zoning Commission may seek to moderate the location and or pace of certain proposals in order to ensure that the ability of the community to assimilate such housing is maintained.

NOTICE OF FUNDING FOR

BUILD FOR CT

HOUSING FOR MIDDLE INCOME HOUSEHOLDS

The Department of Housing (DOH) and the Connecticut Housing Finance Authority (CHFA) are excited to provide this notice of funding for Workforce Housing (Housing For Middle Income Households) to be known as ***Build For CT***.

A. BACKGROUND
This year, the Connecticut Legislature passed, and Governor Lamont signed Public Act 23-205, which provides more than $800MM in bonding for the creation and preservation of housing covering a wide spectrum of need: from deep income targeted to middle income rental housing, as well homeownership opportunities. The purpose of this notice is to alert financial institutions, developers, and owners of the newest, exciting and critically important financing program that is part of this bonding that will help to provide housing options for Connecticut's middle-income households who are essential to Connecticut's economic vitality and the state's future growth.

B. PUBLIC-PRIVATE ALLIANCE
Utilizing the efforts and resources of private financial institutions to cultivate and promote the acquisition and development of market rate housing that will serve middle income residents, DOH and CHFA have developed the program which CHFA will administer on behalf of DOH to provide financial support to fund housing units that would otherwise not be financially feasible. Those financial institutions are important allies in the effort to help all of Connecticut provide housing for its workforce not only now but in the years and decades to come.

C. FUNDING TYPES AND ELIGIBLE PROPERTIES
Funding provided may be used in numerous ways, including for construction to permanent purposes, permanent financing purposes, and for substantial rehabilitation. Previously proposed housing and housing in the process of construction but in need of funding to be completed may be eligible. Subject to funding availability and projected time to completion, eligibility may also be available for properties at earlier stages of development. The presently anticipated income restrictions are that at least 20% of total units at any site will be income restricted for tenants earning between 60% and 120% of area median income (AMI). (Funding for properties principally consisting of low income housing units is not available under this program but is available under other DOH and CHFA programs.)

D. ANTICIPATED FINANCING TERMS (subject to change)
Build For CT is expected to provide favorable financing as follows:

Construction-permanent loans with construction terms up to 36 months. Permanent loans with terms up to 20 years and with amortizations of up to 40 years.
Subordinate lien and payment priority.
Debt coverage ratios of 1.15.
Below market interest rates.
CLTV generally capped at 80%.
Loan amounts up to $125,000 per eligible income restricted unit, which may be increased at the discretion of the Commissioner of DOH.
Prepayments allowed 6 years after close of permanent loan with a minimum yield maintenance fee of 1%.

E. INTERESTED PERSONS

Developers and other interested parties should work with their financial institutions, who will need to coordinate the submission of documentation to CHFA for consideration of funding requests. All inquiries should be directed to BuildForCT@chfa.org.

F. OTHER INFORMATION

All information submitted to CHFA in response to this notice are the sole property of the State and CHFA and subject to the provisions of Connecticut's Freedom of Information Act, Connecticut General Statutes Sections 1-200 et seq., which provide that public records and documents are subject to public access and copying unless specific exemptions to disclosure exist. If a person believes that portions of its submissions are exempt from disclosure, they should mark the specific portions as confidential. Acceptance of submissions by CHFA that contains such reservations is not an agreement that the material is confidential or exempt from disclosure. DOH and CHFA reserve the right to amend or cancel this notice, to modify or waive any requirement, condition or other term set forth in this notice or any application, to request additional information at any time from one or more persons, to select any number of applications submitted in response to this notice, or to reject any or all such submissions, in each case at DOH's and/or CHFA's sole discretion. DOH and/or CHFA may exercise the foregoing rights at any time without notice and without liability to any person or any other party. Information submitted in response to this notice shall be prepared at the sole expense of the person making the submission and shall not obligate DOH and/or CHFA to procure any of the services described therein or herein from any person. DOH and/or CHFA shall not be obligated to any person until a final written agreement has been executed by all necessary parties thereto and all applicable approvals have been obtained. Funding is subject to Bond Commission approval.

EQUAL HOUSING
OPPORTUNITY

Rev. 8/18/23

WORKFORCE HOUSING PROGRAM
(BUILD FOR CT-HOUSING FOR MIDDLE INCOME HOUSEHOLDS)
PROGRAM DEVELOPMENT AUTHORIZATION IN ACCORDANCE WITH MEMORANDUM OF AGREEMENT DATED SEPTEMBER 26, 2023
BETWEEN CONNECTICUT HOUSING FINANCE AUTHORITY AND DEPARTMENT OF HOUSING

CHFA Project#:	24-707
Development:	Waterford Woods Phase III
Address:	394 Willets Avenue (aka 61 & 61A Myrock Avenue), Waterford, CT 06385
Units	
Total:	216
Middle Income:	44
Targeted AMI:	4-units at 60% AMI, 40-units at 80% AMI
Middle Income Initial Rents:	See Schedule 1
Borrower:	Waterford Central, LLC
Sponsor:	Kevin Daley, Sig Con Associates, LLC
Loan Amount:	$5,500,000 ($125,000 per Middle Income Unit)
Loan types:	Construction to Permanent
Participating Lender:	Liberty Bank
Construction Term:	36 months
Permanent term:	20 years
Permanent amortization:	40 years
Interest rate:	2% fixed
Repayment:	Construction: Interest only; Permanent: 40-year amortization
Prepayment:	1% of outstanding loan balance
CHFA Fee:	$41,250 = (75bps)
Guarantor:	Kevin Daley & Waterford Central, LLC
Guaranty:	Unconditionally guaranteed by the Borrower and Kevin Daley on a joint and several basis until the construction is completed, Certificates of Occupancy have been issued for all units, and Project Stabilization has been reached (defined as minimum of 92% occupancy and DSCR of 1.30x (minimum 1.15x inclusive of CHFA debt service) for 12 consecutive months calculated on amortizing basis) as determined by Liberty Bank. The repayment recourse guaranty will convert to non-recourse, except for standard carve-outs. The terms of the guaranty are consistent with what has been approved by the Participating Lender, Liberty Bank.

Schedule 1

[Initial Rent & Income Schedule]

Unit Mix	
Total # of Units	216
# of Middle Income Units	44
% Middle Income Units	20.4%

Dispersion of Middle Income Units to adhere to Build4CT Workforce Housing Program

Style	Program	Sq. Ftge	# of Units	% AMI	Estimated Monthly Market Rent/Unit	Monthly Rent Limit/Middle Income Unit	Monthly Discount from Market/Unit	Annual Discount from Market Rent/Unit	Total Annual Discount to Market Rent	% Differential
1 BR	Build4CT	655	4	60%	$1,850	$1,263	$587	$7,040	$28,158	31.7%
1 BR	Build4CT	655	9	80%	$1,850	$1,685	$166	$1,986	$17,874	8.9%
1 BR	Build4CT	866	15	80%	$2,100	$1,685	$416	$4,986	$74,790	19.8%
2 BR	Build4CT	1,200	5	80%	$2,750	$2,021	$729	$8,743	$43,716	26.5%
2 BR	Build4CT	1,030	11	80%	$2,350	$2,021	$329	$3,943	$43,375	14.0%
Totals			44						$207,913	

After recording, please return to:
Brion J. Kirsch, Esq.
Pullman & Comley, LLC
90 State House Square
Hartford, CT 06103

<u>DECLARATION OF LAND USE RESTRICTIVE COVENANTS</u>

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS, (this "**Declaration**") is made as of this ____ day of ____________ 2024 by **WATERFORD CENTRAL, LLC**, a limited liability company organized and existing under the laws of the State of Connecticut, with an office and principal place of business at 606 Post Road East, Westport, Connecticut 06880 (the "**Owner**" and the "**Declarant**") and is given as a condition precedent to the award to Owner of Housing Trust Fund Program funds (the "**Funds**") pursuant to the requirements of the Public Act 23-205 and the Housing Trust Fund Program set forth in Sections 8-336m through 8-336q of the Connecticut General Statutes (as amended, collectively, the "**Act**"), and the regulations promulgated pursuant thereto (as amended, the "**Regulations**").

W I T N E S S E T H:

WHEREAS, the Owner is the owner of a certain parcel or parcels of real property, being more particularly described in <u>Schedule A</u> attached hereto and made a part hereof (the "**Land**");

WHEREAS, in accordance with the Act and the Regulations, the Connecticut Housing Finance Authority ("**CHFA**"), a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, as administrator under the Act, has entered into a certain Memorandum of Agreement with the State of Connecticut Department of Housing ("**DOH**") (as further amended from time to time, the "**MOA**") which provides for CHFA to receive Funds from the State of Connecticut (the "**State**") for administration of a program for the purpose of providing financing to multifamily properties to finance housing units affordable to middle income households and persons (the "**Program**");

WHEREAS, the Owner has been selected by CHFA to receive mortgage financing to be made by CHFA from Program Funds;

WHEREAS, the Owner has submitted to CHFA a request for financial assistance (the "**Loan**") in connection with a project commonly known as Waterford Woods Phase III (the "**Project**"), which is or will be situated on the Land, and which Project includes the construction and/or rehabilitation of a certain multi-family development comprising two hundred sixteen (216) residential units (each, a "**Unit**" and collectively, the "**Units**");

WHEREAS, the financing received by Owner is to be utilized for the construction or rehabilitation of forty four (44) units (each an "**Workforce/Middle Income Unit**" and, collectively, the "**Workforce/Middle Income Units**"), which are included in the Project and which will be restricted for affordability to middle income households and persons in accordance herewith;

WHEREAS, the Project is an eligible activity under the Act;

WHEREAS, the Owner has represented to CHFA certain income and rent restrictions it will maintain on the Workforce/Middle Income Units for the period of time as specified in the agreement for financial assistance of even date herewith from CHFA to the Owner (the "**Assistance Agreement**") knowing and understanding that CHFA is relying on such representations;

WHEREAS, CHFA requires as a condition precedent to the awarding of the Loan under the Program, that the Declarant execute, deliver and record this Declaration on the official land records of the municipality in which the Land is located in order to create certain covenants running with the Land for the purpose of enforcing the requirements of the Act and the use restrictions found in Section 4 of this Declaration, by regulating and restricting the use, occupancy and transfer of the Project, as set forth herein;

WHEREAS, the regulatory and restrictive covenants set forth herein governing the use, occupancy, operation, and transfer of the Project shall be and are covenants running with the Land thereon for a term set forth herein and are binding upon all subsequent owners of the Land for such term, and are not merely personal covenants of the Declarant; and

WHEREAS, CHFA as a condition of its willingness to extend the Loan, requires that the Declarant shall, by entering into the terms, conditions and covenants set forth below, consent thereby to be regulated and restricted by CHFA as provided herein and by any applicable statutes and rules, regulations, policies and procedures of the Program.

NOW THEREFORE, in consideration of financial assistance under the Program, the Declarant agrees as follows:

Section 1 - Definitions

All the words and phrases used in this Declaration shall have the same meaning as when used in the Act, and applicable State regulations, unless the context requires otherwise.

Section 2 - Recording Filing, Covenants To Run With the Land

(a) Upon execution of this Declaration by the Declarant, the Declarant shall cause this Declaration and all amendments hereto to be filed on the land records of the municipality in which the Land is located and shall pay all fees and charges incurred in connection therewith. Upon recording, the Declarant shall immediately transmit to CHFA a receipt of the same and shall cause the recorded Declaration to be returned by the municipality to CHFA.

(b) The Declarant intends, declares, and covenants, on behalf of itself and all future owners and operators of the Land and the Project during the term of this Declaration, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Land and the Project: (i) shall be and are covenants running with the land, encumbering the Land and the Project for the term of this Declaration, binding upon the Declarant and its successors in title and all subsequent owners and operators of the Land and the Project; (ii) are not merely personal covenants of the Declarant; and (iii) shall bind the Declarant (and the benefits shall inure to CHFA and any past, present or prospective tenant of the Land and the Project) and its successors and assigns during the term of this Declaration.

(c) Declarant hereby agrees that any and all requirements of the laws of the Act to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the Land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to ensure that these restrictions run with the Project.

(d) Declarant covenants to obtain the consent of any prior recorded lien holder on the Land and/or Project, as applicable, to this Declaration and to furnish a copy of such consent to CHFA. Such consent(s) shall be furnished to CHFA on or before the date of this Declaration.

Section 3 - Representations, Covenants and Warranties Of The Owner

The Owner hereby represents, covenants, and warrants as follows:

(a) The Owner: (i) is a limited liability company duly organized under the laws of the State of Connecticut and is qualified to transact business under the laws of the State of Connecticut; (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted; and (iii) has the full legal right, power and authority to execute and deliver this Declaration.

(b) The execution and performance of this Declaration by the Owner: (i) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body; (ii) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound; and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) The Owner will, at the time of execution and delivery of this Declaration, have good and marketable fee simple title in and to the premises constituting the Project, free and clear of any lien or encumbrance (except for encumbrances created pursuant to this Declaration, or other encumbrances permitted pursuant to the terms of the Assistance Agreement).

(d) There is no action, suit, proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.

(e) All Units situated within the Project shall remain habitable, safe and sanitary according to all applicable local building codes.

(f) Subject to the requirements of the Act, and this Declaration and with the prior approval of CHFA, the Owner may sell, transfer, or exchange the entire Project at any time, but the Owner shall notify in writing any buyer or successor in interest or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of this Declaration and to the requirements of the Act and applicable regulations. This provision shall not act to waive any other restriction on sale, transfer, or exchange of the Project or any portion of the Project. The Owner agrees that CHFA may void any sale, transfer, or exchange of the Project if the buyer or successor in interest or other person fails to assume in writing the requirements of this Declaration and the requirements of the Act.

(g) The Owner shall not demolish any part of the Project, substantially subtract from any real or personal property of the Project, or permit the use of any residential rental unit situated within the Project for any purpose other than rental housing during the term of this Declaration unless required by law or unless the State has given its prior written consent.

(h) If the Project, or any part thereof, shall be damaged, destroyed, condemned, or acquired for public use, the Owner will use its best efforts, subject to the rights of any mortgagee, to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, and in the case of a partial condemnation, to restore the Project to substantially the same condition as existed prior to such condemnation, to the extent feasible, and thereafter to operate the Project in accordance with the terms of this Declaration.

(i) The Owner has not and will not execute any other declaration with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

Section 4 - Income, Rental, Occupancy and Use Restrictions

The Owner hereby represents, warrants and covenants that the Workforce/Middle Income Units constitute housing for which the tenant income and rent thresholds shall comply with the following restrictions during the entire Workforce/Middle Income Period (as defined herein). The Workforce/Middle Income Units shall comprise the following:

(a) four (4) one-bedroom Workforce/Middle Income Units each consisting of approximately six hundred fifty-five (655) square feet shall be restricted to families and persons whose household income does not exceed sixty percent (60%) of the AMI (as defined below) and shall have an initial monthly rental (including, without limitation, any required amenity, occupancy or use charge) not greater than $1,263.00, and as thereafter adjusted in accordance herewith.

(b) nine (9) one-bedroom Workforce/Middle Income Units each consisting of approximately six hundred fifty-five (655) square feet shall be restricted to families and persons whose household income does not exceed eighty percent (80%) of the AMI and shall have an initial monthly rental (including, without limitation, any required amenity, occupancy or use charge) not greater than $1,685.00, and as thereafter adjusted in accordance herewith.

(c) fifteen (15) one-bedroom Workforce/Middle Income Units each consisting of approximately eight hundred sixty-six (866) square feet shall be restricted to families and persons whose household income does not exceed eighty percent (80%) of the AMI and shall have an initial monthly rental (including, without limitation, any required amenity, occupancy or use charge) not greater than $1,685.00, and as thereafter adjusted in accordance herewith.

(d) five (5) two-bedroom Workforce/Middle Income Units each consisting of approximately one thousand thirty (1,030) square feet shall be restricted to families and persons whose household income does not exceed eighty percent (80%) of the AMI and shall have an initial monthly rental (including, without limitation, any required amenity, occupancy or use charge) not greater than $2,021.00, and as thereafter adjusted in accordance herewith.

(e) eleven (11) two-bedroom Workforce/Middle Income Units each consisting of approximately one thousand two hundred (1,200) square feet shall be restricted to families and persons whose household income does not exceed eighty percent (80%) of the AMI and shall have an initial monthly rental (including, without limitation, any required amenity, occupancy or use charge) not greater than $2,021.00, and as thereafter adjusted in accordance herewith.

For purposes hereof, "**AMI"** shall mean the area median income for the municipality, census tract, or other geographic area in which the Project is located, as such area median income is determined by DOH and CHFA and which may be adjusted for household size, with reference to data made available by HUD. When DOH and CHFA amends AMI, CHFA shall make such information available to the Owner. The Owner shall adjust rentals in accordance with the AMI subsequently established by CHFA under the Program. The Owner shall provide each tenant with a minimum of thirty (30) days prior written notice before implementing a rental increase.

Section 5 - Term of Declaration

(a) This Declaration, and the term of affordability specified herein (the "**Workforce/Middle Income Period**"), applies to the Project immediately upon recordation of this Declaration, and the Declarant shall comply with all restrictive covenants herein not later than the Project Completion Date (as defined herein). This Declaration shall terminate upon the later of: (i) six (6) years from the Project Completion Date; or (ii) the date of full repayment of the Loan in accordance with the terms of that certain promissory note made by Owner to CHFA dated on or about the date hereof. For purposes hereof "**Project Completion Date**" shall mean the date that CHFA shall have determined that the Project has been completed in accordance with the Assistance Agreement and all certificates of occupancy have been issued for the Workforce/Middle Income Units. Upon said termination, CHFA shall promptly execute in recordable form a Termination or Release of this Declaration and shall provide such to Owner for recording on the Waterford land records.

(b) Pursuant to the Act, as amended, this Declaration and the term of affordability shall remain in effect for not less than the Workforce/Middle Income Period described in Section 5(a) above, without regard to the term of any mortgage or other underlying security and without regard to any transfer of ownership.

Section 6 - Enforcement Of Restrictions

(a) The Declarant shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of CHFA, to inspect any books and records of the Declarant regarding the Project with respect to the incomes of tenants of units situated within the Project which pertain to compliance with the restrictions specified in this Declaration.

(b) On an annual basis, Declarant shall: (i) furnish to CHFA a program certification report regarding Declarant's compliance with its obligations under this Declaration; and (ii) collect tenant income certifications for each tenant household living in the Workforce/Middle Income Units, all in a format set forth in the Assistance Agreement or as otherwise prescribed by CHFA from time to time. Such program certification report shall be submitted to CHFA on or before March 1st for the year ending the preceding December 31st and shall be in a format set forth in the Assistance Agreement or as otherwise prescribed by CHFA from time to time. If requested by

CHFA, Declarant shall submit supporting documentation including, without limitation, the tenant income certifications and/or permit CHFA to make an on-site inspection of the Workforce/Middle Income Units in order to verify the certification(s). With respect to the Workforce/Middle Income Units, Declarant shall maintain said tenant income certifications for five (5) years after the expiration of the Workforce/Middle Income Period. Declarant shall submit any other information, documents, or certifications requested by CHFA which CHFA shall deem reasonably necessary to substantiate the Declarant's continuing compliance with the provisions of the restrictions specified in this Declaration.

(c) The Declarant hereby agrees that the representations and covenants set forth herein may be relied upon by CHFA and all persons interested in Project compliance under the Act and applicable regulations. The Owner further agrees to submit annual certifications and other reports and/or supporting materials to CHFA, upon request, confirming that the Project complies with the Act, the Regulations and the restrictions specified in this Declaration and all other occupancy restrictions applicable to the Project.

(d) The Declarant covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of the Act, the Regulations, this Declaration or any other occupancy restrictions applicable to the Project. Moreover, the Declarant covenants to take any lawful action (including amendment of this Declaration as may be necessary, in the opinion of CHFA) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed and published by the State from time to time pertaining to the Declarant's obligations under the Act or applicable regulations and affecting the Project.

(e) The Owner agrees to take any and all actions reasonably required by CHFA to substantiate the Owner's compliance with all occupancy restrictions applicable to the Project as now constituted or as subsequently amended.

(f) A Workforce/Middle Income Unit occupied by a family or person who, at the commencement of occupancy, was in compliance with the income and rent restrictions set forth in Section 4 herein (a "**Compliant Workforce/Middle Income Unit**") shall be treated as in compliance with this Declaration during such family or person's tenancy in such Workforce/Middle Income Unit until such family's or person's income exceeds the applicable restriction set forth in Section 4 herein. Upon the occurrence of a person's or family's income exceeding the applicable restriction in Section 4 (an "**Over-Income Event**"), the Workforce/Middle Income Unit occupied by such individual or family shall continue to be treated as in compliance with the restrictions set forth in Section 4 unless, after such Over-Income Event, any Unit in the Project of comparable size and character (as determined by CHFA) is occupied by a new resident whose income exceeds the same income and rent restrictions applicable to the Compliant Workforce/Middle Income Unit.

Section 7 - Recordkeeping

(a) During the term of this Declaration, the Owner shall maintain and make available to CHFA any and all records, documents, and policies necessary which demonstrate compliance with the Act and applicable regulations.

(b) The Owner shall maintain all records as required by the Act as applicable and shall take any and all actions reasonably required by CHFA to substantiate the Owner's compliance.

This Declaration and the Assistance Agreement of which it is a part may be enforced by the State or its designee in the event the Declarant fails to satisfy any of the requirements herein.

Section 8 - Miscellaneous

(a) **Severability.** The invalidity of any clause, part, or provision of this Declaration shall not affect the validity of the remaining portions thereof.

(b) **Notices.** All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth above, or to such other place as a party may from time to time designate in writing. CHFA and the Declarant, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(c) **Amendment.** The Declarant agrees that it will take all actions necessary to effect amendment of this Declaration as may be necessary to comply with the Act and any and all applicable rules, regulations, policies, procedures, rulings, or other official statements pertaining to the Act. CHFA, together with the Declarant, may execute and record any amendment or modification to this Declaration and such amendment or modification shall be binding on third-parties granted rights under this Declaration.

(d) **Governing Law.** This Declaration shall be governed by the laws of the State of Connecticut.

No Further Text On This Page – Signature Page Follows

IN WITNESS WHEREOF, the Owner hereto has set its hand and seal the day and year first written above.

Signed, Sealed and Delivered
in the presence of:

WATERFORD CENTRAL, LLC

______________________________ By: __________________________________
Name:
Title:
Duly Authorized

____

STATE OF CONNECTICUT)
) ss: _____________ __________, 2024
COUNTY OF___________________)

Personally appeared, _________________, _________ of Waterford Central, LLC, a limited liability company as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be [his/her] free act and deed as ___________________ of said limited liability company, and the free act and deed of said limited liability company, and that said instrument was signed on behalf of and with the authority of said limited liability company before me.

____
Commissioner of the Superior Court
Notary Public