

NOTICE OF PUBLIC HEARING

Pursuant to the City of Middletown Citizen Participation Plan and the regulations of both the U.S. Department of Housing and Urban Development and the Connecticut Department of Housing, citizens are being offered the opportunity to comment on the programs proposed for the 1982 Small Cities comprehensive grant application.

Middletown is entitled to apply for up to \$300,000 for a single purpose grant and up to \$500,000 per year for a comprehensive grant. Applications must be submitted to the Connecticut Department of Housing no later than August 5, 1982. The following program activities for a two year period have been recommended by the Citizens Advisory Committee • Residential Rehabilitation Program — \$280,000 for the continuation of a program for rehabilitation of one to four family residences in Neighborhood Strategy Areas • Housing Cooperative Program — \$280,000 for the continuation of a program to provide home ownership opportunities to low and moderate income families through the formation of Housing Cooperatives • Senior Center — \$20,000 for the repair of ceilings at the Middletown Senior Center on William Street • Mixed Use Rehabilitation Program — \$380,000 for the continuation of the Main Street Mixed Use Rehabilitation Program including the acquisition of property for the conversion to small family housing units • General Program Administration — \$40,000 • Total Funds Requested for a two year period \$1,000,000. The Citizens Advisory Committee welcomes comments on the proposed activities and on the Community Development Statements.

Additionally, a program amendment is proposed to Project #B-78-DN-09-0002. Under a 1978 Small Cities Grant, the City budgeted \$35,000 for the purchase and development of a vacant parcel on the corner of Green and Main Streets for open space purposes. The City of Middletown is seeking comments on a proposed amendment which, if approved, will authorize the property to be offered for developer interest.

The hearing will be held on Wednesday, July 21, 1982 at 5:00 p.m. in Room 208 of the Municipal Building. Any and all persons may appear and be heard and written communications received.

Mary Schmidt, Chairman, Citizens Advisory Committee

William M. Kuehn, Jr., Municipal Development Coordinator

Dated at Middletown, Connecticut, this 10th day of July, 1982

DRAFT COMMUNITY DEVELOPMENT STATEMENT

A. HOUSING POLICY STATEMENT

The Middletown Plan of Development cites a City goal "to provide and maintain a supply of high quality housing which can accommodate a population of diverse economic backgrounds and family size by providing ample freedom of choice in housing accommodation". The means to fulfill this goal were fully exercised beginning in the late 1960's so that ten years later Middletown was recognized by the Suburban Action Institute as one of the 18 Connecticut communities with the least restrictive zoning. Middletown's Planning and Zoning policies provide housing opportunities for low and moderate income persons by using various mechanisms in three action areas - variety, density and flexibility.

Perhaps the best mechanism to encourage housing variety has been the use of the Planned Residential Development (PRD). Over the past thirteen years, five PRD's have been approved and developed. Two have reached completion. Within the larger PRD's, a wide variety of housing opportunities has been offered. The largest is Westlake with a full range of homeownership and renter opportunities, including 202 units of Section 235 housing called "the Highlands".

Density is achieved in specific portions of the City, particularly the downtown area, by allowing up to 40 dwelling units per acre. These zones are directly related to the availability of public utilities. Examples of higher density low income housing developed within the past decade include Traverse Square and Maplewood Terrace, both operated by the Middletown Housing Authority. The City of Middletown discourages restrictive zoning by allowing single family residences on lots of 15,000 square feet where both public water and public sewer are provided in R-1 areas. The largest lot required for a single family residence without public water or public sewer is one acre. This, more than anything else, is a function of the State requirements for on-site septic systems.

Recently, the Planning & Zoning Commission has moved to provide flexibility in lot frontage. By so doing, the Commission is encouraging the infilling of housing in areas which were previously unusable for residential purposes. Flexibility in lot frontage requirements is seen as another mechanism to accommodate housing units, particularly for families on the lower end of the income scale.

Middletown's positive response to low and moderate income housing needs is reflected by the fact that nearly 25% of the City's housing units are termed "special housing". This includes: various forms of elderly housing (Section 236, Section 221d4, Section 8), low income housing managed by the Housing Authority, moderate rental State housing units also administered by the Housing Authority, moderate income rental units (Section 236, Section 221d3), moderate income ownership housing (Section 235) and a wide scattering of existing and moderate rehab Section 8 units.

The most recently prepared Housing Assistance Plan as required by the Department of Housing & Urban Development cited nearly 3,700 households requiring some form of assistance. Over two-thirds of this need is for small families (four persons or less) while 22% of the housing need is for elderly and handicapped persons. To a lesser degree (9%) large families consisting of five or more persons need housing assistance.

The backbone of Middletown's CDBG program since its conception in 1974 has been rehabilitation. The City strongly believes in conserving it's housing stock and to that end has invested substantial funds in the restoration and rehabilitation of one to four family structures. Additional rehab work remains especially in the South Farms Neighborhood Strategy Area. There is still an unmet need, particularly in this time of Federal cutbacks, for providing new small family units. To that end, the City desires to add modestly to the supply of family housing.

The Housing Cooperative program, while not directly increasing the supply of housing, has provided rehabilitation and limited equity opportunities for low income families. The program has been recognized by State and Federal agencies as a leader in the field. It is the City's desire to continue this program and increase the role of the Housing Cooperative by expanding into the Central Business District. Presently, the Housing Cooperative has 21 units. It is the desire of the administrators of the Housing Cooperative to increase to 50 units. This program has been funded through the Community Development Block Grant Program and by CHFA.

The City also recognizes a need for single resident occupancy units. Many of the units in the downtown area inhabited by singles are in need of rehabilitation. To that end, the City has already committed approximately \$400,000 in a Mixed Use Program to encourage the rehab of family and single resident units above Main Street storefronts. This work is not complete and must be continued through the CDBG program. Additionally, other single residential opportunities must be provided elsewhere in the City, perhaps in cooperation with other State agencies.

B. ECONOMIC DEVELOPMENT POLICY STATEMENT

In September, 1980, the Common Council of the City of Middletown authorized the creation of the Economic Development Task Force. The charge of the Task Force was to "assess the current economic development efforts, study available resources, prioritize economic development goals and recommend methods for implementing planned and orderly economic growth". In September, 1981, the Task Force delivered its report. As a framework for establishing action programs, the report identified three overall objectives supported by a variety of programs. The objectives relate to increasing the City's tax base, increasing the viability of the Central Business District and reducing the number of unemployed persons in Middletown's labor force.

Among the specific strategies offered for consideration is the establishment of a second industrial park near the Sawmill Brook Industrial Area on the westerly side of Interstate 91. This action not only increases the community tax base, but provides job opportunities in a variety of skill levels. This project has moved into preliminary engineering and is scheduled for referendum action in November, 1982. Through discussions with staff from the Connecticut Department of Economic Development, the Economic Development Task Force intends to implement job training programs with incoming industrial developers.

In addressing downtown needs, the Task Force noted that the City's North End, in particular, while undergoing marked change over the past five years, needs additional incentives for property owners to complete the transformation. The end result will be not only tax revenues through the renewing of older buildings, but the provision of restored housing units in the downtown and the maintenance of the business district as a vibrant part of the community. Part of this strategy is intended to deal with the persons living in the North End area to insure that housing and job opportunities in that area are preserved and enhanced. The City working in cooperation with the Greater Middletown Preservation Trust and the Connecticut Historical Commission is striving for formal recognition of the Main Street Historical District encompassing all properties facing Main Street in the North End. This will enable property owners to be eligible for the benefits of the Economic Recovery Tax Act of 1981.

The Task Force also considered housing as an economic development tool. The report noted that housing is slowly becoming unaffordable to the moderate income family and certainly homeownership opportunities have almost ceased to exist for low income families. Therefore, if the City is to continue to grow, it must expect to meet the housing demands which are placed upon it. The Task Force identified a series of programs to provide ownership opportunities for new housing and to take underutilized buildings and convert or restore them for housing purposes.

The final major thrust of the Task Force concerns the development of a strategy and series of actions for linking job training programs to employment opportunities. For the most part, achievable results in this area can be gained through voluntary recruitment and training programs by employers. Additionally, steps have been taken to make modifications to the curriculum in area high school and community college programs by seeking out those firms which might best utilize the available unemployed skills in the Middletown area.

C. COMMUNITY FACILITIES POLICY STATEMENT

Each year, the Planning & Zoning staff prepares a Community Facilities Plan. It consists of a record of all publically owned buildings and improvements. Each year information is solicited from City departments concerning the need to expand, improve, alter or in any way spend public dollars on these facilities. The Community Facilities Plan lists all proposed activities by identifying the source of the request, the total cost of the undertaking, the

sources of funding for the project, the year of intended implementation and the ultimate disposition or operating authority of the project. This listing of community facility proposals is then compiled in book form and becomes, in part, the basis for capital fund requests in the annual budget making process. In some cases, monies are set aside in a CNR account for long range purchases.

The Community Facilities Plan also lists those projects which increase the housing supply through the use of Community Development Block Grant Funds such as the Housing Rehabilitation Program, the Housing Cooperative Program and the Mixed Use Rehabilitation Program. These three specific examples are aimed at providing housing opportunities and benefiting low and moderate income persons.

Specific community facility projects in execution during 1982 include the Main Street Fire Station, police firing range, road reconstruction program, Russell Library expansion, master drainage study, downtown parking program and Richards Brook Industrial Park.

Community Facilities Plan process brings together the wide variety of interests involved in a specific program and deals with achieving changes to the community facility inventory by mutual cooperation.

Proposed Neighborhood Strategy Areas



BACON BUILDING PROJECT

PROJECT COSTS

| | | |
|-----------------------------------|--------------|--------------|
| Site Acquisition | \$250,000.00 | |
| Rehab. Res. Units @ 22,000/u x 12 | 264,000.00 | |
| " Commercial @ 18,000/3 | 30,000.00 | |
| Raise Roof | 67,000.00 | |
| Facade Treatment | 8,000.00 | |
| Interim Financing | 7,000.00 | |
| Relocation | 120,000.00 | |
| Legal | 3,000.00 | |
| Architectural & Engineering | 27,000.00 | |
| Miscellaneous | 24,000.00 | |
| | | |
| Total Project Cost | | \$800,000.00 |

FINANCIAL SUPPORT

Grants

| | | |
|---------------------------------|--------------|--------------|
| State of Conn. Dept. of Housing | \$166,750.00 | |
| City of Middletown | 83,250.00 | |
| | | |
| | | 250,000.00 |
| | | |
| CDBG Historical Preservation | 8,000.00 | |
| CDBG (1980) | 67,000.00 | |
| CDBG (1982) | 200,000.00 | |
| | | |
| | | \$275,000.00 |
| | | |
| Total Grants | | \$525,000.00 |
| | | |
| Balance for Financing | | \$275,000.00 |

Potential Gross Income

| | |
|---------------------------|-------------|
| 6 - 1 Bedroom @ 275/mo = | \$19,800.00 |
| 6 - 2 Bedroom @ 300/mo = | 21,600.00 |
| 3 - Commercial @ 500/mo = | 18,000.00 |
| | <hr/> |
| Potential Annual Income | \$59,400.00 |
| Less 5% Vacancy | - 2,970.00 |
| Effective Gross Income | \$56,430.00 |
| | <hr/> <hr/> |

(Less) Operating Expenses

| | |
|--------------------------------|-------|
| Taxes @ 250,000.00 x .7 x 37.6 | 6,580 |
| Insurances | 4,000 |
| Management | 5,000 |
| Heat (Common Areas) | 1,200 |
| Electrical (Common Areas) | 1,200 |
| Water/Sewer | 3,100 |
| Repairs & Maintenance | 3,000 |
| Reserve for Replacement | 3,000 |
| Supplies & Misc. Costs | 1,400 |
| | <hr/> |

Total Operating Expenses \$28,480.00

Net Operating Income (to annual debt service) \$27,950.00

Debt Services

State Dept. of Housing Below Mkt.
Mortgage Program

\$275,000.00 @ 9½% - 30 yrs. = ADS = 27,748.00

Diff. 202.00

July 21, 1982