

THE SIGOURNEY MEWS PROJECT

Submitted by: Eric Allen
CED FINAL REPORT

SIGOURNEY MEWS PROJECT

I. History: (Asylum Hill Organizing Project)

The Asylum Hill Organizing Project was created in 1982, to empower the Asylum Hill residents to advocate, mobilize, and develop decision making processes to create a more positive environment and community.

A democratic and multi-racial controlled community organization, AHOP is made up largely of poor minority residents, church groups, and business networks that have challenged itself to change its neighborhoods, environment, and people.

A. DEFINITION OF THE PROBLEM

The Asylum Hill Organizing Plan was to address market pressures that has resulted in:

- * the loss of hundreds of affordable family units in the neighborhood,
- * a steady increasing infant mortality rate,
- * not only having the highest crime rate in the city but being listed among the top ten in the U.S.,
- * and finally, watching the unemployment rate climb to a record high of 20%.

ASYLUM HILL COMMUNITY

(History of the problems and the analysis of its root causes)

The Asylum Hill neighborhood is the most racially and economically diversified community in the City of Hartford. The area also houses the home offices of some of the largest corporations found in the region. In addition, Asylum Hill is home base for forty-six social agencies, a major hospital, and a number of smaller insurance and computer companies.

While the diversity in Asylum Hill gives it an exciting and unique character, these dynamics also generate internal and external pressures that, at times, negatively impact local residents.

For instance, the presence of the corporations increases the value of the land in the area and, therefore, makes it harder to buy and develop affordable housing. Simultaneously, the economic mix pits a lower income rental market against condominium conversions and higher rental. This economic split in the neighborhood also has a tendency to fall along racial lines due to the fact that the majority of low income people in the neighborhood are black and Hispanic.

While the community's pain is often overshadowed by its corporate wealth and historic beauty, the statistics provide ample truth:

- * 48% of the children in Asylum Hill lives in poverty.
- * one out of every 33 babies die within its first year of birth.
- * 68% of the families in Asylum Hill are single parent households.
- * The number of AFDC families have tripled in the last ten years.
- * 1200 units or 20% of the rental apartments have been taken off the market.
- * Asylum Hill has the highest per capita crime rate in Hartford.
- * There are 250 units of affordable housing that are in immediate jeopardy of condo conversion as of June 1987.
- * 81% of the Hill is comprised of rental housing, which also gives the Hill the highest density of any of the

17 neighborhoods in Hartford.

- * The average cost per rental unit has tripled in the last five years.

Certainly, there are other factors that have played a definite roll in the dismantling of Asylum Hill, but the nine areas mentioned here seemed to be the most pervasive.

B. PROJECT GOALS:

ASYLUM HILL ORGANIZING PROJECT WANTED TO ESTABLISH A COMMUNITY DEVELOPMENT CORPORATION FOR THE PURPOSE OF DEVELOPING LOW INCOME HOUSING.

A newly formed corporation of AHOP, Hill Housing was established and organized to function independently as a Community Development Corporation to produce low income housing. The concept of Hill Housing embodied the development plan of its parent agency, AHOP. The plan included seeking objectives that would combat community deterioration/destabilization in Asylum Hill. Bringing affordable housing into the community as well as encourage other tangible bi-products, was the primary goal of H.H.I. Healthcare, employment, education, and crime were areas of major concern.

Having at least twenty-four members, one of HHI's primary objective was to bring together and be a liaison with the the lending institutions, so to preserve affordable housing and offset the existing speculative market that was causing so much displacement and social ills.

INTENDED OUTCOME:

Hill Housing brought together community residents, church representatives, business leaders, property owners, real estate and development experts to facilitate the development

of affordable housing in Asylum Hill.

No less than 600 units of marginal properties in the Hill area have been identified, two hundred of these units are already being negotiated for rehabilitation.

Presently, HHI is involved in over 14 million dollars of housing development through two joint venture projects. First, it is a general partner in the construction of 78 new units of low and moderate income housing in a project known as Sigourney Mews. This controversial project had laid idle for almost ten years. In the last several months, HHI, while working with the city of Hartford, put together a development team, which include two private developers. Their purpose was to redesign and improve the Sigourney Mews Project so it would meet neighborhood needs and obtain local approval.

Secondly, HHI is working on the rehabilitation of 104 units of deteriorated housing on four sites in Asylum Hill. These properties have been the focus of much publicity and legal battles between the previous owner, State, and local government. Tension had been very high. However, HHI and partners, with State supported financing, have kept these buildings in the low to moderate income market.

Century and MacFarlane will be the managing general partners, HHI will be a special general partner. Each will own a one percent interest in the project. Century and MacFarlane will each be entitled 50% of the general partner's residual interest upon sale.

All general partners have agreed upon and approved plans and specifications. South Green Construction firm, or its designee, will be awarded a fixed price construction contract per project budget, 4,950,000. Any material changes or amendments to the plans and specs, or any increase in any item in the final budget will be reviewed by all general partners. HHI will receive all change orders that South Green construction firm, or its designee, sends to the Affordable Housing Fund.

All three general partners by unanimous consent will designate and may replace the management entity subject to approval by the Affordable Housing Fund. The management must cooperate with HHI and adhere to the "Sigourney Mews Outline".

The rents will be \$365.00 for one bedroom, \$435.00 for two bedrooms, \$465.00 for three bedrooms. Tenants will have to pay their own utility costs for at least the first full operating year of the project. Rents will be stabilized indefinitely. Also, rents will never exceed more than fifty-six (56%) percent of the median income defined by Connecticut Housing Finance Authority's (CHFA) low income tax credit guidelines. In addition, such calculations shall be made with the highest utility allowance permitted under guidelines of the U.S. Department Of Housing & Urban development. Rent increase requests will be implemented only after approval by all general partners and CHFA.

AHOP/ACCOMPLISHMENTS

- 1) The South Marshall Street Association of Tenants won a rehabilitation program for four deteriorating buildings after two years of struggling. Seventy one bedroom units were converted to forty-eight two and two bedroom units.
- 2) The Ashley Street Tenants won Section 8 Certificates for 19 apartment units. A very steady and convincing dialogue was held with the City of Hartford's Apartment Improvement Program.
- 3) The Nile Street Tenants along with church representatives worked long and hard as they challenged the Aetna to turn 44 apartment units into affordable housing for families in Asylum Hill.
- 4) Woodland Village is another success story for AHOP. This tenant Association worked with the owner of Woodland Village and HUD to get 60,000 of energy funds to improve 166 units.
- 5) Sigourney Mews Associates is a joint venture between the for profit and nonprofit sectors in order to develop clean and safe affordable housing on the vacant lot located between Collins Street, Sigourney and Ashley Streets in the City of Hartford.

The talents of HHI combined with the organizational depth of Century development Corporation and the experience of MacFarlane Properties Corporation comprise the general partnership of Sigourney Mews Associates.

It is the intent of this partnership to properly manage this complex as rental apartments for low and moderate income people for 15 years, and thereafter, to offer the units to the existing tenants as moderate income condominiums. It is also a mutual desire to use this opportunity of construction revitalization to build a conduit/process that will pump life into the community. Through a series of objectives, employment of community residents will be done within the construction project; community screening committee, tenant/management committee meetings, and developement of a long term agreement of resident ownership.

Operational management responsibility will be with MacFarlane and Century Development , but they or the agreed upon management firm will meet with all partners at least quarterly to review budget, management and other tenant, community, economic and legal concerns affecting the project. HHI's primary responsibility during operation will be tenant counseling, selection and education. HHI will interview and screen prospective tenants and recommend to the partnership an applicant pool from which the tenants will be chosen. HHI will organize and work with tenant groups to engender tenant responsibility and foster good tenant/landlord relationships. For initial rent, the project budget will contain \$15,000 to be disbursed to HHI at initial closing for a staff person to perform these services.

Upon marketing of the individual units in year sixteen, or thereafter, each will be offered to existing tenants at a price affordable to a family within sixty (60%) percent of the median income as defined by CHFA's low income Tax Credit guidelines. And, any unit not purchased by the tenants will be marketed at a price affordable to persons and families within eighty (80%) percent of such guidelines. Resale will be similarly restricted to the extent legally possible by deed restrictions, "slow-note" mortgages or repurchase options

LENDING INSTITUTIONS:

@ EQUITY INVESTMENT

amt:	\$4,900,00.00
term:	Federal Low Income Tax Credit of 9%, plus 50% of project's net cash flow
source:	Affordable Housing Fund for connecticut, 635 Farmington Ave., Hartford, Ct. 06105 The fund is a vehicle created by three major local financial institutionals: Conn. Bank & Trust, Conn. National Bank, and People's Bank for the purpose of investments utilizing the federal Low Income Tax Credit provisions.

@ FIRST MORTGAGE

amt: \$1,291,000.00
terms: 15 years amortization @ 8.5%
Source: Capital Housing Finance Corporation(CHFC)
250 Constitution Plaza, Htfd., Ct. 06103
CHFC is a vehicle established by the local
business community and the Chamber of Commerce
to finance public purpose housing development
in the City of Hartford.

@ CONSTRUCTION FINANCING

amt: \$2,500,000.00
terms: Note: (The balance of construction financing will
be drawn from Equity Funds).
8.5% during the construction period
Source: Capital Housing Finance Corporation

@ INTERIM FINANCING

amt: \$1,000,000.00
terms: -0- interest during construction period
Source: City of Hartford Community Development Block Grant
Float

RETURN OF PROCEEDS/LAND LEASE:

UDAG proceeds, for tax credit purposes, will be used to acquire the land for the project and will not be loaned to the developer as stipulated in the original grant agreement. The City will, in turn, lease the land to the developer for 12.5% of the project's net cash flow. The land will be leased to the developer for a period of 15 years with the option of five-one year renewals or until the project is sold or refinanced.

At such time as the project is sold, refinanced, or converted to condominiums, the City has agreed to then sell the land to the developer at a price to be negotiated based on its appraised fair market value and additional subsidies that might be needed to preserve the project for occupancy by a low to moderate income tenancy either as condominium owners or renters.

Under federal low income tax credit regulations, the developer is required to maintain the units as low and moderate income housing for a period of fifteen years. No sale or refinancing is therefore expected during this period.

OTHER FINANCIAL CONSIDERATIONS:

The City of Hartford has approved a tax fixing agreement for this project fixing taxes at the rate of \$350.00 per unit, per year or a total of \$27,300 for the project per year. Market rate taxes for the project have been estimated at \$925.00 per unit, or a total of \$72,150. This represents a subsidy of \$575.00 per unit, per year or a total annual subsidy of \$44,850. The real property tax is the only City tax levied on this property.

SIGOURNEY MEWS ASSOCIATES JOB TRAINING PROGRAM

PROJECT GOALS:

The goal of the Sigourney Mews job training program is to empower structurally unemployed community residents and return them to the job market. Also, a part of this goal will be to break the barriers minorities are facing with regards to Trade Unions. The strategy here will be to insure the success of the first employment and training program.

Hopefully, after developing a successful employment program, a proven track record will enhance our next effort to gain access to

other construction projects. In this regard, we hope to develop and build network capabilities.

METHOD:

A major effort will be undertaken to coordinate the employment and training component between AHOP, its residential constituents and Sigourney Mews Associates. The plan is to network with contractors and local trade unions to facilitate matters of time schedules, hiring guidelines, affirmative action agreement, and time tables for the varied construction segments. Twenty-one construction jobs are targeted for residential disposal into meaningful jobs and career trades.

JOB COMPONENT:

* Semi & unskilled jobs (\$8.00 per hr.)	...	15
* Skilled & semi unskilled jobs (\$9.00 - \$11.00 per hr.)	...	5
* Assistant Superintendant (will assist Gen. Contractor) (\$25.00 - \$35.00 per hr)	...	1
* Journeymen placement (2 semi unskilled workers to fill positions)	...	2

ACHIEVEMENT OF GOALS AS IT RELATES TO ROOT PROBLEMS

A consensus view felt that in order to stabilize the community and residents, the affordable housing issue had to be resolved. Establishing a local CDC to monitor and rehab neighborhood housing for low income residents was definitely the first phase. The second phase brought community residents, church representatives, property owners, and experts in the financial and housing fields to discuss ways of establishing affordable housing. The third phase would find construction activities being negotiated to include community residents employed at various levels of the construction trade union jobs.

It was felt that if the basic needs of a community were satisfied, other tangible problems could then be addressed. Affordable housing and employment were the two areas AHOP felt had to be addressed first. It was considered that if community residents became employed, family nutrition with access to insurance healthcare benefits could drive down the infant mortality rate and related problems.

No doubt, crime incidents could also be affected by the employment program since those idle bodies would now be working instead of "hanging out". AHOP and the Sigourney Mews Associates felt they had established a very comprehensive approach to reversing the destructive trend occurring in Asylum Hill.

C. METHOD:

Grass Root Organization was the method used by AHOP/HHI to fulfill its mission/goal of establishing affordable housing. The following is an outline of the process/steps taken by AHOP:

1. DEVISE COMPREHENSIVE DEVELOPMENT PLAN

- a) establish CDC
- b) network with community & institutional consultants
- c) develop affordable housing
 - 1. address employment, health care problems
 - 2. address crime wave
 - 3. create another development project

How does (C) relate to the root causes

The first organizing step by AHOP was to build within its boundaries a strong and conscientious core group who would generate and facilitate community issues to some type of resolution that was positive toward social and human change. Together, a major comprehensive plan was devised to combat a wide array of fundamental

problems affecting the community: affordable housing, infant mortality, unemployment, and crime. The achievements were substantial enough to create a positive trend to addressing the above problems.

What changes were made along the way?

As each phase of the Comprehensive Plan was implemented, time consuming meetings and delays in other areas found AHOP readjusting its time table to accomplish the various objectives. This area proved to be the most significant in causing changes in AHOP/HHI's agendas.

D. RESULTS:

The Asylum Hill Organizing Project's Comprehensive Plan was working extraordinarily well. AHOP had envisioned the establishment of a community development corporation in Asylum Hill to develop affordable housing, as well as find solutions for the other ills the community was facing. The results have been overwhelming.

Having established a facilitating entity in Hill Housing, Inc., AHOP's Plan, which included a significant amount of outside influence, was working in an amazing way. Experts in the various industries aligned themselves with community residents and their concerns to make excellent strides in creating a real Community Economic Development environment, where all aspect of a community is addressed and prioritized.

Affordable housing was one aspect AHOP felt could stabilize the community and its residents. In reaching this phase, employment dialogue commenced with builders and developers. It was definitely AHOP's view that steady employment, along with its health care tangibles, could provide a number of

things: lower the rate of infant mortality, stabilize the family unit, gain access to the health care providers, increase nutritional education, slow down the drug and crime activities by putting idle bodies to work, etc. No doubt, this is an ongoing process that AHOP and HHI will manage for the next five years. Many, many other ideas are now on the table.

E. ANALYSIS / CONCLUSION / RECOMMENDATIONS:

For those interested in achieving a real Community Economic Development environment, I would indicate to you that this was truly ideal for the area, Asylum Hill. Much of AHOP's success was in attracting significant and invaluable outside influences. Along with this, a core group of people that really wanted to change their community, environment, and people. These two factors would, indeed, make any attempt to create a Community Economic Development atmosphere more achievable.

The lesson here is having available networks to help facilitate the concerns and goals of the agency and its constituents. This unique feature of networking will ultimately allow the accomplishments to be of major consequences to the community, etc. Particularly if the interests between networks are mutual, this aspect was probably the primary reason AHOP succeeded in its quest to reverse gentrification in Asylum Hill.

For me, I am assured that grass root organizing is still a major tool in creating a real Community Economic Development environment.

The problem of gentrification, addressed by AHOP, had many subtle repercussions affecting the community, Asylum Hill. The shortage of affordable housing seemingly caused a destabilization of the families in the neighborhoods and

added a negative impact to other social needs. This fact reinforces my belief that there are other factors surrounding the bigger problem. They are just as important and significant to the people being affected. A comprehensive plan must be devised to deal with the entire spectrum of problems facing a community. Finding that affordable housing was the mechanism needed to stabilize family and community was no real discovery. Moreover, finding enough monies to rehabilitate local properties was the greatest problem. Lastly, the pursuit of these goals will ultimately determine success. AHOP has proven that it does have all the ingredients necessary for major projects.

The attitude of Asylum Hill residents is one of support, determination, and a strong desire to work endlessly to achieve their goal. This ingredient is invaluable to a community.

NEXT STEP:

The next step should be a continuation of monitoring the the community, reducing outside speculation, and developing other properties within its boundaries. Whenever the opportunity presents itself, more emphasis on employment and job training support systems should be considered. At some future time, affordable daycare could be another challenge for AHOP and its constituents.

It would be a tough matter to consider what I would do differently in this project. You see, this project has been a major success on a grand scale. Perhaps there are minor changes that would improve the process somewhat. But, my recommendation is not to deviate from what has been a very good process/project/program.

HILL HOUSING, INC.
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160 Collins Street
Hartford, CT 06105

Grace Lutheran Church
46 Woodland Street
Hartford, CT 06105

The Travelers
One Tower Square
Hartford, CT

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151 Farmington Avenue
Hartford, CT

State Labor Department
200 Folly Brook
Wethersfield, CT

Phoenix Equity
1 American Row
Hartford, CT

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243 Sigourney Street
Hartford, CT 06105

Dexter Corporation
1 Elm Street
Windsor Locks, CT

Gtr. Hftd. Arch. Conserv.
51 Wethersfield Avenue
Hartford, CT

Travelers-Law Department
38 Prospect Street
Hartford, CT 06183

Greater Hartford Realty
Vine Street
Hartford, CT 06112

* Executive Committee, Hill Housing
**AHOP Board of Directors

HILL HOUSING, INC.
 INCOME STATEMENT
 CONSOLIDATED STATEMENT
 PERIOD ENDING: SEPTEMBER 30, 1988

	CURRENT	%	YEAR-TO-DATE	%
INCOME				
STATE OF CONN.	10,000.00	35.3	10,000.00	35.3
ASYLUM HILL CONG.CHURCH	5,000.00	17.7	5,000.00	17.7
COVENANT INSURANCE CORP	3,000.00	10.6	3,000.00	10.6
OTHER INCOME	1,501.00	5.3	1,501.00	5.3
HFD.FOUND.PUBLIC GIVING	8,750.00	30.9	8,750.00	30.9
INTEREST INCOME	45.76	.2	45.76	.2
	<hr/>		<hr/>	
TOTAL INCOME	28,296.76	100.0	28,296.76	100.0
EXPENSES				
SALARIES	13,538.48	47.8	13,538.48	47.8
TAXES: FICA	1,016.75	3.6	1,016.75	3.6
BOOKKEEPING	680.00	2.4	680.00	2.4
OFFICE SUPPLIES	514.86	1.8	514.86	1.8
TELEPHONE	285.55	1.0	285.55	1.0
EQUIPMENT EXPENSE	5,178.23	18.3	5,178.23	18.3
CONF.&TRAVEL	33.29	.1	33.29	.1
POSTAGE	25.00	.1	25.00	.1
OTHER OFFICE EXPENSE	127.96	.5	127.96	.5
MISCELLANEDUS	4.75	.0	4.75	.0
	<hr/>		<hr/>	
TOTAL EXPENSES	21,404.87	75.6	21,404.87	75.6
	<hr/>		<hr/>	
OPERATING INCOME	6,891.89	24.4	6,891.89	24.4
	<hr/>		<hr/>	
NET INCOME	6,891.89	24.4	6,891.89	24.4
	<hr/>		<hr/>	

IN ACCOUNTS

9/30/88

CHECKING	6418.54
AHOP/HHI EXPACCT	4733.5
	<hr/>
	6891.89

11/29/88

Hill Housing, Inc.

1988 Actual & 1989 Projected Budget

EXPENSE:

	1988	1989
Salary	34,000	66,000
Fringe	7,820	15,180
subtotal	41,820	81,180
book/audit	3,800	4,180
cons/contract	13,700	15,070
Program Expense	3,000	3,300
Office Supplies	920	1,012
Insurance	4,000	4,400
Telephone	1,892	1,581
Rent	750	4,000
Equipment	4,500	2,000
Conf/Travel	1,860	2,225
subtotal	34,422	37,768
TOTAL	76,242	118,948

* * * * *

INCOME:

Howard & Bush	10,000	-0-
LISC	10,000	-0-
State	10,000	5,000
Churches	5,000	5,000
HFPG	17,500	30,000
KAMAN	1,500	-0-
Fees	10,000	60,000
TOTAL	64,000	100,000
	(12,242)	(18,948)

Outstanding proposals for 1988:

- 1) Hartford Courant Foundation - \$5,000
- 2) CM Alliance - \$5,000