

For Washington Village redevelopment, lofty goals, in phases

By Robert Koch



Photo: Alex Von Kleydorff / Hearst Connecticut Media

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City, state, federal and civic leaders, including Governor Dan Malloy and Norwalk Mayor Harry Rilling put shovels in the ground at the Choice Neighborhood Phase 1 Groundbreaking Ceremony for the Washington

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NORWALK — With construction soon to start on 80 new apartments along Day Street in South Norwalk, the Washington Village Transformation Plan is in motion.

When the apartments are completed — tentatively by early next year — work

will proceed on razing and rebuilding the existing public-housing complex, which is among the oldest in Connecticut.

“We are excited for the imminent start of construction for Phase One of the project and are currently working toward lining up financial resources, in addition to the already committed CNI funds, for the subsequent phases,” said [Michael Lozano](#), senior project manager for [Trinity Financial](#), LLC, the Boston-based real-estate development firm chosen by the [Norwalk Redevelopment Agency](#) to rebuild Washington Village. “In fact, we recently submitted an application to the [Connecticut Housing Finance Authority](#) and Connecticut Department of Housing for Phase Two which — if awarded — would allow us to commence construction on that phase in early 2018.”

For all the attention given to Phase One — Gov. [Dannel P. Malloy](#) was among upward of 170 people to attend the ceremonial groundbreaking on Nov. 28 — the bulk of the work lies ahead.

The larger Washington Village Transformation project calls for razing Washington Village and its 136 apartments and building 273 apartments in five new buildings. The new complex will be a mixture of workforce, public-housing and market-rate apartments.

A \$30 million grant through the U.S. Department of Housing and Urban Development’s Choice Neighborhood Program is helping fuel the plan. The goal is to build high-quality, mixed-income housing, provide children and families with educational and other services, and to spur public and private investment.

Three phases

More Information

Phase One: \$44 million

\$1.5 million of CNI funds

\$11.8 million of Hurricane Sandy Disaster Relief funds

\$1.3 million of Brownfield Remediation funds

\$29.6 million in private financing, including Low Income Housing Tax Credit equity

Phase Two: approximately \$50 million

\$10.5 million of CNI funds

\$6 million in State Affordable Housing funds

\$3.5 million of Brownfield Remediation funds and Federal Home Loan Bank funds

\$30.2 million in private financing, including Low Income Housing Tax Credit equity currently being sought from Connecticut Housing Finance Authority

Phase Three: approximately \$50 million

\$6 million of CNI funds

\$6 million of State Affordable Housing funds

\$4 million of Brownfield Remediation funds and Federal Home Loan Bank funds

\$34 million in private financing

Source: Trinity Financial

[Thomas J. Ivers](#), Choice Neighborhoods Initiative director for the NHA, said work on Phase Two will begin immediately after the two new apartment buildings on Day Street are completed. The 10-unit building at 13 Day St. and 70-unit building at 20 Day St. will serve as swing space to accommodate some of the residents who will be displaced during phases two and three.

“We’re really excited and looking forward to working with the residents during the latter phases of development. We will be working with them very closely on the relocation aspect and the re-occupancy,” Ivers said. “I think they will be very excited.”

Phase Two will entail construction of a new 85-unit building on the south side of Raymond Street, between Day and Water streets.

Phase Three will add two new buildings immediately to the south: a 50-unit building along Day Street and an 85-unit building along Water Street. Officials anticipate work beginning in fall 2019 and taking 18 months to complete.

“We’re working on 18-month cycles,” Ivers said. “So 2018 for Phase Two and then 18 months after that Phase Three.”

Tax credits important

The financing plan for the larger project includes the already awarded \$30 million Choice Neighborhoods Initiative grant as well as Hurricane Sandy Disaster Relief Funds and Low Income Housing Tax Credits through the Connecticut Housing Finance Authority.

“By far, that’s like 50 percent of the costs,” Ivers said of the tax credits sought from the CHFA?

The program provides equity for developers to acquire, build and/or rebuild low- or moderate-income housing through the allocation of federal tax credits that may be sold to corporations or investor groups to raise capital for a project.

In 2014, CHFA awarded \$7.7 million in Low Income Housing Tax Credits aimed at generating \$186.9 million in economic activity. The awardees include Trinity Washington Village Phase One Ltd. Partnership, which received \$1.89 million in credits, which translates to \$20.1 million in private

equity.

The tax credit program is competitive, with credits being awarded to applicants whose projects meet the goals spelled out in CHF's Qualified Application Plan. Criteria include enhancing "housing mobility and choice across income levels" and promoting "vibrant, mixed-income neighborhoods through rental opportunities." The application deadline is typically early November.

"We can't speculate on future applications from Washington Village or any other developers," CHFA spokeswoman [Lisa C. Kidder](#) said when asked about the prospects of the Washington Village project receiving additional tax credits. "The Qualified Application Plan that governs the awarding of tax credits is updated regularly based on state priorities."

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