(860) 291-7207

OFFICE OF THE TOWN COUNCIL

740 Main Street East Hartford, Connecticut 06108

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COMMUNITY CULTURAL CENTER ROOM 111 / MICROSOFT "TEAMS" TAX POLICY COMMITTEE

September 18, 2023

TO: Councillors Don Bell and Travis Simpson

FROM: Angie Parkinson, Chair

RE: Monday September 18, 2023 @ 6:00 pm

Pursuant to Governor Lamont's Executive Order No. 7B, this meeting will be accessible through "Microsoft Teams" 1-929-235-8441 Conference ID 750 110 343# or you may click on the following link. Click here to join the meeting

AGENDA

- 1. CALL TO ORDER
- 2. APPROVAL OF MINUTES A. April 17, 2023
- 3. OPPORTUNITY FOR RESIDENTS TO SPEAK
- 4. OLD BUSINESS
- 5. NEW BUSINESS
 A. 61 Chipper Drive
- 6. ADJOURNMENT

c: Town Council Mayor Walsh

CCC Meeting Room 111 / MICROSOFT "TEAMS"

TAX POLICY COMMITTEE

April 17, 2023

PRESENT Angie Parkinson, Chair, Councillors Travis Simpson and Don Bell

ABSENT

ALSO Melissa McCaw, Finance Director
PRESENT Eileen Buckheit, Development Director

Rich Kehoe, Town Council Chair Awet Tsegai, Town Council

Robert Dicrecenzo, Updike, Kelly & Spellacy, P.C. (via Teams)

CALL TO ORDER

Chair Parkinson called the meeting to order at 6:05 pm

APPROVAL OF MINUTES

March 29, 2023

MOTION By Don Bell

seconded by Travis Simpson

to approve the minutes of the March 29, 2023 meeting

Motion carried 3/0

April 3, 2023 Combined Meeting with Fees Committee

MOTION By Don Bell

seconded by Travis Simpson

to approve the minutes of the April 3, 2023 Combined Meeting with the Fees

Committee.

Motion carried 3/0

OPPORTUNITY FOR RESIDENTS TO SPEAK

No one came forward.

NEW BUSINESS

Tax Stabilization Agreement for 1-36 Jaidee Drive "Easton Place"

<u>Director Buckheit</u> stated that the Easton Place housing complex will receive a \$3.3 million renovation to upgrade various furnishings within the 50 units. The project is being financed by

the CT Department of Housing with tax credits administered by the CT Housing Finance Authority. In order for the funding to be released to make the renovations, the proposed tax stabilization agreement provided must be approved and executed to level fund current taxes at a rate of \$83,689 for 15 years. Prior to revaluation, taxes paid on the complex were \$63,908. Without the agreement in place, the underwriters of the project will not move forward as the projection cost will be out of balance as the loan program carries limits on both rent rates and rent increases to assure the housing is affordable.

Councilor Simpson encouraged administration to share tax credit opportunities such as this to other property owners in Town when the information is available.

Councilor Bell asked for confirmation of the maximum rate increase on rent for the complex to assure it would remain affordable for tenants.

<u>Director McCaw</u> explained the process of how funding opportunities are made available through RFP through the Department of Housing and Connecticut Housing Finance Authority. The financing is contingent upon an adequate debt service coverage ratio, which demonstrates the owner can meet principal and interest payments along with other fixed costs. The proforma establishing the debt service coverage ratio required stabilization of the taxes to secure the loans. In addition, while a rent increase is not required, the proforma and debt covenants, per Attorney Bob Decresenza, limit the maximum rate of increase in rent to 2% annually, thus limiting the increase in future tax assessments and making the stabilization agreement more revenue neutral. Director McCaw clarified that the assessed value of this commercial property is done using the income approach. Hence if there is no significant increase in income, it is not expected that a significant increase in assessed value or increase in taxes would have occurred. This tax stabilization agreement provides CHFA with certainty and generally aligns with what would have resulted from the assessment process.

The Committee made note that the agreement states that the period of tax modifications is incorrectly noted at 10 years vs. the recommended 15 year term and that Rich Gentile is mentioned as Assistant Corporation Counsel and has recently retired.

Mr. DeCrescenzo acknowledged that the changes would be made and a revised agreement would be provided in advance of the April 18th Town Council Meeting

MOTION By Don Bell

seconded by Travis Simpson

to recommend that the full Town Council authorize Mayor Michael P. Walsh to enter into a fifteen year Tax Assessment Agreement with Jaidee Drive Association Limited Partnership,, that fixes the tax payment of the property located at 1-36 Jaidee Drive aka "Easton Place" at \$83,689 per year, beginning with the Grand List of October 1, 2023 in accordance with the terms set forth in the attached Tax Stabilization Agreement as provided to the Town Council by Mayor Michael P. Walsh in a memo dated March 29, 2023.

Motion carried 3/0

ADJOURNMENT

MOTION By Don Bell

seconded by Travis Simpson

to **adjourn** (6:26 pm)

Motion carried 3/0

cc: Town Council

Mayor Walsh



TOWN OF EAST HARTFORD OFFICE OF THE MAYOR

DATE:

May 2, 2023

TO:

Richard F. Kehoe, Chair

FROM:

Mayor Michael P. Walsh

RE:

REFERRAL: Tax Policy Subcommittee – Properties Recommended for Tax Lien Sales

Attached please find a property that was inadvertently excluded from the list of properties recommended for the Town's annual tax lien sale in March of 2023.

Please place this item on the Town Council agenda for the May 16, 2023 meeting for referral to the Tax Policy Subcommittee.

Ċ:

M. McCaw, Finance Director

I. Laurenza, Tax Collector

To: Mayor Walsh Temporary Town Hall 50 Chapman Place East Hartford, Ct. 06108

From:

Reginald Thibault 42 Chester St. East Hartford, Ct. 06108 860 289 3536 photolover 1@yahoo.com

4-17-2023

Hello Mayor Mike!

I am writing about 61 Chipper Drive, East Hartford, CT. 06108. Recently I tried to contact the owner of record of the above property.

My property, 42 Chester Street, abuts 61 Chipper Drive. I have learned that the property on Chipper Drive is probably abandoned as well as vacant. For several years the tax bills sent to the owner of record, Renee Estates, have been returned as undeliverable. I went to the address of record 281 Hartford Turnpike, Vernon, Ct. That address is an office building. I was unable to speak with anyone who was familiar with Renee Estates. My guess is that the company probably no longer exists.

From the Assessors GIS listing the property appears to have less than 75 feet of frontage which I believe to be non conforming. On the East of the property is a large drainage easement to the State of Connecticut. To the west of that easement, more or less in the middle of the property is a buried Sanitary Sewer. These things together with the property being all or in part in a flood plane would make the property hopelessly unsuitable for building. The above reasoning leads me to presume abandonment of that property.

If I am correct the Town has Tax Liens against that property but since it cannot be developed the Town has not posted it for sale or disposal.

I would like to pay the delinquent taxes and purchase 61 Chipper Drive. How can this be done?

Reginald Thibault

R Siber H

42 Chester St.

East Hartford, Ct. 06108



MEMORANDUM

DATE:

March 7, 2023 - Concluded on March 10, 2023

TO:

Michael P Walsh, Mayor

FROM:

Iris Laurenza - Collector of Revenue

RE:

Referral to Tax Policy Committee

Property Recommended for Tax Lien Sale

Attached please find a property which was inadvertently excluded from the list of properties recommended for the town's annual tax lien sale. The list contains 1 property that should move forward in a tax lien sale totaling \$ 2,118.86. This amount represents over six years of delinquencies.

Please note the abutting property owner has expressed both written and verbal interest to several departments in town, in bidding on this parcel. Where all other town efforts have failed to secure payment, putting this out for lien sale lends itself to the potential to clear it off the tax rolls and begin fresh.

The policy criteria applied by the Tax Office that results in a property being selected for lien sale includes any real estate delinquency in excess of \$10,000 or any amount when the delinquency spans any portion of three or more grand list years.

As background information related to the process followed by the Tax Office, the collection process completed for each grand list year is summarized as follows:

- > The tax bill first installment legal notice is published (3 times; before due date, after due and before it becomes delinquent
- An individual tax bill is printed and mailed to the property address (mid-June)
- > If full payment is not received, an individual delinquent letter is mailed (August)
- The tax bill second installment legal notice is published (3 times; before due date, after due and before it becomes delinquent)
- If full payment is not received, an individual demand letter is mailed (February)
- > If amounts remain unpaid, a notice of Intent to Lien notice is mailed (April)
- > If amounts remain unpaid, a lien is filed by the Tax Collector (May)

Based on the aforementioned, the town will issue a tax lien sale request for proposal (RFP). When the town has accepted bids in the past, the town was able to collect 100% of the tax due on the parcels when the lien was sold.

One some properties, the owner came forward and entered into an agreement with the town to deposit an initial payment of approximately 25% of the taxes due while

agreeing to retire remaining balance of eighteen months while keeping new taxes current.

As in the past lien sales, the town advertises these properties and requests sealed bids. The bids received by the town will be opened and analyzed by the Administration, who then will return to the Town Council with recommendations for the sale. The Finance Department, including the Tax Office, will work closely with Corporation Counsel to facilitate this sale by September 30, 2023 for tax receipt recording purposes.

In closing, while it is unfortunate that the town has to initiate this action, despite our best efforts, we have been unable to secure collection with this particular property. Accordingly, this process is encouraged to maintain a fair and equitable tax collections system and support town services upon which our town residents rely.

Should you have any questions or concerns regarding the above mentioned, please do not hesitate to contact me.

Thank you.

Town of East Hartford - 2023 Lien Sale - Interest through 8/31/23

BILL#	UNIQUE ID	NAME	PROPERTY LOCAT	ITAX	INTEREST LIE	N F	EE	TOTAL
2015-01-0016599	17199	RENE ESTATES	61 CHIPPER DR	136.2	175.7	24	50.39	386.29
2016-01-0016599	17199	RENE ESTATES	61 CHIPPER DR	139.74	155.11	24	47.83	366.68
2017-01-0016599	17199	RENE ESTATES	61 CHIPPER DR	141.55	131.64	24	44.58	341.77
2018-01-0016599	17199	RENE ESTATES	61 CHIPPER DR	145.86	109.4	24	41.89	321.15
2019-01-0016599	17199	RENE ESTATES	61 CHIPPER DR	148.26	84.51	24	0	256.77
2020-01-0011863	17199	RENE ESTATES	61 CHIPPER DR	146.57	57.16	24	0	227.73
2021-01-0011845	17199	RENE ESTATES	61 CHIPPER DR	160.72	33.75	24	0	218.47
TOTAL	7	17199	61 CHIPPER DR	1,018.90	747.27	168	184.69	2,118.86
GRAND TOTAL	7			1,018.90	747.27	168	184.69	2,118.86