

CHARTER OAK COMMUNITIES

PROPOSED USE OF CITY CAPITAL FUNDS FOR SUBSTANTIAL REHABILITATION STAMFORD MANOR, 26 MAIN STREET

Stamford Manor is a 215-unit high rise building for seniors and the non-elderly disabled located adjacent to the Mill River Park and the Main Street Bridge (currently closed). Approximately 150 units are occupied by senior households and 65 by non-elderly disabled. The resident population is very low-income, and lacking in mobility, with few alternative housing options. Stamford Manor was developed under the federal Low-Income Public Housing Program in 1965 and has been providing deeply affordable housing for sixty years. Two additional residential wings were added to the original building in 1971. All three structures are connected via exterior walkways at each level. The development is being converted from Public Housing to Section 8 rent subsidy under the HUD RAD program.

The manner in which HUD calculates operating subsidy in the Public Housing program results in an annual operating loss. The current budget projects a loss of \$450,000. The RAD conversion to Section 8 will cover all operating expenses and will provide sufficient funding to support a significant amount of private mortgage debt to help fund the proposed renovations.

While Charter Oak Communities has demolished and redeveloped several former federal public housing developments, that option is not realistically available for Stamford Manor. Relocating the residents of 215 apartments so that demolition and new construction could take place would be extremely difficult, and many of the residents would encounter significant stress and difficulty if required to move elsewhere. Demolition of the existing structure would be complicated by its proximity to other buildings, the Mill River Park, and active pedestrian routes. Demolition and new construction would also be much more expensive than investing in the continued viability and sustainability of the existing development.

A limited program of emergency repairs has been completed, including repair of two exterior stair towers and repair of the concrete walkways used to access each apartment. A separate repair program for mechanical and electrical systems and components is currently out to bid and will commence in early 2026.

With the increased operating subsidy available through the Section 8 conversion, a major renovation of the building and the 215 apartments is planned. Architecture and engineering work is under way and applications for Low-Income Housing Tax Credits (LIHTC) and State capital funding are being prepared. The financial plan calls for the use of 4% LIHTC, which are not competitively awarded and are therefore more readily available. Charter Oak Communities will issue tax-exempt bonds to partially fund the renovations. As with all our projects, COC will invest its own funds in the project and will defer half of our developer fee. COC will also fund 100% of pre-development expenses.

As shown in the attached sources and uses statement, the Stamford Manor rehabilitation effort has an anticipated total cost of almost \$75 million. Our current request for \$2 million in City Capital Funds represents less than 3% of total project funding. As always, we will maximize private debt and LIHTC and seek the minimum amount of public funding necessary to complete the program.

STAMFORD MANOR SUBSTANTIAL REHABILITATION

SOURCES AND USES STATEMENT 10-2025

SOURCES

| | |
|-------------------------------|--------------|
| Tax-exempt Bond Sale Proceeds | \$24,400,000 |
| LIHTC (4%) | \$30,439,845 |
| Seller Loan | \$9,718,845 |
| State Capital Funds | \$4,000,000 |
| Deferred Developer Fee | \$2,737,498 |
| City Capital Funds | \$2,000,000 |
| Sponsor Loan | \$1,000,000 |
| TOTAL | \$74,296,188 |

USES

| | |
|--|--------------|
| Construction | \$42,209,456 |
| Contingency | \$6,331,418 |
| Architect/Engineering | \$1,197,000 |
| Finance and Interim | \$3,656,400 |
| Soft Costs | \$1,355,670 |
| Developer Fee (1/2 Deferred) | \$5,474,994 |
| Building Acquisition (offset by seller loan) | \$9,818,000 |
| Required Reserves | \$3,871,000 |
| Other | \$382,250 |
| TOTAL | \$74,296,188 |

ST JOHN TOWERS NARRATIVE

This project will redevelop the St. John Towers property on 109 Tresser Blvd. The site is currently occupied by two half-empty residential towers containing 240 units that are in poor overall condition. Furthermore, the site is no longer covered by any binding affordability requirements and can be operated as an unrestricted, market rate property. This development plan would replace these deteriorated and environmentally contaminated buildings with 305 units of modern, deed-restricted affordable housing.

The St. John Towers were constructed in 1970 as replacement housing for urban renewal activities then occurring in Stamford. There were originally three towers totaling 360 units, and all 360 units were affordable housing. In 2015, "Tower A" comprising 120 units was sold and demolished. In its place is the Smyth, a luxury apartment complex. The two remaining towers, now over 55 years old, have deteriorated. They cannot be cost-effectively renovated due to the presence of PCB contaminants in the window caulk, which has prevented a comprehensive renovation of the buildings.

The St John Urban Development Corp, the non-profit that owns the two remaining towers located at the corner to Tresser Blvd and Washington Blvd, has partnered with Heritage Housing, Inc. to develop a plan to demolish the remaining towers and replace them with 305 units of deed-restricted affordable housing. The new structure will be a single, 11-story building with 305 apartments affordable to tenants earning between 30% and 80% of the Area Median Income (AMI). Future affordability of the site will be guaranteed by a 40-year Extended Low Income Housing Commitment. The current plan anticipates 19,926 square feet of amenity space for the tenants along with two outdoor courtyards. These spaces would include a large community room, private dining rooms for tenant parties, fitness areas, a sports court, children's play areas, a playground, and outdoor recreation areas. Additionally, the owner expects to operate a publicly accessible laundromat at the ground floor. The apartments will be a mix of 1-, 2- and 3-bedroom apartments with modern features such as open kitchen layouts, washer/dryer hookups, and large windows.

The SJUDC / HHI team has made significant progress towards being able to close on the financing (described on the next page) and begin construction in late 2026. The City of Stamford Zoning Board granted the team a General Development Plan approval, and the team has held two positive Developer Engagement meetings with the State of Connecticut Department of Housing and Connecticut Housing Finance Authority. The architectural drawings are approximately 50% complete, and the owner has selected a construction manager to build the project. The owner plans to apply for LIHTC, DOH and Community Investment Fund financing in March, 2026.

ST JOHN TOWERS SOURCES & USES

| Development Budget | TOTAL |
|--------------------------------|--------------------|
| Acquisition | - |
| Hard Costs | 134,411,091 |
| Architecture & Engineering | 3,618,350 |
| Other Soft Costs | 7,342,649 |
| Financing Fees | 4,063,281 |
| Carrying Costs | 16,895,474 |
| Reserves | 2,914,928 |
| Developer Fees | 17,034,247 |
| Total Development Costs | 186,280,019 |
| Sources of Financing | |
| Tax-Exempt First Mortgage | 42,743,000 |
| Taxable First Mortgage | 5,638,000 |
| DOH Loan | 25,500,000 |
| DECD CIF | 8,940,984 |
| Stamford Fee in Lieu | 7,511,689 |
| Stamford Capital Funds | 1,000,000 |
| Predevelopment Loan | - |
| 4%/9% LIHTC Equity | 84,368,924 |
| Existing Reserves | 1,500,000 |
| Deferred Developer Fee | 9,077,422 |
| Total Financing | 186,280,019 |
| Funding Gap | |