

Jun 14, 2007

Minus housing clause, Darien RTM OKs library buy

By Austin Amoroso, Times Reporter

The town is on its way to building affordable housing on the library property. It just doesn't have to.

On Monday night, the Representative Town Meeting voted 52-11, with four abstentions, to enter into contract with the library to purchase the 1.993-acre property at 35 Leroy Ave. for \$4.125 million. The RTM then voted 54-7, with three abstentions, to appropriate \$4.2 million for bonding and purchase of the property. The \$75,000 difference covers financial costs.

The real hang-up at the meeting came because of the Board of Finance's late inclusion of a stipulation that if the town were to buy the property, it would have to use it for affordable housing. On Wednesday June 6, the finance board voted 4-1 to include the affordable housing stipulation. It then voted unanimously to appropriate the \$4.2 million.

Robert Young of District 3, chairman of the Planning, Zoning & Housing Committee, said when his committee originally voted to support the proposal, it did so without the affordable housing stipulation. But when the committee met again just before the RTM meeting, it decided that "designating it for affordable housing is exclusionary" and the town "should not preclude other uses at this time."

Young proposed an amendment to the resolution that would eliminate the last paragraph about affordable housing. After much debate, that motion was passed 60-5, with one abstention.

Fred Conze, acting chairman of the Planning & Zoning Commission, said his commission approved the mandatory referral sent to P&Z by the Board of Selectmen, but that was also without the stipulation.

The referral noted a desire to develop affordable housing, but the purchase was not contingent upon that use. P&Z must approve that a proposal for the town to purchase property is consistent with the Town Plan of Conservation and Development.

"The effect with this proposal is to put the town into a position as an applicant," he said. "To an extent, the town is a lessee of the property and it will be, in effect, a co-applicant if it maintains a stake in the property. This is in extreme conflict with our regulations. It allows the town to step over our regulations."

Conze compared it to the Stefanonis' application for an age-restricted development that included affordable housing units. Many felt that the Stefanonis included affordable housing units to make it easier to gain approval.

"It's similar to the Stefanonis, but just think if the town became the applicant. It's a horse of a different color," Conze said.

Under state statute 8-30g, in order to comply with the state-mandated 10 percent affordable housing, an applicant looking to develop affordable housing could overstep the boundaries of P&Z. It would be on P&Z to give sufficient reason why the developer could not build affordable housing on the site.

Conze was concerned that due diligence was not served and nowhere in First Selectman Evonne Klein's presentation in support of the proposal were the economics of the project. He said that in order to make it work financially, it might have to be developed up.

"It's conceivable down the road, to make the project pencil, the town could be at odds with P&Z in terms of height of the project," he said. "We're going down a very dangerous road here. This is not the way to do this. We are encouraging the purchase of this property, but the resolution drafted is not what we approved."

Conze elaborated in an interview with The Darien Times on Tuesday.

"It's naïve to believe that once a private developer has control of this real estate by lease or conveyance, that he will not seek to maximize his return by expanding the building envelope beyond that permitted by P&Z regulations. It is conceivable we could see a six-story affordable housing project under 8-30g proposed for this site, in which our town is a partner. Once we cross that threshold, how do we control any future applicant seeking to maximize their return in a similar manner?"

"It's a terribly dangerous situation. Once this party gets going, what if it runs into trouble, who is going to bail us out? This gives the developer access to the town treasury without sufficient safeguards. The main check and balance here is the RTM because under 8-30g, we [P&Z] are limited in what we can do."

Many RTM members were also concerned with the logistics of the proposal. If the finance board's stipulation were removed from the resolution, the proposal would have to return to the board for approval. Cheryl Russell of District 5 wondered if the Board of Finance would release the money if Young's amendment was approved. District 3 member David Bayne agreed, prompting someone from the finance board to state the board's position.

"There is a sense of timing here," said Craig Curtis, finance chairman. "We need to make a decision because if we don't buy it, someone else will. If you were to delete [the stipulation], we would entertain it and move quickly with it and take it from there."

Curtis pointed out that he was the board member that voted against the stipulation. He said he felt it was too early to decide what to use the property for and the town should secure the purchase first.

Board member Murry Stegelmann spoke on behalf of board member Martha Banks, who did the research and examined the options for the best use of the property.

"In seeking to determine if this is financially prudent for the town, she determined that affordable housing was financially prudent, but she couldn't determine that for other uses," he said. "I think our taxpayers deserve some edification about what this property is going to be used for."

"The Board of Finance, for lack of a better word, put the gun to our head with this," Young said. "I think we should send it back to them and put the gun back to their heads."

"I'm generally in favor of the purchase, but I think we owe it to the taxpayers to tell them what it will be used for," Bruce Orr of District 5 said. "In a few years we could have a different administration and a different set of priorities. We know affordable housing is a priority right now."

"I'm in favor of letting the library get on with its project and letting us get on with our project, which is to acquire and attain a piece of property," said Sam Schoonmaker of District 4. "We may decide to sell it, we may decide to lease it. We could do any number of things. I'm in favor of this amendment. I want to wait and see what we all think is the highest and best use for this property."

Once the affordable housing stipulation was removed, the focus shifted to the actual purchase of the property regardless of what the land would be used for.

Steve Olvany, District 3, a senior appraiser for a Stamford-based appraisal firm, said the \$4.125 million number did not coincide with the original asking price of the library, when the property was appraised, which was \$3.75 million.

"This Board of Selectmen has been proactive and has taken the necessary time to deliberate before bringing forward a recommendation for property acquisition," Klein said.

She also highlighted the recent history of the properties the town considered purchasing, including the Avalon and Procaccini properties.

"During these years the Board of Selectmen also considered other properties that for various reasons did not meet the needs of the town. And, during early years when Darien was not as developed, boards were willing to forgo the purchase of properties because another property, one even better, would become available soon. Here we are in 2007 — 98 percent developed — with this great opportunity before us this evening."

Mac Marshman said he was against the purchase because of its financial impact.

"You're not talking about \$4.2 million, you're talking about, after bond issuances, a \$5 million purchase," he said. "This \$5 million will add to [the town's already bonded debt of about \$85 million], but it won't stop there. When you go to develop, there would be additional bonds issued. In buying this property, you're buying into much more than just the price you pay for the property."

Marshman continued that he thought the town should let the library sell the property to someone else, a developer that would put in luxury condominiums, so "our elderly won't move to New Canaan because we don't have the housing they want here in town."

"Systematically we are exporting wealth to neighboring communities," he said. "It seems to me we'd want to keep our wealthy here in Darien."

"When you talk to people around town, you ask them when the last time the town bought land and invested in its future, and they sort of shake their heads because they can't remember," Callie Sullivan, District 2, said. "I think, to miss this opportunity, is nuts. It would be crazy."

Olvany made a motion to amend the resolution changing the price from \$4.125 million to \$3.75 million. The motion was not seconded.

The RTM also debated a condition that was originally on the proposal, but subsequently removed. Before the finance board's stipulation, there was a condition that if the property was used to develop affordable housing, it must be for elderly housing. It was removed before the resolution was given to the RTM.

Mary Guimond, District 6, proposed an amendment to restore that condition. It was voted down 52-12, with two abstentions.

"I'm sure you've heard about the waitlist for elderly affordable housing," she said. "Our greatest need is elderly affordable housing."

She continued that if the property were developed for affordable housing, and it was not designated for elderly units, it would include low-income housing units.

"We've seen it in Mt. Kisco and Stamford. Many of these people usually sublease to groups of young people, usually young men. I don't think the town would want to subsidize this happening, and I don't think the elderly are likely to do that."

"We just spent an hour discussing the desirability of not deciding what to do with this site, and I think this amendment is a question for another day," Bayne said.

The resolution will now go back to the Board of Finance for approval without the affordable housing stipulation. It meets next Tuesday and Klein said that vote will be the deciding factor.

"If the Board of Finance does not approve the resolution, we're done," she said on Wednesday.

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