

CHAPTER 2021-1

No. 73 AN ORDINANCE ESTABLISHING A TAX STABILIZATION AGREEMENT FOR RCG ARMORY PARK VIEW, LLC., LOCATED AT 35 PARADE STREET, 41 PARADE STREET, 12 OAK STREET AND 19 R WILLOW STREET

Approved February 26, 2021

Be it ordained by the City of Providence:

WHEREAS, RCG Armory Park View, LLC (“Project Owner”) is the owner of certain real property located in the City at 35 Parade Street, Assessor’s Plat 035, Lot 151, 41 Parade Street, Assessor’s Plat 035, Lot 151, 12 Oak Street, Assessor’s Plat 035, Lot 153, and 19 R Willow Street, Assessor’s Plat 035, Lot 504; and

WHEREAS, Project Owner has proposed and committed to repurposing the existing abandoned structure into a rehabilitated and also new residential structure that will bring new residents to the neighborhood; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, Pursuant to the Providence Code of Ordinances, as amended, specifically Chapter 21, Article VIII, Section 21-169, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Project Owners to rehabilitate existing historic buildings and return them to useful service bringing additional residents to the area and improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Project Owners to commit by agreement to make a significant investment in the above-referenced property, by repurposing this abandoned structure bringing new residents to the neighborhood and enhancing its tax base. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

NOW, THEREFORE, In consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

“Property” shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 35 Parade Street, Assessor’s Plat 035, Lot 151, 41 Parade Street, Assessor’s Plat 035, Lot 151, 12 Oak Street, Assessor’s Plat 035, Lot 153, and 19 R Willow Street, Assessor’s Plat 035, Lot 504

“Property Owner” shall mean the Project Owner or any other respective entities with the legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a fifteen (15) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2018 and terminating on December 31, 2032. (Tax Years 2019- 2033).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax years 2019 through and including tax year 2021, the Property Owner shall make a tax payment equal to the taxes due and owing for the December 31, 2016 assessment value multiplied by the then current Tax Year tax rate (hereinafter the “Base Assessment Tax”). For each tax year thereafter, the Property Owner will pay the Base Assessment Tax plus a percentage of the difference between the Base Assessment Tax on the Property and the taxes due and owing on the then-current assessed value of the Property multiplied by the then-current rate. See “Tax Stabilization Plan” incorporated herein as if fully reproduced and attached hereto and as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owners to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner. It is understood that the stabilized tax payments made hereunder are deemed by the City to be tax payments, and the Property Owner shall be entitled to all of the rights and privileges of a taxpayer in the City, including, without limitation, the right to challenge and appeal any assessment and/or reassessment.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause a Notice of this Agreement to be recorded at its expense in the City’s official public land evidence records.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owners shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agree to provide written notice to the City within thirty (30) days of any transfer of title to the real estate.

Section 4.2. Transfer to Tax Exempt Entities. In the event that one of the respective entities comprising the Property Owner transfers one of the lots comprising the Property to a tax exempt entity, this Agreement shall be void ab initio as it pertains to the respective lot being transferred and the owner thereof and any entity holding the legal right or legal interest in the that respective lot at the time of said transfer shall be liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that one of the respective entities comprising the Property Owner transfers the Property to a tax exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, the then respective entity owning the applicable lot at the time of said sale will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. Property Owner shall make a good faith effort to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 31- 14.1 ("MBE Act") no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with the rules and regulations promulgated pursuant to MBE Act). Property Owners shall make a good faith effort to award to Women Business Enterprises (WBE's) no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence). Property Owner will request the City MBE/WBE office and its Supplier Diversity Director to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist Property Owner in meeting said goals. The process of participating with the MBE/WBE office and its Supplier Diversity Director shall begin upon passage in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. First Source. Pursuant to the City of Providence First Source Ordinance, the Project Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed Project and throughout the term of this Agreement. Project Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.4. "Buy Providence" Initiative. Property Owner will use good faith efforts to ensure that construction materials are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, Property Owners will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction of the Property. In order to further that effort, Property Owner will hold seminars/meetings upon passage of this Ordinance, with the Providence MBE/WBE office, the Supplier Diversity Director, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with Property Owner in providing on-going services, equipment and materials. To be clear, nothing in the foregoing shall be construed so as to obligate Property Owner to purchase construction materials from any vendor that has not provided the lowest qualified bid in connection with the provision of such materials, as reasonably determined by Property Owner.

Section 5.5. Apprenticeship. The Property Owner shall ensure that one hundred (100) percent of the hours worked on the project shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq. Up to twenty (20) percent of the hourly requirement may be waived if replaced with hours worked by qualified MBE/WBE companies registered in the State of Rhode Island. Certification of this waiver shall be reviewed and signed by the designated MBE/WBE coordinator within the department of purchasing. The Property Owner shall make a requirement in the contracts between its construction manager and general contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten (10) percent of the total hours worked by the subcontractors' employees on the project are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its construction manager and general contractor and their subcontractors require that the subcontractors submit to the First Source Director quarterly verification reports to ensure compliance with this section.

The Property Owner, its construction manager or general contractor or other authorized person/entity may petition the First Source Director to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. Compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. Compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. Compliance is not feasible because it would create a significant economic hardship; or
- d. Compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record a Notice of this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance obligations set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing within thirty (30) days of the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or

- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations to the City of Providence.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City Council shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have ninety (90) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within ninety (90) days, then the Property Owner shall request an additional reasonable period of time from the Tax Assessor (and if an agreement on the period of time cannot be reached between the Property Owner and the Tax Assessor, then the Property Owner shall request such additional time from the City Council) to cure such default. Such reasonable request shall be granted provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Property Owner and the City Council does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City Council in its sole reasonable discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail, or by nationally recognized overnight courier (such as Federal Express or UPS) and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903

If to: RCG Armory Park View, LLC
 c/o Mark Van Noppen
 334 Broadway
 PROVIDENCE, RI
 Copy to:
 Nicholas Hemond, Esq.
 Darrow Everett, LLP
 One Turks Head Place, Suite 1200
 Providence, RI 02903

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.2. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.3. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement, unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I. Gen. Laws § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City Council on its progress in complying with the provisions of this Agreement, and one final report following the issuance of a certificate of occupancy for the work contemplated hereby (which reporting may be done on a Property by Property basis). Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, and evidence of employment compliance pursuant to Section 6 above. Upon receipt and review, the City Council may require and request reasonable additional non-confidential or proprietary information.

Section 9.2. Monitoring Fee. Within thirty (30) days of receiving a statement from the Tax Assessor, the Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the total project costs as presented in the Property Owner's application for each respective tax year during the term of this Agreement.

Section 9.3. Agreement to Contribute to Parks and Recreation Trust Fund. Upon ratification of this Agreement by the City Council, the Property Owner shall, within thirty days of receiving a statement from the Treasurer, contribute to a Trust Fund established by the City of Providence, of which the Treasurer shall be the trustee. The Fund shall be identified as the "City Council Parks and Recreation Fund." The City Council shall establish regulations pertaining to the disbursement of funds.

- (a) Payments to the Fund. The Property Owner shall make annual payments to the Fund in the amount of Five (5) percent of the abated tax for each respective tax year, for as long as this Agreement is in full force and effect. Said annual payments will be payable on the last day of each subsequent tax year after the Commencement Date. Additionally, in the first three years of this Agreement, the Property Owner shall contribute a total of \$2,5000.00 in each year. If, for any reason, this Agreement is retroactively revoked, the payments to the fund shall remain and will not be forfeited back to the Property Owner due to a default. By way of example only, if the tax savings for Year 4 is \$500,000, the contribution for Year 4 shall be \$25,000.

- (b) Investment and Distribution of the Fund. The trust fund will be invested by the Board of Investment Commissioners, and an annual distribution of the investment shall be used to provide funds to the Department of Parks and to the Department of Recreation for capital improvements in neighborhood parks and recreation centers. Said annual distribution shall not supplant any funds that are provided to the Department of Parks and the Department of Recreation through the operating budget. Distributions may never exceed the earnings in the year of distribution or reduce the corpus of the fund. The first payment from the fund shall begin in the fifth year after the establishment of the fund.

Section 9.4 Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

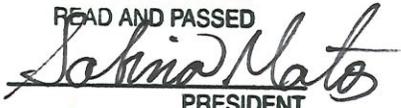
Section 9.5. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.6. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.7. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owners and may not be amended or modified except as expressed in this document.

Section 9.8. Effective Date. This Agreement shall take effect upon passage of this Ordinance by the Providence City Council, and approval by the Mayor.

IN CITY COUNCIL
 FEB 4 2021
 FIRST READING
 READ AND PASSED
 CLERK

IN CITY COUNCIL
 FEB 18 2021
 FINAL READING
 READ AND PASSED
 PRESIDENT
 CLERK

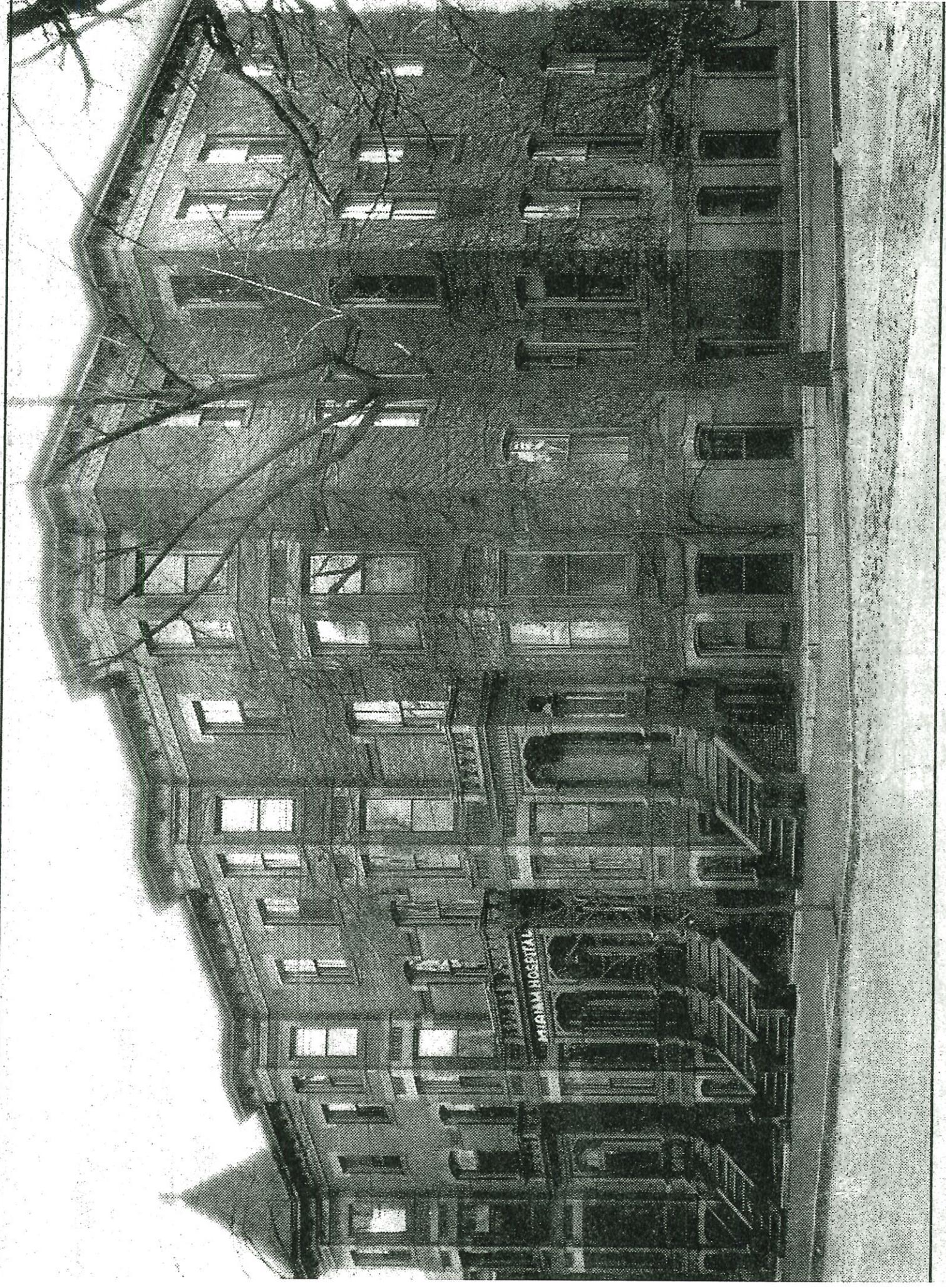
I HEREBY APPROVE.


 Mayor
 Date: 2/26/21

Exhibit A

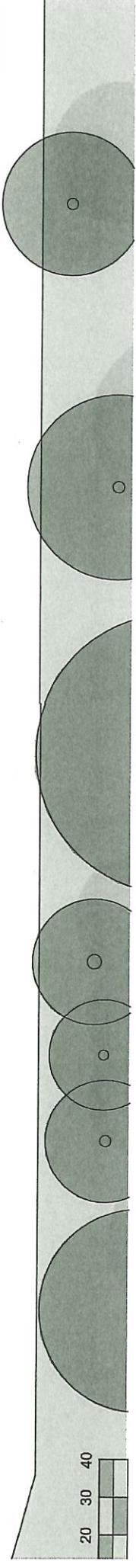
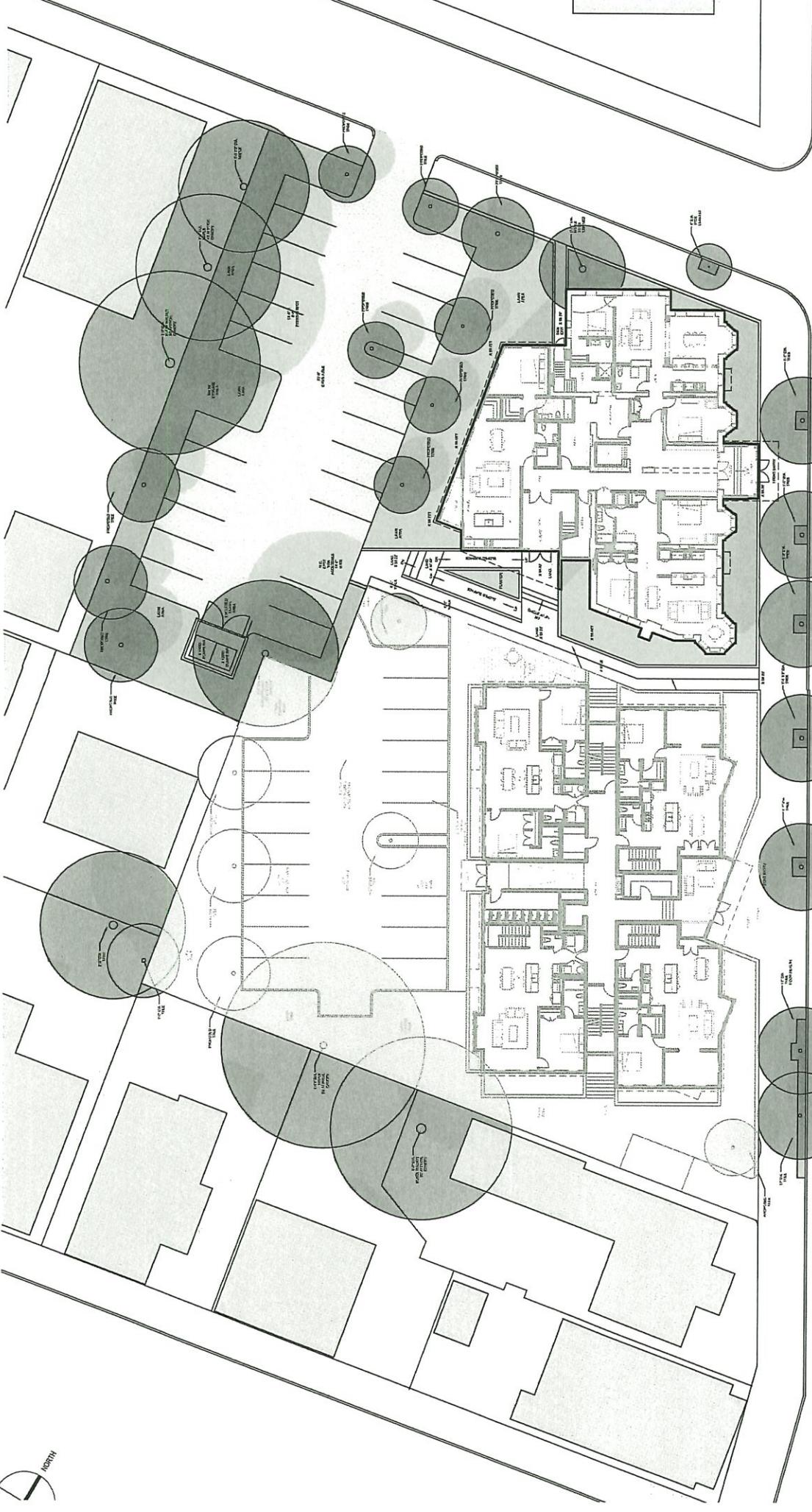
<u>Year</u>	Percentage of Difference between Base Assessment and Current Full Value Assessment
Year 4	8.33%
Year 5	16.66%
Year 6	24.99%
Year 7	33.32%
Year 8	41.65%
Year 9	49.98%
Year 10	58.31%
Year 11	66.64%
Year 12	74.97%
Year 13	83.30%
Year 14	91.63%
Year 15	95%







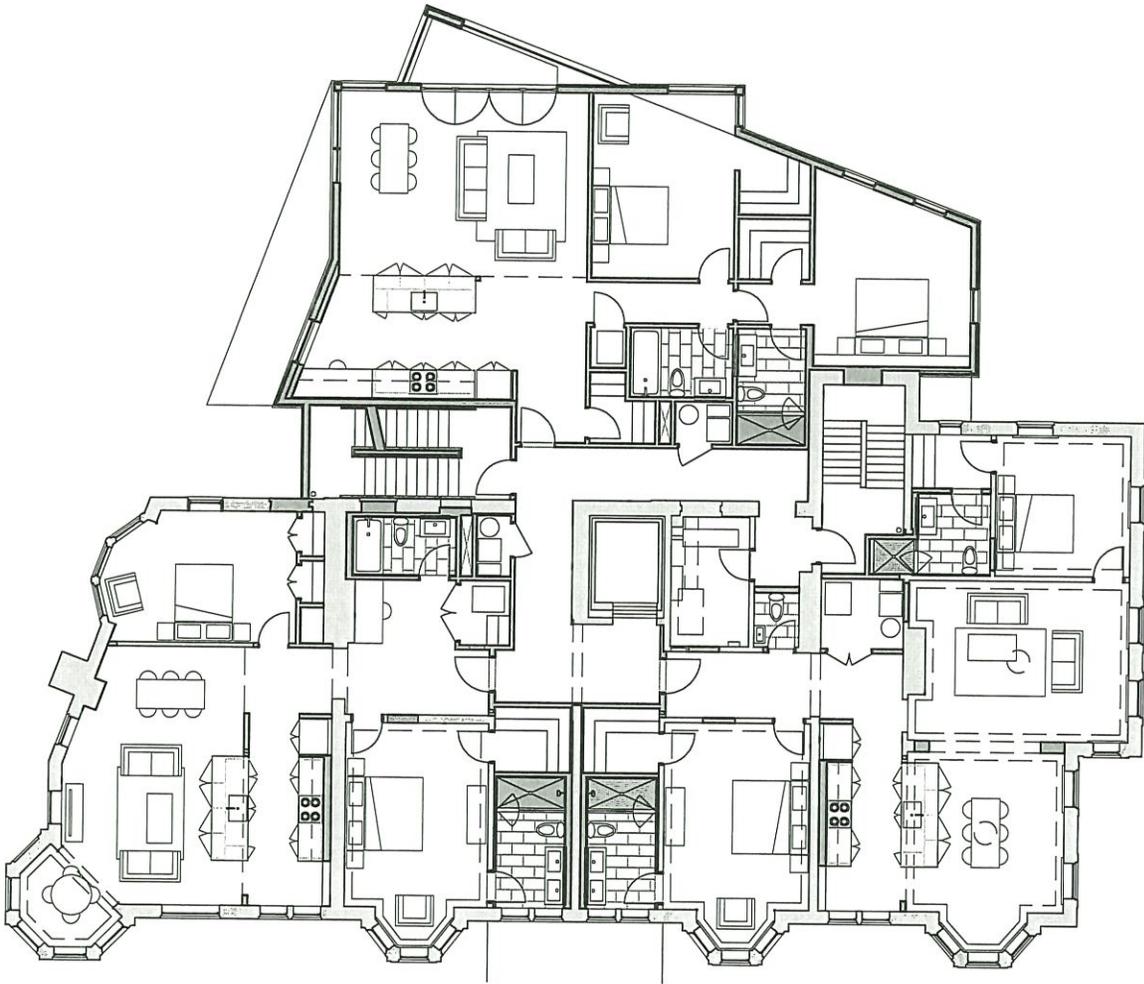




20 30 40







31-45 Parade Street Development Project



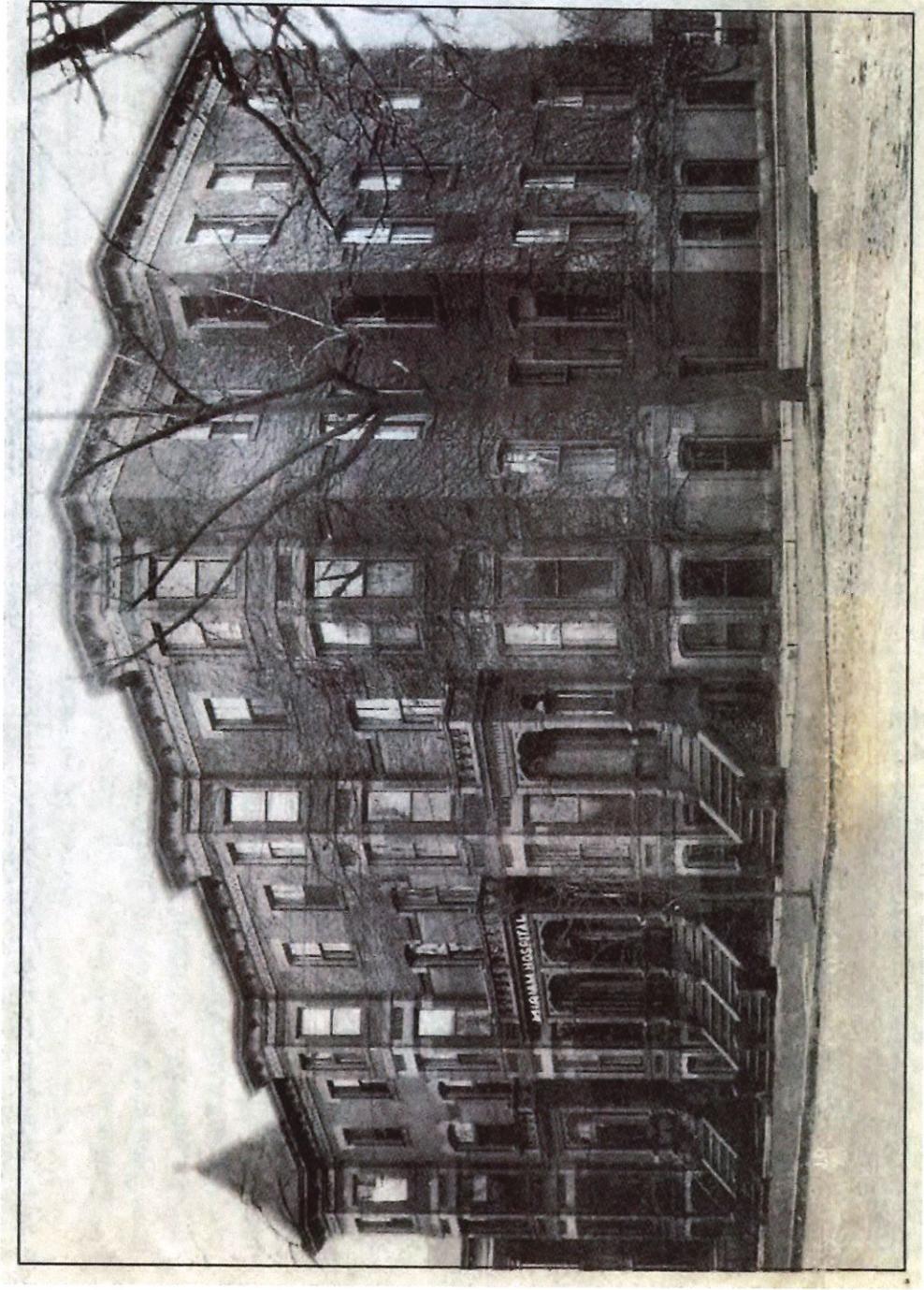
Project Program

- Phase 1: 12-apartments, in existing building
 - All 2-bed, 2-bath, larger apartments (1,200 – 1,700 square feet), following the building's existing walls, layout, etc.
- Phase 2: 19-units, in hoped-for new building
 - Mix of 1-bed, 2-bed, and 3-bed units.
- 41 +/- Total Parking Spaces

Goals for the project:

- Historic preservation and restoration
- Public art & amplifying Dexter Training Ground
- Diversity of housing types: elevator building, accessible, older residents, more housing of all types

31 Parade Street, historic photo, early 20th century



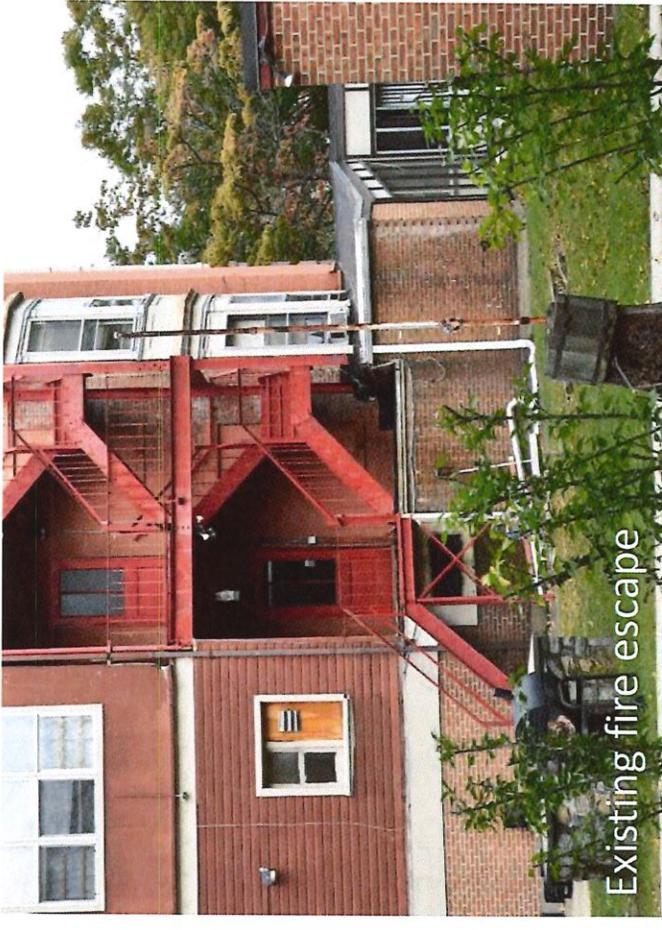
31 Parade Street, today



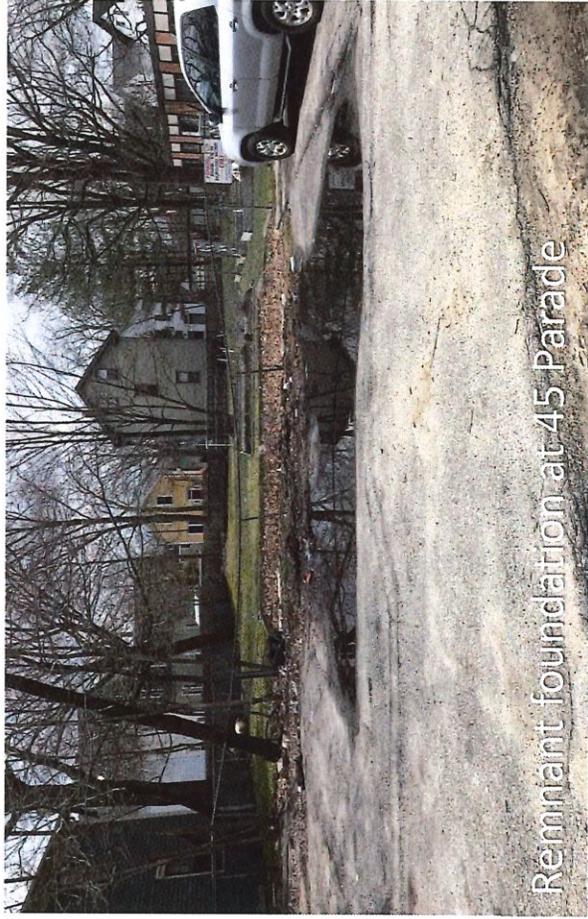
31-41 PARADE, VIEW FROM NORTHEAST



Dumpsters and generator



Existing fire escape



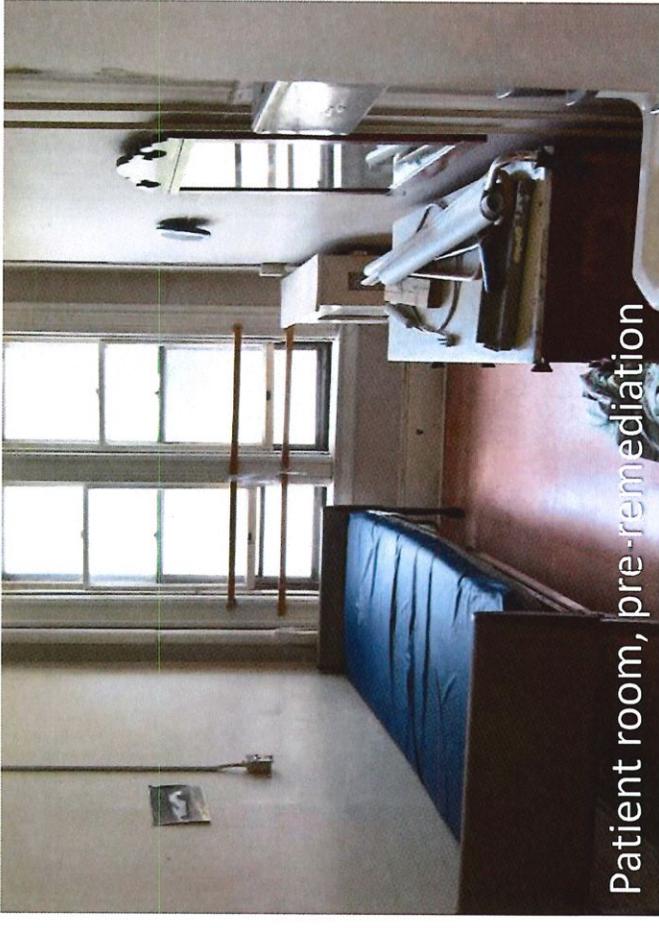
Remnant foundation at 45 Parade



Water damage to masonry



Upper floor hallway, pre-remediation



Patient room, pre-remediation



Structure during remediation



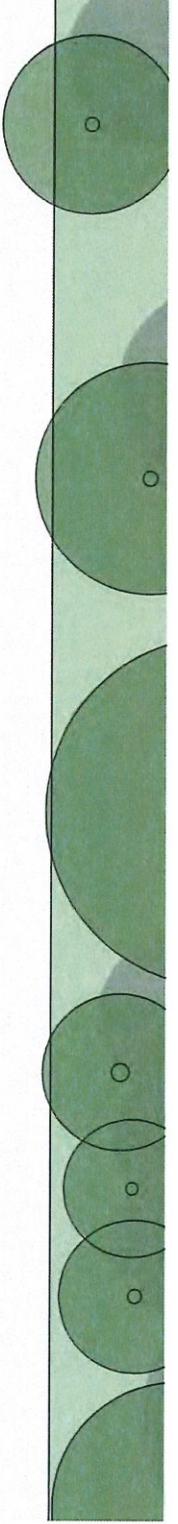
Common room, pre-remediation

31-45 Parade Street, Site Plan



Future Development Phase
45 Parade Street
19 units approved by zoning

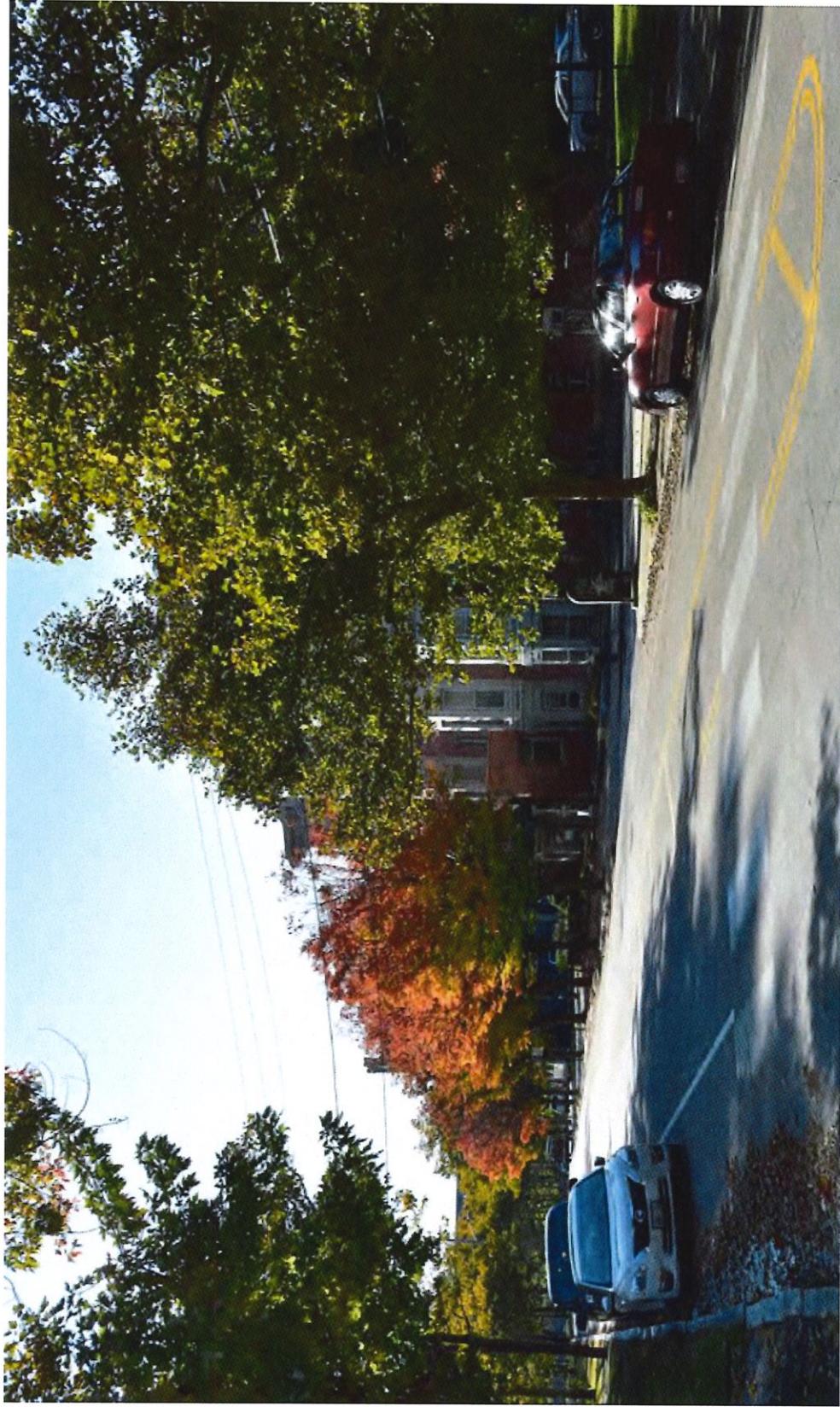
Current Proposed Project
31 Parade Street
12 units approved by zoning



31-45 Parade Street, view of Parade façade



31-45 Parade Street, view of Parade façade, with tree cover



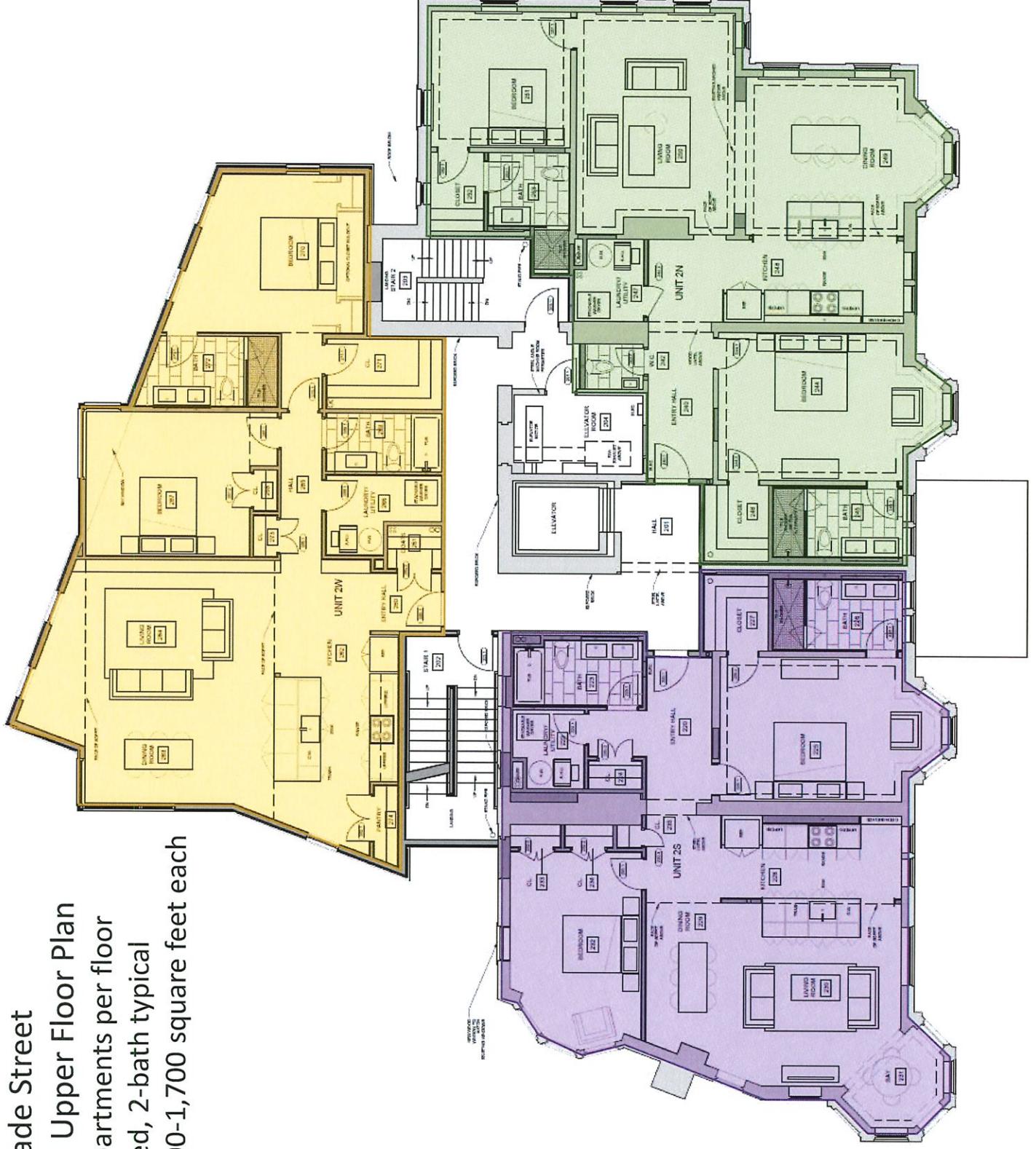
31 Parade Street, rear addition—approved by Historic District Commission and US Parks Service



31 Parade Street, rear addition—from the south, pre construction of 45 Parade Street



- 31 Parade Street
 Typical Upper Floor Plan
- 3 apartments per floor
 - 2-bed, 2-bath typical
 - 1,200-1,700 square feet each



Financial Information

Uses (Phase 1, includes embedded land value for Phase 2)		Sources	
\$ 615,000	Acquisition	\$ 1,814,000	Equity
\$ 679,000	Predevelopment, Remediation, & Carrying Costs	\$ 3,115,000	Construction Financing
\$ 3,975,000	Expected Hard Costs, including contingency	\$ 730,000	Sale of Rebuild RI Tax Credits
\$ 190,000	Architecture & Engineering		
\$ 200,000	Development Management Fee		
\$ 5,659,000	Total	\$ 5,659,000	Total

Market:

- Average Rents: \$2,500 per month (\$1.69 per sq ft./ mo.)
- Meets HUD guidelines for affordability (<30% of gross income) for a middle-class family earning \$100k+ per year, e.g., a teacher and a police officer earning \$50k+ each.
- Elevator building: potentially desirable for aging or empty-nester couple

Expected Return on Equity: 10% (15-year IRR)

Project Timeline

- Zoning Change Approved to R3, Summer 2018
- Property Purchased, Fall 2018
- Zoning and Historic approvals, Fall/Winter 2018
- Design Development, Construction Bidding, etc., throughout 2019
- Award of Rebuild RI Tax Credits, Spring 2020
- Project put on hold because of Covid-19 Pandemic, Spring 2020 – Winter 2021
- Approval of Historic Tax Credit, Part 2, Summer 2020

NOW – project getting underway again, goals:

- Approval of Tax Stabilization Agreement, Winter 2020-2021
- Complete updated bidding for project, Winter 2020-2021
- Start construction, Spring 2021
- Completion of Construction, Summer 2022
- Occupancy, Fall 2022

Thank You



WEST BROADWAY NEIGHBORHOOD ASSOCIATION

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Caleb Borchers
President

December 29, 2020

Rebecca Atwood
Vice President

Mark Van Noppen
Seth Zeren

Rachel Robinson
Vice President

mvannoppen@armoryrevival.com
seth.zeren@gmail.com

Paul Cotter
Secretary

Re: 31-45 Parade Street, the old Parkview Nursing Home

Terry Snook
Treasurer

Dear Mark and Seth,

Board

Jenica Reed Conley
Eugenio Fernandez
Emily Koo
Cynthia Langlykke
Stephanie Larrieux
Renee Morris
Obed Papp
Kai Salem
Noel Sanchez
Nancy Worthen

Once again, we thank you for presenting your project at 31-45 Parade Street to the WBNA Community Development Committee (CDC) and interested neighbors at our CDC meeting of December 8, 2020. We very much appreciate the project update and the opportunity to better understand and discuss various aspects of your proposed development. We are grateful for your decades-long stewardship of and investment in the neighborhood and hope your efforts at 31-45 Parade Street continue to bring the vitality, diversity and inclusion that we seek.

At our meeting, Councilperson Rachel Miller gave an introduction to the purpose and process of Tax Stabilization Agreements (TSA). One of the main provisions is that those benefitting from the TSA public investment 'give back' to City residents in the form of public amenities. In exchange for the significant reduction of tax liability to you and the corresponding loss of revenue to the City, the development should offer public amenities such as public space improvements, green space, job creation especially for low-income residents and affordable housing.

Staff:

Kari Lang
Rod Mortier
Jessica Jennings

WBNA is a tireless proponent of affordable and mixed-income housing. In our door-to door survey of Spring 2018, 44% of residents identified affordable housing as their number one neighborhood priority and the majority listed it as a top concern. Rent escalation in our community is beginning to price out many of our neighbors and threatens to diminish the neighborhood income diversity that we value so highly. We understand that developing mixed income projects with affordable units is usually a more difficult process, but we think it is so important that the effort is worth it.

Per your description, the existing historic building at 31 Parade Street is scheduled to be redeveloped ahead of and separately from the new building previously proposed at 45 Parade St. Accordingly, this letter comments only on the redevelopment of 31 Parade Street.

You have explained that 31 Parade Street, with the rear addition, is designed to be 12 apartments renting from \$1,900 to \$2,700 per month or more. As evidenced in the public discussion when we met, it is not lost on the community that this beautiful historic building that has been a nursing home and hospital serving some of our more vulnerable neighbors is now planned for luxury apartments. It grieves us that the building as planned is becoming exclusive and exclusionary. Its beauty and grandeur should be accessible to all residents, not just to a privileged subset with higher incomes. There are many examples of successful development of historic properties for mixed-income and affordable housing that take advantage of both preservation and affordability incentives. The Providence Revolving Fund has been a pioneer in that development model.

According to the recent Providence Preservation Society symposium, "Whose Places Matter (and Why)", the field of historic preservation has often been complicit in creating and/or sustaining unjust

WEST BROADWAY NEIGHBORHOOD ASSOCIATION



urban planning policies and practices that have resulted in embedded neighborhood inequities. The proposed scheme for 31 Parade plays into these inequities. Let's think more progressively and find ways to redevelop our beloved historic properties so that their history, character and beauty are accessible to all.

Residents and committee members offered the following comments:

- Diversity, Equity and Inclusion (DEI) – One of the cherished aspects of our West End neighborhood is its multi-faceted socio-economic diversity, including income diversity. You described that the proposed project is primarily targeted to empty nesters with disposable income. We request that, in exchange for the TSA and in the spirit of equity and inclusion, the proposed project be redeveloped in such a way that is welcoming to future tenants of all descriptions of diversity including income levels.
- Affordability - The neighborhood needs affordable housing. The CDC requests that a minimum of two of the units be affordable, with one unit serving households below 60% of Area Median Income and one serving households below 80% of Area Median Income.
- Handicapped access – The four-story building will have an elevator and should provide at least one unit laid out and outfitted for handicapped tenants.
- Outdoor space – Currently the project site includes the building footprint, a large parking lot, walkways from the parking lot to the building and minimal perimeter green space. We reiterate our request that the parking lot area/spaces be reduced to allow for more green space.

We are very excited to see the old Parkview be restored and returned to a symbol of pride, equity and inclusion in our neighborhood. We celebrate the diversity of our West End neighborhood and seek to protect and enhance that too rare attribute of inclusion. Including affordable units at the Parkview is one step in the journey toward a more equitable neighborhood.

Sincerely,

Cynthia Langlykke
CDC Chair

Kari Lang
Executive Director

Cc:

Providence Historic District Commission
c/o Jason Martin
jmartin@providenceri.gov

Providence City Plan Commission
Christine West, Chair
Choyon Manjrekar, staff
cmanjrekar@providenceri.gov

Councilor Rachel Miller
CouncilorRachelMiller@gmail.com

Selleck, Shawn

From: Miguel Youngs <youngs.miguel@gmail.com>
Sent: Sunday, January 24, 2021 1:21 PM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: No TSA without affordable housing

Dear Councilwoman Miller,

My name is Miguel Youngs. I'm a lifelong Rhode Islander and Providence resident living in your ward in an apartment at 105 DePasquale Ave.

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade st: Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

In my opinion, what this neighborhood needs is more housing that is actually affordable for those who currently reside here. I firmly believe public funds should never go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. For those who live here, it's clear that the proposed development will not meet the neighborhood's needs, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000.

Projects that do not serve Providence's neighborhoods should not receive public subsidies, and I hope you will oppose the Park View TSA as the project is currently construed.

Thank you,

Miguel Youngs

Selleck, Shawn

From: Katherine Tompkins <kattompk@gmail.com>
Sent: Saturday, January 23, 2021 2:18 PM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward7; Ward9; Ward8
Subject: Please Oppose the Park View TSA

Dear Councilwoman Miller,

My name is Katherine Tompkins. I am a Providence resident and my address is 211 Carpenter St.

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade st: Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

We need more housing that is affordable to current neighborhood residents, and public funds should never go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000. With your history of support for affordable housing, I'm sure you understand the concern here. At any time, but particularly now when the COVID-19 pandemic has increased housing insecurity in our city, our goal should be to ensure that all of our neighbors can afford to live with dignity and comfort, not to support efforts that will advance the gentrification that pushes them out.

Projects that do not serve Providence's neighborhoods should not receive public subsidies, and I hope you will oppose the Park View TSA as the project is currently construed.

Thank you,
Katherine

Selleck, Shawn

From: Caroline Kory <caroline.sk@gmail.com>
Sent: Thursday, January 21, 2021 3:14 PM
To: Ward13
Cc: Clerk, City; Ward7; Ward2; Ward5; Ward8; Ward9
Subject: Opposition to Park View TSA Ordinance

Dear Councilwoman Miller,

I am a Providence, Ward 13 resident and my address is 43 Hammond St. I'm writing to express my deep concern about the proposed TSA Ordinance 23000 for the new Park View development on Parade St-- just around the corner from my home.

Our neighborhood is rapidly being built-up, and hopefully this will improve the lives of residents as well as provide much needed housing in our community. However, we desperately need housing stock that is affordable to current neighborhood residents, rather than being forced out as new apartment buildings set new rent standards in our neighborhood. Public funds should **never** go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. This development clearly does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000.

I know that you agree that taxpayer money should always be used to benefit the taxpayers, and projects that do not serve Providence's neighborhoods should not receive public subsidies. I ask you to oppose the Park View TSA Ordinance as the project is currently construed.

Thank you,
Caroline Kory

Selleck, Shawn

From: Giuseppe Crosti <gcrosti@gmail.com>
Sent: Thursday, January 21, 2021 12:25 PM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: I Oppose Ordinance 23000

Dear Councilwoman Miller,

My name is Giuseppe. I am a Providence resident and my address is 195 Carpenter St, Providence, RI 02903

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade st:
Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

We need more housing that is affordable to current neighborhood residents, and public funds should never go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000.

Projects that do not serve Providence's neighborhoods should not receive public subsidies, and I hope you will oppose the Park View TSA as the project is currently construed.

Thank you,
Giuseppe

Selleck, Shawn

From: Ben Leadbetter <a.ben.leadbetter@gmail.com>
Sent: Thursday, January 21, 2021 12:25 PM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: No tax breaks for luxury apartments

Dear Councilwoman Miller,

My name is Ben Leadbetter. I am a Providence resident and my address is 32 Battey St, 02903.

I am writing to voice grave concern about the proposed TSA ordinance for the new Park View development on Parade st:

Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

We need more housing that is affordable to current neighborhood residents, and public funds should never go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000.

Projects that do not serve Providence's neighborhoods should not receive public subsidies, and I hope you will oppose the Park View TSA as the project is currently construed.

Thank you very much,
Ben Leadbetter

Selleck, Shawn

From: Julius Ferraro <ferrarojulius@gmail.com>
Sent: Thursday, January 21, 2021 11:08 AM
To: Miller, Rachel
Cc: Ward13; Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: TSA for Park View development on Parade Street

Dear Councilwoman Miller,

This is Julius Ferraro. As you know, I am a Providence resident and a resident of Ward 13. My address is 140 Chapin Ave.

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade st: Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

From my interactions with you in the past around TSAs, I imagine you're already on my side with this. We need more housing that is affordable to current neighborhood residents, and public funds should never go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000.

We also know that this is no isolated incident -- based on the Housing Fact workbook from 2019, housing in Providence, and Rhode Island in general, is profoundly unaffordable for its population, and it's only getting worse.

As we've seen again and again, the rules around TSAs are also flawed. The argument in favor of TSAs always suggests that the city will see a return in the long-term, and that TSAs are structured to give a little bit of funding towards things like homelessness. But we know that there is really no enforcement structure, and it's shameful to give away such a massive amount of public funds to a private corporation, to get such a pittance in return.

Projects that do not serve Providence's neighborhoods should not receive public subsidies, and I am sure you will oppose the Park View TSA as the project is currently construed.

We also know that these folks don't play fair. We all went through the Hotel Hive fiasco just over a year ago, where the general assembly subverted the will of the people by circumventing the finance committee to provide a TSA to a Trump-friendly out-of-state plutocrat. You stood with us then, and I hope you'll stand with us now.

Thank you,

Julius Ferraro
140 Chapin Ave, Fl 3
Providence, RI 02909

Selleck, Shawn

From: Laurel Leake <laurelleake@gmail.com>
Sent: Thursday, January 21, 2021 7:01 AM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: No public funds for private profits: Please oppose TSA Ordinance for Parade St

Dear Councilwoman Miller,

My name is Laurel Leake, and I am a Providence resident living on Slater Ave.

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade St: [Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC](#)

We are in the middle of a desperate housing crisis this winter, where the COVID-19 pandemic has so many residents in serious financial straits and struggling to stay housed in the bitter cold. We need housing now more than ever that is affordable to current neighborhood residents, and keeps families safely indoors and able to quarantine. Our public funds should never go to a project with higher-end units like those proposed unless the project as a whole encompasses mixed-income housing. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000. It would only serve to take our taxes away from essential public services like COVID-19 testing, schools, and financial aid for those currently going without food, and put them in the pockets of a private company only interested in turning a profit off of high rent rates. People should come first!

Projects like the proposed Park View development that do not serve Providence's neighborhoods should not receive public subsidies - we must use our public funds to best serve the people already living in the Armory Park neighborhoods who are already in need, instead of imagined future residents to be profited off of by a single private company. I hope you will review and oppose the Park View TSA as the project is currently construed.

Thank you,
Laurel Leake



Virus-free. www.avg.com

Selleck, Shawn

From: jeremy harris <hazelnutmicrochocolate@gmail.com>
Sent: Wednesday, January 20, 2021 7:26 PM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: proposed TSA ordinance for the new Park View development on Parade street

Dear Councilwoman Miller,

My name is Jeremy Harris.

I am a Providence resident and my address is
201 Broadway
apt 2R
02903

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade st:
Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

We need more housing that is affordable to current neighborhood residents, and public funds should never go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000.

Projects that do not serve Providence's neighborhoods should not receive public subsidies, and I hope you will oppose the Park View TSA as the project is currently construed.

Thank you,
Jeremy Harris

Selleck, Shawn

From: michael cheatham <mlcheatham92@gmail.com>
Sent: Wednesday, January 20, 2021 5:50 PM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7

Dear Councilwoman Miller,

My name is Michael Cheatham. I am a Providence resident and I live at 105 Sutton St.

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade st:
Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

We simply don't need more unaffordable rental units in this area. It's not OK for public subsidies to buy tickets for developers to set our neighbors up for eviction. Where in the Providence area are the jobs that pay for \$1900-\$2700 rents? What's the plan to keep Providence residents in their homes this winter, next winter, every winter? I'm asking you to oppose the Park View TSA as it's currently construed, so that it can be replaced with something that serves our neighborhoods.

Thank you,

Michael Cheatham
mlcheatham92@gmail.com

Selleck, Shawn

From: Jordan Root <jordanroot3@gmail.com>
Sent: Wednesday, January 20, 2021 12:40 PM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: Re: TSA Ordinance for Park View Development

Dear Councilwoman Miller,

My name is Jordan Root. I am a Providence resident and my address is 27 Willow St.

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade st: Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

We need more housing that is affordable to current neighborhood residents, and public funds should never go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000.

Projects that do not serve Providence's neighborhoods should not receive public subsidies, and I hope you will oppose the Park View TSA as the project is currently construed.

Thank you,
Jordan

--
Jordan Root
they / them

Selleck, Shawn

From: Dara Wais <dara.wais@gmail.com>
Sent: Wednesday, January 20, 2021 11:07 AM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: Armory Properties

Dear Councilwoman Miller,

I am a Providence resident in your district, living across from Dexter Park.

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade st: Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

I am sad and annoyed about the new development that happened on Westminster and Dexter St. Those apartment buildings do not belong in this neighborhood (aesthetically and affordability-wise), and are not for the community here. We cannot let Armory Properties build something similar again that the neighborhood can't afford

We need more housing that is affordable to current neighborhood residents, and public funds should never go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000.

Projects that do not serve Providence's neighborhoods should not receive public subsidies, and I hope you will oppose the Park View TSA as the project is currently construed.

Thank you,
Dara Wais
68 Dexter St, Providence, RI 02909

Selleck, Shawn

From: Cathy G. Johnson <cathygjohn@gmail.com>
Sent: Wednesday, January 20, 2021 11:02 AM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: Oppose the Park View TSA

Dear Councilwoman Miller,

My name is Cathy Johnson. I am a Providence resident and my address is 36 Wisdom Ave.

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade St: Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

We need more housing that is affordable to current neighborhood residents, and public funds should never go to a project with higher-end units unless the project as a whole encompasses mixed-income housing. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable to so many residents in an area with a median income of around \$40,000.

Projects that do not serve Providence's neighborhoods should not receive public subsidies, and I hope you will oppose the Park View TSA as the project is currently construed.

Thank you,
Cathy Johnson

Selleck, Shawn

From: Maker, Caroline <caroline_maker@brown.edu>
Sent: Wednesday, January 20, 2021 7:30 AM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: Affordable Housing

Dear Councilwoman Miller,

My name is Caroline Maker. I am a Providence resident and my address is 17 Pitman Street.

I'm reaching out today in opposition of the proposed TSA ordinance for the new Park View development on Parade st ([Ordinance 23000](#)). The median income of residents in this area is around \$40,000, and rental units ranging from \$1900-\$2700 will inevitably price my residents out. Public funds should not go to this higher-end project unless the project is altered to model mixed-income housing.

Thank you,
Caroline

Selleck, Shawn

From: Ryan McCarthy <rpmccarthy88@gmail.com>
Sent: Tuesday, January 19, 2021 12:36 PM
To: Ward13
Cc: Clerk, City; Ward2; Ward5; Ward8; Ward9; Ward7
Subject: Ordinance 23000

Dear Councilwoman Miller,

First, let me say how I appreciate the work you do as my Councilperson. Thank you.

My name is Ryan McCarthy. I am a Providence resident and my address is 20 Messer Street, #3.

I am writing to voice concern about the proposed TSA ordinance for the new Park View development on Parade st: Ordinance 23000 - Tax Stabilization Agreement for RCG Armory Park View, LLC

We need more housing in this neighborhood that is affordable to current neighborhood residents. This development does not meet the needs of the neighborhood, as rental units that range from \$1900 - \$2700 will be unaffordable for so many residents. Projects that do not serve the neighborhood should not receive public subsidies, and I hope you will not support this.

As we look around our city, time and again we can see the effects of unaffordable housing. Look at the condos along Canal Street downtown as an example. Barely used, then purchased by one of the major universities, who in turn expand their foothold as the City's largest landlords (and don't pay taxes appropriately).

This is another disastrous example of socialism for the rich when what we need is help for the real working people of our neighborhoods. Please, do not support this TSA. It doesn't help the people that live around the Armory, and because of this, it is detrimental and continues to set a poor precedent.

Thank you,
Ryan McCarthy

RCG Armory Park View LLC
334 Broadway, Providence RI, 02909
January 28th, 2021

To: Finance Committee Chairman Igliazzi
Members of the Finance Committee
Providence City Councilors

Re: Request for Tax Stabilization Agreement for 31-41 Parade Street, 45 Parade Street, 12 Oak Street & 19R Willow Street

Dear Chairman Igliazzi and member of the Finance Committee,

We are writing as part of our request for a Tax Stabilization Agreement (TSA) for a proposed historic rehabilitation project located on land at 31-41 Parade Street, 45 Parade Street, 12 Oak Street & 19R Willow Street. The proposed project includes a planned 31 new apartments located in a restored 100-year-old brick building and a new, sister-building to be built on adjacent land.

The existing building was originally built as elegant Victorian brownstone townhouses and was later converted into the original Miriam Hospital. The building was used as a nursing home after Miriam moved out; it ceased operations two and a half years ago. Our planned renovations include significant structural repairs, all new mechanical, plumbing, electrical, and fire protection systems, and restoration of historic floors and windows. A new addition to the rear incorporates a required fire stair and more living area. The project has previously received master plan and preliminary approval from the City Plan Commission, final approval from the Historic District Commission, Rebuilt RI Tax Credits, and approval of a Part 2 Federal Historic Tax Credit Application from the National Parks Service. We are expecting to commence construction of the first phase of the project (twelve apartments in the historic building) in the spring of 2021.

The team behind RCG Armory Park View LLC has been active in one way or another in the rehabilitation and revitalization of the Providence for over 35 years. Our past projects have including market rate and income-restricted affordable housing, new construction infill, historic rehabilitation, and adaptive commercial reuse. Today we continue the Armory tradition of sensitive neighborhood redevelopment, including recent residential and commercial projects on Westminster Street, Washington Street, West Fountain Street on the west side of Providence.

We do not request TSA's projects where they are not needed. We only make this request having carefully examined all the options and with the certain knowledge that without the TSA, we will not be able to move forward on this project. Saving this significant building is a challenge: construction costs have soared in recent years, and operating costs, including property taxes, are too high for rents to support the cost of construction.

This project benefits the City of Providence, the West End neighborhood, and the Armory Historic District in several key ways:

- **Housing—the project creates 31 new homes without displacing any existing residents.** As outlined in the City's draft *Anti-displacement and Comprehensive Housing Strategy*, new market rate housing can "alleviate downward pressure on the housing market, by ensuring plentiful

choices for higher income households that often choose to rent less expensive units or larger units they do not need, and therefore reduce housing otherwise available for lower-income households.” (p.20). The report notes that “there are 3,800 households earning over 100% of AMI more than there are *price-appropriate* units for that income level.”

- **Jobs**—The millions of dollars of construction expenditures that will be generated by this project will pay good working wages to dozens of construction workers in our city and state. Without this project, those paychecks will not get written.
- **Historic Preservation**—The proposed project will preserve and restore an important historic building located on an important historic park, enhancing the character and beauty of Providence.
- **Increasing tax base**—If this project is not built, the value of these parcels will not increase, and the City will not see significant additional revenue from these parcels.

We appreciate the concerns expressed by advocates and members of the community who are asking for more income-restricted affordable housing. Unfortunately, we are unable to provide any income-restricted units in the proposed first phase. The project financials cannot support the losses associated with rent restrictions. Any further delays in starting construction will jeopardize the whole project.

However, there is a second phase with 19 units that has been approved. We will make a good faith effort, working with the city, state, and other affordable housing funders to incorporate up to four income-restricted apartments in the second phase, targeting “workforce housing” of between 80-120% of Area Median Income (AMI).

We appreciate your interest and ask for your support of this important neighborhood redevelopment effort.

Thank you,

Mark Van Noppen, Manager, RCG Armory Park View LLC



Seth Zeren, Manager, Stepping Stone Partners LLC