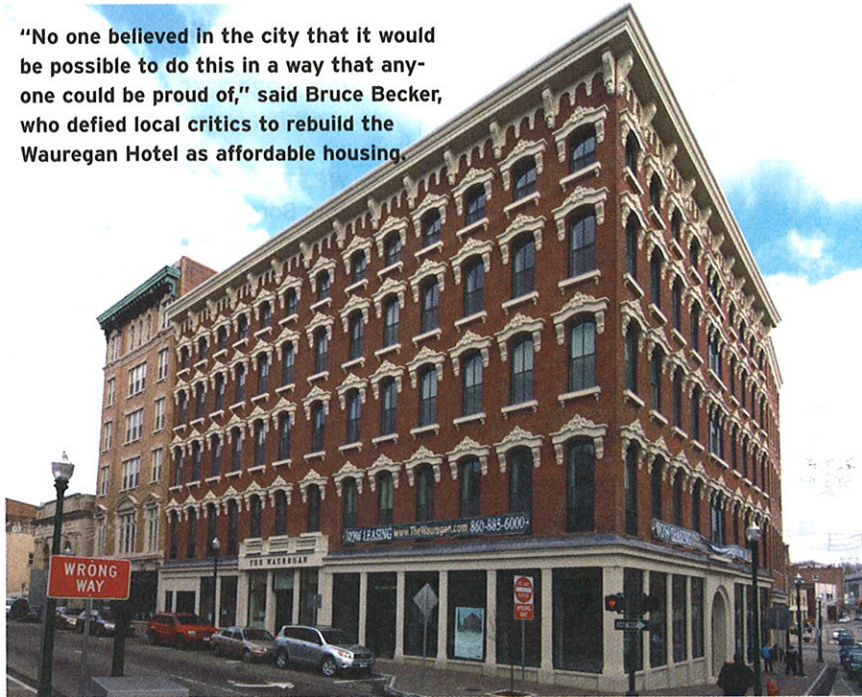


"No one believed in the city that it would be possible to do this in a way that anyone could be proud of," said Bruce Becker, who defied local critics to rebuild the Wauregan Hotel as affordable housing.



Low-Income Housing Revives Downtown

BY BENDIX ANDERSON

NORWICH, CONN.

Bruce Becker had his "I told you so" moment in December. For years he told people in Norwich that if they let him turn the ruined Wauregan Hotel into apartments for poor people, retail life could return to downtown Norwich.

He finally got his wish, and look what happened: Tenants are moving into the retail spaces at the new Wauregan Hotel, and the Connecticut Economic Development Association has given the developer a Team Connecticut Eddy Award. The carved glass trophy usually goes to industrialists who have built factories or laboratories. Becker, the president of Becker + Becker, an affordable

housing developer based in Fairfield, Conn., was an exception.

The Wauregan was once the best hotel between Boston and New York. The townspeople used the grand ballroom for weddings, high school proms, and their annual New Year's Eve party. But by the late 1990s, the Wauregan had failed even as a flophouse.

Given a choice between tearing the hotel down and rebuilding it to provide affordable housing, most people in Norwich didn't hesitate: "Plant some grass and make a city park," said City Manager Robert Zarnetske, capturing the mood of the time. "That was the best we could possibly do."

But Becker was determined to save the place where both Abraham Lincoln and burlesque star Gypsy Rose Lee had stayed. Fortunately, the Wauregan is on

the National Register of Historic Places, which slowed the process of approving demolition. Then a new mayor was elected despite his unpopular promise to rebuild the landmark.

By the time Becker took possession of the Wauregan in July 2004, the building had nearly collapsed. The developer planned to spend about \$16 million to turn the building into 70 affordable apartments and 5,000 square feet of shops. Workers also built a parking space for every apartment and restored the ballroom. Apartments are reserved for tenants earning no more than 60 percent of the area median income (AMI), with a handful for residents earning up to 25 percent of AMI.

The final cost has swollen past \$19 million, with more than \$1.7 million coming out of the developer's own pocket.

The Wauregan won three separate reservations of 9 percent low-income housing tax credits in 2003, 2005, and 2006, as workers found more and more extensive damage. These sold for a total of \$8.7 million. Another \$2.8 million came from the sale of federal historic restoration tax credits. State loans, soft financing, grants, and deferred developer fees made up the difference. "We didn't have bake sales, but we came close," Becker remembered.

If all goes well, the state will reserve another \$1 million in state historic tax credits for the Wauregan, even though work finished at the project in October and the building has filled with new residents, including many workers from the casinos nearby. The sale of these credits will pay Becker + Becker back for \$1 million of its investment.

The people of Norwich finally understand that the new Wauregan is not the welfare hotel it was in the 1980s. On New Year's Eve, they gathered for the first time in decades for their traditional First Night dance in the newly restored ballroom of the Wauregan. ■