CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
JANUARY 13, 2010

ATTENDANCE:	Felix Serrano, Acting Chairman, Commissioners Randy Napoletano and Lori Torrano (via teleconference).
AGENCY COUNSEL:	Marc J. Grenier, Esq.
STAFF:	Timothy T. Sheehan, Executive Director; John L. Burritt, Jr., Assistant Director; Munro W.Johnson, Sr. Development Project Manager; Michael T. Moore, Sr. Community Development Project Manager; and John Slovak, NRA Comptroller
OTHERS:	Tad Diesel, Mayor's Director, Marketing & Business Development; Raymond G. Sullivan, A.I.A., The Sullivan Architecture Group; Fritz Morris, A.I.A,, Beinfield Architecture; Elizabeth Suchy, Esq., Attorney for Hillside Plaza, LLC

CALL TO ORDER

The Regular Meeting was called to order at 6:30 P.M by Acting Chairman Serrano.

ROLL CALL

Mr. Serrano called the roll. A quorum was present.

I. APPROVAL OF MINUTES
   a. Special Redevelopment Agency Meeting – December 14, 2009
   b. Redevelopment Agency Meeting – December 9, 2009

** **MR. NAPOLETANO MOVED TO APPROVE THE MINUTES OF THE DECEMBER 14, 2009 SPECIAL REDEVELOPMENT AGENCY MEETING AND THE DECEMBER 9, 2009 REGULAR REDEVELOPMENT AGENCY MEETING.**
** **MS. TORRANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

II. FINANCE
   a. NRA Operating Financial Statements – November 30, 2009

Mr. Slovak reported on the financial statements as follows:

Total revenues including interest income and miscellaneous revenues for fiscal year-to-date ending November 30, 2009 are $703,588. Total fiscal year-to-date expenditures are $726,593. This results in an actual November 30, 2009 net fiscal year-to-date operating deficit of ($23,005) for the first five months of the new fiscal year. After using a $49,899 portion of the Deferred Revenues that were earned over the last 5 fiscal years to cover the ($23,005) operating deficit for the first five months, the result is an operating surplus of $26,894 for fiscal year-to-date November 30, 2009.

In response to a question by Mr. Serrano, Mr. Slovak said the deficit was due to a decrease in revenues, i.e. last year $91,000 was received from developers versus $37,000 this year.

** **MR. NAPOLETANO MOVED TO ACCEPT THE FINANCE REPORT AS PRESENTED.**
** **MS. TORRANO SECONDED THE MOTION.**
** **THE MOTION PASSED UNANIMOUSLY.**

III. GENERAL BUSINESS

a. URBAN RENEWAL PLAN – SOUTH NORWALK PROJECT #1

i. Urban Renewal Plan Amendment
ii. Design Review & Approval
iii. Sustainability Review

Mr. Burritt said the building at 14-16 North Main Street is better known as the former Avrick building. The building has new ownership in the entity of Hillside Plaza LLC, which plans to renovate and restore it to its previous grandeur dating back to the time of its original construction in 1924. Except for the first floor, the building was covered in the 1970s with a solid brick façade, that will be removed.

The reason the project is in front of the Agency is because the property is situated within one of its urban renewal project areas, South Norwalk Project #1. The proposed design change triggers a review by the Redevelopment Agency, both under the Urban Renewal Plan and the Design Review Guidelines. It also is the first building that falls under the Agency's sustainability review to determine that the renovations are environmentally and sustainably correct under the guidelines that the Agency adopted last spring. Finally, there is a change in use, which is relatively minor, but affects the Urban Renewal Plan.

Mr. Burritt said he would like to change the order of the items in his memo, because it makes more sense for the Commissioners to understand why they are being asked to amend the Urban Renewal Plan before getting to the actual amendment.

Fritz Morris of Beinfield Architecture said he is the architect in charge of the project. The owners are very interested in peeling off the layer that was done in the 1970s as it is out of character with the neighborhood. They were able to find two historic photos dating back to 1970, one which shows the building prior to the replatting and the other shows the storefront on 16 North Main and the patterning of the glass and metal cladding on the front. They have used the historic photos to try to replicate the design that was originally there.

The applicants were asked by Planning and Zoning to explore returning a cornice element along the Washington Street side of the building in order to enhance that elevation, and they have introduced a parapet that is more consistent with the parapet that runs along North Main.

All of the windows will be replaced with insulated glass units consistent with sustainable design practices. The cornice work will be painted a light gray, which replicates what is there now. There is a cast concrete decorative element that goes along the building, and they will either reutilize that or replace it, depending on what they find as they peel off the layers.

The lower level of the interior is retail and will remain retail. The main level will be a mixed use of a restaurant along the Washington Street side, retail at 16 North Main, and some offices. The existing Labor Ready office will be moved from its present location to the rear of the building facing the Webster Street lot. The second level will be office suites and the third level will be one office suite and five residential multi-family units mixed between one and two bedrooms.

Mural opportunities for local art have been introduced. The windows that front the restaurant will be roll-up type windows in order to activate the plaza with outdoor seating. There is a fire escape on the alleyway elevation, and they were asked again by P&Z to look at ways to improve the aesthetics of the existing fire escape. Their proposal is to clad the first level of stairs in a polycarbonate material, add accent signage and graphics and some colored LED lighting along the top, which will emphasize the stairway and light up the alley. They will be covering the fire escape to prevent ice and water buildup in accordance with the Building Code.

Mr. Burritt introduced Mr. Ray Sullivan of The Sullivan Architectural Group, who prepared the required third party architectural review for the Agency.

Mr. Sullivan said, in performing a third party review for the Agency, the first thing they do is look for design compliance, but when they looked at the Urban Renewal Plan for South Norwalk Project #1, which dates back to 1962, they found there were no specific guidelines. Therefore, they needed to develop their own guidelines in order to make a finding as to whether it is an approvable project within the Agency's criteria. The guidelines were developed based on other Agency Redevelopment Plan guidelines in areas proximate to this location and on various studies that had been done in South Norwalk, as well as on personal experience. The four criteria they came up with in developing the guidelines was <u>Mix of Uses</u>, <u>Restore or Maintain Historically Significant Structures</u>, <u>Scale and Context</u> and <u>Enhance the Experience of the Urban Core User</u>.

With regard to <u>Mix of Uses</u>, there is retail, restaurant, office and residential, which is perfectly within the design guidelines and plan objectives.

As to <u>Historically Significant Structures</u>, fortunately, some historic photographs are available to follow. The North Main elevation will be restored to its actual historic context, and, just as significant, the south elevation will be restored to an enriching elevation, which makes for a perfect setting and allows the building to be seen from a very prominent intersection coming westerly underneath the railroad trestle.

As to Scale and Context, the Avrick building is consistent in height and width with the buildings in South Norwalk. The materials being used to restore the building are consistent with other materials used in the neighborhood.

Mr. Sullivan said the architects have done a nice job in restoring the building. It is visually attractive from a distance, and as you get closer it is an interesting building to look at. It has nice colors, light fixtures and awnings, and the possibility of the plaza outside would significantly add to the project and enhance the pedestrian experience. In terms of the urban user, it is a great place for a mixed use project and a great place for residential as it is close to the train station, so it Does Enhance the Experience of the Urban Core User**.**

In conclusion, he finds the proposal is a very enriching design, and the architects and owners should be applauded for the restoration project. Without the benefit of specific guidelines, he thinks the ones used are realistic to the location and the project meets all the guidelines. While they do not have working drawings yet, he has talked to Fritz about the detail of the design and the coordination of some of the materials and he is satisfied that the concerns they talked about will get worked into the final plans.

Ms. Torrano inquired if Mr. Sullivan was satisfied that his concerns in the memo had been adequately addressed by the applicant. Mr. Morris said he has talked to Mr. Sullivan about such items as the window operation on the second and third floors on the front, and while it is not indicated on the drawings, they will introduce operable windows to let fresh air into the building, which is one of the sustainable design criteria. They will look at the material of the canvas awnings, which could be transparent to let the light through, and they will also look at the positioning of the light fixtures along the signage band and the potential conflict with the canvas awnings. The arm of the light fixture could be extended out a little further to get the right effect on the building during the evening. All the light fixtures will have to point down and have 100% cutoff in accordance with sustainable design criteria. The historical photos of the storefront show some raised panel detailing in what looks like the metal cladding in the portal sections of the storefront, and they will be detailing that more extensively as the drawings develop.

Mr. Burritt said the project has been before the Agency since October, and they are presenting the final refinements and iterations after many discussions. He thinks they have a great project and it is the first project that has come under the sustainability guideline review. In the Commissioners' package is a cover letter from YRG Sustainability related to the sustainability review which indicates that the LEED prerequisites are compliant based on schematic review. A more detailed analysis is required to determine the approach and guidelines for each prerequisite, which is why the Agency stays involved in the process through either a bond or a letter of credit from the applicant to ensure that the points referenced are actually constructed into the project.

Mr. Burritt said, as to the Urban Renewal Plan Amendment, the project is located in an area of the plan that is designated for Commercial Use, which is defined as inclusive of retail, restaurant and office space. It does not include residential space, and in order to accommodate this project they are proposing to add residential as an additional category for permitted use in those instances where Mixed Use is employed. They did not want to add Residential to Commercial Use in general, because other Commercial Use areas could be developed as residential and be in compliance, so the purpose is to control the mix for Commercial Use areas and to ensure that the Mixed Use does foster the diversity of compatible land uses within a single development parcel. Staff consulted with Agency counsel on the issue of the amendment as it relates to Section 8-136 of the General Statutes, and attached in the package is an opinion of counsel that indicates it is a minor plan amendment that does not substantially change the Urban Renewal Plan

** **MS. TORRANO MOVED TO (1) APPROVE AN AMENDMENT TO THE URBAN RENEWAL PLAN – SOUTH NORWALK PROJECT #1 TO ADD MIXED-USE AS A PERMITTED LAND USE WITHIN THOSE AREAS OF THE URBAN RENEWAL PLAN CURRENTLY DESIGNATED AS COMMERCIAL. SAID MIXED-USE CATEGORY TO INCLUDE RETAIL, RESIDENTIAL, OFFICE AND RESTAURANT USES; (2) TO APPROVE THE ARCHITECTURAL DESIGN CHANGES FOR THE BUILDING LOCATED AT 14-16 NORTH MAIN STREET, SOUTH NORWALK AS PRESENTED IN THE PLANS PREPARED FOR HILLSIDE PLAZA, LLC BY BEINFIELD ARCHITECTURE DATED DECEMBER 9, 2009; AND (3) TO ACCEPT THE SUSTAINABILITY REPORT FROM YRG SUSTAINABILITY CONSULTANTS FOR 14-16 NORTH MAIN STREET, SOUTH NORWALK INDICATING COMPLIANCE WITH THE STANDARDS ESTABLISHED IN THE REDEVELOPMENT AGENCY'S SUSTAINABILITY GUIDELINES.**

** **MR. NAPOLETANO SECONDED THE MOTIONS.**

** **THE MOTIONS PASSED UNANIMOUSLY.**

b. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

i. Proposed Loan from NDC to Rouge, LLC

Mr. Moore said the Agency is seeking authorization permitting the expenditure of funds from the Grow Norwalk Fund to Rouge Wine Bar, which is a South Norwalk based business. The loan requested of $60,000 will actually emanate from the National Development Council, which is the Agency's economic development finance consultant and will be the lender of record to Rouge to help offset the working capital needs of the business. Interest will accrue at prime, but they are asking to defer payments during the term of the loan, which is heavily conditioned on Rouge staying in business at the current location for six years, and for meeting all obligations for creating jobs as required of loans from the CDBG program.

In response to a question by Ms. Torrano, Mr. Sheehan said the loan is for six years and essentially burns off at $10,000 a year as long as the business meets all requirements.

Mr. Moore said as a result of the funding coming from the Community Development Block Grant program, the business is obligated to retain one job for every $35,000 in assistance, so they would be responsible for retaining at minimum two jobs and the Agency will be responsible for monitoring the creation or retention of these jobs and will have the business execute an affidavit confirming that the jobs are retained. There are currently 12 employees of the business. The Agency has to ensure that two are retained and that 51% of the jobs are made available to low or moderate income persons. The business has been in business for less than a year.

** **MR. NAPOLETANO MOVED TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXPEND $60,000 TO SUPPORT A LOAN EMANATING FROM THE GROW NORWALK FUND TO ROUGE WINE BAR, LLC IN ACCORDANCE WITH ENCLOSED TERM SHEET**

** **MS. TORRANO SECONDED THE MOTION.**

** **THE MOTION PASSED UNANIMOUSLY.**

c. CITY OF NORWALK'S ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE (A1)

Mr. Moore said the Redevelopment Agency, as the administrator of the local Community Development Block Grant program, will undertake the creation of the City's new Analysis of Impediments to Fair Housing Choice. The purpose of the document is to first identify possible policies or practices in the City that may lead to housing discrimination, and the second step is to suggest strategies for addressing those policies and practices if they exist. Recently the Joint Committee assisted with the selection of a consultant to help complete the Agency's new 5-year Consolidated Plan, and the Agency is asking for authorization permitting the Executive Director to enter into a contract with a consultant to complete the Analysis of Impediments, subject to the recommendation of the Joint Committee.

In response to a question by Mr. Serrano, Mr. Sheehan said they don't yet know what cost is going to be associated with the consultant, but there are two representatives from the Agency that serve on the Joint Committee, and obviously if the cost was prohibitive they would say no. The Agency is on a tight time line and this authorization would allow them to basically be in consensus with the Joint Committee should they support the contractor.

** **MR. NAPOLETANO MOVED TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT FOR PROFESSIONAL SERVICES FOR THE COMPLETION OF THE CITY OF NORWALK'S NEXT ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE SUBJECT TO THE RECOMMENDATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM'S JOINT COMMITTEE.**

** **MS. TORRANO SECONDED THE MOTION.**

** **THE MOTION PASSED UNANIMOUSLY.**

d. WORKFORCE HOUSING STRATEGIC PLAN

Mr. Moore said the issue of a strategic plan to help guide the Agency's affordable housing efforts was first raised in May when he and Kevin Gremse from the National Development Council kicked off their initial findings, and he would like to review what they have learned and some of their recommendations.

The strategic plan is serving as a plan to guide the Agency's actions. The Agency has a number of affordable housing initiatives, such as a home ownership program and a residential rehab program, and it is undertaking negotiations with developers through the creation of LDAs to ensure a degree of affordability with the larger mixed use projects, and what they have seen is a need to come up with a clear strategy that pulls all these tools together and identifies clear benchmarks and goals for addressing the need for workforce housing in Norwalk.

The Agency is undertaking its five year Consolidated Plan per the requirements of HUD's Community Development Block Grant Program, and as part of the process they need to undertake this type of analysis of the housing market and make suggestions for how to use CDBG and other community development resources to meet Norwalk's affordable housing needs and also to understand what has been the impact of the recent economic recession on housing affordability in Norwalk.

Agency and NDC staff took information from a variety of sources in order to identify affordable housing needs in Norwalk, including information from the U.S. Census, U.S. Department of Housing and Urban Development, Connecticut DECD and Connecticut Housing Finance Authority, and layered that on top of their understanding of available resources to come up with proposed goals and recommendations. They found that over 13,000, or 40%, of Norwalk's housing units are owned by households that are considered cost burdened, which means that these households are expending in excess of 30% of their income on housing costs. Standard public policy caps it at 30%. They also found that 56% of individuals within the Stamford/Bridgeport labor market area make incomes between $20,000 and $40,000, and these incomes cannot afford homes selling at the 2008 median sale price of over $500,000 for a house or over $300,000 for a condominium.

Because they are a Redevelopment Agency and their mission is focused on urban renewal areas and redevelopment plan areas, they will stick to that mission and focus their efforts there. They think their urban renewal areas and their low moderate income census tracts for the CDBG program offer them the greatest opportunities to implement their affordable housing initiatives. Where it is available they would like to pursue acquisition and are working with developers to try to create additional affordable housing units. They have found a number of affordable housing opportunities within a half mile radius of the South Norwalk train station that they would like to pursue.

They identified four goals in the strategic plan to measure their progress. Goal 1 is to preserve the existing supply of rental units while expanding the supply of home ownership opportunities, and they concluded that the Agency alone cannot meet this goal. They would like to leverage their available resources with that of other development entities, and one objective they are suggesting is creating a request for proposals in which they solicit ideas for developments or affordable housing services from the for profit development community, and in that way they can inventory possible projects and identify proposals.

Goal 2 is to direct existing limited community development resources toward affordable housing initiatives. One suggestion is to foster a local affordable housing trust fund, where they have a committed source of resources available for the implementation of the program and their quantitative goals. Another idea is to see if they can leverage the resources of organizations called Community Development Finance Institutions, which are organizations dedicated to finance community development activities. For example, Norwalk has a home ownership program that provides down payment and closing cost assistance, which is often combined with the resources of a CDFI housing development fund in order to leverage up the down payment funds with first mortgages from Connecticut Housing Finance Authority or other subsidies from the Housing Development Fund. They think programs structured in this way are effective for leveraging resources and addressing the City's workforce housing needs.

Goal 3 is to pursue previously untapped sources of financing in order to implement the policy's suggestions, and they are exploring possible funding from the Section 8 program to help finance projects in Norwalk, or access additional equity through low income housing tax credits.

Finally, to address the administrative capacity within the Agency, they are suggesting designating a formal division specifically for housing and community development formed by poolingl the resources of their CDBG staff, their residential rehab and housing staff and their fair housing staff for the implementation of this strategy.

They have put themselves on a strict timeline and are trying to identify benchmarks to measure their progress, and are proposing that within the next five years they will increase access to 150 affordable housing units in Norwalk, or roughly 30 units per year. That means creating additional units, preserving existing units, and fostering home ownership opportunities, which is based on their assessment of need and also what they realistically think they can access through financial resources.

IV. NEW BUSINESS

(a) Good Faith Deposit on 71 Wall Street.

Mr. Johnson said they have been making progress with the acquisition of the Globe Theater at 71 Wall Street and are at a point where they have a letter of intent and a funding source. To move forward with the process of the acquisition, including getting into the building and assessing the condition of the building and getting the purchase under contract, they need to put down a 2%, or $31,600, good faith deposit. This deposit would ultimately be drawn down out of their funding source, which is the Section 108 loan from HUD, but in order to advance the process of doing the acquisition, which is teed up and ready to go, they would like to access the money from the Agency's deferred revenue account while the Section 108 loan, which is an as-of-right loan from HUD, is getting approved.

Mr. Sheehan said, as the backup letter attached to the memo indicates, the money is not at risk. It will be held in escrow until the Agency signs the contract.

** **MR. NAPOLETANO MOVED TO AUTHORIZE $31,600.00 FROM THE AGENCY DEFERRED REVENUE ACCOUNT TO BE PLACED IN ESCROW WITH THE ATTORNEY OF THE OWNER OF 71 WALL STREET FOR A PERIOD OF 90 DAYS AS A GOOD FAITH DEPOSIT IN ACCORDANCE WITH THE TERMS OF THE ATTACHED LETTER (GEORGE WALSH TO LOUIS CICCARELLO, RE: THE GLOBE THEATER 71 WALL STREET NORWALK, CT).**
** **MS. TORRANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

(b) Indemnity Agreement for Access to 71 Wall Street

Mr. Johnson said the chief reason for the indemnity agreement is so they can get access to the property and assess its condition. The agreement has been reviewed and approved as to form by Agency counsel, and they are seeking the Commission's approval for the Executive Director to sign it.

** **MR. NAPOLETANO MOVED TO APPROVE ENTERING INTO THE ATTACHED INDEMNIFICATION AGREEMENT FOR ACCESS TO 71 WALL STREET**
** **MS. TORRANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

e. GLOBE THEATER

i. Authorization for Rehabilitation Funds

** **MR. NAPOLETANO MOVED TO CLOSE THE MEETING AT 7:29 P.M. AND GO INTO EXECUTIVE SESSION FOR THE PURPOSE OF ONGOING REAL ESTATE NEGOTIATIONS.**
** **MS. TORRANO SECONDED THE MOTION.**
** **THE MOTION PASSED UNANIMOUSLY.**

(Executive session 7:29 P.M. – 8:17 P.M.

** **MR. NAPOLETANO MOVED TO COME OUT OF EXECUTIVE SESSION AT 8:17 P.M.**
** **MS. TORRANO SECONDED THE MOTION.**
** **THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

There being no further Old or New Business, upon motion duly made by Mr. Napoletano, seconded by Ms. Torrano, the Norwalk Redevelopment Agency meeting was adjourned at 8:18 P.M.

Respectfully submitted,

Karen Pacchiana