

NORWALK DEVELOPMENT AGENCY

CHAIRMAN
Felix R. Serrano

COMMISSIONERS
Lisa M. Cooper
Thomas Devine
William R. Speirs
David G. Westmoreland

ACTING EXECUTIVE DIRECTOR
Tami Strauss

NTO: MEMBERS, NORWALK REDEVELOPMENT AGENCY

FROM: FELIX R. SERRANO, CHAIRMAN

DATE: September 3, 2019

RE: **MEETING NOTICE**

The next Meeting of the Norwalk Redevelopment Agency will be held on **Tuesday, September 10, 2019** at 5:30 p.m. in **Room 300** in Norwalk City Hall. **Please Note the Time and Room Number.**

SEPTEMBER 10, 2019

5:30 P.M.

REGULAR MEETING

A G E N D A

CALL TO ORDER

ROLL CALL

PUBLIC PARTICIPATION

I. EXECUTIVE SESSION

A. Personnel Matters

II. ADMINISTRATION

A. APPROVAL OF MINUTES

1. Approve Minutes of the August 13, 2019 Regular Meeting

B. FINANCE

1. Approve NRA Operating Statement of Revenue and Expenditures for July 31, 2019

III. FAÇADE CONTRACTS

A. Authorize Chairman to enter into the four contracts described herein for Phase III of the Choice Neighborhoods Initiative Residential Façade Improvement Program.

IV. CHOICE NEIGHBORHOODS INITIATIVE

A. Authorize the modification of the CNI Grant Agreement between the Norwalk Housing Authority, the Redevelopment Agency and HUD for the creation of

an Endowment Trust Plan and authorize the Executive Director to sign the required Addendum upon approval by HUD.

V. NEW BUSINESS

VI. OLD BUSINESS

ADJOURNMENT

**CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
AUGUST 13, 2019**

ATTENDANCE: Felix R. Serrano, Chairman, Commissioners Lisa Cooper, Tom Devine, William Speirs and David Westmoreland

AGENCY COUNSEL: Marc Grenier, Esq.

STAFF: Tami Strauss, Acting Executive Director, John Slovak, Comptroller, Susan Sweitzer, Senior Project Manager; Stephen Ivan, Housing Development Manager

OTHERS: Steve Cecil, Harriman, Members of the Press

CALL TO ORDER

Chairman Serrano called the Regular Meeting of the Norwalk Redevelopment Agency of August 13, 2019 to order at 5:30 PM.

ROLL CALL

Chairman Serrano noted that a quorum was present.

PUBLIC PARTICIPATION

There was no one present from the public that wished to comment at this time.

I. LEGAL – EXECUTIVE SESSION

- ** MR. SPEIRS MOVED TO GO INTO EXECUTIVE SESSION AT 5:31 PM TO HAVE DISCUSSION WITH ATTORNEYS DONALD GUSTAFSON AND CAROLYN CAVOLO REGARDING REAL ESTATE NEGOTIATIONS AS IT RELATES TO THE LAND DISPOSITION AGREEMENT BETWEEN THE CITY OF NORWALK, THE REDEVELOPMENT AGENCY OF THE CITY OF NORWALK AND POKO-IWSR DEVELOPERS, LLC, DATED NOVEMBER 14, 2007, AS AMENDED, AND THE CONDITIONAL AGREEMENT BY AND BETWEEN THE CITY, THE AGENCY AND POKO DATED JULY 27, 2015 AND AS IT RELATES TO THE LOAN RECOGNITION AGREEMENT BY POKO-IWSR DEVELOPERS, LLC, THE CITY AND AGENCY, CITIBANK, N.A., STATE OF CT DEPARTMENT OF HOUSING, STATE OF CT DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT, NATIONAL EQUITY FUND, INC., MC CREDIT, LLC, IWSR OWNERS, LLC AND ILSR OWNERS, LLC, DATED NOVEMBER 14, 2017, AS AMENDED.**
- ** MR. WESTMORELAND SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

(EXECUTIVE SESSION 5:31 PM TO 6:30 PM.)

- ** MR. DEVINE MOVED TO COME OUT OF EXECUTIVE SESSION AT 6:30 PM FROM DISCUSSION WITH AGENCY SPECIAL COUNSEL REGARDING REAL ESTATE NEGOTIATIONS AS IT RELATES TO THE LAND DISPOSITION AGREEMENT BETWEEN THE CITY OF NORWALK, THE REDEVELOPMENT AGENCY OF THE CITY OF NORWALK AND POKO-IWSR DEVELOPERS, LLC, DATED NOVEMBER 14, 2007, AS AMENDED, AND THE CONDITIONAL AGREEMENT BY AND BETWEEN THE CITY, THE AGENCY AND POKO DATED JULY 27, 2015 AND AS IT RELATES TO THE LOAN RECOGNITION AGREEMENT BY POKO-IWSR DEVELOPERS, LLC, THE CITY AND AGENCY, CITIBANK, N.A., STATE OF CT DEPARTMENT OF HOUSING, STATE OF CT DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT, NATIONAL EQUITY FUND, INC., MC CREDIT, LLC, IWSR OWNERS, LLC AND ILSR OWNERS, LLC, DATED NOVEMBER 14, 2017, AS AMENDED.**
- ** MR. SPEIRS SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

Chairman Serrano noted that no action was taken.

II-A. APPROVAL OF MINUTES

- ** MR. DEVINE MOVED TO APPROVE THE MINUTES OF THE JULY 9, 2019 REGULAR MEETING.**
- ** MS. COOPER SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

II-B. FINANCE

Mr. Slovak reported on the NRA Statements of Revenue and Expenditures and Balance Sheets for All NRA Funds for Fiscal Year Ending June 30, 2019 as follows:

- Operating Fund 100 had revenues of \$1,691,827 versus budgeted revenues of \$1,780,843 with an unfavorable variance of \$89,016 mostly due to a large loan payback which resulted in lower interest income of \$37,318.
- Actual legal expenses are \$783,782 versus a \$167,189 budget resulting in a \$616,593 unfavorable variance due to Wall Street litigation. There is a \$40,081 favorable variance for taxes and benefits expense mostly due to the switch from Anthem to the CTPP 2.0 City Medical Insurance Plan. Total operating expenditures are \$2,269,027 versus a budget of \$1,780,843 resulting in a \$488,185 net unfavorable operating variance due to litigation expenses.
- There is an operating deficit of \$577,201 versus a budgeted breakeven bottom line resulting in a \$577,201 unfavorable operating due to litigation expenses.
- Operating Fund 100 Balance Sheet has \$7,305,485 in cash, accounts receivable due from other funds and property, and \$215,802 in net loans receivable and other assets. There are \$2,935,977 in Deferred Revenues which will be earned when expended, and \$3,661,777 in Net Assets.
- The Brookfield Properties Operating Fund 115 has revenues of \$159,140 and expenditures of \$159,140, resulting in a breakeven. The balance sheet has \$602,995 in current assets, and \$602,995 in liabilities and net assets.
- CDBG Revolving Loan Fund 200 Statement of Revenues and Expenditures has \$30,872 of interest income from notes receivable and expenditures of \$30,872,

resulting in a breakeven. The CDBG Revolving Loan Fund Balance Sheet has \$626,413 in cash and due from other funds, \$391,772 net loans receivable, \$525,781 in liabilities, and \$492,405 in net assets.

- CDBG Non-Revolving Loan Fund 300 Statement of Revenues and Expenditures has revenues of \$934,105 and program expenditures of \$934,105, resulting in a breakeven. The Balance Sheet for CDBG (NRLF) Fund 300 has \$400,363 in cash and due from other funds, \$115,771 in net loans receivable, and \$516,134 in liabilities and net assets.
- Norwalk Redevelopment Agency Project and Program Fund 500 Statement of Revenues and Expenditures include Capital Budget Grants from the City of Norwalk, grants from State DECD, and Choice Neighborhoods Federal grants. There was \$3,243,073 in revenue and \$3,243,073 in program expenditures resulting in a breakeven. The NRA Project and Program Fund balance sheet has \$977,531 in cash, receivables and due to other funds, and \$977,531 in liabilities and net assets.

**** MS. COOPER MOVED TO APPROVE THE NRA STATEMENTS OF REVENUE AND EXPENDITURES AND BALANCE SHEETS FOR ALL NRA FUNDS FOR FISCAL YEAR ENDING JUNE 30, 2019.**

**** MR. WESTMORELAND SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

III. CDBG RESIDENTIAL REHABILITATION LOAN PROGRAM

1. Approve proposed amendments to the Residential Rehabilitation Loan Program Guidelines

Mr. Ivan said modifications are being proposed to the current guidelines and approval process to improve timeliness and response times regarding emergency loans. The current guidelines allow for a maximum of \$10,000 to be approved without Redevelopment Agency Commission review. However, staff has determined that that amount is insufficient to complete various projects and is requesting that the maximum be raised to \$25,000 in order to provide emergency assistance for substantial projects. All other nonemergency work will be sent to the Agency for review and emergency work above \$25,000 will go through the Loan Committee for approval.

Ms. Strauss said the question of whether the \$10,000 should be increased came up when HUD reviewed our files recently and HUD recommended the increase to \$25,000 based on what they consider to be emergency work and what current prices are to do that work so that it can move forward more quickly.

Mr. Westmoreland asked, from a fiduciary responsibility standpoint as a commission, do we have annual or quarterly reports with the emergency loans that we make? Raising the amount to \$25,000 is a jump. Ms. Strauss said we have a loan status report that comes from CHFA, which we look at to see which loans are current and which are in default.

Chairman Serrano said Tim Carney was giving us reports on the loans, which helped the Commissioners understand which loans were in default and what we can do proactively to bring them back in line, and if we are going for approval to raise the maximum we should get some updates on the loans. Ms. Strauss suggested preparing a loan servicing

report with a narrative to accompany the report. We would not disclose addresses on the reports.

Attorney Grenier suggested doing a report for the last two years of how many emergency loans the Agency has approved and how many people the Agency has helped out with emergencies. Ms. Strauss said bringing that information to the public might garner more interest in the program, which is what we are trying to do.

Mr. Speirs asked from a legal standpoint, what formalities do we actually need for the Loan Committee to meet? Attorney Grenier said the Loan Committee is set up with three Commissioners of the Agency. The meeting has to get noticed, which means it has to be posted. If the Loan Committee approves the loan, it gets sent to the Commission at one of their scheduled meetings.

Mr. Speirs said there were actually three tiers in the original language and there are only two in the proposed. In the original language it was an emergency loan of less than \$10,000 staff can do themselves, \$10,000 to \$40,000 the Loan Committee can do without the approval of the Commission, and anything greater than \$40,000 requires the full Commission. This changes it to two tiers; \$25,000 or less staff handles and the Commission handles the rest. He thinks the language needs to be tightened up, and we should pick some numbers where staff and the Executive Director have approval up to a certain amount, the Loan Committee itself has approval up to a certain amount, and then the Agency as a whole has to approve things over that amount, which is what the old guidelines spelled out. He said he will try to come up with some language, if they want.

Attorney Grenier asked if there was anything pending that this couldn't be put over till the September's meeting? Mr. Ivan said not as of now. Ms. Strauss said it makes sense to make it clear for everybody and separate it based on emergency work versus non-emergency work.

**** MS. COOPER MOVED TO TABLE THE PROPOSED AMENDMENTS TO THE RESIDENTIAL REHABILITATION LOAN PROGRAM GUIDELINES TO THE SEPTEMBER AGENCY MEETING.**

**** MR. DEVINE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

IV. SONO COLLECTION

A. Approve GGP Transfer of Ownership

1. Authorize Felix R. Serrano to execute a document confirming that the Norwalk Redevelopment Agency has consented to a transfer of ownership of the entity which owns the new mall at 100-101 North Water Street where Brookfield Property REIT, Inc., the successor in interest to General Growth Properties ("Brookfield"), will transfer 100% of the indirect ownership interests in the property owner to a newly formed Delaware limited liability company in with a new private investment fund that will be managed by Brookfield. The Agency's consent is required pursuant to Amendment No.4, Section 11, of the Land Disposition Agreement by and

between the City of Norwalk, Norwalk Redevelopment Agency and General Growth Properties, Inc. ("GGP").

Attorney Grenier said in the packages is his memorandum of August 5th regarding the request from Norwalk Land Development regarding the transfer. As noted in the memo, there is a change of ownership that triggers Section 11 of the amended LDA regarding Agency and City consent. At its meeting on July 23rd the Common Council authorized the City's consent to the requested transfer, so this is just part of the tri party agreement of the City agencies following suit of its meeting in order to approve the transfer request. Attorney Brancato of the Carmody law firm was great in following up on some of the questions he had and we worked with Corporation Counsel regarding the issues and addressed those issues with the Common Council and they took it on the consent calendar. The Certificate of Occupancy, which is required to do the transfer, is anticipated sometime in late September/early October based upon the public timeline to open the mall. This is a relatively straightforward matter for the Agency to approve so that he can have the Chairman sign the document and get it over to counsel for GGP and they can go through with their closing later this week.

- ** MR. WESTMORELAND MOVED TO AUTHORIZE FELIX R. SERRANO TO EXECUTE A DOCUMENT CONFIRMING THAT THE NORWALK REDEVELOPMENT AGENCY HAS CONSENTED TO A TRANSFER OF OWNERSHIP OF THE ENTITY WHICH OWNS THE NEW MALL AT 100-101 NORTH WATER STREET WHERE BROOKFIELD PROPERTY REIT, INC., THE SUCCESSOR IN INTEREST TO GENERAL GROWTH PROPERTIES ("BROOKFIELD"), WILL TRANSFER 100% OF THE INDIRECT OWNERSHIP INTERESTS IN THE PROPERTY OWNER TO A NEWLY FORMED DELAWARE LIMITED LIABILITY COMPANY IN WITH A NEW PRIVATE INVESTMENT FUND THAT WILL BE MANAGED BY BROOKFIELD. THE AGENCY'S CONSENT IS REQUIRED PURSUANT TO AMENDMENT NO.4, SECTION 11, OF THE LAND DISPOSITION AGREEMENT BY AND BETWEEN THE CITY OF NORWALK, NORWALK REDEVELOPMENT AGENCY AND GENERAL GROWTH PROPERTIES, INC. ("GGP").**
- ** MR. SPEIRS SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

V. DESIGN REVIEW

A. Washington Village Phase III Design Review

1. Review and approve Third Party Peer Review Findings and Recommendations.

Ms. Sweitzer said Washington Village Phase III is hustling to get themselves into construction. They have finished their design and are moving into their final permitting phase hopefully in September. Harriman has been doing the design review for all of the Trinity projects, and Steve Cecil will go through the building facades and the building material board.

Mr. Cecil said the Redevelopment Agency is responsible for making sure design guidelines associated with a redevelopment area are followed, and their job is to compare the proposal to the design guidelines and establish an opinion about whether they comply

with the guidelines that are intended to make this a great project. He gave a short overview of how the project has evolved and referred to his memos of May 10th and August 7th outlining modifications and design confirmation. He reviewed the project, the façade design and the materials, and said he recommended Agency approval.

Chairman Serrano noted in the memo as part of the zoning change with regards to parking their recommendation is to bring more green or trees, and asked has that actually taken place or is it still an open item? Ms. Sweitzer said we discussed it as recently as last week. Trinity and their architects pushed for a reduction in the parking spaces to provide for a larger tree canopy cover in the parking area, but their investors were concerned that they needed this volume of parking. They are in their finalization of the whole project contracts and they are scheduled to close, which is why this review is really critical to them. It is hoped on Trinity's part that once their project closes, they can circle back around to this issue and possibly negotiate a slighter reduction in the parking.

Mr. Cecil said the way we thought we should do this is since we can't require a reduction, if they are able to accomplish an agreement to reduce the parking and provide some green space that is also compliant, they don't need to come back and get a re-approval. If they can approve it with less parking, everybody is happier.

**** MR. DEVINE MOVED FOR APPROVAL OF THE WASHINGTON VILLAGE
PHASE III PEER REVIEW FINDINGS AND RECOMMENDATION AS
PRESENTED BY HARRIMAN IN THEIR MEMOS DATED MAY 10, 2019
AND AUGUST 7, 2019.**

**** MR. SPEIRS SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

IV. NEW BUSINESS

(None.)

V. OLD BUSINESS

(None.)

ADJOURNMENT

Upon motion of Ms. Cooper, seconded by Mr. Westmoreland, the Norwalk Redevelopment Agency regular meeting of August 13th was adjourned at 7:12 P.M.

Respectfully submitted,
Karen Pacchiana

Norwalk Redevelopment Agency
Explanation of Statement of Revenues & Expenditures
July 31, 2019

- Operating Fund 100 had revenues of \$121,674 versus budgeted revenues of \$123,981 with an unfavorable variance of \$2,307.
- Consultants/Contracted Services had actual expenses of \$5,000 for an unanticipated executive director search versus a \$307 budget resulting in a \$4,693 unfavorable line item variance. Operating Fund 100 had total expenditures of \$98,466 versus budgeted total expenditures of 118,165 resulting in a \$19,699 favorable variance.
- There is an actual operating surplus of \$23,208 versus a budgeted operating surplus of \$5,816 resulting in a \$17,392 favorable net operating variance.

Norwalk Redevelopment Agency Inc.
Statement of Revenues and Expenditures - Board Rev & Exp Comparison-YTD, Budget, Prior YTD
100 - NRA Operating - Fund 100
From 7/1/2019 Through 7/31/2019
(In Whole Numbers)

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Prior YTD Actual</u>	<u>Annual Budget</u>	<u>Annual Budget \$ Remaining</u>
REVENUES						
Grant Revenues						
Grants - City Positions	12,025	12,025	(0)	31,479	144,304	132,279
Grants - NRA Project Funds	68,609	68,609	0	55,831	823,303	754,694
Grants - CDBG City Neighborhoods	16,966	20,750	(3,784)	15,400	249,000	232,034
Grants - CDBG Program Admin	15,403	14,956	448	13,854	179,467	164,064
Grants - Other	0	4,414	(4,414)	433	52,964	52,964
Total Grant Revenues	113,003	120,753	(7,750)	116,997	1,449,038	1,336,035
Other Revenues						
Interest Income from Notes	1,454	180	1,274	418	2,163	709
Interest Income - Other	3,064	2,723	341	3,622	32,673	29,609
Miscellaneous Revenues	0	325	(325)	641	3,894	3,894
Rental Income	4,153	0	4,153	0	0	(4,153)
Total Other Revenues	8,671	3,228	5,443	4,681	38,730	30,059
Total REVENUES	121,674	123,981	(2,307)	121,678	1,487,768	1,366,094
EXPENDITURES						
Personnel						
Salaries	57,603	69,789	12,186	74,604	907,258	849,655
Taxes & Benefits	22,568	26,065	3,497	26,607	312,780	290,212
Total Personnel	80,171	95,854	15,683	101,211	1,220,038	1,139,867
Administrative Expenses						
Professional Fees - Legal	0	1,607	1,607	0	19,286	19,286
Professional Fees - Other	1,042	1,353	311	1,000	16,237	15,195
Consultants/Contracted Svcs	5,000	307	(4,693)	0	3,689	(1,311)
Occupancy	10,116	8,774	(1,342)	0	105,287	95,171
Office Expenses	1,138	2,903	1,765	819	34,835	33,697
Insurance	0	1,446	1,446	0	17,357	17,357
I.T. Expense	0	1,604	1,604	447	19,249	19,249
Training	177	1,457	1,280	245	17,483	17,306
Agency Marketing	823	2,517	1,694	35	30,200	29,378
Miscellaneous	0	342	342	0	4,107	4,107
Total Administrative Expenses	18,295	22,311	4,016	2,546	267,730	249,435
Total EXPENDITURES	98,466	118,165	19,699	103,757	1,487,768	1,389,302
NET OPERATING SURPLUS/(DEFICIT)	23,208	5,816	17,392	17,921	0	(23,208)

To: Commissioners, Norwalk Redevelopment Agency
From: Stephen Ivan, Housing Development Project Manager
Re: **Choice Neighborhoods (CNI) Residential Façade Grant Program**
Date: September 3, 2019

Choice Neighborhoods Residential Façade Improvement Program

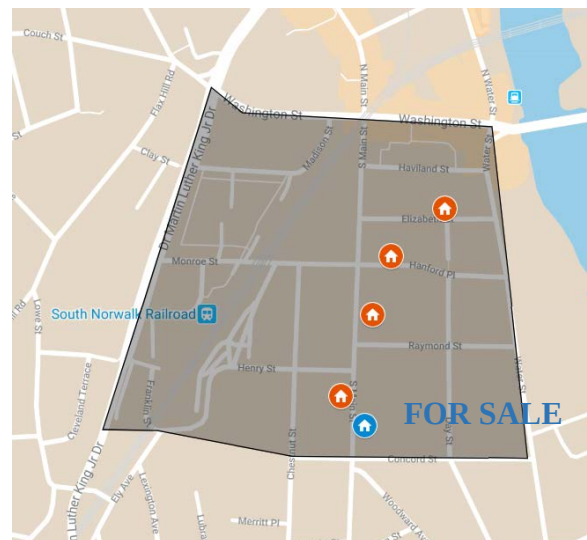
Phase III Property Review and Recommended Funding

Available Funding:	\$369,123.00
Total Recommended Funding:	\$297,670.62
Remaining Funding for Future Projects:	\$71,452.38

Project Overview

The Choice Neighborhoods Residential Façade Improvement Program (RFIP) is a grant program for eligible owners to make repairs and improvements to their residential properties within the Choice Neighborhood. To date, the Agency has granted 10 properties (31 units) \$553,287 in Phases I and II.

Phase III of the RFIP is capitalized with \$369,123 (\$313,338 of CNI Funds and \$55,785 of CDBG Funds). On March 26, 2019 sixty two properties within the eligible boundaries for the third phase of the program were mailed fliers and guidelines which included application instructions and deadlines. At the deadline of May 3, 2019 five applications were submitted with the required documents. The five applications consist of 4 owners and 17 residential units. Staff has worked with each of the homeowners to develop a scope of work for each house and put the work out to bid.



Income Eligibility: The units must be occupied by households not to exceed the 120% AMI limit set for the Stamford-Norwalk area.

In July 2019 a bid notice was released and a walk-through was held for four properties on July 26, 2019. The properties included 5 Hanford Place, 17 Elizabeth Street, 82 South Main Street and 99 South Main Street. On August 9, 2019, the Agency received bids from seven different contractors. The bids have been reviewed and qualified by Agency staff. Three of the homeowners have reviewed the bids and have agreed to the low-bid contractors to perform the work. One homeowner has requested an alternative bidder to the low-bid contractor and has agreed to fund the difference in pricing out of pocket.

PHASE III BID OPENING RESULTS					
August 9, 2019 @4:00 PM					
Company Name	5 Hanford Pl	17 Elizabeth St	82 South Main St	99 South Main St	Section 3 Y/N
NACC	\$61,500.00	\$ 84,440.00	\$ 129,900.00	\$ 121,150.00	Yes
ArkOne Contacting LLC	\$80,125.00	\$ 82,560.00	\$ 88,960.00	\$ 91,360.00	Yes
Langhorn's Construction LLC	\$83,177.00	\$ 81,000.00	\$ 108,000.00	\$ 87,000.00	Yes
J. Mezo Construction LLC	\$88,000.00	\$ 86,500.00	\$ 91,500.00	\$ 89,500.00	Yes
ABS Contractors LLC	\$82,957.15	\$ 88,620.00	\$ 93,550.00	\$ 83,710.62	Yes
Titan Enterprises	\$84,200.00	\$ 92,000.00	\$ 88,500.00	\$ 114,700.00	No
Medoit Group LLC	\$97,000.00	\$ 94,000.00	\$ 98,000.00	\$ 95,000.00	No

Per Façade Improvement program guidelines, the contracts will be a 3-party contract between the owner, contractor and Agency (as payee and owner's agent). Contracts and Grant Agreements approved for the previous phases of the grant program will be used. Any work performed on the houses beyond the program eligible scope of work will be the responsibility of the homeowner. Grants will be repayable at a rate of 10% per annum (up to 100% of the total grant amount) for properties that received grants and are demolished within 10 years of façade improvements being completed.

5 Hanford Place

Minimum Bid: \$61,500

North Atlantic Contacting Corporation (NACC)

Maximum Grant Funding: \$50,000.00

Homeowner Funding: \$11,500.00

17 Elizabeth Street

Minimum Bid: \$81,000

Langhorn's Construction LLC

Maximum Grant Funding: \$75,000.00

Homeowner Funding: \$6,000.00

82 South Main Street

Medoit Group LLC

Maximum Grant Funding: \$100,000.00

Actual Grant Funding: \$88,960.00

Homeowner Funding: \$9,040.00

The homeowner for this property has requested an alternative contractor to the lowest reasonable bidder. ArkOne Contracting LLC submitted an acceptable low bid of \$88,960. The homeowner has requested to use Medoit Group LLC and was informed that he would be responsible for the difference of \$9,040, which is the difference in price between the requested contractor's bid and the low bid.

99 South Main Street

Minimum Bid: \$83,711

ABS Contractors LLC

Maximum Grant Funding: \$100,000.00

Actual Grant Funding: \$83,710.62

Homeowner Funding: \$0

106 South Main Street

Maximum Grant Funding: \$100,000.00

Actual Grant Funding:\$0

Homeowner Funding:\$0

After receiving the application for 106 South Main Street, we were informed that the property had been listed for sale by the owners. Staff felt it was appropriate retain the property's application for future use, but to suspend the project and bidding process until the property has been sold or removed from the market. The remaining funding after the completion of the four previously listed projects will be allocated for 106 South Main Street in the event that property is taken off of the market or if a scope of work is agreed on by staff and the new owners.

Requested Action:

Authorize Tami Strauss, Acting Executive Director, to enter into the four contracts described herein for Phase III of the Choice Neighborhoods Initiative Residential Façade Improvement Program.

NORWALK DEVELOPMENT AGENCY

CHAIRMAN
Felix R. Serrano

COMMISSIONERS
Lisa M. Cooper
Thomas Devine
William R. Speirs
David G. Westmoreland

ACTING EXECUTIVE DIRECTOR
Tami Strauss

TO: REDEVELOPMENT AGENCY COMMISSIONERS

FROM: TAMI STRAUSS, ACTING EXECUTIVE DIRECTOR

DATE: SEPTEMBER 5, 2019

**RE: APPROVAL TO MODIFY THE CNI GRANT AGREEMENT FOR
THE CREATION OF AN ENDOWMENT TRUST**

The following memo was sent by Thomas J. Ivers, Choice Neighborhoods Director, for forwarding to the Norwalk Redevelopment Commissioners:

Action is requested at the September 10, 2019 Commissioners meeting to authorize the modification of the CNI Grant Agreement between the Norwalk Housing Authority, the Redevelopment Agency and HUD for the creation of an Endowment Trust Plan and to authorize the Executive Director to sign the required Addendum upon approval by HUD (sample attached). HUD approval is anticipated in early 2020.

Background: The Choice Neighborhoods grant contains a required set-aside of \$1.5 million for the creation of an Endowment Trust. The purpose is to support the continuation of Supportive Services to the assisted housing residents after the CNI grant period ends, 9/30/2020. These funds are restricted for this purpose only and cannot be used for any other CNI related activities. In addition, the Housing Authority is required to match the CNI endowment funding dollar-for-dollar in cash, in-kind contributions or a combination of both. The Housing Authority Commissioners have approved a minimum of \$500,000 in cash towards this match and will be pledging substantial in-kind contributions. The community partners listed below have also pledged in-kind support.

- Trinity Financial, Trinity Management and their related entities
- Family & Children's Agency
- CT Association for Human Services
- Norwalk Community College
- Bridgeport Rescue Mission
- Person to Person
- Bridgeport Neighborhood Trust
- The Riverbrook Regional YMCA

The program services funded by the Trust will be delivered in a newly constructed Resource Center facility located on the first floor of the Soundview Landing Phase II complex now under construction. The Resource Center office facility is approximately 4,500 square feet and includes three offices, a reception lounge, a conference room, a multi-purpose room and a kitchenette. The Housing Authority has committed to making a \$150,000 cash contribution towards the fit-out of the space.

Staffing will include two full-time FSS Coordinators, one full-time Case Manager, the Ross Coordinator and a part-time Receptionist/Administrative Assistant. The office will be managed by our CNI Partnership Coordinator. A drawing of the floorplan is attached.

The Housing Authority will lease the space from Trinity at no charge. Trinity will also be making a substantial cash contribution at lease inception to be used to off-set utility costs. These contributions will all be included as matching funds for the Endowment Trust.

Once the proposed Endowment Trust plan is approved by HUD, the original CNI Grant Agreement must be modified to incorporate the proposal package into the Grant Agreement. The Norwalk Redevelopment Agency, as a party to the Grant Agreement, must be a signatory on this modification.

Attachments:

Sample Addendum to the Choice Neighborhoods Grant Agreement

Resource Center Floorplan

ACTION: Authorize the modification of the CNI Grant Agreement between the Norwalk Housing Authority, the Redevelopment Agency and HUD for the creation of an Endowment Trust Plan and authorize the Executive Director to sign the required Addendum upon approval by HUD.

**Appendix D - EXAMPLE of Addendum to the Choice Neighborhoods Grant Agreement
For Choice Neighborhoods Endowment Trust Proposal Package**

**Addendum to the Choice Neighborhoods Implementation Grant Agreement
(Endowment Trust)**

This Addendum of the Choice Neighborhoods Implementation Grant Agreement (the “Addendum”) is made by and between the Grantee and the United States Department of Housing and Urban Development (“HUD”) as of the date of HUD’s execution of this Addendum. This Addendum is hereby incorporated into and made part of the Choice Neighborhoods Implementation Grant Agreement [grant number, dated [execution date]] (“Grant Agreement”). All references to the Grant Agreement, whether in the Choice Neighborhoods Grant agreement or in this Addendum, shall be deemed for purposes of this Addendum to mean the Grant Agreement as supplemented and modified by this Addendum and will include any amendments hereto (unless the context requires otherwise).

Recitals

WHEREAS, HUD awarded a Fiscal Year [20XX] Choice Neighborhoods Implementation Grant (the “**Choice Neighborhoods Grant**”) to the Grantee to support the Transformation Plan that has been developed for the [target site name] in the [target neighborhood name] neighborhood. The Grantee and HUD entered into a grant agreement for the Choice Neighborhoods funds (the “Grant Agreement”);

WHEREAS, pursuant to the Transformation Plan, the Grantee has completed the development of [a rental community known as XXX, etc.];

WHEREAS, the Grantee wishes to establish a fund using Choice Neighborhoods Grant funds that will be used solely for certain limited purposes specified herein (the “Endowment Trust Account”);

WHEREAS, this Addendum is intended to establish requirements with which the Grantee must comply in order to place the Choice Neighborhoods grant funds into the Endowment Trust Account and set forth the purposes for which the funds in the Endowment Trust Account may be used;

NOW, THEREFORE, the Grantee and HUD hereby covenant and agree as follows:

1. The Grantee hereby agrees to place into the Endowment Trust Account approximately [dollar amount] of CN grant of Choice Neighborhoods Grant funds provided to the Grantee pursuant to the Grant Agreement.
2. The approximately [dollar amount] in Choice Neighborhoods funds shall be released by HUD promptly following execution hereof and deposited by Grantee into the Endowment Trust Account.

3. The Parties acknowledge that endowment funds are and shall remain throughout the existence of the Endowment, Choice Neighborhoods grant funds under the Grantee and control of the Grantee.
4. Funds placed in the Endowment Trust Account shall be utilized solely for planning, providing, and evaluation of community and support services for the primary benefit of the [public and/or assisted¹] housing residents of [revitalized target site name] and former residents of the [target site name – pre-revitalization] housing development occupying other [public and/or assisted] housing in accordance with the Transformation Plan.
5. Nothing herein shall prohibit the Grantee from using non-Choice Neighborhoods Grant funds made available to the [Lead Grantee name] and placed in the Endowment Trust Account to provide supportive services to [non-public and/or assisted] housing residents of [target site name – or revitalized site name if any].
6. The initial funds so deposited into the Endowment Trust Account shall be deemed to be Choice Neighborhoods grant funds. The Grantee may establish a segregated sub account within the Endowment Trust Account for any non-Choice Neighborhoods Grant funds to be made available for supportive services to non-[public and/or assisted] housing residents of [revitalized site name] and the expenditure of funds from such subaccount can be attributed to services for non-[public and/or assisted] housing residents of [target site name – or revitalized site name if any].
7. Funds shall be invested in (a) direct obligations fully guaranteed by the United States of America or any agency therefore, (b) certificates of deposit and repurchase agreements (for a term not to exceed 30 days) which are fully insured by the Federal Deposit Insurance Corporation, (c) a money market fund limited to U.S. government obligations, U.S. agency obligations, or repurchase agreements backed by such obligations, or (d) such other investments approved in writing by the Grantee, provided that such other investments must be consistent with HUD notices on permitted investments or approved in writing by HUD.
8. Interest accrued on Choice Neighborhoods grant funds shall be deemed to constitute “Program Income”, as defined in 24 C.F.R. § 200.307. The Grantee will ensure the use of such Program Income (a) during the grant period in accordance with 24 C.F.R. § 200.307 and the Grant Agreement, only for eligible program costs pursuant to the Transformation Plan, and (b) after the end of the grant period, for eligible public housing program costs or other low-income housing purposes. Concerning (a) and (b) in the case of Choice Neighborhoods endowments, any interest or program income earned from Choice Neighborhoods endowment funds must be reinvested back into the endowment and be specifically addressed in the CNI Program Income Certification.

¹ The term “Assisted Housing” is defined in the NOFA and Grant Agreement.

9. The Grantee hereby agrees and acknowledges that this Addendum must be implemented in a manner consistent with all applicable federal, state and local statutory, regulatory and executive order requirements, including those set forth in the Grant Agreement and its Appendix A.

10. The Grantee shall provide HUD with an annual certification, certifying that the Grantee has used the funds in the Endowment Trust Account in compliance with this Addendum.

11. This Addendum expressly survives the termination or closeout of the Grant Agreement. This Addendum shall remain in effect so long as any of the rental units of [target site name – or revitalized site name if any] remain subject to the [Annual Contributions Contract (ACC) OR governing multifamily documents OR ACC and governing multifamily documents] or until such time as all of the funds in the Endowment Trust Account have been expended in accordance with this Addendum, whichever shall be sooner. For good cause and in accordance with Public Housing Requirements, HUD may approve the termination of this Addendum prior to all funds in the Endowment Trust having been expended provided such funds revert to the Grantee to be used for purposes permitted by the Public Housing Requirements.

12. This Addendum may not be altered, modified, or rescinded without the written approval of HUD.

IN WITNESS WHEREOF, the parties have caused this Addendum to be duly executed as of the day and year last written below.

Housing Authority of the City of Norwalk

By: _____
Adam Bovilsky, Executive Director

Date: _____

Norwalk Redevelopment Agency

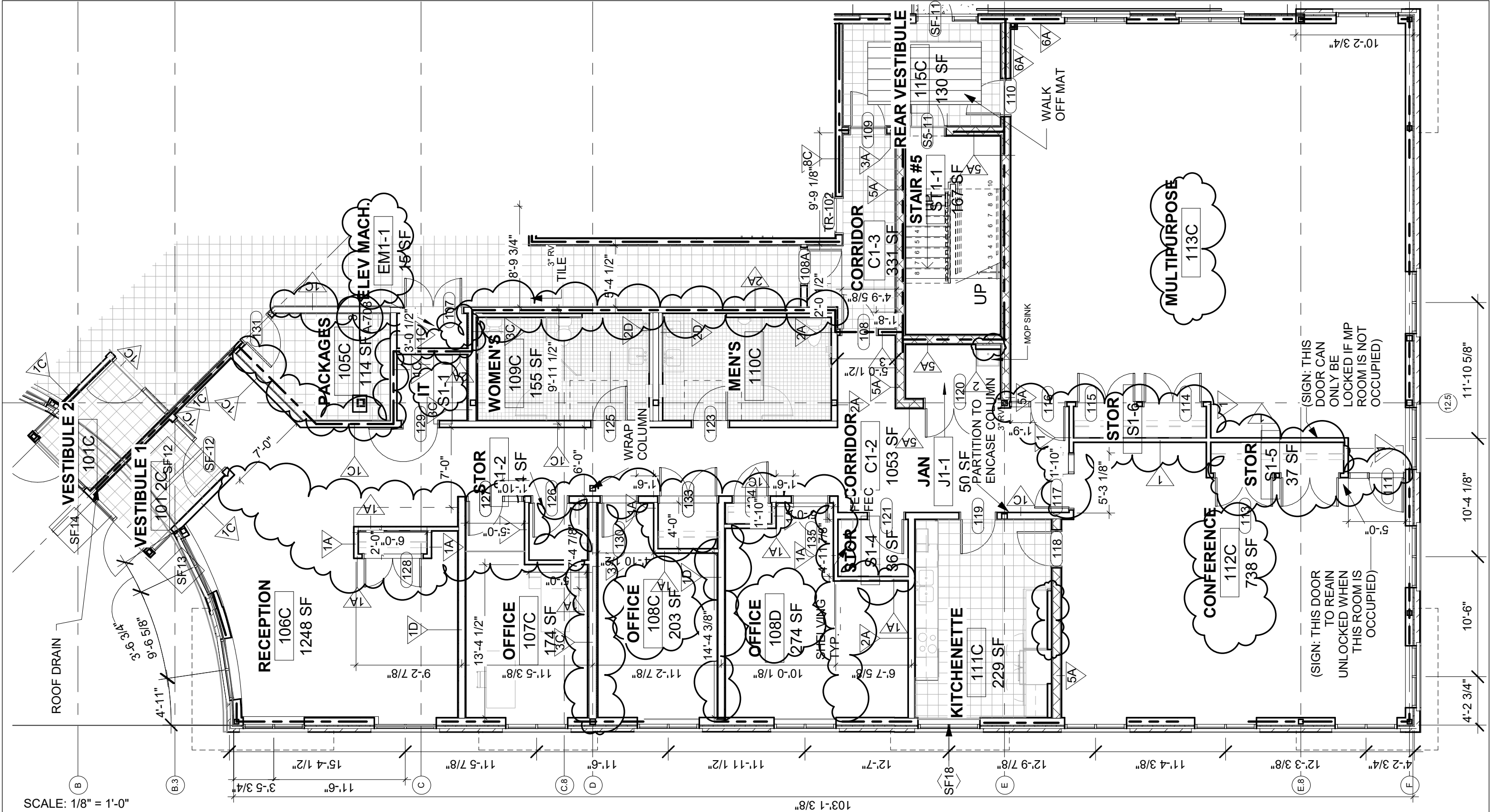
By: _____
[Executive Official Name], [Title]

Date: _____

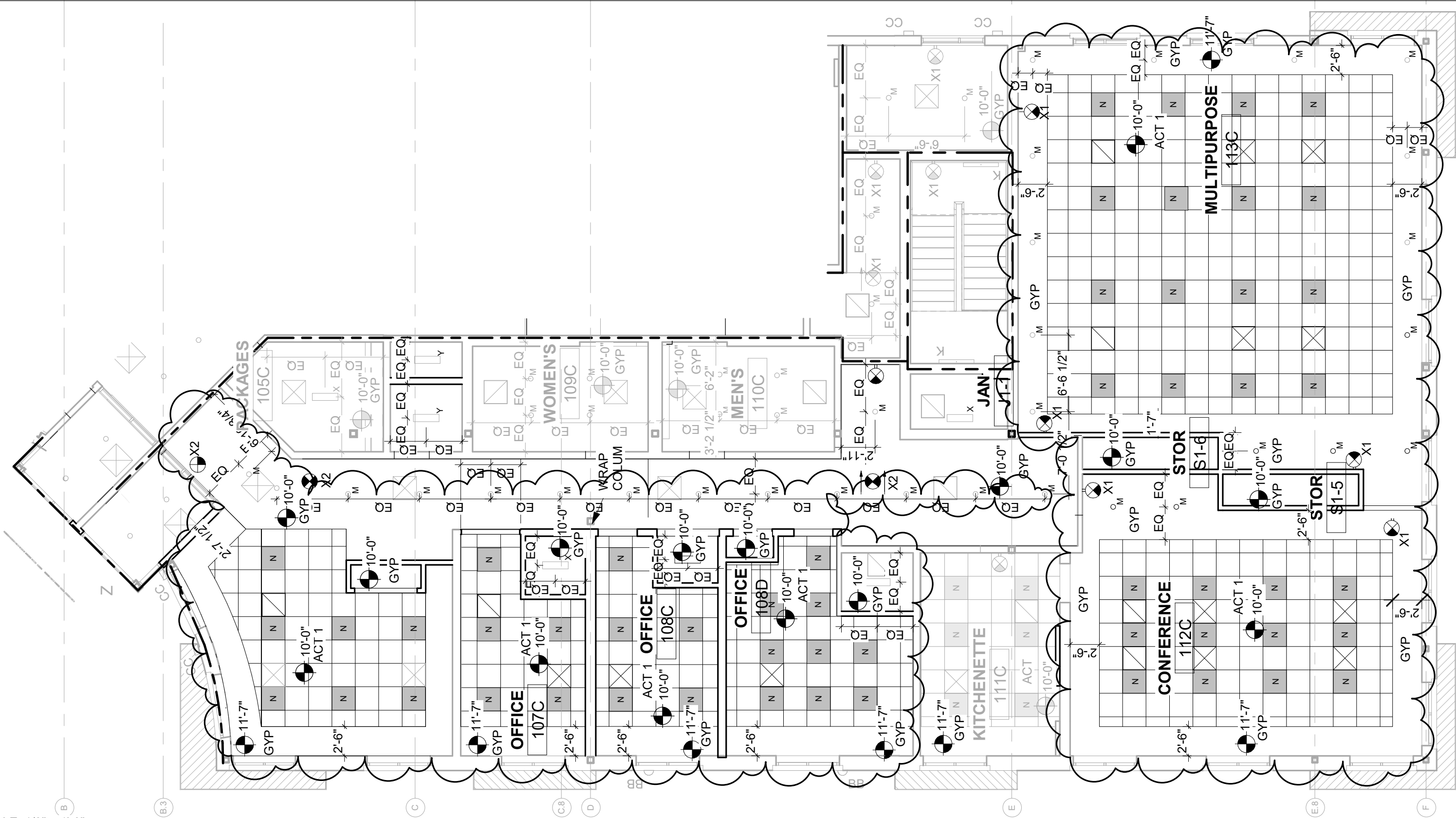
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By: _____
Principal Deputy Assistant Secretary for Public and Indian Housing

Date: _____



NHA REDESIGN		Reference Drawing: A-103		Attachment To:	
WASHINGTON VILLAGE PHASE TWO SOUTH NORWALK, CT 06854		E-ICON ARCHITECTURE 101 SUMMER STREET BOSTON MA 02110 617-451-3333 www.iconarch.com Project No.:21222.2 Scale: AS NOTED Date: 04/03/19 Drawn By: HP Checked By: AT Stage: CA		Sheet Number SKA-026A	



SCALE: 1/8" = 1'-0"

NHA REDESIGN RCP

WASHINGTON VILLAGE PHASE TWO
SOUTH NORWALK, CT 06854

Reference Drawing: A-519		Attachment To:
F-ICON ARCHITECTURE 101 SUMMER STREET BOSTON MA 02110 617-451-3333 www.iconarch.com	Project No. 21222.2	Sheet Number SKA-026B
	Scale: AS NOTED	
	Date: 04/03/19	
	Drawn By: HP	
	Checked By: AT	
	Stage: CA	

**CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
SEPTEMBER 10, 2019**

ATTENDANCE: Felix R. Serrano, Chairman, Commissioners Tom Devine, William Speirs and David Westmoreland

AGENCY COUNSEL: Joseph DaSilva, Jr., Esq.

STAFF: Tami Strauss, Acting Executive Director; John Slovak, Comptroller; Stephen Ivan, Housing Development Manager; Lori Guttman, Director of Community Development Planning

OTHERS: Former Mayor William Collins, Members of the Press

CALL TO ORDER

Chairman Serrano called the Regular Meeting of the Norwalk Redevelopment Agency of September 10, 2019 to order at 5:35 PM.

ROLL CALL

Chairman Serrano noted that a quorum was present.

PUBLIC PARTICIPATION

There was no one present from the public who wished to comment.

Ms. Strauss introduced Lori Guttman, the new administrator of the CDBG program. Lori was previously at the City of Fairfield where she successfully administered the CDBG program for six years without any issues, and we are very happy to have her. Chairman Serrano congratulated Ms. Guttman and welcomed her aboard.

I-A. APPROVAL OF MINUTES

**** MR. DEVINE MOVED TO APPROVE THE MINUTES OF THE
AUGUST 13, 2019 REGULAR MEETING.**

**** MR. SPEIRS SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

I-B. FINANCE

Mr. Slovak reported on the NRA Operating Statement of Revenue and Expenditures for July 31, 2019 as follows:

- Operating Fund 100 had revenues of \$121,674 versus budgeted revenues of \$123,981 with an unfavorable variance of \$2,307.
- Consultants/Contracted Services had actual expenses of \$5,000 for an unanticipated executive director search versus a \$307 budget resulting in a \$4,693 unfavorable line item variance. Operating Fund 100 had total expenditures of \$98,466 versus budgeted total expenditures of 118,165 resulting in a \$19,699 favorable variance.
- There is an actual operating surplus of \$23,208 versus a budgeted operating surplus of \$5,816 resulting in a \$17,392 favorable net operating variance.

Mr. Speirs asked what the Annual Budget amount of \$3,689 shown for Consultants/Contracted Services is for? Mr. Slovak said the \$3,689 is what was anticipated for Consultants/Contracted Services in the full year budget 7/1/19 ending 6/30/20. At the time the annual FY2020 budget was prepared in 2019, we did not know we were losing our Executive Director and had to engage in a \$27,000 contract for a nationwide search for a new Director, so that is an unbudgeted item.

Mr. Westmoreland said the legal fees weren't budgeted last year but he assumes we are still incurring them. Mr. Slovak said there is no YTD Actual for legal fees for the month of July as the July legal fees of \$25,000 were approved for payment in August, so they will show up in August. There is no budget for that because we were never told what the budget was going to be. Ms. Strauss said the agreement was that we would just operate at a deficit in that line item.

Mr. Serrano said we talked about amending the budget for that line item. Mr. Westmoreland said we did have a conversation about that. Mr. Serrano said we did, and we allocated a portion to do that, but we should follow up on that.

**** MR. WESTMORELAND MOVED TO APPROVE THE NRA OPERATING STATEMENT OF REVENUE AND EXPENDITURES FOR JULY 31, 2019.**
**** MR. DEVINE SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

II. FAÇADE CONTRACTS

A. Authorize Chairman to enter into the four contracts described herein for Phase III of the Choice Neighborhoods Initiative Residential Façade Improvement Program.

Mr. Ivan said on March 26th we sent out a mailing to 62 properties within the eligible boundaries for the third phase of the program, which included application instructions and deadlines. Five applications were submitted from four different property owners, and the action allows the Chairman to enter into the four contracts described in the memo. There is also a spreadsheet with the overall bid opening results. The lowest bidder was not selected for 82 South Main Street due to the property owner's preference, in which case we will enter into a contract for the lowest reasonable bid and the homeowner will be responsible for the difference out of pocket, which is within the CDBG guidelines as the homeowner has the right to select an alternative bidder. Some of the owners expressed interest in exploring a rehabilitation loan, which would obviously be presented at one of the next meetings, but it is nice for us to hear that they are interested in it.

Mr. Serrano asked if they could do both? Ms. Strauss said the grant covers the façade and this money was capitalized by Phase III of the Choice Neighborhoods grant. We have already done about 11 or 12 different houses. The owner can also take on a rehab loan to do work inside the house or on the back of the house that the grant doesn't cover. Mr. Serrano said the façade will increase the value which also helps them meet the minimum requirements.

Mr. Ivan said the properties would be restricted to a ten year grant agreement during which time they cannot tear down the property, and if they do the grant will be made repayable at a rate of 10% per year until that loan is paid off. The restrictions are on the property itself, not the owner. Ms. Strauss said they are allowed to sell the property, transferable to the new owner, and they would have to be subject to the same requirements. This grant is really seen as a neighborhood benefit rather than a household benefit, so if the property transfers it still has improved the area. They can make changes or additions, as long as they don't tear it down.

Mr. Speirs asked how were the 70 people selected that were sent applications? Ms. Strauss said because it is a Choice Neighborhoods grant, it is restricted to property owners in the area between Washington and Concord Street and MLK and Water Street, so this grant is only eligible to single family units up to four units in that geography.

Mr. Devine asked do we follow up to make sure the work has been done? Ms. Strauss said we pay the contractors directly on an invoice after we go out and make sure that the work on the invoice was done and that they followed the guidelines that both HUD and the Agency require.

Mr. Westmoreland said the remaining funding looks like it might be enough for one property based on the other bids. Mr. Ivan said one of the applications, 99 South Main Street and 106 South Main Street, are owned by the same person. 106 South Main Street was listed on the market for sale, so we didn't think it was a good idea to provide them with money. If they choose to unlist the house, they can come in and talk with us.

**** MR. SPEIRS MOVED TO AUTHORIZE FELIX SERRANO, CHAIRMAN, TO ENTER INTO THE FOUR CONTRACTS DESCRIBED HEREIN FOR PHASE III OF THE CHOICE NEIGHBORHOODS INITIATIVE RESIDENTIAL FAÇADE IMPROVEMENT PROGRAM.**

**** MR. DEVINE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

III. CHOICE NEIGHBORHOODS INITIATIVE

A. Authorize the modification of the CNI Grant Agreement between the Norwalk Housing Authority, the Redevelopment Agency and HUD for the creation of an Endowment Trust Plan and authorize the Executive Director to sign the required Addendum upon approval by HUD.

Ms. Strauss said the Housing Authority's grant agreement is a three party contract between the Housing Authority, the Redevelopment Agency and HUD. The request from the Housing Authority is a modification of that three party grant agreement that would allow for the creation of an endowment trust plan so that the Housing Authority can provide social services to the residents of the previous Washington Village, now the residents of Soundview Landing, in collaboration with the partners listed in the memo – Trinity Financial, Family & Children's Agency, the Connecticut Association for Human Services, Bridgeport Rescue Mission, Person-to-Person, Bridgeport Neighborhood Trust and the YMCA. They are establishing that endowment with \$1.5M of a \$30M Choice Neighborhoods grant, which was a requirement of the grant, and that the \$1.5M investment be met with a minimum of \$500,000 by the Housing Authority, and they have already approved that. It is an administrative issue that they have to now modify the grant agreement to allow for establishing that endowment and they are just seeking the authorization for the Executive Director to sign the required addendum approval by HUD.

Mr. Ivers joined the meeting at 5:50 p.m.

Mr. Ivers said he apologizes for being late, but there was gridlock in South Norwalk. Mr. Ivers explained that based on the initial capitalization, we are projecting that the endowment will sustain itself for about eight years with no additional infusion. There is an intent to look for funding sources to keep it going. The Housing Authority may make a business decision to continue it, but HUD doesn't have a requirement that it be spent within a certain amount of time. The City through

the Redevelopment Agency is a party to the contract, so we need your enabling authority to amend the grant agreement to incorporate the endowment trust plan into the Choice Neighborhoods grant agreement with HUD, which requires an actual addenda to the contract. They hope to submit their package to HUD by the end of this month, but probably won't hear back from them until Feb-Mar-April when they will be executing the documents.

Mr. Ivers said the \$1.5M is part of the \$30M Choice grant and it can only be used for this purpose, and if we don't use for it this, it will just go back to the treasury. We have to match it dollar for dollar either in cash or in kind contributions, so we are looking to make sure we get every dollar. We are putting in a minimum of a half a million in cash. We expect that there will be additional cash that we can leverage. Probably the biggest single in kind leverage piece is that this program will be operating out of a new facility in Soundview Landing, and our agreement with our development partner is that we will have use of that space rent free, plus they are giving us a capital infusion of about \$90,000 which is intended to offset utility costs, so if you add those together over eight years it is significant. The rent free is a 15 year agreement. We have learning center facilities at most of our properties and in some cases those facilities serve more than one property. Soundview Landing doesn't have a learning center facility as Washington Village did, so we are finalizing an agreement with the YMCA for the use of the South Norwalk Community Center to both replace the Washington Village Learning Center and incorporate into that program King Kennedy and Meadow Gardens because the facilities there are difficult to license.

- ** MR. DEVINE MOVED TO AUTHORIZE THE MODIFICATION OF THE CNI GRANT AGREEMENT BETWEEN THE NORWALK HOUSING AUTHORITY, THE REDEVELOPMENT AGENCY AND HUD FOR THE CREATION OF AN ENDOWMENT TRUST PLAN AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE REQUIRED ADDENDUM UPON APPROVAL BY HUD.**
- ** MR. WESTMORELAND SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

IV EXECUTIVE SESSION

A. Personnel Matters.

- ** MR. DEVINE MOVED TO GO INTO EXECUTIVE SESSION FOR PERSONNEL MATTERS AT 5:59 PM.**
- ** MR. SPEIRS SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

(THE COMMISSION CAME OUT OF EXECUTIVE SESSION AT 6:40PM.)

V. NEW BUSINESS

(None.)

VI. OLD BUSINESS

(None.)

ADJOURNMENT

Upon motion of Mr. Devine, the Norwalk Redevelopment Agency regular meeting of September 10, 2019 was adjourned at 6:40 P.M.

Respectfully submitted,
Karen Pacchiana