CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
JANUARY 12. 2016

ATTENDANCE:	Felix R. Serrano, Chairman; Commissioners Lori Torrano, Lisa Cooper, and Tom Devine
AGENCY COUNSEL:	Marc Grenier, Esq.
STAFF:	Timothy T. Sheehan, Executive Director; John Slovak, Comptroller; Susan Sweitzer, Senior Project Manager; Tami Strauss, Director of Community Development Planning, Elizabeth Stocker, Director of Economic Development
OTHERS:	Mayor Rilling, Former Mayor William Collins

CALL TO ORDER
The Meeting was called to order at 5:45 P.M by Chairman Serrano.

ROLL CALL
Chairman Serrano noted that a quorum was present.

PUBLIC PARTICIPATION
Chairman Serrano opened the public participation portion of the meeting.

Former Mayor William Collins inquired about the status of the West Avenue Wall Sculpture. Ms. Sweitzer said the sculptor has completed almost all of the component parts of the sculpture and is completing the powder coating, and as soon as he returns from China on holiday he will work out an installation schedule.

Mr. Collins asked about the consultant's report on the Webster Street project. Mr. Sheehan said he just received a draft of the existing conditions analysis which will be reviewed by the Webster Street Master Plan Update Advisory Committee, and then put on the website. The Advisory Committee, consisting of elected officials, property owners, Common Council members, Mike Greene of P&Z, and representatives of DPW, the Parking Authority and the Redevelopment Agency, is dealing with the Webster Street project as a whole.

Mr. Collins asked if a decision had been made for the use of the $25,000 in the capital budget for public art. Mr. Sheehan said they are looking to use that $25,000 as a City match to another state program that just came out. Obviously, $25,000 for public art is not going to get you that far, so the issue is how to leverage that with other resources.

There were no other members of the public who wished to speak, and the public participation portion of the meeting was closed.

I. **APPROVAL OF MINUTES**
   A. October 29, 2015
      December 16, 2015

** **MS. TORRANO MOVED TO APPROVE THE MINUTES OF THE OCTOBER 29, 2015 REGULAR MEETING AND THE DECEMBER 16, 2015 SPECIAL MEETING OF THE NORWALK REDEVELOPMENT AGENCY.**
** **MR. DEVINE SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

II. **FINANCE**

A. November 30, 2015 year to date financial statement for NRA

Mr. Slovak reported on the financial statements as follows:

- Operating Fund 100 had actual Revenues of $657,325 versus budgeted revenues of $652,640 for a $4,685 revenue surplus due to $25,000 of actual unanticipated DECD revenues received from the DECD Waypointe Grant.

- Actual Operating Expenditures are $602,711 versus a budget of $655,940 resulting in a $53,229 favorable expenditure variance.

- There is an actual operating surplus of $54,614 versus a budgeted operating deficit of $3,300 resulting in a favorable net operating variance of $57,914.

Mr. Slovak said with regard to the last item, they received $25,000 actual DECD money from revenue that wasn't budgeted, and then under Expenditures there is a $13,856 surplus for salaries and $19,554 for taxes and benefits for a $33,410 surplus, so those items make up the actual operating surplus.

** **MS. TORRANO MOVED TO APPROVE THE FINANCIAL STATEMENT AS PRESENTED.**
** **MS. COOPER SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

III. **BUSINESS**

A. **WEST AVENUE REDEVELOPMENT PLAN**

1. 25 Butler Design Review by William Andriopoulos, ADA

Ms. Sweitzer said the project involves moving a building that is currently located at 3 Quincy Street to 25 Butler Street. The developer is interested in preserving the building, which is over 100 years old, and a lot of the building materials will be reused to construct the building on its new pad.

Mr. Andriopoulos said the building was built around 1912, but some of the businesses that occupied the building date back to the 1800s, so its roots go pretty deep in the area and saving it would be fantastic for the neighborhood. The building is going to be moved by Wolf Builders who have done an extensive amount of work in the area and are very experienced. The plan is when the building is demolished at Quincy Street, excavation will be done at 25 Butler Street, a new foundation will go in, and then they will move the entire second floor across the street in two halves and put it on top of the new frame. They have asked the builder to salvage as much of the material as possible to reconstruct the first floor at the new location, so the lower floor will actually be new, but detailed and designed and built in accordance with its historical façade. They are going to put new roofing on, a new front entrance, a façade and an entry canopy and signage, and they have asked for quality materials in the signage and canopy material. Windows will be vinyl clad. The building will be 100% maintenance free. The sidewalks will be at least 10' wide and there will be granite curbs around the entire property, which will really open up the streetscape for pedestrian traffic. It is going to remain a commercial building.

Parking for the building will be provided in the garage structure for the District Center, which is within walking distance, and 12 spaces will be allowed for the building in the Quincy Loft apartments. There will be two additional lamp posts on Quincy Street in front of the building, and there is a sidewalk that goes around the back of the building that is well lit.

Chairman Serrano said it is probably one of the unique projects that meets the elements perfectly because they are actually keeping the character and context and coherence of the neighborhood. He asked about the scale of the building relative to the buildings around it.

Mr. Andriopoulos said it is in scale in relationship to the church and other buildings across the street. It is pretty much going to be at the elevation of the building that is there because it is handicap accessible. They are even putting in an elevator to access the second floor, so the building will be fully accessible in terms of compliance with today's codes.

In response to a question by Mr. Sheehan, Mr. Andriopoulos said the building will probably be an overall height of about 36' to the peak and then maybe another 5' for the cupola, which would be the equivalent to a three story building.

Ms. Lori Wortz of Bellpointe Builders said the building is actually prepped right now in terms of the utilities are vacant, and they are just waiting to get access to 25 Butler so they can do the pre demo and prepare the site. The move, which will be done in two sections, will take about seven weeks, but it will take longer to finish fitting it out and getting it ready.

** **MR. DEVINE MOVED TO APPROVE THE 25 BUTLER STREET DESIGN REVIEW REPORT PRESENTED BY ADA ARCHITECTURAL GROUP ON JANUARY 13, 2016.**
** **MS. TORRANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

B. **SOUTH NORWALK HOMEOWNERSHIP PROGRAM**

1. Approve the Appraised Value as the Sales Price for 68 Lexington Avenue ($348,000) and 24 Haviland Street ($375,000)
2. Approve the deed restriction to be used for the sales under the South Norwalk Homeownership Program

Ms. Strauss said the South Norwalk Homeownership Program is a program in which the Agency is buying small multifamily homes and renovating them and reselling them to ownership landlords for up to 80% of the area median income with a rental unit restricted to households of up to 50% of the area median income. The first two properties in the program are 68 Lexington Avenue and 24 Haviland Street, which have an appraised value of $348,000 for 68 Lexington Avenue and $375,000 for 24 Haviland Street. The Agency is going to offer the houses at the appraised value with a 20 year deed restriction limiting the subsequent sale to income qualified households. Prospective buyers will contact the Housing Development Fund for income verification, landlord training, homeownership counseling, down payment and closing costs assistance. According to HDF, the appraised values of $348,000 and $375,000 will be affordable to three and four person households earning up to 80% of the area median income.

Ms. Torrano asked will they have any way to reduce the asking prices in the event of a downturn in the market. Ms. Strauss said they would come back to the Commissioners to get an adjustment. She said HDF will factor in a reasonable amount of vacancy when factoring in the rental income.

Attorney Grenier said the underwriting restrictions are going to be based on what the current market value can be for the rental coming in, so they are going to qualify the people based on what their income is, what the median income is, and what the prospective tenant income would be coming in. They have an obligation under the documents they drafted to use good faith efforts to get a tenant as quickly as possible.

Ms. Strauss said there is an affordability model in the package that shows there is extra money after paying principal and interest and real estate taxes and other housing related expenses, so there is some room to build some savings in the case of an unexpected vacancy. A deed restriction similar to past deed restrictions used by the Agency in similar sales transactions will accompany each of the transactions in the program, and lays out the method of establishing the maximum sales price in the event the homeowner sells the property before the 20 year deed restriction expires. The other thing they have added in the deed restriction is a right of first refusal. If the homeowner intends to sell the property, the Agency has the right of first of refusal to purchase the property at a price not to exceed the maximum sales price.

** **MS. TORRANO MOVED TO APPROVE THE APPRAISED VALUE AS THE SALES PRICE FOR 68 LEXINGTON AVENUE OF $348,000 AND 24 HAVILAND STREET OF $375,00 AND TO APPROVE THE DEED RESTRICTION TO BE USED FOR BOTH SALES UNDER THE SOUTH NORWALK HOMEOWNERSHIP PROGRAM.**
** **MS. COOPER SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

C. <u>REHABILITATION REVOLVING LOAN FUND</u>
1. Approve revised version of the rehabilitation revolving loan fund guidelines

Ms. Strauss said in the 1980s the Agency established a revolving loan fund to be used for the rehabilitation of housing units and housing facilities in the City. The program is dictated by a set of guidelines that have not been updated since 2011, and they have recommended some revisions to the program guidelines in order to increase program participation, meet Agency priorities, incorporate some recommendations by HUD and better address imminent threats to the safety of occupants of properties in the program. She went through the various recommendations, which include 2.3 Noticing, 6.0 Approval Process, 7.11 and 7.12 Interest Rates, Historic Structures, 9.30 Default of Delinquent Loans and 11.00 Advertising and Bidding.

Ms. Torrano asked about the interest rate. Ms. Strauss said it would be Wall Street Journal prime at 3 ½, and would be on a 30 year mortgage.

** **MS. COOPER MOVED TO APPROVE THE PROPOSED REVISIONS TO THE NORWALK REDEVELOPMENT AGENCY RESIDENTIAL REHABILITATION PROGRAM GUIDELINES.**
** **MR. DEVINE SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

D. **WALL STREET REDEVELOPMENT PLAN AREA**

1. Wall Street Stabilization Plan
    (a) Approve Café Aroma for financial assistance under the Wall Street Rent Subsidy Program in an amount not to exceed $11,550.00

Ms. Stocker said with her are Paul and Felicia Theodoridis who are the owner and wife of the owner of Café Aroma, which is a small café off of the corner of Isaac Street in the heart of the construction for the POKO Wall Street Place development. It is the first application the City received under the Rent Stabilization Program, and they have been working since September to get the café opened. Letters of recommendation have been received from Wave Hill Breads and David Harvey Jewelers, as well as from the Chamber of Commerce and herself recommending that they entertain the financing of this project. Based on the rental fee and their guidelines, it would amount to $11,550 over a 21 month period.

Attorney Grenier said the documentation they have drafted is pretty straightforward setting forth what the program is and how the money is going to be utilized. The rent stabilization period is in the sole and absolute discretion of the Agency, so the borrower has to comply with the Agency requirements and provide the financial information so it can make a determination of when stabilization was going to be. The only way a trigger of default would be is if the owner went out of business or if there are eviction proceedings. In the event that there was a default at any point in time, then the outstanding balance would be due and payable and the Agency would have the right to terminate the program and essentially call the note for whatever the then balance is.

Chairman Serrano said this is the first of this program and they are very excited about rolling out this initiative in the Wall Street area, and they wish Mr. and Mrs. Theodoidis all the best.

Mayor Rilling said he also wishes them all the best and looks forward to his first small business visit at their location.

Mr. Theodoridis thanked everyone that supported him and helped him with the application, and said even though the program does not state that he has to give back this type of loan at the end of the five year term, when the business gets profitable he will give it back in the form of donations.

** **MR. DEVINE MOVED TO APPROVE CAFÉ AROMA FOR FINANCIAL ASSISTANCE UNDER THE WALL STREET RENT SUBSIDY PROGRAM IN AN AMOUNT NOT TO EXCEED $11,550.**
** **MS. COOPER SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

IV. **<u>NEW BUSINESS</u>**
None.

V. **<u>OLD BUSINESS</u>**
None.

ADJOURNMENT
There being no further Old or New Business, upon motion of Ms. Torrano, the Norwalk Redevelopment Agency meeting was adjourned at 6:40 P.M.

Respectfully submitted,

Karen Pacchiana