NORWALK re: DEVELOPMENT AGENCY

norwalkct.org/redevelopment

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EXECUTIVE DIRECTOR
Timothy T. Sheehan

TO: MEMBERS, PLANNING COMMITTEE OF THE NORWALK COMMON COUNCIL

FROM: REVEREND PHYLLIS BOLDEN, CHAIRWOMAN

DATE: MAY 28, 2009

RE: MEETING NOTICE

The regularly scheduled meeting of the Planning Committee of the Norwalk Common Council will take place on Thursday, June 4, 2009, at 7:00PM, in Room 231. **Please Note The Time and Location.**

PLANNING COMMITTEE
JUNE 4, 2009
7:00PM

AGENDA

CALL TO ORDER

ROLL CALL

I. PUBLIC PARTICIPATION

II. APPROVAL OF MINUTES – April 2, 2009 Public Hearing and Regular Meeting
April 8, 2009 Special Meeting

III. BUSINESS

A. **EXECUTIVE SESSION**

WALL STREET REDEVELOPMENT PROJECT

1. Property Acquisition Negotiations for 70 Wall Street

B. **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

1. Approval of Substantial Amendment to 2005-2009 Consolidated Plan for Housing and Community Development – Section 108 Loan Guarantee

C. **NORWALK BROWNFIELDS INITIATIVE**

1. Professional Services Agreement between the Norwalk Redevelopment Agency and City of Norwalk for the Administration of Grant Award from State of Connecticut Municipal Brownfields Pilot Program

D. **WATER STREET INDUSTRIAL DEVELOPMENT PROJECT**

1. Authorization to Permit State to Undertake Administrative Steps to Revise Land Use Restrictions at 13 and 20 Day Street

E. **WEST AVENUE CORRIDOR REDEVELOPMENT PROJECT**

1. Authorize the Mayor to Execute all DECD Urban Act Application Documents Related to the Proposed $5.0M Grant for the Waypointe Project
2. Approve to Advance Project Financing Plan & Budget to the Common Council for Approval
3. Approve to Advance the Execution of a Certified Resolution Authorizing DECD to Extend Financial Assistance to Waypointe Project
4. Authorize the Mayor to Execute All Documents Necessary to Execute the Urban Act Grant Assistance Agreement between DECD and the City of Norwalk for a $5.0M Grant for the Waypointe Project
5. Approve to Advance the Approval of a Service Agreement between the City of Norwalk and the Norwalk Redevelopment Agency in the amount of $482,000 to Manage the Grant Expenditures

F. **SOUTH MAIN CORRIDOR URBAN RENEWAL PLAN**

1. Proposed Amendment – T.R. Sono Hotel – 33-41 South Main St.

G. **WALL STREET REDEVELOPMENT PROJECT**

1. Authorize Submission of Applications to Section 108 Loan Guarantee Program and Brownfields Economic Development Initiative

H. **NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM**

1. Approval of Programs for Inclusion in Neighborhood Assistance Act Tax Credit Program

IV. OLD BUSINESS

V. NEW BUSINESS

A. **GENERAL ADMINISTRATIVE**

1. Review and Discussion of Planning Committee Budget for 2010

ADJOURNMENT

NORWALK re: DEVELOPMENT AGENCY
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TO: MEMBERS, PLANNING COMMITTEE OF THE NORWALK COMMON COUNCIL

FROM: MICHAEL MOORE, SENIOR PROJECT MANAGER FOR DEVELOPMENT

DATE: APRIL 30, 2009

RE: PROFESSIONAL SERVICES AGREEMENT –
STATE OF CONNECTICUT *BROWNFIELDS MUNICIPAL PILOT GRANT AWARD*

Background

In the Summer 2008, the Norwalk Redevelopment Agency (Agency), acting on behalf of the City of Norwalk, successfully applied for a $300,000 grant award from the State of Connecticut Office of Brownfield Remediation and Development's *Brownfield Municipal Pilot Program* (*Pilot Program*). The purpose of the *Pilot Program* is to provide funding to real estate development projects that are complicated by the presence of environmental contamination. The *Pilot Program* funds will facilitate remedial activities at the surface parking area serving the eastbound side of the South Norwalk Train Station (30 Monroe Street).

In February 2009, the Common Council authorized the Mayor to execute an assistance agreement with the State of Connecticut Department of Economic and Community Development in order to access the *Pilot Program* funding. The Common Council also authorized the Agency's Executive Director to prepare and execute all administrative documents and reports as required by the Assistance Agreement for this grant award. Agency staff has worked with its legal counsel to craft a Professional Services Agreement (PSA) for execution between the City and Agency in order to formalize the Agency's role as the administrator of the *Pilot Program* funding. According to the terms of the PSA, the Agency is to receive compensation equivalent to 10% of the grant award in order to administer this activity. Agency staff suggests the source of this compensation to be the City Capital Budget Sono TOD Development Account #09090910 5777 C0451.

Current Item

The Agency respectfully seeks the authorization necessary to permit the Mayor to negotiate and execute a PSA that designates the Agency as the administrator of the *Pilot Program* grant award. A draft PSA is now under review by the City's Corporation Counsel.

Motion

Authorize Mayor Richard Moccia to negotiate and execute a Professional Services Agreement with the Norwalk Redevelopment Agency designating the Norwalk Redevelopment Agency with the administrative responsibilities associated with the current grant award to the City of Norwalk from the State of Connecticut's *Municipal Brownfields Pilot Program*. The execution of this Professional Services Agreement is subject to the review of the City of Norwalk's Corporation Counsel Office.

TO: MEMBERS, PLANNING COMMITTEE OF THE NORWALK COMMON COUNCIL

FROM: MICHAEL MOORE, SENIOR PROJECT MANAGER FOR DEVELOPMENT

DATE: May 27, 2009

RE: SUBSTANTIAL AMEMDMENT TO 2005-2009 CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT – SECTION 108 LOAN GUARANTEE PROGRAM

In approving the City of Norwalk's Program Year 35 Annual Action Plan for the local Community Development Block Grant (CDBG) Program, the Common Council authorized the City to submit an application to the U.S. Department of Housing and Urban Development's (HUD) Section 108 Loan Guarantee Program. In so doing, the City may leverage the resources of its CDBG Program to help finance redevelopment activities within Norwalk's urban core neighborhoods. Before it may submit this application, the City may need to alter its existing 2005-2009 Consolidated Plan for Housing and Community Development (ConPlan) to incorporate language supporting the submission of such an application to the Section 108 Program. The Agency seeks to insert the following language into the *Anti-Poverty Sectio*n of the ConPlan:

The City of Norwalk, in order to expand the array of financial tools available to promote economic development and expand employment opportunities for its low/moderate income residents, may pursue an application to the United States Department of Housing and Urban Development in order to access funding through that entity's Section 108 Loan Guarantee Program.

The Norwalk Redevelopment Agency (Agency), which serves as the administrator of local CDBG Program, is awaiting confirmation from its colleagues at HUD that such a change is necessary.

Pursuant to the federal regulations that govern the CDBG Program, the addition of this language to the current ConPlan is considered a Substantial Amendment to that document thus requiring a public hearing, a 30-day comment period and the approval of the Agency and Norwalk Common Council. On May 19, 2009, the Agency, in its role as the administrator of the local CDBG Program, held a public hearing to secure comment regarding the proposed change. The requisite thirty (30) day comment period began the day following the hearing and will conclude on June 18, 2009. The Agency is seeking the necessary approval permitting the inclusion of language to the *Anti-Poverty* section of the current ConPlan as described above. Such an approval is conditioned on the completion of the 30-day comment period associated with this process.

Motion

The City of Norwalk hereby amends page 42 of its 2005-2009 Consolidated Plan for Housing and Community Development to include the following language:

The City of Norwalk, in order to expand the array of financial tools available to promote economic development and expand employment opportunities for its low/moderate income residents, may pursue an application to the United States Department of Housing and Urban Development in order to access funding through that entity's Section 108 Loan Guarantee Program.

This approval is conditioned on the closure of a thirty-day comment period associated with the Substantial Amendment.

PO BOX 5125 · 125 EAST AVENUE, NORWALK, CT 06856-5125 · TELEPHONE 203-854-7810 · FAX 203-854-7734

CITY OF NORWALK
PLANNING COMMITTEE
REGULAR MEETING
APRIL 2, 2009

ATTENDANCE: Rev. Phyllis Bolden, Chair; Douglas Hempstead, Andrew Conroy, William Krummel

STAFF: Sally Johnson, CDBG Administrator, Michael Moore, Redevelopment Senior Project Manger

CALL TO ORDER

Rev. Bolden called the meeting to order at 6:32 p.m. and introduced

PUBLIC HEARING – COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

Mr. Moore said that this was the second public hearing for the CDBG funding and that the Redevelopment Agency had received 26 applications. The first public hearing occurred on February 27th. Following that meeting, the staff made some recommendations regarding the applications. This second hearing is required by the Connecticut General Statutes. He then reviewed the major priorities in ranking the applications. He stated that because of the stimulus plan and other events in Washington, the Redevelopment Agency has not yet heard how much money the CDBG funding will receive this year. Mr. Moore then reviewed the process with the Committee.

Ms. Jennifer Barahona, the Director for the Center for Youth Development at the Family and Children's Agency came forward. This after school program serves 25 middle school students from the Norwalk Schools. These students are struggling to keep up and their reading and math scores are improving. Last year, 40% of the students had mental health issues. The program also works with the parents and deals will the full spectrum of needs.

Mr. Krummel asked about the program at NCC. Ms. Barahona said that the students are transported by bus to NCC, receive a snack and then have an hour of life skills. The second hour is devoted to academics. The program collaborates with the NCC instructors and UBS provides some of the funding. Mr. Krummel had several questions about the details of the program.

Rev. Bolden asked if the program carries the students for all three years of middle school. Ms. Barahona said that they like to have the entering 6th grade students and then after 9th grade, they often go into another program.

Mr. Krummel asked about the economic backgrounds. Ms. Barahona said that all 25 students fall into the low-income category and most of them come from single parent homes.

Mr. Moore said that the CDBG funding application requires matching funds when possible.

Ms. Eva Thorne and Rev. Roosevelt Ewell came forward to speak about Caregiver's Choice. Ms. Thorne the reviewed the percentage of children who were under age 18 with mothers incarcerated and the increasing figures in this class. Ms. Thorne explained that children of prisoners need mentors to assist with homework and getting to programs. There are many risk factors that are part of their every day lives, along with stigma of having an incarcerated parent.

Caregiver's Choice is designed to provide mentors to children under the age of 18. Ms. Thorne said that the mentors are key in these students' lives. She then gave the requirements for the mentors and time commitments.

Rev. Ewell then reviewed the pilot program called "Pen and Pencil", which is where the students take on the responsibility of staying in the classrooms. In the African American community, many students are affected by having an incarcerated parent.

Mr. Hempstead asked how the students are chosen for the program. Rev. Ewell said that the students are recommended from the program central office.

Ms. Marissa Mangone and Ms. Lisa Cooper came forward and said that they had applied for an after school program "The Shades of Poetry", which is geared towards literacy at Briggs high School. Ms. Mangone said that a national recognized poet, Brendan Graham, came to Briggs to present a program and the entire student body remained after school for two hours to hear him. Another large group remained after the program to speak with Mr. Graham. This is the type of response that the program wishes to happen.

Ms. Mangone explained that Briggs does not currently have an after school program. Several of the students have asked for an after school program in order to avoid high risk behavior.

The program is a once a week class for a six week session and the students are to write at least 100 words a day. The funding will cover the facilitator, books, some of the administrative costs and other expenses. Briggs would be the pilot program with Mr. Graham.

Rev. Bolden then said that she was impressed with the program and the fact that it was geared towards Briggs.

Mr. Stuart Greenbaum of the Mid Child Guidance Center of Fairfield County came forward and said that his organization is the only out patient, psychiatric facility for children in Norwalk. This Emergency Mobile Psychiatric Program 24/7 program is geared toward the more intensely troubled youth, who are a danger to themselves or others. This is collaboration between Norwalk and Stamford and the students are referred to by the School District. A portion of the funding is through Family and Children's Services, but the State will not fund more than 66% of the costs.

During the last few months, there has been a spike in episodes and this is related to the economic environment. A new contract is in negotiation and this program requires the Child Guidance Center to do more than ever before. This is a public/private partnership and the staff is incredibly qualified to deal with these situations. No one is turned away and the fee is on a sliding scale. However, more and more of the students have no ability to pay at all.

Mr. Krummel asked what "mobile" encompassed. Mr. Greenbaum said that when there are emergent situations, the clinicians who are trained to do risk assessments go to the site. The Center has five people on call 24 hours a day, 7 days a week. There are no services for adolescents at Norwalk Hospital, so often the meetings take place in Norwalk ER.

Ms. Rachelle Kuchen Mehan from the Domestic Violence Crisis Center came forward and said that currently in Norwalk, the Center is working with more than 1,000 clients directly. These people have been referred via social workers, hospitals, and other sources. Ms. Mehan said that no one that wants to be in the shelter, but the biggest cost for women between 18 and 49 is domestic violence.

Ms. Mehan said that regarding the Shelter Rehabilitation, the conditions at the shelter were deplorable and that there was mold. The City had been helping with security. At the minimum, it would be helpful to have a safe, clean and secure shelter. She then related a situation where a mother arrived in her ninth month of pregnancy and how the environment speaks to their dignity.

Ms. Mehan then said that the Housing Advocacy positions helps these women locate housing and transportation to move forward safely. 87% of the women that come to the shelter work full-time.

Ms. Mehan said that she was impressed with "Peace Works". She then displayed a book called "Peace Works" and said that this past year, the program reached over 4,000 students in Norwalk. She then said that two years ago, CDBG funded $10,000 for Peace

Works, and it just blossomed. Since then, the children's parents have started to come to the program and stated that they did not know that there were alternative ways to handle anger.

Mr. Conroy asked what specific repairs were being requested. Mr. Moore said that the doors and windows need repairs, including outside lighting. A short discussion then followed about the needs of the Shelter. For every dollar that Norwalk gives, there are five dollars from private sources.

Ms. Novelette Peterkin came forward and outlined the SAT prep program for George Washington Carver Community Center along with the enrichment services. She said that currently, there are 45 students enrolled in the program and the facility has no more room. Because of this, there are now associated program at Nathan Hale and West Rocks.

Ms. Peterkin said that the Center was also asking for assistance with the Teen Center at Carver. Often many of the teens that attend often end up enrolling in the educational enrichment programs. One part of the program is when the staff takes the middle school students on college tours in Connecticut and surrounding states. Currently, there are nineteen students from Carver enrolled in colleges. Every student who has gone on the college tour has eventually enrolled in college. Last year, four students graduated from college and two of them went on to law school.

Mr. Krummel then asked about the academic aspect in regards to the college tour. Mr. Moore explained that the college tour was part of the macro view and that the CDBG focus was on SAT preparation. Ms. Peterkin said that Xerox and GE fund the college tour. Ms. Peterkin said that the middle and high school students receive this program without a fee.

Rev. Bolden said that the Carver Center had a wonderful board and that she wanted to encourage Ms. Peterkin to keep on because the students are moving forward. The encouragement helps the students realize that they can go to college and gives them a chance to see what college life is like.

Mr. Hempstead asked how the student become involved with the program. Ms. Peterkin said that the guidance counselors often refer the students. Mr. Krummel asked about the economic background. Ms. Peterkin said that it was 70% low to moderate income. Mr. Moore said that HUD requires 70% of the clients being from low to moderate income.

Rev. Bolden closed the public hearing at 7:55 p.m.

PUBLIC PARTICIPATION

There was no one present from the public at this time.

APPROVAL OF MINUTES

February 19, 2009 Special Meeting

**** MR. KRUMMEL MOVED TO APPROVE THE MINUTES OF FEBRUARY 19, 2009 SPECIAL MEETING.**
**** THE MOTION TO APPROVE THE MINUTES OF FEBRUARY 19, 2009 SPECIAL MEETING AS SUBMITTED.**

March 5, 2009 Regular Meeting

The following change was noted:

Page 1, under **ATTENDANCE**: please add "Douglas Hempstead"

**** MR. KRUMMEL MOVED TO APPROVE THE MINUTES OF MARCH 5, 2009 REGULAR MEETING.**

**** THE MOTION TO APPROVE THE MINUTES OF FEBRUARY 19, 2009 SPECIAL MEETING AS CORRECTED.**

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1. Approve PY35 CDBG Program Allocations and Annual Action Plan.

2. Approve the use of optional income eligibility limits for 2009-2010 program year.

3. Authorize Mayor Richard Moccia to execute any and all documents required to apply for, accept, and implement the PY35 CDBG Program.

**** MR. HEMPSTEAD MOVED TO APPROVE THE FOLLOWING:**

1. APPROVE PY35 CDBG PROGRAM ALLOCATIONS AND ANNUAL ACTION PLAN.

2. APPROVE THE USE OF OPTIONAL INCOME ELIGIBILITY LIMITS FOR 2009-2010 PROGRAM YEAR.

3. AUTHORIZE MAYOR RICHARD MOCCIA TO EXECUTE ANY AND ALL DOCUMENTS REQUIRED TO APPLY FOR, ACCEPT, AND IMPLEMENT THE PY35 CDBG PROGRAM

Mr. Krummel expressed concerns about some of the programs and possible duplication. Mr. Conroy said that he also had concerns about this also. Discussion followed about this.

Regarding the Caregiver's Choice, Rev. Bolden said that she had participated in Angel Tree in the past and that these programs made a major impact on the lives of the children in the program.

Mr. Hempstead said that the Housing Authority had received a grant from the stimulus package and that he was wondering if the CDBG funds might not be needed at this time. Mr. Moore said that he would investigate this.

Mr. Hempstead said that he was concerned about the fact that the Board of Education only has two middle schools applying for after school programs.

**** THE MOTION TO APPROVE THE FOLLOWING:**

1. APPROVE PY35 CDBG PROGRAM ALLOCATIONS AND ANNUAL ACTION PLAN.

2. APPROVE THE USE OF OPTIONAL INCOME ELIGIBILITY LIMITS FOR 2009-2010 PROGRAM YEAR.

3. AUTHORIZE MAYOR RICHARD MOCCIA TO EXECUTE ANY AND ALL DOCUMENTS REQUIRED TO APPLY FOR, ACCEPT, AND IMPLEMENT THE PY35 CDBG PROGRAM

PASSED UNANIMOUSLY.

BROWN FIELD INITIATIVE

1. Approval of Access Agreement between US Environmental Protection Agency and City of Norwalk to conduct Environmental Assessments at 30 Monroe Street

**** MR. KRUMMEL MOVED TO AUTHORIZE THE MAYOR RICHARD A. MOCCIA TO EXECUTE AN ACCESS AGREEMENT WITH THE UNITED STATES ENVIRONMENTAL PROTECTION THAT WILL PERMIT A FEDERAL GOVERNMENT CONTRACTOR TO COMPLETE ENVIRONMENTAL ASSESSMENT ACTIVITIES AT THE PROPERTY LOCATED AT 30 MONROE STREET IN NORWALK. SUCH AUTHORIZATION IS CONTINGENT UPON THE REVIEW OF THE ACCESS AGREEMENT BY THE CITY'S CORPORATION COUNSEL.**

Mr. Moore explained that the City had been awarded $300,000 in grant funding from the State of Connecticut's Municipal Brownfield Pilot Program for the remediation of the surface parking lot at the eastbound side of the South Norwalk Train Station. The motion allows the Mayor to execute an agreement granting permission to a contractor retained by the USEPA to complete all outstanding assessment activities at 30 Monroe Street.

**** THE MOTION PASSED UNANIMOUSLY.**

OLD BUSINESS

There was no old business to discuss at this time.

NEW BUSINESS

Mr. Hempstead said that Smith Street had been closed off when demolition was done and the restaurants and businesses that could be used for parking. There was some issue with the retraining wall, but Capital funding for the retaining wall had been allocated a few years ago, yet still had not been used. Mr. Hempstead said that this was a public street and should be open. He then asked Mr. Moore to investigate this situation as to why the street remained closed.

ADJOURNMENT

**** MR. HEMPSTEAD MOVED TO ADJOURN.**
**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:19 p.m.

Respectfully submitted,

Sharon L. Soltes
Telesco Secretarial Services

CITY OF NORWALK
PLANNING COMMITTEE
SPECIAL MEETING
APRIL 8, 2009

ATTENDANCE:	Rev. Phyllis Bolden, Chair; Amanda Brown; Douglas Hempstead; Kelly Straniti
STAFF:	Tim Sheehan, Executive Director; Tom Hamilton, Finance Director

CALL TO ORDER

Rev. Bolden called the meeting to order at 7:15 p.m.

PUBLIC PARTICIPATION

Rev. Bolden asked three times if there were any members of the public who wished to speak. Hearing none, she closed the public participation portion of the meeting.

CONSIDERATION OF 2009-2010 NORWALK CAPITAL BUDGET

Mr. Hamilton explained that this was the final phase of the adoption of the capital budget, before being moved to the full Common Council for approval by April 15th. Mr. Hamilton explained the changes that were made to the budget.

Mr. Hempstead asked about the stimulus funds being used for road paving. Mr. Hamilton explained that the stimulus funds would supplement the capital budget. He said that the capital budget is separate and apart from that funding. Mr. Hempstead asked if there are any other stimulus funds that are associated with other capital projects. Mr. Hamilton said that they are going to receive funding for energy related projects, such as alternative energy projects. He said that he believes the Mayor is interested in using the funds for energy conservation in City buildings.

Mr. Hempstead said that he would like to see funding to ensure that all park and school playgrounds are as up to date as possible. Mr. Hempstead asked Mr. Hamilton if he could provide an analysis of where the stimulus money will go. Mr. Hempstead said that he would also like to see funding added to purchase open space.

Ms. Straniti asked Mr. Hamilton is there is room to add more funding for sidewalks. Mr. Hamilton said that they could agree to spend more money, but the question is what should be reduced or eliminated to fund the sidewalks; the final decision rests with the Common Council.

Rev. Bolden noted that the sidewalks in Norwalk are in poor shape and are worth attention.

Ms. Straniti asked about the $50,000 in the Planning and Zoning budget. Mr. Hamilton explained that the intent of the request would be to study areas that are missing sidewalks or have inadequate sidewalks.

Ms. Brown said that she was concerned about the inability to build a new firehouse. Ms. Straniti suggested taking $50,000 from the bikeway planning and re-allocate that to the sidewalk study. She noted that it would come from the same department. Mr. Sheehan explained that the bikeway has been a long-term project and this is a new piece of the bikeway.

** **MS. STRANITI MOVED THE 2009-2010 CAPITAL BUDGET TO THE FULL COMMON COUNCIL**
** **MOTION PASSED UNANIMOUSLY**

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

** **MR. HEMPSTEAD MOVED TO ADJOURN**
** **MOTION PASSED UNANIMOUSLY**

There was no further business and the meeting was unanimously adjourned at 8:00 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services

AGREEMENT
between the
CITY OF NORWALK, CONNECTICUT
and
THE NORWALK REDEVELOPMENT AGENCY

THIS AGREEMENT, entered into as of this ______day of __________, 2009, by and between the CITY OF NORWALK, CT, hereinafter referred to as the "City", acting herein by its Mayor, Richard Moccia, duly authorized, and the NORWALK REDEVELOPMENT AGENCY, 125 East Avenue, Norwalk, CT, hereinafter referred to as the "Agency", acting herein by Timothy T. Sheehan, its Executive Director, duly authorized.

WITNESSETH THAT:

WHEREAS, the City anticipates receiving a $300,000.00 grant (the “Grant”) from the State of Connecticut Department of Economic and Community Development (“DECD”) to conduct environmental remediation at the South Norwalk Railroad Station located at 30 Monroe Street, Norwalk, Connecticut (the “Property”);

WHEREAS, the City desires to engage the Agency, as the sole sub-recipient of the City’s Grant funds and, as the administrator of the activities of the City’s Grant; and

WHEREAS, the Norwalk Redevelopment Agency, as the Agency, is agreeable to assuming such responsibilities and obligations associated with the sole sub-recipient and administrator of Norwalk’s Grant funds on the City’s behalf.

NOW, THEREFORE, the parties do hereby mutually agree as follows:

1. <u>SCOPE OF SERVICES</u>
Monies under this Agreement are specifically granted for the purpose of funding the environmental remediation of the Property. The City and the Agency will administer this Agreement according to the following conditions:

A. The City formally designates the Agency as the lead administrator charged with the administration of all Grant funds received by the City of Norwalk.

B. The City will identify the Agency as the administrator of the Grant and commit to transferring the City of Norwalk’s Grant funds to the Agency for the purposes and in conformity with the terms provided for herein.

C. The City will assume responsibility as the “sole sub-recipient” and the “administrator” of the Grant funds;

D. <u>Disbursement of Funds</u> As the sole sub-recipient of such Grant funds, the Agency will make funding available for the environmental remediation of the Property.

E. Rules Governing the Use of Grant Funds The use of the Grant funds shall be dispersed in accordance with all applicable requirements of DECD.

F. This Agreement shall remain valid until the entire Grant funds have been dispersed in accordance with this Agreement, unless otherwise revoked by vote of the Norwalk Common Council.

G. The City and the Agency agree that the designation of the Agency, as the lead agency for the administration of Grant funds is made without the need of and without the contemplation of contractual consideration and that such consideration is neither required nor desired for this Agreement to be effective.

2. TIME OF PERFORMANCE

The entire scope of services covered by this Agreement is to be completed to the City's reasonable satisfaction and in compliance with all applicable rules, requirements and regulations and any timelines provided for by applicable DECD requirements.

3. COMPENSATION

A. The Agency will be compensated for its administrative services performed in compliance with this Agreement by the City. The amount of compensation shall be an amount equal to ten (10%) percent of the amount of the Grant.

B. Payments by the City to the Agency will be made quarterly, in arrears, and shall be equal to the amount of Grant funds dispersed in the prior quarter times ten (10%) percent. The Agency shall submit invoices to the City supported by documentation evidencing the amount of Grant funds disbursed during such quarter.

C. The Agency further agrees that, in disbursing Grant funds it will conform to the requirements of DECD, and will not vary therefrom. It will be the responsibility of the Agency to be familiar with, and conform to, all applicable local, State, and Federal regulations with regard to the use and disbursement of Grant funds.

4. RESPONSIBILITIES OF AGENCY

A. The Agency shall assure and certify the following with respect to the Grant:

(i) It will comply with the regulations, policies, guidelines, and administrative requirements of DECD.

(ii) It has the legal authority and financial capability to execute the Agreement and fulfill its responsibilities in connection with the proposed scope of Services, including all understandings and assurances contained herein, and has designated the undersigned as the authorized representative of the Agency to act in connection with the application, to execute the governing Agreement and thereby bind Agency, and to provide any additional information as may be required by the City.

B. Agency will comply with the following requirements at all times relevant to the scope of the services contemplated under this Agreement, when applicable:

(i) Title VI of the Civil Rights Act of 1964 (P.L. 88-352). In accordance with Title VI of that act, no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Agency receives federal financial assistance. The Agency will immediately take any measures necessary to effectuate these requirements.

C. During the performance of any Agreement related to the disbursement of Grant funds, the Agency shall agree that it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religion, age, marital status, national origin, sex, sexual orientation, or mental or physical disability, and further,

(i) The Agency will agree to comply with the provisions of the Hatch Act, which limits the political activities of employees.

(ii). The Agency will establish safeguards to prohibit employees from using their positions for any purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

(iii). The Agency will carry Workers' Compensation Insurance for all persons employed by it, in accordance with applicable State regulations.

(iv). The Agency will carry out the scope of services in compliance with all State and Federal laws and regulations

5. LABOR STANDARDS PROVISIONS

The Agency and all contractors engaged under contracts for work to be performed with Grant funds shall comply with all DECD requirements pertaining to such contracts.

6. USE OF DEBARRED, SUSPENDED, INELIGIBLE CONTRACTORS

Assistance through DECD shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any contractor or sub-Agency during any period of debarment, suspension, or placement in ineligibility status under any DECD requirements pertaining to such contracts.

7. RECORDS AND REPORTS

A. The Agency will maintain records in sufficient form to comply with all applicable regulations and requirements regarding the documentation and administration of Grant funds in accordance with the requirements of DECD.

B. The Agency shall comply with all the requirements binding upon the City and the Agency as part of the Grant.

8. BOOKS OF ACCOUNT AND MAINTENANCE OF RECORDS

A. The Agency shall establish and maintain throughout the term of this Agreement proper documenting and accounting procedures in order to comply with all accounting and reporting requirements of the City as established by the City of Norwalk’s Finance Director and to assure the proper accounting and fiscal control of all funds paid by the Agency. All costs and expenditures must be supported by properly executed invoices, contracts, vouchers, receipts, leases or other official documentation evidencing in proper detail the nature and propriety of the charges so as to demonstrate compliance with the terms and conditions of the governing Agreement and all applicable laws and regulations.

B. The Agency agrees that any records with respect to all matters covered by this Agreement shall be maintained for a minimum of three (3) years after disbursement of the final payment of Grant funds under this Agreement, or payment upon termination of this Agreement. Such records must be kept beyond the three-year period if there is any pending, threatened, or unresolved audit of the records or litigation concerning the activities or the activity hereunder.

C. The Agency agrees to make available to the City upon request, all books, documents, papers and records concerning charges, fees, expenditures, and costs associated with the performance of this Agreement and the activity. Except as may be required by applicable law, the Agency shall agree that all of the information, reports and documents assembled by it and information contained therein shall not be made available to any individual or organization, other than authorized government officials, without the prior written approval of the City. The Agency shall, upon request, submit information to the City o detailing all other funding sources related to the activity.

9. <u>MONITORING AND COMPLIANCE</u>

A. The City reserves the right to monitor the manner, means, and details of the delivery of services by the Agency, as well as to evaluate the quality thereof in terms of the goals of the activity. This shall include (1) approval of all contractors and subcontractors, providing services or supplying materials in connection with the activity; (2) approval of all contracts and costs for supplies and services; and (3) inspection of any work or materials in connection with the activity prior to release of any payment. However, the City shall not thereby, to any extent, be or become responsible for the actions, omissions and practices of the Agency, its contractors, subcontractors and suppliers. The Agency remains independently and solely responsible for its personnel, contractors, subcontractors and suppliers, and the performance of the activity or any work performed in connection therewith. The Agency agrees to comply with evaluation and information requirements, including, but not limited to, site visits, program and fiscal audits, and periodic and quarterly reports. The Agency shall comply fully with all recommendations and requirements of the City resulting from such evaluations and audits, and shall correct, within a reasonable period of time, any deficiencies in its activities and services identified by the City. This provision shall not in any way cause the City to incur any responsibility for or liability in connection with the Agency's programs or operation of the same. The Agency shall at all times remain solely responsible for the activity.

B. The Agency's failure to comply with the recommendations of the City as to the conduct of its activities related to the activity hereunder shall constitute a violation of this Agreement and sufficient reason for termination of the same. The Agency further agrees that, with reasonable notice, the City, or any of their authorized agents, will be allowed to inspect and copy any and all records related to the activities covered under this Agreement.

10. <u>TERMINATION OF AGREEMENT</u>

A. "Termination," for purposes of this Agreement, shall mean the cessation of the following obligations only: the City's obligation, as described in this Agreement, to provide funding for the activity and the Agency's obligation to continue the delivery of services or operation of the activity as described in this Agreement. The Agency shall remain obligated under the terms of this Agreement. Further, if, upon termination, any documentation, data, studies, reports, accounting records or files concerning activities, programs, services or funding provided hereunder remain incomplete as of the date of termination, the Agency shall be and remain obligated to complete the same in a professional and reasonable manner and within a reasonable period of time following termination. The Agency shall also be responsible to complete the activity in a timely and reasonable manner and to maintain records and books of accounts as set out in Paragraph 9 hereof.

B. Termination for Cause If through any cause the Agency shall fail to fulfill in a timely manner its obligations under this Agreement, or if the Agency shall violate any of the covenants, agreements, or assurances in this Agreement, the City, by vote of the Norwalk Common Council, shall thereupon have the right to terminate this Agreement by giving written notice to the Agency of such termination and specifying the effective date of such termination. In such event, all finished or unfinished documents, data, studies, reports, and files prepared by the Agency under this Agreement shall, at the option of the City, become the property of the City and the Agency shall be entitled to receive just and equitable compensation for any satisfactory work completed to the date of termination.

C. Termination If this Agreement is terminated due to the fault of the Agency, paragraph 12 of this Agreement shall govern. Termination under this paragraph and paragraph numbered 12 above shall not give rise to any cause of action or claim against the City, the Redevelopment Agency, or any employee, official or agent thereof.

11. EVENTS OF DEFAULT AND REMEDIES

A. Events of Default

Any of the following occurrences shall constitute an Event of Default under this Agreement:

i. The Agency, its successors or assigns, fails to properly and effectively perform or observe any of the covenants, conditions, obligations or agreements on its part as set forth in this Agreement;

ii. A determination is made by any competent authority such as, but not limited to, any federal, state or local government official, or a certified public accountant, that the Agency's management of or any accounting for its funding, from whatever source, is improper, or illegal;

iii. A decree or order by a court having proper jurisdiction is entered in the matter, declaring the Agency a bankrupt or insolvent or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition or similar relief for the Agency under the federal bankruptcy laws, or any other similar applicable federal or state law; or

iv. A competent authority determines that the Agency is in default of any federal, state or local tax obligation.

B. Election of Remedies

A. If any Event of Default hereunder occurs or continues to occur, the City shall notify the Agency in writing of the circumstances constituting default. The notice shall provide thirty (30) days from the date of such notice in which the Agency must cure the identified default. If the Agency fails to cure the default within the period allowed then the City may, consistent with the rules and regulations governing the Grant funds, elect to pursue any one or more of the following remedies, in any combination or sequence as it deems necessary:

i. withholding or reducing any payment to the Agency,

ii. termination of this Agreement for cause, and

iii. pursuing any other available legal or equitable remedies.

B. The pursuit of any remedy shall not prevent the City from pursuing any other remedy, shall not constitute a waiver by the City of any other right or remedy, and shall not give rise to a cause of action against the City by the Agency. The failure of the City to pursue any right or remedy hereunder for any default or breach by the Agency shall not constitute a waiver of the City's rights or remedies upon any subsequent default or breach.

12. REVERSION OF ASSETS

Upon expiration or termination of this Agreement, the Agency shall transfer and relinquish to the City its title to any and all personal property or financial assets acquired or created by or for the activity funded under this Agreement, including all unobligated Grant funds on hand at the date of completion of services or the date of termination of this Agreement, together with all accounts receivable attributable to the use of Grant funds provided under this Agreement.

13. CHANGES TO THIS AGREEMENT

In the event that either party requests changes to this Agreement or any incorporated document, the change will be effective only upon a written amendment to this Agreement, signed by both parties in the same manner as this document.

14. RELATIONSHIP BETWEEN CONTRACTING PARTIES

The Agency's relationship to the City, during the period or periods of this Agreement, shall be that of an independent contractor which shall be responsible for its decisions regarding the administration of Grant funds.

15. CONFIDENTIALITY OF INFORMATION

All information, whether printed, written, or oral, furnished by the Agency to the City of Norwalk pursuant to this Agreement shall become the property of the City of Norwalk.

16. ASSIGNABILITY

The Agency shall not assign any interest in this Agreement, and shall not transfer any interest in the same (whether by assignment or notation) without the prior written approval of the City.

17. CONFLICT OF INTEREST

A. City of Norwalk

No officer, appointee, employee or member of the governing body of the City, and no other public official of the City who exercises any functions or responsibilities with respect to the activity funded under this Agreement during his/her tenure or for one year thereafter, shall have any personal interest, direct or indirect, in this Agreement or any contract or subcontract, or the proceeds thereof, for any services to be performed in connection with the activity funded under this Agreement. Nor shall any member, official, appointee or employee participate in any decision relating to this activity which affects his/her personal interests or the interests of any corporation, partnership or association in which such person is, directly or indirectly, interested.

B. The Norwalk Redevelopment Agency

The Agency likewise covenants that no officer, appointee, employee, or member of its governing body presently has an interest, nor will acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder, and covenants that in the performance of this Agreement, it shall employ no person having any such interest. The Agency shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purposes of this section.

C. Violations

Any violation of this provision of the section shall, at the option of the City be subject to the rules and penalties set out in accordance with the Norwalk Code of Ethics.

18. GENERAL

A. Implied Provisions

Each and every provision and clause required by law to be inserted in this Agreement shall be deemed to be inserted and the Agreement shall be read and enforced as though such provisions and clauses were included herein. If, through mistake or otherwise, any provision is not inserted or is not correctly inserted then, upon the written consent of the parties, this Agreement shall forthwith be physically amended to make such insertion.

B. Non-transferability of Invalid Provisions

If any provision of this Agreement is held invalid, the balance of the provisions of this Agreement shall not be affected thereby if such provisions would then continue to conform to the requirements of applicable laws. The remaining provisions shall thereupon continue in full force and effect.

C. Waivers Not Implied

Any failure by the City to insist upon strict performance by the other of any of the terms or provisions hereof shall not constitute a waiver of any right hereunder or at law. Notwithstanding any such failure, each party shall have the right to insist upon the strict performance by the other, of any and all of the terms and provisions of this Agreement. Neither party hereto shall be relieved of any obligation hereunder by reason of the failure of the other to comply with or otherwise enforce any of the provisions of this Agreement.

D. Agency to Remain Prompt

The Agency hereby agrees that, throughout the term of the Agreement all contractual obligations and audit responsibilities owed by the Agency to the City shall be and remain current. This provision shall survive the termination or expiration of this Agreement.

E. Indemnification

The Agency hereby agrees to defend, indemnify and save harmless the City, its agents, officers, personnel, and employees from any and all liabilities, damages, claims, and losses resulting from, relating to, or arising out of the performance or failure to perform its obligations hereunder by the Agency, its agents, servants, representatives, employees, volunteers, or anyone acting on its behalf or for whom it may be responsible. The provisions of this paragraph shall survive the expiration or earlier termination of this Agreement and shall not be limited by reason of any insurance coverage provided hereunder.

G. NOTICES

All notices of any nature referred to in this Agreement shall be in writing and sent by registered or certified mail, postage prepaid and return receipt requested, to the respective addresses set forth below or to such other addresses as the respective parties hereto may designate in writing:

To the City: Corporation Counsel
City of Norwalk
P.O. Box 798
Norwalk, CT 06856-0798

To the Agency: Executive Director
Norwalk Redevelopment Agency
125 East Avenue
Norwalk, CT 06856

H. EFFECTIVE DATE

The Agency agrees that the effective date of this Agreement shall be the date of the Norwalk Common Council's approval of the Agreement.

I. ENTIRE AGREEMENT

This Agreement and the documents attached hereto and made a part hereof, incorporate all of the understandings of the parties hereto and supersedes any and all agreements reached by the parties prior to the execution of this Agreement, whether oral or written. The City and the Agency each binds itself and its successors and assigns to the other party and to its successors and assigns to the other party and assigns with respect to all covenants and representations of this Agreement.

IN WITNESS WHEREOF, the Agency and the City of Norwalk have executed this Agreement as of the date first written above.

WITNESS:

NORWALK REDEVELOPMENT AGENCY

____

____

Timothy Sheehan
Its Executive Director
Duly Authorized

Dated:____________________

WITNESS:

CITY OF NORWALK

____

____

Richard A. Moccia
Its Mayor
Duly Authorized

____

Dated:____________________

TO: MEMBERS, PLANNING COMMITTEE OF THE NORWALK COMMON COUNCIL

FROM: MICHAEL MOORE
SENIOR PROJECT MANAGER FOR DEVELOPMENT

DATE: APRIL 30, 2009

RE: WATER STREET INDUSTRIAL DEVELOPMENT PROJECT

SUMMARY

The Norwalk Redevelopment Agency respectfully seeks authorization permitting its staff to pursue alterations to the existing Project Development Plan for the Water Street Industrial Development Project thus allowing residential development on the City-owned properties at 13 and 20 Day Street.

BACKGROUND

In 1977, the City of Norwalk adopted the Project Development Plan for the Water Street Industrial Development Project (Water Street Plan) in South Norwalk. The Water Street Plan was created in accordance with Chapter 132 of the Connecticut General Statutes and with the assistance of the State of Connecticut Department of Economic and Community Development (DECD). The Water Street Plan lead to (1) the assembly of multiple parcels for the purpose of accommodating industrial development, (2) the creation of the South Norwalk Community Center (3) the relocation of Ryan Park and (4) the extension of Hanford Place.

Two of the aforementioned industrial parcels, which are located at 13 Day Street and 20 Day Street, provide the City a unique opportunity to catalyze development within the South Norwalk neighborhood south of Washington Street if the City chooses to alter the land use restrictions imposed on these sites by the Water Street Plan. As a result of their ownership by the City and their proximity to the South Norwalk Train Station these two properties offer the opportunity to spur residential development including the expansion of the City's supply of affordable housing. More specifically, the City may choose to contribute the value of these properties in support of the development of affordable housing.

These findings are supported by the recent construction of residential development on Havilland Street and Elizabeth Street immediately to the north as well growing awareness of the benefits of residential development in neighborhoods adjacent to transit nodes such as the South Norwalk Train Station. These facts suggest there is greater market demand for the use of these properties for residential use not industrial development.

Therefore, the Norwalk Redevelopment Agency seeks authorization from the Norwalk Common Council to pursue revisions to the Water Street Plan that will permit residential uses at 13 Day Street and 20 Day Street.

ACTION REQUESTED:

The Norwalk Redevelopment Agency is authorized to pursue the necessary revisions to the existing Project Development Plan for the Water Street Industrial Development Project allowing residential development on the City-owned properties at 13 Day Street and 20 Day Street.

PO BOX 5125 · 125 EAST AVENUE, NORWALK, CT 06856-5125 · TELEPHONE 203-854-7810 · FAX 203-854-7734

NORWALK re: DEVELOPMENT AGENCY
norwalkct.org/redevelopment

TO: MEMBERS OF THE PLANNING COMMITTEE OF THE NORWALK COMMON COUNCIL

FROM: MUNRO W. JOHNSON, AICP, SENIOR DEVELOPMENT PROJECT MGR.

DATE: MAY 28, 2009

RE: AUTHORIZATION FOR BEDI/108 FUNDING APPLICATIONS

In an economic environment of tightening credit markets and difficult lending, getting development started in Norwalk's downtown areas has been getting ever more challenging. For that reason, the Norwalk Redevelopment Agency has been looking for alternative funding sources to provide qualified development initiatives with critical startup resources. In that context, the Agency is bringing forward for Common Council consideration applications for a Brownfields Economic Development Initiative (BEDI), and a Section 108 Loan Guarantee (108), both economic development tools from the US Department of Housing and Urban Development (HUD) which could be used for the acquisition and redevelopment of property in our redevelopment areas.

This memorandum offers some basic information about the BEDI and Section 108 programs, and the Agency's interest in utilizing them.

About the BEDI Program
The BEDI program is available to Community Development Block Grant ('CDBG') entitlement communities as additional grant monies for brownfield redevelopment in designated redevelopment areas and in conjunction with matching funds from a 108 loan. The BEDI award must be matched 1 to 1 with funds from 108. It is a highly competitive grant with only $20 Million available nationwide for this year's round. A description of the BEDI program is online at HUD's website http://www.hud.gov/offices/cpd/economicdevelopment/programs/bedi/index.cfm and is attached to this memorandum.

About the Section 108 Program
The Section 108 Loan Guarantee program is available to CDBG entitlement communities as a supplement to the regular CDBG program. A description of the 108 program is online at HUD's website http://www.hud.gov/offices/cpd/communitydevelopment/programs/108/ and is attached to this memorandum, and the Agency's Section 108 Loan consultant will be available at upcoming meetings of the Planning Committee to answer detailed questions about Section 108.

PO BOX 5125 · 125 EAST AVENUE, NORWALK, CT 06856-5125 · TELEPHONE 203-854-7810 · FAX 203-854-7734

How the 108 is Secured: From HUD to the Agency, and the Agency to the Community
As a loan program, Section 108 requires a primary and secondary source of collateral in the application. As a sister program to CDBG administered by HUD, the 108 program considers a community's CDBG entitlement to be its ultimate security. As stated on the website, there has *never been a single default in the history of the 108 program*, because HUD's ultimate collateral is its ability to withhold portions of the community's annual entitlement until the default is cured.

Separate and apart from the collateral for the 108 loan itself (***to*** the Agency), as the administering agent of the 108 funds, the Agency may use whatever underwriting criteria and collateral requirements it establishes in its administration of the 108 funds (***from*** the Agency to the community). No debt obligation is incurred until 108 funds are actually drawn and put to use. It is the Agency's intent to pledge as primary collateral – for purposes of the 108 application document – its own cash and an appropriate portion of the annual CDBG entitlement. On an administrative basis, it is the Agency's intent to deploy underwriting standards for loans made through the 108 authorization that will ensure protection of the collateral listed in the application to HUD.

ACTION

1) BEDI Application for up to $2 Million (maximum allowed by HUD)
2) One (1) 108 Application at a 100% match to the BEDI, specifically for the Globe Theater's acquisition
3) One (1) 108 Application for a non-Globe-related economic development loan fund for the balance of the city's allowable loan cap of almost $5 million

Homes & Communities
U.S. Department of Housing and Urban Development

Brownfields Economic Development Initiative (BEDI)

Summary:

The Brownfields Economic Development Initiative (BEDI) is a key competitive grant program that HUD administers to stimulate and promote economic and community development. BEDI is designed to assist cities with the redevelopment of abandoned, idled and underused industrial and commercial facilities where expansion and redevelopment is burdened by *real or potential* environmental contamination.

BEDI grant funds are primarily targeted for use with a particular emphasis upon the redevelopment of brownfields sites in economic development projects and the increase of economic opportunities for low-and moderate-income persons as part of the creation or retention of businesses, jobs and increases in the local tax base.

BEDI funds are used as the stimulus for local governments and private sector parties to commence redevelopment or continue phased redevelopment efforts on brownfields sites where either potential or actual environmental conditions are known and redevelopment plans exist. HUD emphasizes the use of BEDI and Section 108 Loan Guarantee funds to finance projects and activities that will provide near-term results and demonstrable economic

Information by State
Print version

What's New

FY 2009 BEDI Competition Announced – Notice of Funding Availability and application forms now available
more...

Good Stories

- BEDI Grant Cleans Up Site, Preserves History and Creates Jobs
  more..
- An Inter-Agency Partnership: Helping Communities in New Jersey
  more...

Want More Information?

Program Information

- BEDI Quick Facts
- Brownfields Definition
- BEDI FAQ
- Showcase Communities

How do I apply?

- FY 2007 SuperNOFA
- FY 2006 SuperNOFA
- FY 2005 SuperNOFA
- FY 2004 SuperNOFA
- FY 2003 SuperNOFA
- FY 2002 SuperNOFA
- FY 2001 SuperNOFA
- FY 2000 SupeNOFA

benefits. HUD does not encourage applications whose scope is limited only to site acquisition and/or remediation (i.e., land banking), where there is no immediately planned redevelopment. BEDI funds are used to enhance the security or to improve the viability of a project financed with a new Section 108 guaranteed loan commitment.

BEDI Purpose:

The purpose of the BEDI program is to spur the return of brownfields to productive economic use through financial assistance to public entities in the redevelopment of brownfields, and enhance the security or improve the viability of a project financed with Section 108-guaranteed loan authority. Therefore BEDI grants must be used in conjunction with a new Section 108-guaranteed loan commitment.

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. The BEDI funds minimize the potential loss of future CDBG allocations. Both Section 108 loan proceeds and BEDI grant funds are initially made available by HUD to public entities approved for assistance. Such public entities may re-loan the Section 108 loan proceeds and provide BEDI funds to a business or other entity to carry out an approved economic development project, or the public entity may carry out the eligible project itself.

BEDI projects must increase economic opportunity for persons of low-and moderate-income or stimulate and retain businesses and jobs that lead to economic revitalization. BEDI funds have been made available on a competitive basis. In FY 2009, instructions for submitting applications will be included in The BEDI NOFA which will be available on HUD's web site. Section 108 funds are available to eligible applicants throughout the year on a noncompetitive basis.

Eligible Applicants:

CDBG entitlement communities and non-entitlement communities are eligible to receive loan guarantees.* A request for a new Section 108 loan guarantee authority must accompany each BEDI application. BEDI and Section 108 funds

Funding Announcements

- BEDI FY 2007
- BEDI FY 2006
- BEDI FY 2005
- BEDI FY 2004
- BEDI FY 2003
- BEDI FY 2002
- BEDI FY 2001
- BEDI FY 2000

Related Information

- Related BEDI Web Sites
- Email us Your Questions and Comments

Related Publications

- Brownfields 2008 Conference
- The Effects of Environmental Hazards
- Environmental Insurance
- Redeveloping Brownfields
- An Assessment of State Brownfields Initiatives
- Mining Community Tackles Brownfields

must be used in conjunction with the same economic development project.

*Non-entitlement communities, including those in Hawaii, may also apply for and receive grants under the BEDI program. If a non-entitlement community receives a BEDI grant and applies for Section 108 loan guarantee assistance, the applicable state entity (or HUD, in the case of Hawaii) is required to pledge Community Development Block Grant (CDBG) funds as partial security for the loan guarantee.

Content current as of 28 April 2009

U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 Find the address of a HUD office near you

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/cpd/communitydevelopment/programs/108/index.cfm.

Homes & Communities
U.S. Department of Housing and Urban Development

Section 108 Loan Guarantee Program

The Section 108 Loan Guarantee Program is a source of financing alotted for the economic development, housing rehabilitation, public facilities rehab, construction or installation for the benefit of low- to moderate-income persons, or to aid in the prevention of slums.

What's New

HUD Announces a Public Offering of Section 108 Loans

HUD has scheduled a Section 108 Public Offering during the first week in June 2008.

This public offering will enable Section 108 borrowers to obtain long-term, fixed-rate financing for approved community and economic development projects. The public offering will permit Section 108 recipients with interim loans to convert from variable-rate to permanent, fixed-rate financing. Communities that have not received the full amount of approved commitments are also eligible to participate in the public offering.

Contact the Section 108 Loan Guarantee Program staff at 202.708.1871 for more information on accessing fixed interest rate financing for your community and economic development projects.

Jump To...

- Introduction
- Eligible Applicants
- Eligible Activities
- Max. Commitment Amount
- Loan Details
- For More Information

- Information by State
- Print version

About Section 108

- **Program Overview**
- Case Studies
- Application Details
- Contact Information
- **Project Summaries:**
  - 2006
  - 2005
  - 2004
  - 2003
  - 2002
- Public-Sector Loans to Private-Sector Businesses: An Assessment of HUD-Supported Local Economic Development Lending Activities more... | HUDuser website

Want More Information?

- Laws, Regulations, and Notices
- Funding Allocations
- Use of CDBG Funds by Matrix Code
- CDBG Local Contacts
- Field Office Directors

Introduction

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas. Section 108 loans are not risk-free, however; local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan.

Loan commitments are often paired with Economic Development Initiative (EDI) or Brownfield Economic Development Initiative (BEDI) grants, which can be used to pay predevelopment costs of a Section 108-funded project. They can also be used as a loan loss reserve (in lieu of CDBG funds), to write-down interest rates, or to establish a debt service reserve.

Regulations governing the Section 108 program may be found at 24 CFR 570, Subpart M, "Loan Guarantees."

Eligible Applicants

Eligible applicants include the following public entities:

- metropolitan cities and urban counties (i.e. CDBG entitlement recipients);
- nonentitlement communities that are assisted in the submission of applications by States that administer the CDBG program; and
- nonentitlement communities eligible to receive CDBG funds under the HUD-Administered Small Cities CDBG program (Hawaii). The public entity may be the borrower or it may designate a public agency as the borrower.

Eligible Activities

Activities eligible for Section 108 financing include:

- economic development activities eligible under CDBG;
- acquisition of real property;
- rehabilitation of publicly owned real property;
- housing rehabilitation eligible under CDBG;

- construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements);
- related relocation, clearance, and site improvements;
- payment of interest on the guaranteed loan and issuance costs of public offerings;
- debt service reserves;
- public works and site improvements in colonias; and
- in limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs.

For purposes of determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community.

Maximum Commitment Amount

Commitments are limited as follows:

1. Entitlement public entities. An entitlement public entity may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans.

2. State assisted public entities. A nonentitlement public entity may apply for up to five times the latest approved CDBG amount received by its State, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans for which the State has pledged its CDBG funds as security.

3. Nonentitlement public entities eligible under the HUD administered Small Cities Program. For a public entity in Hawaii, the maximum commitment amount is five times the public entity's latest grant under 24 CFR 570, Subpart F, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans.

Loan Details

Security: The principal security for the loan guarantee is a pledge by the applicant public entity or the State (in the case of a nonentitlement public entity) of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

Repayment: The maximum repayment period for a Section 108 loan is twenty years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower. Each annual principal amount will have a separate interest rate associated with it.

Financing Source: Section 108 obligations are financed through underwritten public offerings. Financing between public offerings is provided through an interim lending facility established by HUD.

Interest Rates: Interest rates on interim borrowing are priced at the 3 month London Interbank Offered (LIBO) rate plus 20 basis points (0.2%). Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount. A small additional basis point spread, depending on maturity, will be added to the Treasury yield to determine the actual rate.

Default: To date, there has been no default under Section 108 resulting in a repayment by HUD. In the event of default requiring a payment, HUD would continue to make payments on the loan in accordance with its terms. The source of payments by HUD pursuant to its guarantee would almost always be pledged CDBG funds. However, HUD does have borrowing authority with the U.S. Treasury if the pledged funds are insufficient.

For More Information

- Case Studies
- Application Details
- Contact Information
- Field Office Directors

Content current as of 8 April 2008

U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 Find the address of a HUD office near you

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
STATE OF CONNECTICUT
(AN EQUAL OPPORTUNITY EMPLOYER)

CERTIFIED RESOLUTION OF THE GOVERNING BODY

I, Ellen G. Wink, City Clerk, certify that below is a true and correct copy of a

(Name of Official) (Title of Official)

resolution duly adopted by City of Norwalk, Connecticut
(Name of the Applicant)

at a meeting of its Common Council
(Governing Body)

duly convened on May , 2009 and which has not been rescinded or modified in
(Meeting Date)
any way whatsoever and is at present in full force and effect.

______________ ______________________________

(Date) (Signature and Title of Official)

SEAL

WHEREAS, pursuant to Urban Act – Sec. 4-66c of CGS and PA 79-607
,
(State Statutory Reference)
the Connecticut Department of Economic and Community Development is authorized to extend financial assistance for economic development projects; and **WHEREAS,** it is desirable and in the public interest that the City of Norwalk, Connecticut make an application to the State for
(Applicant)
$ 5,000,000. ____ in order to undertake the Waypointe Development, City of Norwalk
(Name and Phase of Project)
______________________________ and to execute an Assistance Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE
Norwalk Common Council
(Governing Body)

1. That it is cognizant of the conditions and prerequisites for the state financial assistance imposed by Urban Act – Sec. 4-66c of the Connecticut General Statutes and PA 79-607
(State Statutory Reference)

2. That the filing of an application for State financial assistance by City of Norwalk, Connecticut
(Applicant)
in an amount not to exceed $ 5,000,000. is hereby approved and that

Richard A. Moccia, Mayor

(Title and Name of Authorized Official)

is directed to execute and file such application with the Connecticut Department of Economic and Community Development, to provide such additional information, to execute such other documents as may be required, to execute an Assistance Agreement with the State of Connecticut for State financial assistance if such an agreement is offered, to execute any amendments, decisions, and revisions thereto, and to act as the authorized representative of
City of Norwalk, Connecticut

(Name of Applicant)

3. That it adopts or has adopted as its policy to support the following nondiscrimination agreements and warranties provided in subsection (a)(1) of Connecticut General Statutes sections 4a-60 and 4a-60a, respectively, as amended by Public Act 07-142, and for which purposes the "contractor" is City of Norwalk, Connecticut________________ and "contract" is said Assistance Agreement:
(Name of Applicant)

The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved.

The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation.