

**THE PLANNING COMMITTEE
OF THE COMMON COUNCIL**

**125 East Avenue
P.O. Box 5125
Norwalk, CT 06856**

TO: MEMBERS, PLANNING COMMITTEE OF THE COMMON COUNCIL
FROM: DOUG HEMPSTEAD, CHAIRMAN
DATE: MAY 25, 2011
RE: MEETING NOTICE

.....
The next scheduled meeting of the Planning Committee of the Common Council will be held on **Thursday, June 2, 2011 at 7:00 pm**, in Room 231 in Norwalk City Hall. Please Note The Time And Location.

**PLANNING COMMITTEE OF THE COMMON COUNCIL
June 2, 2011
7:00 PM**

A G E N D A

Public Hearing – Neighborhood Assistance Act Tax Credit Program – 7:00 pm

CALL TO ORDER

ROLL CALL

I. PUBLIC PARTICIPATION

II. APPROVAL OF MINUTES – May 5, 2011 Regular Meeting

III. BUSINESS

A. NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM

1. Approval to advance the attached list of programs for inclusion in the Neighborhood Assistance Act Tax Credit Program

B. REED PUTNAM URBAN RENEWAL PLAN

1. Approval to advance the 95/7 Site Plan Modification as requested by 95/7 Ventures, LLC in accordance with the attached site plan

C. SOUTH MAIN URBAN RENEWAL PLAN AREA

1. 40 South Main Street Limited Partnership Refinancing Presentation (No Action)

**D. CONSOLIDATION OF DEVELOPMENT PROJECT
APPROVAL PROCESS**

1. Update of progress to date (No Action)

IV. OLD BUSINESS

A. Development Project Updates

1. POKO
2. Waypointe
3. 95/7

V. NEW BUSINESS

ADJOURNMENT

**CITY OF NORWALK
PLANNING COMMITTEE OF THE COMMON COUNCIL
MAY 5, 2011**

ATTENDANCE: Douglas Hempstead, Chair; Andrew Conroy, Carvin Hilliard (6:40 pm),
Clyde Mount, Kelly Straniti, John Tobin.

STAFF: Thomas Hamilton, Director of Finance;
Norwalk Redevelopment Agency: Tim Sheehan, Michael Moore

OTHERS:

CALL TO ORDER

Mr. Hempstead called the meeting to order at 6:30 p.m.

**A. Washington Village Redevelopment Project
Review Draft Memorandum of Understanding (MOU) and
Draft Option Agreement with the Norwalk Housing Authority
for City-held Day Street Properties as part of Washington
Village Choice Neighborhood Application to HUD**

Choice Neighborhoods Program

Ms. Candice Mayer, Norwalk Housing Authority presented an overview of the Choice Neighborhoods Program and a draft of the memorandum of understanding. Mr. Moore provided an overview and presented the following summary:

SUMMARY

The Norwalk Housing Authority (NHA) has received a \$250,000 *Choice Neighborhoods Planning Grant* from the U.S. Department of Housing and Urban Development (HUD) to undertake the steps necessary to plan for the redevelopment of the Washington Village Public Housing site located on Water Street in South Norwalk. Following the conclusion of this planning process the NHA will pursue funding from HUD's *Choice Neighborhoods* or *HOPE VI Programs* in order to implement this project. The early redevelopment scenarios for the Washington Village site incorporate the City-held parcels at 13 and 20 Day Street. The NHA is requesting the City convey these properties to the NHA upon the execution of an implementation grant contract. The NHA has developed a draft Memorandum of Understanding (MOU) that suggests their terms for this conveyance. At the May 5, 2011 meeting of the Planning Committee, the NHA wishes to review and discuss the terms of the proposed MOU. Following this discussion, and with the Planning Committee's consent, the NHA will work with the City's Corporation Counsel to finalize the details of the MOU and an Option Agreement for the transfer of the Day Street sites. The NHA will then bring the MOU and Option Agreement back for final NHA and Council review and approval.

BACKGROUND

As described by HUD, the *Choice Neighborhoods* initiative was created in order to transform distressed neighborhoods and public housing projects into viable and sustainable mixed-income neighborhoods by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. With the award of a *Choice Neighborhoods Planning Grant* the NHA may now pursue public input regarding the proposed Washington Village redevelopment while also exploring the land use plan and financial structure for such a project. At the conclusion of this step, the NHA will apply for an award of *Choice Neighborhoods* or *HOPE VI Program* funding to support the implementation (hereafter, Implementation Grant) of the proposed project.

In 2008, prior to the inception of the *Choice Neighborhoods* initiative, the NHA procured the services of the EJP Consulting Group, LLC in order to explore whether the Washington Village Public Housing site represents a viable candidate for the receipt of HOPE VI funding. Through this process EJP explored opportunities for using HOPE VI funds to redevelop Washington Village and the surrounding neighborhood. EJP's findings were presented to the Planning Committee at its September 2009 meeting. EJP's findings called for the incorporation of the City-held Day Street sites into the redevelopment scenario for the Washington Village site. These properties will allow for the expansion of the project beyond the current Washington Village site and allow for the revitalization of a substantial portion of the neighborhood between Hanford Place and Concord Street. Further, the incorporation of the Day Street sites the NHA and EJP believes will enhance the quality of future applications for funding.

ACTION REQUESTED:

The Norwalk Housing Authority wishes to review the terms of the Draft Memorandum of Understanding and Draft Option Agreement with the City of Norwalk for the transfer of the City-held Day Street properties as part of the Washington Village Choice Neighborhood, or HOPE VI, application to HUD.

RE: TRANSIT-ORIENTED DEVELOPMENT MASTER PLAN DRAFT
REVIEW OF PROPOSED DEVELOPMENT CONCEPTS

DATE: APRIL 19, 2010

The consultant team led by The Cecil Group has completed the stakeholder meetings and community conversations in preparation for the drafting of the final Master Plan document. In summary, the project area is defined by a) a large area targeted for improved pedestrian improvements and better access to the South Norwalk train station and b) a focus area immediately around the station targeted for proactive change. The recommended approach cites development opportunities within this target area that includes City-owned parcels and joint development opportunities that leverage private investment.

Within the pedestrian improvement area, the Plan recommends improved pedestrian and bicycle networks, defined area "gateways" and enhanced connections to the core area. Within the targeted core area, the Plan cites five primary development concepts: the Webster Street Block, the Waterfront, the Monroe Street corridor, the South Norwalk Railroad Station eastbound and Washington Village.

The *Webster Street block* development concept seeks to create a strong Martin Luther King Boulevard frontage through the development of four or five story townhouses; a two level parking deck structure to serve the existing uses and new development; improved public open space; and enhanced pedestrian access to the Station. The intent of this concept is to encourage private investment in new housing construction and in the improvement of existing buildings to activate leasing while minimizing the burden of financing structured parking.

The *Waterfront* development concept seeks to create a market driven four or five story multi-family residential development creating a strong Water Street streetscape with convenient accessibility to the South Norwalk station while maintaining public access and water-related uses. The intent of this concept is to take advantage of the proximate waterfront and railroad station to expand the South Norwalk residential population but the success of this concept will require substantial improvement to the Monroe Street Corridor and in all likelihood a major change in the Washington Village property.

The *Monroe Street Corridor* development concept seeks to establish Monroe Street/Hanford Place as the primary east/west access within the TOD core area through the establishment of strong building frontages along the Street, assembling the block interior for parking and utilization of the City-owned Day Street properties for infill development along the Corridor. The intent of this development concept is to maximize the potential of private investment to improve residential options for the existing as well as new populations, improve the pedestrian access to the South Norwalk Station and to unlock the potential of the waterfront development.

The *South Norwalk Railroad eastbound station* development concept seeks to create a development partnership with adjacent property owners to provide mixed use development; a parking structure to accommodate existing on-site parking, modest additional commuter parking and parking for the new development; and to improve station circulation for pick up/drop off, bus and taxi stands. The intent of this development concept is to work with existing property owners to maximize the potential of the entire block for private investment as well as public use. This development concept is the most likely to launch transit oriented development in South Norwalk and leverage increased private investment in the core area.

The *Washington Village* development concept seeks to partner with the Housing Authority to redevelop the site in concert with City-owned Day Street properties to create scattered site affordable units in mixed income projects. The intent of this development concept is to encourage a mix of market rate, affordable and low income housing at a higher volume and density than currently exists; to offer improved housing options for existing Housing Authority clients, existing South Norwalk residents and new residential populations; to improve the Water Street neighborhood; and to increase development potential along Water Street.

The resources that are immediately available to begin the TOD Master Plan implementation strategy are as follows: a Federal HUD Sustainable Communities grant \$186,117 and a DECD TOD grant \$500,000. Potential resources might include as well: a 2011 Capital Budget request of \$300,000 and a Community Development Block Grant request of \$476,000. In addition the Housing Authority has submitted a Federal Choice Neighborhoods planning grant request.

The purpose of this development concept review is to request comments and approval from the Planning Committee of the concepts prior to advancing the Master Plan to completion and Council review.

ACTION REQUESTED: Approval of the Transit Oriented Development Master Plan for South Norwalk Railroad Station Neighborhood five development concepts for the Webster Street Block, the Waterfront, Monroe Street Corridor, the South Norwalk Railroad Station eastbound, Washington Village as presented in February 15, 2011 draft

RE: CONNECTIVITY REPORT

The Agency has been working on a "Connectivity" initiative. This initiative grew out of a concern in the community that, while planning proceeded for downtown's major development projects, insufficient attention was being given to the interstitial areas between the projects, or to the question of how the different projects would ultimately connect to each other and their surrounding neighborhoods.

With part of a capital budget allocation for "Connectivity," the Agency began a Connectivity Master Plan. Last year, the plan produced an "existing conditions" report and sponsored a well-attended community workshop where some 60 Norwalk citizens generated ideas to better connect the corridor via strategies ranging from wayfinding signage and heritage tourism, to transit enhancements, pedestrian improvements, and better bicycling options. In January, the report of that workshop was completed. Late this month at a public information session, the various strategies that had been getting explored were prioritized for purposes of further focus and eventual implementation.

At your upcoming meeting, the Agency will present the Planning Committee with a report on the Connectivity enterprise to-date and get your feedback in advance of moving into the plan's next stages. If members are interested in advance information, reports, meeting minutes, and other material about the project, all are available online at www.connectnorwalk.com.

APPROVAL OF MINUTES

Mr. Sheehan stated that there were several corrections and he submitted written changes to be made into the minutes, as follows:

D. Schedule Public Hearing on the Neighborhood Assistance Act program for the June Meeting

****MR. TOBIN MOVED TO SCHEDULE A PUBLIC HEARING ON THE NEIGHBORHOOD ASSISTANCE ACT PROGRAM FOR MAY 25, 2011 AT 7:00 P.M.**

**** MR. CONROY MOTIONED TO TABLE THE MINUTES FROM THE APRIL, 2011 MEETING, PENDING REVIEW OF CORRECTIONS AS SUBMITTED BY MR. SHEEHAN.**

**** THE MOTION PASSED UNANIMOUSLY.**

Economic Development Updates

POKO: Mr. Sheehan stated that there has been an extension requested on the March 14 deadline; Mr. Hempstead asked why, and Mr. Sheehan replied that there was no indication as to the reason for this extension. He added that he does know that all of the complex financing is not in place, and Mr. Hempstead stated that he would prefer to only approve a 90 or 180 day extension—in other words, keep the leash short to be sure it is a real deal. Mr. Sheehan stated that there should be performance measures for the developer, and Mr. Hempstead stated that he wants to see proof of intent with a letter from the state agency or from the financial supporter. Mr. Sheehan stated that according to the LDA a letter from the agency has been provided to Corporation Counsel. He closed by saying he will have this on the agenda for the next meeting.

SELIGSON: Mr. Sheehan stated that he would like delay any action on this project until May due to the number of items on the Committee's plate in April with the CDBG process and Capital Budget.

95-7: Mr. Sheehan stated that there is no change with the bank status, and as discussed last month they are working on providing a timeline of expectations and project status.

West Avenue: Mr. Sheehan stated that the City has decided not to open North Water Street, which he refers to as Reed Street. He stated that the lights are installed but are still not on, and according to Mike Yozak, the circuit boxes are on order. He added that DPW has claimed that it is a Deering issue and not the DPW, but regardless, he feels that this is a huge safety issue.

He explained that the center divider is not clearly marked, and if someone who is unfamiliar turns off the I-95 exit, they could easily end up in that lane straddling the divider. He added that he does not understand why this has happened, and is hoping that DPW addresses this issue immediately.

NEW BUSINESS

OLD BUSINESS

There was no old business discussed.

EXECUTIVE SESSION

Mr. Hempstead called for a motion to enter into Executive Session for the purpose of discussing an update of real estate negotiations.

**** MR. CONROY MOTIONED TO ENTER INTO EXECUTIVE SESSION
FOR THE PURPOSE OF DISCUSSING AN UPDATE OF THE REAL
ESTATE NEGOTIATIONS**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting went into Executive Session at 9:50 p.m. and was reconvened into public session at 10:30 p.m. There were no votes or actions taken.

ADJOURNMENT

**** MS. STRANITI MOVED TO ADJOURN.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 10:35 p.m.

Respectfully submitted, Marilyn Knox, Telesco Secretarial Services

NORWALK DEVELOPMENT AGENCY

norwalkredevelopmentagency.com

CHAIRMAN
Emil Albanese

COMMISSIONERS
Felix R. Serrano
Randy Napoletano
Lisa M. Cooper
Lori Torrano

EXECUTIVE DIRECTOR
Timothy T. Sheehan

TO: PLANNING COMMITTEE OF THE COMMON COUNCIL

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

DATE: MAY 23, 2011

RE: NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM

It is that time of the year again where the Norwalk Common Council traditionally authorizes the local Neighborhood Assistance Act Tax Credit Program (NAATCP).

Per years prior, the Redevelopment Agency is transmitting herewith a list of Norwalk-area non-profits that are applying for corporate contributions through the NAATCP and the Connecticut State Department of Revenue Services. The program is one where private companies may receive a credit against their State Corporate Income Tax if they contribute funds to pre-approved not-for-profit programs.

Please note that this is not a Norwalk grants program, nor are any funds controlled by the City of Norwalk involved. Rather, the city's role is essentially one of acknowledging the existence and legitimacy of the local non-profits to the state and corporate seekers of tax credit opportunities. The total local contributions for 2010 amounted to just over \$150,000.

Application review is carried out by the state's Department of Revenue Services. However, under statute, the non profits must first be referred by the local legislative body following a public hearing. This hearing has been scheduled to take place at your upcoming June meeting.

Please review the attached list or program proposals and, should you have any questions, I will be pleased to try to answer them over the phone or at your meeting. Thank you.

ACTION REQUESTED: Approval of the attached list of programs for inclusion in the Neighborhood Assistance Act Tax Credit Program.

2011 NAATCP List

Organization Name	ID
Human Services Council	12
Description	
\$25,000 - to fund the "FAN" Program (Fitness and Nutrition) through the School-based Health Centers.	

Organization Name	ID
Mid-Fairfield Child Guidance Center	13
Description	
\$100,000.00. - for Capital Campaign Building Project -- i.e., renovations to MFCGC's new headquarters and retrofitting to house all programs and services under one roof.	

Organization Name	ID
Norwalk Emergency Shelter	19
Description	
\$50,000.00 - for the Manna House Food Program	

Organization Name	ID
The Maritime Aquarium	39
Description	
\$150,000 to replace boiler or conduct other energy efficiency improvements across the Aquarium's 140,000 sf facility.	

Organization Name	ID
YMCA	40
Description	
\$86,952.57 - for energy efficiency retrofits, including light sensors, air handlers, and hvac equipment.	

**THE PLANNING COMMITTEE
OF THE COMMON COUNCIL**

**125 East Avenue
P.O. Box 5125
Norwalk, CT 06856**

TO: PLANNING COMMITTEE

FROM: TIM SHEEHAN, STAFF

DATE: MAY 25, 2011

RE: SITE PLAN MODIFICATION FOR 95-7 SOUTH PARCEL

Attached you will find a proposed Site Plan modification for the 95/7 Development. The proposed modification involves the southern most parcel of the site, which is located between North Water Street and Pine Street. In 2007 the project Site Plan was modified and the governing Urban Renewal Plan was amended to accommodate the proposed 95 / 7 Development, a mixed use project of approximately 1,144,454 square feet. The approved development plan included retail, office, residential and hotel uses and related parking. Upon approval of that plan the United States experienced one of the most significant and protracted recessions in its history. The recession ground the commercial lending markets and thus real estate development to a halt. The remnants of that protracted recession continue to impact the financial and real estate development markets today. Hence development plans conceived prior to the recession are being reconsidered with an eye toward what is feasible within the existing market and can attract the necessary capital to commence construction.

95 / 7 Ventures, LLC has brought forward a first phase of its 95 / 7 Development with these issues in mind. At this time the developer is not seeking to formally amend its development matrix, but rather reposition allowable uses from one part of the site to another. In so doing the previously approved Site Plan must be amended, which necessitates the review of the public parties. The requested modification generally seeks to construct 232 residential units on the southern most parcel, along with approximately 25,000 square feet of commercial space and 314 spaces of structured interior parking. Consistent with the previous plan two structures are being considered on the site, however the proposed modification reduces the height of the structures from 10 and 12 stories respectively to five stories each. The residential component would consist of 36 studio units, 132 one bedroom and 64 two bedroom units.

The proposed plan modification, if approved, would replace the hotel and office uses previously considered as part of the overall development within these two parcels that totaled 101,000 and 104,000 square feet respectively with a more enhanced residential development, with a commercial component and related parking totaling approximately 283,000 square feet. If approved, this modification would ultimately provide a sense of continuity with the multi-family residential development previously undertaken to the east of the Metro North Danbury Branch Line.

ACTION REQUESTED:

To approve the site plan modification as outlined above and consistent with the attached site plan.

40 South Main Street Limited Partnership
40 South Main Street
Norwalk, CT 06854-2971

May 4, 2011

Mr. Emil Albanese
Chairman
Norwalk Redevelopment Agency
Post Office Box 5125
125 East Avenue
Norwalk, CT 06856-5125

Re: 40 South Main Street

Mr. Albanese:

Human Services Council (HSC), a CT 501(c)(3) organization based in Norwalk, is the General Partner in the 40 South Main Street Limited Partnership, which owns the building located at 40 South Main Street in the South Norwalk District of the City. HSC purchased and renovated the former New City Hotel into a 44-unit supportive housing development in 1996, serving the chronically homeless and imminently homeless population of the Greater Norwalk area. The restoration of this previously distressed property filled the critical need for quality supportive housing while advancing the redevelopment of the South Norwalk business district into a tourist, dining, and entertainment destination.

As the project completes its 15-year period of investment by the National Equity Fund, HSC is exploring opportunities to restructure the financial packaging of the project, so that it may continue to serve the Greater Norwalk community as well as provide an asset to the vibrant South Norwalk (SoNo) neighborhood. HSC has engaged the Women's Institute for Housing and Economic Development (WIHED) to assist in this strategic restructuring. WIHED, located in Middletown, CT, brings 30 years of experience in developing affordable and supportive housing throughout Connecticut and Massachusetts, including the redevelopment of the Park City Hospital in Bridgeport into the Franklin and Eleanor supportive and elderly housing projects. WIHED has currently 235 housing units in development in Connecticut and 200 in Massachusetts.

40 South Main Street was financed in 1996 by the Norwalk Redevelopment Agency, the National Equity Fund (NEF) and HSC. NEF's equity investment was through the purchase of Federal Low-Income Housing Tax Credits (LIHTC). The credits were realized over a fifteen year period due to expire on December 31, 2011 at which time NEF will exit the Partnership. The LIHTC Program requires on-going use of the property as affordable housing for an additional fifteen years (Section 42 of the Internal Revenue Code).

NEF's exit from the Limited Partnership offers HSC the opportunity to gain full control of the development. HSC wishes to maintain the current debt structure for the additional fifteen year period, furthering its mission to promote the well-being of communities throughout the Mid-Fairfield region through human service coordination, community planning, program sponsorship, education and training. HSC has served the Mid-Fairfield area since 1944.

The project currently benefits from eight project based Section 8 rental subsidies from the Norwalk Housing Authority, and four tenant based vouchers from the Danbury and Waterbury Housing Authorities. These subsidies assist HSC to house very low income persons while offsetting operating costs through higher revenue, realized from these subsidies. HSC intends to apply for additional project based Section 8 subsidies through the Norwalk Housing Authority in May and has met with Curtis Law, NHA Executive Director, to advance that process.

In addition, HSC has determined that it will continue the existing \$300,000 loan invested in the property.

40 South Main Street Limited Partnership respectfully requests that the Norwalk Planning Committee modify the loan to maintain the current interest rate of the Norwalk Redevelopment Agency (NRA) mortgage on the property for an additional fifteen years. The loan is in the amount of \$1,308,600 with an annual pay rate of one percent (1%) simple interest. Under the terms of the existing NRA mortgage, the loan becomes fully-amortizing in 2012 with an annual principal and interest payment of \$93,893 which presents an impassable financial burden on the operations. Such additional debt would require a long term reserve of approximately \$1,400,000 to cover operating shortfalls.

In March, 2011, the City of Norwalk released the *Greater Norwalk Ten Year Plan To Prevent and End Homelessness*. The Plan is the first to be released in Connecticut since the federal government released its own strategic plan, *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*. "Norwalk is really the first city in New England that has created a plan based on the federal plan," said John O'Brien of the United States Interagency Council on Homelessness. *The Daily Norwalk*, 03/18/11. Norwalk's Plan identifies the goal to reduce homelessness among vulnerable populations by developing a collaborative continuum of care that includes prevention, service and employment strategies for the chronically homeless.

40 South Main Street serves the vulnerable, low-income community of the Greater Norwalk area, many of whom would be homeless if not for the safe, quality, affordable and supportive housing that the property provides. HSC has successfully managed the property since its inception. The building currently maintains 100% occupancy and a waiting list. The property is well managed by the DeMarco Management Corporation (DeMarco).

DeMarco, in conjunction with the Family and Children's Agency of Norwalk (FCA), provides a broad array of supportive services to the residents of 40 South Main, transitioning them from homelessness and counseling them into independence. These include:

- ESL classes
- Voter registration
- Legal Aid seminars educating residents on various entitlement programs
- Literacy classes with local high school students
- Weekly addiction classes
- Access to free income tax services at the Norwalk Library
- Job placement preparation, through Ben Franklin Center, an initiative of the City of Norwalk
- Police Department seminars on identity theft
- Resume writing
- Life skills, including budgeting and financial literacy

40 South Main Street is conveniently accessible to several forms of public transportation, including a bus stop in front of the building and the train station located two and one-half blocks away.

The Plan additionally states as one of its goals that affordable housing be available on a continuum of need by ending chronic homelessness in Greater Norwalk within five years. The renovation of the building in coordination with a strategic restructuring of its debt will ensure the preservation of the existing 44 units and provide housing stability for those homeless and/or imminently homeless residents of the Greater Norwalk area.

The Plan indicates that the Stamford-Norwalk area is the most expensive metro area in the United States and emphasizes that "[s]temming the downward spiral of homelessness, especially in the face of current economic conditions, is critical and immediate if Norwalk and the region are to prevent further devastation to families, to neighborhoods, and to main street." 13. The chart below illustrates the demonstrable need for affordable housing in the region. 40 South Main Street is an asset to the realization of the Plan's goal.

	State of Connecticut	Stamford-Norwalk HUD Metro Fair Market Rent Area
Fair Market Rent for two-bedroom	\$1,196	\$1,800
Housing Wage	\$23.00	\$34.62
Income needed to afford two-bedroom	\$47,843	\$72,000
# full-time jobs at minimum wage needed to afford two-bedroom	2.8	4.2

Mr. Emil Albanese
May 4, 2011
Page 4 of 4

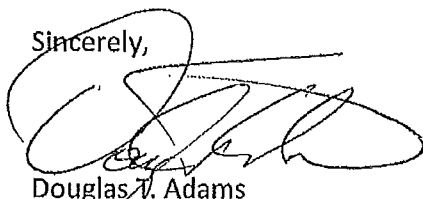
Work hours/week at minimum wage job to afford two-bedroom	112	168
30% of Area Median Income	\$27,370	\$38,100
Rent affordable at 30% of AMI	\$684	\$953
Mean hourly wage for all renters	\$17.01	\$23.36
Rent affordable at mean wage	\$885	\$1,215

The Greater Norwalk Ten Year Plan to Prevent and End Homelessness, 13

HSC will continue to update many of the building's systems, units, and its façade in order to maintain the property in a way that is appealing, safe and decent for residents. In addition to enhancing the building's physical presence and maintaining its historic character, 40 South Main Street advances the burgeoning community and economic development of the South Norwalk District. Initiated by the City of Norwalk's visionary investment of \$30 million to build the now landmark Aquarium, today SoNo is a vibrant scene of galleries, cafes, bakeries and shops that draw tourists from New York City and the region as a destination for dining, shopping and entertainment. HSC works, in all its programs, to advance the very same progress and 40 South Main Street is no exception.

40 South Main Street Limited Partnership is committed to maintaining the facility at the highest quality and has invested significantly to prescribe a financial restructuring that ensures the property's ongoing and successful operations. We hope the Norwalk Redevelopment Agency will favorably consider this request, and look forward to working with you to further our similar goals of enhancing the physical, economic and social environment of the Norwalk community. Should you have any questions, please feel free to contact me.

Sincerely,



Douglas J. Adams
President

Cc: Honorable Richard Moccia, Mayor
Richard McQuaid, Council President
Douglas Hempstead, Planning Committee

LAW OFFICES
VINCENT D. FLAHERTY
9 MOTT AVENUE, SUITE 202
P. O. BOX 229
NORWALK, CONNECTICUT 06852
(203) 838-6589
FAX (203) 854-9687

COPY
Originals
with TM
11/2004
in safe

November 14, 1996

Mr. John L. Burritt, Jr.
Assistant Director
NORWALK REDEVELOPMENT AGENCY
125 East Avenue
Norwalk, Ct 06851

Re: Forty South Main Limited Partnership
(New Norwalk Housing Corp.) Mortgages
to City of Norwalk/Redevelopment Agency

Dear Jack,

Enclosed herewith are the following original mortgage deeds:

- (a) Mortgage in the amount of \$1,308,600.00 from Forty South Main Limited Partnership (New Norwalk Housing Corp.) to City of Norwalk, acting by and through the Redevelopment Agency, dated June 4, 1996 and recorded in Volume 3222 at Page 75 of the Norwalk Land Records.
- (b) Mortgage in the amount of \$191,400.00 from Forty South Main Limited Partnership (New Norwalk Housing Corp.) to City of Norwalk, acting by and through the Redevelopment Agency, dated June 4, 1996 and recorded in Volume 3222 at Page 84 of the Norwalk Land Records.

Very truly yours,



VINCENT D. FLAHERTY

VDF:rof
Enclosures

MORTGAGE DEED

08317

TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME, GREETING:

KNOW YE, that FORTY SOUTH MAIN LIMITED PARTNERSHIP, a Limited Partnership, organized and existing under the laws of the State of Connecticut, having its principal office at 83 East Avenue, Suite 307, Norwalk, CT 06851, acting herein by NEW NORWALK HOUSING CORP. its General Partner, hereunto duly authorized, for the consideration of ONE MILLION THREE HUNDRED EIGHT THOUSAND, SIX HUNDRED (\$1,308,600.00) DOLLARS, received to its full satisfaction of the CITY OF NORWALK, a municipal corporation organized and existing under the laws of the State of Connecticut, acting by and through the REDEVELOPMENT AGENCY OF THE CITY OF NORWALK, does give, grant, bargain, sell and confirm unto the said CITY OF NORWALK, acting by and through the REDEVELOPMENT AGENCY OF THE CITY OF NORWALK, the premises described on Schedule A hereof.

TO HAVE AND TO HOLD the above granted and bargained premises, with the appurtenances thereof, unto it, the said mortgagee, its successors and assigns forever, to its and their own proper use and behoof.

AND ALSO, it, the said mortgagor, does for itself and its successors and assigns, covenant with the said mortgagee, its successors and assigns, that at and until the ensealing of these presents, it is well seized of the premises as a good indefeasible estate in FEE SIMPLE; and has good right to bargain and sell the same in the manner and form as is above written, and that the same is free and clear of all encumbrances whatsoever except as herein mentioned.

AND FURTHERMORE, it, the said mortgagor, does by these presents bind itself and its successors and assigns forever to WARRANT AND DEFEND the above granted and bargained premises to it, the said mortgagee, its successors and assigns, against all claims and demands whatsoever, except as herein mentioned.

THE CONDITION OF THIS DEED is such that whereas the said mortgagor is justly indebted to the mortgagee in the sum of ONE MILLION THREE HUNDRED EIGHT THOUSAND, SIX HUNDRED (\$1,380,600.00) DOLLARS, as evidenced by its promissory note for said sum, of even date herewith, payable to said mortgagee or order, a copy of which is annexed hereto and made a part hereof.

AND WHEREAS, the mortgagor has agreed and does hereby agree that the whole of the indebtedness, both principal and interest, shall become due and payable at the option of the holder hereof in case of default or failure in the performance of any agreement or covenant contained herein or in the note secured hereby for a period of thirty (30) days.

AND WHEREAS the said Mortgagor has agreed and does hereby agree to the following covenants as part of the consideration for said note:

(1) to keep all buildings on said premises insured against loss or damage by fire or other hazards and contingencies, with such companies and in such amounts as are satisfactory to the mortgagee, and to pay the premiums of insurance as they accrue, and to deliver to said Agency copies of said policies and renewals thereof, said policies to designate the Redevelopment Agency of the City of Norwalk as a loss payee, as its interest may appear;

(2) to keep all buildings on said premises in good repair and to commit or permit no waste, removal or demolition thereof;

- liens;
- (3) to keep said property free from all mechanics' due;
- (4) to pay all taxes and assessments as they become due;
- (5) To use the proceeds of the loan herein described to construct, reconstruct or repair the buildings on the premises, said work to be done in accordance with applicable building codes and regulations.

(6) Property is to be redeveloped for the exclusive purpose of assisting in the rehabilitation of a single-room occupancy residence, to be occupied by persons with income levels at or below the limits established by the State of Connecticut for low-moderate income persons in the Stamford/Norwalk Metropolitan Statistical Area.

(7) The building on the property securing this note is to be rehabilitated only in accordance with the construction plans and specifications as approved by the Norwalk Redevelopment Agency.

(8) The total construction budget shall be submitted to the Executive Director of the Redevelopment Agency for review and approval prior to the execution of the construction contract, and all progress payments to be made from the proceeds of this loan during the period of construction shall be submitted to the Norwalk Redevelopment Agency for approval and processing.

WHEREAS, buildings or improvements on said premises are in the process of construction or repair, or are to be erected or repaired, and whereas the said Mortgagee has agreed to make the loan herein described, to be paid over to said Mortgagor in installments as the work progresses and upon the estimate of said Mortgagee, so that when all of the work on said premises shall have been completed to the satisfaction of the Mortgagee, the Mortgagee shall then pay over to the Mortgagor any balance necessary to complete the full loan of \$1,308,600.00; and whereas the Mortgagor hereby agrees to complete the erection or repair of said buildings to the satisfaction of said Mortgagee within a reasonable time, or at the latest on or before April 25, 1997

NOW, THEREFORE, if said note shall be well and truly paid according to its tenor, then this deed shall be void, otherwise to be and remain in full force and effect.

IN WITNESS WHEREOF, FORTY SOUTH MAIN LIMITED PARTNERSHIP has caused its name to be subscribed hereto and its seal affixed by Sally M. Bolster its President hereunto duly authorized, this 4th day of June, 1996.

Signed, sealed and delivered in the presence of:

Stephen B. Ross
Stephen B. Ross
Mary Beth McWeney

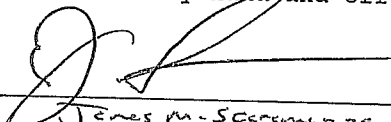
FORTY SOUTH MAIN LIMITED
 PARTNERSHIP
 By: NEW NORWALK HOUSING CORPORATION
 Its General Partner
 By: Sally M. Bolster (L.S.)
 Its
 Hereunto Duly Authorized

STATE OF CONNECTICUT:

: ss. City of Norwalk
COUNTY OF FAIRFIELD :

On this the 4th day of June, 1996, before me,
James M. Scrimm, the undersigned officer, personally
appeared Sally M. Bolster, who acknowledged herself to be the
President, of NEW NORWALK HOUSING CORPORATION, a
Connecticut Corporation, as General Partner of FORTY SOUTH MAIN
LIMITED PARTNERSHIP a Connecticut Limited Partnership, that She
as such President, being authorized so to do, executed
the foregoing instrument for the purposes therein contained, as
her free act and deed and the free act and deed of said
corporation and limited partnership.

IN WITNESS WHEREOF, I hereunto set my hand and official
seal.



James M. Scrimm
Commissioner of the Superior Court

SCHEDULE A

*ALL THAT CERTAIN tract or parcel of land, with**the buildings thereon standing, situated in the Town of Norwalk, at South Norwalk, so-called, in the County of Fairfield and State of Connecticut, being one hundred two (102) feet, more or less, on the North and South, and fifty (50) feet on the East and West, subject however, to any changes in said dimensions called for by the laying out or straightening of the highway bounding said property and being bounded:

NORTHERLY: By highway known as Haviland Street;

EASTERLY: By land now or formerly of Mamie Cohen and land now or formerly of Palmer Huntington;

SOUTHERLY: By other land and a building now or formerly of Leonard S. Cohen, Trustee; and

WESTERLY: By highway known as South Main Street.

Said premises are conveyed subject to the following:

1. A reservation in favor of Stanley S. Joseloff, Minnie Malkin and Jennie Beinfeld, their successors and assigns, as more particularly set forth in an instrument recorded in Volume 711 at Page 634-635 of the Norwalk Land Records, reserving to said parties, their heirs, successors and assigns, a right of way approximately 7 feet wide across the easterly side of said property leading from Haviland Street to premises adjoining the subject property to the south and known as the "Mercantile Building" so-called.

2. An easement in favor of the City of Norwalk, dated June 2, 1992 and recorded in Volume 2665 at Page 51 of the Norwalk Land Records.

3. The restrictions, covenants and agreements contained in a certain quitclaim deed from the City of Norwalk and the Redevelopment Agency of the City of Norwalk to the Human Services Council of Mid-Fairfield, Inc. (formerly Greater Norwalk Community Council), which deed is dated December 15, 1993 and recorded in Volume 2881 at Page 134 of the Norwalk Land Records.

4. The restrictions, covenants and agreements contained in a certain Agreement between the City of Norwalk acting by and through the Norwalk Redevelopment Agency of the City of Norwalk and the Human Services Council of Mid-Fairfield, Inc. (Formerly Greater Norwalk Community Council), dated December 15, 1993 and recorded in Volume 2881 at Page 97 of the Norwalk Land Records.

5. A Restrictive Covenant from Greater Norwalk Community Council to State of Connecticut dated July 7, 1993, recorded in Volume 2939, Page 241 of Norwalk Land Records.

6. Rights and obligations under that certain Ground Lease dated on or about June 4, 1996, between the Human Services Council of Mid-Fairfield, Inc. and Forty South Main Limited Partnership, recorded herewith.

* Leasehold interest in and to

** an ownership interest in

MORTGAGE LOAN RIDER

This Rider is attached to and made a part of the promissory note, the mortgage or trust deed, and loan agreement or other document(s) evidencing, securing, and governing a loan in the amount of One Million, Three Hundred Eight Thousand, Six Hundred (\$1,308,600.00) Dollars (the "Loan"), made by the CITY OF NORWALK, ACTING BY AND THROUGH THE REDEVELOPMENT AGENCY OF THE CITY OF NORWALK, ("Lender") to FORTY SOUTH MAIN LIMITED PARTNERSHIP ("Borrower") for the construction or rehabilitation of the New City Hotel (the "Project"). The form of this Rider has been designed for use whether Borrower is a limited partnership, a land trust of which a limited partnership is the beneficiary, or otherwise. Accordingly, the limited partnership developing the Project, whether or not identified as Borrower, is sometimes referred to herein as the "Partnership". The Articles of Limited Partnership forming or continuing the Partnership are referred to herein as the "Partnership Agreement".

The parties hereto agree that the following covenants, terms and conditions shall be part of and shall modify or supplement each of the documents evidencing, securing, or governing the disbursement of the Loan (the "Loan Documents"), and that in the event of any inconsistency or conflict between the covenants, terms, and conditions of the Loan Documents and this Rider, the following covenants, terms, and conditions shall control and prevail:

1. Nonrecourse Obligation. The Loan is a nonrecourse obligation of Borrower. Neither Borrower nor any of its general and limited partners (or, if Borrower is not the Partnership, the general and limited partners of the Partnership), nor any other party shall have any personal liability for repayment of the Loan. The sole recourse of Lender under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Project and related security thereunder.
2. General Partner Change. The withdrawal, removal, and/or replacement of a general partner of the Partnership pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that any required substitute general partner is reasonably acceptable to Lender and is selected with reasonable promptness.
3. Monetary Default. If a monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and each of the general and limited partners of the Partnership, as identified in the partnership Agreement, simultaneous written notice of such default. Borrower shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in the Loan Documents.
4. Non-Monetary Default. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and each of the general and limited partners of the Partnership, as identified in the Partnership Agreement, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Borrower shall have such period to effect a cure prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Borrower (a) initiates corrective action within

said period, and (b) diligently, continually and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Lender. If Borrower fails to take corrective action or to cure the default within a reasonable time, Lender shall give Borrower and each of the general and limited partners of the Partnership written notice thereof, whereupon the limited partner may remove and replace the general partner with a substitute general partner who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. In no event shall Lender be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

5. Casualty, Condemnation, Etc. In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Borrower shall have the right to rebuild the Project, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that provides adequate security to Lender for repayment of the Loan or if such proceeds are insufficient then Borrower shall have funded any deficiency (b) Lender shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the Loan Documents. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to Lender for repayment of the remaining balance of the Loan.

6. Force Majeurs. There shall be no default for construction or rehabilitation delays beyond the reasonable control of Borrower, provided that such delays do not exceed one hundred eighty (180) days, or such longer period of time as may be specified in the Loan Documents.

7. Purchase Rights. The execution and delivery of the Purchase option and right of first refusal agreement described in the Limited Partnership Agreement shall not constitute a default under the Loan Documents or accelerate the maturity of the Loan thereunder. Any requisite consent of Lender to (a) the exercise of said purchase option and right of first refusal agreement by the project sponsor identified therein, and to (b) the assumption without penalty of Loan obligations by the project sponsor and the release of Borrower from such obligations, shall not be unreasonably withheld. Subject to any such consent requirement, the exercise of rights under such agreement shall not constitute a default or accelerate maturity of the Loan.

8. (For below-market interest rate loans:) Loan Assumption. If the purchase option and right of first refusal agreement described in the Limited Partnership Agreement is not exercised and the Project is sold subject to low-income housing use restrictions as contained in an existing regulatory agreement or other recorded covenant, any requisite consent of Lender to said sale, and to the assumption without penalty of loan obligations by the purchaser and the release of Borrower from such obligations, shall not be unreasonably withheld.

9. Lender Approvals, Etc. In any approval, consent, or other determination by Lender required under any of the Loan Documents, Lender shall act reasonably and in good faith.

10. Prohibition of Sale. Lender shall not (a) sell, assign, transfer, or convey any such indebtedness (or any interest therein) to Federal Home Loan Mortgage Corporation ("Freddie Mac"), or (b) include such indebtedness (or any interest therein) in a pool of loans to be sold, assigned, transferred, or conveyed to Freddie Mac.

IN WITNESS WHEREOF, the undersigned have caused this Rider to be executed this 4th day of JUNE 1996.

Borrower:

FORTY SOUTH MAIN LIMITED
PARTNERSHIP

BY NEW NORWALK HOUSING CORP.
Its General Partner

BY [Signature]
Its President
Hereunto duly authorized

Lender:

CITY OF NORWALK ACTING BY
AND THROUGH THE REDEVELOPMENT
AGENCY OF THE CITY OF
NORWALK

BY [Signature]
Dominick A. Montana
Its Chairman
Hereunto Duly Authorized

\$1,308,600.00Norwalk, CT, JUNE 4, 1996

FOR VALUE RECEIVED, the maker promises to pay to the order of the CITY OF NORWALK, a municipal corporation organized and existing under the laws of the State of Connecticut, acting by and through the REDEVELOPMENT AGENCY OF THE CITY OF NORWALK, at 125 East Avenue, P. O. Box 5125, Norwalk, CT 06856, or at such other place as may be designated by the holder hereof in writing, the principal sum of ONE MILLION, THREE HUNDRED EIGHT THOUSAND, SIX HUNDRED (\$1,308,600.00) DOLLARS, together with interest at the rate of one (1%) percent per annum. Interest only shall be paid for years 1 - 15 payable annually in arrears, the first payment being due on the first day of the twelfth month following the issuance of the Certificate of Occupancy for the premises securing this note at 40 South Main Street, Norwalk, CT, in the amount of Thirteen Thousand, Eighty-six Dollars (\$13,086.00). Commencing on the first day of the first month of the sixteenth year, the Maker shall make payments of principal and interest in equal monthly installments in the amount of Seven Thousand, Eight Hundred thirty-one and 91/100 Dollars (\$7,831.91), and a like amount on the first day of each month thereafter until fully paid. The final installment of principal and interest if not sooner paid shall become due and payable 179 months after the first payment of principal and interest as provided for herein.

The maker shall pay the holder hereof a late charge of four (4%) percent of any monthly installment not received by the holder within fifteen (15) days after the installment is due.

The maker shall have the right to pay the principal amount outstanding in whole or in part at any time without penalty. Any partial prepayment shall not extend or postpone the due date of any subsequent monthly installments.

If default is made in any payment hereunder for a period of thirty (30) days after the same shall become due and payable, the entire balance due at the time of such default shall become due and payable on demand.

The whole of this indebtedness, both principal and interest, shall become immediately due and payable upon the sale, conveyance, transfer or attempted transfer of the interest of the maker in the real estate securing this obligation; or upon the failure of the maker hereof to pay the real property taxes on said property to the City of Norwalk when the same shall become due and payable, or if the Maker violates any of the following conditions:

A. This note evidences a loan by the City of Norwalk to the maker hereof for the exclusive purpose of assisting in the rehabilitation of a single-room occupancy residence, to be occupied by persons with income levels at or below the limits established by the State of Connecticut for low-moderate income persons in the Stamford/Norwalk Metropolitan Statistical Area.

B. The building on the property securing this note is to be rehabilitated only in accordance with the construction plans and specifications as approved by the Norwalk Redevelopment Agency.

C. The total construction budget shall be submitted to the Executive Director of the Redevelopment Agency for review and approval prior to the execution of the construction contract, and all progress payments to be made from the proceeds of this loan during the period of construction shall be submitted to the Norwalk Redevelopment Agency for approval and processing.

In the event of default hereunder, the maker hereof shall, in addition to the remaining principal amount due, pay all costs of collection, including reasonable attorney's fees, if this obligation is referred to an attorney for collection.

Presentment, notice of dishonor and protest are hereby waived by all makers hereof.

This note is secured by a mortgage of even date herewith on property situated in Norwalk, Connecticut.

FORTY SOUTH MAIN LIMITED PARTNERSHIP

By NEW NORWALK HOUSING CORPORATION
Its General Partner

By: _____ (L.S.)

Its
Hereunto Duly Authorized



100 OFFICES
VINCENT FLAHERTY
9 MOTT AVENUE, SUITE 202
NORWALK, CT 06852



RECEIVED FOR FORD
NORWA

11:19am
JUL 18 96

VOL 3222 75

Manoel G. Silva
JUL 18 1996

Vincent Flaherty