

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

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

**AGENCY COUNSEL:** Joseph DaSilva, Jr., Esq.

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

**OTHERS:** Former Mayor William Collins, Members of the Press

**CALL TO ORDER**

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

**ROLL CALL**

Chairman Serrano noted that a quorum was present.

**PUBLIC PARTICIPATION**

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

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

**I-A. APPROVAL OF MINUTES**

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

**\*\* MR. SPEIRS SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**I-B. FINANCE**

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

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

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

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

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

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

## **II. FACADE CONTRACTS**

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

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

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

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

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

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

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

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

**\*\* MR. DEVINE SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **III. CHOICE NEIGHBORHOODS INITIATIVE**

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

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

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

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

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

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

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

#### **IV EXECUTIVE SESSION**

A. Personnel Matters.

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

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

#### **V. NEW BUSINESS**

(None.)

#### **VI. OLD BUSINESS**

(None.)

#### **ADJOURNMENT**

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

Respectfully submitted,  
Karen Pachiana