

CITY OF NORWALK
PLANNING COMMITTEE
JUNE 3, 2010

ATTENDANCE: Douglas Hempstead, Chair; Carvin Hilliard; Laurel Lindstrom;

Clyde Mount; Kelly Straniti; John Tobin

STAFF: Timothy Sheehan; Michael Moore

GUEST: Richard Bonenfant, Common Council; Anna Duleep

PUBLIC HEARING – NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM

Mr. Hempstead opened the public hearing at 7:15 p.m. There were no members of the public present. The public hearing was closed at 7:15 p.m.

CALL TO ORDER

Mr. Hempstead called the meeting to order at 7:15 p.m.

PUBLIC PARTICIPATION

There were no members of the public present.

BUSINESS

NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM

Approval of The Attached List Of Programs For Inclusion In The Neighborhood Assistance Act Tax Credit Program

Mr. Sheehan explained that this allows private non-profits to receive tax credits from the State. This is run through the Department of Economic and Community Development revenue services and the funds are allocated to the municipality. Not all of the allocations necessarily go to Norwalk non-profits. Mr. Sheehan explained that this is an annual issue and the Department looks for local support for the applicants.

Mr. Tobin said that he was going to abstain from voting on this item since he serves on one of the boards.

- ** MS. LINDSTROM MOVED TO APPROVE THE ITEM
- ** MOTION PASSED WITH ONE (1) ABSTENTION (MR. TOBIN)

APPROVAL OF MINUTES – May 6, 2010 – Regular Meeting

- ** MR. TOBIN MOVED TO ACCEPT THE MINUTES AS PRESENTED
- ** MOTION PASSED WITH TWO (2) ABSTENTIONS (MR. MOUNT AND MS. STRANITI)

BUSINESS (continued)

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Approval of the City's Analysis of Impediments to Fair Housing

Mr. Sheehan requested that the Committee defer approval of this item. He said that there are on-going discussions between the Redevelopment Agency and the Fair Housing Officer.

Mr. Sheehan said that the Committee has had the report for over two months and they've seen the comments and statements from the consultant. He said that those comments have been integrated into the document. Mr. Hempstead requested that before the document is finalized that the consultant provide a red line copy to the Committee for their comments. Mr. Sheehan said that the consultant is comfortable that HUD reviewed the document and it is in compliance with AI provisions.

The Committee will get a final copy in advance of the July meeting.

- ** MS. LINDSTROM MOVED TO TABLE THIS ITEM TO THE JULY MEETING
- ** MOTION PASSED UNANIMOUSLY

Authorization of the Redevelopment Agency to Review Requested Certificates of Consistency and Bring Final Approval to the Common Council

Mr. Sheehan explained that it is up to the Committee to determine if they want to review each item individually or to provide the Agency with authorization. Mr. Hempstead told Mr. Sheehan that he applauded him for doing this and said that this is the first time he is seeing this.

Mr. Sheehan said that this would be a benefit to the applicants; not the Agency. Ms. Lindstrom said that she was more likely to trust the expertise of the staff. Mr. Sheehan said that he has issues, because the Common Council has no input currently. Staff would continue to review the applications and provide a write up. It would be up to the Common Council to look at the Staff's recommendations.

Mr. Hempstead requested that Mr. Sheehan provide the Committee with a spreadsheet showing the major objectives.

** MR. MOUNT MOVED TO APPROVE THE ITEM WITH THE AMENDMENT THAT FINAL APPROVAL IS NEEDED BY THE COMMON COUNCIL BEFORE THE CERTIFICATES ARE FORWARDED TO THE LAW DEPARTMENT

Mr. Hilliard asked if they coordinate with any other cities. Mr. Sheehan said that this looks at Norwalk's five year consolidated plan. Mr. Hilliard asked if we are consistent with any other cities. Mr. Sheehan said that the consolidated plan deals with City resources under the CDGC. There are no regional allocations.

** MOTION PASSED UNANIMOUSLY

Review and Approval of the After School Continuum Request for Proposals (RFP)

Mr. Sheehan explained that there are a few issues that need clarification. Mr. Moore explained that as part of the joint committee process, \$75,000 was allocated for after school funds. The RFP will go directly to the six applicants. They are looking to make one \$75,000 award. Ms. Lindstrom asked if they had met with any of the agencies. Mr. Moore said that they met with them this week. He said that there are collaborative efforts going on between the different agencies. They are also discussing hiring a coordinator.

Mr. Mount asked if there are any rules in place for administration. Mr. Moore said that the intent is to put as much funds into the program. Mr.

Hilliard said that hiring someone is not the best use of funds. Mr. Hempstead said that he would like to try and up the number. Mr. Sheehan agreed. Ms. Duleep said that there is a youth services meeting next week and offered to try and find someone to coordinate the programs. She said that she is hearing concerns that money will be used to pay for a coordinator. Mr. Hilliard said that it would be an excellent idea to get a volunteer to do this.

Mr. Hilliard said that if \$75,000 is being allocated, he wants the entire amount to go to the end user, not to a salary. Mr. Mount noted that there are six people running these programs and he wants one agency to be the lead agency to talk to the Redevelopment Agency. Mr. Hilliard said that he wants the money to go directly to the kids.

Ms. Lindstrom said that she wanted to be sure that no additional funds would be used to pay for a coordinator.

** MS. LINDSTROM MOVED TO APPROVE THE ITEM
** MOTION PASSED UNANIMOUSLY

Discussion of Process for Review of the Responses to the RFP and Award of the After School Continuum Funding

Mr. Sheehan said that the staff will review the RFPs and will then provide the Committee with justification for the proposals.

LAND DISPOSITION AND MASTER PLAN AGREEMENTS

Review the Current Status of the Common Council Approved Agreements

95/7

Mr. Sheehan explained that 95/7 and PoKo were consistent with the Land Disposition Agreements. Mr. Hempstead asked if there was anything prohibiting them from hitting their marks. Mr. Sheehan said that they did not ask for an extension from the Redevelopment Agency. He added that Mr. Morquay did not indicate that they were looking for any changes to the LDA.

Ms. Straniti asked when the commencement of construction would take place. Mr. Sheehan said that the completion of Phase 1 is 5 years and Phase 2 is 6 years. The commencement of construction is to be determined.

Mr. Tobin asked what the understanding was when the LDA was approved. Mr. Sheehan said that he could not give a date as to when the construction will commence. He said that he will have the Corporation Counsel present at the next meeting to answer question, under the LDA what is considered commencement of construction.

Wall Street Place

Mr. Hempstead asked if he was performing to his LDA and if he has asked for an extension. He said that has been advised numerous times of his July 31st deadline. The enforcement of his non-action would make him in violation of the LDA. Mr. Sheehan said that this is a legal answer that he can't answer.

Mr. Sheehan said that the assumption is that a default notice would have to be issued. There are provisions in the agreement that address default. Ms. Straniti requested more clarification at next month's meeting. Mr. Tobin asked about the timeline for parking. Mr. Sheehan said that it would depend on the developer. Mr. Hilliard suggested inviting the entire Common Council when they get advised.

Mr. Sheehan said that the drawings that have been provided are substantially complete. They can ask for an extension under the LDA. The extension request goes to the Common Council. Mr. Sheehan said that they indicated that they anticipate that they would be in construction by the end of the year.

Mr. Hempstead said that they took ownership of the property based on the LDA. He asked if an extension of the LDA is provided, how would that affect parking. Mr. Sheehan said that it mirrors the time frame for the project in general. They would have to replace the parking spaces.

Mr. Bonenfant asked if the private entity is paying taxes on the parking lot. Mr. Sheehan said that they are paying taxes. Mr. Hempstead said that the only way to dispel myths is to have a discussion. Mr. Sheehan said that they paid for the parking lot and agreed to replace all of the public parking spaces. He said that

the Common Council agreed to this through the plans that the intention was to leverage the surface parking lot into redevelopment efforts.

Waypointe

Mr. Sheehan said that he does not have an official update. The developer has been trying to deal with refinancing the project. Mr. Hempstead said that the only thing out there is that he is the designated developer. Mr. Sheehan agreed. Mr. Tobin said that people are saying that the developer has \$100 million of the City's money. Mr. Hempstead said that he does not have that. The 106 page document was closely scrutinized and was weighted in favor of the City.

Mr. Sheehan said that the letter should have been addressed to the Council president and the Mayor. He said that he appreciated Mr. Tobin's point and that it is a perception. Mr. Sheehan said that changes are being contemplated by a private developer. Ms. Straniti said that it sounds like the project is being downsized. She asked where that leaves the Planning Committee and the Common Council. She asked if they have to rescind the former action.

Mr. Sheehan said that no one is more incentivized to complete the project than the developers. He said that unfortunately we are in one of the worst economic situations the country has ever had.

Mr. Bonenfant said that when he voted in favor of Waypointe, one of the reasons was because a special serviced agreement was going to be developed. Mr. Sheehan said that the overall financial picture presented to the Common Council has changed as well as the site plan. He added that the site plan was vetted by the community. Mr. Hempstead said that these are bad economic times and the scope of the projects has also changed.

Mr. Hilliard said that the Common Council should make a statement to the public that the money will not be utilized until the developer does what he is supposed to do. Mr. Hempstead said that he wants to move forward, but does not want a knee jerk reaction.

Mr. Tobin asked what happened to the LDAs in place. Mr. Sheehan said that there are a host of different strategies that the developer can look at. If there is a change in terms of ownership structure that would have to go

back to the Common Council for approval and changes in the LDA agreements. Mr. Sheehan said that the collective whole of this development is better than having all those independent pieces.

Mr. Hempstead asked the Committee members if there was any other information they would like. Mr. Sheehan said that there will be other requests coming to the Committee in the next few months.

Mr. Hempstead said that he is tentatively looking at holding a joint meeting with Planning & Zoning on June 17th.

NORWALK REDEVELOPMENT AGENCY (NRA)

Mr. Sheehan distributed a document explaining that the Norwalk Redevelopment Agency is the parent company of two 501 (c) 3 corporations (North Walke Housing Corporation and Economic Development Corp.)

The Economic Development Corp is a tax exempt, non-stock corporation and the Norwalk Redevelopment Agency is its sole member. Mr. Sheehan reviewed the practical effect of the corporations. The on-going work of the Agency is made sustainable by the non-profits.

Ms. Lindstrom asked how they were staffed. Mr. Sheehan said that they are all employed by the Economic Development Corporation and the other agencies, Norwalk Redevelopment Agency and North Walke Housing Corporation contract back for their services. He said that the staff remains the same and there have been no additional staff hired.

Mr. Hempstead asked where the Agency gets their funding. Mr. Sheehan explained that the Agency does loans and they benefit from the loans. Mr. Hempstead asked where they got the money to do the loans. Mr. Sheehan said that there is a significant loan program that involved South Norwalk when it was being developed. When they defaulted, the Agency benefited from the default.

Ms. Straniti asked when the EDC was started. Mr. Sheehan explained that it was started in 2009 and at that time, the Agency employees were transferred to EDC. Ms. Straniti said that this is the first she is hearing about this. Mr. Sheehan said that he mentioned this a few times and had conversations with the Chair.

Mr. Sheehan said that the Redevelopment Agency made the determination that it was in its best interest to develop a non-profit similar to the one that was developed in 1987. He said that the Chair asked him to explain this and said that since November told him that he would be happy to explain this to the Committee. Mr. Sheehan said that this action took place in December 2009.

The public face is the Redevelopment Agency. The employees are employed by the non-profit and are contracted to the Redevelopment Agency. Mr. Sheehan said that this allows them to seek additional funding sources. He said that if they were to undertake a grant application, there are substantial benefits to a private development project. A developer could ask the Economic Development Corporation to write a grant request and that would be a revenue source.

Mr. Hilliard commented that this is a good thing. Mr. Sheehan said that the issue is that a private developer could apply for a grant. Ms. Lindstrom noted that this Committee works with Mr. Sheehan on various actions.

Mr. Hempstead asked if the 20 other EDC in other communities mirror this one. Mr. Sheehan said that they are not as closely attached to municipal government as this one. Mr. Hempstead asked how they get their funding. Mr. Sheehan said that they get it the same way. Mr. Hilliard said to Mr. Sheehan that this is helping him operate more efficiently. He said that they are not losing anything they didn't have. Ms. Straniti said that they are losing oversight. Mr. Sheehan told her that she never had it.

Mr. Sheehan said that on more than one occasion he indicated that it was a conflict of interest for Redevelopment Agency staff to staff this Committee.

Mr. Sheehan said that any issues with the utilization of State funding associated with certain housing projects requires Common Council approval. Mr. Sheehan said that this is to better stabilize what the Redevelopment Agency can provide. He added that the City does not provide funding.

Mr. Sheehan said that there are statutory requirements regarding Common Council approvals. He said that HUD gives deference to the legislative body. There is an auditing standard that has to be followed.

Mr. Hempstead said that he thinks that some of the actions the City does can turn into a profit center. He said that it seems that the EDC was developed to earn a profit. Mr. Sheehan said that the EDC has the staff resources who contract with the Redevelopment Agency. He said that there is no profit. Mr. Hempstead said to Mr. Sheehan that what he is hearing is that the Redevelopment Agency could sub out and hire an architect for a fee. Mr. Sheehan said that is a stretch.

Mr. Sheehan said that the Redevelopment Agency makes recommendations as to what they want to advance. He said that the Committee can't expect him to be independent on a project after working on it for three years. He said that the Agency operates separate and apart from the City and the staff are no City employees, nor have they ever been City employees.

Mr. Mount said that they have to assume that Mr. Sheehan will provide all of the information. He added that he did not know how anyone could not be biased.

Mr. Bonenfant asked if the members of the corporation are eligible for a salary. Mr. Sheehan said that under the by-laws, they are not permitted to earn a salary. The Redevelopment Agency was established in 1950 and since that time, no commissioners have taken a salary. Mr. Hempstead asked if under the by-laws they could loan each other money. Mr. Sheehan said that they could. There is a statement that the purpose of the EDC is to be aligned with the Redevelopment Agency.

Mr. Tobin asked if the by-laws were on the Redevelopment Agency's website. Mr. Sheehan said that they could be posted there.

Mr. Sheehan said that the Redevelopment Agency is in full force and effect and is the parent company.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

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

There was no further business and the meeting was unanimously adjourned at 9:55 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services

