

ECONOMIC DEVELOPMENT COMMISSION
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MINUTES

REGULAR MONTHLY MEETING, THURSDAY, OCTOBER 17, 2013 ALDERMANIC CHAMBERS 7:00 PM

The Economic Development Commission held its Regular monthly meeting on Thursday, October 17, 2013. The meeting began at 7:15 P.M.

Roll call:

Vincent Scarlata	present
Greg Seccombe	absent
Bart Flaherty	present
Sal Hanaif	present
Keith Murray	present
Terri Goldson	absent
Dave Cassetti	absent
Horace Behrle	present
Jeff Sweeney	absent

5 present, 4 absent

Also present:

Peter Kelly, Economic Development Director

Mr. Scarlata opened the meeting at 7:05. The meeting began with the pledge of allegiance to the flag.

Mr. Scarlata entertained motions to accept September's minutes. Mr. Flaherty asked regarding the loan façade program were 60 packets given out and there was a subsequent meeting regarding the program and only 2 interested parties attended the meeting. He was told that was true. Mr. Scarlata stated that Joan Radin and Mr. Luneski were the only people that attended the meeting. Mr. Scarlata then stated that he hand delivered 60 packets to businesses on Main Street. He then said that there was a letter in the packets that included the date and time of the forum and answered questions that they may have. Mr. Murray stated that he received an application from one of the businesses.

Mr. Flaherty made a motion to approve the minutes. The motion was seconded by Mr. Murray. All were in favor of the motion.

Mr. Kelly stated that the owner of the building on South Main Street that was damaged due to a fire asked if he would be eligible for more than one of the loans. He was told that the way that the board crafted the program, an applicant could apply for a single loan of \$2,000 at a time. Once the first \$2,000 is repaid, then they can apply for another loan up to the amount of store fronts that they have. Mr. Scarlata then stated that if an owner has more than one business, they can apply for one \$2,000 loan per business. Mr. Murray suggested that they start writing down the questions as they come up so that there is a record of them. Mr. Behrle stated that he had heard that one of the businesses didn't like the fact that this was a loan and had to be repaid. Mr. Scarlata stated that it's a zero interest loan that needs to be paid back in two years.

Mr. Scarlata then opened the meeting up for public session. No one wished to speak from the public.

Mr. Scarlata stated that there were no communications. He then stated that there were no bills to approve. Mr. Scarlata then indicated that there was no old business to discuss.

Mr. Scarlata then requested that Ms. Lisa Low address the Commission.

Lisa Low from Lisa Low and Associates is responsible for administering the CDBG Small Cities grant. She stated that she is coming before the Commission because they oversee the Small Cities program that has received funding from the state to do housing rehab. They have certain principles that they operate within. There was a letter that was sent on if they should waive one of the requirements and allow certain individuals to come into the program and be served under the program. One of the requirements is that they have to meet HUD income limits. This means that they must be a low to moderate income level family. She stated that there is one family that meets the income requirement, they are current with their taxes, but they don't have enough equity in their home to qualify. She then stated that the Commission has the authority to "maintain that or give that family a break".

She then indicated that she brought two families to the Commissions attention. She feels that the Commission can waive the equity requirement. The first case the gentleman has a 9% equity in his home. He needs 15%. The margin between the value of the home and the gap he has on the home is a little small. They like to see a cushion on there so if the home goes into foreclosure, we have a better chance of getting the money back. The second family, the gentleman is very ill; his wife is out of work. He is not expected to live very much longer due to his illness. He is living in a three story home. He needs a new roof. Half of his income is via his tenants. His home is valued at \$157,000 he owes \$227,000 partly because he had to do lead abatement for the home and he had to refinance to take care of the lead abatement.

So her question is how the Commission feels as a body as they oversee the program. It is up to the

Commission to make a decision. Do they want to extend participation to these two families or not. There is still money available from the 2011, 2012 and 2013 funds. There's over \$700,000 in funding available. The cost of the project is approximately \$25,000. She then explained that the Commission can limit the amount of funding that they allow these families. There was a very long discussion regarding this situation. Mr. Murray stated at one point that he didn't feel that this situation fell under the mandate of the Commission under the Charter. Ms. Low stated that in Ansonia historically, the EDC has administrated and pursued these grants under the heading of Economic and Community Development to restore houses, build things etc. Mr. Murray stated that in our case the former Economic Development director held many positions and this may be one of the areas that he was in charge of and the reason why it came before the commission in the past. Mr. Flaherty asked if EDC hired Ms. Low and her firm to administer this grant. He was told that they had. Mr. Flaherty then asked why she wasn't administering the grant and why is she at the meeting. She stated that in questions such as this since this is an emergency, there is a leaking roof and a furnace need in one case and a roof problem in the other, especially as we go into winter. In most towns, they request that the administrators go and present the specific cases to the governing body for approval. In these two cases, they are in need of waivers because they don't meet all of the criteria. Mr. Murray then questioned what authority granted the EDC the ability to grant such a waiver. Mr. Flaherty asked if the Commission could look at the issue itself and make a decision, have Lisa go to Corporation Council and ask if EDC has the authority to grant the waiver or not so that it doesn't drag on for another month. Ms. Low then suggested that the Commission could state that they don't want the authority and allow her to make a decision as she runs the program.

Mr. Behrle made a motion to approve a maximum of \$25,000 on the first request and on the second to fund the roof only which he believes to be about \$10,000.

Ms. Low stated that they would have to include some code compliance things for safety such as smoke alarms. They can't do just a roof. If there are safety concerns, they have to make sure that they are safe from fire for example. Mr. Murray asked if they are approving actual dollar amounts at this time. Mr. Flaherty asked if this was a legal three family dwelling. He was told that they had not done an inspection yet. Mr. Murray stated that he is now concerned that things haven't been totally fleshed out. Mr. Flaherty asked, "What if they need an access flight of stairs?" Ms. Low conceded that would be an issue as well. If that was the case, they wouldn't do it. If it was roof only and they didn't have their proper fire egress, for example, from the third floor apartment, they couldn't do it. There's too much liability.

Mr. Behrle amended his motion to approve a maximum of \$25,000 on the first request and on the second request to approve \$25,000 to be approved by the Corporation Council. The motion was seconded by Mr. Flaherty. Mr. Flaherty then added that in the future a request such as this needs to be researched to make sure that it is a legal three family or whatever. He was told that they wouldn't proceed if it's not a legal property. He added that the Commission should develop criteria for situations such as this in the future. Mr. Scarlata stated that the situation regarding the roof seems like it's similar to a resident that

went before the Board of Aldermen requesting a waiver of the requirement regarding the payment of past due taxes and getting a building permit. The Board of Aldermen denied that request. He is concerned that if this is indeed the same resident that EDC does not want to override the Board of Aldermen. The members asked if this was the same resident as the one that asked for the waiver from the Board of Aldermen. They were told that they didn't know if it was or not. Mr. Behrle and Mr. Flaherty both rescinded their motion and second on the motion.

Mr. Flaherty then made a motion to have Mr. Kelly follow up and see if the EDC is responsible for making these types of decisions on waiving the criteria for the grants and report to the Commission the findings at the next monthly meeting. The motion was seconded by Mr. Behrle. All were in favor of the motion.

Mr. Flaherty requested to add to his motion to ask Mr. Kelly what the amount of (grant) money was that wasn't closed out last year and why it hasn't been closed out yet. Mr. Kelly expanded this to be the 2013 allocation and the 2014 allocation. Mr. Murray then asked about the grant funds. He wanted to know if the funds were the property of the City of Ansonia and Ms. Low is a private individual not employed by the City who administers these grant funds. He further asked if she is paid out of the grant. He was told that she is paid out of the grant.

Mr. Kelly then stated that Ansonia is officially an enrolled member in the CPACE program. CPACE is a financing tool to assist in energy retro fits and similar capital improvements to commercial facilities. Reducing energy costs is important to older commercial buildings.

Mr. Behrle made a motion to go into executive session to discuss a personnel issue at 8:30. He invited Mr. Kelly to attend the session in its entirety and invited Alderman Charlie Stowe to attend the session for his testimony. Mr. Flaherty seconded the motion. All were in favor of the motion. (Everyone present except for the Commission members and invited people left the meeting.

Mr. Behrle made a motion to go back into regular session at 8:40. The motion was seconded by Mr. Flaherty. All were in favor of the motion.

Mr. Scarlata stated for the record no motions or votes were taken during the executive session.

Mr. Flaherty made a motion to adjourn. Mr. Hanaif seconded the motion. All were in favor of the motion.

The meeting ended at 8:45.

Respectfully submitted,

Carol Sardinha