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**Brooklyn Housing Authority – Minutes for Wednesday, May 21, 2014
10:00am at the Brooklyn Community Center**

1. Roll Call – Bruce Parsons called the meeting to order at 10:00am.

Members Present:

Chairman	Bruce Parsons
Vice Chairman	Paul Phaiah
Treasurer	Aida Bissonnette

Members Absent with notification:

Member	Andy Pinto (email attached)
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Others Present:

ECHO	Peter Battles and Andrew Woodstock
PHA Executive Director	Kathy Carter
PHA Business Manger	Sarah Schoppe
PHA Property Manager	Linda Laflamme
Public	Kenneth Dykstra and WINY

2. Report on the status of the redevelopment of Tiffany Place:

The State Housing Tax Credit application was filed, but received a deficient letter, which is common and allows the Brooklyn Housing Authority (BHA) a chance to correct things. There are only two items that are deficient. The application will be pending until about the middle of August. If the application is successful, it would bring in \$500,000. The application is specifically for the Tiffany Street building, but its intention is that it goes in the pot for the overall project. It would supplement the \$300,000 tax credits that the BHA received last year.

Historic Tax Credits are available for this project because of its status as a contributing structure in a national register of historical districts. For this type of tax credit, the BHA needs to find someone willing to buy those tax credits. The tax credit is based on a percentage of the construction cost and since there is no final number as of yet, the approximate range would be around \$600,000 to \$700,000. The tax credit would be for 25% of total construction costs for work only done on building, but now there is a provision that allows for a 30% credit if the project is for affordable housing, which Tiffany Street qualifies. There is \$7 million a year available for this tax credit state wide.

Peter Battles is currently working on the application for the balance of the funding, which is a joint application with the Department of Housing (DOH) and the Connecticut Housing Finance Authority (CHFA). This is the State sponsored housing portfolio program and it is due on June 30th. There are bits and pieces that need to be completed and submitted with the application:

- Architect and Engineer Plans need to be at a 40% level for the application, but the actual plans are already 95% complete.

- The Environment Assessment was done last November, but since it was done over six month ago, it had to updated, which has already been done.
- Hazardous Materials Screening for lead paint, asbestos, etc. This mainly focuses on the interiors of the buildings. The inspector has done his initial inspection and needs to pick up radon canisters at the end of the week.

Andrew Woodstock says that total cost of the redevelopment, without tax credits being applied, is in the \$5 million price range. The total cost is above the original price that the BHA expected. The State Department of Labor states any project over \$100,000 cost is subjected to prevailing wage rates. That means that there will be an approximately 25% increase in wage rates.

The CHFA and DOH have been holding round table discussions state wide about the Capital Plan for all State sponsored housing portfolios. The BHA needs to confer about the Capital Plan, which has made recommendations that the individual developments should be financed. In the case of Tiffany Place and others like it, the Capital Plan recommendation is that the property should be refinanced and employing 4% low income housing tax credits. This means the BHA would have to locate and bring on board a syndicator to represent the investors who are looking for these tax credits. It would mean the ownership of Tiffany Place would no longer be owned by the BHA, but by a limited partnership or LLC. The BHA would still maintain and operate the building, but the amount of control would have to be discussed with the new owner(s). The BHA is not in favor with the plan. Discussion ensued

The State will still look at the application, without it agreeing to the Capital Plan recommendations, if application shows that the BHA has additional leverage or that the overall cost is equal to or less than what the State's investment would be. The property, once the investment is made and the building is operating again, would have to be self-sufficient for 20 years. Peter Battles would use the Capital needs assessment and past operating costs to figure out what is needed for 20 years. The commitment from the State is that there will be \$1.5 million available in this funding round for rental subsidiaries, but how much the BHA would receive is the question.

Peter Battles suggested to the BHA use some of the Pre-Developed Grant Funds to hire an outside consultant firm that has experience in these 4% tax credit deals and to do an analysis that can be incorporated into the application to figure out if 4% is workable for this project. He spoke with New Castle Housing Adventures and received a proposal for the analysis, which would be \$175 per hour, not to exceed \$5,000. New Castle Housing Adventures would be able to tell the State, if the analysis proved so, that the 4% would not be a good idea.

- Aida Bissonnette made a motion to apply for the SSH State Housing Authority portfolio grant funds and that DCD grant funds make up the balance of funds needed rather than perusing a 4% housing tax credit deal. Paul Phaiah seconded the motion. No discussion. Motion passed 3-0.
 - Peter Battles can hire New Castle Housing Adventures and the paperwork was signed by Bruce Parsons.

The State now requires a Resident Participation Plan in case there is a major physical transformation and/or disposition of the property. This plan allows for the residents to have information and a say about changes being made. The plan does not presently apply to Tiffany Street since no one is currently living there, but it still needs to be in place for later. The plan was mainly taken directly from the statute, but Peter Battles added specifics about how the BHA would involve people:

- Written notification of residents and when it is going to happen,
- The right for residents to appear at Housing Authority Meetings and have a set time for them to be heard,
- If there would be an elected tenant organization and if they object to some aspect of change in writing to the Housing Authority, the BHA would have to give them a formal response as to why they were going in a different direction.

This plan can be amended at any time and only goes into effect if there is a major physical transformation or a disposition. The plan does not actually have to be submitted, but just on file and tell the State that the BHA has an approved plan. Discussion ensued.

- Aida Bissonnette made a motion to adopt the Plan for Resident Participation in the Major Physical Transformation and/or Disposition of Property of the Brooklyn Housing Authority. Paul Phaiah seconded the motion. No discussion. Motion passed 3-0.

The BHA received \$150,000 from the Pre-Development Grant. Peter Battles went over how the money is being spent:

- The architect and engineering work cost \$136,119.
- Phase 1 Environmental update cost \$1,800. The update of the environmental update cost \$950.
- The Hazardous Materials screening cost \$3,200.
- The low income housing tax credit analysis that is going to be done by New Castle Housing Adventures which is not to exceed \$5,000.
- There are fees that still need to be paid.

These are the items that are directly related to getting the project funded.

- Other expenses that have already been paid out of the Pre-Development Grant Fund totals \$26,600 for property maintenance for a couple of years worth of: Snow removal, electric (for outdoor lights for safety reasons), and insurance.

The BHA is short \$54,000 for items that are being paid out of the Pre-Development Grant Fund. The BHA will take out the Maintenance and Insurance fees from the \$300,000 as long as it is legit, which Peter Battles says it is because there are line items that correspond. Discussion ensued.

The BHA looked over the drawing plans, which will be submitted on or before June 30th with the application. The drawings need to be at least 40% percent done, if further along the better it looks to the State. The drawings are about 95% done. Discussion ensued. Andrew Woodstock gave a brief summary on the work that will have to be done: the interior portion of the exterior walls on all levels have to be removed, the ceilings in each level need to be removed, and the contractor has to crawl in the crawlspace, drill through the existing concrete floor, and put in new footings. There are some inconsistencies from page to page in the drawings.

3. **Adjourn:** Aida made a motion to adjourn the meeting at 11:20am. Paul seconded the motion. No discussion. Motion passed 3-0.