

Town of Putnam	
Redevelopment Agency	
Meeting Agenda	
Conference Room #201	
Tuesday, June 13 th 2023, 8:00 AM	
Join Zoom Meeting:	
https://us06web.zoom.us/j/86157573754?pwd=WWhCMjBHdkl1Nk02bWt4UHBacU1iQT09	
Meeting ID: <u>861 5757 3754</u>	
Passcode: t4FTMw	
1. Roll Call	
2. Approval of Meeting Minutes*	
	i. May 9, 2023
3. Reporting of Expenditures	
4. New Business	i. Furnace Street Property
	ii. Small Business Loans
5. Old Business	
	i. Affordable Housing
	ii. Belding Mill
6. Updates	
	i. CDBG Report
	i. Blight Officer
7. Public Participation	
8. Adjournment*	

*Vote Required

Town of Putnam	
Redevelopment Agency	
Meeting Minutes	
Conference Room #201	
Tuesday, May 09 th 8:00 AM	
Join Zoom Meeting: http://us06web.zoom.us/j/8752937162?pwd=eVNiUyt3WWWhiTE5iMlZ5UWtpOGpDdz09	
	Meeting opened at 8:00 am
1. Roll Call	Chairman Paul Grenier, Vice Chairman Lee Konicki, PRA Director Carly DeLuca, Agency Members: Delia Fey, Ron Coderre, and Mayor Barney Seney, Land Use Agent Bruce Fitzback, Jackie Lefevre Administrative Assistant and observer Doug Taylor. Absent: Agency Member Dawn Krasnecky.
2. Approval of Meeting Minutes*	
	i. April 11 th : Vice-Chair Konicki motioned to approve the minutes, seconded by Member Coderre, motion passed.
3. Reporting of Expenditures	The April 2023 expenditures were reviewed.
4. New Business	
	i. Front Street: Property owner has reached out and proposed to potentially donate the piece of property encompassing the area adjacent to the former Chickering's building to include the stairway down to the Front Street parking area behind the former Chickering's.
5. Old Business	
	i. Affordable Housing: The Zoning Commission has adopted the Affordable Housing Plan, as presented, at their recent meeting. The working matrix provides for action items such as Commission training for Town departments such as zoning, planning etc. Northeast CT Council of Governments (NECCOG) to assist with training.
	ii. Belding Mill: Financial Assistance Proposal to be executed. Anticipate the first agreement to be executed sometime next week.
6. Updates	i. CDBG Report: Report dated May1, 2023 was reviewed with no questions. The CDBG funding has been extended to February 2024. New grant year focus is on shovel ready Public Housing Facilities.
	ii. Blight Officer: several applications have been received. The top 3 applicants have been chosen for interviews. Interviews to start this week. Comment was made concerning conflict resolution training should be one of the candidates' credentials. Interviews will assist to gauge credentials.
7. Public Participation	None
8. Adjournment*	Vice-Chair Konicki motioned to adjourn. Meeting Adjourned at 8:13 am

*Vote Required

Town of Putnam

Putnam Redevelopment Agency

Program Income Plan

A Reuse Plan Governing Program Income from CDBG-Assisted Activities

Small Business Revolving Loan Account:

Program income funds will be used to assist entrepreneurs and small businesses stay in Putnam and remain competitive in the business market. Assistance to qualified businesses will be in the form of low interest loans. The Redevelopment Agency's Revolving Loan Fund enables entrepreneurs and small businesses stay in Putnam and remain competitive in the business market. The Town is interested in helping to finance investments by both existing companies and start-up enterprises. The Town of Putnam has administered regional and town revolving loan programs since 1993. **The program loan interest rate is set at a maximum of 7% for a term of 7 years for equipment financing and working capital, but may extend to 15 years for real estate acquisition. Lower rates are available for shorter payback terms as determined by the Loan Committee.**

These loan programs, with loans ranging from \$5,000 to \$100,000, most of which fall between \$20,000 to \$35,000 are considered gap financing and used to supplement conventional loan funds and equity investments. These loans are secured by collateral from the business in an amount equal to the value of the loan, along with a personal guaranty from the owner.

Total administration and program soft costs (all activities except for housing rehabilitation) cannot exceed 21% (percent). In any event, the total expended for non-revolving activities (grants, activity delivery costs, and general administration) shall not exceed 49% of the total funds expended during the program year (July 1 through June 30).

The reuse plan and program for the Town of Putnam will be administered by the Putnam Redevelopment Agency (PRA). Application for assistance can be obtained at the PRA office located at 107 Providence Street, Putnam CT 06260 Telephone (860) 963-6835. All applications will be reviewed by the PRA. The PRA has the final authority to approve or deny applications.

Amendments to the Reuse Plan shall be approved by the Town of Putnam Board of Selectman. In addition, the PRA shall hold a public hearing on said amendment prior to passage of said amendment.

OFFICE USE ONLY

APP. NO: _____

REC'D: _____

LOAN APPLICATION
PUTNAM REDEVELOPMENT AGENCY
REVOLVING LOAN FUND
(CONFIDENTIAL)

Loan Approved by: _____

REVOLVING LOAN PROGRAM REQUIREMENTS

The Town is interested in helping to finance investments by both existing companies and start-up enterprises. The Town of Putnam has administered regional and town revolving loan programs for several years. These programs are used to supplement conventional loan funds and equity investments.

The program loan interest rate is set at a maximum of 7% for a term of 7 years for equipment financing and working capital, but may extend to 15 years for real estate acquisition. Lower rates are available for shorter payback terms as determined by the Loan Committee.

Loan Security Requirements:

All loans are required to be backed by personal guarantees and appropriate security instruments consistent with the attached Policy on Collateral Loan Security.

Application Process Requirements:

In order to initiate a loan, applicants must submit the attached loan application and the following documents:

- 1). Business Plan (see below)
- 2). Business Financial Statements (last two years if already in business)
- 3). Income Tax Returns (last two years)
- 4). Personal Financial Statement(s)
- 5). Description of Equipment to be purchase, if any
- 6). Description of proposed collateral

All applicants must prepare and present a business plan with their application and to respond to questions about that plan. While the program does not require a specific format for such plans, the plan must be in writing and must include three years of financial projections and a marketing plan.

Once staff determines that a complete application is on file, a credit check will be completed and the full application package will then be referred to the Loan Committee. A meeting of the Loan Committee will be scheduled at which time the applicant is expected to present its business plan and respond to questions from the Committee. Final approval will be made by the Loan Committee.

I. APPLICANT

A. Legal Name and Address of Applicant

_____ Phone: _____

Legal Name and Address of Principal(s) involved in the Applicant's business, (if different)

_____ Phone: _____

Project Location (if different)

B. Business Organization:

_____ Corporation _____ Partnership _____ Sole Proprietorship

If Corporation, indicate Date and State of Incorporation:

_____ (Date) _____ (State)

Date Originally Established: _____

Internal Revenue Service Employer Identification Number: _____

C. Stockholders (if Corporation) or Partners (if Partnership) or Owner (If sole proprietorship):

<u>Name</u>	<u>S.S.N.</u>	<u>%</u>	<u>Home Address</u>	<u>Date/Place of Birth</u>
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

- D. If Applicant's business already exists, attach business financial statements and profit and loss statements for the last two (2) fiscal year ends and financial statement and profit and loss statements for the latest completed fiscal quarter (attach exhibit). If Applicant's Business is a startup or has operated less than two (2) years, attach copies of Principal(s) last two federal income tax returns.

NOTE: Each Principal involved in the Applicant's business must answer the next three questions correctly. A conviction record will not necessarily disqualify the Applicant; however an incorrect answer will probably cause the applicant to be turned down.

- D. Are you presently under indictment or on parole or probation?
() Yes () No

If yes, furnish details on a separate exhibit, including applicable names(s).

E. Have you ever been charged with or convicted for any criminal offense other than a minor motor vehicle violation?

() Yes () No

If yes, furnish details on a separate exhibit. List name(s) under which convicted, if applicable.

F. Are you currently debarred or suspended from receiving or utilizing HUD funds?

() Yes () No

G. Name and Address of Applicant's Principal Bank(s) of Account:

1. _____

Person to Contact: _____

2. _____

Person to Contact: _____

H. Has any principal, officer or partner involved with the Applicant been through or is currently involved in Bankruptcy, Receivership or Compromise Settlement?

() Yes () No

If yes, give details: _____

II. PROPOSED PROJECT

A. Please provide a brief description of the project proposed in this Application:

B. Attach a brief summary of the Business Plan which correlates to the Project proposed in this Application.

III. FUNDING

A. Total Project Cost (include only costs to be funded by the proposed loan; if there are additional costs to be funded from other sources, please attach a description of those and their expected funding sources):

\$ _____

B. Use of Proceeds if Used to Acquire Real Estate:

COST OF EXISTING BUILDING..... \$ _____

LAND IMPROVEMENTS

Acquisition..... \$ _____

Site Work..... \$ _____

Other..... \$ _____

TOTAL LAND COSTS..... \$ _____

BUILDING:

Structural..... \$ _____

Electrical..... \$ _____

Plumbing..... \$ _____

Carpentry..... \$ _____

Interior Finish..... \$ _____

Other..... \$ _____

TOTAL BUILDING COSTS..... \$ _____

INTERIM FINANCING (if any):

Interest _____ Months _____ @ _____ %

On \$..... \$ _____

Taxes (Pro-Rated)..... \$ _____

Insurance (Pro-Rated)..... \$ _____

Financing Expense..... \$ _____

Title and Recording..... \$ _____

TOTAL FOR INTERIM FINANCING... \$ _____

TOTAL LAND, BUILDING & INTERIM

FINANCING..... \$ _____

C. Use of Proceeds if Used to Acquire Other than Real Estate:

Capital Equipment..... \$ _____

Inventory..... \$ _____

Working Capital..... \$ _____

Lease Hold Improvements..... \$ _____

Other..... \$ _____

TOTAL..... \$ _____

D. Total Amount of Financing Requested:

\$ _____

E. Participation financing from all sources: (Attach letters of intent):

1. Source: _____
Amount: \$ _____
Terms: _____ Rate: _____
2. Source: _____
Amount: \$ _____
Terms: _____ Rate: _____

F. Amount and Source, if any, of funds which the Applicant will contribute as its Equity Contribution to the Project (personal savings, sale of assets, loan from family member, etc. of Principal(s) or Shareholder(s)

G. Proposed Collateral - Please attach a description of collateral (equipment, real estate, or other property) proposed to secure the repayment of the requested loan.

FAIR LENDING: In its evaluation of proposed collateral, the Putnam Redevelopment Agency shall apply the same review standards for all applicants and shall not discriminate against or treat loan applicants differently based upon the applicant's race or color, religion, national origin, sex, marital or familial status, age, handicap, public assistance status or the good faith exercise of any rights under the Consumer Credit Protection Act, nor the neighborhood characteristics or location of any proposed real property collateral.

IV. OTHER PROVISIONS

CERTIFICATION

It is hereby represented that to the best of my and belief no information or data contained herein or in the exhibits or attachments are in any way false or incorrect. The undersigned agrees that the banks, persons, firms and corporations before mentioned are hereby authorized to give the Putnam Redevelopment Agency any and all information in connection with the matters herein referred to. In addition, the undersigned agrees that the funds provided as a result of this loan application will be utilized exclusively for the purposes approved as represented in this application, as may be amended, and that none of the funds will be used for refinancing.

NON DISCRIMINATION CLAUSE

The Applicant agrees and warrants that in performance of this contract it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religion, age, sex, marital status, physical handicap, national origin, political belief, mental retardation and history of mental disorder, unless it is shown by such company or contractor that the physical or mental disability prevents performance of the work involve.

APPLICATION FOR CREDIT

I/We authorize you to obtain any information required concerning the verification of the Applicant(s) statement from any source whatsoever. I/We understand this application is your property and shall remain your property whether the credit is granted or not. The Putnam Redevelopment Agency and other credit sources are authorized to exchange credit information relative to this application. You are also authorized to update credit and any other information that you consider necessary as long as I/we owe you money.

I/We certify that there are no other loans or obligations, except as specifically listed on this application, for which we are liable. I/we have answered all the questions in the applicant statement. I/we understand if the questions are not completed, you may deny this credit request. The answers were made by me/us or by my/our dictation, and they are true and complete. I/we understand that any willful misrepresentation of information provided in my/our applicant statement could result in fine and/or imprisonment under the provisions of the U.S. Criminal Code.

I/We acknowledge receipt of the Equal Credit Opportunity Act Notice which says: "The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. In the event credit is denied, I/we understand the Agency will furnish a statement of why the request was not granted.

My/Our signature(s) below acknowledge that I/we have read, or have been read to, and understand this notice.

Date

Signature/Title

Date

Signature/Title

Policy on Collateral Loan Security for Small Business Loans Issued by the Putnam Redevelopment Agency

Objective:

To secure the repayment of small business loans in default through personal guarantees and the pledge of accessible collateral sufficient to recover loan value.

Policy Requirements:

1. Pledge of Collateral: The Putnam Redevelopment Agency shall use its best efforts to cover loan value with a combination of accessible project collateral and non-project secondary collateral and require documentation prior to the approval of any small business loan. The Putnam Redevelopment Agency shall require the unconditional personal guarantee of all shareholders with an interest of 20% or more in a corporate borrower, the personal guarantees of all members of an LLC borrower, or the personal guarantees of all owners of the company. Personal guarantees may be required to be further secured with appropriate assets of the individual guarantors.

2. Value of Collateral: The Putnam Redevelopment Agency shall require verifiable documentation of the value of all proposed collateral. Asset value shall be calculated based upon up to 75-80% of the appraised value of real estate, up to 90-95% of the documented acquisition cost of equipment, if new, or 70-75% if used and appraised at values corresponding with their remaining life expectancy; or good and sufficient value reasonably expected to be recovered upon auction or forced sale given the age, condition and market for such assets.

3. Provision of Information: Loan applicants shall be required to provide sufficient information at the time of application to allow the Agency to evaluate proposed collateral and confirm legal title, including the following:

For all loans: name and address of all collateral lien holders, current lien balance and monthly payment on all liens, rate of interest and maturity date on all liens, amount and maturity date of any balloon payments due on any liens, year acquired, original cost, current market value (the Putnam Redevelopment Agency may require an independent appraisal verifying such value).

For real estate: address, photograph(s) of property, description of present condition, description of any improvements to be made with loan proceeds or otherwise planned by the property owner(s), copy of deed(s), full title search on real property to be acquired with loan proceeds and on any real property to be used as collateral in the case of loans exceeding \$35,000, or a title up-date from current owner's date of acquisition for any real property to be used as collateral in the case of loans at or below \$35,000.

For personal property, including equipment: manufacturer or make, model, year of manufacture, serial number or other identifying information, description of present condition, and copies of any UCC Statement filed or recorded in any jurisdiction with respect to proposed collateral.

Reporting: Borrowers shall be required to notify the Putnam Redevelopment Agency of any change in the condition of or availability of any pledged collateral within 30 days of change, including the filing or recording of any UCC Statement.

4. Lien Positions: Agency loans shall be secured by a lien position on project collateral acquired with loan proceeds; such liens shall be at the highest level of priority which can be established within the borrower's ability to raise debt and equity capital for the project. The Putnam Redevelopment Agency may subordinate its security interest up to a third lien position on project collateral to commercial lenders providing project funding, provided that security interests in secondary non-project collateral have been established to recover loan value.

5. Recording of Security Interests: The Putnam Redevelopment Agency shall require the recording of security interests in all collateral offered to secure the loan, including deeds and UCC Statements. In those instances where there is insufficient fixed asset project collateral to secure the loan, the Putnam Redevelopment Agency shall require the recording of security interests in secondary non-project collateral available to cover the value of the loan, including other business assets of the borrower, inventory, receivables, patents and copyrights, leasehold improvements, assignment of leases & life insurance, corporate guarantees, investment instruments, and real estate.



Town of Killingly

Memorandum Community Development Office

TO: Carly DeLuca, Director of Economic and Community Development
Town of Putnam

FROM: Mary E. Bromm, ^{ms}Community Development Administrator
Town of Killingly

DATE: May 1, 2023

RE: Monthly Report – Small Cities CDBG (FY2020)

The Town of Killingly Community Development Office submits the following as a comprehensive update of contract activities to date.

The program has nearly \$175,000 of the construction funding in the grant committed to projects.

Projects

PI11 – Phase II of this project is complete. The project completed lead hazard control, repair porch, install porch windows, electrical, and painting.

PI13- Phase II of this project is complete. Work includes lead hazard control, electrical, garage door replacement, entry door replacement, electrical work.

PI14 – Phase II of this project is complete. Work included lead hazard control, removal of a tree, porch footing installation, garage door trim replacement.

20-01 – Two family being used as a one-family – The project has been requalified. The project is on-hold and will be the final project completed under this grant.

20-02 – Single family property. Project has been placed under contract. The project is approximately 50% complete. The project will replace the roof and gutters, stain the house, install a new door and replace smoke/co2 detectors. Due to weather, the balance of the project will be completed in spring 2023.

20-03 – Single family property. The owner has requested her project to be placed on hold until further notice.

20-04 – Single family property. Based on contractor feedback, the project scope could not be completed as specified and bid. Work specifications have been revised and will be reviewed with the property owner and bid in May.

20-05 – Single family property. The project is 100% complete. The project replaced a sump pump, installed windows, replaced the oil tank, sealed the foundation, and completed chimney repairs.

20-06 – Single family property. The project is 100% complete. The project replaced the heating system and bulkhead/stairs to the basement and lined the chimney. A second phase of the project will be needed to replace the sewer pipe – tree roots have grown into the line and is backing up the system. Bidding for Phase II is expected this summer.

20-07 – Two family property used as a single family. Income qualified as a single unit with environmental review started. The project has been inspected in April with specifications approved by the homeowner. Emergency work (roofing and well) will be bid in early May.

20-08 – Single family property. Phase I was completed in January. Work included removal/replacement of solar panels, roof and gutter replacement. The program will rebid the lead hazard control work per owner request in May.

20-09 – Three-family property. Additional information has been requested from 2 of 3 households before the application review can be completed.

20-10 – Single family property. The owner has been qualified and was inspected in April. Additional discussions with the property owner are needed before a work scope can be determined.

20-11 – Single family property. Contracts were executed on April 11th for Phase I work – replacement of heating/hot water. The lead report has been received and Phase II work specifications (window replacement/lead hazard control) is currently being completed. Bidding for Phase II is expected in May.

20-12 – Single family property. Additional information has been requested from the owner before the application review can be completed.

20-13 – Two family property. No action taken to date.

If you require additional information regarding this matter, do not hesitate to contact me at 860-779-5355.