

PAD SPECIAL MEETING MINUTES
September 29, 2021

PRESENT: Hon. Gerald M. Antunes, BoA; Anna Festa, BoA; Kathleen Krolak, Economic Development; William Long, City Plan; Evan Trachten, LCI; Clay Williams, Business Development

Absent: Maurine Villani, Tax Office.

Meeting called to order at 3:08 PM

A motion to approve the PAD minutes from July 21, 2021 was made by Alder Antunes, seconded by Clay Williams, minutes approved (William Long abstained, Kathleen Krolak abstained).

New Business

346 Grand Avenue

Evan explained the City is proposing to acquire this three family property from the Fair Haven Health Clinic (FHHC) for up to \$285,000.00. The City will rehabilitate this this property as a two family owner occupied property with a 20 year occupancy requirement. Evan told the committee that the City owns 342 Grand Avenue. We are proposing to acquire two adjacent properties at 346 Grand Avenue and 350 Grand Avenue. Evan described this as a package deal. All properties will be developed as two family owner occupied properties. The City has been working on this plan with the FHHC for several months. The appraised value of 346 Grand Avenue is \$230,000, Evan noted that as a package deal the City is under paying for the property at 350 Grand so if this deal is approved the City will have \$165,000 in equity because the property at 350 Grand is valued at \$375,000 and we are proposing to acquire it for \$155,000.

Alder Antunes asked about the parking. Evan explained that 342 Grand Avenue has a driveway. There is also an access alleyway to access 346 and 350 Grand Avenue. 350 Grand Avenue also could be accessed via 352 Grand Avenue which is owned by the FHHC. Alder Antunes asked about an easement for parking. The City would create the easement. The homeowners would be required to maintain the easement area, it would not fall upon the City.

Evan explained the math about the appraised values and the purchase price: The purchase price for both properties is \$440,000 and the appraised value is \$605,000, that leaves \$165,000 in equity. Alder Festa asked about the cost to renovate and the future sales prices. Evan explained that the City has the funding to acquire the property, and we have revolving funding to rehabilitate the properties. We are not a for profit company. The City sees a community benefit to stabilizing the area with long term homeownership. The Clinic intends to develop a new health center at the James street end of the block. Alder Festa asked why we would reduce the occupancy to two units? Evan noted creating an owner duplex lends itself to a long term occupant because it creates a larger space compared to a 2-bedroom apartment on each floor.

Alder Festa noted this is not a money making project and City staff needs to be clear about that fact. The City will spend money on the acquisition and renovations, and will then sell the properties for less than we spent. Alder Festa the City will be spending money to achieve the community benefit. Alder Festa asked what happens if a buyer sells one of these properties prior to the 20-year requirement. Evan told the committee the remainder of the occupancy period must be satisfied by the next owner.

A motion was made by Clay Williams to approve the proposal seconded by Alder Antunes, Approved unanimously.

350 Grand Avenue

Evan told the committee that this proposal is to acquire an office building from Fair haven Health Clinic (FHHC) for \$155,000. The property was appraised at \$375,000. The property is proposed to be converted to two units. There will be a 20-year occupancy requirement. Clay asked why FHHC is giving the City the property below market value. Evan told the committee that FHHC wants us to be their partner. FHHC has a level of trust and comfort with the City and they have seen our recent work developing properties. Alder Festa asked if we know how much FHHC paid for this property. Evan told the committee that we are basically paying off their mortgage and getting a great deal. Alder Festa also asked if FHHC is looking for something in return for giving us a great deal. Evan told the committee that this deal has nothing to do with any future commitments from the City towards FHHC's future development.

Alder Festa asked if the rental units were affordable. Evan told the committee the funding for development would impact the affordability of the rental units. The full details of the project are still unfolding.

A motion was made by Clay Williams to approve the proposal seconded by Alder Antunes , Approved unanimously

PAD Guidelines

Evan would like to continue discussing the guidelines. Evan has been working with our lawyers to revise the Guidelines. Evan plans to make this an action item in the future. There will not be major changes. Staff should look to update the Guidelines every 5 years according to language within the document.

A motion to adjourn was made by Alder Antunes, seconded by Clay Williams, all were in favor.

Meeting Adjourned 3:36 P.M.