



MINUTES

PROJECT DEVELOPMENT COMMITTEE MEETING

Wednesday, January 20, 2021 – 10:00 AM

Zoom Video/Teleconference Call

Dulles State Office Building

Watertown, New York

The Development Authority of the North Country Project Development Committee met in regular session via Zoom Video/Teleconference Call, Watertown, New York on Thursday, January 20, 2021 at 10:00 am.

Committee Members - Present

Alex MacKinnon, Chairman
Thomas Hefferon
James Hollenbeck
Margaret Murray
Gary Turck

Committee Members - Absent

Steve Hunt

Other Board Members Present

Frederick Carter

Staff Present:

Carl Farone, Executive Director
Michelle Capone, Director, Regional Development Division
Angela Marra, Executive Assistant

Guests:

1. Chairman MacKinnon called the meeting to order at 10:01 AM.
2. Roll call – Quorum established
3. Resolution No. 2021-01-XX, modifying the Rider to the Regulatory Agreement with 51-53 Market Street, L.P., to maintain 3 units at 60% of area median income and make 3 units available at market rate effective January 1, 2021 to address changes in the housing market conditions and further authorize the Executive Director or Chief Financial Officer to execute all documents necessary.

Upon a motion by J. Hollenbeck, and seconded by M. Murray, Resolution No. 2021-01-XX, Approving Community Development Loan Fund, 51-53 Market Street, L.P., Modification to Rider to Regulatory Agreement, was unanimously recommended to the Board for approval.

4. Resolution No. 2021-01-XX, modifying the Rider to the Regulatory Agreement with 55-57 Market Street, L.P., to maintain 4 units at 60% of area median income and make 3 units available at market rate effective January 1, 2021 to address changes in the housing market conditions and further authorize the Executive Director or Chief Financial Officer to execute all documents necessary.

Upon a motion by J. Hollenbeck, and seconded by G. Turck, Resolution No. 2021-01-XX, Approving Community Development Loan Fund, 55-57 Market Street, L.P., Modification to Rider to Regulatory Agreement, was unanimously recommended to the Board for approval.

5. Resolution No. 2021-01-XX, approving the assumption of the loan and regulatory agreement of 51-53 Market Street, L.P. by Scott and Lynzie Schulte, or their new company to be formed, at the terms and conditions attached to the resolution, and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary.

Upon a motion by G. Turck, and seconded by M. Murray, Resolution No. 2021-01-XX, Approving Community Development Loan Fund, 51-53 Market Street, L.P., Assumption of Loan and Regulatory Agreement, was unanimously recommended to the Board for approval.

A MacKinnon asked if there was an obvious reason the pilot was not being extended. M. Capone responded that with recent changes to the Board, the town does not seem to want to extend it.

6. Resolution No. 2021-01-XX, approving the assumption of the regulatory agreement of 55-57 Market Street, L.P. by Scott and Lynzie Schulte, or their new company to be formed, at the terms and conditions attached to the resolution, and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary.

Upon a motion by J. Hollenbeck, and seconded by M. Murray, Resolution No. 2021-01-XX, Approving Community Development Loan Fund, 55-57 Market Street, L.P., Assumption of Regulatory Agreement, was unanimously recommended to the Board for approval.

7. Resolution No. 2021-01-XX, approving the loan modification for Lewis County Development Corporation for an additional twelve months beginning April 1, 2021 and ending March 1, 2022, and further authorizes the Director of Regional Development to execute all necessary documentation.

Upon a motion by G. Turck, and seconded by J. Hollenbeck, Resolution No. 2021-01-XX, Approving Community Development Loan Fund, Lewis County Development Corporation, Loan Modification, was unanimously recommended to the Board for approval.

8. Resolution No. 2021-01-XX, authorizing interest only payments for 351 East Orvis LP beginning with the January 2021 payment and ending with the August 2021 payment and authorizes the Director of Regional Development to execute all necessary documents.

Upon a motion by J. Hollenbeck, and seconded by G. Turck, Resolution No. 2021-01-XX, Authorizing Loan Modification, 351 East Orvis L.P, was unanimously recommended to the Board for approval.

A MacKinnon asked about the date on the attached interest only extension that was attached to the resolution. He stated that an additional 8 months should read August 2021, not 2020. M. Capone concurred and will correct prior to processing.

9. Resolution No. 2021-01-XX, approving three months of interest-only payments for Trailhead Resort LLC beginning with the December 2020 payment and ending with the February 2021 payment, and further authorizes the Director of Regional Development to execute all necessary documentation.

Upon a motion by M. Murray, and seconded by G. Turck, Resolution No. 2021-01-XX, Approving Regional Tourism Transformational Community Revolving Loan Fund, Trailhead Resort, LLC, Loan Modification, was unanimously recommended to the Board for approval.

10. Resolution No. 2021-01-XX, authorizing the Executive Director or Chief Financial Officer to enter into a Technical Services Agreement with the Town of Gouverneur to complete one housing grant application to New York State.

M. Capone stated that notice of funding availability for CDBG came out last week.

Upon a motion by J. Hollenbeck, and seconded by M. Murray, Resolution No. 2021-01-XX, Authorizing Technical Services Agreement, Town of Gouverneur, was unanimously recommended to the Board for approval.

11. Resolution No. 2021-01-XX, authorizing the Executive Director or Chief Financial Officer to enter into a Technical Services Agreement with the Village of Massena to complete one housing grant application to New York State.

M. Capone commented that there is an application for Tupper Lake pending with NYS as well.

Upon a motion by M. Murray, and seconded by G. Turck, Resolution No. 2021-01-XX, Authorizing Technical Services Agreement, Village of Massena, was unanimously recommended to the Board for approval.

12. Resolution No. 2021-01-XX, delegating authority to modify loan repayments on all Authority housing and business loan programs to the Project Development Committee through June 21, 2021 and authorizes the Director of Regional Development to execute all documentation necessary to modify such loans.

Upon a motion by G. Turck, and seconded by J. Hollenbeck, Resolution No. 2021-01-XX, Delegating Temporary Authority, Loan Programs, COVID-19, Extension, was unanimously recommended to the Board for approval.

13. Housing Program Delivery and Administration

A MacKinnon had requested M. Capone draft a plan as to how the Authority would provide program delivery and grant administration to more projects in the region. M. Capone stated that St. Lawrence County released its Request for Statements of Interest to provide program delivery and grant administration for its housing and community development programs. It is due January 29.

A MacKinnon asked if the plan was emailed to the committee. M. Capone stated yes, it was sent in a second email on Friday.

M. Capone stated that our objective is to work with the municipalities to identify and apply for funding to improve or repurpose existing housing stock. This is part of our strategic plan that was reviewed by the Board a few years ago. M. Capone provided what has been done over the last nine (9) years with a list of the grants that the Authority has administered. She went on to explain what program delivery and grant administration means from an Authority perspective. Under grant administration we work with the municipality to make sure paperwork is completed properly and filed in a timely manner. When there is an audit completed after the funds are utilized the Authority makes sure everything is in place. The program delivery is the central part of any housing program where applicants are income qualified and there is more interaction between the Authority and the applicant. There is also a housing inspector who determines the scope of work for the project. The inspector also works with Authority staff to put together bid documents, works with the lead firm to do the lead risk assessments, do the bidding, identify the contractor and then work with the contractor and the home owner, inspect and then approve the final work that has been done. This is how each program we have provided is run.

M. Capone provided how each of the programs listed was run. Each program is a little different in how it is processed.

The next piece M. Capone broke out was the revenue. Depending on the grant applied for, it determines how much revenue can be requested. CDBG allows you to get the maximum amount

of revenue in both program delivery and administration. The HOME program includes the cost for lead based paint as part of that delivery. This task can't come to the Authority as we don't have trained staff so a proposal is released and a contractor identified to complete this task. Distance is another factor, such as with Tupper Lake. The further the travel distance, the higher the cost. M. Capone also made note that the Homebuyer programs are easier to do based on labor and time.

In looking at the CDBG, there were many 2016 grants and another staff member was added to complete the grant. The Town of Gouverneur CDBG is unique because the Authority is able to use the Gouverneur code enforcement officer to do the inspections, however we can't consider this for every program.

M. Capone reviewed the implementation strategy.

1. In order to look at taking on more projects and grants, we need to maximize utilization and increase efficiencies in use of Authority Regional Development staff and Administration staff. This work is not standard 8 hour days, some days may be more than others.

2. Look at areas like Gouverneur that have a code enforcement officer on staff to do the program delivery.

3. Hire a part time housing inspector. This position has been on the budget for 3 years but we need the grants to justify the position and provide back up for the solution.

4. Utilize engineering staff. We risk scheduling conflicts, and turnover can be an issue, but we will need to train people either way.

We phase projects so as not to overwhelm contractors. There is a lack of contractors possibly due to the negative stigma surrounding federal grants. With federal programs there are also issues with insurance requirements. We will also look into cross training Authority staff.

Typically rural preservation companies provide housing services. In St. Lawrence County this type of service would be provided by the North Country Housing Council (NCH), in Jefferson County it would be North Country Affordable Housing or Neighbors of Watertown, in Lewis County is Snowbelt Housing. There used to be many more of these organizations, but over time have gone by the wayside due to diverse funding. Fortunately the Authority has diversified housing under Regional Development because there are housing funds that are being used to pay salaries.

The best case scenario would be that the Authority is awarded all the grants. Work would be done in four phases with 20 projects being done in the 1st – 3rd phases with each taking roughly six months to complete, leaving 11 projects in the 4th phase in case there is additional work or extra projects. If we are to hire a housing inspector, in 2022 that position may be more of a ¾ time person to provide all projected hours.

Program delivery was shown grouped by area to take into consideration areas that have housing inspectors. This can be done, there is a plan in place that can be easily adjusted if necessary.

C. Faroné commented that this is a line of business the Authority has been in. This is not a money maker for the Authority, but as the housing stock declines, rolls need to be filled. It would be great if housing organizations were able to stay in business and we take the overflow. We will do the tasks we are qualified to do. We would like to work with the housing organizations, not put them out of business.

A. MacKinnon said a presentation like this would be difficult for the housing council to provide because they don't have the staff to do something like that. St. Lawrence County sees small

activity in this, but the fixed cost of having this are there. This became difficult when looking at the administrative portions of these grants to pay these costs. With the physical size of the Development Authority along with the expertise in a wide variety of areas already there and would not have to be developed. This would be cleaner, more streamlined, more of a benefit to low income families in St. Lawrence County. A. MacKinnon further stated this was a good presentation and he hopes that St. Lawrence County will view it favorably. The first thing that needs to be looked at is the delivery of these programs in an effective, clear, and successful manner and should be of the 1st priority. He asked if this would be submitted by the end of the week to St. Lawrence County. M. Capone responded it will be overnighted at the consensus of the committee as it is due by the 29th by hard mail.

M. Capone stated there will not be a resolution for this discussion at the Board level. She can update the Board by saying the committee had this discussion, and if we were recognized by St. Lawrence County to do some of the work, there will be individual technical services agreements to be approved. A. MacKinnon felt it important to bring the Board up to date without there being an extensive presentation.

14. Bridge Financing Opportunities

M. Capone stated that there was resilience money provided by the governor two years ago for the communities along the St Lawrence River and Lake Ontario due to the flooding. This funding provided many grants to businesses, which also has to be matched by municipal money. In talking with both the St. Lawrence County IDA and Steve Hunt, they are trying to come up with a way to get funding resources to these communities, and have determined to utilize tourism funds. There is no resolution needed at this time, and we look forward to doing our best to assist these businesses along the coastline.

Upon a motion by M. Murray, and seconded by J. Hollenbeck, the meeting was adjourned at 10:41 AM.

Respectfully submitted,



Alex MacKinnon
Chairman, Project Development Committee