

SOMERS HOUSING AUTHORITY
Somers, CT 06071

MINUTES OF THE REGULAR MEETING – June 19, 2008

1. Call to Order

Chairman DuPerre called the regular meeting of the Somers Housing Authority to order at 7:42 p.m. in the Woodcrest Community Room.

In Attendance

Commissioners: Brian DuPerre, Mary Lou Hastings

Executive Director: Tony Pellegrino

Ex Officio: Hon. David Pinney

Others in Attendance: Consultant James Welter, II, Real Estate Diagnostic, Inc., Marie DeMarco, DeMarco Management Company and Joan Jaquith, Recording Secretary.

2. Minutes Approved

Approval of the May 21, 2008 Regular Meeting minutes was tabled until the next meeting.

3. Old Business

3.1 Project Update

§ **Relocation:** Marie DeMarco (DeMarco Management Company) reported that she has met with the contractors to start working on the relocation plan. Mrs. DeMarco stated that they plan on using a “layered” approach to relocating the tenants rather than moving everyone at the same time. To avoid the circulation of misinformation, Mrs. DeMarco requested that dissemination of information about the details of the move be released by the relocation committee only.

Certificate of Occupancy is expected in August.

§ **Rent Increase:** After the closing, Mrs. DeMarco will review the budget after the closing to determine what the rent increase will need to be to cover expenses. Mrs. DeMarco will make a rent increase recommendation based on the budget. Rent increases will be uniform for all tenants. Rent adjustments will be made annually to reflect the cost of living.

§ **Insurance:** It has been verified that the liability insurance extends to the SHA, Inc. directors.

§ **Construction Site:** The contractors have requested that measures be taken to keep unauthorized people off and away from the construction site. No Trespassing signs will be installed around the area. The town will be asked to close the cemetery road/gravel pit gate and Tony Pellegrino will make sure the other gate is closed at the end of the construction day. The state troopers will be contacted to request increased surveillance of the construction area.

4. New Business

4.1 Sun America Closing

In preparation for the closing scheduled for June 25, 2008, the following five resolutions were presented for approval by the SHA:

HOUSING AUTHORITY OF THE TOWN OF SOMERS

1. RESOLUTION regarding loan to Woodcrest Elderly Housing Limited Partnership of Small Cities Grant, Rockville Bank AHP Funds and funds from Housing Authority of the Town of Somers and assignment and assumption of CHIF bridge loan.

...BE IT RESOLVED, that the Housing Authority is authorized to, and the executive director and each officer of the Housing Authority acting by, in the name of, and on behalf of the Housing Authority, is hereby individually authorized to enter into a NON-AMORTIZING loan of the Soft Funds in the total amount of ONE MILLION FOUR HUNDRED THIRTY THOUSAND FIVE HUNDRED FIFTY FOUR DOLLARS (\$1,430,554,00) for a term of FORTY (40) YEARS at a yearly interest of 1 percent (1%) and upon such other terms as said executive director or officer of the Housing Authority acting by, in the name of, and on behalf of the Housing Authority deems necessary or desirable in order to accomplish the construction and re-construction or rehabilitation of the housing on the Property, all of which terms shall be incorporated into a firm commitment for funding to be issued as soon as practicable to Woodcrest LP.

BE IT FURTHER RESOLVED, that the Housing Authority hereby approves the assignment and assumption of the CHIF Bridge Loan to Woodcrest LP and the Housing Authority is authorized to, and the executive director and each officer of the Housing Authority acting by, in the name of, and on behalf of the Housing Authority, is hereby individually authorized, to enter into and execute an assignment and assumption agreement between the Connecticut Housing Investment Fund, Inc, the Housing Authority, and Woodcrest LP and any other documents deemed necessary or desirable by said executive director or officer in order to accomplish the assignment and assumption of the CHIF Loan to Woodcrest LP.

HOUSING AUTHORITY OF THE TOWN OF SOMERS

2. RESOLUTION regarding increase in guaranty and modification of mortgage obligations relating to modification of construction note and construction mortgage from Woodcrest Elderly Limited Partnership to Rockville Bank.

...BE IT RESOLVED, that the Housing Authority is authorized to, and the executive director and each officer of the Housing Authority acting by, in the name of, and on behalf of the Housing Authority, is hereby individually authorized to enter into a modification reflecting the increase of the Guaranty and Guaranty Mortgage to Rockville Bank construction mortgage to increase the amount of the guaranty mortgage from TWO MILLION DOLLARS (\$2,000,000.00) to FOUR MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$4,750,000.00) or such other amount as said executive director or officer deems necessary in order to accomplish the construction and reconstruction or rehabilitation of the housing on the Property,

NOW FURTHER BE IT RESOLVED, that the Housing Authority is further authorized to, and the executive director and each officer of the Housing Authority acting by, in the name of, and on behalf of the Housing Authority, is hereby authorized to take such additional action or execute

such additional documents as they deem necessary to facilitate the modifications contemplated herein.

SOMERS HOUSING MANAGEMENT, INC.

3. RESOLUTION regarding increase in modification of construction note and construction mortgage by way of a modification of note and construction mortgage.

...BE IT RESOLVED, that SHM, Inc. is authorized to, and the President and each officer of SHA, Inc. acting by, in the name of, and on behalf of the SHA, Inc., is hereby individually authorized to enter into a modification of the Construction Note and the Construction Mortgage to increase the amount of the Construction Note and Construction Mortgage from TWO MILLION DOLLARS (\$2,000,000.00) to FOUR MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$4,750,000.00) or to such other amount as said President or officer acting by, in the name of and on behalf of SHM, Inc. deems necessary in order to accomplish the construction and re-construction or rehabilitation of the housing on the Property and to approve, enter into, execute, and deliver such documents, instruments, certificates, agreements, notes, mortgages, modifications, or guaranties that are related to the modification of the Construction Note and Construction Mortgage or as said President or officer acting by, in the name of and on behalf of CHM, Inc. deems necessary or desirable in connection with the construction of the Project.

SOMERS HOUSING AUTHORITY, INC.

4. RESOLUTION regarding increase in construction note and construction mortgage by way of a modification of note and construction mortgage.

...BE IT RESOLVED, that SHA, Inc is authorized to, and the President and each officer of SHA, Inc. acting by, in the name of, and on behalf of the SHA, Inc., is hereby individually authorized to enter into a modification of the Construction Note and the Construction Mortgage to increase the amount of the Construction Note and Construction Mortgage from TWO MILLION DOLLARS (\$2,000,000.00) to FOUR MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$4,750,000.00) or to such other amount as said President or officer acting by, in the name of and on behalf of SHA, Inc. deems necessary in order to accomplish the construction and re-construction or rehabilitation of the housing on the Property and to approve, enter into, execute, and deliver such documents, instruments, certificates, agreements, notes, mortgages, modifications, or guaranties that are related to the modification of the Construction Note and Construction Mortgage or said President or officer acting by, in the name of and on behalf of SHA, Inc. deems necessary or desirable in connection with the construction of the Project.

SOMERS HOUSING AUTHORITY

5. RESOLVED: *that the Housing Authority of the Town of Somers is hereby committed to providing at least \$330,554 in funds from its reserves to support the Woodcrest Elderly Housing development, such funds to be provided as a non-amortizing, non-interest-bearing loan from the Authority to the Woodcrest Elderly Housing Limited Partnership for a term of 40 years.*

Prior to voting on the resolutions presented, Lois Matczak was contacted by telephone and was put on speakerphone so that she could hear the presentation and participate in the vote.

Mary Lou Hastings MOTIONED to accept the five resolutions regarding funding sources for the Somers Housing Authority and the two incorporations as presented. Lois Matczak SECONDED

the motion. MOTION PASSED

4.2 Site Manager Position (discussion of roles & responsibilities)
Tabled until the next meeting.

4.3 Somers Housing Management, Inc. – Update
Legal entities involving SHA, Inc. have been changed.

5. Executive Director Report

Mr. Pellegrino will monitor the construction site gate to make sure it is closed at the end of the construction day.

A SHA Special Meeting is scheduled for Wednesday, June 25, 2008 at 7:30 p.m. in the Woodcrest Community Room.

6. Correspondence – No correspondence was reported.

7. Adjournment

Mary Lou Hastings MOTIONED to adjourn the meeting at 8:11 p.m. The motion was SECONDED by Brian DuPerre. MOTION PASSED

Respectfully Submitted,

Tony Pellegrino
Executive Director

Joan Jaquith
Recording Secretary

These minutes are not official until approved at a subsequent meeting.