



**MINUTES OF THE 6/25/13 BOARD OF DIRECTORS MEETING
LOYOLA DEVELOPMENT CORPORATION
Loyola Office, 83 Bank Street, 2nd floor, Waterbury, CT**

Board Present: Leonard Mecca, President/Chairperson, Gary O'Connor, Secretary, John P. Vaz, Treasurer, William J. Summa Jr., William Campion, Susan Torres

Staff Present: Nancy MacMillan, Executive Director

1. *Call to Order:*

Chairperson Mecca called the meeting to order at approximately 6:30 PM.

2. *Approval of Minutes from the February 12, 2013 Board of Director's Meeting:*

MOTION: To approve the 2/12/13 meeting minutes (Summa, Vaz) So voted unanimously.

3. *Treasurer's and Accountant Financial Report and Fiscal Year 2014 Plan:*

Mr. Vaz indicated that we have reviewed the book keeping and corporate financials and we asked our accountant, Mr. Marena, to review all of our accounts in order to get an accurate reading on our finances to date. Our financial audit has been completed and our financial statements and Form 990 Tax Returns are available for Boards review, upon request.

Mr. Marena reported that he has reviewed the grant accounting, project related transactions, cash accounts, project expenses etc. We had prepared a list of South Main East Liberty Apt. expenses which were provided to our joint venture partner, Carabetta Companies, so that their accounting firm could determine what expenses paid out by Loyola, and attributed to the project, may be reimbursed to Loyola.

Mr. Vaz had reported that the past month, he had contributed \$2,000 to Loyola Development Corp. in order to make payroll. It was discussed amongst the Board that this contribution would be in a form of a loan. A Resolution to the Board to borrow \$2,000 from Mr. Vaz will be drafted for the Board to approve at the next meeting.

The Treasurer and President of the Board, Len Mecca, had discussed the funding allocated in the CDBG funds to Loyola. A lengthy discussion of the Housing rehabilitation Program was conducted since we are in the midst of kicking off that program and will potentially look to hire a program manager or part time assistant to administer that program. A spreadsheet with all of the CDBG funds was compiled for future use and discussion as to money possibly available for administration and the hire of a part time program manager. See enclosed two page spreadsheet.

MOTION: To approve await Treasurer's Report (Mecca, O'Connor). So voted unanimously.



4. *Executive Director's Report:*

Project Update:

South Main and East Liberty Apartments

1. Environmental status: LDC met with EnviroMed Services (EMS) to discuss their past performance in presenting proposals to LDC as well as their reporting and billing. As per our hire of a third party consultant (LBG), it was disclosed that proposals were inconsistent with reporting; reporting was not completed properly; and billing was not coinciding with work required nor performed. Members of the LDC Board and the ED met with EMS to explain our position in that we had to hire a third party environmental consultant to review the work and we had to pay the consultant to not only do the review but recreate a Soil Management Plan (SMP) that was more cost effective and in-line with what was required on the site. This cost and energy exceeded what we currently owe EMS for their poor services hence, we told EMS that we have completed our agreement(s) with them and LDC no longer needs their services and no longer owes them a fee for services. We have not had a response from EMS since that meeting in May.
2. Standard Demolition: LDC met with Standard Dem to discuss the environmental review and the new SMP that LBG had recommended. The cost savings could be on excess of \$100,000 by changing this plan due to the amounts of soil that will not be excavated from the site. The project manager from Standard Demo was the only attendee on their side. He basically listened to our information and said he would get back to us regarding their contract which we terminated due to change in plan. The pre-development phase of the work had been completed and they were no longer needed. We did finally get a response from them last week of July and they are expecting us to pay fees associated with idle equipment and loss of profit/overhead.
3. Carabetta: Since LDC and Carabetta are joint venture partners in the development of the South Main East Liberty Apartments, and since Carabetta has extensive experience in development and property management, they will be assuming lead role in the development and will be guarantor in terms of financing responsibilities. They will be doing the primary auditing and reporting for the development as well.
4. Financing status: We were awarded a LIHTC allocation in April this year and anticipate closing on the financing with CHFA by end of August. Sterling Financial was selected as the syndicator. M&T Bank was selected as the construction lender. WDC is still contributing to the project with their EDI funds. We have approximately \$200,000 remaining balance in the EDI funds which will go towards the construction and site work of the site. DECD had provided LDC with a predevelopment loan of approximately \$250,000, almost all of which has been drawn down. Since we are no longer using DECD for permanent financing, we will need to pay DECD back the predevelopment loan since it is no longer a forgivable loan. We will prepare a HOME Rental Program funding application to DECD for \$850,000 which will be completed in the beginning of August. A resolution to submit this application will be submitted to the Board at the next meeting for their approval.
5. St Vincent DePaul: LDC has requested two easements from SVD in order to construct our SMEL project. The first easement is temporary so that machinery and equipment can trespass on their site without their being an issue during construction. The second easement is a permanent easement which allows LDC to design our building with adequate windows which



overlook the SVD property. Draft easement documents were sent to the ED of SVD but we have not yet received a call or response.

6. Closing/Construction Start: LDC has a strong sense of urgency to close on the financing by end of August and to start construction in the month of September.

Rehabilitation Program

1. Contract between Owner and Contractor: Yamin and Grant has completed the contract between the owner and the contractor and LDC has had the document translated in to Spanish since many of the property owners in the south end are Spanish speaking. Loyola's ED had a meeting with the owner, contractor, the construction manager and WDC to discuss the guidelines of the program and to give each party a copy of the contract and outline of the program guidelines. The bid for this project was awarded to FV Construction LLC. Loyola has selected another attorney, Tim Sullivan, to draft the closing documents and prepare for closing which is projected for Aug 8, 2013. The first project, 52 – 54 E Dover Street will begin in August. The next project to go to closing is 42 Bond Street.

Funding Sources Update

1. CHFA – LIHTC Allocation was awarded; Carabetta sent CHFA check to cover their fee. Closing is pending. Carabetta to follow up on this.
2. DECD – Pre-Development Funds expended. Plan to pay back loan pending.
3. EDI – Balance for construction approximately \$200,000.
4. CDBG – Last year's funding pending execution of contract. Waiting to get WDC to get contract signed by Corporate Counsel.
5. LISC – Office Visit was successful and now Loyola needs to get draft copies of employee manual approved by the Board; and have an accounting manual drafted as well as a procurement policy manual drafted. The employee manual is drafted will be submitted at the next meeting.
6. CCF – Final Report submitted to John Long at CCF and our funding requirements are satisfied.
7. NVDC – Request for Funds submitted; Partial funds received; Future funds pending.

Political Update

1. Mayor's Office – Updated. LDC ED Nancy MacMillan met with the Mayor's office and ED of WDC to discuss the Home Funding for SMEL as well as update them on the project progress. Nancy expressed the importance of WDC's role in that we need the new Home application released so that our consultant could complete it and submit it for funding. This application will be completed and submitted ASAP. WDC's underwriting and approval of our application is critical to getting to closing with CHFA. The Home Funds were included in our tax credit application to CHFA and will be an intricate part of the budget. We hope to get approval by WDC in August to close by end of August. This timing is supported by the Mayor's office.



2. State Representatives – State Representative Victor Cuevas is very supportive of LDC and our project. Nancy MacMillan has met with Victor on several occasions and we see great things to come from this relationship. We had also met with Victor Lopez from the Hispanic Coalition to discuss our potential partnership on a project in the South End.
3. WDC – Nancy has met several times with the new Executive Director at WDC and has updated him on the programs and progress of projects. The Housing Rehab Program is just getting started and we need the attention of the WDC staff to get the CDBG funds allocated to LDC for various reimbursable expenses.

Other

1. Re-Use Committee – Home Expo – Nancy MacMillan has worked diligently with the City of Waterbury and its Re-Use Committee in planning the first City of Waterbury Home Expo which was held on May 11, 2013. Nancy had facilitated a financial literacy workshop for teens and also maintained a booth at the expo. Loyola had a nice table with corporate table runner and Loyola green tablecloth. Raffles prizes consisting of a Loyola basket of goodies (house cookies, company logo fleece, company logo coffee mug, and company logo notebook) for those who signed up for the housing rehab program. House cookies with the Loyola logo were given to those who signed up to volunteer at our next volunteer day. Nancy talked with folks interested in what is happening in the South End and tried recruiting home owners for the housing rehab program.
2. Volunteer Day – The City of Waterbury sponsored an Earth Day clean up on April 27, 2013. Loyola Development Corp assisted in recruiting folks to participate in this clean up by organizing an activity to sweep South Main Street from St Anne’s Church to Washington Street. LDC had Loyola green t-shirts to all who volunteered. Refreshments and tickets for lunch were provided. The South End Neighborhood Association and other volunteers worked several hours sweeping the street. Nancy had organized the day by bringing the necessary cleaning tools, bags, etc. and helped pick up trash around the site soon to be developed with the South Main East Liberty Apts. (Liberty Commons.)
3. Bridge to Success Partnership – LDC will be participating with this organization to assist folks in understanding more about affordable housing and what’s being developed within the City. This is also a good networking opportunity for like-minded organizations who want to help children in the community.
4. CHDO updated – LDC ED had prepared a CHDO (Community and Housing Development Organization) application to DECD to update our status as a CHDO. The previous designation had expired in December 2012. As of May 2013 we are renewed as a CHDO for 2-3 years.
5. Staff Retirement Plan – Nancy had met with Pay Chex (our payroll providers) to discuss their 401k plans. They have a very simple yet comprehensive program that would be available to us at a little cost. Pay Chex would do all the reporting to the IRS and prepare monthly statements etc. for each employee on the program. This program would serve 1 to 6 employees for the same price. Details of the program were provided at the meeting for vote at the next meeting. If Loyola Development Corporation is to evolve into a larger organization, we need to consider the future for our employees. As per Nancy’s employment contract, she is due a review in June and also a retirement plan contribution in June. Any plan to go into effect would be retro-active to June 17, 2013 which is the 6 month



anniversary of her hire. This plan needs to be approved on July in order to get implemented by end of August. The payment will be deferred to September, in which time we should have closed on the financing with CHFA and receive some portion of the developers fee.

New Project Opportunities

1. S Main/W Liberty/Jewelry & Mill St – There are several vacant lots within the South End of the City that are under analysis for development. Our ED has spoken to the City about holding on to these lots until we have a better handle on a development plan. The Monroe Partnership has quickly analyzed the site as well and it seems physically feasible to develop the lots in question with multi-family rental housing with on-site and off-site parking. The Hispanic Coalition is very interested in occupying space within this potential development so they are on South Main Street to serve the South End residents. The building being considered would have ground floor commercial space to provide office space to the Hispanic Coalition as well as a community space for residents for senior programs etc. This is still very much in the planning stage.
2. 45 Bond Street – This property was briefly mentioned by one of the Board Members. Our Executive Director would like to meet with several architects who specialize in historic rehabilitation projects in order to analyze the feasibility of renovating this property and creating affordable housing. Nancy plans on meeting with architects before the end of the year to see what financing would be available for this project.

5. *Old Business/New Business/Next Meeting:*

Next meeting to be scheduled for Tuesday, July 30, 2013, at 6 pm.

6. *Adjournment:*

MOTION: To adjourn at 7:35 PM (Vaz, O'Connor) So voted unanimously.

Meeting notes were prepared by Nancy MacMillan, LDC Executive Director on behalf of Gary O'Connor, LDC Board Secretary. Guest attendee and speaker at this meeting was Joseph Marena.