

**CRDA Housing Committee Meeting  
Friday, April 7, 2017 at 9:00AM**

**PRESENT:**

**Directors:** Hartford Development Services Director Sean Fitzpatrick -Chair; Board Chair Suzanne Hopgood; Commissioner Evonne Klein (telephone).

**Advisory Members:** Paul Canning – UBS (telephone); Kylie Gosselin – City of Hartford; and Nick Lundgren – DOH.

**Guests:** Peter Christian – H.B. Nitkin Group (9:15am-9:30am)

**Staff:** Michael Freimuth; Anthony Lazzaro, and Lauren Vaz.

The meeting was called to order at 9:09am by Committee Chair Fitzpatrick.

**1. Draft Minutes**

Minutes from the March 3, 2017 Housing Committee Meeting were approved.

**2. Project Status Report**

Capewell Lofts and Capitol Lofts are leasing up ahead of the pro-forma data.

***Projects in the pipeline: Radisson; 1279-1283 Main***

- Radisson Hotel: construction is progressing; currently about 3 months behind schedule.
- 1279-1283 Main: demolition was started; the project is stalled in value engineering.

**3. 81 Arch Street**

Mr. Christian reviewed the changes made to address the bank's LTV and debt coverage, and CRDA's loan repayment concerns that were based on cash flow projections. The changes include adjusting the type of debt used to finance the project, and increasing the number of 2 bedroom units.

***Previous CRDA Resolution:*** *The Board of Directors hereby approves the use of CRDA Housing funds to assist the developer, H.B. Nitkin (or such acceptable single purpose entity) to construct a mixed use housing-retail building, (also known as Front Street Phase IV) consisting of 54 market rate units (20 studio; 13 1-BR; 21 2BR) and approximately 11,000 sq. ft. of retail space at 81 Arch Street, Hartford and the Executive Director is authorized to extend a formal term sheet offering up to \$5.6 Million in assistance in the form of a loan at 1% for 30 years, amortizing principal and interest, subject to 1) all other funding being secured to meet a total development budget of \$20.34 Million; 2) State Bond Commission approvals; and 3) such fiduciary terms deemed appropriate by the Executive Director."*

After some discussion, the Committee voted to accept the following revised resolution (moved by Board Chair Hopgood, seconded by Commissioner Klein): *The Board of Directors hereby approves the use of CRDA Housing funds to assist the developer, H.B. Nitkin (or such acceptable single purpose entity) to construct a mixed use housing-retail building, (also known as Front Street Phase IV) consisting of 53 market rate units (16 studio; 14 1-BR; 23 2BR) and approximately 11,000 sq. ft. of retail space at 81 Arch*

*Street, Hartford and the Executive Director is authorized to extend a formal term sheet offering up to \$5.6 Million in assistance in the form of loan at 1% for 30 years or in the form of equity with no less than a 2% return on investment, sharing in waterfall cash through year 10 when a refinancing of the project is planned and the CRDA equity is repaid to the extent possible with no less than 50% of the cash from such refinancing that exists above the remaining principle balance of the first note; or in the event there is a sale of the asset, the CRDA equity is fully repaid; subject to 1) all other funding being secured to meet a total development budget of \$22.2 Million; 2) State Bond Commission approvals; and 3) such fiduciary terms deemed appropriate by the Executive Director.”*

#### **4. 101 & 111 Pearl Street**

Mr. Freimuth updated the Committee on the changes in the project since it was previously discussed. The unit mix changed to increase the number of 1 & 2 bedroom units, and add 3 bedroom units. The financing structure has also changed with a reduction in the Brownfield funding request. Dedicated parking is included.

##### **PREVIOUS CRDA PACKAGE:**

**101 Pearl:** *“The CRDA Board approves the use of State Bond allocation housing funds to assist the developer, Girona Ventures (or such acceptable single purpose entity) to construct 154 new units of housing at 101 Pearl Street Hartford and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$9.2 Million in assistance at 3% interest only during construction, converting to a permanent loan at certificate of occupancy at 3% interest plus 1% principal paydown per annum for 30 years, with 50% of net loan proceeds to pay down CRDA outstanding principal at year 10. In year 20, 50% of net loan proceeds from refinancing to pay off brownfield loan with residual of 50% of such proceeds to pay down CRDA principal outstanding. CRDA remaining balance to be paid off in year 30 and is subject to 1) State of Connecticut Bond Commission approval and; 2) all other sources of funds being secured; and 3) such fiduciary terms as deemed appropriate by the Executive Director and CRDA Counsel.”*

**111 Pearl:** *“The CRDA Board approves the use of State Bond allocation housing funds to assist the developer, Girona Ventures (or such acceptable single purpose entity) to construct 101 units of housing at 111 Pearl Street Hartford and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$6.06 Million in assistance at 3%, interest only, during construction, converting to a permanent loan at certificate of occupancy at 3% interest plus 1% principal paydown per annum for 30 years, with 50% of net loan proceeds to pay down CRDA outstanding principal at year 10. In year 20, 50% of net loan proceeds from refinancing to pay off brownfield loan with residual of 50% of such proceeds to pay off CRDA principal outstanding. CRDA loan remaining balance to be paid down in year 30. Further, CRDA Housing Committee approves the use of State Bond allocation housing funds to provide a bridge loan of \$2.835 Million to be available to finance construction at 3% interest only, and to be repaid from the proceeds of state historic credits. These allocations are subject to 1) State of Connecticut Bond Commission approval; 2) all other sources of funds being secured; and 3) such fiduciary terms and conditions as deemed appropriate by Executive Director and CRDA Counsel.”*

##### **NEW RESOLUTIONS:**

**101 Pearl:** After some discussion, and with a motion by Board Chair Hopgood, seconded by Commissioner Klein, the Committee voted to accept the following revised resolution: *The CRDA Board approves the use of State Bond allocation housing funds to assist the developer, Girona Ventures (or such acceptable single purpose entity) to construct 157 new units of housing at 101 Pearl Street Hartford and the Executive Director is authorized to extend a formal term sheet to the developer offering up to*

*\$9.42 Million in assistance at 3% interest only during construction, converting to a permanent loan at certificate of occupancy at 3% interest plus 1% principal paydown per annum for 30 years, with 50% of net loan proceeds to pay down CRDA outstanding principal at year 10. In year 20, 50% of net loan proceeds from refinancing to pay off brownfield loan with residual of 50% of such proceeds to pay down CRDA principal outstanding. CRDA remaining balance to be paid off in year 30 and is subject to 1) State of Connecticut Bond Commission approval and; 2) all other sources of funds being secured; and 3) such fiduciary terms as deemed appropriate by the Executive Director and CRDA Counsel*

**111 Pearl:** After a motion by Board Chair Hopgood, seconded by Commissioner Klein, the Committee voted to accept the following revised resolution: *“The CRDA Board approves the use of State Bond allocation housing funds to assist the developer, Girona Ventures (or such acceptable single purpose entity) to construct 101 units of housing at 111 Pearl Street Hartford and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$6.06 Million in assistance at 3%, interest only, during construction, converting to a permanent loan at certificate of occupancy at 3% interest plus 1% principal paydown per annum for 30 years, with 50% of net loan proceeds to pay down CRDA outstanding principal at year 10. In year 20, 50% of net loan proceeds from refinancing to pay off brownfield loan with residual of 50% of such proceeds to pay off CRDA principal outstanding. CRDA loan remaining balance to be paid down in year 30 and is subject to 1) State of Connecticut Bond Commission approval; 2) all other sources of funds being secured; and 3) such fiduciary terms and conditions as deemed appropriate by Executive Director and CRDA Counsel.”* [Strikes \$2.835M historic bridge loan]

**5. Dutch Point**

CRDA received an inquiry about a possible refinancing a Dutch Point loan made through CCEDA. The original note was already reduced. More information is needed, and a meeting is scheduled with the DOH on 4/11/17.

**6. Adjourned at 10:11am.**

***“Minutes were approved at the Housing Committee Meeting on 5-5-17.”***