

Housing and Neighborhood Committee Conference Call
DRAFT Meeting Minutes
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Friday, October 4, 2019
9:00 a.m.

PRESENT:

Members Present: Suzanne Hopgood

Members Present via Phone: Joanne Berger Sweeney, Erik Johnson, Mayor Luke Bronin

Staff: Mike Freimuth, Kim Hart

Invited Guests: Matt Edvardsen (Spinnaker), Jane Davey (LAZ), Marty Kenny (Lexington Partners)

Minutes

The meeting was called to order by Chairman Johnson at 9:05 a.m. The minutes of the September 6, 2019 conference call were adopted on a voice vote.

Project Status Report

Mr. Freimuth provided updates on various housing projects, referencing the attached spreadsheets:

Pratt Street Initiative

Mr. Freimuth provided an overview of the proposed Pratt Street project. The project will be phased, with the initial work begun on Pratt and Trumbull Streets, followed by Temple Street and the Talcott Street Garage. The overall project is expected to cost over \$100 million, with the first phase estimated at \$30 million. CRDA has been asked to provide assistance for this first phase in the form of a \$5.5 million bridge loan and a \$6.5 million construction loan. Additional funding would likely be requested for future phases.

Committee members raised questions regarding the mechanics of the Historic Tax Credits and the bridge loan, as well as the proposed rental rates. Mr. Kinney noted that all of the units are market rate, but given their small size, the monthly rents will be very affordable. Chairman

Johnson asked the developer to look into the possibility of offering some of the units at workforce rates.

The following resolution was offered and adopted on a voice vote:

The Executive Director is authorized to make two loans to the Pratt Street Initiative Partnership (or such acceptable single purpose entity) for the purpose of converting 196 Trumbull and 99 Pratt into 129 units with retail, including a historic credit bridge loan of up to \$5.5 million at 2.75% interest and a construction/permanent mortgage of \$6.5 million based on cash flow but amortizing at 2.75%, 30 years with a 10 year term subject to 1) all financing being secured; 2) approval by the State of Connecticut Bond Commission and 3) such fiduciary terms as deemed appropriate by the Executive Director and CRDA counsel.

Park & Main

Mr. Freimuth provided an overview of the Park & Main project. An \$8.4 million construction loan has previously been approved by both the CRDA Board and State Bond Commission. Mr. Freimuth noted that project has changed slightly since the developer's original presentation to the Board, with the number of housing units increasing from 108 to 126, with some 20% of the units offered at workforce rate. Manufacture of the modular components will occur over the winter, with construction on site beginning next spring. The construction process will take approximately 9 months.

The following resolution was offered and adopted on a voice vote:

The Executive Director is authorized to make two loans to Spinnaker Real Estate Partners (or such acceptable single purpose entity) in the amount of \$6.4 million for residential development at 3%, 30-year amortization, 20-year term, with interest only during construction, amortizing principal and interest upon first year of occupancy and a second note in the amount of \$2 million, 3% interest only during construction, converting to 3% interest accruing for 20 years and payable upon stabilization for the properties known as 9, 11-17, 19-22, 23-29, 38 Park Street; 89-97, 99-105, 109, 111, 115, 131, 135 Main Street, 20 John Street, Hartford, Connecticut, upon such fiduciary terms as deemed appropriate by the Executive Director and CRDA counsel.

The next meeting / conference call of the Housing & Neighborhood Committee will be held on November 1, 2019.

There being no further business, the committee adjourned at 9:47. am.