

Housing and Neighborhood Committee Conference Call
DRAFT Meeting Minutes
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Monday, November 18, 2019
3:30 p.m.

PRESENT:

Members Present via Phone: Chairman Erik Johnson, Suzanne Hopgood, Joanne Berger Sweeney, Mayor Luke Bronin and Commissioner Seila Mosquero-Bruno

Staff: Mike Freimuth, Kim Hart

The meeting was called to order by Chairman Johnson at 3:30 p.m.

Temple Street Project

Mr. Freimuth provided a brief overview of the Temple Street project and explained the need for the Committee to take immediate action on a resolution.

In 2005, CRDA's predecessor, CCEDA, provided a subordinate \$5.4 million loan to a developer for the renovation of the former Sage Allen building on Main Street into 78 apartments and for the construction of 42 townhouses on Temple Street to be used as student housing. A 343-space parking garage and 12,200 sf of retail were also included in the project.

CHFA provided the primary mortgage financing for the project and that mortgage was recently sold and the buildings put into foreclosure. Mr. Freimuth explained that CRDA now has a number of options moving forward, including writing off the \$5.4 million note or purchasing of the property for \$46 million.

Mr. Freimuth recommended a third option to the Committee whereby the existing note would be converted into an equity interest in a new Temple Street project. LAZ, Lexington Partners and Shelbourne Global – the group developing the nearby Pratt Street project - have formed a new LLC that is currently in the process of purchasing these buildings. They would then secure the financing necessary to reconfigure the housing to make it more attractive to renters. An additional 8 apartments would be added to the mix and the 42 townhouses would be converted into 96 smaller units (together, a net increase of 62 units).

Mr. Freimuth noted that this would keep CRDA in the project and better positioned to protect its investment. He also noted that the new LLC has requested an additional \$3 million in CRDA funding to assist with the conversion.

Ms. Hopgood and Mayor Bronin both spoke in support of the conversion option. Commissioner Mosquero-Bruno indicated that while she supported the conversion at this time, she has concerns about putting additional CRDA funds into the project. Mr. Freimuth suggested that the proposed Committee resolution only deal with the equity conversion option and that the \$3 million funding request be tabled to a later date.

The following resolution was offered by Chairman Johnson and approved with the expectation that a more detailed resolution will be considered by the full Board pending legal review:

The Housing and Neighborhood Committee recommends that the full Board of Directors authorize the Executive Director to take such actions as necessary to protect the value of the existing 'CCEDA' note including releasing such note in exchange for an equity position of equal value within the new special purpose entity purchasing and improving the property known as 18 Temple."

There being no further business, the committee adjourned at 4:00 p.m.

The next meeting / conference call of the Housing & Neighborhood Committee will be held on
December 5, 2019.