Housing and Neighborhood Committee Conference Call
APPROVED Meeting Minutes

Thursday, September 10, 2020
2:00 p.m.

PRESENT:

Members Present via Zoom: Board Chair Suzanne Hopgood, Commissioner Seila Mosquero-Bruno and Joanne Berger Sweeney

Staff Present via Zoom: Mike Freimuth, Anthony Lazzaro and Kim Hart

The meeting was called to order by Ms. Hopgood at 2:05 p.m. and the minutes of the August 4, 2020 meeting were approved on a voice vote.

Per the agenda, Mr. Freimuth reported that there were five CRDA-funded projects that had requested additional assistance in light of the COVID-19 pandemic. Since the meeting agenda was released, another loan has required modification and Mr. Freimuth requested that the Committee add it to the agenda. A motion to add the DoNo Housing project ("Parcel C") to the agenda was unanimously approved on a voice vote.

1) **Pratt Street Initiative – Phase I (99 Pratt / 196 Trumbull)**

   Mr. Freimuth reminded Committee members that, in October 2019, the CRDA Board approved $12m in loans for the conversion and restoration of 99 Pratt Street and 196 Trumbull Street into 129 units. Work on 196 Trumbull had begun prior to CRDA funding and since that time, final bank financing has been secured. CRDA funds will now be devoted solely to 99 Pratt, though both properties will secure the CRDA loan.

   After a brief discussion, Committee members approved the following resolution on a voice vote:

   Resolution: Loans approved for Pratt Street Phase 1 at 99 Pratt and 196 Trumbull for $12M are modified to now be a bridge loan of $3M and a permanent loan of $9M for the redevelopment of 99 Pratt with a 30 year amortization at 1% interest following stabilization with security for such loans collateralized by both 99 Pratt and 196 Trumbull Street, Hartford.

2) **Pratt Street Initiative – Phase II (Temple Street Project)**

Mr. Freimuth explained that Phase II of the Pratt Street Initiative will see the conversion / reconstruction of 42 former student "townhouses" on Temple Street into 88 conventional units. These units, plus one new unit in former Sage Allen building and 77 existing units, will be known as the "Sage Allen Apartments and Townhouses". He also noted that 10% of the units will be designated as affordable.

The property has been acquired and design completed. Total project costs are estimated at $32m and CRDA is being asked to provide a $2m loan.

After a brief discussion, Committee members approved the following resolution on a voice vote:

Resolution: The executive director is authorized to make a loan to the Pratt Street Initiative Partnership (or such acceptable single purpose entity) for the purpose of converting and modernizing the former Temple Street lofts and apartments located at 18 Temple Street into 166 units, an expansion of 47 new units reconfigured into 79 studios, 52 1BR, 23 2BR and 12 4BR with 10% of the units to be affordable with such loan not to exceed $2,000,000 with an interest rate of 2.75% beginning upon construction completion, but no later than one year; amortizing over 30 years and subordinate to the first mortgage 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.

3) **107-109 Wyllys Street**

Mr. Freimuth updated Committee members on the Wyllys Street project, for which $800k in funding was approved by the CRDA Board in August 2019. Construction of the three buildings began this spring but has been beset by geotechnical issues and COVID-related material expenses. The developer is looking for additional funding to cover $300k in new costs and Mr. Freimuth alerted members that a formal ask may be brought before the Board at its September meeting.

4) **28 High Street** – At its August meeting, the Committee approved three months of interest forbearance for the 28 High Street project to help address COVID-related delays and cost increases. Mr. Freimuth noted that, since that time, the primary lender on the project has extended its loan conversion date of the construction loan into a permanent loan and the owner, Constantinos Constantinou, has asked that CRDA do the same.

After a brief discussion, Committee members approved the following resolution on a voice vote:

Resolution: To extend the CRDA conversion date from construction to permanent financing from March 2020 to the new expected completion date of October 2020.

5) **101/111 Pearl Street** – At its August meeting, the Committee approved a series of loan modifications that would trigger increased equity to cover construction and COVID-related delays on the 101/111 Pearl Street project. The properties have been delinquent in interest payments and have now requested a deferral of such interest.

A question was raised as to the cost impact of such a deferral and the resolution presented to the Committee for consideration was amended to include these amounts. After a brief discussion, Committee members approved the following resolution on a voice vote:

Resolution: The executive director is authorized to defer interest payments through Aug. 1, 2020 for 101 Pearl (an amount of approximately $126k) and add such charge to the principle balance while all interest owed through Aug. 1, 2020 for 111 Pearl (an amount of approximately $81k) shall be brought current.

6) **DoNo Housing ("Parcel C")**

At its August 2018 meeting, the CRDA Board approved a loan of $11.8m for construction of 270 units of housing on Parcel C of the DoNo development. Mr. Freimuth reported that the project's primary lender is now requesting that CRDA increase the note from 10 years to 20 years. CRDA staff, however, are recommending 15 years. After a brief discussion in which no opposition was expressed, Mr. Freimuth indicated that the proposal will be brought before the Board for formal consideration.

There being no further business, the Committee adjourned at 2:33 p.m.

The next meeting / conference call of the Housing & Neighborhood Committee will be held on
October 2, 2020.