

Housing and Neighborhood Committee Conference Call
APPROVED Meeting Minutes
January 15, 2021
9:00 a.m.

PRESENT:

Members Present via GoToMeeting: Board Chair Suzanne Hopgood, Joanne Berger Sweeney and Mayor Luke Bronin

Staff Present via GoToMeeting: Mike Freimuth, Lauren Vaz and Kim Hart

The meeting was called to order by Ms. Hopgood at 9:03 a.m. and the minutes of the November 6, 2020 meeting were approved on a voice vote.

Mr. Freimuth updated the Committee on four projects:

1. **246-250 Lawrence Street** – Two six-family vacant structures were renovated by Aaron Gill of Wolverine Properties using bank financing, a \$521,000 CRDA loan and historic tax credits. Work has been completed and the units are now in lease up. The project, however, encountered significant construction and material delays due to COVID, as well as delays related to SHPO signoff on the historic work. Consequently, the developer has not completed the monetization of the historic credits in time to retire the \$225,000 historic credit bridge loan component of the CRDA assistance.

Mr. Gill has asked CRDA for a six-month extension of the term expiration of the historic bridge loan and has agreed to continue paying interest on the loan during the extension period. The permanent portion of the CRDA note (\$296,000) will remain as originally awarded.

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

RESOLUTION: *The executive director is authorized to modify the term of the historic credits bridge loan by extending its expiration/due date from January 4, 2021 to July 1, 2021.*

2. **213 Lawrence Street** – Mr. Freimuth noted that this three-story building has been vacant and a neighborhood blight for nearly a decade. In August 2020, the State Superior Court appointed Wolverine Properties as receiver, utilizing a new State statute dealing with blighted properties. Wolverine is now authorized to secure and renovate the property, in a priority position to other claims on the real estate with the exception of municipal liens.

Given the newness of the receivership statute, a conventional mortgage has been difficult to obtain and Mr. Gill has asked CRDA to fund a first mortgage in lieu of conventional financing, with the understanding that such mortgage would be protected by the court per the new statute. Mr. Freimuth noted that this approach could serve as a template for tackling blighted properties in the future.

Mr. Freimuth also suggested that funds returning to CRDA with the repayment of the \$225,000 historic credit bridge loan from the same developer for 246-250 Lawrence Street be used to cover a portion of the requested \$370,000 loan. The \$145,000 balance would come from CRDA Housing Recapitalized funds.

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

RESOLUTION: *The executive director is authorized to recommend to the Board that CRDA make a loan to A. Gill/Wolverine Properties or such acceptable single purpose entity in the amount of \$370,000 at 3%, amortizing over a 20-year term, subject to the repayment of the \$225,000 historic bridge loan made to 246-8/250-2 Lawrence and \$145,000 of available funds from the CRDA Housing Recapitalization fund; and such terms and fiduciary conditions as deemed necessary by the executive director and CRDA counsel.*

3. **Pratt Street Initiative** – Mr. Freimuth reminded Committee members that in October 2019 and September 2020, the CRDA Board authorized \$12 million in assistance for the 99 Pratt and 196 Trumbull project -- specifically, a \$3 million five-year loan at 1% interest only and a \$9 million ten-year loan at 1%. The project has faced considerable cost increases and the developer has asked CRDA to extend the initial ten-year term for the \$9 million note to 30 years and allow for an assignment of the mortgage balance to a future buyer in the event that proceeds from an earlier refinancing and a subsequent sale are insufficient to retire the balance of the note.

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

RESOLUTION: *The executive director is authorized to amend the loan terms of the \$9M loan to Pratt Street Phase 1 from a ten-year term to a 30-year term with an assignment clause for the unretired balance subject to the subsequent approval of CRDA.*

4. **103-21 Allyn Street** – This project includes 66 units and street-level retail in three historic buildings on Allyn Street. Mr. Freimuth noted that the project is currently 30% leased and that the mortgage lender is looking to restructure its deal with the developer. Given CRDA's funding role in the project, the Board is required to sign off on the restructuring. Details will be presented at an future meeting.

Other Business – Mr. Freimuth briefly walked Committee members through the project spreadsheet, noting that, overall, leasing levels are starting to increase after freezing during the early days of the COVID pandemic.

There being no further business, the Committee adjourned at 9:40 a.m.

The next conference call of the Housing & Neighborhood Committee is scheduled for February 5, 2021.