

Agenda

CRDA Housing & Neighborhood Committee Meeting

GoToMeeting

Friday, March 5, 2021

9:00 am

- Approval of Minutes of February 5, 2021 *
- NINA Hartford Heritage Homes Phase 2 – 80-82 Hawthorne Street *
- 55 Elm Street *
- 65 Elm Street
- DoNo Parcel B
- North Hartford Investment Fund
- Project Updates
- Next Meeting **April 9, 2021** (*moved due to Holiday*)
- Adjourn

CRDA Housing & Neighborhood Committee
Fri, Mar 5, 2021 9:00 AM - 10:00 AM (EST)

Please join my meeting from your computer, tablet or smartphone.

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DRAFT
Minutes
February 5, 2021

Housing and Neighborhood Committee Conference Call
DRAFT Meeting Minutes
February 5, 2021
9:00 a.m.

PRESENT:

Members Present via GoToMeeting: Board Chair Suzanne Hopgood, Housing Commissioner Seila Mosquero-Bruno and Mayor Luke Bronin

Staff Present via GoToMeeting: Mike Freimuth

The meeting was called to order by Ms. Hopgood at 9:02 a.m. and the minutes of the January 15, 2021 meeting were approved on a voice vote.

Ms. Hopgood reported on her tour of the NINA Heritage Homes project. She noted the quality of the new construction and that the units were selling. Ms. Hopgood also reported on her tour of the Park and Main modular construction project. Committee members discussed their experience with modular units and the balance between hiring trades/jobs on the project site versus the factory as something to understand relative to the economics and speed of the project.

88 Allyn Street Partnership

The Committee discussed the status of the 103-21 Allyn Street project, noting its difficulty in leasing up during COVID and the need to extend the previously granted forbearance of interest for another 6 months. Upon a motion by Commissioner Mosquero-Bruno, with a second by Mayor Bronin, the following resolution was approved:

Resolved: *the executive director is authorized to grant an additional six-month forbearance of interest through June 30, 2021 for 103-21 Allyn Street (aka 88 Allyn Partnership) to match that of Peoples Bank, the primary lender.*

Collection Rate Discussion

Mr. Freimuth reviewed the collection rate experience during COVID for 15 of 25 CRDA residential projects, as reported by CRDA finance staff. It was noted that evictions were minimal and rent collection was running between 70-100% depending on the property. Occupancies were holding for stabilized buildings, but some owners were offering incentives for lease renewals and were reducing or eliminating certain fees (e.g., amenity fees) in order to maintain occupancy levels.

There being no further business, the Committee adjourned at 9:30 a.m.

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

NINA

Hartford Heritage Homes

Phase 2

80-82 Hawthorne Street

80-82 Hawthorn Street
Heritage Homes

Whereas in May 2018, CRDA working with Northside Institutions Neighborhood Association (NINA) created and funded a \$2.5 million program designed to create new home ownership in the Asylum Hill neighborhood;

Whereas the State Bond Commission allocated the funds to CRDA for the program in June 2018;

Whereas the CRDA authorized the first \$450,000 to be used for six homes (8 units);

Whereas NINA has renovated two historic homes and constructed two new homes to date using \$250,000 from the Heritage Homes Program;

Whereas NINA has sold three of the homes to date with the fourth home actively being marketed;

Whereas NINA has successfully leveraged the Heritage Homes CRDA monies with support from national and Hartford based corporations;

Whereas NINA has now asked to draw the remaining \$200,000 as a grant to be used to write down the purchase price for two more row house units known as 80 and 82 Hawthorn Street;

Now therefore be it resolved, that the Executive Director, is authorized to enter into an assistance agreement with NINA for the remaining \$200,000 from the Heritage Homes Program initially allocated by the CRDA, for purposes of developing 80 and 82 Hawthorn Street as three bedroom row house units available for new home owners within the Asylum Hill neighborhood subject to all other sources of funds being secured and such fiduciary terms as deemed necessary and appropriate by CRDA and its counsel.

Development/Budget	80 Hawthorn Street, Hartford, CT 06105	82 Hawthorn Street, Hartford, CT 06105	Total
DEVELOPMENT BUDGET - USES:			
Former Use	parking lot	parking lot	0
Proposed Use (ft Units)	Single-Family (1)	Single-Family (1)	2
Square Footage (Finished)	1838	1838	3676
Current Property Status	Vacant Lot	Vacant Lot	
Acquisition Costs:			
Purchase price			
Acquisition Costs			
Construction Costs:			
Construction	289,500	289,500	579,000
Construction contingency @10%	30,000	30,000	60,000
Hard Costs and Hard Cost Contingency	329,500	329,500	659,000
Architectural/Engineering Costs:			
Energy Consultant	1,300	1,300	2,600
Architectural/Engineering/Survey	9,900	9,900	19,800
Environ/Archit/Engineer Costs	11,200	11,200	22,400
Carrying Costs:			
Construction period property taxes	1,200	1,200	2,400
Construction period insurance	1,500	1,500	3,000
Operating expenses	600	600	1,200
Total Carrying Costs	3,300	3,300	6,600
Financing Costs:			
Appraisal	150	150	300
LISC Origination Fee - @ 1.0%	1,725	1,725	3,450
CRDA Origination Fee - 1.0%	1,000	1,000	2,000
LISC Construction Interest - @ 5%	3,500	3,500	7,000
Draw Insurances	750	750	1,500
Title Insurance/Recording	830	830	1,660
Legal-LISC	3,225	3,225	6,450
Legal-CRDA	1,250	1,250	2,500
Cost Certification	1,000	1,000	2,000
Financing Costs	13,430	13,430	26,860
Marketing Costs:			
Real Estate Marketing	6,750	6,750	13,500
Conveyance Taxes	2,813	2,813	5,626
Legal - CUJI	500	500	1,000
Recording Fees	114	114	228
Marketing Costs	10,177	10,177	20,354
Subtotal Soft Costs	38,107	38,107	76,214
Developer Fee	45,500	45,500	91,000
TOTAL DEVELOPMENT COSTS	413,107	413,107	826,214

As-Complete Appraised Value	\$ 225,000	\$ 225,000	\$ 450,000
LISC Loan Amount	\$ 172,500	\$ 172,500	\$ 345,000
LISC LTV	76.87%	76.87%	76.87%

CONSTRUCTION SOURCES:	80 Hawthorn Street, Hartford, CT 06105	82 Hawthorn Street, Hartford, CT 06105	Total	Terms; Status
LISC Construction Loan	172,500	172,500	345,000	1st Mortgage - Pending
CRDA Grant	100,000	100,000	200,000	Subject
The Hartford Grant	40,000	40,000	80,000	Funded
Travelers/Montsen Grants	16,250	16,250	32,500	Funded
ConnecticutCare/CNS Grants	15,357	15,357	30,714	Funded
LISC Section 4 Grant	12,750	12,750	25,500	Committed
Defe. Bond Costs	55,677	55,677	111,354	Committed
NINA Equity	573	573	1,146	Committed
Total - Construction Sources	413,107	413,107	826,214	

PERMANENT SOURCES:	80 Hawthorn Street, Hartford, CT 06105	82 Hawthorn Street, Hartford, CT 06105	Total	Terms; Status
Sales Proceeds	225,000	225,000	450,000	Projected
CRDA Grant	100,000	100,000	200,000	Subject
The Hartford Grant	40,000	40,000	80,000	Funded
Travelers/Montsen Grants	16,250	16,250	32,500	Funded
ConnecticutCare/CNS Grants	15,357	15,357	30,714	Funded
LISC Section 4 Grant (2020)	12,750	12,750	25,500	Committed
CL&P Energy Rebate	3,750	3,750	7,500	Projected
Total - Permanent Sources	413,107	413,107	826,214	

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Homeownership Affordability Analysis

	80 Hawthorn	82 Hawthorn
Total Development Cost	413,107	413,107
Subsidy	188,107	188,107
Development cost less subsidy	\$225,000	\$225,000
Sales Price	\$225,000	\$225,000
Down payment (3.5%)	\$7,875	\$7,875
Sales price less down payment	\$217,125	\$217,125
ADD: FHA upfront Premium	\$3,800	\$3,800
1st Mortgage amount	\$220,925	\$220,925
2nd Mortgage amount (DAP)	\$15,375	\$15,375
Monthly:		
First Mortgage: P&I (2.625% over 30 yrs.)	\$887	\$887
Second Mortgage: P&I (2.625% over 30 yrs.)	\$62	\$62
Taxes	\$354	\$354
Hazard Insurance	\$48	\$48
FHA Mortgage Insurance	\$154	\$154
Total monthly PITI	\$1,505	\$1,505
Annual Income from rental units	N/A	N/A
Annual income required to meet 33% test for housing expenses	\$54,723	\$54,723
Local Area Median Income (revised 9/16/20)	\$97,400	\$97,400
% of Area Median Income	56%	56%
Assumptions		
- assumes an FHA insured mortgage with 33/43 qualifying ratios		
- 2.625% rate based on current CHFA rate (2/4/2021)		
- Second mortgage principal amount equal to down payment plus \$7,500 for closing costs		

HARTFORD HERITAGE HOMES II

An Asylum Hill Homeownership Initiative



The Townhomes at 80 & 82 Hawthorn Street

Developer:
NINA
Revitalizing Asylum Hill

Proposed Funder:
C·R·D·A
*Capital Region
Development Authority*

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Hartford Heritage Homes II

Two new gothic-style townhomes will be constructed on a vacant lot at **80 and 82 Hawthorn Street** in Hartford's Asylum Hill neighborhood as part of the second phase of a larger project known as Hartford Heritage Homes. The two new townhomes will mirror the recently completed homes located next door at 86 and 88 Hawthorn Street. The homes will feature a polychrome brick façade with projecting bays and gothic-style trim. On the inside, each townhome will contain three bedrooms, two and half baths and over 1,800 square feet of finished living space. The townhomes will be built on the eastern half of a vacant lot donated to NINA by Aetna. The lot is located at the corner of Hawthorn and South Marshall Street about three blocks west of the Aetna home office. Formerly, this site served as a satellite parking lot for Aetna employees.

The inspiration for the design of these new townhomes is the Gothic Revival structure located immediately to the northwest of the site. This 1855 home was built by John and Isabella Beecher Hooker and is one of the earliest and most historic homes still standing in Asylum Hill. It was Mark Twain's original Hartford residence before he built his iconic mansion on Farmington Avenue. As such, it can be considered the "First Mark Twain House" in Hartford.

80 and 82 Hawthorn Street are part of the homeownership development strategy of Northside Institutions Neighborhood Alliance ("NINA"), a nonprofit community development corporation whose mission is the revitalization of Hartford's Asylum Hill neighborhood. Over the last ten years, NINA has built or rehabilitated over twenty homes for sale in Asylum Hill including four homes as part of the first phase of Hartford Heritage Homes. Of the four homes that comprise Hartford Heritage Homes, three are now sold, all at prices above the initial asking price. They include a three-family home at 117 Sigourney Street (sold May 2020 for \$330,000), a fully-renovated single-family home at 115 Sigourney Street (sold December 2020 for \$236,000), and a new townhome at 86 Hawthorn Street (sold December 2020 for \$226,000).

Total development costs for this phase of Hartford Heritage Homes is projected at \$826,214, including \$599,500 for construction costs (about \$160 SF). The sales prices for the newly-constructed homes are projected at \$225,000 each. These prices are equal to the amount NINA recently obtained for the sale of the townhome located next door at 86 Hawthorn Street. To fill the development gap (\$826,214 total cost less \$450,000 of sales proceeds) NINA has secured \$143,214 in private grants from The Hartford, Travelers, ConnectiCare, CNG, and the Mortensen Foundation (all funded); and \$25,500 from LISC through the Section 4 program (for construction management services). In addition, \$7,500 in energy rebates from Eversource is anticipated at the completion of the project. NINA requests \$200,000 from CRDA through the Asylum Hill

Homeownership Fund which would fill the remaining development gap for this project. A development budget, construction and permanent sources schedule, and a homeownership affordability analysis for the project is included as part of this request.

CRDA Funding Request:

- \$200,000 grant (\$100,000 per home)

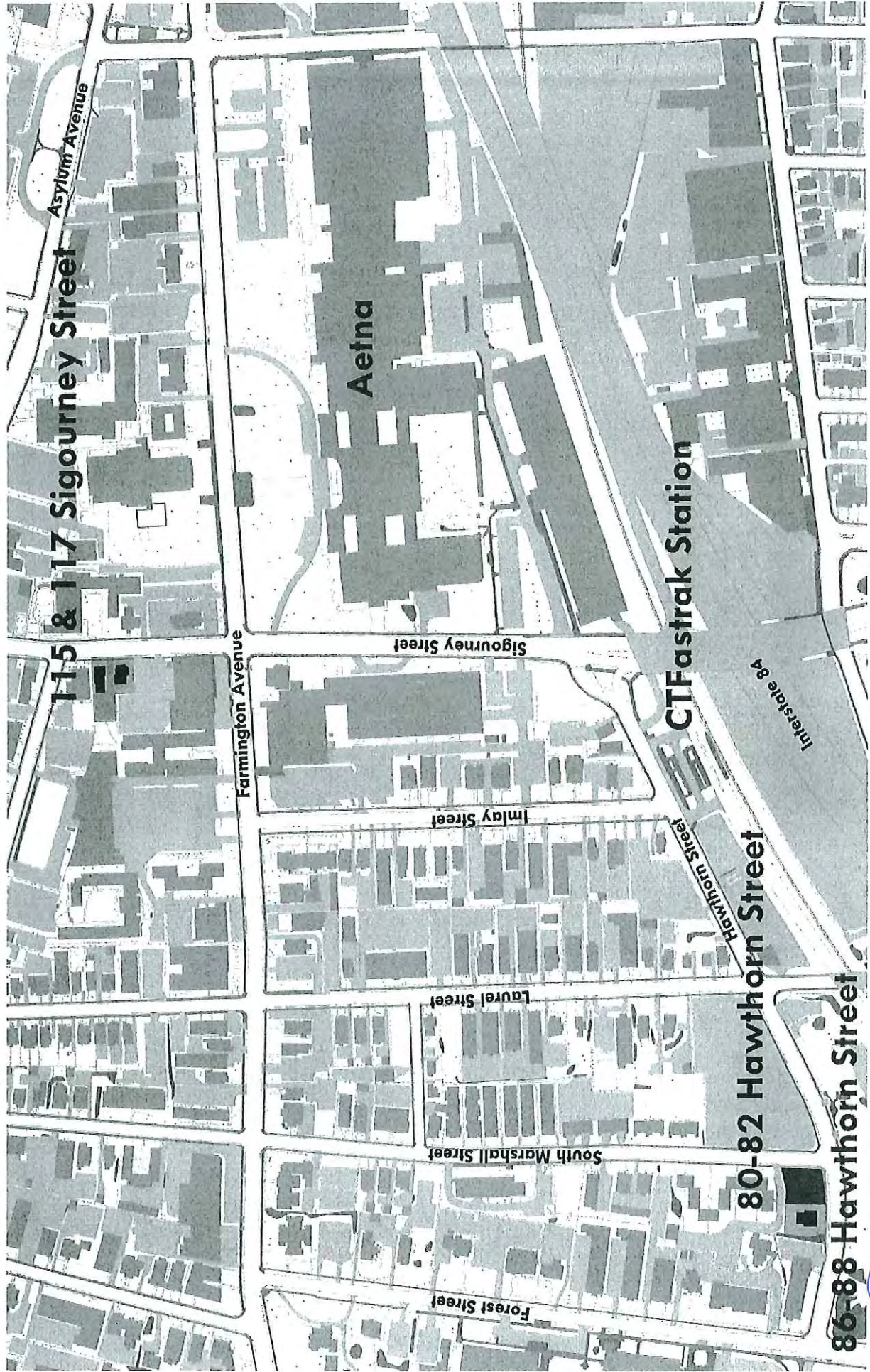
Project Benefits:

- Transit-oriented development: the homes are all within walking distance of the CTFAstrak station at Sigourney Street.
- Leveraged investment: CRDA funds will be leveraged with over \$520,000 of additional investment from Aetna, The Hartford, Travelers, LISC, ConnectiCare, CNG, Eversource, and the Mortensen Foundation.
- Neighborhood revitalization: the project will continue the positive momentum underway in the area which has included the construction of new or newly-renovated homes on Imlay, Laurel, and South Marshall Street.
- Historic Infill: the new townhomes are designed to complement the adjacent Gothic Revival mansion on Hawthorn Street, Mark Twain's first home in Hartford.
- Increased homeownership: the homes will provide opportunities for moderate-income families to own homes in Asylum Hill, a neighborhood with a very low rate of homeownership.
- Experienced Developer: NINA has built or restored over 20 homes for sale in Asylum Hill over the last decade and received numerous awards and accolades for its work.
- Demonstration Project: These townhomes could serve as a model for future townhome development along the Hawthorn Street corridor stretching from Forest Street to the CTFAstrak station at Sigourney Street.

Hartford Heritage Homes (Phase I and II) – By the Numbers:

- Four new townhomes, two restored historic homes
- Six homes for sale (5 single-family homes and 1 three-family)
- Each home: 3BR/2.5 Baths with generous living space ranging from 1,838 to 2,667 sf
- Total development cost: \$2,832,409/\$354,051 per unit
- Projected Sales Proceeds: Single-Family Homes - \$1,136,000/\$227,200 per home;
Three-Family Home - \$330,000

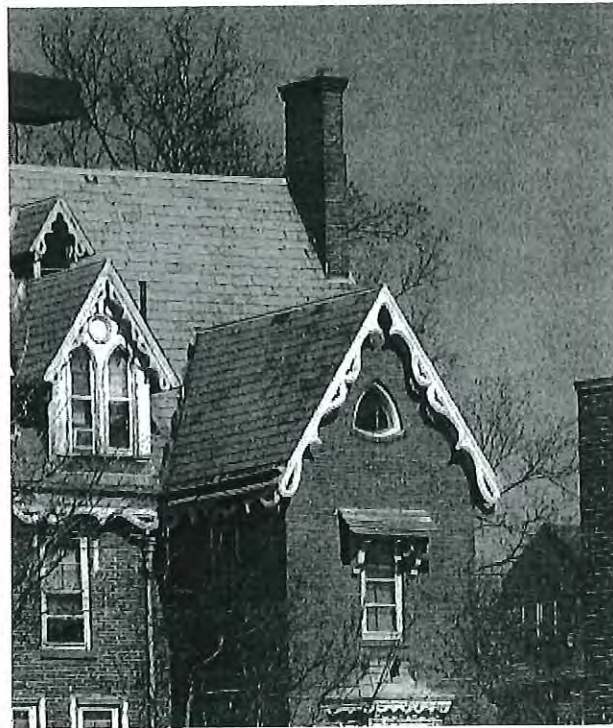
Hartford Heritage Homes Site Map



80 & 82 Hawthorn Street



Two new Gothic townhomes, both single-family homes, planned for the vacant lot at 80-82 Hawthorn Street. The model for our design is the "First Mark Twain House" at 140 Hawthorn Street, located immediately northwest of the development site.



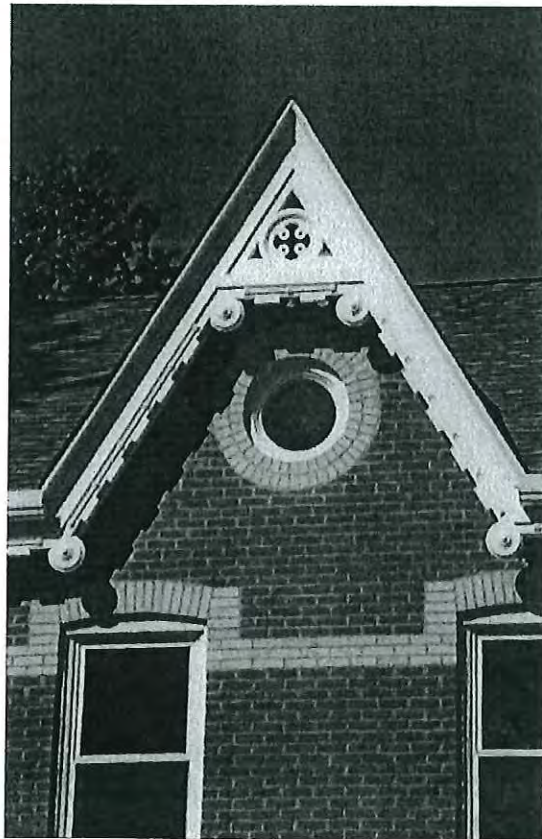
Details from 86-88 Hawthorn Street



Double Door Front Entry with Stained Glass Transom



Iron Cresting over Bay Window



Gothic Trim at Front Gable

55 Elm Street

Transaction Summary

SREP HTFD I LLC, an affiliate of Spinnaker Real Estate Partners LLC, respectfully requests the financial assistance of the Capital Region Development Authority ("CRDA") in the form of a \$13,500,000 loan (\$7,000,000 Permanent / \$6,500,000 Bridge Loan) to finance the re-development of the former Connecticut General Life Insurance Company Headquarters at 55 Elm Street ("55 Elm"), a proposed 109-unit rental apartment and 70 key hotel community with 15,000+/- Square Feet of commercial space and a \$5,000,000 loan to finance the ground-up development of the surface parking lot adjacent to 55 Elm ("65 Elm"), a proposed 85-unit rental apartment community with approximately 3,000 square feet of retail space fronting Bushnell Park. Both 55 Elm and 65 Elm comprise the initial phase in the master plan for the 55 Elm Street block which is in turn is a component of the larger Bushnell South planning effort.

55 Elm is comprised of two buildings: the 7 story Connecticut General Life Insurance Headquarters a/k/a 55 Elm Street and the 4 story Press Building a/k/a The Annex Building. The boutique hotel will take advantage of its location central to strong demand drivers while being designed to mitigate the current uncertainty in the lodging industry via its ability to be leased as furnished apartments. The apartments will take advantage of the enhanced services provided by the hotel use. This "hospitality living" will be a key differentiator for 55 Elm in the market. It will also feature a full complement of amenities as well as an abundance of local amenities in the surrounding area.

Construction of 55 Elm is expected to commence in June 2021 (Interior Demolition to commence April 2021). There will be approximately \$22,800,000 invested ahead of CRDA in the form of cash equity, a Deferred Developer's Fee and both Federal and State historic tax credits.

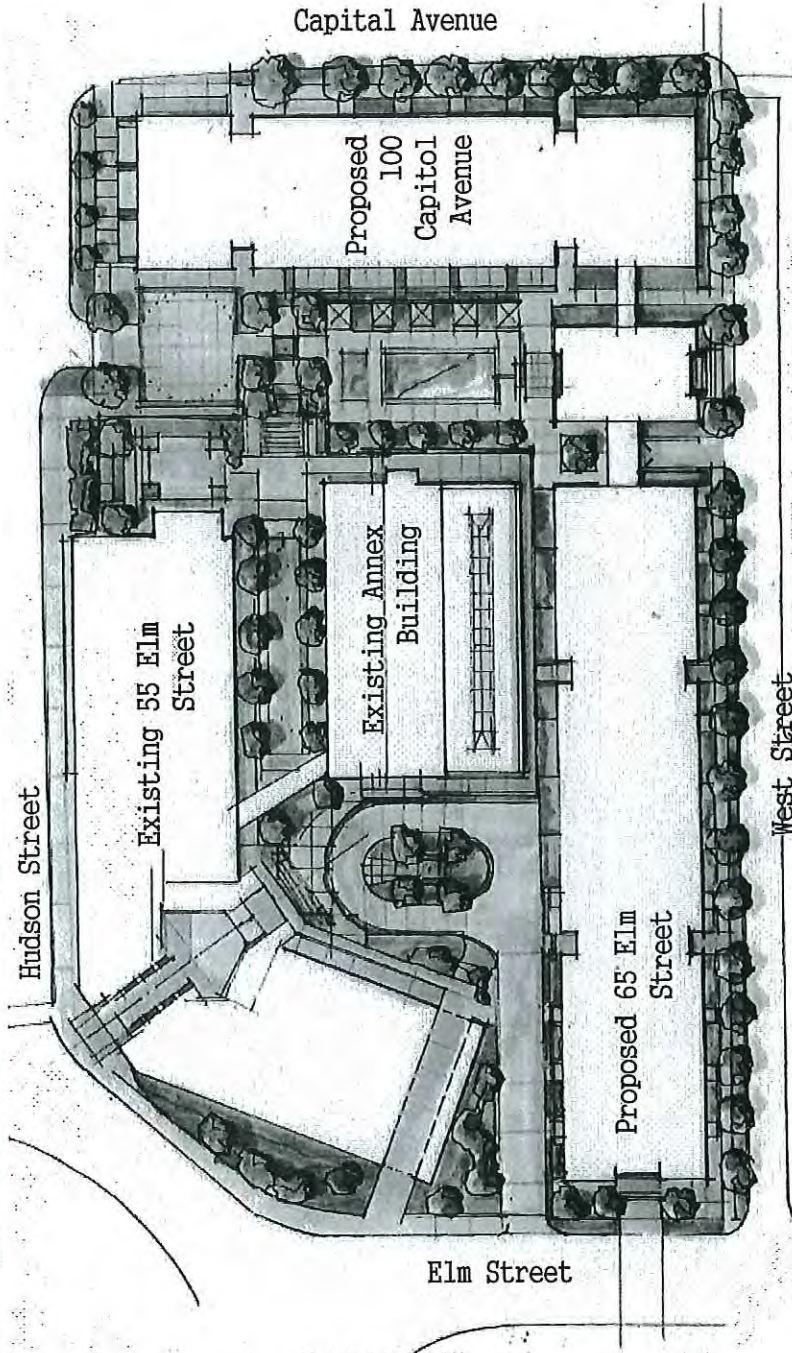
Construction of 65 Elm is expected to commence in July 2022.

55 Elm St.

Block

HARTFORD

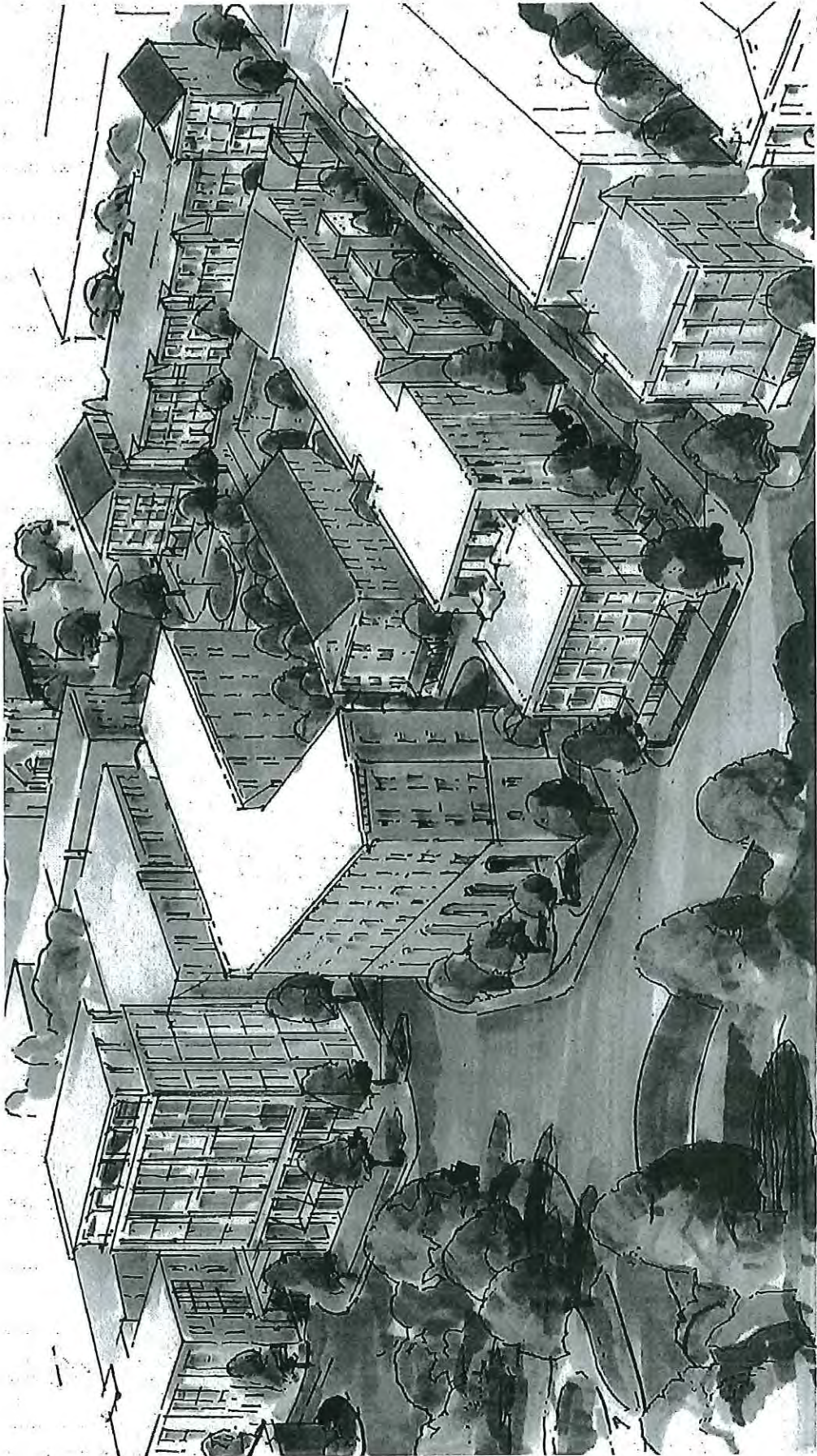
Proposed Site Plan



Note: The Existing 55 Elm Street parcel includes 65 Elm Street and 100 Capitol Avenue, however those will be part of a subdivision prior to loan closing for tax credit structuring purposes.

Proposed 71 Elm Street

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55 Elm Street

As part of the larger redevelopment known as Bushnell South, 55 Elm will be the restoration and conversion of the former state office building (private/leased) into 164 residential units as well as co-working space and a restaurant. (up to 70 units will be constructed so that they can be made available for hotel rooms should market justify such use). Total project development is \$63.3 M. of which CRDA assistance will be \$13.5M in the form of a \$7m construction/permanent loan and \$6.5M as a historic bridge loan, which upon repayment will be used for an additional phase of residential development within Bushnell South. The units 80% market and 20% affordable.

Conventional Mortgage	\$ 32.5 M
Equity	7.3 M
Federal Hist Credits	10.0M
State Historic Credits (bridged by CRDA)	6.5 M
CRDA Perm Loan	<u>7.0 M</u>
TDC	\$ 63.3 M

Resolution:

The Executive Director is authorized to offer assistance to Spinnaker Real Estate Partners, LLC (or such single purpose entity as approved by CRDA) in the amount of \$13.5 million to be used for the construction of up to 179 units of housing (70 of which may be converted to hotel use at a future date) at 55 Elm Street, Hartford. The funds are available at 2% interest only during construction for a period up to 36 months. \$7M of the \$13.5M shall be converted to permanent financing upon stabilization (but no longer than three years from closing) at 2%, amortizing over 30 years and \$6.5M shall be repaid upon the monetizing of the federal and state historic tax credits, subject to all other financing being in place; approval by the State Bond Commission; and such fiduciary requirements as may be deemed necessary and appropriate by CRDA and its counsel.

55 Elm

Development Budget

<i>Cost</i>	<i>Total</i>	<i>/gsf</i>
Land Valuation	5,250,000	25.61
Direct Hard Costs		
Environmental	500,000	2.44
Interior Demolition	1,500,000	7.32
Site Work	750,000	3.66
Windows	1,500,000	7.32
Roof	375,000	1.83
Interiors	27,675,000	135.00
Direct Hard Costs	32,300,000	157.56
Indirect Hard Costs		
0.1 Contingency	3,230,000	15.76
0.1 General Conditions	3,553,000	17.33
0.0025 CM Insurance	97,708	0.48
0.03 CM Fee	1,175,421	5.73
Indirect Hard Costs	8,056,129	39.30
Total Hard Costs	40,356,129	196.86
Soft Costs - Design & Consultatnts		
Architecture	750,000	3.66
Interior Design	150,000	0.73
Civil Engineering	75,000	0.37
Landscape Architect	25,000	0.12
Mechanical Engineering	150,000	0.73
Structural Engineering	100,000	0.49
Code Consultant	50,000	0.24
Environmental LEP	50,000	0.24
Historic Consultant	75,000	0.37
Soft Costs - Design & Consultatnts	1,425,000	6.95
Soft Costs - Permits & Fees		
Zoning Permit	25,000	0.12
Building Permit	600,000	2.93
MDC	300,000	1.46
Other	25,000	0.12
Soft Costs - Permits & Fees	950,000	4.63
Soft Costs - Legal & Accounting		
Legal - Loan Closing	30,000	0.15

	Legal - Partnership Agreement	25,000	0.12
	Legal - Lender Counsel	50,000	0.24
	Legal - Tax Credit	200,000	0.98
	Legal - Approvals	75,000	0.37
	Legal - Miscellaneous	25,000	0.12
	Accounting - Project Level	25,000	0.12
	Accounting - Tax Credit	50,000	0.24
	Soft Costs - Legal & Accounting	480,000	2.34
	Soft Costs - Taxes & Insurance		
	Real Estate Taxes	750,000	3.66
	Builder's Risk Insurance	300,000	1.46
	General Liability	125,000	0.61
	Soft Costs - Taxes & Insurance	1,175,000	5.73
	Soft Costs - Leasing & Marketing		0.00
	Branding	25,000	0.12
	Web-Site	50,000	0.24
	Marketing	150,000	0.73
	Residential Brokerage	150,950	0.74
	Commercial Brokerage	167,625	0.82
	Commercial Tenant Improvement	1,552,500	7.57
	Hotel FF&E	1,400,000	6.83
	Residential FF&E	500,000	2.44
	Lease-Up Carry	100,000	0.49
	Soft Costs - Leasing & Marketing	4,096,075	19.98
0.05	Soft - Contingency	406,304	1.98
	Soft Costs - Project Management		
	Project Manager	750,000	3.66
0.1	Developer Fee	5,448,220	26.58
	Soft Costs - Project Management	6,198,220	30.24
	Financing Costs		
	Commitment / Brokerage Fee	317,500	1.55
	CRDA Loan Fee	135,000	0.66
	Construction Period Interest	2,500,000	12.20
	Appraisal Costs	15,000	0.07
	Lender Inspection Costs	20,000	0.10
	Financing Costs	2,987,500	14.57
	Total Development Costs	63,324,228	308.90

Forecast

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
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Potential Gross Revenue	447,000	451,470	455,985	460,545	465,150	469,801	474,500	479,245	484,037	488,877	493,766	498,704	503,691	508,728	513,815
Commercial Base Rental Revenue	447,000	451,470	455,985	460,545	465,150	469,801	474,500	479,245	484,037	488,877	493,766	498,704	503,691	508,728	513,815
Commercial Expense Reimb. Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Commercial Gross Revenue	447,000	451,470	455,985	460,545	465,150	469,801	474,500	479,245	484,037	488,877	493,766	498,704	503,691	508,728	513,815
Commercial General Vacancy	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Effective Commercial Gross Revenue	402,300	406,323	410,386	414,490	418,635	422,821	427,050	431,320	435,633	439,980	444,369	448,683	453,022	457,395	461,805
Residential Base Rental Revenue	3,622,800	3,695,296	3,769,161	3,844,544	3,921,435	3,999,864	4,079,861	4,161,458	4,244,688	4,329,581	4,416,173	4,504,496	4,594,566	4,686,478	4,780,208
Resident Parking Revenue	196,800	196,800	196,800	196,800	196,800	196,800	196,800	196,800	196,800	196,800	196,800	196,800	196,800	196,800	196,800
Other Residential Revenue	3,819,600	3,895,096	3,971,961	4,050,344	4,130,315	4,211,873	4,295,061	4,379,876	4,464,531	4,550,019	4,636,317	4,723,484	4,811,567	4,900,625	5,000,015
Total Residential Gross Revenue	3,819,600	3,895,096	3,971,961	4,050,344	4,130,315	4,211,873	4,295,061	4,379,876	4,464,531	4,550,019	4,636,317	4,723,484	4,811,567	4,900,625	5,000,015
General Residential Vacancy	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Effective Residential Gross Revenue	3,590,424	3,681,308	3,753,956	3,807,314	3,862,493	3,919,161	4,037,348	4,117,083	4,193,388	4,281,324	4,365,893	4,452,138	4,540,091	4,629,787	4,721,280
Hotel Revenue	225,000	228,375	231,801	235,278	238,807	242,389	246,025	249,715	253,461	257,263	261,122	265,039	269,014	273,049	277,145
Private Events	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Hotel Mini Bar Revenue	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600
Hotel Other Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Residential Gross Revenue	225,000	228,375	231,801	235,278	238,807	242,389	246,025	249,715	253,461	257,263	261,122	265,039	269,014	273,049	277,145
General Residential Vacancy	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Effective Hotel Gross Revenue	225,000	228,375	231,801	235,278	238,807	242,389	246,025	249,715	253,461	257,263	261,122	265,039	269,014	273,049	277,145
Effective Gross Revenue	4,217,724	4,296,006	4,375,782	4,457,082	4,539,935	4,624,371	4,710,422	4,798,119	4,887,493	4,978,577	5,071,405	5,166,010	5,262,427	5,360,691	5,460,839

Operating Expenses	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Real Estate Taxes (Smaller, Sub-Divided Parcel)	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Insurance	133,250	136,581	139,986	143,496	147,063	150,760	154,529	158,369	162,332	166,411	170,571	174,836	179,206	183,687	188,279			
Electric (Net)	102,500	105,063	107,669	110,381	113,141	115,969	118,869	121,840	124,886	128,008	131,209	134,489	137,851	141,297	144,830			
Gas (Net)	61,500	63,038	64,613	66,229	67,884	69,582	71,321	73,104	74,932	76,805	78,725	80,693	82,711	84,778	86,898			
Water and sewer	205,000	210,125	215,378	220,763	226,282	231,939	237,737	243,681	249,773	256,017	262,417	268,978	275,702	282,595	289,660			
Repairs + Maintenance	205,000	210,125	215,378	220,763	226,282	231,939	237,737	243,681	249,773	256,017	262,417	268,978	275,702	282,595	289,660			
Contract Services	134,566	137,084	139,609	142,203	144,847	147,541	150,286	153,084	155,935	158,841	161,803	164,822	167,898	171,033	174,228			
Management Fee	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,465	38,403	39,363	40,347	41,355	42,389	43,449			
Professional Fees / G+A	41,000	42,025	43,076	44,153	45,256	46,388	47,547	48,736	49,955	51,203	52,483	53,796	55,140	56,519	57,932			
Turnover	285,800	292,945	300,269	307,775	315,470	323,356	331,440	339,726	348,220	356,925	365,848	374,994	384,369	393,978	403,828			
Payroll	60,380	61,588	62,819	64,076	65,357	66,664	67,998	69,368	70,745	72,160	73,603	75,075	76,576	78,108	79,670			
Residential Marketing + Brokerage	32,500	33,250	34,000	34,750	35,500	36,250	37,000	37,750	38,500	39,250	40,000	40,750	41,500	42,250	43,000			
Rooms Department	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000			
Private Events	112,500	114,188	115,900	117,639	119,403	121,194	123,012	124,858	126,730	128,631	130,561	132,519	134,507	136,525	138,573			
Mini Bar Department	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000			
Other Income Expense	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000			
General & Admin	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000			
Sales & Marketing	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF	\$6.29 per SF			
Total Operating Expenses	1,698,456	1,731,790	1,765,879	1,800,782	1,836,518	1,873,108	1,910,572	1,948,932	1,988,209	2,028,209	2,128,426	2,209,605	2,311,770	2,354,944	2,406,615	2,466,200		
Net Operating Income	2,519,228	2,564,215	2,609,903	2,656,300	2,703,417	2,651,264	2,699,850	2,749,187	2,799,283	2,850,151	2,801,799	2,854,240	2,907,482	2,954,076	2,972,639			

Capital Costs	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
Tenant Improvements	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Leasing Commissions	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Capital Reserves	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
FF&E Reserve	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Building Upgrades	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Total Capital Costs	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
Cash Flow Before Debt Service	2,421,728	2,466,715	2,512,403	2,558,800	2,605,917	2,494,644	2,602,350	2,651,687	2,701,783	2,752,651	2,704,299	2,756,740	2,809,982	2,856,576	2,875,139			

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55 Elm

Proposed Commercial Rent Roll

Tenant	Sq. Ft.	PSF	Base Rent Annual	Annual Increase	Lease Term	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
Building No. 5	3,200	22.50	72,000	1.00%	15 Years	72,000	72,720	74,823	75,672	76,428	77,184	77,939	78,745	79,533	80,328	81,131	81,943	82,762	
Building No. 5	7,500	20.00	150,000	1.00%	10 Years	150,000	151,300	153,015	155,051	157,428	160,150	163,228	166,765	170,764	175,233	180,184	185,628	191,568	197,914
Building No. 4	10,000	22.50	225,000	1.00%	5 Years	225,000	227,250	230,523	234,816	239,136	243,491	247,881	252,306	256,766	261,261	265,786	270,341	274,926	279,541
	20,700	21.59	447,000			447,000	451,470	455,985	460,545	465,150	469,801	474,500	479,245	484,037	488,877	493,766	498,704	503,691	508,728

55 Elm

Proposed Residential Rent Roll - Building No. 5

Unit	Unit Type	Sq. Ft.	PSF	Base Rent Monthly	Annual Increase	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037		
2	Micro	475	3.00	1,425	2.00%	34,200	34,884	35,582	36,293	37,019	37,760	38,515	39,285	40,071	40,872	41,690	42,523	43,374	44,241	
32	Extended Stay Annex	500	3.50	1,750	2.00%	672,000	685,440	699,148	713,132	727,394	741,942	756,781	771,917	787,355	803,102	819,164	835,548	852,268	869,304	886,690
17	Extended Stay 1BR	750	2.83	2,125	2.00%	433,500	442,170	451,013	460,034	469,234	478,619	488,191	497,955	507,914	518,073	528,434	539,003	549,783	560,778	571,994
6	Extended Stay 2BR	1,200	2.50	3,000	2.00%	216,000	220,320	224,726	229,221	233,805	238,481	243,251	248,116	253,078	258,140	263,303	268,569	273,940	279,419	285,007
62	1BR	725	2.31	1,675	2.00%	1,246,200	1,271,124	1,296,546	1,322,477	1,348,927	1,375,905	1,403,424	1,431,492	1,460,122	1,489,324	1,519,111	1,549,483	1,580,443	1,612,093	1,644,334
28	1BR BMR	725	2.24	1,625	2.00%	546,000	556,920	568,058	579,420	591,008	602,828	614,885	627,182	639,726	652,521	665,571	678,882	692,460	706,309	720,435
2	1BR Loft	900	2.08	1,875	2.00%	45,000	45,900	46,818	47,754	48,709	49,684	50,677	51,691	52,725	53,779	54,855	55,952	57,071	58,212	59,377
7	2BR	1,150	1.98	2,275	2.00%	191,100	194,922	198,820	202,797	206,853	210,990	215,210	219,514	223,904	228,382	232,950	237,609	242,361	247,208	252,152
4	2BR BMR	1,150	1.93	2,225	2.00%	106,800	108,936	111,115	113,337	115,604	117,916	120,274	122,680	125,133	127,636	130,189	132,792	135,448	138,157	140,920
4	2BR Loft	1,400	1.96	2,750	2.00%	132,000	134,640	137,333	140,079	142,881	145,739	148,653	151,627	154,659	157,752	160,907	164,125	167,403	170,756	174,171
354		122,200	2.47	301,900		3,622,800	3,693,256	3,769,161	3,844,544	3,921,435	3,999,864	4,079,861	4,161,458	4,244,668	4,329,501	4,416,173	4,504,496	4,594,566	4,686,473	4,780,208

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Requested Loan Terms

55 Elm Street Permanent Loan Amount: \$7,000,000

55 Elm Street Tax Credit Bridge Loan Amount: \$6,500,000

65 Elm Street Permanent Loan Amount: \$5,000,000

Requested Term: 36 Month Construction Period + 204 Month Permanent Loan

Requested Interest Rate: 2.0%

Amortization: Interest-only until Permanent; 30-year schedule thereafter

Reverts to Interest-Only upon expiration of City of Hartford Tax Fixing Agreement if certain financial parameters are not achieved

Anticipated Closing: May 2021

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Pro Forma

Revenues	55 Elm	65 Elm
Residential Base Revenue	\$2,320,500	1,844,100
Residential Misc. Revenue	130,800	76,500
Residential Vac. & Loss (7%)	(171,591)	(134,442)
Commercial Revenue	322,000	78,750
Commercial & Parking Vac. & Loss (7.5%)	(33,200)	(7,875)
Hotel Revenue (Net)	3,018,094	0
Hotel Misc. Revenue	270,000	0
Effective Gross Revenue	\$5,857,603	\$1,857,033

Expenses	Year 1	65 Elm
Real Estate Taxes	\$325,000	\$127,500
Insurance	133,250	38,250
Utilities (Net of Reimbursements)	574,000	59,500
Repairs & Maintenance	205,000	42,500
Contract Services	205,000	51,000
Leasing & Marketing	38,675	29,500
Make-Ready / Turnover	27,250	29,750
Payroll	203,900	140,250
Management Fee (+ sales tax)	186,887	69,123
General & Administrative	30,750	8,500
Hotel Rooms Department	980,880	0
Hotel Sales & Marketing	295,928	0
Hotel Other	217,750	0
Total Operating Expenses	\$3,418,271	595,873

Net Operating Income	\$2,439,332	\$1,261,160
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65 Elm Street

Program	
Gross Building Area:	85,500 sf
Residential Living Area:	67,6250 sf
Commercial Space:	3,000 sf
Residential Units:	85
Lobby / Amenity Space:	5,000 sf
Parking Spaces:	30 Spaces + Off-Site Long Term Parking Lease

<u>Unit Mix</u>	<u>65 Elm St</u>
Studio	15 17.65%
1 Bedroom	48 56.47%
2 Bedroom	<u>22</u> <u>25.88%</u>
Total	85 100%

65 Elm Development Program

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Annual Cash Flow

65 Elm

	Forecast	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
65 Elm Street																
Cash Flow Projection																
Potential Gross Revenue																
Commercial Base Rental Revenue		78,750	79,538	80,333	81,136	81,948	82,767	83,595	84,431	85,275	86,128	86,989	87,859	88,737	89,625	90,521
Commercial Additional Rent		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Commercial Gross Revenue		78,750	79,538	80,333	81,136	81,948	82,767	83,595	84,431	85,275	86,128	86,989	87,859	88,737	89,625	90,521
Commercial General Vacancy	10.0%	7,875	7,954	8,033	8,114	8,195	8,277	8,359	8,443	8,527	8,613	8,699	8,786	8,874	8,962	9,052
Effective Commercial Gross Revenue		70,875	71,584	72,300	73,023	73,753	74,490	75,235	75,988	76,747	77,515	78,290	79,073	79,864	80,662	81,469
Residential Base Rental Revenue		1,844,100	1,862,541	1,881,165	1,899,978	1,918,978	1,938,168	1,957,549	1,977,125	1,996,898	2,016,885	2,037,034	2,057,404	2,077,978	2,098,758	2,119,745
Resident Parking Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Residential Revenue		76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874	89,632	91,425	93,253	95,118	97,020	98,951	100,940
Total Residential Gross Revenue		1,920,600	1,940,571	1,960,757	1,981,160	2,001,784	2,022,630	2,043,701	2,064,999	2,086,528	2,108,290	2,130,287	2,152,522	2,174,999	2,197,719	2,220,686
General Residential Vacancy	7.0%	134,442	135,840	137,253	138,681	140,125	141,584	143,059	144,550	146,057	147,580	149,120	150,677	152,250	153,840	155,448
Effective Residential Gross Revenue		1,786,158	1,804,731	1,823,504	1,842,479	1,861,659	1,881,046	1,900,642	1,920,449	1,940,471	1,960,709	1,981,167	2,001,846	2,022,749	2,043,878	2,065,238
Effective Gross Revenue		1,857,033	1,876,315	1,895,804	1,915,502	1,935,412	1,955,536	1,975,877	1,996,437	2,017,219	2,038,224	2,059,457	2,080,919	2,102,612	2,124,541	2,146,707
Operating Expenses																
Real Estate Taxes	1500.00	127,500	131,342	132,705	134,085	135,479	146,865	159,070	169,897	181,550	193,631	216,243	239,305	262,827	286,813	311,272
Insurance	450.00	38,250	39,015	39,795	40,591	41,403	42,231	43,076	43,937	44,815	45,712	46,627	47,559	48,510	49,480	50,470
Electric	325.00	27,625	28,178	28,741	29,316	29,902	30,500	31,110	31,732	32,367	33,014	33,675	34,348	35,035	35,736	36,451
Gas	25.00	2,125	2,168	2,211	2,255	2,300	2,346	2,393	2,441	2,490	2,540	2,590	2,642	2,695	2,749	2,804
Water and sewer	300.00	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877	30,475	31,084	31,705	32,340	32,987	33,647
Telephone / Cable	50.00	4,350	4,335	4,422	4,510	4,600	4,692	4,785	4,882	4,980	5,079	5,181	5,284	5,390	5,498	5,608
Repairs + Maintenance	500.00	42,500	43,350	44,217	45,101	46,003	46,923	47,862	48,819	49,795	50,791	51,807	52,843	53,900	54,978	56,078
Contract Services	600.00	51,000	52,020	53,060	54,122	55,204	56,308	57,434	58,583	59,755	60,950	62,169	63,412	64,680	65,974	67,293
Management Fee	69,123	69,123	69,841	70,567	71,300	72,041	72,790	73,547	74,312	75,086	75,868	76,658	77,457	78,264	79,081	79,906
Professional Fees / G+A	100.00	8,500	8,670	8,843	9,020	9,201	9,385	9,572	9,764	9,959	10,158	10,361	10,569	10,780	10,996	11,216
Turnover	350.00	29,750	30,345	30,952	31,571	32,202	32,846	33,503	34,173	34,857	35,554	36,265	36,990	37,730	38,485	39,254
Payroll	1650.00	140,250	143,055	145,916	148,834	151,811	154,847	157,944	161,103	164,325	167,612	170,964	174,383	177,871	181,428	185,057
Maintenance	200.00	17,000	17,340	17,687	18,041	18,401	18,769	19,145	19,528	19,918	20,317	20,723	21,137	21,560	21,991	22,431
Residential Leasing Commissions	5.0%	12,000	7,761	7,838	7,917	7,996	8,076	8,156	8,238	8,320	8,404	8,488	8,573	8,658	8,745	8,832
Total Operating Expenses	\$7010.28 per Unit	595,873	603,429	613,486	623,724	634,146	654,534	675,317	696,502	718,095	740,105	772,835	806,210	840,242	874,941	910,319
Net Operating Income		1,261,160	1,272,886	1,282,318	1,291,778	1,301,266	1,301,002	1,300,560	1,299,935	1,299,123	1,298,120	1,286,622	1,274,708	1,262,371	1,249,600	1,236,388

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DoNo Parcel B

DoNo Parcel B

The second component of the DoNo project is in early planning and is known as DoNo Parcel B.

Overall, the site would have 532 housing units and a 541-car garage and would represent an investment of over \$100M. It would be built out in two phases: Phase 1 would be 228 units and a 541-car garage with a total development value of \$52.8M. Phase 2 would be an additional 304 units valued at \$56M.

Mirroring the first phase financial structure and construction cost experiences, Parcel B, phase 1 would have a sources/uses as follows:

Parcel B - Phase 1 228 units, 541 car garage

Conv Mortgage	\$ 33.2 M
Equity	6 .0 M
<u>CRDA Loan</u>	<u>13.6 M</u>
TDC	\$ 52.8 M

Dunkin Park

PHASE 2
MULTIFAMILY (5 STO+BASEMENT)
TYPICAL FLOOR: 55,761 GSF (65 FLOORS, WOOD)
BASEMENT CONDITION (+G3): 7,309 GSF
TOTAL
= 44,452 UNITS
@ 24.5 UNITS/ST. FT. AVERAGE, (PANEL 2)

CHLFR ST. M.	± G1	± G2	± G3	± G4	± G5	± G6	± G7	± G8	± G9	± G10	± G11	± G12	± G13	± G14	± G15	± G16	± G17	± G18	± G19	± G20	± G21	± G22	± G23	± G24	± G25	± G26	± G27	± G28	± G29	± G30	± G31	± G32	± G33	± G34	± G35	± G36	± G37	± G38	± G39	± G40	± G41	± G42	± G43	± G44	± G45	± G46	± G47	± G48	± G49	± G50	± G51	± G52	± G53	± G54	± G55	± G56	± G57	± G58	± G59	± G60	± G61	± G62	± G63	± G64	± G65	± G66	± G67	± G68	± G69	± G70	± G71	± G72	± G73	± G74	± G75	± G76	± G77	± G78	± G79	± G80	± G81	± G82	± G83	± G84	± G85	± G86	± G87	± G88	± G89	± G90	± G91	± G92	± G93	± G94	± G95	± G96	± G97	± G98	± G99	± G100
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PHASE 1
MULTIFAMILY (5 STO+BASEMENT)
TYPICAL FLOOR: 41,376 GSF (65 FLOORS, WOOD)
BASEMENT CONDITION (+G3): 7,704 GSF
TOTAL
= 44,080 UNITS
@ 24.5 UNITS/ST. FT. AVERAGE, (PANEL 1)

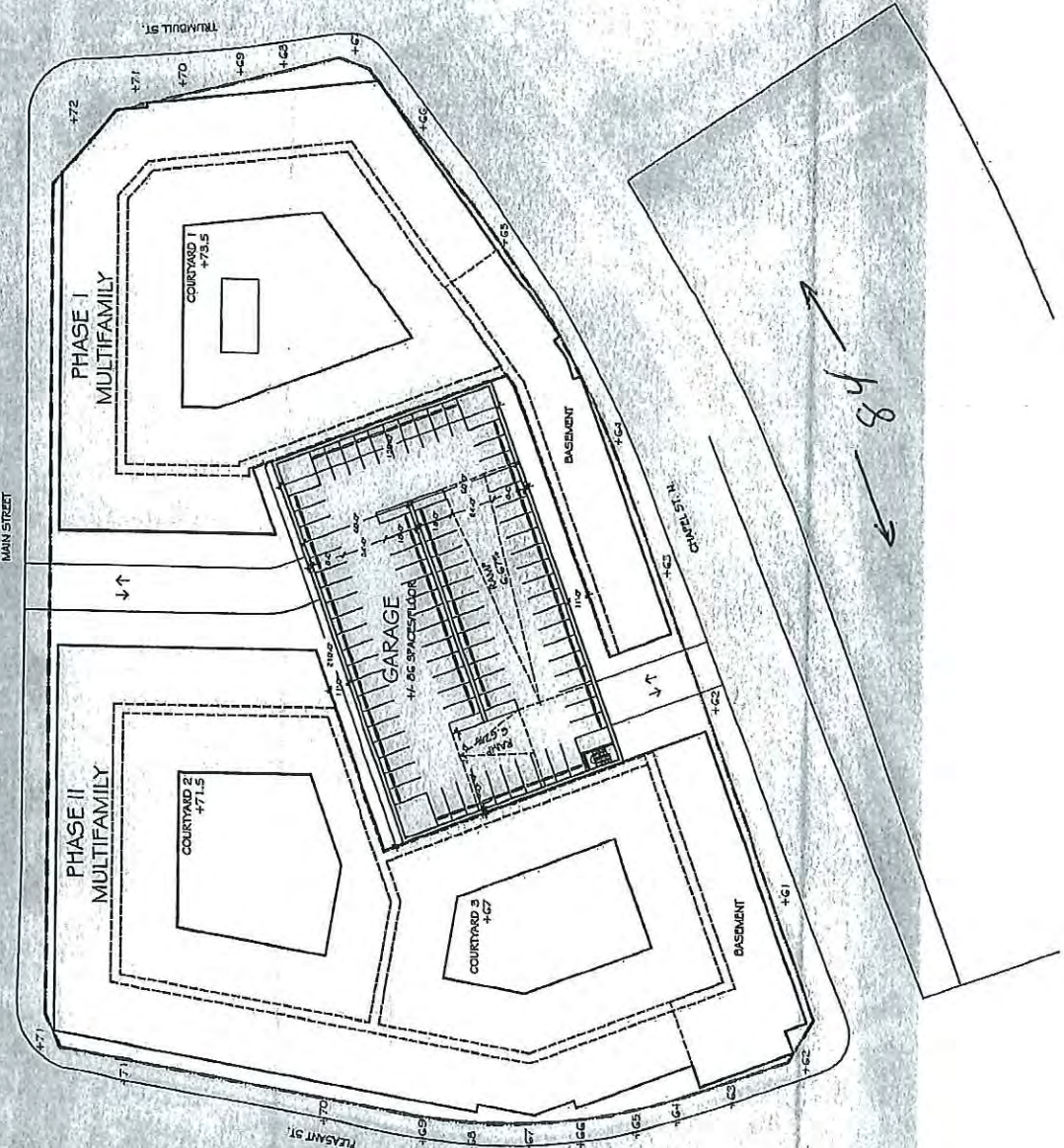
CHLFR ST. M.	± G1	± G2	± G3	± G4	± G5	± G6	± G7	± G8	± G9	± G10	± G11	± G12	± G13	± G14	± G15	± G16	± G17	± G18	± G19	± G20	± G21	± G22	± G23	± G24	± G25	± G26	± G27	± G28	± G29	± G30	± G31	± G32	± G33	± G34	± G35	± G36	± G37	± G38	± G39	± G40	± G41	± G42	± G43	± G44	± G45	± G46	± G47	± G48	± G49	± G50	± G51	± G52	± G53	± G54	± G55	± G56	± G57	± G58	± G59	± G60	± G61	± G62	± G63	± G64	± G65	± G66	± G67	± G68	± G69	± G70	± G71	± G72	± G73	± G74	± G75	± G76	± G77	± G78	± G79	± G80	± G81	± G82	± G83	± G84	± G85	± G86	± G87	± G88	± G89	± G90	± G91	± G92	± G93	± G94	± G95	± G96	± G97	± G98	± G99	± G100
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SUMMARY:
PHASE 1
MULTIFAMILY (5 STO+BASEMENT)
214,584 GSF TOTAL
228 UNITS

PHASE 2
MULTIFAMILY (5 STO+BASEMENT)
265,114 GSF TOTAL
304 UNITS

TOTAL
500,698 GSF
532 UNITS

PARKING
GARAGE: 6.5 LEVELS
G1: 44 66 SPACES
G2: 44 66 SPACES
G3: 44 66 SPACES
G4: 44 66 SPACES
G5: 44 66 SPACES
G6: 44 66 SPACES
G7 (ROOF): 44 66 SPACES
TOTAL: 44 66 SPACES



HARTFORD DO No PARCEL B
CONCEPTUAL STUDY
LESSARD DESIGN / RMS

APRIL 24, 2020
1" = 60'

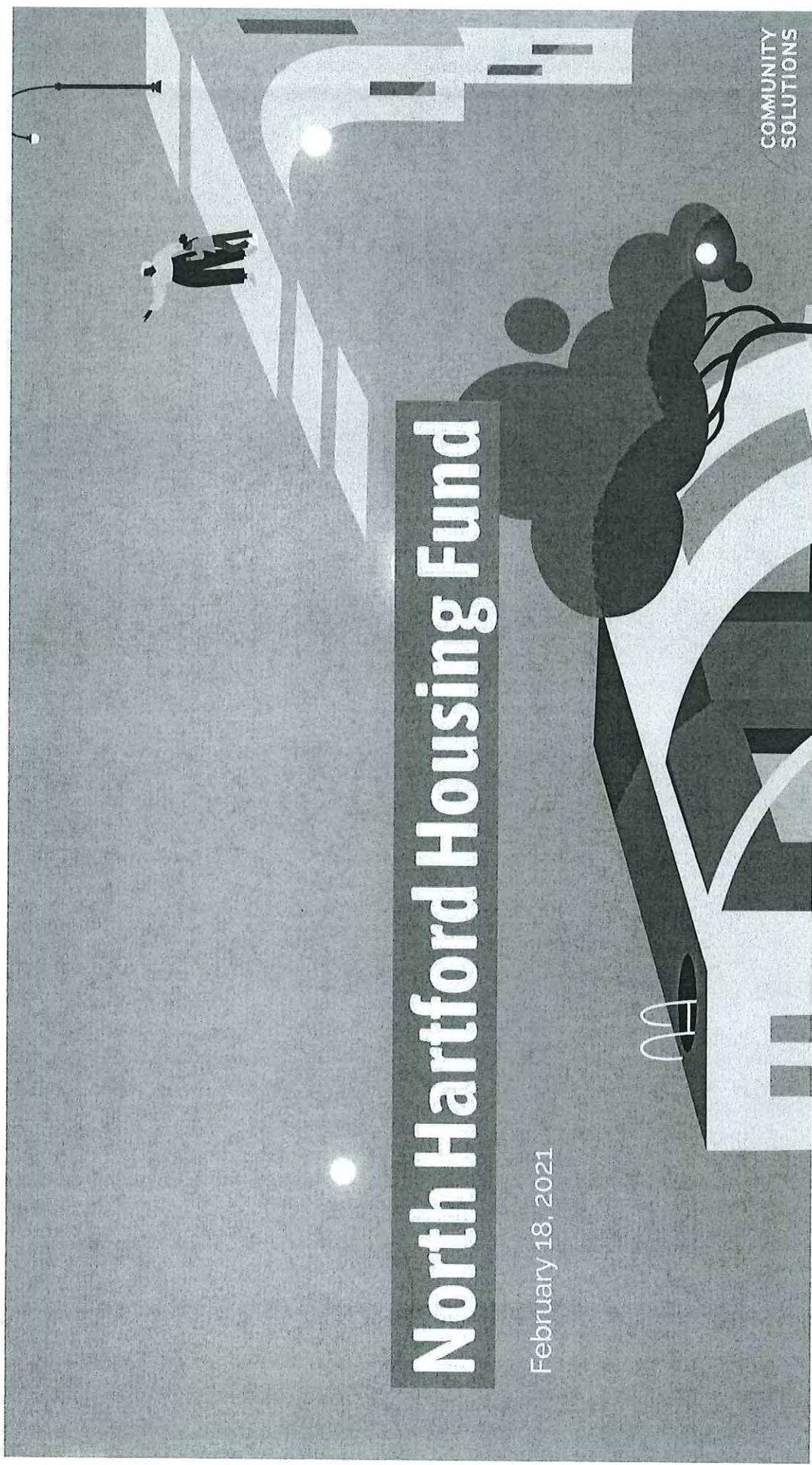
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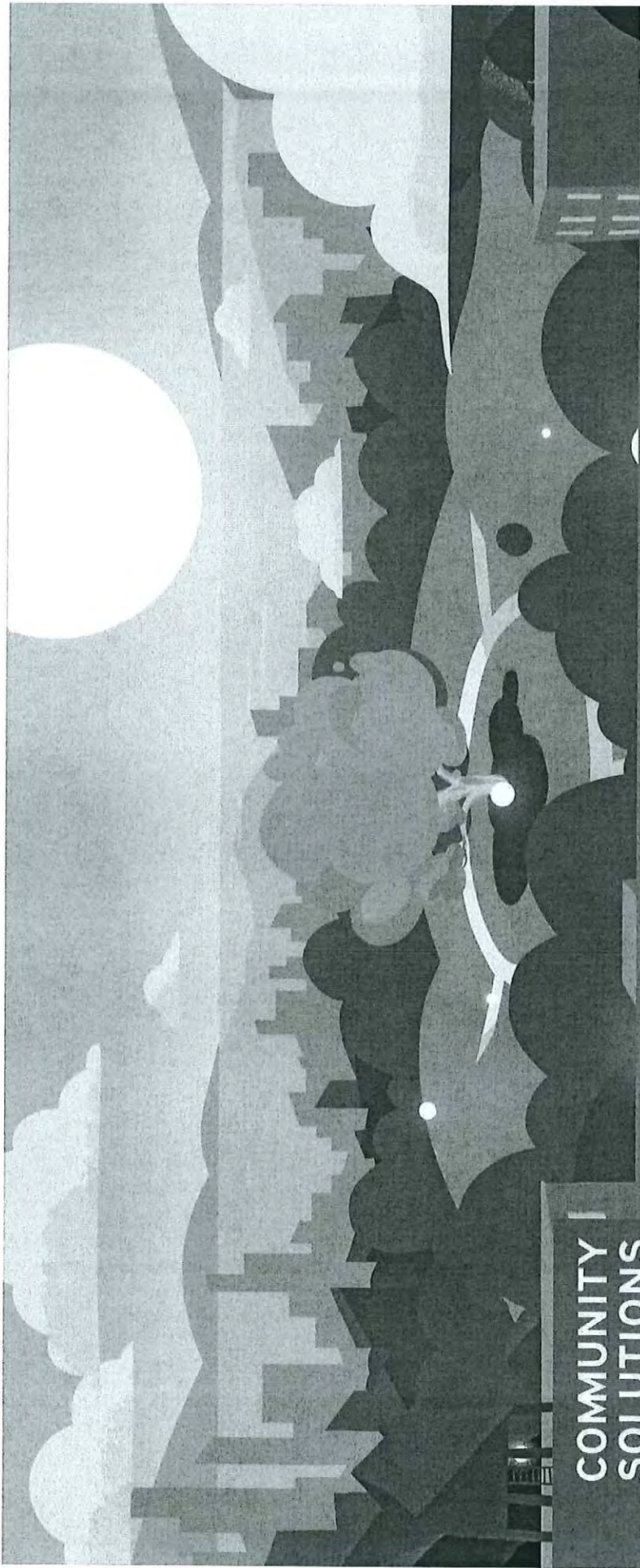
North Hartford Investment Fund

North Hartford Housing Fund

February 18, 2021

COMMUNITY SOLUTIONS





COMMUNITY SOLUTIONS

We work for a lasting end to homelessness that leaves no one behind.

We envision a more equitable society where homelessness is never inevitable, inescapable, or a way of life.

Overview

Community Solutions (CS) is seeking investment partners in a first-of-its kind social impact housing model to be implemented in North Hartford, CT. The model is designed to:

Address four predominant housing issues facing community residents:

- Poor quality housing
- Long-term accessibility
- High rates of eviction
- Responsive property management

The model employs a four-part structure to meet its objectives:

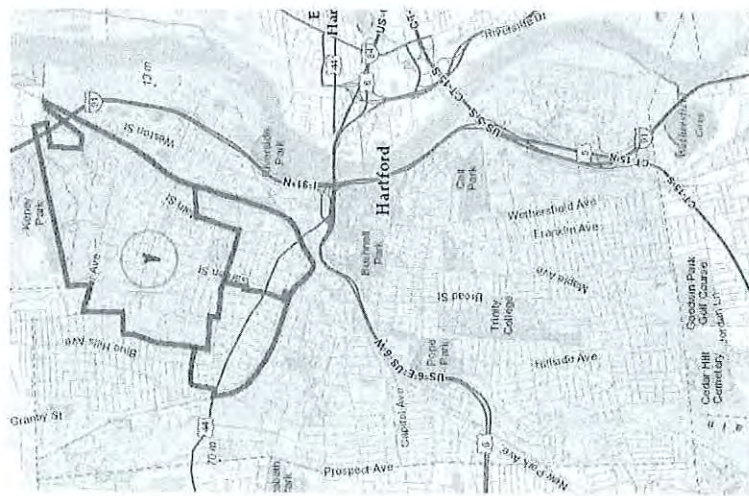
- Raise and invest social impact capital to acquire and rehabilitate 100 housing units
- Place all units into a newly formed North Hartford Community Land Trust (NHCLT)
- Hold and lease all units at not more than 50% AMI rents
- Employ local residents in rehabilitation and management of the units

Location: North Hartford Promise Zone

Designated as Federal Promise Zone in 2015 (only one in New England, 1 of only 22 Promise Zones in the nation). Promise Zone Designation provides national focus and priority points on Federal grant applications.

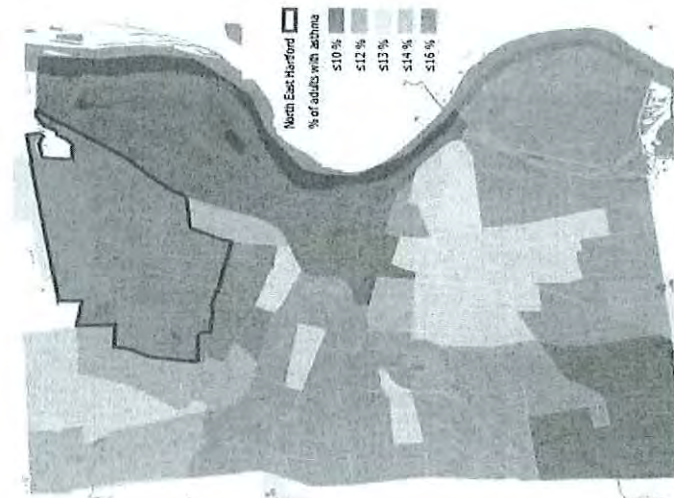
North Hartford Promise Zone (NHPZ) identified 5 goals to improve the quality of life and accelerate revitalization:

- Create Jobs and Increase Economic Activity
- Reduce Serious And Violent Crime
- Improve Educational Opportunities
- Improve Health and Wellness
- Improve Homeownership And Rental Housing Assistance Programs



A recent CDC survey shows the prevalence of chronic health issues in the community. Many aspects of the disparity are associated with poor quality housing and lack of housing stability.

Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Division of Population Health



Background: Housing Stability

More housing code violations are opened each month than are closed, and NHPZ resident is more likely to experience an eviction than a Hartford resident living outside the NHPZ and almost **4x** more likely than a West Hartford resident.

of Opened and Closed Housing Code Violations Per Month

■ # of Housing Code Violations Opened
 ■ # of Housing Code Violations Closed



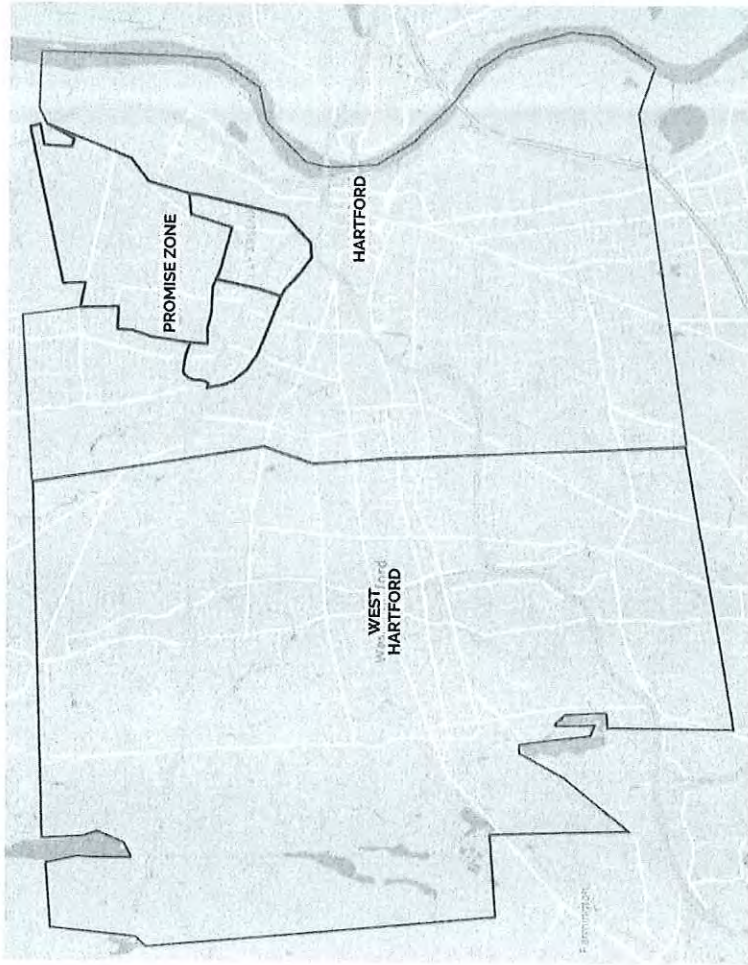
www.hartford.gov

Active Evictions per 10,000 non-home owners

■ Promise Zone ■ Hartford ■ West Hartford



Connecticut Judicial Branch

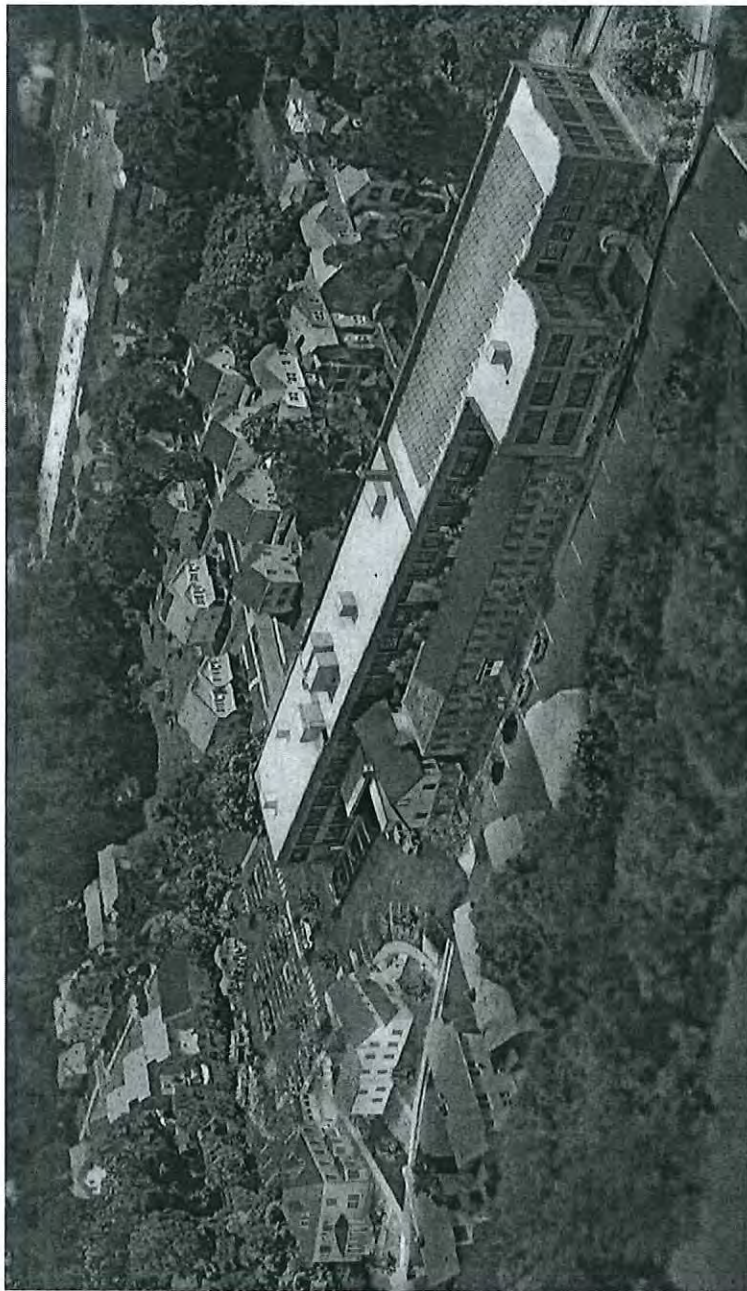


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Background: Recent Catalytic Investments

In the fall of 2020, CS completed construction on a \$35M rehabilitation of the historic Swift Factory in the heart of the NHPZ. Anchor tenants will create more than 150 long term jobs (targeted to local residents).

Additionally, several large investments have been announced in the neighborhoods immediately to the south. These investments raise rents in the coming years.

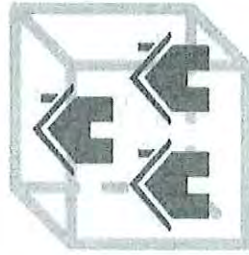


North Hartford Housing Fund

To address these housing challenges, Community Solutions (CS) has formed the North Hartford Community Land Trust (NHCLT) to own, rehabilitate, maintain, and lease properties acquired through the North Hartford Housing Fund.



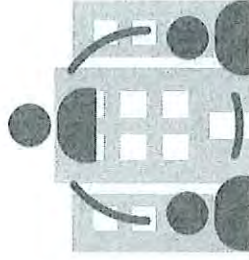
Raise and invest social impact capital to **acquire and rehabilitate 100 housing units in neighborhood**



Place all units into a newly formed **North Hartford Community Land Trust (NHCLT)** governed by a local Board of Directors composed of tenants, & community stakeholders



Retain ownership of land in trust for the **community and lease all units** at not more than 50% AMI rents



Employ local residents in the rehabilitation and management of the units & provide additional resources to tenants, credit counseling and "rent ready" training

Social Impact Investment

\$3.4M in impact investment capital is required, which will leverage another \$6.3M in financing to stabilize the housing of very low income residents of North Hartford. The \$3.4M will be structured as mezzanine debt under the following terms:

- 2% annual return
- Receipt of all net income; annual return is paid first, all additional proceeds pay down principal
- Second lien position on all properties if desired
- Ten year repayment term; it is anticipated that the debt will be fully retired through refinancing of the senior debt to repay any outstanding principal.

CS will seek mortgage debt to fill out the rest of the capital stack (approx. 65% LTV). It is anticipated that this debt will amortize over twenty years, with a minimum of a ten-year term.

Sources/Uses & Assumptions

Acquisition/Renovation		Financing Assumptions		Sources and Uses		
Acquisition/Renovation cost (per unit) ¹	\$86,528	Social Impact Equity		Sources	Total	Per unit
Total units	100	Amount	\$3,369,455	Equity	\$3,369,455	\$33,695
Acquisition/Renovation Period (years) ²	3	Return	2.00%	Debt	\$6,257,560	\$62,576
# of Renovation units/Year	33/34	First Mortgage		Total Sources	\$9,627,015	\$96,270
Average Monthly Rent - 2BR	\$1,000	LTV	65%	Uses		
Average Monthly Rent - 3BR	\$1,200	Principal	\$6,257,560	Acquisition/Rehab ⁵	\$8,652,775	\$86,528
%AMI Level ³	50%	Rate ⁴	6.00%	Operating Expense Reserve	\$445,793	\$4,458
		Term (years)	20	Mortgage Reserve	\$0	\$0
				Development Fee	\$259,583	\$2,596
				Legal	\$100,000	\$1,000
				Loan Origination Fee	\$93,863	\$939
				Other Transaction Costs	\$75,000	\$750
				Total Uses	\$9,627,015	\$96,270

¹Pricing assumption is based on estimated market pricing

²Assumes no cash flow is used to offset equity or debt draws during Acquisition period

³Not more than 30% of the 2020 Annual Income assumption for 4-person household with 50% AMI in the Hartford MSA as prescribed by the US Department of Housing and Urban Development.

⁴Includes carried interest from the Line of Credit

⁵CDFI interest rate assumption

⁶Pricing includes 2.5% appreciation for units purchased in years 2 & 3 of the investment/rehab period

Stabilized Proforma

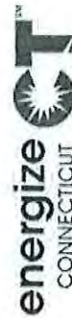
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Refinancing
INCOME											
Gross Tenant Rents	218,400	670,350	1,151,065	1,421,496	1,457,033	1,493,459	1,530,795	1,569,065	1,608,292	1,648,499	
(Vacancy/Bad Debt Loss)	(10,920)	(33,518)	(57,553)	(71,075)	(72,862)	(74,673)	(76,540)	(78,453)	(80,415)	(82,425)	
Additional Income	-	-	-	-	-	-	-	-	-	-	
Net Revenue	207,480	636,833	1,093,512	1,350,421	1,384,181	1,418,786	1,454,256	1,490,612	1,527,877	1,566,074	
EXPENSES											
Total Operating Expenses	-	-	(481,251)	(510,500)	(523,263)	(536,344)	(549,753)	(563,496)	(577,584)	(592,023)	
Opex Ratio	0.0%	0.0%	44.0%	37.8%	37.8%	37.8%	37.8%	37.8%	37.8%	37.8%	
Net Operating Income	207,480	636,833	612,261	839,921	860,919	882,442	904,503	927,115	950,293	974,051	
NOI/Net Revenue	100%	100%	56%	62%	62%	62%	62%	62%	62%	62%	
NOI Yield	3.37%	10.35%	9.95%	13.65%	13.99%	14.34%	14.70%	15.07%	15.44%	15.83%	
ASSET MANAGEMENT											
Asset Management Fee	(16,500)	(33,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	
Net Operating Income (Post AM Fee)	190,980	603,833	562,261	789,921	810,919	832,442	854,503	877,115	900,293	924,051	
DEBT SERVICE											
Mortgage Debt Service	(177,531)	(355,062)	(537,973)	(537,973)	(537,973)	(537,973)	(537,973)	(537,973)	(537,973)	(537,973)	
Net Mortgage Debt Service	(177,531)	(355,062)	(537,973)	(537,973)	(537,973)	(537,973)	(537,973)	(537,973)	(537,973)	(537,973)	
Debt Service Coverage Ratio	1.17	1.79	1.14	1.56	1.60	1.64	1.68	1.72	1.77	1.81	
Available Cash Flow	13,449	248,770	24,287	251,948	272,946	294,469	316,530	339,142	362,320	386,077	
Cash Flow Yield	0.20%	2.58%	0.25%	2.62%	2.84%	3.06%	3.29%	3.52%	3.76%	4.01%	
SOCIAL IMPACT EQUITY											
Beginning Balance	3,369,455	3,423,396	3,243,093	3,283,668	3,097,393	2,886,396	2,649,655	2,386,118	2,094,699	1,774,272	
Preferred Inv. Return (Distribution)	67,389	68,468	64,862	65,673	61,948	57,728	52,993	47,722	41,894	35,485	
	(13,449)	(248,770)	(24,287)	(251,948)	(272,946)	(294,469)	(316,530)	(339,142)	(362,320)	(386,077)	
End Balance	3,423,396	3,243,093	3,283,668	3,097,393	2,886,396	2,649,655	2,386,118	2,094,699	1,774,272	1,423,680	
Property Value	\$ 14,168,010										
Outstanding Mortgage	\$ 4,038,092										
Equity Balance	\$ 1,423,680										
Closing Costs	\$ 354,200										
New Mortgage	\$ 5,815,973										
LTV	41.7%										

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Property Acquisition & Rehab

Properties to be acquired are medium sized multifamily (focusing on 6 unit) buildings located within the NHPZ.

- Target average acquisition + rehab cost is \$86,528 per housing unit; based on a recent market survey.
- Target properties will include limited rehabilitation, and gut rehab properties acquired through the Hartford Land Bank
- Properties will be rehabbed to meet all code improve energy efficiency and mitigate negative health impacts
- Public/philanthropic resources will be used to upgrade energy efficiency and reduce operating costs. Options include:



Expanding Local Employment

Through the Swift Factory development CS established a strong pipeline and process for engaging local businesses in the construction process. Building off this success NHCLT aims to achieve local employment targets in the rehabilitation and management of NHCLT properties:

HOUSING REHABILITATION

- 30% of all construction spending will be with Hartford-based contractors
- 60% of all construction spending will be with Women/Minority Business Enterprises
- Preference will be given to contractors who employ Hartford residents

HOUSING MAINTENANCE

- All basic maintenance will be performed by NHCLT staff, 100% of whom will be Hartford residents
- NHCLT will maintain a list of preferred vendors for repairs outside of the scope of NHCLT staff; preference will be given to vendors who employ 50% Hartford residents; vendors who are Minority/Women Businesses; and vendors who employ minority or women workers



Property Management

NHCLT will adopt the **property management plus** approach, which CS has been applied in other similar projects. This model has three pillars:

Tenanting Process Tenants will be screened with all units leased at 50% AMI affordable rents and below while ensuring that no tenant pays more than 30% of their income on rent. Application fees and other barriers can be lowered as needed.

Management NHCLT will adopt a management approach that focuses on the services and needs of each tenant. The team will provide **hands-on management** of the properties and **real-time data** about the impact and financial performance of the portfolio. Eviction is a last resort; priority is given to identifying challenges early and connecting tenants to needed resources.

Additional Partnerships Additionally, the management team will partner with a host of local organizations that can provide needed services to residents. **Job-training, workforce placement, health services and transportation services** are examples of the assistance that will be coordinated where needed.

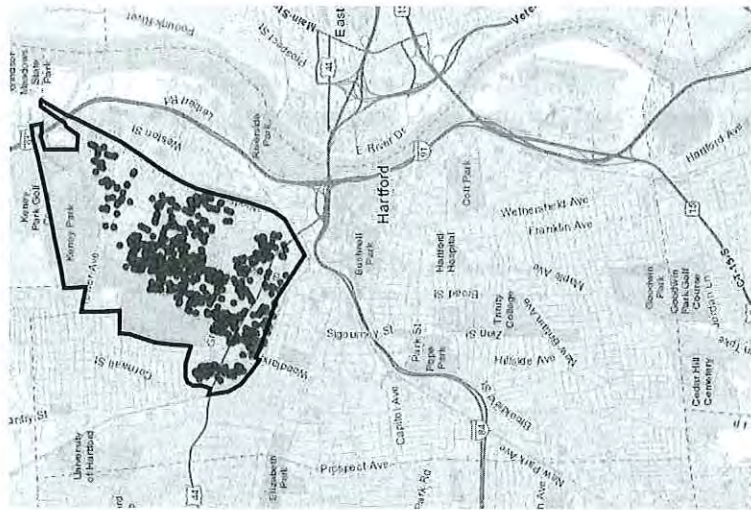
Impact & Measurement

As part of this project, we will implement a replicable framework for tracking key indicators of population level change in economic and health outcomes.

The launch of this project coincides with the 2020 US Census and provides an opportunity to evaluate the change in neighborhood conditions over a ten-year period, comparing 2020/2030 Census Data.

The primary structure for evaluating the impact of the CLT will be measurements derived from locally collected data comparing CLT properties and NHPZ against Hartford and the region. Among the metrics we will use are:

- Levels of blight
- Foreclosures
- Housing code violations
- Asthma and other chronic health rates
- Evictions
- Inflow into homelessness
- Median home values
- Median rental rates
- Median income
- Employment
- Crime rates



Case Study: Vincent Homes, Philadelphia

Community Solutions, in partnership with the Vincentian Congregation has developed an affordable housing program for vulnerable families in the community surrounding the seminary and provincial headquarters in East Germantown, Philadelphia.

- \$2.15M social impact capital fundraised in hand to date. Another \$2.4 committed
- The initiative is in the process of acquiring and renovating 100 properties in East Germantown.
- Properties are owned and managed by a non-profit trust and leased at affordable rents to local residents.
- Property management and Rehabilitations is engaging local Minority- and Women-Owned Businesses.
- The first phase of houses will employ a **first of its kind**

solar-focused energy model to power all homes in the portfolio.

All properties will be rehabilitated to high energy efficiency standards and receive power from a centralized solar array.



Local Project Team



Patrick McKenna is the Senior Project Manager for the Real Estate team in Hartford, where he managed design and construction of the Swift Factory. Prior to CS, Patrick worked as an architect for more than 10 years in his native Ireland and the US on a wide range of projects including residential, commercial, mixed use, cultural and education. He is the Co-founder of Architecture for Humanity in New Haven, CT and the Co-chair of the building committee of the local Habitat for Humanity.



John Thomas is the Assistant Project Manager for the Real Estate team in Hartford. John is a North Hartford native and supports the management of the Swift Factory; including coordination of local construction and permanent hiring. He leads Swift's social media efforts and engages residents, community organizations and leaders in North Hartford neighborhoods in support of CS's work on Swift and housing. Prior to CS, John led efforts for various political campaigns in addition to writing for the local newspaper.



Shontá Browdy is the Administrative Coordinator for the Real Estate team in Hartford. She is a Hartford native and serves as secretary of the Hartford Board of Education and as the Education Committee chair and Co-Advisor of the Youth Council of the Greater Hartford NAACP. She earned a bachelor's degree in Business Administration. She is a dedicated member of her church where she serves on the administrative and leadership teams. Another passion is leading a community gardening project focused on exposing children to healthy eating.



Amber Elliott is the Community Based Improvement Advisor for Catalytic Projects, where she works to empower residents and co-create a neighborhood of choice through physical development. Amber is a Detroit native and prior to CS worked for the Detroit Land Bank Authority, Detroit LISC, ArtSpace Projects Inc. and as a Consultant and for a Detroit City Councilman. Amber is a proud graduate of Howard University and University of Michigan Law. She is licensed to practice in Michigan and the United States Supreme Court.



Thank You

COMMUNITY SOLUTIONS

Project Updates

CRDA Housing Approved

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/AF Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Leased ¹
777 Main	285	\$84.5M	\$296K	\$17.7M	\$62K	80/20	\$7.5M equity \$10.2M 2nd mortgage	1/30/2013	3/13/2013	3/28/2014	Renting	86%
201 Ann/Grand	26	\$4.45M	\$202K	\$3.8M/\$750K	\$28.8K	100	initial constr. note \$3.8M ³ convert to 2nd mortgage at \$750,000	3/21/2013 4/25/2013	6/21/2013	10/29/2013	Renting	35%
179 Allyn	63	\$14.89M	\$233K	\$6.5M	\$103K	80/20	\$3.25M equity, \$3.25M 2nd Loan	3/21/2013	6/21/2013	11/15/2013	Renting	97%
Sonesta/Spectra	190	\$23.9M	\$123K	\$2.05M	\$10.6K	85/15	Bridge HTC ³	6/4/2013	6/21/2013	12/5/2013	Renting	95%
Capewell	72	\$26.1M	\$359K	\$5.0M	\$69.4K	80/20	construction financing/converted to mortgage note	2/28/2014 11/16/2014	7/28/2014 11/16/2014	6/30/2015	Renting	97%
390 Capital	112	\$35.3M	\$290K	\$7M	\$62.5K	80/20	2 loans, .5%, 20 yr.	6/19/2014	3/17/2015	9/23/2015	Renting	97%
36 Lewis	6	\$1.8M	\$306K	\$300K	\$50K	100	construction/perm loan 1-3% 30 yr.	6/19/2014	7/25/2014	4/8/2015	Renting	100%
38-42 Elm	6	\$1.24M	\$206K	\$348,350 ⁴	\$61.5K	100	loan 3% 30 yr.	6/19/2014 2/18/2016	7/25/2014	2/25/2015	Renting	100%
1279-83 Main	10	\$1.35M	\$135K	\$297K	\$29.7K	100	loan 3% 25 yr.	5/21/2015		9/9/2016 9/20/2019 12/12/2020	2021	
370 Asylum	60	\$20.3M	\$338K	\$4M	\$66K	70/30	loan <3%, 20 yr.	6/18/2015 2/18/2016	3/24/2016	9/29/2017	Renting	96%
Radisson	96	\$19.5M	* 2	\$6.5M	\$67.7K	100	foreclosure 2/2021	10/15/2015	12/11/2015	3/31/2016	Renting	33%
81 Arch	53	\$23M	\$380K	\$5.6M	\$103.7K	100	30 yr. 1% loan	10/20/2016	11/15/2016	11/7/2017	Renting	79%
101 Pearl	157	\$28.4M	\$184K	\$9.24M	\$58.8K	100	construction/perm loan 3% 30 yr.	12/18/2016	5/12/2017	11/8/2017	Renting	80%
111 Pearl	101	\$21.55M	\$208K	\$6.06M	\$59.47K	100	construction/perm loan 3% 30 yr.	12/18/2016	5/12/2017	11/8/2017	Renting	90%
108 Allyn	66	\$21.1M	\$319K	\$6.6M ⁶	\$103K	80/20	construction/perm loan 3% 5 yr.	12/18/2016 8/8/2018	2/1/2017 6/26/2019	10/31/2018	Renting	53%
105-7 Wyllys	9	\$2.5M	\$277K	\$800K	\$88.8K	100	construction/perm loan 2-3% 30 yr.	5/18/2017 3/21/2019	11/29/2017 6/26/2019	8/31/2019	2021	
Colt North	48	\$13.6M	\$283K	\$2.88M	\$60K	100	construction/perm loan 3% 20 yr.	5/18/2017	11/29/2017	7/2/2018	Renting	100%
28 High	28	\$5.5M	\$196.4K	\$1.9M	\$67.8K	80/20	loan 3% 30 yr.	2/2/2018	2/16/2018	8/29/2018	Renting 1/21	29%
100 Trumbull	16	\$1.5M	\$93.7K	\$960K	\$60K	100	loan 3% 20 yr.	9/21/2017	2/16/2018	4/11/2018	2018/19/20	95%
246-250 Lawrence	12	\$1.5M	\$125K	\$521K	\$43.4K	100	Historic bridge loan & perm loan 3% 20 yr.	10/18/2018	12/11/2018	1/4/2019	Renting	75%
Colt "U"	28	\$7M	\$269K	\$1.5M	\$53.5K	100	loan 3% 20 yr.	1/10/2019	12/18/2019	11/30/2020	Late 2021	
Prettl	129	\$29.8M	\$231K	\$12M	\$93K	80/20	\$3M/\$9M 1% 5yr, 30yr.	10/17/2019	9/17/2020		2022	
Park/Main	126	\$26.8	\$212K	\$8.4M	\$66.7K	80/20	Yr. 3%	9/20/2018	9/20/2018	6/25/2020	2022	
Done "C"	270	\$56.2M	\$208K	\$11.8M	\$43.7K	90/10	3% 30 yr. 15 yr. term	9/20/2018	9/20/2018	9/30/2020	2022	
Summary	1969 ⁵	\$472M	\$239K	\$121.7M	\$62.5K median \$64K avg.	86/14	1697 market / 251 affordable					

3/3/2021

¹ deposits and leases
² \$75K/unit est. residential + 188 hotel rooms
³ notes repaid
⁴ \$16K from Housing Cap. Fund
⁵ 2108 w/ Front St. & Recap deals
⁶ \$200K reserve via Bond Commission

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CRDA Housing Approved - Varied Funding Sources

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Aff Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Occupancy
Front Street	121	\$35.7M	\$310K	\$12M	\$99.1K	Mkt	DECD grant	N/A	12/12/2007	12/17/2013	Renting	86%
Silas Deane	111	\$27M	\$225K	\$5M	\$41.6K	Mkt	Urban Act	N/A	9/30/2016	5/24/2018	Renting	77%
289 Asylum	8	\$1.474M	\$184K	\$485K ²	\$56K	Mkt	cap funds, 3% 30 yr. Feb. '21	12/8/2016		6/13/2018	Renting	100%
241 Asylum	4	\$1.99M	\$150K	\$200K	\$50K	Mkt	construction note 5 yr., Capital Funds	03/22/2018	N/A	01/28/2021	Renting	100%
115-117							\$200,000 Hist. Bridge Loan	12/8/2016	N/A	5/7/2018	Renting	100%
Sigourney	4	\$1.16M	\$290K	\$200K	\$50K	Aff	Heritage Homes - Affordable	5/24/2018	6/1/2018	8/13/2019	Owned	115&117 SOLD
86-88 Hawthorne	2	\$830K	\$418K	\$50K	\$25K	Aff	Heritage Homes (NINA) Aff.	5/24/2018	6/1/2018	8/13/2019	2020	SOLD "86" pending "88"
80-82 Hawthorne	2	\$830K	\$418K	\$50K	\$25K	Mkt	Heritage (NINA) Market	5/24/2018	6/1/2018	8/13/2019	2021	
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¹ Paydown of principle from sale

² New balance at \$485K with interest rolled on initial \$450K condo note

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CRDA Neighborhood Projects

Project	Description	TDC	CRDA Amount	CRDA Funds	Structure	Committee Approval	CRDA Board	Bond Commission Approval	Status
Bowles Park	Demolition of 410-unit housing project & construction of 91 new rental and owned units on Granby Street (Blue Hills neighborhood)	\$40m	\$5,000,000	FY16 Neighborhood	\$5m grant for demolition	9/9/2016	9/15/2016	9/30/2016	Phase I complete & leasing underway.
Brackett Knoll	Construction of 14 two-family owner-occupied homes on Naugatuck Street	\$3.7m	\$1,555,000	FY16 Neighborhood (Promise Zone)	\$630,000 grant for site acquisition/improvements; CRDA to use \$925,000 to construct required road	11/10/2016	12/8/2016	2/1/2017	Road construction underway. Housing production begun.
Swift Factory	Renovation of historic factory into "Community Food and Job Creation Hub" serving the Northeast, Upper Albany and Clay Arsenal neighborhoods	\$32.7m	\$4,300,000	FY16 Neighborhood (Promise Zone)	\$4.3m loan - minimum debt service calculated using an initial 1% APR and be paid monthly upon stabilization. CRDA to receive 70% of net available cash after payment of first lien debt service & other required distributions. Payment shall continue over a 20-year term until CRDA has received all of its capital with 3% IRR. Funds contingent upon execution of tenant leases (a) for no less than 50% of leasable project space or (b) no less than 50% of projected rental revenue.	3/10/2017	3/16/2017	5/12/2017	CO issued. First tenants moving in.
Albany Ave/ Main Street	High Speed internet cabling connection to North End Business	TBD	\$525,000	FY16 Neighborhood (Promise Zone)	Funds used to match Federal Promise Zone Funding and compliment Albany Ave. Streetscape project	6/15/2017	6/15/2017	11/29/2017	Construction Complete
Dillon Stadium	Management and renovation of Stadium, including replacement of field, replacement or refurbishment of bleachers, upgraded seating, lighting & sound system, upgrades to concessions, restroom and locker facilities, building code and ADA upgrades and new site entrance. Additional upgrades to be made at neighboring Colt Park.	\$10m	\$10,000,000	FY17 Neighborhood	CRDA to oversee renovations and hold construction contracts. Work at Dillon to be done in conjunction with Hartford Sports Group (HSG) and their architect. Scope of Colt Park renovation to be developed in conjunction with City of Hartford.	1/12/2018	2/8/2018	2/16/2018	Completed
Charter Oak Health Center	Renovation of vacant building into specialty health clinic	\$1.9 m	\$450,000	FY16 General	Grant for exterior work, historic restoration & site work	NA	6/21/2018	9/20/2018	Completed
690-714 Albany Ave.	Renovation of 8 unit / 3,500 sf storefront bldg	\$3.8m	\$2,500,000	FY16 General	Equity investment in renovation	NA	6/21/2018 3/22/2019	7/25/2018	On hold
Quirk Middle School / PAL	Renovation of former middle school	\$7.5m	\$7,500,000	\$3.9 = FY16 General \$3.6 = FY16 Neigh (PZ)	Includes \$500,000 for implementation of Neighborhood Security Fellows training program			7/25/2018	Construction underway
Heritage Home	Assistance via NINA to increase home ownership in Asylum Hill area.	TBA	\$2,500,000	FY17 Neighborhood	Loans and grants	5/11/2018	5/24/2018	6/1/2018	multiple properties see Housing Varied Funding Report

\$34,330,000

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