

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

PRESENT:

Members Present via GoToMeeting: Board Chair Suzanne Hopgood, Joanne Berger-Sweeney, Housing Commissioner Seila Mosquera -Bruno, Randal Davis and Paul Canning

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

Guests Present via GoToMeeting: Matt Edvardsen, Spinnaker Real Estate Partners

The meeting was called to order by Ms. Hopgood at 9:04 a.m. On unanimous voice votes, Mr. Davis was accepted as a member of the Committee and Ms. Berger-Sweeney was elected chair. Ms. Hopgood also introduced Paul Canning with UBS Realty Investors, who serves as a non-voting advisor to the Committee.

The minutes of the January 15, 2021 meeting were unanimously approved on a voice vote.

1) NINA / Hartford Heritage Homes Phase 2 – 80-82 Hawthorn Street

Mr. Freimuth reported that after the success of Phase 1 of the Heritage Homes project, NINA is embarking on Phase 2, with the purchase and renovation of two additional row houses at 80 and 82 Hawthorn Street. NINA would utilize the balance of the \$450,000 authorized by CRDA for the first eight units of the Heritage Homes project. After a brief discussion, during which Ms. Hopgood and Mr. Davis both expressed their support for the project, the following resolution was approved on a voice vote.

Whereas in May 2018, CRDA, working with Northside Institutions Neighborhood Association (NINA), created and funded a \$2.5 million program design 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 homeowners 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.

2) 55 Elm Street

Mr. Freimuth reported that Spinnaker Real Estate Partners has unveiled a \$63m plan to develop the former State office building at 55 Elm Street into 164 residential units, along with co-working space and a restaurant. Some 80% of the units would be market rate, with the balance affordable. Up to 70 units will be constructed as hotel units should the market justify such use. CRDA has been asked to provide \$13.5m in the form of a \$7m construction/permanent loan and a \$6.5m historic tax credit bridge loan, which upon repayment would be used for an additional phase of residential development within Bushnell South.

After a brief discussion, the following resolution was adopted on a voice vote:

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 of up to 36 months. \$7 million of the \$13.5 million shall be converted to permanent financing upon stabilization (but no longer than three years from closing) at 2%, amortizing over 30 years and \$6.5 million 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.

3) 65 Elm Street

Mr. Freimuth explained that Spinnaker is also looking to develop the neighboring 65 Elm Street into 85 residential units. While Mr. Edvardsen suggested that Spinnaker would be interested in seeing those units completed prior to 55 Elm, Mr. Freimuth suggested the Committee hold off taking any action until 55 Elm was underway, perhaps utilizing funds at 65 Elm from the repayment of the historic tax credit bridge loan at 55 Elm.

4) DoNo Parcel B

Mr. Freimuth noted that planning is underway for new housing on Parcel B of the DoNo site. Currently, RMS' plan for that site would include 532 housing units and a 541-space parking garage, built out in two phases. The garage and 228 units would be built in Phase I at a cost of \$52.8m, with the balance of the units built in Phase 2 for \$56m. Proposed financing for Phase I would mirror that of earlier parcels, with some \$33.2m from a conventional mortgage, \$6m in equity and a \$13.6m loan from CRDA. Additional details will be made available to the Committee in future meetings.

5) North Hartford Investment Fund

Community Solutions, the non-profit developer responsible for renovation of the Swift Factory in the City's North End, is embarking on a new housing venture in the adjacent neighborhood. Based on a model used in Philadelphia, the program seeks to address four issues facing local residents: poor quality housing, long-term accessibility, high eviction rates and responsive property management.

A housing trust would be established and raised funds used to purchase, renovate and lease 100 units, focusing primarily on the numerous "Perfect Six" buildings in the neighborhood. Mr. Freimuth indicated that CRDA has been asked to provide financial assistance for the venture and representatives of Community Solutions will make a presentation at the March Board meeting.

6) Project Updates

Mr. Freimuth referenced the project spreadsheet in the Committee agenda packet, noting that despite COVID, owners report that rent collection rates were holding steady between 85% and 95%. In buildings with ground floor retail, some are seeing an increase in pop-up retail operations. Increased leasing rates in other buildings may be attributed to the availability of 5G connections, highly-coveted by individuals working from home.

There being no further business, the Committee adjourned at 10:01 a.m.

The next conference call of the Housing & Neighborhood Committee is scheduled for April 9, 2021.