

Agenda

CRDA Housing & Neighborhood Committee Meeting

GoToMeeting

Friday, October 8, 2021

(rescheduled from October 1, 2021)

9:00 am

- Approval of Minutes of September 10, 2021 *
- 179 Allyn Street *
- 525 Main Street *
- 275 Pearl Street *
- Project Updates
- Next Meeting – **November 5, 2021**
- Adjourn

CRDA Housing & Neighborhood Committee Meeting
Fri, Oct 8, 2021 9:00 AM - 10:00 AM (EDT)

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

<https://global.gotomeeting.com/join/946564717>

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Access Code: 946-564-717

179 Allyn Street

179 Allyn Street (refinance)

Background: Earlier this year, May 2021, the CRDA Board approved the refinancing of the BoA senior mortgage at 179 Allyn Street with a HUD Section 207/223(f) insured mortgage which acknowledged the \$3.25 million CRDA loan would continue to be subordinate to the new HUD mortgage and have a new expiration term to match the HUD mortgage. The Board also approved the prospective terms governing the cash proceeds from the refinance that would set aside \$200,000 for capital expenditures at the building and pay principle due on the adjoining CRDA mezzanine financing as well as bring current the principle and interest owed on the CRDA subordinate note. In addition, a short term "Covid Reserve" escrow of \$254,000 will be released to CRDA to further reduce outstanding principle due to CRDA. Total proceeds to CRDA would total \$420,000.

The project, initially a \$14.89M project (with a \$3.25M CRDA note and \$3.25M CRDA mezzanine financing) that reconstructed the former commercial building at 179 Allyn Street into 63 residential units was completed in late 2014 and has enjoyed occupancy in the low 90% range since it opened. The term associated with initial financing from the Bank of America expires in 2021 necessitating the refinance. The new HUD note allows for some capital upgrades and is at an interest rate more favorable than the first financing.

Update: To secure the new financing, CRDA was asked to extend the term of its loan to be concurrent with the new first mortgage which, as noted above, the board agreed. However, HUD has now indicated that it also needs the term of the mezzanine financing to be co-terminus with their new note, something that was not requested or noted in the initial actions. Consequently, the developer and the HUD insured mortgage lender are asking that CRDA also formally extend the term of the mezz loan out 10 years, thereby creating a 30 year rather than a 20 year term for the mezz, making it consistent with the accompanying CRDA subordinate mortgage and the new HUD insured note.

Resolution: *The executive director is authorized to adjust the terms of the CRDA mezzanine financing to be co-terminus with the new HUD Section 223(f) mortgage and note of up to \$4.45 million at 2.75%/22 years as well as the CRDA subordinate mortgage of \$3.25M for the 179 Street Project and to execute subordination agreements for its mortgage and mezzanine financing for the borrower and managing member, Allyn Street Managing Member LLC*

525 Main Street

525 Main Street

Background: This property is one of two recently offered for sale/redevelopment by the City of Hartford and for which the City requests CRDA's assistance in underwriting and servicing a municipally funded redevelopment loan. The CRDA board approved a Memorandum of Understanding at its September 2021 meeting to perform these tasks as part of a larger effort to undertake economic development in partnership with the City and funded by a combination of monies including federal "American Recovery Program" funds and various municipal redevelopment programs.

The property consists of three parcels including a partially occupied 32,000 (est) s.f. building as phase 1 and two vacant lots at 17 & 21 Wells Street for a future new construction phase. The City will enter into a purchase and sale agreement for 525 Main and an option to sell the Wells St properties subject to land disposition/development agreements governing the proposed mixed use of the building, community benefits, schedules, financing, affordable housing and resident, MBE and wage requirements as well as a municipal tax agreement. The agreements will be submitted to the City Council in October 2021.

The multiple objectives including returning the property to the tax rolls, increasing the municipal housing stock and removing the cost of the properties' operation from the annual municipal budget.

Proposal: The City selected Wonderworks to purchase and redevelop the property. A sales price of \$425,000 for the building has been offered (the Wells Street land option will be subject of future price negotiations when triggered). Wonder Works Construction Corp has proposed a mixed-use project including 42 residential units (20% affordable, 9 units) while maintaining the 2750 sf of retail space. The total project is expected to have a development budget of \$7.8M to be sourced as follows:

Bank Senior Mortgage:	\$ 3,200,000	
Equity:	1,305,828	(\$420,584 deferred dev fee)
Historic Credits (State)	800,000	(to be bridged financed)
CRDA Loan	2,116,162	(funded by municipal development funds)
City Purchase Mortgage	<u>425,000</u>	(priority over municipal loan)
Total Dev Cost	\$ 7,846,990	

"CRDA" Loan: Funded by the City but monitored and serviced by CRDA, the \$2,116,162 subordinate loan will be available at 1% only for three years and then 2.5% interest with an additional 1% buydown of principle annually. Funds will be returned to a revolving loan fund managed by CRDA but owned by the City for future redevelopment projects in accordance with the CRDA/City of Hartford MOU. Fifty percent of proceeds shall be made available at any refinancing to retire the city contribution with total repayment upon any sale of the asset.

RESOLUTION: *In accordance with the City/CRDA MOU, the executive director is authorized to execute such documents as necessary and appropriate to fund a loan to Wonder Works Construction Corporation (or such single purpose entity acceptable to CRDA) for the purposes of redeveloping 525 Main Street, Hartford CT, such loan totaling \$2,116,162 at 1% interest for three years and 2.5% interest with a 1% annual principle write down thereafter, subject to: 1/ sufficient funds being available within the City/CRDA revolving loan account; 2/ all other project funds being secured to reconstruct 525 Main Street into 42 residential units and 2750 s.f. of retail space; and 3/ all appropriate City of Hartford actions for the property's disposition being approved.*

(6)

Units Gross	31,792
GSF	31,792
Loss Factor	35.0%
Net Residential and Retail	20,852
NSF RESIDENTIAL	17,903
NSF OFFICE / RETAIL SPACE	2,749



PROPOSED BUDGET

ACQUISITION	GSF	NSF	Total	%
Acquisition	\$13.37	\$20.58	\$425,000	5.4%
Legal Fees (Acquisition & LLC)	\$0.79	\$1.21	\$25,000	0.3%
AQUISITION FEE	\$0.00	\$0.00	\$0	0.0%
Other Closing Costs	\$0.63	\$0.97	\$20,000	0.3%
Other Pre-Development costs	\$0.79	\$1.21	\$25,000	0.3%
SUBTOTAL ACQUISITION	\$15.57	\$23.97	\$495,000	6.3%

NOTES:

HARD COST	GSF	NSF	Total	%
Construction	\$151.57	\$233.33	\$4,818,681	61.4%
Contractor Contingency	\$7.58	\$11.67	\$240,934	3.1%
SUBTOTAL HARD COSTS	\$159.15	\$244.99	\$5,059,615	64.5%

5.00%

SOFT COSTS	GSF	NSF	Total	%
Permits:				
Permits and Filing Fees	\$3.79	\$5.83	\$120,467	1.5%
Subtotal	\$3.79	\$5.83	\$120,467	1.5%
Design:				
Architect	\$3.00	\$4.62	\$95,376	1.2%
MEPS Engineers	\$1.25	\$1.92	\$39,740	0.5%
Structural Engineer	\$0.50	\$0.77	\$15,896	0.2%
Tax Abatement Consultant	\$0.31	\$0.48	\$10,000	0.1%
Environmental Engineer and Inspection Fees	\$0.31	\$0.48	\$10,000	0.1%
Survey	\$0.31	\$0.48	\$10,000	0.1%
Testing and Controlled Inspections	\$0.57	\$0.87	\$18,000	0.2%
Engineering Inspection Fees	\$0.57	\$0.87	\$18,000	0.2%
Historic and DECD Consultants and Fees	\$0.63	\$0.97	\$20,000	0.3%
Interior Designer	\$0.94	\$1.45	\$30,000	0.4%
Subtotal	\$8.40	\$12.93	\$267,012	3.4%
Legal & Administrative				
Legal Fees	\$1.42	\$2.18	\$45,000	0.6%
Owners Accounting	\$0.79	\$1.21	\$25,000	0.3%
Builders Risk Insurance	\$1.57	\$2.42	\$50,000	0.6%
Liability Insurance	\$3.77	\$5.81	\$120,000	1.5%
Real Estate Taxes and Parking Lease Payment	\$4.09	\$6.29	\$130,000	1.7%
Plan, Printing and Reimbursements	\$2.04	\$3.15	\$65,000	0.8%
Subtotal	\$13.68	\$21.06	\$435,000	5.5%
Marketing				
PR, Marketing and Advertisement	\$1.26	\$1.94	\$40,000	0.5%
Subtotal	\$1.26	\$1.94	\$40,000	0.5%
Soft Cost Contingency	\$2.71	\$4.18	\$86,248	1.1%
SUBTOTAL SOFT COSTS	\$29.84	\$45.94	\$948,727	12.1%

2 years
2 years
3 years

10.00%

FINANCING & DEVELOPMENT COSTS	GSF	NSF	Total	%
Appraisal	\$0.47	\$0.73	\$15,000	0.2%
Lender Third Party Reports and Engineering Consultants	\$1.10	\$1.69	\$35,000	0.4%
Lender's Legal fees	\$1.26	\$1.94	\$40,000	0.5%
Lender's Commitment fees	\$0.50	\$0.77	\$16,000	0.2%
Interest Reserve Senior	\$8.18	\$12.59	\$260,000	3.3%
Interest Reserve Historic Bridge Loan	\$2.26	\$3.49	\$72,000	0.9%
CRDA Commitment Fees	\$0.67	\$1.02	\$21,162	0.3%
Interest Reserve CRDA	\$2.00	\$3.07	\$63,485	0.8%
Subtotal	\$16.44	\$25.31	\$522,646	6.7%
Developers Overhead	\$9.45	\$14.55	\$300,417	3.8%
Developer BSPRA	\$13.23	\$20.37	\$420,584	5.4%
Subtotal	\$9.45	\$14.55	\$721,001	9.2%
SUBTOTAL FINANCING AND DEVELOPMENT COSTS	\$25.89	\$39.85	\$1,243,648	15.8%

SENIOR LOAN
\$3,200,000

30 months
36 months
36 months

RESERVE -WORKING CAPITAL	\$50,000
RESERVE- INITIAL OPERATING DIFICIT	\$50,000

TOTAL PROJECT COSTS	\$246.82	\$379.96	\$7,846,990	100.0%
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SOURCES

Senior Loan	\$ 3,200,000	41%
Deferred Acquisition Payment	\$ 425,000	5%
CRDA Loan	\$ 2,116,162	27%
State Historic Tax Credit Bridge Loan	\$ 800,000	10%
Developer's Equity	\$ 885,244	11%
Developer's Deferred Developers Fees	\$ 420,584	5%

\$ 1,202,604
TOTAL



RFP: 525 Main Street, HARTFORD CT AREA CHART AND PROJECT RESIDENTIAL REVENUE

FLOOR	GROSS FLOOR AREA	EXISTING FLOOR AREA	NEW FLOOR AREA	RETAIL OFFICE	RESIDENTIAL UNIT FLOOR AREA
SUBCELLAR	4305	4305	0		0
Lower Level	6214	6214	0		2652
1	6111	6111	0	2749	1865
2	5054	5054	0		4462
3	5054	5054	0		4462
4	5054	5054	0		4462
ROOF			0		
TOTAL	31792	31792	0	2749	17903

UNIT MIX CHART													
FLOOR	TOTAL NET FLOOR AREA	1	2	3	4	5	6	7	8	9	10	11	# OF RES UNITS
SUBCELLAR	0	0	0	0	0	0	0	0					0
Lower Level	2652	493	434	366	541	818							5
1	1865	404	438	434	589								4
2	4462	579	390	440	391	443	345	308	395	438	387	346	11
3	4462	579	390	440	391	443	345	308	395	438	387	346	11
4	4462	579	390	440	391	443	345	308	395	438	387	346	11
ROOF	0												
	17903												42

UNITS		
STUDIO	36	86%
1 BEDROOM	6	14%
2 BEDROOM	0	0%
	42	100%

average	
14218	sf
3685	sf
0	sf
17903	sf

average	
395	sf
614	sf
0	sf
426	sf

OF RES UNITS

	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	# OF RES UNITS
SUBCELLAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0
Lower Level	\$ 7,264	\$ 1,233	\$ 1,085	\$ 1,508	\$ 1,353	\$ 2,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5
1	\$ 4,875	\$ 1,077	\$ 1,168	\$ 1,157	\$ 1,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4
2	\$ 12,546	\$ 1,544	\$ 1,105	\$ 1,247	\$ 1,108	\$ 1,255	\$ 978	\$ 873	\$ 1,119	\$ 1,241	\$ 1,097	\$ 980	\$ -	11
3	\$ 12,869	\$ 1,544	\$ 1,138	\$ 1,283	\$ 1,140	\$ 1,292	\$ 1,006	\$ 898	\$ 1,152	\$ 1,278	\$ 1,129	\$ 1,009	\$ -	11
4	\$ 13,193	\$ 1,544	\$ 1,170	\$ 1,320	\$ 1,173	\$ 1,329	\$ 1,035	\$ 924	\$ 1,185	\$ 1,314	\$ 1,161	\$ 1,038	\$ -	11
ROOF	\$ -													
	\$ 50,747													42

UNITS		
STUDIO	36	86%
1 BEDROOM	6	14%
2 BEDROOM	0	0%
	42	100%

average			START FROM	average
\$ 41,205	\$ 494,457	\$ 1,145	per month \$ 873	\$ 1,144.58
\$ 9,542	\$ 114,508	\$ 1,590	per month \$ 1,353	\$ 1,590.39
\$ -	\$ -	\$ -	per month \$ -	\$ -
\$ 50,747	\$ 608,965	\$ 1,208	per month	\$ 34.01

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RFP - 225 Main Street - HARTFORD CT

Acquisition Cost	\$4,100,000
Total Project Cost	\$7,646,900
Project Cost O&P	\$267
Project Cost Residential Unit	1,686,837
RTC	40.78%
Build to Cost Rate	5.20%
Cash Equity Contribution	\$3,300,244

Total Number of Residential Units	42
Total GSF	31,792
Residential GSF	17,001
Avg MSF/Ac	1.28
Residential Density	3.88
Residential Density - FT	2.79
Retail Vacancies	15.1%
Retail Office - Retail GSF	\$58,800
1st Floor Market Rate Retail GSF	\$42.92
Permits Fees	\$5
1st Annual Escrow/Mort	\$12
Forward Reserve Units	\$494
Escrow Reserve - Retail GSF	\$2
Vacancy & Collection Loss - Residential	4.8%
Vacancy & Collection Loss - Commercial	18.8%
Annual Revenue Escalation	3.0%
Annual Expense Escalation	3.0%
Management Fee	3.0%

Loan Amount	\$3,300,000
Interest Rate	4.00%
Loan Term (years)	30
Interest Only Months	0
Loan to Cost %	40.8%
Refinance Interest Cap Rate	5.0%
Refinance Interest Rate	5.0%
Refinance DSCR Minimum	1.25x
Cost of Subcontract	3.25%

Loan Amount	\$3,300,000
Loan Amount Unit	\$2,142,142
Annual Interest Paid	\$136,632
Annual Principal Paydown	\$136,632
% of Refinance Proceeds to Pay Down Loan	33.2%

W 1.5 Value Add	\$
Annual MFR Rate Increase	0.25%
Annual Value Appreciation Loan Reinvestment (E=ny) W1	18.2%
Asset/liability Ratio (System)	\$4,000,000
W 1 Property Appreciated Value	\$1,878,000

W 1.5 Value Add	\$
Annual MFR Rate Increase	0.25%
Annual Value Appreciation Loan Reinvestment (E=ny) W1	18.2%
Asset/liability Ratio (System)	\$4,000,000
W 1 Property Appreciated Value	\$1,878,000

Development and stabilization stage

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
GROSS REVENUE															
Residential Rent	\$400,000	\$427,200	\$454,400	\$481,600	\$508,800	\$536,000	\$563,200	\$590,400	\$617,600	\$644,800	\$672,000	\$699,200	\$726,400	\$753,600	\$780,800
Retail/Office - Rent	\$27,400	\$29,540	\$31,680	\$33,820	\$35,960	\$38,100	\$40,240	\$42,380	\$44,520	\$46,660	\$48,800	\$50,940	\$53,080	\$55,220	\$57,360
Permits Income	\$40,200	\$47,040	\$53,880	\$60,720	\$67,560	\$74,400	\$81,240	\$88,080	\$94,920	\$101,760	\$108,600	\$115,440	\$122,280	\$129,120	\$135,960
Forward Reserve Income	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Pharmaceutical Gross Revenue	\$678,100	\$717,960	\$757,820	\$797,680	\$837,540	\$877,400	\$917,260	\$957,120	\$996,980	\$1,036,840	\$1,076,700	\$1,116,560	\$1,156,420	\$1,196,280	\$1,236,140
Less: Interest on Acquisition Loan	\$1,740,000	\$1,600,000	\$1,460,000	\$1,320,000	\$1,180,000	\$1,040,000	\$900,000	\$760,000	\$620,000	\$480,000	\$340,000	\$200,000	\$60,000	\$0	\$0
Net Revenue	\$238,100	\$284,960	\$331,820	\$378,680	\$425,540	\$472,400	\$519,260	\$566,120	\$612,980	\$659,840	\$706,700	\$753,560	\$800,420	\$847,280	\$894,140
OPERATING EXPENSES															
Real Estate Taxes	\$31,886	\$33,032	\$34,178	\$35,324	\$36,470	\$37,616	\$38,762	\$39,908	\$41,054	\$42,200	\$43,346	\$44,492	\$45,638	\$46,784	\$47,930
25% Lease Payments - Year 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll/Labor Payment w/ NET	\$32,500	\$32,600	\$32,700	\$32,800	\$32,900	\$33,000	\$33,100	\$33,200	\$33,300	\$33,400	\$33,500	\$33,600	\$33,700	\$33,800	\$33,900
Salaries & Benefits	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000
Insurance	\$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
Utilities	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Repairs & Maintenance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
General Management & Administrative	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Management Fee	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494	\$494
Advertising and Leasing	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Chemicals and Deodorants	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Service Contracts	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Reserve & Contingency	\$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
Total Operating Expenses	\$127,186	\$132,824	\$138,462	\$144,100	\$149,738	\$155,376	\$161,014	\$166,652	\$172,290	\$177,928	\$183,566	\$189,204	\$194,842	\$200,480	\$206,118
Net Operating Income	\$110,914	\$152,136	\$193,352	\$234,568	\$275,784	\$317,000	\$358,216	\$399,432	\$440,648	\$481,864	\$523,080	\$564,296	\$605,512	\$646,728	\$687,944
DEBT SERVICE															
Interest	\$176,111	\$168,889	\$161,667	\$154,445	\$147,223	\$140,001	\$132,779	\$125,557	\$118,335	\$111,113	\$103,891	\$96,669	\$89,447	\$82,225	\$75,003
Principal	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311
Total Debt Service	\$312,422	\$305,200	\$298,000	\$290,756	\$283,512	\$276,268	\$269,024	\$261,780	\$254,536	\$247,292	\$240,048	\$232,804	\$225,560	\$218,316	\$211,072
DEBT COV. (1st Escrow Mt)	1.16x	1.34x	1.52x	1.70x	1.88x	2.06x	2.24x	2.42x	2.60x	2.78x	2.96x	3.14x	3.32x	3.50x	3.68x
DEBT COV. (2nd Escrow Mt)	1.32x	1.40x	1.48x	1.56x	1.64x	1.72x	1.80x	1.88x	1.96x	2.04x	2.12x	2.20x	2.28x	2.36x	2.44x
DEBT SERVICE															
Interest	\$176,111	\$168,889	\$161,667	\$154,445	\$147,223	\$140,001	\$132,779	\$125,557	\$118,335	\$111,113	\$103,891	\$96,669	\$89,447	\$82,225	\$75,003
Principal	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311
Total Debt Service	\$312,422	\$305,200	\$298,000	\$290,756	\$283,512	\$276,268	\$269,024	\$261,780	\$254,536	\$247,292	\$240,048	\$232,804	\$225,560	\$218,316	\$211,072
NEW REFUNDING LOAN AMOUNT															
Cost of Refunding	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Loan Reinvestment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CRDA - 2018	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Building Debt															
Cost of Debt	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Cash Flow	\$78,492	\$156,984	\$235,476	\$313,968	\$392,460	\$470,952	\$549,444	\$627,936	\$706,428	\$784,920	\$863,412	\$941,904	\$1,020,396	\$1,098,888	\$1,177,380
DEBT SERVICE															
Interest	\$176,111	\$168,889	\$161,667	\$154,445	\$147,223	\$140,001	\$132,779	\$125,557	\$118,335	\$111,113	\$103,891	\$96,669	\$89,447	\$82,225	\$75,003
Principal	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311
Total Debt Service	\$312,422	\$305,200	\$298,000	\$290,756	\$283,512	\$276,268	\$269,024	\$261,780	\$254,536	\$247,292	\$240,048	\$232,804	\$225,560	\$218,316	\$211,072
DEBT COV. (1st Escrow Mt)	1.16x	1.34x	1.52x	1.70x	1.88x	2.06x	2.24x	2.42x	2.60x	2.78x	2.96x	3.14x	3.32x	3.50x	3.68x
DEBT COV. (2nd Escrow Mt)	1.32x	1.40x	1.48x	1.56x	1.64x	1.72x	1.80x	1.88x	1.96x	2.04x	2.12x	2.20x	2.28x	2.36x	2.44x
DEBT SERVICE															
Interest	\$176,111	\$168,889	\$161,667	\$154,445	\$147,223	\$140,001	\$132,779	\$125,557	\$118,335	\$111,113	\$103,891	\$96,669	\$89,447	\$82,225	\$75,003
Principal	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311
Total Debt Service	\$312,422	\$305,200	\$298,000	\$290,756	\$283,512	\$276,268	\$269,024	\$261,780	\$254,536	\$247,292	\$240,048	\$232,804	\$225,560	\$218,316	\$211,072
DEBT SERVICE															
Interest	\$176,111	\$168,889	\$161,667	\$154,445	\$147,223	\$140,001	\$132,779	\$125,557	\$118,335	\$111,113	\$103,891	\$96,669	\$89,447	\$82,225	\$75,003
Principal	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311
Total Debt Service	\$312,422	\$305,200	\$298,000	\$290,756	\$283,512	\$276,268	\$269,024	\$261,780	\$254,536	\$247,292	\$240,048	\$232,804	\$225,560	\$218,316	\$211,072
DEBT SERVICE															
Interest	\$176,111	\$168,889	\$161,667	\$154,445	\$147,223	\$140,001	\$132,779	\$125,557	\$118,335	\$111,113	\$103,891	\$96,669	\$89,447	\$82,225	\$75,003
Principal	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311
Total Debt Service	\$312,422	\$305,200	\$298,000	\$290,756	\$283,512	\$276,268	\$269,024	\$261,780	\$254,536	\$247,292	\$240,048	\$232,804	\$225,560	\$218,316	\$211,072
DEBT SERVICE															
Interest	\$176,111	\$168,889	\$161,667	\$154,445	\$147,223	\$140,001	\$132,779	\$125,557	\$118,335	\$111,113	\$103,891	\$96,669	\$89,447	\$82,225	\$75,003
Principal	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311
Total Debt Service	\$312,422	\$305,200	\$298,000	\$290,756	\$283,512	\$276,268	\$269,024	\$261,780	\$254,536	\$247,292	\$240,048	\$232,804	\$225,560	\$218,316	\$211,072
DEBT SERVICE															
Interest	\$176,111	\$168,889	\$161,667	\$154,445	\$147,223	\$140,001	\$132,779	\$125,557	\$118,335	\$111,113	\$103,891	\$96,669	\$89,447	\$82,225	\$75,003
Principal	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311	\$136,311
Total Debt Service	\$312,422	\$305,200	\$298,000	\$290,756	\$283,512	\$276,268	\$269,024	\$261,780	\$254,536	\$247,292	\$240,048	\$232,804	\$225,560	\$218,316	\$211,072
DE															

RFP - 521 Main Street - HARTFORD CT

CRDA Loan Terms

Loan Amount \$2,116,162
 Interest Rate **2.50%**
 Interest Rate **paydown 1.00%**
 Principal Rate **paydown**
 IO Months **at 9%** 36 Months
 Amortization: 30 after 36 months I/O
 IO period Monthly DS
 IO Period Annual DS
 Full Monthly DS:
 Full Annual DS:

	BOY 06	year	\$2,116,162	\$2,095,000	\$2,074,050	\$2,053,310	\$2,032,776	\$2,012,449	\$1,992,324	\$1,972,401	\$1,952,677	\$1,933,150	\$913,362	\$607,228
2.50% INT			4	5	6	7	8	9	10	11	12	13	14	15
1.00% PRIN			(\$2,904)	(\$2,375)	(\$1,851)	(\$1,331)	(\$819)	(\$311)	(\$49,808)	(\$49,310)	(\$48,817)	(\$48,329)	(\$47,844)	(\$47,361)
TOTAL			(\$21,162)	(\$20,950)	(\$20,745)	(\$20,533)	(\$20,328)	(\$20,124)	(\$19,923)	(\$19,724)	(\$19,527)	(\$19,333)	(\$19,134)	(\$18,938)
			(\$74,066)	(\$73,328)	(\$72,592)	(\$71,866)	(\$71,147)	(\$70,438)	(\$69,731)	(\$69,034)	(\$68,346)	(\$67,660)	(\$66,988)	(\$66,325)
PAYDOWN													(\$1,300,457)	
EOY 06			\$2,095,000	\$2,074,050	\$2,053,310	\$2,032,776	\$2,012,449	\$1,992,324	\$1,972,401	\$1,952,677	\$1,933,150	\$913,362	\$607,228	\$601,156
PROJECTED 13 YEARS PAYDOWN														
PRIN			(\$1,502,800)											
INTEREST			(\$505,851)											
TOTAL			(\$2,008,651)											

RESIDENTIAL						
APTS	\$ VALUE/APT	\$ MKT VALUE	ASSESSMENT %	ASSESSMENT \$	MIL RATE	\$ TAX
42		\$4,500,000	35.00%	\$1,575,000	0.07429	\$117,007

MIL RATE INCREASE 0.0%
MKT VALUE INCREASE ON REASSESSMENT 12.5%
ASSESSMENT % INCREASE 0.0%

YEAR	YEAR	MKT VALUE	ASSESSMENT %	ASSESSED VALUE	MIL	ANNL TAX	CUMULATIVE	\$ VALUE/APT
1	2022	\$ -	0%	0%		\$ -		
2	2023	\$ -	0%	0%		\$ -		
3	2024	\$ -	0%	0%		\$ -		
4	2025	\$ -	0%	5% of Gross Revenue	0.07429	\$31,886	\$31,886	\$0
5	2026	\$ -	0%	5% of Gross Revenue	0.07429	\$33,032	\$64,918	\$0
6	2027	\$ -	0%	6% of Gross Revenue	0.07429	\$40,828	\$105,746	\$0
7	2028	\$ -	0%	6% of Gross Revenue	0.07429	\$42,053	\$147,799	\$0
8	2029	\$ -	0%	7% of Gross Revenue	0.07429	\$50,534	\$198,333	\$0
9	2030	\$ -	0%	7% of Gross Revenue	0.07429	\$52,050	\$250,382	\$0
10	2031	\$ -	0%	7% of Gross Revenue	0.07429	\$53,611	\$303,993	\$0
11	2032	\$4,500,000	35.00%	\$1,575,000	0.07429	\$117,007	\$421,000	\$107,143
12	2033	\$4,500,000	35.00%	\$1,575,000	0.07429	\$117,007	\$538,007	\$107,143
13	2034	\$4,500,000	35.00%	\$1,575,000	0.07429	\$117,007	\$655,013	\$107,143
14	2035	\$4,500,000	35.00%	\$1,575,000	0.07429	\$117,007	\$772,020	\$107,143
15	2036	\$5,062,500	35.00%	\$1,771,875	0.07429	\$131,633	\$903,653	\$120,536
16	2037	\$5,062,500	35.00%	\$1,771,875	0.07429	\$131,633	\$1,035,285	\$120,536
17	2038	\$5,695,313	35.00%	\$1,993,359	0.07429	\$148,087	\$1,183,372	\$135,603
18	2039	\$5,695,313	35.00%	\$1,993,359	0.07429	\$148,087	\$1,331,459	\$135,603
19	2040	\$5,695,313	35.00%	\$1,993,359	0.07429	\$148,087	\$1,479,545	\$135,603
20	2041	\$5,695,313	35.00%	\$1,993,359	0.07429	\$148,087	\$1,627,632	\$135,603
21	2042	\$5,695,313	35.00%	\$1,993,359	0.07429	\$148,087	\$1,775,719	\$135,603
22	2043	\$6,407,227	35.00%	\$2,242,529	0.07429	\$166,598	\$1,942,316	\$152,553
23	2044	\$6,407,227	35.00%	\$2,242,529	0.07429	\$166,598	\$2,108,914	\$152,553
24	2045	\$6,407,227	35.00%	\$2,242,529	0.07429	\$166,598	\$2,275,511	\$152,553
25	2046	\$6,407,227	35.00%	\$2,242,529	0.07429	\$166,598	\$2,442,109	\$152,553
26	2047	\$6,407,227	35.00%	\$2,242,529	0.07429	\$166,598	\$2,608,706	\$152,553
27	2048	\$7,208,130	35.00%	\$2,522,845	0.07429	\$187,422	\$2,796,128	\$171,622
28	2049	\$7,208,130	35.00%	\$2,522,845	0.07429	\$187,422	\$2,983,551	\$171,622
29	2050	\$7,208,130	35.00%	\$2,522,845	0.07429	\$187,422	\$3,170,973	\$171,622
30	2051	\$7,208,130	35.00%	\$2,522,845	0.07429	\$187,422	\$3,358,395	\$171,622
31	2052	\$7,208,130	35.00%	\$2,522,845	0.07429	\$187,422	\$3,545,817	\$171,622
32	2053	\$8,109,146	35.00%	\$2,838,201	0.07429	\$210,850	\$3,756,667	\$193,075
33	2054	\$8,109,146	35.00%	\$2,838,201	0.07429	\$210,850	\$3,967,517	\$193,075

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275 Pearl Street

275 Pearl Street, Hartford Ct

Background: The City of Hartford solicited offers to redevelop this former fire station earlier in 2021, accepting a proposal to convert the property into a residential/retail mixed use building. The City requested CRDA's assistance in underwriting, managing the construction and servicing projects that the City would support through its municipal redevelopment programs. The CRDA board approved a MOU at its September 2021 meeting to perform these tasks as part of a larger effort to implement federal recovery monies (American Recovery Program) and local resources.

The former 32,800 sf firehouse will be converted into 39 market rate units and 4000 sf of new retail space (a restaurant letter of intent has been signed). A city land disposition/development agreement governing the sale, the use, community benefits, schedules, financing and resident, MBE, and wage requirements as well as municipal taxes is pending with the City Council.

Proposal: A sales price of \$360,000 requires the developer, Wonder Works Construction Corp to also undertake any environmental remediation. The total project development cost (TDC) is \$9.4 million with a capital stack as follows:

Bank Senior Loan	\$3,000,000
Equity	1,836,402 (\$522,432 deferred dev fee)
Historic Credits (St)	1,400,000 (to be bridged financed)
City Purchase Mortgage	360,000 (priority over municipal loan)
CRDA Residential Loan	2,418,500 (funded by municipal revolving fund)
CRDA retail fit out loan	<u>450,000</u> (funded by municipal revolving fund)
Total Dev Cost	9,464,902

"CRDA" Loan: Funded by the City but managed/serviced by CRDA, the \$2,868,500 subordinate loan will be available at 1% interest only for three years and then 1.5% interest and 1% principle pay down annually and after refinancing of balance. Fifty percent of proceeds shall be made available of any refinancing to retire the city contribution with total payment upon sale of the asset. Funds will be returned to the revolving loan fun managed by CRDA but owned by the City for future redevelopment projects in accordance with CRDA/City of Hartford MOU.

RESOLUTION: *In accordance with the City/CRDA MOU, the executive director is authorized to execute such documents as necessary and appropriate to fund a loan to Wonder Works Construction Corporation (or such single purpose entity acceptable to CRDA) for the purposes of redeveloping 275 Pearl Street, Hartford CT, such loan totaling \$2,868,500 at 1% interest only for three years and 1.5% interest with a 1% annual principle write down thereafter, subject to: 1/ sufficient funds being available within the City/CRDA revolving loan account; 2/ all other project funds being secured to reconstruct 275 Pearl Street into 39 residential units and 4000 s.f. of retail space; and 3/ all appropriate City of Hartford actions for the property's disposition being approved.*

Units Gross	32,808
GSF	32,808
Loss Factor	38.0%
Net Residential and Retail	20,350
NSF RESIDENTIAL	16,350
NSF OFFICE / RETAIL SPACE	4,000



PROPOSED BUDGET

ACQUISITION	GSF	NSF	Total	%
Acquisition	\$10.97	\$17.69	\$360,000	3.8%
Legal Fees (Acquisition & LLC)	\$0.76	\$1.23	\$25,000	0.3%
Other Closing Costs	\$0.61	\$0.98	\$20,000	0.2%
Other Pre-Development costs	\$0.76	\$1.23	\$25,000	0.3%
SUBTOTAL ACQUISITION	\$13.11	\$21.13	\$430,000	4.5%

NOTES:

HARD COST	GSF	NSF	Total	%
Construction	\$177.71	\$286.50	\$5,830,254	61.6%
Retail TI	\$112.50	\$27.52	\$450,000	4.8%
Contractor Contingency	\$8.89	\$14.32	\$291,513	3.1%
SUBTOTAL HARD COSTS	\$299.09	\$328.35	\$6,571,766	69.4%

5.00%

SOFT COSTS	GSF	NSF	Total	%
Permits:				
Permits and Filing Fees	\$4.44	\$7.16	\$145,756	1.5%
Subtotal	\$4.44	\$7.16	\$145,756	1.5%
Design:				
Architect	\$3.00	\$4.84	\$98,424	1.0%
MEPS Engineers	\$1.25	\$2.02	\$41,010	0.4%
Structural Engineer	\$1.00	\$1.61	\$32,808	0.3%
Tax Abatement Consultant	\$0.55	\$0.88	\$18,000	0.2%
Environmental Engineer and Inspection Fees	\$0.50	\$0.81	\$16,500	0.2%
Survey	\$0.37	\$0.59	\$12,000	0.1%
Testing and Controlled Inspections	\$0.73	\$1.18	\$24,000	0.3%
Engineering Inspection Fees	\$0.98	\$1.57	\$32,000	0.3%
Historic and DECD Consultants and Fees	\$0.61	\$0.98	\$20,000	0.2%
Interior Designer	\$0.91	\$1.47	\$30,000	0.3%
Subtotal	\$9.90	\$15.96	\$324,742	3.4%
Legal & Administrative				
Legal Fees	\$1.98	\$3.19	\$65,000	0.7%
Owners Accounting	\$0.76	\$1.23	\$25,000	0.3%
Builders Risk Insurance	\$1.52	\$2.46	\$50,000	0.5%
Liability Insurance	\$3.66	\$5.90	\$120,000	1.3%
Real Estate Taxes	\$0.00	\$0.00	\$0	0.0%
Plan, Printing and Reimbursements	\$1.22	\$1.97	\$40,000	0.4%
Subtotal	\$9.14	\$14.74	\$300,000	3.2%
Marketing				
PR, Marketing and Advertisement	\$1.22	\$1.97	\$40,000	0.4%
Subtotal	\$1.22	\$1.97	\$40,000	0.4%
Soft Cost Contingency	\$2.47	\$3.98	\$81,050	0.9%
SUBTOTAL SOFT COSTS	\$27.17	\$43.81	\$891,548	9.4%

3 years
3 years
3 years

10.00%

FINANCING & DEVELOPMENT COSTS	GSF	NSF	Total	%
Appraisal	\$0.46	\$0.74	\$15,000	0.2%
Lender Third Party Reports and Engineering Consultants	\$1.07	\$1.72	\$35,000	0.4%
Lender's Legal fees	\$1.22	\$1.97	\$40,000	0.4%
Lender's Commitment fees	\$0.46	\$0.74	\$15,000	0.2%
Interest Reserve Senior Loan	\$7.43	\$11.98	\$243,750	2.6%
Interest Reserve Historic Tax Bridge Loan	\$3.84	\$6.19	\$126,000	1.3%
CRDA Commitment fees	\$0.87	\$1.41	\$28,685	0.3%
Interest Reserve CRDA 1%	\$2.21	\$3.57	\$72,555	0.8%
Subtotal	\$10.63	\$17.14	\$575,990	6.1%
Developers Overhead	\$11.37	\$18.34	\$373,166	3.9%
Developer BSPRA	\$15.92	\$25.67	\$522,432	5.5%
Subtotal	\$11.37	\$18.34	\$895,598	9.5%
SUBTOTAL FINANCING AND DEVELOPMENT COSTS	\$22.00	\$35.47	\$1,471,588	15.5%

30 months
36 months
36 months

LOAN
\$3,000,000

RESERVE -WORKING CAPITAL	\$50,000
RESERVE- INITIAL OPERATING DIFICIT	\$50,000

TOTAL PROJECT COSTS	\$288.49	\$465.11	\$9,464,902	100.0%
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SOURCES

Deferred Acquisition Cost	purchase	\$	360,000	3.80%
Senior Loan		\$	3,000,000	31.7%
CRDA Loan		\$	2,418,500	25.6%
CRDA Retail TI Reserve Loan		\$	450,000	4.8%
City Retail Grant		\$	-	0.0%
State Historic Tax Credit Bridge Loan		\$	1,400,000	14.8%
Developer's Equity		\$	1,313,970	13.9%
Deferred Developers Fees		\$	522,432	5.5%
TOTAL		\$	9,464,902	100%

TBD

\$ 1,866,930
TOTAL

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GROSS FLOOR AREA	EXISTING FLOOR AREA	NEW FLOOR AREA	Parking	RETAIL	STORAGE	GYM / LOUNGE	RESIDENTIAL COMMON AREA	RESIDENTIAL UNIT FLOOR AREA
7986	7986	0	5536	0	1200	1250	0	
10629	9179	1450	0	4000	0	0	1969	4660
7293	7293	0	0	0	0	0	1113	6180
6900	6900	0	0	0	0	400	990	5510
		0	0	0	0	0	0	
32808	31358	1450	5536	4000	1200	1650	4072	16350

UNIT MIX CHART

TOTAL RES FLOOR AREA	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
0																
4660	720	600	600	520	520	520	480	350	350							
6180	420	350	350	350	350	350	340	340	420	510	510	360	360	450	360	360
5510	420	350	350	350	350	350	490	325	325	510	470	430	430	360		
0																
16350																

STUDIO	UNITS		10,390	average	
	28	72%		sf	sf
1 BEDROOM	11	28%	5,960	sf	542
2 BEDROOM	0	0%	-	sf	0
	39	100%	16,350	sf	419

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
\$ 11,987	\$ 1,920	\$ 1,600	\$ 1,500	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,200	\$ 933	\$ 933							
\$ 17,423	\$ 1,190	\$ 992	\$ 984	\$ 992	\$ 992	\$ 992	\$ 963	\$ 963	\$ 1,190	\$ 1,445	\$ 1,445	\$ 1,020	\$ 1,020	\$ 1,276	\$ 1,020	\$ 1,020
\$ 15,948	\$ 1,225	\$ 1,021	\$ 1,021	\$ 1,021	\$ 1,021	\$ 1,021	\$ 1,307	\$ 948	\$ 948	\$ 1,488	\$ 1,371	\$ 1,254	\$ 1,254	\$ 1,050		
\$ -																
\$ 45,358																

STUDIO	UNITS	
	28	72%
1 BEDROOM	11	28%
2 BEDROOM	0	0%
	39	100%

average			starts from	average
\$ 29,489	\$ 353,870	\$ 1,053	per month	\$ 933
\$ 15,868	\$ 190,420	\$ 1,443	per month	\$ 1,200
\$ -	\$ -	\$ -	per month	
\$ 45,358	\$ 544,290	\$ 1,163	per month	\$ 33.29

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CRDA Loan Terms

Loan Amount: **\$2,868,500**
Interest paydown: 1.50%
Principal paydown 1.00%
 I/O Months: 1-36 1% 36
 Amortization: years 30 after 36 months I/O
 I/O period Monthly DS: year 4 \$3,586
 I/O Period Annual DS: year 4 \$43,028
 Full Monthly DS:
 Full Annual DS:

	BOY	OB	\$2,868,500	\$2,839,815	\$2,811,417	\$2,783,303	\$2,755,470	\$2,727,915	\$2,700,636	\$2,673,629	\$2,646,893	\$2,620,424	\$2,042,899	\$2,022,470
	year	4	5	6	7	8	9	10	11	12	13	14	15	
1.50% INT		(\$43,028)	(\$42,597)	(\$42,171)	(\$41,750)	(\$41,332)	(\$40,919)	(\$40,510)	(\$40,104)	(\$39,703)	(\$39,306)	(\$38,913)	(\$38,523)	(\$38,137)
1.00% PRIN		(\$28,685)	(\$28,398)	(\$28,114)	(\$27,833)	(\$27,555)	(\$27,279)	(\$27,006)	(\$26,736)	(\$26,469)	(\$26,204)	(\$25,942)	(\$25,683)	(\$25,428)
TOTAL		(\$71,713)	(\$70,995)	(\$70,285)	(\$69,583)	(\$68,887)	(\$68,190)	(\$67,516)	(\$66,841)	(\$66,172)	(\$65,511)	(\$64,857)	(\$64,209)	(\$63,567)
PAYDOWN														
EOY OB		\$2,839,815	\$2,811,417	\$2,783,303	\$2,755,470	\$2,727,915	\$2,700,636	\$2,673,629	\$2,646,893	\$2,620,424	\$2,042,899	\$2,022,470	\$2,002,245	

PRIN	\$2,868,500
INTEREST	\$244,576
TOTAL	\$3,113,076

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RESIDENTIAL						
APTS	\$ VALUE/APT	\$ MKT VALUE	ASSESSMENT %	ASSESSMENT \$	MIL RATE	\$ TAX
39	\$30,000	\$5,260,000	35.00%	\$1,841,000	0.07429	\$136,768

MIL RATE INCREASE 0.0%
MKT VALUE INCREASE ON REASSESSMENT 12.5%
ASSESSMENT % INCREASE 0.0%

YEAR	YEAR	MKT VALUE	ASSESSMENT %	ASSESSED VALUE	MIL	ANNL TAX	CUMULATIVE	\$ VALUE/APT
1	2022	\$ -	0%	0%		\$ -		
2	2023	\$ -	0%	0%		\$ -		
3	2024	\$ -	0%	0%		\$ -		
4	2025	\$ -	0%	3%	0.07429	\$17,886	\$17,886	\$0
5	2026	\$ -	0%	3%	0.07429	\$18,485	\$36,371	\$0
6	2027	\$ -	0%	4%	0.07429	\$25,387	\$61,758	\$0
7	2028	\$ -	0%	4%	0.07429	\$32,685	\$94,443	\$0
8	2029	\$ -	0%	5%	0.07429	\$33,666	\$128,108	\$0
9	2030	\$ -	0%	6%	0.07429	\$41,611	\$169,719	\$0
10	2031	\$ -	0%	7%	0.07429	\$50,002	\$219,722	\$0
11	2032	\$5,260,000	35.00%	\$1,841,000	0.07429	\$136,768	\$356,490	\$134,872
12	2033	\$5,260,000	35.00%	\$1,841,000	0.07429	\$136,768	\$493,257	\$134,872
13	2034	\$5,260,000	35.00%	\$1,841,000	0.07429	\$136,768	\$630,025	\$134,872
14	2035	\$5,260,000	35.00%	\$1,841,000	0.07429	\$136,768	\$766,793	\$134,872
15	2036	\$5,917,500	35.00%	\$2,071,125	0.07429	\$153,864	\$920,657	\$151,731
16	2037	\$5,917,500	35.00%	\$2,071,125	0.07429	\$153,864	\$1,074,521	\$151,731
17	2038	\$6,657,188	35.00%	\$2,330,016	0.07429	\$173,097	\$1,247,618	\$170,697
18	2039	\$6,657,188	35.00%	\$2,330,016	0.07429	\$173,097	\$1,420,715	\$170,697
19	2040	\$6,657,188	35.00%	\$2,330,016	0.07429	\$173,097	\$1,593,812	\$170,697
20	2041	\$6,657,188	35.00%	\$2,330,016	0.07429	\$173,097	\$1,766,908	\$170,697
21	2042	\$6,657,188	35.00%	\$2,330,016	0.07429	\$173,097	\$1,940,005	\$170,697
22	2043	\$7,489,336	35.00%	\$2,621,268	0.07429	\$194,734	\$2,134,739	\$192,034
23	2044	\$7,489,336	35.00%	\$2,621,268	0.07429	\$194,734	\$2,329,473	\$192,034
24	2045	\$7,489,336	35.00%	\$2,621,268	0.07429	\$194,734	\$2,524,207	\$192,034
25	2046	\$7,489,336	35.00%	\$2,621,268	0.07429	\$194,734	\$2,718,941	\$192,034
26	2047	\$7,489,336	35.00%	\$2,621,268	0.07429	\$194,734	\$2,913,675	\$192,034
27	2048	\$8,425,503	35.00%	\$2,948,926	0.07429	\$219,076	\$3,132,751	\$216,039
28	2049	\$8,425,503	35.00%	\$2,948,926	0.07429	\$219,076	\$3,351,827	\$216,039
29	2050	\$8,425,503	35.00%	\$2,948,926	0.07429	\$219,076	\$3,570,902	\$216,039
30	2051	\$8,425,503	35.00%	\$2,948,926	0.07429	\$219,076	\$3,789,978	\$216,039

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275 Pearl Street

Café-Restaurant pre-opening costs.

- Lease security deposit/first month rent payment - \$32,000.
- Business licenses/permits – this includes city licensing fees, liquor permits, and compliance permits such as health and safety - \$2,200.
- Legal/processing fees –\$4,000
- Building improvements – by Landlord
- Kitchen and miscellaneous cooking equipment - \$50,000
- Tables, furniture, décor, and tableware –\$40,000
- Ordering and payment technology (POS systems) – \$20,000
- Signage -\$10,000.
- Pre-opening Employee salaries – \$38,000
- Pre-opening Food and beverage costs – \$50,000
- Utilities security deposits –\$2,500
- Marketing and advertising – \$12,000
- Insurance – \$5,000
- Miscellaneous expenses – \$10,000.

Total: \$275,700

- Landlord contribution TI - \$ 40,000
- Tenant pre-opening costs - \$235,700

CRDA Housing Approved

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Aff 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	90%
201 Ann/Grand	26	\$4.45M	\$202K	\$3.8M/\$250K	\$28.8K	100	Note Paid Off	4/25/2013	6/21/2013	10/29/2013	Renting	46%
179 Ailyn	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	100%
Sonesta/Spectra	190	\$23.9M	\$123K	\$2.05M	\$10.6K	85/15	Bridge- HTC * Note Paid Off	6/4/2013	6/21/2013	12/5/2013	Renting	97%
Capewell	72	\$26.1M	\$359K	\$5.0M	\$69.4K	80/20	construction financing/converted to mortgage note	1/15/2014	2/28/2014	6/30/2015	Renting	96%
390 Capitol	112	\$35.3M	\$290K	\$7M	\$62.5K	80/20	2 loans, .5%, 20 yr.	6/19/2014	3/17/2015	9/22/2015	Renting	95%
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	\$349,350 ²	\$61.5K	100	loan 3% 30 yr.	6/19/2014	7/25/2014	2/25/2015	Renting	100%
1279-83 Main	10	\$1.35M	\$135K	\$297K	\$29.7K	100	loan 3% 25 yr.	6/16/2016	7/25/2016	9/9/2016		60%
370 Asylum	60	\$20.3M	\$338K	\$4M	\$66K	70/30	loan <3%, 20 yr.	2/18/2016	3/24/2016	9/29/2017	Renting	96%
50 Morgan	96	\$19.5M	* 2	\$6.5M	\$67.7K	100	Former Radisson, foreclosure 2/2021	10/15/2015	12/11/2015	3/31/2016	Renting	70%
81 Arch	53	\$23M	\$380K	\$5.6M	\$103.7K	100	30 yr. 1% loan	10/20/2016	11/15/2016	11/7/2017	Renting	95%
101 Pearl	157	\$28.4M	\$184K	\$9.24M	\$58.8K	100	construction/perm loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Renting	97%
111 Pearl	101	\$21.55M	\$208K	\$6.06M	\$59.47K	100	construction/perm loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Renting	96%
103 Ailyn	66	\$21.1M	\$319K	\$6.6M ⁴	\$103K	80/20	construction/perm loan 3% 5 yr.	12/8/2016	2/1/2017	10/31/2018	Renting	93%
105-7 Wvlyfs	9	\$2.5M	\$277K	\$800K	\$88.8K	100	construction/perm loan 2-3% 30 yr.	5/18/2017	11/29/2017	8/31/2019	2022	
Cult. 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., refi 8/21	2/2/2018	2/16/2018	8/29/2018	Renting	100%
100 Trumbull	16	\$1.5M	\$93.7K	\$960K	\$60K	100	loan 3% 20 yr.	9/21/2017	2/16/2018	4/12/2018	2020/2022	97%
246-250 Lawrence	12	\$1.5M	\$125K	\$521K	\$43.4K	100	Historic bridge loan -Paid off perm loan 3% 20 yr. (291K)	10/18/2018	12/11/2018	1/4/2019	Renting	100%
Coit "U"	28	\$7M	\$269K	\$1.5M	\$53.5K	100	loan 3% 20 yr.	1/10/2019	12/18/2019	11/30/2020	Late 2021	
Pratt 1 - 99 Pratt	129	\$39.8M	\$231K	\$12M	\$93K	100	\$3M & \$9M 1% 5yr, 30yr.	10/17/2019	4/16/2021	4/16/2021	2022	
Pratt 2 - 18 Temple	47	\$34.9M	\$210K	\$7M	\$42.5K	90/10	New Units 47 / Total units 166 / 16 Aff. Units / 2.75% 30 yr. loan	9/17/2020	4/16/2021	4/16/2021	2022	
Park/Main	126	\$26.8	\$212K	\$8.4M	\$66.7K	80/20	20 yr. 3% . 39/87	9/20/2018	9/20/2018	6/25/2020	2021/2022	50%/-
Dano "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	
SS Elm	164	\$63.3M	\$385K	\$13.5M	\$42.1K	80/20	2% 30 yr. Perm. \$7M 2% bridge \$6.5M 15 yr. term	4/16/2020	9/20/2018	9/30/2020	2022	
Summary	2180 ⁵	\$570M	\$250K	\$137.2M	\$62.5K median \$64K avg.	88/12	1907 market / 273 affordable					

10/14/2021

¹ deposits and leases
² \$75K/unit est. residential + 188 hotel rooms
³ notes repaid
⁴ \$16K from Housing Cap. Fund
⁵ 2294 w/ Front St. & Recap deals (less Silas)
⁶ \$200K reserve via Bond Commission

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	97%
Silas Deane	111	\$27M	\$225K	\$5M	\$41.6K	Mkt	Urban Act	N/A	9/30/2016	5/24/2018	Renting	85%
289 Asylum	8	\$1.474M	\$184K	\$485K ²	\$56K	Mkt	cap funds, 3% 30 yr. Feb. '21-Note has been paid off.	12/8/2016 03/22/2018	N/A	6/13/2018 01/28/2021	Renting	100%
241 Asylum	4	\$1.99M	\$150K	\$200K	\$50K	Mkt	construction note 5 yr., Capital Funds	12/8/2016	N/A	5/7/2018	Renting	100%
115-117							\$200,000 Hist. Bridge Loan ¹					115&117
Sigourney	4	\$1.16M	\$290K	\$200K	\$50K	Aff	Heritage Homes - Affordable	5/24/2018	6/1/2018	8/13/2019	Owned	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	\$818K	\$409K	\$200K	\$100K	Mkt	Heritage (NINA) Market	3/18/2021	6/1/2018	7/27/2021	2022	
213 Lawrence	3	\$462K	\$154K	\$370K	\$123K	Mkt	1st Mortgage 3% 20 Yr.	1/21/2021	N/A		2022	
Summary	255 ³											

10/4/2021

¹ Paydown of principle from sale

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

³ 144 Hartford 111 Regional

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)	\$20,860 used for MDC connection charges for housing lots. Balance used to construct required road; Board approved additional \$154k for road on 6/20/19	11/10/2016	12/8/2016	2/1/2017	Completion of road construction may slip into October. Construction of 5 houses and related site work underway.
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	FY 16 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 3/21/2019	7/25/2018	On hold, funds to be reprogrammed
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 nearing completion
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

9/13/2021

22

Demand for Colt Gateway apartments bodes well for downtown Hartford rental market

By Terry Corcoran

The city recently issued certificates of occupancy for 28 new apartments at Hartford's Colt Gateway in a building that once housed a magnet high school.

But even before the city's approval, prospective tenants were signing leases for the new units that feature walls of windows, high ceilings and an industrial feel — all within walking distance of downtown.

"We had 19 of the 28 units pre-leased," said Clarissa Heredia, sales manager and business developer for Colt Gateway. "The tenants definitely love how modern the units are and the great lighting in these apartments. Because of COVID, a lot of people are working from home, but with the natural light and high ceilings in these units, people don't feel confined."

The 28 new units in what's known as the U-shaped Building, give Colt Gateway 205 apartments, said Larry Dooley, CEO of the developer, CG Management Co.

"All the units are leased with the exception of the handful in the new building," Dooley said.

One building with 129 units and another with 48 are fully leased, Dooley said.

The 600,000-square-foot development, former home of the Colt Firearms manufacturing company, is a mix of 60% commercial and 40% residential. Commercial tenants include three architectural firms and Insurity, a software company serving the insurance industry.

CG Management partnered with Chevron Corp. on the \$3.6 million conversion of the U-shaped Building. The partners originally had financing through United Bank but faced restarting the loan process after United was acquired by People's United Financial in 2019.

HBJ PHOTO | TERRY CORCORAN

The latest new apartments at Colt Gateway feature walls of windows, high ceilings and an industrial feel.

The partners instead closed on a financing package through the Capital Region Development Authority (CRDA).

'So much history'

CG Management's partnership with Chevron Corp. is breathing new life into the buildings, some more than 100 years old.

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“The Dome Building is from 1867,” Dooley said. “Some other buildings date to the 1850s, 1916 and the 1940s. There’s so much history here.”

Samuel Colt built his first factory in 1847, then in 1855 established the Colt Armory, the site Dooley is redeveloping. The factory burned to the ground in Feb. 1864, two years after Colt died, but his wife, Elizabeth Jarvis Colt, had the factory insured after her husband’s death and was able to rebuild within three years.

The apartments — studio, one- and two-bedroom units — are equipped with modern appliances and lighting fixtures.

“The corner units, which have the most windows, are the first to be leased,” Dooley said.

Monthly rents for the U-shaped Building range from \$1,375 for studios; \$1,445 to \$1,995 for a one-bedroom unit; and \$2,095 to \$2,195 for two bedrooms, Heredia said.

Tenants at Colt Gateway tend to be in the 25 to 40 age range but not all are from Connecticut.

“Our demographic is definitely young professionals but we get a lot of out-of-state business,” Dooley said. “People from New York who are able to work remotely are looking at these apartments and saying, ‘Look at this compared to what we pay in Brooklyn.’ In some ways, this [pandemic] has been to our benefit because people can work remotely,” and see Hartford as a lower-cost option.

The complex also has a microbrewery tasting room on-site with indoor and outdoor seating, is dog friendly, and Dooley said he’s working to get a fitness club as a tenant and make it available to residents.

More apartments

Colt Gateway adds more modern apartments to Hartford’s housing stock. But at this point, the market is strong and absorbing these new units, said Michael Freimuth, executive director of the CRDA, which helps finance market-rate apartments, mostly in downtown.

“The Hartford apartment market is much stronger than people recognize,” he said. “It’s an evolving product, too.”

Freimuth said that until developers started building new apartments in Hartford about seven to eight years ago, the city’s downtown apartment stock was mostly from the 1970s or 80s without the amenities today’s tenants want and will pay for.

“There’s been a general upgrade in the stock, and that newer product is attracting high occupancies and higher rents,” he said. “That’s what’s going on at Colt. It has some unique things. It’s a fun space in a historical place. The parking is a surface lot right out your window — that appeals to a lot of people — and the neighborhood is starting to blossom.”

The neighborhood includes Dillon Stadium, home to the Hartford Athletic professional soccer club.

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High occupancy

Although thousands of new apartments have been built in Hartford over the past several years, most are rented, said Freimuth.

“The overall portfolio of [residential] properties that we’ve invested in are running in the 90% occupancy range,” he said. “We keep seeing more products and the concern is will they saturate the market. But our experience to date is the market is absorbing these units.”

While the pandemic is having negative effects on the Hartford office market, it’s creating new opportunities for apartment landlords.

“People want bigger units because they’re spending more time there, and having a unit where you can work and live and not be on top of yourself is important,” Freimuth said.

Another factor in apartments is the amenities they offer, he said. An apartment development the CRDA helped finance filled quickly and Freimuth said they were curious as to why.

“We surveyed the tenants and found that 5G was the thing that sold it over its competitors,” he said. “A few years ago, people wanted dog-washing stations in their buildings. Now it’s 5G.”

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