

CRDA

Housing & Neighborhood Committee

The Friday, July 5, 2019

Committee Meeting is cancelled

CRDA

Housing & Neighborhood Committee

The Friday, August 9, 2019

Committee Meeting is cancelled

Housing and Neighborhood Committee Conference Call
APPROVED Meeting Minutes
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Friday, September 6, 2019
9:00 a.m.

PRESENT:

Members Present: Suzanne Hopgood, Erik Johnson, Mayor Luke Bronin

Members Present via Phone: Joanne Berger Sweeney, Paul Canning

Staff: Mike Freimuth, Kim Hart

Minutes

The meeting was called to order by Chairman Johnson at 9:05 a.m. The minutes of the June 7, 2019 conference call were adopted on a voice vote.

Project Status Report

Mr. Freimuth provided updates on the following housing projects:

- Teachers' Corner – 100% leased, with teachers occupying 25% of the units.
- Arch Street – 20-22% leased since the building opened in July;
- 111 Pearl Street – 82% leased, with 30 units being utilized by local corporations for their employees. Efficiencies and studios have been cited as the most popular units. Restaurant and retail tenants are being marketed for the ground floor.
- 101 Pearl – Construction should be completed in December. Discussions are underway with a potential restaurant tenant for the ground floor.
- Radisson – The top two floors have been completed and will be available for lease shortly, while construction on the balance of the floors is progressing. The new owners of the property are anxious to sell the property and are in discussions with two potential buyers.

- Under construction: Colt North Armory, 246-250 Lawrence Street, 28 High Street, 103 Allyn, 100 Trumbull, 1278 Silas Deane, 289 Asylum and Heritage Homes in the Asylum Hill neighborhood.

Mr. Freimuth also briefly updated Committee members on some of the ongoing neighborhood projects, including Brackett Knoll, Swift Factory, Dillon Stadium, Quirk/PAL and 690 Albany.

Regarding the DoNo project, he noted that the designated housing parcel ("Parcel C") is no longer tied up in litigation with the previous developer, although an appeal is pending. CRDA holds \$12 million in State Bond funds allocated for housing on Parcel C, as well as for demolition of the former City data center on Parcel D. Since the funds cannot cover the cost of both projects, the Committee will need to weigh its options on the two parcels.

Pratt Street Initiative

Mr. Freimuth noted that discussions are underway with the developers of the proposed Pratt Street project. The project is likely to be phased, with the initial work begun on Pratt and Trumbull Streets, followed by Temple Street and the Talcott Street Garage. The first phase of the project is expected to cost around \$29.2 million, with \$11 million of that requested from CRDA in the form of construction and bridge loans.

Lawrence Street

Mr. Freimuth noted that developer Aaron Gill has adjusted his unit configurations on the Lawrence Street housing project. Originally, the project included 8 two-bedroom units and 4 one-bedroom units located in two buildings. Mr. Gill is now looking to construct 10 two-bedroom units and 2 three-bedroom units. Any additional costs above and beyond the \$1.5 million CRDA committed to the project will be borne by the developer.

The next meeting / conference call of the Housing & Neighborhood Committee will be held on October 4, 2019.

There being no further business, the committee adjourned at 9:49 am.

**Housing and Neighborhood Committee Conference Call
Meeting Minutes
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Friday, October 4, 2019
9:00 a.m.**

PRESENT:

Members Present: Suzanne Hopgood

Members Present via Phone: Joanne Berger Sweeney, Erik Johnson, Mayor Luke Bronin

Staff: Mike Freimuth, Kim Hart

Invited Guests: Matt Edvardsen (Spinnaker), Jane Davey (LAZ), Marty Kenny (Lexington Partners)

Minutes

The meeting was called to order by Chairman Johnson at 9:05 a.m. The minutes of the September 6, 2019 conference call were adopted on a voice vote.

Project Status Report

Mr. Freimuth provided updates on various housing projects, referencing the attached spreadsheets:

Pratt Street Initiative

Mr. Freimuth provided an overview of the proposed Pratt Street project. The project will be phased, with the initial work begun on Pratt and Trumbull Streets, followed by Temple Street and the Talcott Street Garage. The overall project is expected to cost over \$100 million, with the first phase estimated at \$30 million. CRDA has been asked to provide assistance for this first phase in the form of a \$5.5 million bridge loan and a \$6.5 million construction loan. Additional funding would likely be requested for future phases.

Committee members raised questions regarding the mechanics of the Historic Tax Credits and the bridge loan, as well as the proposed rental rates. Mr. Kinney noted that all of the units are market rate, but given their small size, the monthly rents will be very affordable. Chairman

Johnson asked the developer to look into the possibility of offering some of the units at workforce rates.

The following resolution was offered and adopted on a voice vote:

The Executive Director is authorized to make two loans to the Pratt Street Initiative Partnership (or such acceptable single purpose entity) for the purpose of converting 196 Trumbull and 99 Pratt into 129 units with retail, including a historic credit bridge loan of up to \$5.5 million at 2.75% interest and a construction/permanent mortgage of \$6.5 million based on cash flow but amortizing at 2.75%, 30 years with a 10 year term subject to 1) all financing being secured; 2) approval by the State of Connecticut Bond Commission and 3) such fiduciary terms as deemed appropriate by the Executive Director and CRDA counsel.

Park & Main

Mr. Freimuth provided an overview of the Park & Main project. An \$8.4 million construction loan has previously been approved by both the CRDA Board and State Bond Commission. Mr. Freimuth noted that project has changed slightly since the developer's original presentation to the Board, with the number of housing units increasing from 108 to 126, with some 20% of the units offered at workforce rate. Manufacture of the modular components will occur over the winter, with construction on site beginning next spring. The construction process will take approximately 9 months.

The following resolution was offered and adopted on a voice vote:

The Executive Director is authorized to make two loans to Spinnaker Real Estate Partners (or such acceptable single purpose entity) in the amount of \$6.4 million for residential development at 3%, 30-year amortization, 20-year term, with interest only during construction, amortizing principal and interest upon first year of occupancy and a second note in the amount of \$2 million, 3% interest only during construction, converting to 3% interest accruing for 20 years and payable upon stabilization for the properties known as 9, 11-17, 19-22, 23-29, 38 Park Street; 89-97, 99-105, 109, 111, 115, 131, 135 Main Street, 20 John Street, Hartford, Connecticut, upon such fiduciary terms as deemed appropriate by the Executive Director and CRDA counsel.

The next meeting / conference call of the Housing & Neighborhood Committee will be held on November 1, 2019.

There being no further business, the committee adjourned at 9:47. am.

**CRDA
Housing & Neighborhood
Committee**

Has Been Cancelled

**The CRDA Housing & Neighborhood
Committee Meeting
Scheduled for Friday, November 1, 2019
has been cancelled.**

Housing and Neighborhood Committee Conference Call
APPROVED Meeting Minutes
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Monday, November 18, 2019
3:30 p.m.

PRESENT:

Members Present via Phone: Chairman Erik Johnson, Suzanne Hopgood, Joanne Berger Sweeney, Mayor Luke Bronin and Commissioner Seila Mosquero-Bruno

Staff: Mike Freimuth, Kim Hart

The meeting was called to order by Chairman Johnson at 3:30 p.m.

Temple Street Project

Mr. Freimuth provided a brief overview of the Temple Street project and explained the need for the Committee to take immediate action on a resolution.

In 2005, CRDA's predecessor, CCEDA, provided a subordinate \$5.4 million loan to a developer for the renovation of the former Sage Allen building on Main Street into 78 apartments and for the construction of 42 townhouses on Temple Street to be used as student housing. A 343-space parking garage and 12,200 sf of retail were also included in the project.

CHFA provided the primary mortgage financing for the project and that mortgage was recently sold and the buildings put into foreclosure. Mr. Freimuth explained that CRDA now has a number of options moving forward, including writing off the \$5.4 million note or purchasing of the property for \$46 million.

Mr. Freimuth recommended a third option to the Committee whereby the existing note would be converted into an equity interest in a new Temple Street project. LAZ, Lexington Partners and Shelbourne Global – the group developing the nearby Pratt Street project - have formed a new LLC that is currently in the process of purchasing these buildings. They would then secure the financing necessary to reconfigure the housing to make it more attractive to renters. An additional 8 apartments would be added to the mix and the 42 townhouses would be converted into 96 smaller units (together, a net increase of 62 units).

Mr. Freimuth noted that this would keep CRDA in the project and better positioned to protect its investment. He also noted that the new LLC has requested an additional \$3 million in CRDA funding to assist with the conversion.

Ms. Hopgood and Mayor Bronin both spoke in support of the conversion option. Commissioner Mosquero-Bruno indicated that while she supported the conversion at this time, she has concerns about putting additional CRDA funds into the project. Mr. Freimuth suggested that the proposed Committee resolution only deal with the equity conversion option and that the \$3 million funding request be tabled to a later date.

The following resolution was offered by Chairman Johnson and approved with the expectation that a more detailed resolution will be considered by the full Board pending legal review:

The Housing and Neighborhood Committee recommends that the full Board of Directors authorize the Executive Director to take such actions as necessary to protect the value of the existing 'CCEDA' note including releasing such note in exchange for an equity position of equal value within the new special purpose entity purchasing and improving the property known as 18 Temple."

There being no further business, the committee adjourned at 4:00 p.m.

The next meeting / conference call of the Housing & Neighborhood Committee will be held on
December 5, 2019.

**CRDA
Housing & Neighborhood
Committee**

Has Been Cancelled

**The CRDA Housing & Neighborhood
Committee Meeting
Scheduled for Friday, December 6, 2019
has been cancelled.**

Housing and Neighborhood Committee Meeting / Conference Call
APPROVED Meeting Minutes
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Friday, January 10, 2020
9:00 a.m.

PRESENT:

Members Present: Chairman Erik Johnson, Board Chair Suzanne Hopgood and Mayor Luke Bronin

Staff: Mike Freimuth, Anthony Lazzaro and Kim Hart

Via Phone: Don Chapman

Guests: Rohan Freeman and Leslie Fredette (Freeman Companies / 7 Summits Development)

The meeting was called to order by Chairman Johnson at 9:10 a.m. and the minutes of the November 18, 2019 meeting were approved on a voice vote.

Albany / Woodland

Mr. Freeman and Ms. Fredette reviewed their plans for development of the property at the corner of Albany and Woodland. The new 80k square foot, mixed-use project will include 50 residential units (10 studios and 40 1 BR), office space and ground floor retail at a critical intersection in the City. Mr. Freeman reported that negotiations are underway with several commercial tenants, including a bank branch, small sit-down restaurant, a post office and a walk-in health clinic.

Total development costs are estimated at about \$21m, with funding identified from a variety of sources, including New Market Tax Credits, HOME funds and Brownfield grants. CRDA funding in the form of a grant or soft equity investment is being requested to help fill an estimated \$7m gap.

The Committee agreed that the project should be presented to the CRDA Board as a whole and invited Mr. Freeman to make a presentation at the Board meeting scheduled for January 16th.

Project Overview

Mr. Freimuth reviewed the status of all pending projects as outlined on the attached spreadsheets.

88 Allyn Street LLC

Mr. Freimuth updated Committee members on the 88 Allyn Street project. The \$21.1 million project will refurbish 3 historic buildings, creating 66 new residential units and ground floor retail space. The project is expected to be completed in September of this year but has run into funding issues stemming from additional costs associated with historic requirements, as well as substantial subterranean problems discovered in the building's support system.

An operating reserve had been included in the construction budget per the requirements of one of the other financiers on the project. The developer is asking CRDA to collateralize this \$261,000 amount as an escrow reserve so the construction funds currently held for the operating reserve can be applied to the construction funding shortfall. The monies would be returned to CRDA once the project achieves a stabilization target of 1.15 DSCR.

After a brief discussion, the committee approved the motion for collateralization of the \$261,000 on a voice vote.

Front Street Lofts Pilot Amendment

Mr. Freimuth informed Committee members that HB Nitkin ("HBN"), the owner of the Front Street Lofts, is in negotiations for the sale of the building. The buyer has indicated that it would like to make long-term investments in the City of Hartford, including in the Lofts building.

There currently exists a tax-fixing agreement between CRDA and HBN in which the funds received by CRDA are used to operate and maintain the Front Street district. The buyer has asked for an extension of this agreement (the "Extension Agreement") pursuant to the terms below:

The term of the Extension Agreement shall be fifteen (15) years effective upon the expiration of the current tax fixing agreement with CRDA.

Currently, the payments are phased in and based upon the amount payable to the City if the property were not part of the tax district created by the private development district legislation. The payments per the Extension Agreement shall be calculated on the fixed assessed value of the private development parcels comprising Phase II of the Adriaen's Landing project and a fixed mill rate of 32.21 ("Phase II Tax Payments").

The new extension payments shall be (i) fifty percent (50%) of the Phase II Tax Payments for year one (1) of the Extension Agreement; (ii) seventy-five percent (75%) of the Phase II Tax Payments for the year two (2) of the Extension Agreement; and (iii) one hundred percent (100%) of the Phase II Tax Payments for years three (3) through fifteen (15) of the Extension Agreement, with an agreed upon pricing index.

After a brief discussion, the following resolution was offered by Chairman Johnson and approved on a voice vote:

MOTION

The Housing and Neighborhood Committee hereby moves that the proposed Extension Agreement, in accordance with the terms and conditions provided above, be forwarded to the Board of Directors for consideration with a recommendation to approve.

There being no further business, the Committee adjourned at 10:34 a.m.

The next meeting / conference call of the Housing & Neighborhood Committee will be held on
February 7, 2020.

**CRDA
Housing & Neighborhood
Committee**

Has Been Cancelled

**The CRDA Housing & Neighborhood
Committee Meeting
Scheduled for Friday, February 7, 2020
has been cancelled.**

Housing and Neighborhood Committee Meeting / Conference Call
APPROVED Meeting Minutes
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Friday, March 13, 2020
9:00 a.m.

PRESENT:

Members Present by Phone: Chairman Erik Johnson, Board Chair Suzanne Hopgood, Commissioner Seila Mosquero-Bruno and Mayor Luke Bronin

Staff: Mike Freimuth, Joseph Geremia and Lauren Vaz

Via Phone: Don Chapman

The meeting was called to order by Chairman Johnson at 9:05 a.m. and the minutes of the January 10, 2020 meeting were approved on a voice vote.

Capewell

Mr. Freimuth reviewed an issue discovered with the Capewell loan, and the history that caused differences in the definitions of cash flow, net operating income, and priority return in various closing documents.

A modification of the CRDA Loan and Note, and consent to modify the Master Tenant Operating Agreement, as needed to meet IRS rules regarding the federal historic tax credit program will provide the simplest resolution.

After a brief discussion, the Committee edited the proposed resolution to clarify the adjustment to the payment terms to CRDA from “through 2023” to “through the end of 2022” since regular P&I payments are expected to resume in January 2023. The following resolution was offered by Chairman Johnson and approved on a voice vote:

MOTION

The Housing and Neighborhood Committee of the Authority recommends to the CRDA Board of Directors to approve modifications for the Loan/Note agreement and Master Lease agreement for 70 POP LLC (AKA Capewell Lofts) that clarify and adjust the payments to CRDA through the end of 2022.

DoNo Parcel C

Mr. Freimuth updated the Committee that some details of the DoNo Parcel C project have been modified since receiving the CRDA Board and Bond Commission funding approvals. As a result, the modified terms must be brought back to the Committee and the Board.

The current deal structure proposed by RMS Companies includes constructing a 270-unit residential complex with a 330-car garage. The total development cost is \$56.1M including a \$11.8M CRDA loan at 3% interest only during construction. After a certificate of occupancy is issued, the loan converts to a 30-year mortgage also at 3%.

After a brief discussion, the following resolution was offered by Chairman Johnson and approved on a voice vote:

MOTION

The CRDA approves a \$11.8 million loan to RMS Companies (or acceptable single purpose entity) at 3% interest only during construction converting to a permanent loan amortizing at 3% principal and interest for 30 years subject to all funds being secured by the developer and such due diligence and fiduciary requirements as deemed necessary by the executive director and CRDA counsel.

There being no further business, the Committee adjourned at 9:35 a.m.

The next meeting / conference call of the Housing & Neighborhood Committee will be held on
April 3, 2020.

**CRDA
Housing & Neighborhood
Committee**

**Has Been Cancelled
Until Further Notice**

**The CRDA Housing & Neighborhood
Committee Meeting
Scheduled for Friday, April 3, 2020
has been cancelled until further notice.**

**CRDA
Housing & Neighborhood
Committee**

**The CRDA Housing & Neighborhood
Committee Meeting
Scheduled for Friday, May 1, 2020
has been cancelled.**

**CRDA
Housing & Neighborhood
Committee**

**Has Been Cancelled
Until Further Notice**

**The CRDA Housing & Neighborhood
Committee Meeting
Scheduled for Friday, June 5, 2020 has
been cancelled until further notice.**