

Housing and Neighborhood Committee Conference Call
Approved Meeting Minutes
January 7, 2022
9:00 a.m.

PRESENT:

Members Present via GoToMeeting: Committee Chair Joanne Berger-Sweeney, Board Chair Suzanne Hopgood, Commissioner Selia Mosquera Bruno, Mayor Luke Bronin, Randal Davis and Paul Canning

Staff Present via GoToMeeting: Mike Freimuth and Kim Hart

Guests Present via GoToMeeting: David Schick (Shelbourne)

The meeting was called to order by Ms. Berger-Sweeney at 9:01 a.m. and in the absence of a quorum, approval of the minutes was tabled until later in the meeting.

1) **Former Fuller Brush Building – 3580 Main Street**

Mr. Schick walked the Committee through Shelbourne’s plans for transformation of the former Fuller Brush Building on Main Street in Hartford. The sprawling 12.5-acre complex currently includes 326,000 sf of space spread out over 10 buildings. The developer envisions a “live-work-play” space, including 159 residential units (133 1BR and 26 2BR) and 7,000 sf of amenity/retail space. Space is also being set aside for office and manufacturing uses. Mr. Schick noted that the area around the complex has not been the focus of much development in recent years and this project may serve as a catalyst for future projects.

Ms. Berger-Sweeney posed a question regarding the number of affordable units, currently set at 10%. Mr. Schick and Mayor Bronin both noted that in this particular neighborhood, the gap between market rate and affordable is not significant.

Mr. Schick and Mr. Freimuth explained that the project is estimated to total \$31 million and the developer is looking for an \$8 million loan from CRDA. At present, the balance of funding would come from a conventional mortgage (\$17m), a State affordable housing grant (\$1.5m) and developer equity (\$5m). Mr. Freimuth noted that additional work is needed before the project comes to the Committee for a formal vote, but he thought it was important that members see the concept plan at this time. Mayor Bronin offered his support for the project, noting that this area is not only one of the poorest neighborhoods in the City, but also in the country, and there is a dire need for quality housing.

Upon the arrival of additional Committee members, the minutes of the December 3, 2021 meeting were approved by acclamation.

2) **237 Hamilton Street**

Mr. Freimuth reported that Parkville Market developer Carlos Mouta has requested that CRDA loan funds re-paid after Phase I of the Market was completed be re-lent for the conversion and adaptive reuse of a former industrial building in the same neighborhood. The upper floors of the former Whitney Manufacturing site would be converted to 189 residential units (55 micro, 32 studios, 73 loft, 17 1BR and 12 2BR), while the space at grade would be used to nurture new business startups. The CRDA funds would be used for environmental remediation at the site.

The loan would be used as an initial construction note at 3% interest only for a 2–3-year period (not to exceed 5 years). Upon repayment, the funds will be used for future Parkville area projects.

Mr. Freimuth noted that while there is still work to be done before this project is ready to move forward, environmental remediation will be critical for any type of development on this site. Commissioner Mosquera Bruno raised the question of how the loan funds would be repaid if the project does not move forward. Mr. Freimuth responded that CRDA would not close on its loan until such time as the other funding sources were in place.

Mayor Bronin expressed his support for the project, noting that it was one of the most important projects on the City’s agenda and that it was a critical to the Parkville development vision. He also noted that the developer has made a long-standing investment in the community and has continued to “put skin in the game.”

Mr. Canning noted that the commercial component could be characterized as high risk but given that it is a small portion of a much larger project, he was comfortable moving forward.

The following resolution was approved by acclamation:

The executive director is authorized to make a \$3.5 million construction loan at 3% interest only, for a period not to exceed five years, to Carlos Mouta (or such single purpose limited liability company acceptable to CRDA) for purposes of environmental cleanup at 237 Hamilton Street in order to prepare the property for full restoration as a mixed use residential/commercial property. The loan funds will be allocated from those monies repaid to CRDA from the Parkville Market project totaling \$3.5 million.

3) **The Bond - 338 Asylum Avenue**

As noted at the Committee’s last meeting, CRDA has been asked to loan \$1M to The Bond residences for façade and elevator improvements at the property on Asylum Avenue. Mr. Freimuth reminded Committee members that the former Hilton Homewood Suites was recently converted into 66 residential units utilizing a combination of private financing, tax credits and CRDA funding. The same developer worked with CRDA on the 103-121 Allyn Street project and is requesting that funds repaid from that project be used for The Bond improvements.

Commissioner Mosquera Bruno informed the Committee that she needed to leave the meeting and asked if the item could be held until next month's meeting. Mayor Bronin noted that the investment was low-risk given the building's 90% leasing rate and suggested that the Committee vote to send the request to the full CRDA Board, where additional questions could be raised.

The Committee waived the reading of the following motion and approved it by acclamation:

The executive director is authorized to make a \$1M loan to KPK holdings (or such single purpose limited liability company as approved by CRDA) at 1% P& I, amortizing over 30 years but with a five year term for the restoration of the former Bond Hotel Asylum Street façade and to upgrade the facility's elevator core subject the successful refinancing of the 88 Allyn Street project and the repayment in excess of \$1M (estimated to be \$1.4M) from such refinancing to CRDA and such fiduciary terms and conditions as deemed necessary and appropriate by CRDA.

There being no further business, the Committee adjourned at 10:07 a.m.

The next conference call of the Housing & Neighborhood Committee is scheduled for February 4, 2022.