

Agenda

CRDA Housing & Neighborhood Committee Meeting

Microsoft Teams

(see instructions below)

Friday, March 11, 2022

8:00 am

- Approval of Minutes of January 7, 2022 *
- 179 Allyn Street *
- 3580 Main Street (Fuller Brush)
- Bond
- Project Updates
- Next Meeting – April 1, 2022
- Adjourn

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Housing and Neighborhood Committee Conference Call
DRAFT 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.

179 Allyn Street (refinance)

March 2022

Background: In May 2021 and October 2021, the CRDA Board agreed to modify two CRDA notes for the property known as 179 Allyn St as part of the refinancing of the first mortgage. As a result, CRDA would receive \$150,000 buy down of its Mezzanine financing, would be brought current in all interest payments and would receive additional proceeds totaling an estimated \$265,000 upon the release of a special "covid reserve" required by the federal government.

Since the initial approvals the "covid reserve" is no longer required but interest rates for the federal first mortgage have gone up. Based on debt coverage and other underwriting requirements, the first mortgage has also been resized to a smaller mortgage (initially \$4.45M, now estimated to be \$3.92M). Both actions benefit CRDA by 1/ decreasing the outstanding principle due to CRDA with the release of the 'covid reserve' and 2/by improving the subordinate position of the CRDA mortgage.

Counsel for the borrower and the federal funding agent have asked that CRDA's resolutions be amended to reflect the final refinancing deal.

Resolution:

"The executive director is authorized to adjust the terms of the CRDA mezzanine financing as well as the CRDA subordinate mortgage of \$3.25M for the 179 Allyn Street Project to be coterminous with the new HUD Section 223(f) mortgage and note of up to \$4.45 million with a term of 22 years and such other terms and conditions, including, but not limited to, interest rate, reserves and payment amounts, as the Executive Director may approve in his reasonable discretion, and to execute subordination agreements for its mortgage and mezzanine financing for the borrower and managing member, Allyn Street Managing Member (ASMM) LLC."

CRDA Housing Approved

Project	# Units	TOC	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/\$750K	\$28.8K	100	Note Paid Off	3/21/2013	6/21/2013	10/29/2013	Renting	81%
179 Allyn	63	\$14.88M	\$233K	\$6.5M	\$103K	80/20	\$5.25M equity, \$3.25M 2nd loan	3/21/2013	6/21/2013	11/15/2013	Renting	100%
Sonesta/Spectra	190	\$23.9M	\$123K	\$2.05M	\$10.8K	85/15	1 Note Paid Off	6/4/2013	6/21/2013	12/5/2013	Renting	97%
Capwell	71	\$26.1M	\$359K	\$5.0M	\$69.4K	80/20	construction financing/converted to mortgage note	2/28/2014 1/15/2014	11/16/2014	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	\$949,350*	\$81.5K	100	loan 3% 30 yr.	6/19/2014 5/21/2015	7/25/2014	2/25/2015	Renting	100%
1279-83 Main	10	\$1.35M	\$135K	\$297K	\$29.7K	100	loan 3% 25 yr.	11/30/2017	7/28/2015	12/12/2020	Renting	100%
370 Asylum	60	\$10.3M	\$138K	\$4M	\$66K	70/30	loan <3% 20 yr.	6/18/2015	3/24/2016	9/29/2017	Renting	96%
50 Millennium	96	\$19.5M	* ?	\$6.5M	\$67.7K	100	Former Radisson, foreclosure 2/2021	10/15/2015	12/11/2015	3/31/2016	Renting	80%
81 Arch	53	\$23M	\$280K	\$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%
88 (105-21) Allyn	66	\$21.1M	\$319K	\$6.6M ⁶	\$109K	80/20	construction/perm loan 3% 5 yr.	12/8/2016	2/1/2017	10/31/2018	Renting	93%
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., 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%
Colt "U"	28	\$7M	\$269K	\$1.5M	\$53.5K	100	loan 3% 20 yr.	1/10/2019	12/18/2019	11/30/2020	Renting	96%
Pratt 99 Pratt	129	\$29.8M	\$231K	\$12M	\$93K	100	\$3M & \$9M 1% 5yr-30yr.	10/17/2019	4/16/2021			
Pratt 2 - 18 Temple	47	\$34.5M	\$210K	\$2M	\$42.5K	90/10	New Units 47 / Total units 166 / 16 Aff. Units / 2.75% 30 yr. loan	9/17/2020	12/18/2019	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%/-
DoNo "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	
55 Elm	164	\$63.3M	\$385K	\$13.5M	\$81.3K	80/20	2% 30 yr. Perm. \$7M	4/16/2020	9/20/2018	9/30/2020	2022	
DoNo "B"	228	\$52.8M	\$231K	\$13.6M	\$59.6K	90/10	2% bridge \$6.5M 15 yr. term	3/18/2021	4/16/2021		2023	
Hilton	147	\$17.9M	\$121K	\$5.9M	\$40K	80/20	3% 30 yr.	12/15/2021	12/15/2021			
Summary	2546 ⁵	\$640M	\$251K	\$156M	\$62.5K median \$46K avg.	87/13	2220 market / 326 affordable					

3/18/2022

¹ deposits and leases
² \$75K/unit est. residential + 188 hotel rooms
³ notes repaid
⁴ \$16K from Housing Cap. Fund
⁵ 2741 w/ Front St. & Recap deals (less Siles)
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	Note has been paid off.	12/8/2016	N/A	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 Sigourney	4	\$1.16M	\$290K	\$200K	\$50K	Aff	\$200,000 Hist. Bridge Loan Heritage Homes - Affordable	12/8/2016	N/A	5/7/2018	Renting	100%
86-88 Hawthorn	2	\$830K	\$418K	\$50K	\$25K	Aff	Heritage Homes (NINA) Aff.	5/24/2018	6/1/2018	8/13/2019	Owned	115&117 Sold
80-82 Hawthorn	2	\$818K	\$409K	\$200K	\$100K	Mkt	Heritage (NINA) Market	3/18/2021	6/1/2018	7/27/2021	2022	80 & 82 Sold
213 Lawrence	3	\$462K	\$154K	\$370K	\$123K	Mkt	1st Mortgage 3% 20 Yr.	1/21/2021	N/A	2/9/2022	2022	
525 Main Street	42	\$7.8M	\$186K	\$2.1M	\$50K	80/20	City Funds 2.5% 20 Yrs. + 1% buydown	10/21/2021	N/A		2023	
275 Pearl	39	\$9.46M	\$242K	\$2.86M	\$73.5K	Mkt	City Funds 1.5% 20 Yrs. + 1% buydown	10/21/2021	N/A		2023	
Summary	336³											

3/8/2022

¹ Paydown of principle from sale

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

³ 225 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