

Housing and Neighborhood Committee Conference Call
APPROVED Meeting Minutes
April 1, 2022
8:00 a.m.

PRESENT:

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

Staff Present via Microsoft Teams: Mike Freimuth and Kim Hart

The meeting was called to order by Ms. Berger-Sweeney at 9:01 a.m. and the minutes of the March 11, 2022 meeting were approved by acclamation.

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

Mr. Freimuth reminded Committee members of plans presented by Shelbourne at the January meeting for renovation of the former Fuller Brush Building on Main Street. The 12.5 acre site includes 10 buildings and 326,000 square feet of space. When completed, the \$36 million project will include a mix of residential, commercial, industrial, innovation and office space. This first phase will convert two of the buildings into approximately 157 units (19-1BR, 13-2BR and 125 studios). The project is requesting \$8.5m in loans - \$5.5m in CRDA funds and \$3.0 million of City development funds to be overseen by the Authority.

The following resolution was offered:

The executive director is authorized to lend up to \$5.5M and to manage and lend up to \$3M of city funds consistent with the CRDA/City of Hartford MOU of December 3, 2021 at 2%/30 year amortization with a 15 year term; an interest only period of five years; and a buy down once historic credits are monetized in year 2; subject to the State Bond Commission approval of the \$5.5M; all other sources of funds being secured; and such fiduciary terms and conditions as deemed necessary and appropriate by the executive director and CRDA counsel.

Mayor Bronin stressed how important the Fuller Brush renovation is to the City, providing residential opportunities, as well as serving as an economic driver . He also noted that there is tremendous community support for the project. While the affordable/market rate unit mix has yet to be determined, the Mayor remarked that the difference between the two rates is not great and that additional market units could help address the lack of quality unrestricted units in this area of the City. He noted that such units might provide an incentive for young professionals to remain in

the neighborhood where they grew up. The Mayor also noted that the developer will likely negotiate a tax deal with the City at some point.

Mr. Freimuth noted that CRDA staff have been reviewing the construction numbers provided by the developer and are now more comfortable with their approach. Mr. Canning noted that proposed developer equity has increased from the original project budget. Mr. Freimuth responded that the developer will now be responsible for bridging the Historic Tax Credits (HTC's) and will be required to keep equity in the project until refinancing. Mr. Freimuth also noted that CRDA will receive a partial pay down of its funds once the HTC's come through.

The resolution was approved by acclamation.

2) **Martin Luther King Housing – Van Block Avenue**

Mr. Freimuth reported that CRDA has been asked to assist with the \$60 million demolition and rebuilding of the deteriorating MLK apartment complex on Van Block Avenue. The development team, Sheldon Oaks and VestA, are looking to replace the existing 64 affordable units with 155 new units, 60% of which will be set aside as affordable.

Mr. Freimuth noted that this has been a difficult project to price, with construction costs and interest rates increasing. Despite City of Hartford and State Department of Housing participation, there remains a \$5 million budget gap. The developer has exhausted value engineering. Phasing or downsizing of the project is not a viable option.

Commissioner Mosquera Bruno expressed her support for the project and Mayor Bronin emphasized the need to move forward in order to replace severely deteriorated units that are becoming unfit for tenants. Mr. Freimuth estimated that a project resolution will likely be put before the Board at the May or June meeting.

3) **200 Constitution Plaza**

Mr. Freimuth reported that he has been in discussions with a developer interested in converting this office space at 200 Constitution Plaza into live-work space including 101 residential units (24 – 1BR, 28 – 2BR and 49 studios). He noted that the building, formerly owned by Trinity College, is in fairly good condition with access to parking below. CRDA is working with the developer to fine tune project cost estimates (currently at \$18 million) and to understand the gap CRDA would be asked to fill. Mr. Freimuth indicated that he would have a resolution to present to the Committee in the next few months.

Ms. Berger-Sweeney asked about the mix of affordable vs. market rate units. Mr. Freimuth responded that while the developer expressed an interest in only market rate, they were told that the CRDA Board would like to see 20% set aside as affordable. Ms. Berger-Sweeney indicated that she would like to see the site developed for both the neighborhood and the City at large, citing the need for additional residential units downtown. Mayor Bronin echoed Ms. Berger-Sweeney's remarks and applauded the conversion of commercial space to much-needed residential units.

4) **Project Updates**

Mr. Freimuth briefly walked Committee members through the project spreadsheets, noting that a number of projects are in construction, with Park & Main and Downtown Crossing expecting to start leasing later this year. Both 55 Elm and the Hilton are expected to close on their financing in the near future.

There being no further business, the Committee adjourned at 9:39 a.m.

The next conference call of the Housing & Neighborhood Committee is scheduled for May 6, 2022.