

Housing and Neighborhood Committee Conference Call
APPROVED Meeting Minutes
June 3, 2022
9:00 a.m.

PRESENT:

Members Present via Microsoft Teams: Committee Chair Joanne Berger-Sweeney, Board Chair Suzanne Hopgood, Commissioner Selia Mosquera Bruno, 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 9:05 a.m. and the minutes of the April 1, 2022 meeting were approved by acclamation.

- 1) **Project Updates** – Mr. Freimuth walked Committee members through the project spreadsheets, noting that most “neighborhood” classified projects had been completed, with the exception of the following:
 - a. Heritage Homes – NINA is in the process of assembling two parcels donated by Aetna for their ongoing home ownership program in the Asylum Hill neighborhood.
 - b. Former Fuller Brush Building – The CRDA Board approved funding for the project at its May meeting and it has been submitted for Bond Commission approval.
 - c. Parkville – A number of new projects are pending in this neighborhood.

Mr. Freimuth reported that CRDA housing projects are leasing at over 90% and that a number of additional projects will come online this year, including Park & Main - Building 2, DoNo - Phase 1 and the renovation of former student housing on Temple Street. Pratt Street will likely begin leasing early next year, bringing the total of new CRDA-funded residential units to around 600.

Mr. Freimuth also noted that the 55 Elm Street project will likely come online in late 2023 or early 2024. Similarly, the 147 units created as part of the Hilton Hotel conversion will start leasing some time in 2023.

In total, CRDA’s Downtown residential unit total sits at 2,700, just 300 units short of its statutory housing goal.

Ms. Berger-Sweeney asked about plans to improve the park adjacent to the Park & Main site and to relocate the nearby methadone clinic, which has been the subject of media attention in recent

weeks. Mr. Davis responded on behalf of the City, indicating that a working group was looking at redesigning the park. He acknowledged the difficulty in relocating the methadone clinic to another area of the City and said that the issue remained under discussion.

Mr. Canning asked for an update on conversion of the former Radisson Hotel. Mr. Freimuth noted that it has been reported that the upper floors are 80% leased, but that number has not been confirmed. The developer is now in the process of converting the lower floors to residential as well. Mr. Freimuth reminded Committee members that CRDA is no longer involved with the project, having been foreclosed out two years ago.

In response to a question from Mr. Canning, Mr. Freimuth outlined development efforts in the Bushnell South area:

- 1) State Buildings on Trinity Street – Following an RFP process, the Department of Administrative Services is in discussions with a developer interested in constructing 110 units in the buildings located across from the State Capitol. Some public funding will likely be required.
- 2) 55 Elm Street – The developer is looking at the possibility of renovating a second smaller building on the corner of West Street and Elm. They have inquired about CRDA rolling over the Historic Tax Credit bridge loan on 55 Elm to the smaller project.
- 3) Parcel 4 – CRDA has issued an RFQ for development of the 4-acre parcel directly behind the State Office Building and proposals are due June 10th. A number of potential developers have made inquiries.

Mr. Freimuth also noted that he has had several meetings with the individual selected under the Parkville Project Manager RFP. He hopes to have a resolution concerning their selection ready for the next Board meeting.

2. 200 Constitution Plaza

Mr. Freimuth walked Committee members through the details of the project. CRDA has been asked to contribute \$3 million toward conversion of the former business training/office building into 101 residential units (24 1BR, 28 2BR and 49 studios) linked to an underground garage system. The total cost of the project is approximately \$18 million and the CRDA funds would be distributed as a loan to the developers - Biagio Barone and John Guedes - at 3% interest, with a 25-year amortization over a ten-year term.

Ms. Berger Sweeney questioned whether there were any affordable units in the mix. Mr. Freimuth responded that he had raised this issue with the developer to no avail. He noted that this represented a “Catch 22” situation in that affordable units lowered the developer’s revenue and CRDA would need to lower its interest rate to accommodate the debt service coverage ratio required by the bank.

Commissioner Mosquera Bruno questioned whether CRDA was required to include an 80/20 market rate/affordable mix on all its projects. Mr. Freimuth responded that while the Authority is not statutorily required to do so, overall, our projects have averaged about 80/20, though many have been solely market rate. The Commissioner expressed her support for requiring the developer to include some affordable units.

Mr. Canning asked about the availability of parking and whether any tax abatement deal was contemplated. Mr. Freimuth indicated that there was parking linked to the building, the cost of which would be included in the monthly rents. While there was no tax abatement included, the property would be assessed at a residential rather than commercial rate, pursuant to the CRDA statutes.

Mr. Freimuth noted that this was the latest in a long line of efforts to develop this property. He also noted that the original concept plan for Constitution Plaza had included residential use.

Commissioner Mosquera Bruno indicated that given the fact that the developer was accepting public funding, there should be a public benefit (i.e., affordable units) attached to the project. Mr. Freimuth indicated that he would reach back out to the developer regarding the Committee's wishes. It was also noted that the rates charged for studio apartments on a square foot basis were close to affordable.

The following resolution was offered:

The Executive Director is authorized to make a housing loan for up to \$3 million at 3%/25 year amortization/ten year term to the development team of Biagio Barone and John Guedes (together forming a single purpose entity acceptable to CRDA) for the purpose of converting 200 Constitution Plaza into 101 residential units, subject to 1/ all sources of funding and approvals being secured, 2/ State of Connecticut Bond Commission allocation and approval and 3/ such fiduciary terms and conditions that are necessary and appropriate to the satisfaction of the executive director and CRDA counsel.

Commissioner Mosquera Bruno asked that an affordable requirement be written into the resolution. Ms. Berger-Sweeney indicated that while she thought the resolution's language was broad enough, she wanted to see some percentage of affordable, even just 10%. The Commissioner indicated that should the project come before the Board for a final vote without an affordable component, she would abstain from the vote.

The resolution was approved by acclamation.

3. **Board Meeting** - Ms. Berger-Sweeney noted that she was unavailable to provide the Housing and Neighborhood report at the Board Meeting on June 16, 2022. Ms. Hopgood was volunteered for the task by Mr. Freimuth.

The next meeting of the Housing and Neighborhood Committee is scheduled for July 1, 2022.

There being no further business, the Committee adjourned at 9:47 a.m.