

Housing and Neighborhood Committee Conference Call
APPROVED Meeting Minutes
March 10, 2023
9:30 a.m.

PRESENT:

Members Present via Microsoft Teams: Committee Chair Joanne Berger-Sweeney, Mayor Luke Bronin, Bob Patricelli, Randal Davis and Paul Canning

Staff Present via Microsoft Teams: Mike Freimuth and Kim Hart

Guests Present via Microsoft Teams: Erin Howard (City of Hartford) and Carlos Mouta (237 Hamilton I LLC)

The meeting was called to order by Ms. Berger-Sweeney at 9:31 a.m. and the minutes of the February 3, 2023 meeting were approved.

1. **Project Updates**

Mr. Freimuth directed members' attention to the project spreadsheets in the agenda packet, noting that there were no significant changes from last month. Projects are leasing at over 90% and rents are stable. He noted a slight drop in NOI due to higher interest rates, expenses and energy costs.

2. **235-237 Hamilton**

Mr. Freimuth walked Committee members through this large-scale project in the City's Parkville neighborhood. The former Whitney Manufacturing site is being redeveloped into 235 residential units along with 45,000 sf of commercial space designed to nurture new business start-ups. Most of the units will be small one-bedroom and studio apartments with lofts. Total development costs are estimated at \$91.7 million.

Mr. Freimuth explained that CRDA has been asked to provide an \$8.5 million construction loan converting to a permanent loan. The \$4 million environmental clean up / construction loan that CRDA made to the project in 2022 utilizing City Revolving Loan funds will now roll into a new cash flow loan as part of the project's permanent financing.

Mr. Freimuth reviewed the other sources of funding committed to the project, including conventional financing and C-Pace funding, the latter being a loan which is repaid with savings resulting from energy efficiency upgrades to the property.

Noting that most of the units are studios and one-bedrooms, Mr. Patricelli questioned why more family-sized units were not included in the mix. Mr. Freimuth responded that the market is demanding smaller units and this unit mix worked best given the layout of the building.

Mayor Bronin concurred with Mr. Freimuth's response and noted that this project is the linchpin of larger revitalization of the Parkville neighborhood and builds upon the success of earlier projects, including the Parkville Market. He also noted that part of the revitalization effort is focused on increasing residential density and this unit mix supports that goal. The Mayor cited other projects around the City that included affordable housing and units geared to families, including the former Bowles Park and Westbrook Village. Finally, he cited the importance of providing housing opportunities to keep young people in the State and specifically those that allow young Hartford residents to remain in the City in which they were raised.

Ms. Berger-Sweeney highlighted the importance of the project to the neighborhood and expressed support for CRDA involvement in Parkville projects.

Mr. Mouta, the developer of 235-237 Hamilton, also noted that smaller units are in demand and they allow the project to work financially. He also noted that larger units demand higher rents, with utility costs becoming a larger burden on residents.

The following resolution was approved on a voice vote:

The Executive Director is authorized to make a \$8.5M construction loan converting to a permanent loan to 237 Hamilton I LLC (or such single purpose entity as approved by CRDA) at 3% interest only in years 1-5, 3% P&I amortizing in years 6-30 subject to all financing being secured; State Bond Commission approval; and such fiduciary terms as deemed necessary and appropriate by CRDA staff and counsel; and the Executive Director is authorized to convert the existing \$4M environmental loan funded by the City of Hartford Revolving Loan Fund managed by CRDA via a MOU from a construction note to a permanent cash flow note paying up to 3% interest with a 20 year term.

3. Dutch Point – CCEDA Loan Question

Mr. Freimuth explained that a question arose over a CCEDA loan to the Dutch Point project and whether CRDA approval was needed for the Hartford Housing Authority to assume ownership of the project. Since the Committee agenda was issued, it was determined that the issue could be handled administratively and that no Board action was required.

The next meeting of the Housing and Neighborhood Committee is scheduled for April 14, 2023.

There being no further business, the Committee adjourned at 10:15 a.m.