

CRDA Housing & Neighborhood Committee Meeting
Thursday, May 11, 2023
12:00 p.m.

Agenda

- I. Introductions
- II. Approval of Minutes from March 10, 2023 Meeting/Conference Call*
- III. Project Updates
 - a. 690-714 Albany Avenue*
 - b. 18-20 and 30 Trinity Street *
 - c. 241 Asylum Avenue*
 - d. North Hartford Housing Trust
- IV. Next Meeting: June 2, 2023
- V. Other Business
- VI. Adjourn

Microsoft Teams meeting

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Housing and Neighborhood Committee Conference Call
DRAFT 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.

690-714 Albany Ave

PROJECT: 690-714 Albany Ave, Hartford
Rehabilitation of 8 residential/3 retail unit mixed use property
Residential units: 6 affordable, 2 market

DEVELOPER: Andaleeb Enterprises LLC, Bloomfield

BACKGROUND: CRDA previously awarded funds to renovate this property but the prior developer failed to secure title for the real estate. The CRDA funds have since been re-allocated to another project.

FUNDING

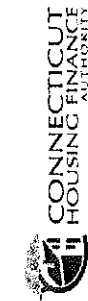
SUMMARY:	Senior Lender	\$ 640,500
	Equity	564,542
	Sec 8	490,188
	CRDA	<u>800,000</u>
	TDC	\$2,495,230

CRDA

REQUEST: Fund a portion of the rehabilitation construction budget of \$1.3 million via a \$800,000 20 year loan at 3%.

RESOLUTION: The executive director is authorized to lend to Andaleeb Enterprises LLC or such single purpose entity acceptable to CRDA, up to \$800,000 for the renovation of 690-714 Albany Avenue subject to funds being available within the CRDA Housing Revolving Fund, all other sources of funding being secured and such fiduciary terms as deemed necessary by the executive director and CRDA counsel.

5/11/23



DEVELOPMENT SUMMARY



Version 2021.2
Submission Date:
January 1, 2021

DEVELOPMENT NAME: 690-714 Albany Avenue APPLICANT: Andaleeb Enterprises LLC

SOURCES of FUNDS	Construction	Permanent
CHFA SOURCES	0	0
CHFA Loan Tax-Exempt Bonds	0	0
CHFA Loan - Non-Bond Proceeds [Specify]	0	0
4 % LIHTC Net Proceeds	0	0
CT Housing Tax Credit Contribution (HTCC) Proceeds	0	0
DOH SOURCES	0	0
DOH Grant Funding	0	0
DOH Loan Funding	0	0
HOMEOWNERSHIP SALES PROCEEDS	0	0
OTHER SOURCES	2,495,230	2,495,230
TOTAL SOURCES	\$2,495,230	\$2,495,230

FUNDING GAP	Construction	Permanent
TOTAL SOURCES	2,495,230	2,495,230
TOTAL USES	2,495,230	2,495,230
FUNDING GAP	\$0	\$0

RESIDENTIAL UNIT MIX

	NUMBER OF RENTAL UNITS	NUMBER OF HOMEOWNERSHIP UNITS	TOTAL NUMBER OF UNITS
0-BR	0	0	0
1-BR	2	0	2
2-BR	6	0	6
3-BR	0	0	0
4-BR	0	0	0
5-BR	0	0	0
TOTAL UNITS	8	0	8
Gross Square Feet	6,296	0	6,296

USES

	Construction	Permanent	
% of Total	Uses	% of Total	Uses
49.9%	1,245,366	49.9%	1,245,366
3.0%	74,721	3.0%	74,721
2.0%	51,000	2.0%	51,000
0.0%	0	0.0%	0
7.0%	174,143	7.0%	174,143
0.0%	0	0.0%	0
0.0%	0	0.0%	0
38.1%	950,000	38.1%	950,000
0.0%	0	0.0%	0
Recognized Lending Costs	2,495,230	100.0%	2,495,230
Entity / Syndication / Other Costs	0	0.0%	0

OPERATING PROJECTION

Proforma Stabilized Year = 2022

INCOME	
TOTAL RESIDENTIAL REVENUE	127,092
TOTAL OTHER REVENUE	104,808
GROSS INCOME	231,900
LESS: Overall Vacancy Loss (16.836)	(16,836)
EFFECTIVE GROSS INCOME (EGI)	215,064
EXPENSES	
	99,737

TOTAL USES: \$2,495,230 ESTIMATED INITIAL NOI: \$115,327



Exhibit 5.3 - CASH FLOW PROJECTION



DEVELOPMENT NAME	650-714 Albany Avenue						
	2022	2023	2024	2025	2026	2027	2028
INCOME							
RESIDENTIAL - Qualified / Afford. Gross Rental Income	98,892	100,870	102,887	104,945	107,044	109,185	111,368
- RESIDENTIAL - Qualified / Afford. Vacancy Loss	4,945	5,043	5,144	5,247	5,352	5,459	5,568
= RESIDENTIAL - Qualified / Afford. Net Rental Income	93,947	95,826	97,743	99,698	101,692	103,726	105,800
RESIDENTIAL - Market Rate Gross Rental Income	28,200	28,764	29,339	29,926	30,525	31,135	31,758
- RESIDENTIAL - Market Rate Vacancy Loss	1,410	1,438	1,467	1,496	1,526	1,557	1,588
= RESIDENTIAL - Market Rate Net Rental Income	26,790	27,326	27,872	28,430	28,998	29,578	30,170
Other Income	94,327	96,214	98,138	100,101	102,103	104,145	106,228
EFFECTIVE GROSS INCOME (EGI)	\$ 215,064	\$ 219,366	\$ 223,753	\$ 228,228	\$ 232,793	\$ 237,448	\$ 242,197
EXPENSES							
Total Administrative Expenses	26,193	26,979	27,788	28,622	29,480	30,365	31,276
Total Utilities Expenses	11,448	11,791	12,145	12,510	12,885	13,271	13,670
Total Operating & Maintenance Expenses	19,708	20,299	20,908	21,535	22,182	22,847	23,532
Real Estate Tax	30,888	31,815	32,769	33,752	34,765	35,808	36,882
Property & Liability Insurance	8,000	8,240	8,487	8,742	9,004	9,274	9,552
Misc.	-	-	-	-	-	-	-
Elderly & Congregate Serv. Expense (attach schedule)	3,500	3,605	3,713	3,825	3,939	4,057	4,179
Capital (Replacement) Reserve	-	-	-	-	-	-	-
Sub Total: ANNUAL EXPENSES	\$ 99,737	\$ 102,729	\$ 105,811	\$ 108,985	\$ 112,255	\$ 115,623	\$ 119,091
NOI	\$ 115,327	\$ 116,637	\$ 117,942	\$ 119,243	\$ 120,538	\$ 121,826	\$ 123,106
Capital (Replacement) Reserve Balance	-	-	-	-	-	-	-

SCHEDULED ANNUAL DEBT SERVICE (ADS)	
Other Amortizing Debt Bank Purchase Loan	
Term (Yrs.) >	20
Contract Rate >	3.99%
Pay Rate ADS	\$640,500
DSC	20
Bal. (E.O.Y.)	\$618,891
Other Amortizing Debt CRDA	
Term (Yrs.) >	20
Contract Rate >	3.00%
Pay Rate ADS	\$800,000
DSC	20
Bal. (E.O.Y.)	\$770,353

ADS STOT. =	\$ 100,014	\$ 100,014	\$ 100,014	\$ 100,014	\$ 100,014	\$ 100,014	\$ 100,014
CASH FLOW AFTER DEBT SERVICE (CFADS)	\$ 15,313	\$ 16,622	\$ 17,928	\$ 19,228	\$ 20,523	\$ 21,812	\$ 23,092
PROJECT DSC =	1,153	1,166	1,179	1,192	1,205	1,218	1,231
EFFECTIVE DSC (w/Op-DSC Reserve)	1,153	1,166	1,179	1,192	1,205	1,218	1,231

Exhibit 5.3 - CASH FLOW PROJECTION



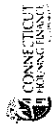
DEVELOPMENT NAME

650-714 Albany Avenue

	2029	2030	2031	2032	2033	2034	2035	2036
INCOME								
RESIDENTIAL - Qualified / Afford. Gross Rental Income	113,596	115,868	118,185	120,549	122,960	125,419	127,927	130,486
- RESIDENTIAL - Qualified / Afford. Vacancy Loss	5,680	5,793	5,909	6,027	6,148	6,271	6,396	6,524
= RESIDENTIAL - Qualified / Afford. Net Rental Income	107,916	110,074	112,276	114,521	116,812	119,148	121,531	123,962
RESIDENTIAL - Market Rate Gross Rental Income	32,393	33,041	33,702	34,376	35,063	35,764	36,480	37,209
- RESIDENTIAL - Market Rate Vacancy Loss	1,620	1,652	1,685	1,719	1,753	1,788	1,824	1,860
= RESIDENTIAL - Market Rate Net Rental Income	30,773	31,389	32,017	32,657	33,310	33,976	34,656	35,349
Other Income	108,352	110,519	112,729	114,984	117,284	119,629	122,022	124,462
EFFECTIVE GROSS INCOME (EGI)	\$ 247,041	\$ 251,982	\$ 257,022	\$ 262,162	\$ 267,406	\$ 272,754	\$ 278,209	\$ 283,773
EXPENSES								
Total Administrative Expenses	32,214	33,181	34,176	35,201	36,257	37,345	38,465	39,619
Total Utilities Expenses	14,080	14,502	14,937	15,385	15,847	16,322	16,812	17,316
Total Operating & Maintenance Expenses	24,238	24,966	25,714	26,486	27,280	28,099	28,942	29,810
Real Estate Tax	37,988	39,128	40,302	41,511	42,756	44,039	45,360	46,721
Property & Liability Insurance	9,839	10,134	10,438	10,751	11,074	11,406	11,748	12,101
Misc.	-	-	-	-	-	-	-	-
Elderly & Congregate Serv. Expense (attach schedule)	4,305	4,434	4,567	4,704	4,845	4,990	5,140	5,294
Capital (Replacement) Reserve	-	-	-	-	-	-	-	-
Sub Total: ANNUAL EXPENSES	\$ 122,664	\$ 126,344	\$ 130,134	\$ 134,038	\$ 138,059	\$ 142,201	\$ 146,467	\$ 150,861
NOI	\$ 124,377	\$ 125,638	\$ 126,888	\$ 128,124	\$ 129,346	\$ 130,553	\$ 131,742	\$ 132,912
Capital (Replacement) Reserve Balance	-	-	-	-	-	-	-	-

SCHEDULED ANNUAL DEBT SERVICE (ADS)

Other Amortizing Debt Bank Purchase Loan	\$640,500	46,773	46,773	46,773	46,773	46,773	46,773	46,773
Term (Yrs.) >	20	2,686	2,713	2,739	2,765	2,791	2,817	2,842
Contract Rate >	3.99%	\$440,933	\$411,214	\$380,287	\$314,612	\$279,759	\$243,450	\$205,747
Other Amortizing Debt CRDA	\$800,000	53,241	53,241	53,241	53,241	53,241	53,241	53,241
Term (Yrs.) >	20	1,244	1,256	1,269	1,281	1,293	1,305	1,329
Contract Rate >	3.00%	\$635,961	\$498,304	\$419,477	\$378,256	\$335,781	\$292,015	\$246,917
ADS STOT. =	\$ 100,014	\$ 100,014	\$ 100,014	\$ 100,014	\$ 100,014	\$ 100,014	\$ 100,014	\$ 100,014
CASH FLOW AFTER DEBT SERVICE (CFADS)	\$ 24,363	\$ 25,624	\$ 26,873	\$ 28,110	\$ 29,332	\$ 30,538	\$ 31,727	\$ 32,897
PROJECT DSC =	1,244	1,256	1,269	1,281	1,293	1,305	1,317	1,329
EFFECTIVE DSC (w/Op-DSC Reserve)	1,244	1,256	1,269	1,281	1,293	1,305	1,317	1,329

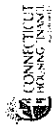


DEVELOPMENT NAME 690-714 Albany Avenue APPLICANT

		CONSTRUCTION FUNDING INFORMATION	
	%	Construction Budget	Permanent Budget (Applicant)
SITE & IMPROVEMENTS (Div. 2-16) Hard Costs			
GENERAL REQUIREMENTS (Max. Allowable 6%)	0.00%	1,245,366	1,245,366
BUILDERS OVERHEAD (Max. Allowable 2%)	0.00%	0	0
BUILDERS PROFIT/GMP FEES (Max. Allowable 6%)	0.00%	0	0
BOND PREMIUM / L.O.C. COST		0	0
BUILDING PERMITS and OTHER DEVELOPMENT FEES		0	0
CONSTRUCTION (Project Cost Summary) Sub-Total		1,245,366	1,245,366
COMMERCIAL CONSTRUCTION			
COMMERCIAL CONSTRUCTION CONTINGENCY			
Other: CITY FUNDED STABILIZATION OF 270 BUILDING			
Other			
Other	6.0%	74,721	74,721
CONSTRUCTION CONTINGENCY		74,721	74,721
CONSTRUCTION		1,320,087	1,320,087
ARCHITECT - Design	2.9%	20,000	20,000
ARCHITECT - Contract Admin (Min. 35%) (% Contract >)	44.4%	16,000	16,000
ENGINEERING (Civil-Site / Structural / Mechanical / Geo-Technical / Etc.)		8,000	8,000
SURVEYS (A-2: Exist. Conditions and As-Built)		4,000	4,000
Other - Inspections, Testing and Fees		3,000	3,000
Other			
Other			
Other			
ARCHITECTURAL and ENGINEERING	4.1%	51,000	51,000
INTEREST (CHFA)			
CHFA LOAN ORIG. / COMMIT. FEE @ #DIV/0!		0	0
INTEREST - Bridge Loan	2.00%	0	0
FEES - Bridge Loan			
R. E. TAXES / PILOTS - Const. Period + ___ Months Lease Up		0	0
INSURANCE (Builder's Risk / Liability / Hazard)		0	0
UTILITIES - Const. Period			
Negative Arbitrage on Bonds (If Applic.)			
Credit Enhancement Premium (HUD or Private Perm. Mortg. Insur.)			
Cost of Bond Issuance		0	0
Other			
Other			
CHFA CONSTRUCTION OBSERVATION [___ Weeks @ \$ ___ / Bi-weekly]		0	0
FINANCE and INTERIM COSTS		0	0
LEGAL COUNSEL - Real Estate (Closing Docs and Title Work)		15,000	15,000
DOH EXTERNAL LEGAL COUNSEL		0	0
TITLE INSUR. PREMIUMS and RECORDING COSTS		8,000	8,000
APPRAISALS / MARKET STUDY (CHFA / LIHTC Required)		0	0
LEASE UP & MARKETING \$s / Residential Unit \$750		6,000	6,000
COST CERTIFICATIONS (CHFA/LIHTC/DOH Required)		6,000	6,000
ENVIRONMENTAL REPORTS and TESTING		10,000	10,000
Property Purchase Soft Costs		48,422	48,422
Other			
Other - Project and Funding Consultant		70,000	70,000
OTHER COMMERCIAL USES/COSTS			
SOFT CCST CONTINGENCY (A&E+FIN+SOFT %)	5.0%	10,721	10,721

CHFA DOH CONSOLIDATED APPLICATION

Exhibit 6.3.a - DEVELOPMENT BUDGET



DEVELOPMENT NAME

690-714 Albany Avenue

APPLICANT

		CONSTRUCTION FUNDING INFORMATION	
	%	Construction Budget	Permanent Budget (Applicant)
SOFT COSTS - Fees & Expenses			
TOTAL CONSTRUCTION & SOFT COSTS		174,143	174,143
Developer Allowance Fee - Cash Portion		1,545,230	1,545,230
Developer Allowance Fee - Deferred Portion		0	0
DEVELOPER ALLOWANCE / FEE (Max. 15% TDC/ \$231785)	0.0%	0	0
PRE-DEVEL. FINANCING (Interest) COSTS [Lender-Approved]		0	0
Land Cost		950,000	950,000
Other (Existing Reserves - Equipment)			
Existing Building/s		950,000	950,000
SITE ACQUISITION (Appraised "As Is" Value)			
Existing Reserves		99,876	99,876
CHFA Operating Reserve		0	0
CHFA Debt Service Coverage Reserve		-99,876	-99,876
Capital / Replacement		0	0
Syndicator Reserve		0	0
Other		0	0
CAPITALIZED RESERVES			
RECOGNIZED LENDING COSTS		2,495,230	2,495,230
Entity Organizational and Legal		0	0
Syndicator Fees / Commissions		0	0
Equity Bridge Loan Interest and Fees		0	0
Tax Opinion and Entity Accounting		0	0
CHFA Tax Credit Fee (8% Ann. Credit)		0	0
CHFA Tax Credit Application Fee (LIHTC, HTCC, Historic)		0	0
Other		0	0
Estimated Fee =	0.0%	0	0
ENTITY and SYNDICATION COSTS / OTHER			
		0	0
CONSTRUCTION LOAN PAYDOWNS (if applicable)		N/A	N/A
TOTAL RESIDENTIAL USES		2,495,230	2,495,230
TOTAL COMMERCIAL USES		0	0
TOTAL DEVELOPMENT COST		2,495,230	2,495,230
		Intermediary Costs %	
		6.52%	

Ace Andaleeb, Member	Date
Name & Title	
The Magnolia Building, LLC	
Company	
Official Use Only	
Budget Period:	From:
	Revision #:

18-20/30 Trinity Street

PROJECT: 18-20 and 30 Trinity Street, Hartford
Conversion of former state office buildings into 108 units plus retail
80/20 market/affordable unit mix
Parking via leasing of CRDA owned Bushnell South Garage

DEVELOPER: PennRose (Philadelphia, Boston)
Cloud Companies (Hartford)

BACKGROUND: Two state owned and surplus office buildings (staff relocated to SOB) were advertised for sale and redevelopment via a DAS RFP in 2021 resulting in 6 respondents. DAS recommended PennRose/Cloud and has granted them a fiduciary due diligence period to secure their financing package and assess construction/development issues.

The buildings are historic and their conversion to residential use is consistent with the Goody Clancy plan to redevelop the Bushnell South area. The properties are generally in fair to poor condition, are limited by a variety of environmental and design features and must comply with limiting historic rules.

DEVELOPMENT

BUDGET:	Acquisition	\$ 1.1 M
	Soft Costs	4.35 M
	Hard Costs	33.4 M
	Dev Fee	<u>4.5 M</u>
	TDC	\$ 45.35 M

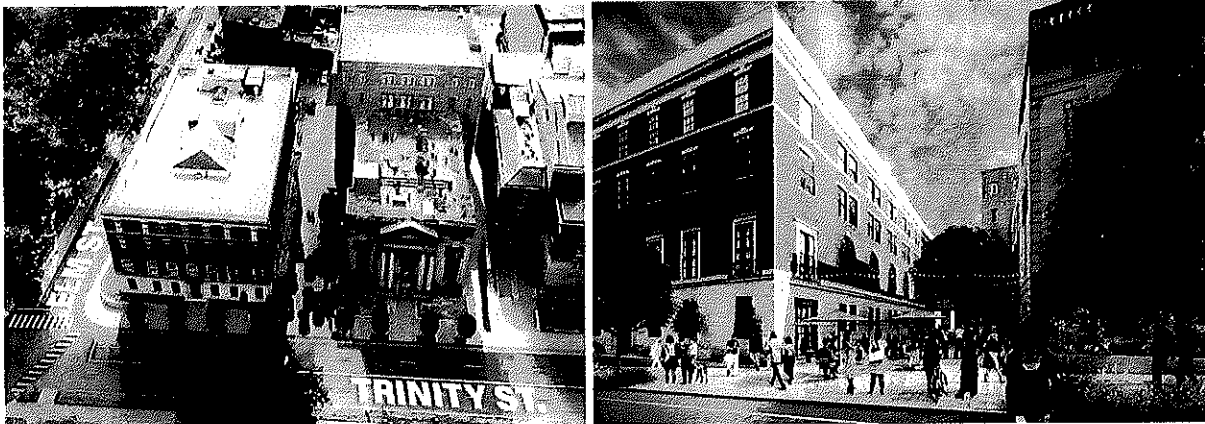
SOURCES:	Senior Mortgage	\$ 10,000,000
	CRDA	6,500,000
	LiHTC	2,379,000
	Fed Hist Credits	7,347,000
	State Hist Credits	7,648,000
	Equity	2,000,000
	Grant	6,000,000
	Def Fees	<u>3,500,000</u>
	Total	\$ 45.350,000

RESOLUTION: The executive director is authorized to lend to PennRose/Cloud (or such single purpose entity acceptable to CRDA) up to \$6.5 million at 1.5% interest only, for a five year period, with an adjustment of the interest rate and amortization schedule in year 5 and an overall term of 30 years, for purposes of converting the two former state office buildings at 18-20 and 30 Trinity Street, Hartford into 108 units of housing including 20% of them as affordable; subject to State Bond Commission approval, all financing sources being secured; and such fiduciary terms as deemed necessary by the executive director and CRDA counsel.

5/11/23

Trinity Street

18-20 and 30 Trinity Street, Hartford, CT

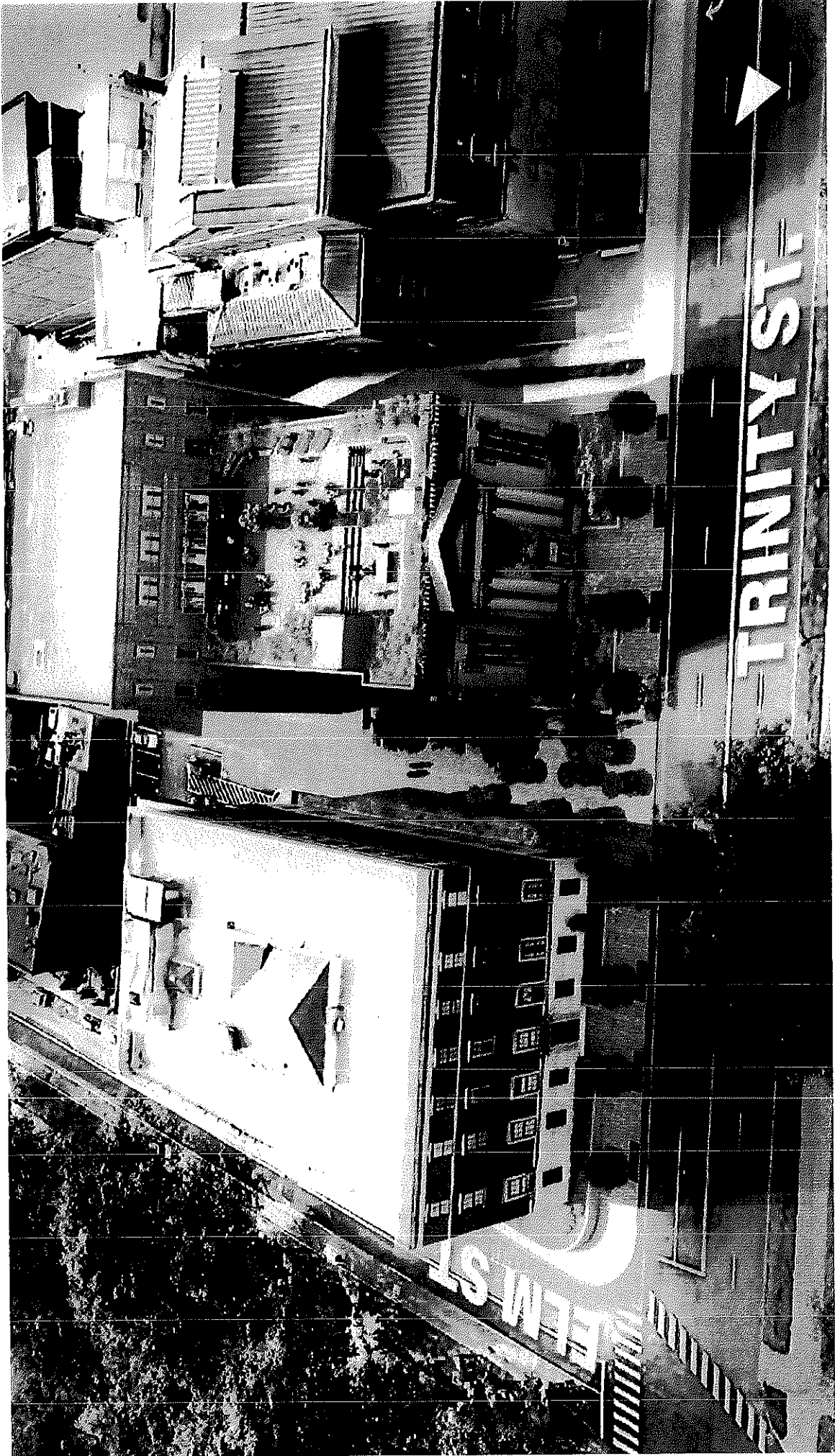


The proposed preservation and adaptive reuse of two historic office buildings on Trinity Street in Downtown Hartford will create high-quality mixed-income housing for future residents, as well as a new restaurant and additional commercial spaces for the broader community. This Trinity Street location is ideal for dense housing and mixed-use development; a block from the Capitol Building, adjacent to Bushnell Park, a short walk from Union Station, this project will create new activity in an extremely transit oriented neighborhood and provide easy access to jobs, education, and entertainment.

The proposed housing development will include a mix of studios and one- and two-bedroom apartments (the limitations inherent in historic, adaptive reuse projects will determine the final unit mix). **The proposed affordability will be 80% unrestricted and 20% at/below 50% of Area Median Income (AMI), to address CHFA, DOH, and City affordability priorities.** Current market rents in Downtown Hartford range from 80-100% AMI, indicating a strong demand for “workforce” housing (typically defined between 80-120% AMI).

This mixed-income approach helps create a sustainable, diverse community at the City's downtown center, with access to employment options both on-site and easily accessible from the property. Furthermore, Pennrose is committed to supporting an inclusive community through resident programming and resources for economic, physical, and social well-being.

The impact of the Trinity Street development will bring new energy to the Bushnell neighborhood and re-purpose vacant historic buildings. These new apartments and commercial spaces will meet local and state priorities for both economic development and housing production. Public officials throughout Hartford are excited about the opportunity to revitalize this block and preserve these historic office buildings; it complements the Bushnell Master Plan (2021) and will support the City's goals for a more walkable, sustainable, liveable Downtown.



WRT

WRT | Trinity Street, Hartford CT

Name: 18-20 & 30 Trinity Street
 Location: Hartford, CT

PENNROSE
 Bricks & Mortar | Heart & Soul

Development Budget

Sources	TOTAL			18-20 Trinity	30 Trinity
	<i>square footage/building</i>			99,819	77,393
First Mortgage - Hard Debt (5.5% IR, 40/40)	10,000,000			5,632,745	4,367,255
CRDA Loan - Residential - Hard Debt (1% IR, 16/40)	6,480,000			3,650,019	2,829,981
4% Low Income Housing Tax Credits - Private Equity	2,379,442			1,340,279	1,039,163
Federal Historic Tax Credits - Private Equity	7,347,654			4,138,746	3,208,908
State Historic Tax Credits - Private Equity	7,648,795			4,308,371	3,340,424
Pennrose / Cloud EQUITY	2,000,000			1,126,549	873,451
Urban Act / Similar	6,000,000			3,379,647	2,620,353
Deferred Developer Fee	3,500,000			1,971,461	1,528,539
Total Sources	45,355,891			25,547,817	19,808,074
Uses	TOTAL			18-20 Trinity	30 Trinity
	<i>square footage/building</i>	<i>\$/SF</i>	99,819	<i>\$/SF (18-20)</i>	77,393
Acquisition	1,100,000	6.21	619,602	6.21	480,398
Site Work and Demolition	1,962,500	11.07	1,105,426	11.07	857,074
Construction Costs	26,430,390	149.15	14,887,564	149.15	11,542,825
GC General Requirements/OH&P/Permits	1,998,820	11.28	1,125,884	11.28	872,935
Hard Cost Contingency	3,078,171	17.37	1,733,855	17.37	1,344,316
Architecture & Engineering	2,108,503	11.90	1,187,666	11.90	920,837
Geotech, Environmental Testing & Reporting	325,000	1.83	183,064	1.83	141,936
Construction Management	170,000	0.96	95,757	0.96	74,243
Legal, Survey, Title, Accounting	355,000	2.00	199,962	2.00	155,038
Appraisal, Market Study, Marketing	385,000	2.17	216,861	2.17	168,139
Insurance	200,000	1.13	112,655	1.13	87,345
Financing Fees	396,400	2.24	223,282	2.24	173,118
Construction Loan Interest	1,286,676	7.26	724,752	7.26	561,924
Soft Cost Contingency	141,430	0.80	79,664	0.80	61,766
Reserves	483,002	2.73	272,063	2.73	210,939
Additional Soft Costs	435,000	2.45	245,024	2.45	189,976
Developer Fee	4,500,000	25.39	2,534,735	25.39	1,965,265
Total Uses	45,355,891	255.94	25,547,817	255.94	19,808,074

Name: 18-20 & 30 Trinity Street
 Location: Hartford, CT

FIRST YEAR STABILIZED INCOME AND EXPENSES

Residential					
Unit Mix			Affordability	% Share	Units
Studio	11	10%	50% AMI	20%	22
Studio plus Den - Market	47	44%			
1 bedroom	32	30%			
1 bedroom plus Den	6	6%			
2 bedroom	12	11%	Market	80%	86
Total Units	108	100%			

BR Size	Total	%	SF	\$/SF	Gross Rent	UA	Net Rent
Studio - 50% - LIHTC	11	10%	500	\$ 1.97	\$ 986	\$ 115	\$ 871
1 bedroom - 50% - LIHTC	6	6%	600	\$ 1.76	\$ 1,056	\$ 148	\$ 908
Studio plus Den - Market	47	44%	750	\$ 2.50	\$ 1,875	\$ 133	\$ 1,742
1 bedroom - Market	26	24%	800	\$ 2.25	\$ 1,800	\$ -	\$ 1,800
1 bedroom plus Den - Market	6	6%	1,000	\$ 2.15	\$ 2,150	\$ -	\$ 2,150
2 bedroom - 50%	5	5%	900	\$ 1.41	\$ 1,267	\$ 185	\$ 1,082
2 bedroom - Market	7	6%	1,175	\$ 2.10	\$ 2,468	\$ -	\$ 2,468
Total Units	108	100%	83,875	\$ 2.25			

Income Average	50%						
Gross Residential Income							\$ 2,151,426
Other Income	\$ 100	per unit/year					\$ 10,800
Parking	\$ -	per unit/year	0	spaces	60%		\$ -
Less Vacancy and Bad debt	7%	vacancy allowance					\$ (150,600)
Operating Expense	\$9,384	per unit/year					\$ (1,013,490)
Controllable	\$7,260	per unit					\$ (784,080)
Insurance	\$1,124	per unit					\$ (121,410)
Real Estate Taxes	\$1,000	per unit average					\$ (108,000)
Effective Residential Income							\$ 998,136

Commercial							
Gross Commercial Revenue (NNN)	\$0	per SF	2,982	SF			-
Less Vacancy and Bad Debt:	10%						-
	^ 20%						-
Effective Commercial Income							-

NET OPERATING INCOME (1st Stabilized Year) **\$ 998,136**

Name: 18-20 & 30 Trinity Street
 Location: Hartford, CT

Assumptions	
Growth Rate - Residential	2%
Growth Rate - Comm (5/yr)	0%
Growth Rate - Other	3%
Cap Rate	6.00%

15 Year Operating Proforma

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Net Real Income																	
Studio	14,572	17,271	19,817	22,008	24,448	26,839	29,477	32,067	34,708	37,402	40,150	42,953	45,812	48,728	51,703	54,737	
1 Bedroom	1,829,464	1,647,653	1,674,468	1,707,576	1,742,138	1,778,978	1,818,798	1,862,246	1,909,044	1,958,744	2,011,966	2,069,300	2,130,364	2,195,613	2,265,554	2,340,707	
1 Bedroom + Den	154,800	157,886	161,054	164,275	167,560	170,912	174,330	177,817	181,373	185,000	188,700	192,474	196,324	200,250	204,254	208,340	
2 Bedroom	272,190	277,634	283,188	288,852	294,627	300,520	306,530	312,654	318,894	325,250	331,722	338,310	345,014	351,834	358,769	365,820	
Subtotal	2,151,406	2,194,456	2,238,344	2,283,110	2,328,773	2,375,348	2,422,855	2,471,312	2,520,738	2,571,153	2,622,576	2,675,008	2,728,450	2,782,892	2,838,334	2,894,776	
Other Income	0.000	11,016	11,226	11,461	11,690	11,924	12,163	12,406	12,654	12,907	13,165	13,428	13,697	13,971	14,250	14,532	
Commercial Income																	
Tenant 1																	
Neighborhood	(130,000)	(150,611.52)	(156,694)	(158,618)	(160,274)	(161,690)	(162,890)	(163,819)	(164,520)	(165,041)	(165,431)	(165,740)	(166,018)	(166,255)	(166,451)	(166,617)	
Commercial																	
Gross Effective Income																	
Contributables	2,011,606	2,051,859	2,092,650	2,134,754	2,177,446	2,220,598	2,265,418	2,311,726	2,359,341	2,408,274	2,458,426	2,509,797	2,562,284	2,615,896	2,670,643	2,726,536	
Real Estate Taxes	(784,000)	(807,602)	(831,630)	(856,795)	(882,485)	(908,604)	(935,253)	(962,440)	(990,174)	(1,018,454)	(1,047,289)	(1,076,680)	(1,106,638)	(1,137,174)	(1,168,299)	(1,221,571)	
Insurance	(108,000)	(111,240)	(114,577)	(118,015)	(121,555)	(125,202)	(128,959)	(132,828)	(136,811)	(140,910)	(145,126)	(149,461)	(153,926)	(158,532)	(163,280)	(168,172)	
Net Operating Income	558,138	1,047,964	1,047,684	1,047,296	1,046,985	1,046,985	1,046,985	1,046,985	1,046,985	1,046,985	1,046,985	1,046,985	1,046,985	1,046,985	1,046,985	1,046,985	
CCSA Loan Service	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	\$97,200	
Debt Service -	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	\$734,580	
ESCR																	
Cash Flow	166,058	176,184	185,904	195,506	204,977	214,306	223,478	232,491	241,302	249,925	258,335	266,517	274,654	282,728	290,723	298,623	

May 1, 2023

Michael W. Freimuth
100 Columbus Blvd
Hartford, CT
06103

Dear Mr. Freimuth,

Pennrose and The Cloud Company are proud to submit for your review the attached qualifications and financials related to the proposed redevelopment of the 18-20 and 30 Trinity Street properties. We believe we have put together a plan that will work for CRDA, for the Bushnell South community, and for the City of Hartford as it aims to reach ambitious goals for economic development and activity in the heart of the city.

Together with our project architect, WRT, we are proposing 108 rental apartment units, a ground floor restaurant/retail space, much sought-after co-working office space for workers with business in the Capitol and nearby State offices and thoughtfully designed public and private open spaces, among other features. These spaces will be housed in and around the two faithfully restored historic buildings, with all new utility systems and floor layouts inside, and enhanced streetscapes and landscaping outside. A welcoming, programmed roof deck at 18-20 Trinity Street and a redesigned "plaza" between the two buildings will ensure that residents and visitors feel more connected than ever to the neighborhood around them.

The proposed plans include a mix of studio, one-, and two-bedroom apartments across the two buildings, a variety of unit sizes and types that will increase the neighborhood's housing diversity. As proposed, the development would consist of 80% unrestricted market rental units (anticipated to be affordable to "workforce" households), and 20% affordable units, rent- and income-restricted to those earning less than 50% of the area median income. We believe that housing diversity at this central, connected location is critical. Lower- and middle-income housing is badly needed in locations with the strong access to jobs, education, and amenities that Bushnell South offers; market rate units will bring households with spending power that can support local businesses and attract new ones.

The property would be managed by our affiliated management entity, Pennrose Management Company ("PMC"). PMC has decades of experience managing market rate, affordable, and mixed-income housing across the country, and employs more than 400 individuals that serve residents in a way that aims to give them the highest possible quality of life. PMC serves as a reliable provider of, and connector to supportive services, that help those residents that need them to live their best lives. This may be by helping them access needed health care, linking them to job training opportunities, or simply providing daily interactions that make residents feel a little more at home.

On all aspects of the redevelopment, we expect to partner with CRDA to ensure that the provided spaces – and all pieces of the finalized plans – reflect stakeholders' visions for the buildings and their role. At Pennrose we are proud of our long track record of collaborative development success, fueled by a wealth of institutional knowledge. We make strong commitments to the communities we work in, working as a true partner in transforming underutilized sites into critical drivers of economic development. Our vision is long-term; Pennrose typically builds, leases, and operates its buildings in partnerships with local groups like CRDA, making us heavily invested in a neighborhood's sustainability, quality of life, and economic opportunity not just now, but for decades to come.

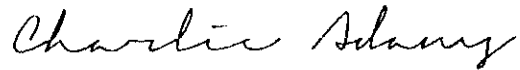
Pennrose's New England team is very familiar with the intricacies of developing mixed-income, mixed-use developments, and has successfully delivered an array of these projects in Connecticut and Massachusetts. We are in the process of redeveloping the historic, 100,000+ square foot former William Barton Rogers School in Boston's Hyde Park neighborhood as mixed-income housing and community space, working closely with that city's Department of Neighborhood Development. When complete, the former Rogers school will be the first LGBTQ-friendly deal in all of New England. Separately, Pennrose is developing two historic structures as mixed-income senior housing in Auburn, MA. All three of these deals – "The Pryde" in Hyde Park, and Julia Bancroft and Mary D. Stone in Auburn – are adaptive reuses of historic buildings that have offered insights into funding programs and design processes that can make redevelopment at Trinity Street run more smoothly.

Pennrose, and its local partner The Cloud Company, have decades of combined experience developing in – and caring about – the City of Hartford. In partnering with the Housing Authority of the City of Hartford (HACH) on the 400-plus unit redevelopment of

the former Westbrook Village, we have made a long-term commitment to this community and the people in it. Bringing the same thoughtful attention to detail and high level of expertise to the Trinity Street buildings would help us offer another critical economic development engine to the city – ensuring that households of all types can continue to be proud to call Hartford home.

It would be Pennrose and The Cloud Company's immense privilege to work with you and your team on this important project for Bushnell South and the City of Hartford. Please do not hesitate to contact me with any questions or for further information that you may need.

Thank you,



Charlie Adams
Regional Vice President, New England
50 Milk Street, 16th Floor
Boston, MA 02110
978.500.8038

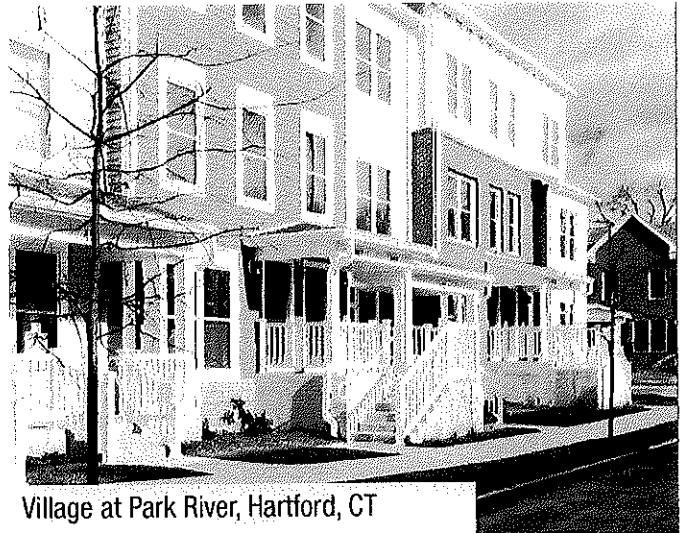
Pennrose

Pennrose, LLC is a premier multifamily development company with the necessary expertise to bring together all aspects of development in a way that exemplifies quality while creating value in both the short and long term. Pennrose is a private full-service real estate development firm, which has been active in real estate development, through principals or affiliates, for over 50 years. During this time Pennrose has developed over 27,000 rental housing units. Pennrose has developed more than 4,500 units in the last 5 years alone, representing over \$1.3 billion in total development costs. Pennrose's portfolio includes more than 350+ distinct developments in sixteen states plus the District of Columbia and the US Virgin Islands, the vast majority of which Pennrose continues to own and manage. Pennrose offers extensive expertise in complex urban developments, including mixed-use development for both market-rate, and mixed-income communities. From new construction to historic preservation, Pennrose maximizes value and provides outstanding quality. **A comprehensive list of all past developments has been included in this submission.**

Pennrose's custom approach and commitment to its residents, investors, owners and personnel distinguishes the

firm from its peers within the industry. Pennrose has achieved an outstanding reputation for excellence, in the quality of the residential units produced and in the manner in which these are maintained. As an innovator in building design, Pennrose delivers lasting value for its customers and for the multifamily housing market.

Pennrose developments have won numerous awards for project design and community revitalization. These awards are a testament to not only what Pennrose develops, but how the company approaches development. In all its projects, Pennrose maintains a firm commitment to achieving financial, social and environmental sustainability. Pennrose has incorporated Leadership in Energy and Environmental Design (LEED) into many projects, understanding that green & LEED developments produce fundamentally better buildings and communities that are more comfortable, more efficient, more appealing, and ultimately more affordable. Pennrose recently completed construction on two Passive House residences – the first multi-family affordable Passive House developments to be built in Pennsylvania – and has substantially complete another Passive House development in Connecticut. Pennrose continues to be on the forefront of sustainable design for affordable and mixed-income housing, showing successful experiences in development

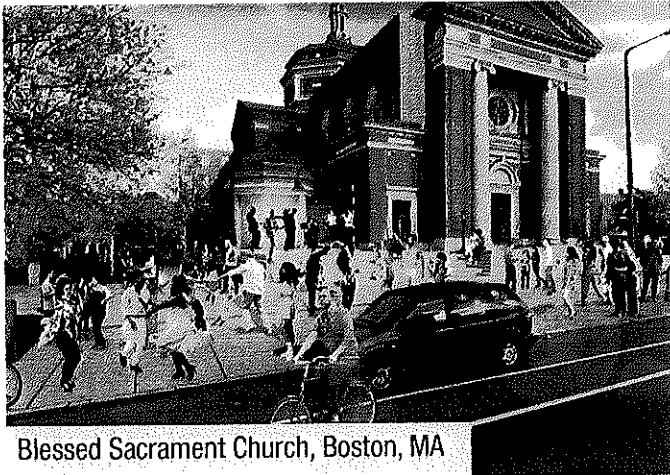


and obtaining financing for these design standards as well as other sources to facilitate energy efficient project development.

Our qualifications and capability are exemplified in that triple-bottom-line commitment, as well as in our track record in partnering with City agencies and community groups to revitalize communities; our ability to coordinate the efforts of a diverse team of experienced professionals through all phases of development; our experience in shepherding developments through community processes; our experience with an array of financing methods, both public and private; and, the scores of projects we have developed through close collaborations with community nonprofit groups.

Pennrose has established a successful record in partnering with resident organizations and community groups in the planning and implementation of its developments. Pennrose has also worked with resident organizations, CDCs, and non-profit organizations in the provision of social and supportive services for the residents of its developments. Pennrose has created over 50 such partnerships with community-based organizations in its operational history. These relationships have been a cornerstone of our business. Pennrose determined that it was in the best interest of the community, the residents, and itself to foster, establish, and nurture such relationships in its housing efforts. Virtually all of Pennrose's developments feature strong resident and community involvement in the planning and construction process.

Pennrose would oversee and manage the development of Strong School through its Boston office, but will draw upon the resources available throughout the Pennrose organization, including the Philadelphia headquarters and



Blessed Sacrament Church, Boston, MA

regional offices in Atlanta, Baltimore, Cincinnati, and New York City. All of Pennrose's offices operate under the leadership of its principals: Richard K. Barnhart, Executive Chairman of the Board; Mark H. Dambly, CEO; and Timothy I. Henkel, President.

Pennrose employs a staff of seasoned, credentialed developers made up of licensed realtors, engineers and professionals with advanced degrees in such areas as real estate, architecture, business administration, city planning and public policy. Its developers have expertise in all facets of real estate development, including acquisition, finance, construction, management, and maintenance. The experience, dedication, and stability of its employees, who focus specifically on real estate development have been the key to the continued success of Pennrose.

Affordable & Mixed Housing Experience

Pennrose has successfully completed over 350+ affordable and mixed-income deals company-wide. Over the last ten years alone, we have completed 90 multifamily deals, of which approximately 20% are mixed income. We have leveraged our breadth of experience in raising private tax credit and public funds, to execute mixed-income projects in what are sometimes considered unproven markets for market rate developments. Pennrose's continued increase in business in the face of escalating competition for limited resources is a testament to the quality of the Pennrose product and the manner in which the team conducts its business. In fact, since 2010, Pennrose has raised over \$530,000,000 in private tax credit equity, accounting for almost half of total development costs for these developments. Historically, Pennrose has received the highest rates in the industry for the sale of Low Income Housing Tax Credits. Pennrose also has strong banking relationships as evidenced by its completion of over 27,000 affordable and market-rate residential rental and homeownership units in sixteen states and the District of Columbia.

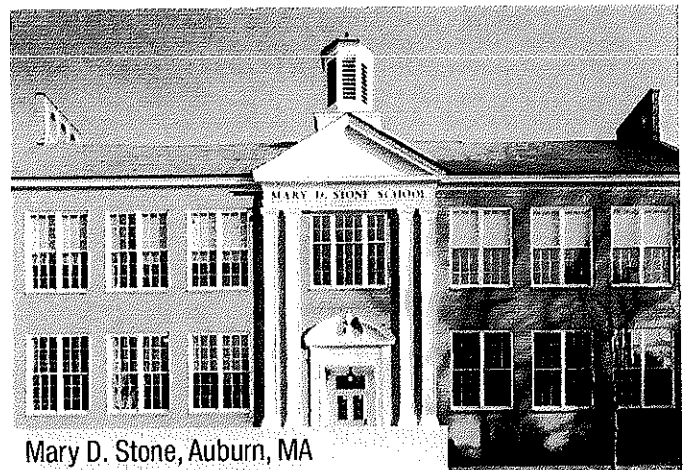
Pennrose is consistently ranked as one of the top five affordable housing developers in the country and in 2020 was named the fifth largest affordable housing developer in the country. This record of performance has made Pennrose one of the larger, and in some cases the largest, producer of Low Income Housing Tax Credits sold to Wells Fargo, Bank of America, TD Bank, JP Morgan Chase, and a host of other National and Regional tax credit investors. The breadth of this LIHTC experience has given Pennrose in-depth knowledge of the program and of the regulatory framework for affordable housing developments.

In all of its developments, Pennrose demonstrated an ability to secure the necessary financing, including Low Income Housing Tax Credits, state and local funds, and private mortgage financing to ensure the successful completion of the redevelopment process. Virtually all of Pennrose's developments feature strong resident and community involvement as well as the employment in the planning and construction process.

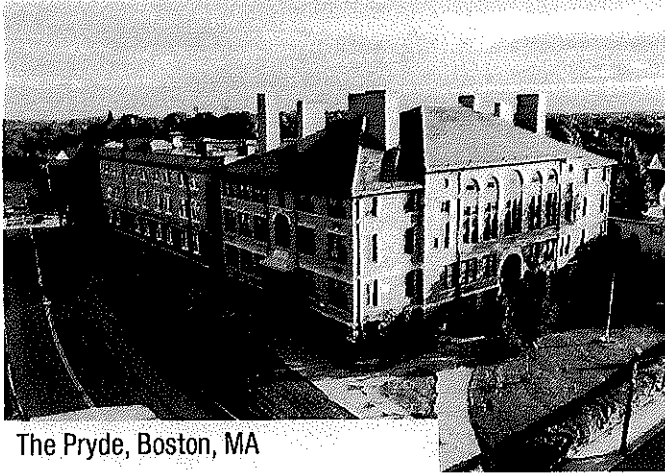
Financial Capacity

Pennrose is widely recognized in the industry as a leader in the creative utilization of multiple sources of financing to facilitate all of our developments. With regularity, we combine as many as four or more sources of investor equity, private loans and mortgage financing, and various federal, state, and local funding programs. In the current equity environment, our ability to leverage multiple sources of financing is even more critical to the success of our developments. The strength of our financial relationships and the depth of our experience allow us to tailor development financing to meet the needs of even the most challenging development.

We recognize that remaining on the cutting edge requires constant adaptation to innovations and changes in the development funding and strong relationships with government agencies and financial partners. With over 50



Mary D. Stone, Auburn, MA



The Pryde, Boston, MA

years in business and having a combined development experience of more than a century, we have collected a base of knowledge from which to draw great strength in working within the complex context of today's financial markets. Pennrose's team approach provides us with the capacity to ensure that a well-crafted thorough financing package is assembled for every project we undertake. This flexible and committed approach will enable us to assemble and secure the most suitable combination of funds with which to achieve the proposed development.

Pennrose has the substantial net worth, liquidity and financial systems necessary to undertake numerous large development projects. Pennrose is recognized for its ability to successfully execute difficult financing structures, multi-phase master-planned redevelopments, and to leverage its financing expertise with its public finance proficiency. Recognizing that financial capacity is tied to the developer's ongoing ability to secure new projects, Pennrose maintains a robust pipeline of developments. In addition to a strong balance sheet, Pennrose has a \$30 million line of credit with a major U.S. bank, which allows us to operate multiple development projects fluidly.

Pennrose has strong relationships with banks that can provide credit facility and predevelopment expenses. Pennrose also has access to equity and debt through national syndicators and lenders, including Bank of America, Hudson Housing Capital, Fulton Bank, and Wells Fargo.

While building quality housing is an important component of any redevelopment strategy, the success of a complex planning effort hinges upon the ability to develop public and private sector partnerships to raise the funds that are necessary to rebuild the physical, social, and economic infrastructure of the properties and surrounding community. This is particularly true in a mixed-finance redevelopment effort.

Pennrose has consistently demonstrated its ability to deliver excellent results on an array of projects with a diverse variety of team members, partners, and public agencies. Pennrose has closed nearly 100 mixed-finance transactions. All of these projects included combinations of tax credit equity, state and local sources of funding, and federal sources, such as HOME or CDBG. Pennrose has considerable experience blending these sources with other sources such as Tax Increment Financing (TIF), Tax-Exempt Bonds, New Market Tax Credits, private debt, and Affordable Housing Program funds from Federal Home Loan Bank bonds.

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The Cloud Company

Development Team Member

30 Lewis Street, Hartford, CT 06103
Contact: Sanford Cloud, Jr., Principal
Telephone: 215.772.1474



The Cloud Company, LLC is a 100% minority owned real estate development firm, headquartered in Hartford, CT. Its principals Sanford Cloud, Jr., Christopher R. Cloud and Anthony A. Healis, Sr., have extensive knowledge and experience in real estate development, tax exempt financing; state and local economic incentives and community engagement. The firm's primary mission and focus is mixed use development projects in urban communities, with a high interest in playing a positive role in transforming them.

Its projects include the redevelopment of the historic University Club into commercial office space. It participated, as co-developer, in a 70 unit senior resident project in New Britain, CT and is co-developer for approximately 300 units of mixed income housing of which 151 are developed and occupied and mixed use developments in the Transit Oriented Development District in Meriden, both in partnership with Pennrose. It is also a co-development partner with Pennrose in the redevelopment of Westbrook Village, now branded as Village at Park River, a 420 unit mixed income and mixed use project, with a retail and commercial center of approximately 100,000 sq ft, located in Hartford, CT. The firm is also working with Pennrose, on a 60 unit affordable housing, mixed use development in downtown Torrington, CT.

241 Asylum Street

PROJECT: Performing subordinate loan (2018)
Loan assisted in converting vacant commercial space into 4 residential units.
Project is a 7-story historic mixed-use retail/residential/office space building.

DEVELOPER: Cast Iron Associates LLC
Keith Warner, Principal
Hartford CT

BACKGROUND: Multi-use historic building that was partially funded by CRDA in 2018. The overall \$2 million renovation had a mix of private and public monies. CRDA made a \$200,000 loan (3%/25 yr amortization/5 yr term) that was to be retired upon the monetization of state historic credits or five years, whichever occurred first. The CRDA funds were allocated from the CRDA Housing Revolving Loan fund (re-capitalized monies) and were used for the residential conversion portion of the overall project and refinanced/retired a city façade loan.

The principal balance of the CRDA note is \$174,109 and is current. The developer has asked to extend the term of the CRDA loan by one more year to allow for the finalization of the historic credit documentation and receipt of the equity resulting from the sale of the credits. The developer is also working to refinance the first senior note, but interest rate variation has stalled that refinancing.

RESOLUTION: *The Executive Director is authorized to extend the original term of the CRDA loan for one additional year or until the historic credit proceeds are monetized, whichever occurs sooner.*

5/11/23

**NORTH HARTFORD
HOUSING TRUST**

The North Hartford Community Land Trust (dba North Hartford Housing Trust) respectfully requests that the Capital Region Development Authority set up a Housing Acquisition & Rehab Fund to support the development of the North Hartford Housing Trust (NHHT) in the North Hartford Promise Zone (NHPZ). This fund, modeled after the Homeownership Program in Asylum Hill, will improve housing stability, address blight and bring additional rental units on line in North Hartford.

NORTH HARTFORD PARTNERSHIP

The North Hartford Partnership is a non profit organization working with the community to advance equitable social and economic development in North Hartford. Our philosophy of development without displacement is grounded in partnership with residents, community leaders, and stakeholders, by using our collective power to meet needs identified by the community.

North Hartford Partnership (NHP) owns and operates the Swift Factory, a formerly blighted and abandoned gold leafing factory and 2 adjacent homes, which has been transformed into a hub of employment, entrepreneurship, community engagement, and services, thanks in part to funding provided by the Capital Region Development Authority.

With Swift operating, NHP is focused on ensuring that Swift continues to make a positive impact on the neighborhood without contributing to the displacement of residents. In order to support this goal, NHP has created the North Hartford Housing Trust.

STATEMENT OF NEED

North Hartford, CT is a neighborhood of approximately 24,000 residents that face some of the worst health and economic conditions in the state. Primarily Puerto Rican, African and West Indian American, the conditions the neighborhood now faces can be attributed to racist policies and practices that cut residents off from the prosperity that the largely white surrounding suburbs enjoy. In 2015, the three neighborhoods that make up North Hartford were designated a federal Promise Zone in recognition of the pervasive intergenerational poverty that residents face.

Average life expectancy in the NHPZ is ten years lower than the rest of the Hartford region, and NHPZ residents have the highest rates of diabetes, heart disease, infectious disease, infant mortality, and other preventable illness in the City of Hartford. An analysis of recent Medicaid data for the area, shows that asthma, a condition directly tied to environmental triggers like mold and mildew, is the most costly health condition. Research shows the links

between lead paint and impaired brain development, mold or vermin and asthma, and hazardous conditions in the home with elevated rates of preventable injuries.

Housing stability in the NHPZ is also poor. Over 90% of housing units are in multi-family buildings, more than 650 formal evictions have taken place in the past four years alone, and more than 20% of documented homelessness in the entire Hartford region can be traced to the NHPZ. The mounting body of evidence on the immense impact that housing quality and stability can have on individual and family health indicates that addressing unstable and poor quality housing will have an immense ripple effect that improves residents' overall wellbeing.

On top of historical health and housing disparities, the COVID-19 pandemic has resulted in communities of color like North Hartford experiencing disproportionate rates of infection, hospitalization, and fatality. Public health experts have attributed this in part to existing health conditions like asthma that is pervasive for residents of North Hartford's poorly maintained housing stock. While the North Hartford Partnership and our partners and funders have long been aware of the reality that poverty is a public health crisis, the Pandemic has brought to light how devastating that reality is for the community in which we work.

PROJECT PLAN

To address these predominant housing issues facing community residents NHHT is working to raise a \$4.8 million social impact investment needed to acquire and rehab 100 units of housing spread across the NHPZ. Thanks to our initial \$1.4M social impact loan from Trinity Health of New England the NHHT now owns and manages three 6 family apartment buildings in the NHPZ.

Working with the CT Children's Medical Center's Health Homes program, properties will be renovated to remove environmental and safety issues and make any necessary upgrades to address code violations. All buildings have utilized Energise CT's weatherization program to make energy & water saving upgrades in an effort to reduce the energy burden on the residents. Units are being rented to residents earning less than 50% AMI.

Increasing local employment and supporting locally owned businesses have been hallmarks of the North Hartford Partnership's other major capital project in the neighborhood, the Swift Factory Redevelopment. Through this work, we have developed a strong pipeline and process for contracting with local businesses. Building off of this success, renovations on NHHT properties will work to achieve the following goals:

- 60% of all construction spending will be with Hartford/Windsor/Bloomfield-based contractors

- 60% of all construction spending will be with Women/Minority Business Enterprises
- Preference will be given to contractors who employ 50%+ Hartford/Windsor/Bloomfield residents

After acquisition properties will be managed and maintained by the NHHT in perpetuity. The NHHT will be governed by a local Board of Directors made up of tenants, non-profit partners, and community members, ensuring tenants' best interests are in mind when making management and governance decisions. Additionally, the NHHT will employ our "property management plus" framework, a standard for tenant-focused property management that our parent organization Community Solutions utilizes to manage other properties nationwide which house individuals who formerly experienced homelessness. Property management plus means:

- Property managers work closely with tenants when issues arise, ensuring eviction is a last resort and maintaining housing stability is first priority.
- Connect tenants to wraparound services as needed, including connections to other local service providers, childcare, and more.

We aim to work closely with the North Hartford Land Bank to acquire and rehab blighted properties which will allow additional housing units to be brought on line. We are particularly interested in the former St Michaels property on Clark St which the city recently foreclosed on. This property has the potential to be transformed into 15 much needed studio and 1 bed apartments. Over time, we will explore opportunities to help tenants set up saving funds and investigate ways to help residents build wealth.

The work of the NHHT outlined above aligns with the goals of the City of Hartford's 2022 Affordable Housing Plan in particular:

- Goal 1: Advance racial and socio-economic equity
- Goal 3: Improve housing quality and invest in existing affordable housing
- Goal 4: Increase resources for tenants
- Goal 6: Strengthen families by preventing homelessness and providing supportive services
- Goal 7: Communicate and advertise available resources to residents

The total cost of acquisition and renovation will be approximately \$9.6 million, which will consist of \$4.8 million of social impact investment and \$4.4 million of traditional debt. Our team has secured and deployed a \$1.4M investment from Trinity Health of New England and is working with the Housing Development fund to provide debit financing for the project. The project Sources & Uses are attached for reference.

REQUEST

We respectfully request that the Capital Region Development Authority create a \$2.5 million Housing Acquisition & Rehab Fund to support the development of the North Hartford Housing Trust in the North Hartford Promise Zone. This fund will improve housing stability, address blight and bring additional rental units on line in North Hartford.

Thank you for your consideration, please do not hesitate to reach out to Patrick McKenna at pmckenna@northhartfordpartnership.org with any questions.

Sources and Uses

Sources	Total
Equity	
Reinvested Developer Fee	\$409,548
Social Impact Capital	
Wells Fargo Grant (Committed)	\$150,000
Trinity Health Loan (Committed)	\$1,400,000
<u>CRDA Loan (Pending)</u>	<u>\$2,500,000</u>
All Points North (Pending)	\$60,000
HFBG Loan (Pending)	\$697,486
Debt	
Housing Development Fund	\$4,397,938
<u>Total Sources</u>	<u>\$9,614,972</u>
Uses	
Acquisition/Rehab	\$8,190,969
Operating Expense Reserve	\$603,677
Development Fee	\$655,278
Legal	\$33,110
Loan Origination Fee	\$65,969
Other Transaction Costs	\$65,969
<u>Total Uses</u>	<u>\$9,614,972</u>

CRDA Housing Approved

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Alt 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	96%
201 Ann/Grand	26	\$4.45M	\$202K	\$3.8M/\$750K	\$28.8K	100	Note Paid Off	4/25/2013	6/21/2013	10/29/2013	Renting	86%
179 Allyn	63	\$14.89M	\$233K	\$6.5M	\$103K	80/20	\$3.25M eq/ty, \$3.25M 2nd loan, Refi 2022	3/21/2013	6/21/2013	11/15/2013	Renting	84%
Sonesta/Spectra	190	\$23.9M	\$123K	\$2.05M	\$10.6K	85/15	Note Paid Off	6/4/2013	6/21/2013	12/5/2013	Renting	97%
Carewell	72	\$26.1M	\$359K	\$5.0M	\$69.4K	80/20	construction financing (converted to mortgage note)	1/15/2014	11/16/2014	6/30/2015	Renting	96%
390 Capital	112	\$35.3M	\$290K	\$7M	\$62.5K	80/20	2 loans, .5% 20 yr.	6/19/2014	3/17/2015	9/22/2015	Renting	99%
316 Lewis	6	\$1.8M	\$296K	\$900K	\$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	\$349,350*	\$61.5K	100	loan 3% 30 yr.	2/18/2016	7/25/2016	2/25/2015	Renting	66%
1278-83 Wash	10	\$1.35M	\$135K	\$297K	\$29.7K	100	loan 3% 25 yr.	11/30/2017	7/28/2015	12/13/2020	Renting	100%
370 Asylum	60	\$20.3M	\$238K	\$4M	\$66K	70/30	loan <3% 20 yr.	5/18/2015	3/24/2016	9/29/2017	Renting	93%
Millennium	96	\$19.5M	* * *	\$6.5M	\$67.7K	100	Former Radisson, foreclosure 2/2021	10/15/2015	12/11/2015	3/31/2016	Renting	88%
81 Arch	53	\$23M	\$380K	\$5.6M	\$103.7K	100	Mezz 2% 10 yr.	10/20/2016	3/16/2017	11/7/2017	Renting	100%
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 (106-21) Allyn	66	\$21.1M	\$319K	\$6.6M*	\$103K	80/20	construction/perm loan 3% 5 yr.	12/8/2016	2/1/2017	10/31/2018	Renting	99%
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	\$195.4K	\$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	\$860K	\$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. (281K)	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.	1/20/2019	12/18/2019	11/30/2020	Renting	100%
Pratt 1 - 98 Pratt	129	\$29.8M	\$231K	\$12M	\$93K	100	\$3M & \$9M 1% 5yr 30yr.	10/17/2019	4/16/2021	2022	2022	79%
Pratt 2 - 18 Temple	47	\$34.9M	\$210K	\$2M	\$42.5K	90/10	New Units 47 / Total units 166 / 1.6 Aff. Units / 2.75% 30 yr. loan	9/17/2020	12/18/2019	4/16/2021	2022	76%
Park/Main	126	\$26.8	\$212K	\$8.4M	\$66.7K	80/20	20 yr. 3% Part 28/beam 87	9/20/2018	9/20/2018	6/25/2020	2021/2022	100%
DoHo "C"	270	\$56.2M	\$208K	\$11.8M	\$43.7K	90/10	3% 30 yr. 15 yr. term 2% 30 yr. Perm. \$7M	4/16/2020	9/20/2018	9/30/2020	2022	74%
55 Elm	164	\$63.3M	\$385K	\$19.5M	\$81.3K	80/20	2% bridge \$6.5M 15 yr. term	3/18/2021	4/16/2021	12/15/2021	2024	
DoHo "B"	228	\$32.8M	\$231K	\$13.6M	\$59.8K	90/10	3% 30 yr.	12/15/2021	12/15/2021	2025	2025	
Lifton	147	\$17.9M	\$121K	\$5.9M	\$40K	80/20	3% 30 yr.	12/15/2021	12/15/2021	8/29/2022	2023	
200 Constitution	101	\$18.7M	\$185K	\$3M	\$29.7K	90/10	3% 25 yr.	6/16/2022	7/29/2022			
DoHo Arrowhead Block	44	\$17M	\$395K	\$3.8M	\$84.4K	80/20	3% 30 yr.	10/20/2022	9/1/2018			
Colt "E" East	45	\$6.7M	\$148.8K	\$1.5M	\$33.3K	100	3% 20 yr.	11/17/2022	12/9/2022			
Summary	2740*	\$665.4M	\$240K	\$160.5M	\$66.14		2856 market / 866 affordable					

4/17/2023

¹ deposits and leases
² \$750/unit est. residential + 188 hotel/rooms
³ notes repaid
⁴ \$16K from Housing Cap. Fund
⁵ \$467 including recap and neighborhood deals
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		6/13/2018		
241 Asylum 115-117	4	\$1.99M	\$150K	\$200K	\$50K	Mkt	construction note 5 yr., Capital Funds	03/22/2018	N/A	01/28/2021	Renting	100%
Sigourney	4	\$1.16M	\$290K	\$200K	\$50K	Aff	\$200,000 Hist. Bridge Loan ¹ Heritage Homes - Affordable	5/24/2018	6/1/2018	8/13/2019	Owned	115&117 Sold
86-88 Hawthorn	2	\$830K	\$418K	\$50K	\$25K	Aff	Heritage Homes (NINA) Aff.	5/24/2018	6/1/2018	8/13/2019	Owned	86 & 82 Sold
80-82 Hawthorn	2	\$818K	\$409K	\$200K	\$100K	Mkt	Heritage (NINA) Market	3/18/2021	6/1/2018	7/27/2021	Owned	80 & 82 Sold
213 Lawrence	3	\$900K	\$300K	\$410K	\$126K	Mkt	1st Mortgage 3% 25 Yr.	11/17/2022	N/A	2/9/2022	2023	
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	12/21/2022	2024	
275 Pearl	35	\$9.46M	\$242K	\$2.86M	\$73.5K	Mkt	City Funds 1.5% 20 Yrs. + 1% buydown	10/21/2021	N/A	2/15/2023	2024	
Bedford Commons	84	\$21.3M	\$250K	\$1M	\$12K	Aff	City Funds 2% Loan co-term with CHFA	10/20/2022	N/A		2023	
MLK	155	\$62M	\$243K	\$4.8M	\$31K	55/45	\$2.5M CRDA Loan 2% \$2.38M City Loan 2%	11/17/2022	N/A	4/6/2023		
29 Ashley	1	\$565K	\$565K	\$150K	\$150K	Aff	Heritage \$50K Loan Heritage \$100K Grant	2/16/2023	6/1/2018		2024	
847 Asylum	3	\$1.87M	\$623K	\$300K	\$100K	Aff	Heritage \$150K Loan Heritage \$150K Grant	2/16/2023	6/1/2018		2024	
Summary	575³											

4/17/2023

¹ Paydown of note from sale

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

³ 380 Hartford 111 Regional, 84 rehab

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	CRDA completed
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	Road completed
Swift Factory	Renovation of historic factory into "Community Food and Job Creation Hub" serving the Northeast, Upper Albany and Clay Amsenal 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.
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	Completed
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
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	Completed
Heritage Home	Assistance via NINA to increase home ownership in Asylum Hill area.	TBA	\$2,500,000	FY17 Neighborhood	Loans and grants \$1.6M remaining	5/11/2018 2/9/2023	5/24/2018	6/1/2018	multiple properties see Housing Varied Funding Report
Fuller Brush	Conversion of 2 buildings to res. 155 units	\$42.6M	\$5,500,000 \$3,000,000	Neighborhood	2% 30 yr. bridge historic & perm Two notes CRDA/City	4/1/2022	5/19/2022	7/29/2022	Pending
Liberty Church	Steeple Restoration Historic Rehab	\$1M+	\$1,000,000	Urban Act	Grant Funds	N/A	N/A	5/31/2022	Assistance Agreement Pending
			\$40,330,000						