

**Housing and Neighborhood Committee Conference Call  
Approved Meeting Minutes  
September 19, 2023  
8:15 a.m.**

**PRESENT:**

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

**Staff Present via Microsoft Teams:** Mike Freimuth, Anthony Lazzaro and Kim Hart

**Guests Present via Microsoft Teams:** Newt Brainard (Simon Konover), Jane Davey (LAZ) and Harrison Newman (Lexington Partners)

The meeting was called to order by Chair Berger-Sweeney at 8:17 a.m.

The minutes of the May 11, 2023 meeting were approved on a voice vote. Mr. Freimuth then provided the following updates:

**1. Project Updates**

- a. **179 Allyn Street** – Mr. Freimuth updated the Committee that the refinancing was fully proceeding, noting that the expiring affordable housing provision would be extended as part of a new subordination.
- b. **The Bond** – In March 2022, the CRDA Board approved a \$1 million loan to assist with the conversion of the former Homewood Suites on Asylum Street into residential units. CRDA funds were designated for replacement of aging elevators in the building. Supply chain issues and updated code requirements stalled construction and the project failed to meet the July 2023 completion date outlined in the CRDA loan documents. To continue the project, the loan documents need to be amended to extend the completion date, as well as the associated cash advance date, to December 2024.

The following resolution was offered and approved:

*RESOLUTION: The CRDA Board approves the amendment of the existing Bond loan to reflect a new completion date and the associated cash advancement date to December 31, 2024. All other terms and conditions of the loan remain unchanged.*

- c. **31 & 45 Pratt Street** – This property currently includes office/commercial space located above The Society Room event space. Simon Konover is looking to convert the building into 37 residential units (16 studio, 21 1BR) and is asking for a \$1.1 million loan from CRDA.

In response to a question from Chair Berger-Sweeney, Mr. Freimuth confirmed that The Society Room would remain and that only the upper floors would be converted. Commissioner Mosquera-Bruno asked if a bank had been selected for the first mortgage or was confirmation of CRDA assistance required to finalize a mortgage deal. Mr. Freimuth indicated that the developer was speaking to a number of banks and Mr. Brainard noted that Webster Bank was the likely pick.

Mr. Canning raised a question about the availability of tenant parking and whether the conversion required a total gut of the building. Mr. Brainard responded that Simon Konover owns the adjacent parking lot at the corner of Main and Pratt Streets and that spaces there would be offered to tenants. He confirmed that the upper floors will be totally gutted.

Commissioner Mosquera-Bruno and Chair Berger-Sweeney both raised questions about the lack of affordable units in the project. Mayor Bronin confirmed that the financials for affordable units do not work and noted that there are affordable units in a number of area projects. He stressed that it is imperative to increase the overall number of units downtown and get more people into the City, making better use of vacant office space and increasing Downtown energy and activity.

The following resolution was offered and approved:

*RESOLUTION: The Executive Director is authorized to lend to Simon Konover (or such single purpose entity acceptable to CRDA) up to \$1.1 million at 3% interest only for years 1-3 and amortizing principal and interest on a 30 year / 360 month basis for years 4-30 for purposes of converting the properties at 31 and 45 Pratt Street into 37 residential units, 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.*

- d. **Downtown North – RPI** – In December 2021, CRDA secured \$13.6 million from the State Bond Commission for Phase B of the DoNo project. The funds were to be loaned to the City-selected developer, RMS, for construction of 228 residential units and a new parking garage on the designated Parcel B site. Due to pending litigation, however, RMS is now unable to proceed with work on Parcel B.

RMS has opted to purchase an adjoining parcel – the former RPI campus – which would allow them to move Phase B to that site. Along with a garage, the revised site plan would now include 269 units and the developer is asking for a larger subsidy from CRDA.

Unrelated to the RMS deal, the project at 200 Constitution Plaza has been cancelled, freeing up some \$3 million in CRDA assistance for other projects.

Mayor Bronin expressed support for increasing the CRDA assistance and allowing it to be used on either the original or RPI sites in order to keep the DoNo development moving forward. He offered an amendment to the resolution to clarify that the \$19.6 million may be used either for Parcel B or the RPI site.

The following resolution, as amended, was approved:

*RESOLUTION: The Executive Director is authorized to seek permission from the State Bond Commission to allow for the use of previously approved (12/15/21) \$13.6 million for Parcel B Downtown North development to be used for either the Parcel B project or the redevelopment of the former Rensselaer Polytechnic Institute's 275 Windsor Street, Hartford Conn site into 269 residential housing units and associated parking and to seek State Bond Commission approval to use the previously approved \$3 million (7/29/22) awarded to the 200 Constitution Plaza development for the 275 Windsor Street project as well as the 200 Constitution Plaza project. The development at 275 Windsor Street will be subject to further CRDA board approval as to terms and conditions governing the CRDA financial assistance.*

- e. **15 Lewis Street** – Mr. Freimuth shared that he worked extensively with developer Marty Kenny on a plan to renovate this historic property and had finally reached agreement the day before Mr. Kenny unexpectedly passed away on September 16<sup>th</sup>. The project will include the creation of 78 residential units, 10% of which will be affordable, and 5,000 sf of restaurant space.

Ms. Davey with LAZ (who will partner with Mr. Kenny's Lexington Partners on the project) explained to Committee members that the team had planned a boutique hotel for this location but were unable to make the numbers work. She noted that the long-vacant structure is ideally situated across from Bushnell Park and its renovation will contribute greatly to the overall neighborhood.

Chair Berger-Sweeney noted that while she understood that the numbers sometimes cannot be made to work, the City is in desperate need of additional hotel rooms. She cited Trinity's experience in trying to find hotel rooms for larger campus events.

Mayor Bronin echoed the Chair's concerns, but noted the team did try to make the numbers work on a hotel. He expressed his support for the project and commented on how important the development of this prominent building is to the City.

In response to a question from Mr. Canning, Mr. Freimuth noted that in the event of a sale of the property, the primary debt (the first mortgage and CRDA loan) would be the first paid off, with the remaining equity split.

Mr. Canning also raised a question about tenant parking and Mayor Bronin explained that the City no longer requires parking minimums for residential developments. Mr. Freimuth noted that there is a garage adjacent to the site, but that parking revenues were not included in the pro forma.

Ms. Davey explained that the tenants would be offered spaces in the garage and fees would be collected by the landlord. Mr. Robinson noted that the pro forma showed a parking revenue line and Mr. Newman explained that the building expected to make a small profit on the parking arrangement, with revenue from tenant fees exceeding parking costs.

Commissioner Mosquera-Bruno noted that retail space has been difficult to lease and questioned whether the restaurant space was expected to contribute to building revenues. Mr. Newman indicated that restaurant revenue was estimated to cover only about 10% of the mortgage. He also noted that, given the building's location and the small size of the space, he was confident a restaurant tenant could be found and reported that a number of inquiries had already been received.

In response to an additional question from Mr. Canning regarding tenant fit out, Mr. Newman explained that the restaurant space would be constructed as a "vanilla box" and that additional fit out costs were estimated at between \$75 - \$100 per square foot. Ms. Davey noted that if a tenant were found earlier, some of the fit out could be done during the construction process and some savings might result.

The following resolution was offered and approved:

*RESOLUTION: The Executive Director is authorized to lend to Borrowers, LAZ Investments/Lexington Partners (or such single purpose entity acceptable to CRDA) up to \$5 million at 3% I/O in years 1-3 and amortized at P&I for 30 years and to invest up to \$2 million in a cash flow mortgage that will be entitled up to 50% of annual cash flow after a preferred return of 12% to developer equity is achieved for the purposes of converting 15 Lewis Street into 78 residential units, 10% affordable; subject to State of Connecticut Bond Commission approval, all financing sources being secured; and such fiduciary terms as deemed necessary by the executive director and CRDA counsel.*

- f. **17 Bartholomew Avenue** – Parkville developer Carlos Mouta is looking to construct 57 residential units (40 market rate, 17 affordable) at this location, with the affordable units to be managed by Hands on Hartford. The project is requesting CRDA assistance in the form of a \$1.5 million loan from CRDA housing funds, as well as a \$1.5 million loan from City revolving loan funds held by CRDA. No developer fee will be taken.

Mayor Bronin expressed his support for the project, noting that this building is a critical part of the overall Parkville development effort. Responding to a question from Mr. Canning, the Mayor and Mr. Freimuth indicated that there is some retail/office space in the building and that Hands on Hartford will utilize a portion of this for their management office, providing a small amount of revenue to the building. Mayor Bronin commented that the neighborhood does support retail and that larger Parkville project on Hamilton Street does not include any retail. Commissioner Mosquero-Bruno also raised concerns about the speculative nature of such retail and suggested excluding any associated revenue from pro formas.

The following resolution was offered and approved:

*RESOLUTION: The executive director is authorized to lend \$1.5 million at 3% interest only in years 1-3 and amortizing principal and interest over 30 years from the CRDA Housing Capital Account and to lend \$1.5 million at 3% interest only in years 1-3 and amortizing principal and interest over 30 years from the City of Hartford Revolving Loan Fund managed by CRDA and governed by the CRDA/City of Hartford MOU for the purposes of constructing a new 57 unit residential building, subject to all other funds being fully secured, all agreements with the City of Hartford being approved, and such fiduciary terms as deemed necessary and appropriate by CRDA and its counsel.*

- g. 35 Bartholomew Avenue** – A 400-space garage is being planned to support the 17 Bartholomew project, as well as the nearby Parkville Market and the general neighborhood. Located behind the residential building, the garage will be developed by Carlos Mouta working in conjunction with the City and parking revenues will be shared by both parties. Total project costs are estimated at \$11.6 million and the City is requesting that CRDA provide a \$5.2 million grant, utilizing City funds held by the Authority.

A question was raised as to whether the resolution was clear that the funds designated for the project were CRDA-held City funds, rather than CRDA bond funds.

The following resolution, as amended, was approved:

*RESOLUTION: The executive director is authorized to provide a \$5.2 million grant funded by the City of Hartford towards the construction of a new neighborhood garage built in accordance with a separate City of Hartford Development Agreement with the 35 Bartholomew Ave Garage LLC. The funds will be sourced from and in accordance with the CRDA/City of Hartford MOU subject to all other funds being fully secured and such fiduciary terms as deemed necessary and appropriate by CRDA and its counsel including reasonable fees to oversee the project's construction.*

II. **Other Projects** - Mr. Freimuth noted the following:

- The Pratt Street and Temple Street projects are at 100% occupancy.
- Only one CRDA project is leasing in the 80-90% range.
- There are 443 CRDA-funded housing units under construction, 450 at the closing table and approximately 1,400 in “the pipeline”. Pipeline projects include roughly 500 units at Bushnell South to be developed by The Michaels Organization (165 Capital) and Spinnaker (65 Elm).

The next meeting of the Housing and Neighborhood Committee is scheduled for October 13, 2023.

There being no further business, the Committee adjourned at 9:18 a.m.