

Housing and Neighborhood Committee Conference Call
Draft Meeting Minutes
March 18, 2024
3:00 p.m.

PRESENT:

Members Present via Microsoft Teams: Chair Joanne Berger Sweeney, Randal Davis, Bob Patricelli and Paul Canning

Other Board Members Present via Microsoft Teams: Board Chair David Robinson

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

Guests Present via Microsoft Teams: Daniel Klaynberg (Spectra Construction)

The meeting was called to order by Ms. Berger Sweeney at 3:03 p.m. and the minutes of the January 12, 2024 meeting were approved on a voice vote.

1. **Project Updates** – Mr. Freimuth reviewed the following new projects with the Committee:

- a. **30 Laurel Street** – This project includes the conversion of a commercial building located within the CRDA district along the edge of the Parkville neighborhood into 47 market rate units. The unit mix includes 12 studios, 27 1BR and 8 2BR. Total project costs are estimated at \$9.8 million and CRDA has been asked for a \$3.525m loan.

Mr. Klaynberg of Spectra Construction, the developer on the project, noted that his company was drawn to the idea of repurposing an existing building in the City and preserving the historic character of the structure. The building's proximity to Parkville, where a number of other rehab projects are currently underway, was also a selling point. Mr. Klaynberg also noted that this project will put the building back on the City tax rolls as it is currently owned by a non-profit entity.

In response to questions from Mr. Patricelli, Mr. Klaynberg noted that per unit costs are about \$205k per unit. Mr. Freimuth indicated that this was lower than the CRDA mean of \$250k per unit and that certain costs were avoided given the current condition and layout of the building. He noted that some CRDA projects, particularly some historic rehabs, have run over \$300k per unit, while some simpler projects have run under \$200k per unit. For the sake of comparison, new construction can run in the low \$300k's per unit.

Mr. Klaynberg reported that parking should not be an issue as there are currently 75 spaces on site. In response to a question from Ms. Berger Sweeney, he indicated that all the units

are deemed market rate at this time, but Spectra was still evaluating the inclusion of affordable units.

Mr. Canning questioned how the rent per square foot numbers compared to other CRDA projects and Mr. Freimuth responded that they were in the acceptable range. In response to an additional question from Mr. Canning, Mr. Freimuth indicated that Spectra had been fulfilling all its obligations relative to other CRDA projects in which it was involved.

Mr. Klaynberg reported that the developer was not pursuing historic tax credits for the project, as previous rehab work to the building made it ineligible.

Mr. Davis noted that the City looked favorably on the project given its proximity to Parkville and other rehab projects, its access to public transportation and retail, including a grocery store, and its contribution to new housing stock in the City. He followed up with a question as to the appraised value of the property and while Mr. Klaynberg did not have the number on hand, he indicated that he would provide it to CRDA following the meeting.

Mr. Freimuth indicated that the project was not seeking any special City tax deal above and beyond the residential assessment rate afforded it as a CRDA project.

The following resolution was read and approved:

RESOLUTION: The executive director is authorized to provide financing to Spectra Construction and Development (or such single purpose entity as approved by CRDA) for the acquisition and conversion of 30 Laurel Street, Hartford into 47 residential units by lending up to \$3.525 million at 2% / 30 year amortization with construction period interest at 2%, subject to 1/ all financing being secured, 2/ approval of the State Bond Commission and 3/ such fiduciary terms as deemed necessary and appropriate by the executive director and CRDA counsel.

- b. **Hilton: Double Tree / Revel** – Mr. Freimuth reported that the renovation of the former Hilton Hotel into 147 new apartments and renovated hotel rooms under the Double Tree flag has been completed.
- c. **Bushnell South** – Mr. Freimuth noted that there are a great many moving pieces related to the Bushnell South project. He reminded Committee members that the CRDA Board approved a loan to Spinnaker for the purchase of the former Konover Parcel A at its January meeting. Spinnaker's residential units at 55 Elm should be available for lease later this year and CRDA is involved with discussions on the developer's 65 Elm and 100 Capital Avenue projects. PennRose is working through the historic tax credit process for its buildings on Trinity Street, while The Michaels Organization is looking at phased construction on CRDA's Parcel 4.

Mr. Freimuth also noted that CRDA will be issuing an RFP shortly for a consultant to develop a coordinated parking management plan for the district, which will take into account the needs of all new development, as well as the Bushnell theater and other existing entities.

CRDA is also working with DEEP and the MDC on a coordinated storm water management solution.

- d. **DoNo** – Mr. Freimuth reported that RMS is nearing closing on its second DoNo phase, including 237 residential units and a 500-space garage on Parcel B. At its December 2023 meeting, CRDA approved a \$13.6m loan for the project, however the bank handling the conventional financing found a discrepancy in their stabilization period and that assumed by CRDA. At the next Board meeting, Mr. Freimuth will offer a technical amendment that increases the CRDA loan stabilization period from 2 years to 3 years in order to align it with the bank's.
- e. **81 Arch Street** – Mr. Freimuth explained to Committee members that HB Nitkin, CRDA's partner on the Front Street District project, has been unable to locate a retail tenant for the first floor of its 81 Arch Street building. The developer has asked to restructure its \$5.6m note with CRDA in order to develop this space into 12-14 residential units and Mr. Freimuth queried whether the Committee would have any objections. Calling this a public policy issue, he acknowledged the challenges of securing retail tenants, particularly in this location.

Ms. Berger Sweeney remarked that this challenge was not necessarily unique to the Front Street area or even to Hartford. Mr. Freimuth noted that given the residential look and feel of the building, such conversion could be workable. Mr. Davis also remarked that the design is critical to making the conversion work.

In response to a question from Mr. Patricelli, Mr. Freimuth noted that current residents of 81 Arch utilize the southern Front Street garage and that this could accommodate the new residents. Mr. Canning remarked that the Board knew that retail would be an issue when it approved the original 81 Arch Street deal, that he was confident that Nitkin had exhausted every avenue and that the new units were nonetheless a bonus for the District.

- f. **55 Elm Parking** – In response to a question from Mr. Patricelli, Mr. Freimuth discussed future parking resources around Pulaski Circle. He noted that Spectra will be developing the 17 Wells Street lot (behind 525 Main Street) into 126 housing units situated over a 57-space parking garage. This garage will serve the residents of 17 Wells and will not be utilized by 55 or 65 Elm. To address the parking needs of those buildings, Spinnaker is likely to utilize a combination of on-site parking, Parcel A and the sloped lot at the intersection of Elm and Hudson Streets. Mr. Freimuth reiterated that these uses will need to be part of a larger parking management strategy for the Bushnell South area.

2. **Other Business** - Mr. Freimuth reported on the following:

- **31-45 Pratt Street** – With CRDA funding approved by the State Bond Commission in December, this project is now at the closing table.
- **Fuller Brush project** – In construction
- Several projects are in “the pipeline” for consideration at future meetings, including 17 Wells Street, 65 Elm Street, as well as projects on Edwards Steet and Franklin Avenue. CRDA has also been asked to assist with the construction of a new downtown UConn dorm.

The next meeting of the Housing and Neighborhood Committee is scheduled for April 5, 2024.

There being no further business, the Committee adjourned at 3:57 p.m.

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