

**Housing and Neighborhood Committee Conference Call**  
**Draft Meeting Minutes**  
**August 2, 2024**  
**9:00 a.m.**

**PRESENT:**

**Board Members Present via Microsoft Teams:** Board Chair David Robinson, Commissioner Selia Mosquera-Bruno, Bob Patricelli and Shay Ajayi

**Staff Present via Microsoft Teams:** Mike Freimuth, Derek Peterson, Tony Lazzaro, Terryl Mitchell Smith and Kim Hart

**Guests Present via Microsoft Teams:** Matt Edvardsen (Spinnaker)

The meeting was called to order by Mr. Robinson at 9:05 a.m. and the minutes of the May 9, 2024 meeting were approved on a voice vote.

**1. New Projects**

- a. 65 Elm Street and 100 Capitol Avenue** – Mr. Peterson walked Committee members through the project, the next phase of Spinnaker’s development of the Elm/Hudson/Capital block at Bushnell South. This project would include the construction of two apartment buildings – 65 Elm will contain 127 units and 3,250 square feet of retail, while 100 Capital will contain 112 units and 5,250 square feet of retail. Some 20% of the units will be designated as affordable.

Mr. Peterson noted that the retail is expected to complement the long-term goals of the Bushnell South area and may include restaurant tenants, studios, galleries and shops.

The developer is seeking an \$8 million CRDA loan for construction of 65 Elm and an additional \$8 million loan for 100 Capitol, to be offset by the monetization of \$6.5 million in State Historic Tax Credits from the 55 Elm Street project. (Mr. Peterson reminded Committee members that CRDA provided Spinnaker with a \$7 million permanent loan and a \$6.5 million bridge loan for historic tax credits for the conversion of 55 Elm to residential use.) Both loans would have a 10-year term at a rate of 3%.

Mr. Patricelli noted that he had recently toured the 55 Elm project and expressed his support for completing development of this block as an excellent start on the overall Bushnell South project.

In response to a question from Commissioner Mosquera-Bruno, Mr. Peterson reported that the 20% affordable units were geared toward families earning 50%-120% AMI. Mr. Freimuth noted that because the project is located within the special taxing district established by the City for Bushnell South, the developer was required to designate at least 20% of the new units as affordable and these were specially geared for the 50-80% AMI range.

Mr. Robinson also expressed his support for completion of this block and applauded the inclusion of affordable units. Noting that parking continues to be a concern, particularly for certain members of the Committee, Mr. Freimuth reported that CRDA was close to hiring a firm to develop a parking strategy for the Bushnell South area. Mr. Peterson and Mr. Edvardsen explained that residential parking for the new buildings was sized to slightly more than one space per unit and that residents will be utilizing nearby lots owned by Spinnaker. No residents will be parking across Capitol Avenue on the so-called Parcel A, as these spaces have been designated for Bushnell Theater patrons for a period of time.

Formal votes on the 65 Elm and 100 Capitol projects are expected to be taken at the September Housing Committee meeting.

**b. Commerce Center Apartments** – This proposed multi-family project includes 132 units in five new buildings to be constructed along the Connecticut River in East Hartford. The unit mix will include 17 studios, 33 one-bedroom units, 66 two-bedroom units and 16 three-bedroom units. The buildings will include a wide range of amenities, including a clubhouse, fitness center, pool and dedicated work-from-home spaces. The site also has access to the riverfront trail system.

The 35-acre site on East River Drive near Founders Plaza is owned by the Simon Konover Company, who is seeking a \$6 million loan from CRDA to complete the housing project. Mr. Peterson noted that the proposed loan would carry a term of 10 years at 3% interest only for the first 36 months.

In response to a question from Mr. Patricelli, Mr. Peterson noted that the project includes more 2- and 3-bedroom units than is typically seen in Hartford and the units themselves are larger. Mr. Freimuth remarked that significant changes are expected in this area of East Hartford, with additional housing constructed as part of the nearby Founders Plaza project and new sites opening up due to planned highway relocations. He noted that the Commerce Center and McCartin projects represent some of the Towns' first new housing units in many years and the market will take some time to adjust.

In response to an additional question from Mr. Patricelli, Mr. Peterson noted that although the site is located near the dike, it is set further uphill and is not in the floodplain. Mr. Peterson also responded to questions from Commissioner Mosquera-Bruno and Mr. Ajayi, indicating that there are no affordable units in the mix and that rents will be approximately \$3 per square foot.

A formal vote on the Commerce Center Apartment project is expected to be taken at the September Housing Committee meeting.

**2. Project Updates** – Mr. Peterson provided updates on the following projects:

- a. 150 Trumbull Street** – Shelbourne has approached CRDA about the potential conversion of the old Corning House office building into 46 apartment units above the Trumbull Kitchen restaurant. Current plans show a unit mix of 12 studios, 28 one-bedrooms, 5 two-bedrooms and 1 three-bedroom unit. Amenities will include a lounge, fitness room and business center. In addition to Trumbull Kitchen, there is an additional 1,000 square feet of retail space in the building that will be improved and leased. CRDA is awaiting updated underwriting and feedback on senior lender interest.
- b. 81 Arch Street** - As noted at the March Board meeting, HB Nitkin is considering the conversion of the ground floor retail space in this building to residential use. The conversion is expected to add an additional 18 units to the 53 currently existing in the building. The commercial space has been vacant since it was constructed in 2019. CRDA is currently reviewing the proposal.
- c. 30 Laurel Street** – In May, the State Bond Commission approved \$3.5 million for the conversion of this office building into 47 residential units. Since that time, CRDA has been working with the developer, Wonderworks Collective, in anticipation of the selection of a senior lender. There is strong interest from banks, with four term sheets under review by ownership. A closing is expected to occur sometime in the fourth quarter of 2024.
- d. 28 High Street** – The developer of 28 High Street has requested CRDA’s consent to borrow funds from the CT Green Bank as part of the commercial property assessed clean energy program (C-PACE) to install solar panels on the property and reduce utility costs. The C-PACE program requires the CT Green Bank to structure their loans as a first position lien, taking priority over both the senior lender (Liberty Bank) and CRDA’s already subordinated second mortgage. Liberty Bank has approved a \$125,000 loan (7 year term, 4.6% interest) based on the cost of the solar array. After reviewing the relevant financials and consulting with Liberty, CRDA has concluded that the property’s net operating income provides sufficient debt service coverage to satisfy all lenders.

- e. Other Projects** - Mr. Freimuth noted that the construction schedule has slipped on three projects - 525 Main, 275 Pearl and 55 Elm. Leasing was to have started this summer but will be delayed until the fall.

The next meeting of the Housing and Neighborhood Committee is scheduled for September 6, 2024.

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

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