

**CRDA Housing & Neighborhood Committee Meeting
Microsoft Teams Meeting**

**Friday, October 4, 2024
9:00 am**

Agenda

- I. Introductions
- II. Approval of Minutes from August 2, 2024 Meeting*
- III. New Projects
 - a. 65 Elm Street and 100 Capitol Avenue (Bushnell South)*
 - b. Commerce Center Apartments (East Hartford)*
 - c. 18 Temple Street Refinancing*
- IV. Project Updates
- V. Next Meeting: November 1, 2024
- VI. Adjournment **Vote item*

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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.

DRAFT

Housing & Neighborhood Development Committee
Project: Elm and Capitol
Address: 65 Elm St., and 100 Capitol Ave., Hartford, CT
Sponsor: Spinnaker

Meeting Date: October 4, 2024

Background: 65 Elm Street and 100 Capitol Avenue (The “Project” or “Development”) are part of a larger redevelopment known as the Bushnell South Neighborhood Development (“Bushnell South”). The area includes public and private land for development, controlled by the Goody/Clancy masterplan. The long-term goal of the plan is to transform 20-acres of empty blocks and surface parking to a new, mixed-use neighborhood focusing on pedestrian friendly access to multifamily residential, arts, entertainment, and public spaces. The addition of 65 Elm Street and 100 Capitol Avenue will create continuity from Main Street to Bushnell Theatre and the State Capitol.

Spinnaker Real Estate Partners (“Spinnaker,” or “Borrower”) is a national multifamily developer that has experience in Bushnell South at 55 Elm Street, on the same block as the Project and currently under construction. CRDA helped finance 55 Elm, with a \$7 million permanent loan, and a \$6.5 million bridge loan for State Historic Tax Credits. Spinnaker expects to monetize the tax credits by year-end. The Borrower has requested that funds coming back from tax credits be applied to the 65 Elm and 100 Capitol Avenue Project, consistent with the Board’s approval of the 55 Elm Street project in March 2021. While both properties, or “phases,” make up the Project, CRDA is considering 65 Elm and 100 Capitol separately. Spinnaker will start construction on 65 Elm, and only if the full \$6.5 million tax credit is monetized will CRDA participate in the second phase, applying the returned proceeds to the construction of 100 Capitol Avenue.

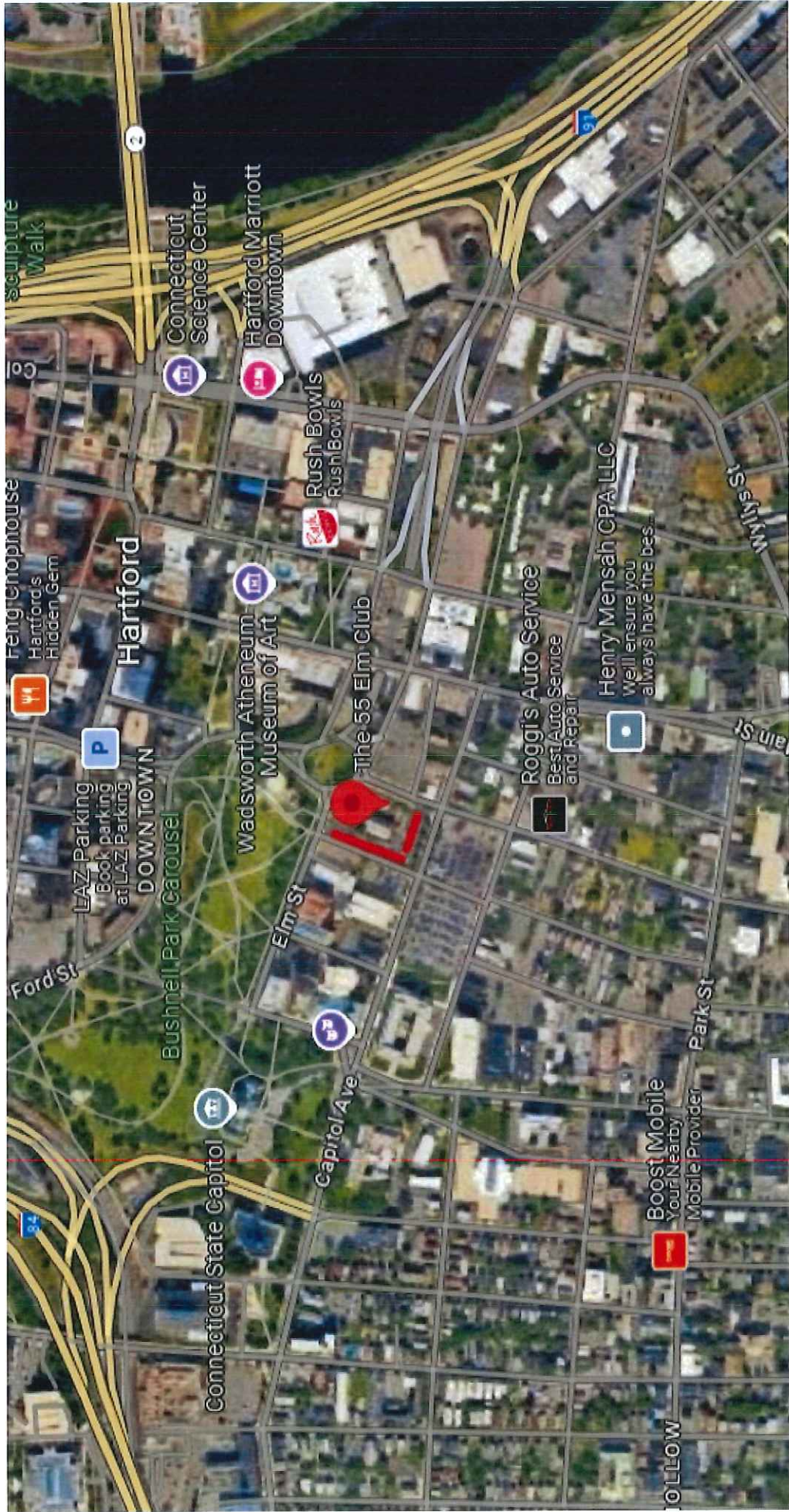
The Project: The Development includes two new apartment buildings in Bushnell South consisting of 239 units, with 20% below market rate units (50%-120% AMI). 65 Elm will contain 127 apartment units and 3,250 sq. ft. of retail, while 100 Capitol will contain 112 apartment units and 5,250 sq. ft. of retail. The retail is expected to complement the long-term goals of Bushnell South, and may include restaurant tenants, studios, galleries and shops, consistent with the plan. The unit mix will consist of spacious studios, one- and two-bedroom apartments, and amenities such as a pool, beer garden, courtyard, a linear green and a sunken garden that will all be shared. Access to both properties will be to the north along Elm Street, with additional parking access to the east via Hudson Street. To the south, street parking will be allowed for tenants along 100 Capitol. An estimated 466 parking spaces will support the Project and 55 Elm Club, providing a total of 1.2 parking spaces per unit.

Proposal: Staff recommends making a loan of up to \$8,000,000 to Spinnaker for the development of 127 apartment units at 65 Elm Street in Bushnell South. Only if \$6.5 million in tax credits from 55 Elm Street are monetized, will an additional \$1,500,000 in loan proceeds become available for the development of 112 apartment units at 100 Capitol Avenue. This will result in a total loan allocation of \$8 million to each property, or \$67,000 per unit (and a total of \$9.5 million requested from Bond Commission). Each proposed loan will have a term of 10-years and earn interest at 3%, with an interest only period for the first 36 months. Principal and interest payments will be made for the remaining 84 months, or until the loan pays off. Interest payments will be calculated using a 360-month amortization schedule and the loan is pre-payable at any time without penalty.

Resolution(s): 1) *The Executive Director is authorized to make a construction-to-permanent loan to Spinnaker Real Estate Partners, LLC (or such single purpose entity as approved by CRDA) in the amount of \$8 million, to be used for the construction of approximately 137 units of housing (20% income*

restricted units) at 65 Elm Street. The loan will carry a 10-year term at 3% interest-only for years 1-3 and amortizing principal and interest on a 30-year/360-month basis beginning in year four. The loan will be 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.

2) Further, the Executive Director is authorized to make a construction-to-permanent loan to Spinnaker Real Estate Partners, LLC (or such single purpose entity as approved by CRDA) in the amount of up to \$8 million, to be used for the construction of approximately 112 units of housing (20% income restricted units) at 100 Capitol Avenue. The loan will carry a 10-year term at 3% interest for years 1-3 and amortizing principal and interest on a 30-year/360-month basis beginning in year four. The loan will be subject to the successful monetization of approximately \$6.5 million in tax credits related to 55 Elm Street, resulting in a reduction of the 55 Elm St. loans with the repayment of such funds into the CRDA Housing Revolving Capital Fund, the subsequent application of this \$6.5 million to the loan, and requesting approximately \$1.5 million from State of Connecticut Bond Commission. The loan will also be subject to State of Connecticut Bond Commission approval, and other such fiduciary requirements deemed necessary and appropriate by the Executive Director and CRDA counsel.



**Sources and Uses
65 Elm Street**

<u>Sources of Funds</u>	
Equity	\$ 6,000,000
Construction Loan	\$ 21,500,000
CRDA Loan (New)	\$ 8,000,000
Deferred Fees	\$ 500,000
Total Sources of Funds	\$ 36,000,000

<u>Uses of Funds</u>	
Land	\$ 6,000,000
Construction (Hard Costs)	\$ 24,220,000
Soft Costs (Legal, etc)	\$ 4,200,000
Financing Costs	\$ 1,580,000
Total Uses of Funds	\$ 36,000,000

**Sources and Uses
100 Capitol Avenue**

<u>Sources of Funds</u>	
Equity	\$ 3,910,000
Construction Loan	\$ 20,750,000
CRDA Loan (New)	\$ 1,500,000
CRDA Loan (Housing Rev. Cap. Fund)*	\$ 6,500,000
Deferred Fees	\$ 500,000
Total Sources of Funds	\$ 33,160,000

<u>Uses of Funds</u>	
Land	\$ 3,910,000
Construction (Hard Costs)	\$ 23,900,000
Soft Costs (Legal, etc)	\$ 4,040,000
Financing Costs	\$ 1,310,000
Total Uses of Funds	\$ 33,160,000

Proforma
Bushnell South - 65 Elm Street

	Stabilized (2026)	
<u>Gross Potential Income</u>		
Residential	\$	3,031,800
Commercial	\$	73,125
Other Income	\$	38,100
Gross Potential Income	\$	3,143,025
 <u>Vacancy Factor</u>		
Residential	\$	168,845 6%
Commercial	\$	10,969 15%
Total	\$	179,813 6%
Effective Gross Income	\$	2,963,212
 <u>Expenses</u>		
Real Estate Taxes	\$	178,714
Insurance	\$	101,600
Electric	\$	47,625
Gas	\$	3,175
Water and Sewer (Net)	\$	19,050
Telephone / Cable (Net)	\$	6,350
Repairs + Maintenance	\$	63,500
Contract Services	\$	76,200
Management Fee	\$	94,541
Professional Fees / G+A	\$	19,050
Turnover	\$	44,450
Payroll	\$	206,375
Marketing	\$	19,050
Residential Leasing Commissions	\$	10,450
Capital Reserves	\$	19,050
Total Expenses:	\$	909,180
Expense Ratio:		31%
Net Operating Income (NOI)	\$	2,054,032
 1st Mtge (Interest)	 \$	 1,336,614
2nd Mtge (Interest)	\$	240,000
Total 1st & 2nd Mortgage	\$	1,576,614
Net income after mortgage int.	\$	477,417
DSCR I/O		1.30 x
Principal Payments	\$	251,936
DSCR AMORT		1.12 x
DSCR AMORT (10-yr average)		1.14 x
Debt Yield (on 1st mortgage)		9.55%
 <u>Loan Balances</u>		
Construction Loan	\$	21,500,000
CRDA	\$	8,000,000
Total Loan Balances	\$	29,500,000

Proforma
Bushnell South - 100 Capitol Avenue

	Stabilized (2026)	
<u>Gross Potential Income</u>		
Residential	\$	2,693,400
Commercial	\$	118,125
Other Income	\$	168,000
Gross Potential Income	\$	2,979,525
<u>Vacancy Factor</u>		
Residential	\$	157,377 6%
Commercial	\$	17,719 15%
Total	\$	175,096 6%
Effective Gross Income	\$	2,804,429

<u>Expenses</u>		
Real Estate Taxes	\$	169,124
Insurance	\$	89,600
Electric	\$	42,000
Gas	\$	2,800
Water and Sewer (Net)	\$	16,800
Telephone / Cable (Net)	\$	5,600
Repairs + Maintenance	\$	56,000
Contract Services	\$	67,200
Management Fee	\$	89,475
Professional Fees / G+A	\$	16,800
Turnover	\$	39,200
Payroll	\$	182,000
Marketing	\$	16,800
Residential Leasing Commissions	\$	11,223
Capital Reserves	\$	16,800
Total Expenses:	\$	821,422
Expense Ratio:		29%
Net Operating Income (NOI)	\$	1,983,007

1st Mtge (Interest)	\$	1,289,988
2nd Mtge (Interest)	\$	240,000
Total 1st & 2nd Mortgage	\$	1,529,988
Net income after mortgage int.	\$	453,019
DSCR I/O		1.30 x
Principal Payments	\$	243,148
DSCR AMORT		1.12 x
DSCR AMORT (10-yr average)		1.21
Debt Yield (on 1st mortgage)		9.56%

	Expected 12/31/2026	
Loan Balances		
Construction Loan	\$	20,750,000
CRDA	\$	8,000,000
Total Loan Balances	\$	28,750,000

DATE: October 4, 2024
TO: Housing and Neighborhood Committee, File
FROM: Derek Peterson
RE: 55 Elm Street - Letter from North Atlantic States Regional Council of Carpenters Local 326 to CRDA, and Letter Response from Spinnaker Real Estate Partners

On August 12, 2024, CRDA received a letter from Marc Okun, Council Representative for the North Atlantic States Regional Council of Carpenters ("Council"). The letter expressed concerns regarding workplace violations specific to subcontractors hired by Spinnaker Real Estate Partners ("Spinnaker") at 55 Elm Street. As reported publicly, three contractors hired by Spinnaker failed to meet workers' compensation coverage requirements. Further, the Council was concerned that Spinnaker continued to seek taxpayer assistance via CRDA construction loans. The Council went on to make specific recommendations to CRDA when considering Spinnaker projects including contractor vetting, monitoring and compliance, accountability and transparency. CRDA forwarded the letter to Spinnaker asking for a response.

On August 28, 2024, Spinnaker's General Counsel, Staci Bachman, Esq. responded to CRDA, acknowledging that on February 1, 2024, certain sub-sub-contracting firms were not able to immediately provide paperwork requested by the DOL at 55 Elm St., and were issued a Stop Work Order. As of the end of February, each of the third-tier sub-contracting firms provided the requested records and the Stop Work Orders were released. Spinnaker's counsel further confirmed that they remain compliant with CRDA's loan agreement, that contracts were reviewed with CHRO during the bidding process, and that all third-tier subcontracting firms show proper insurances and employee classifications with the Construction Manager, Halyard Building Company.

Housing & Neighborhood Development Committee
Project: Commerce Center Apartments
Address: Riverview Square, East Hartford, CT
Sponsor: The Simon Konover Company

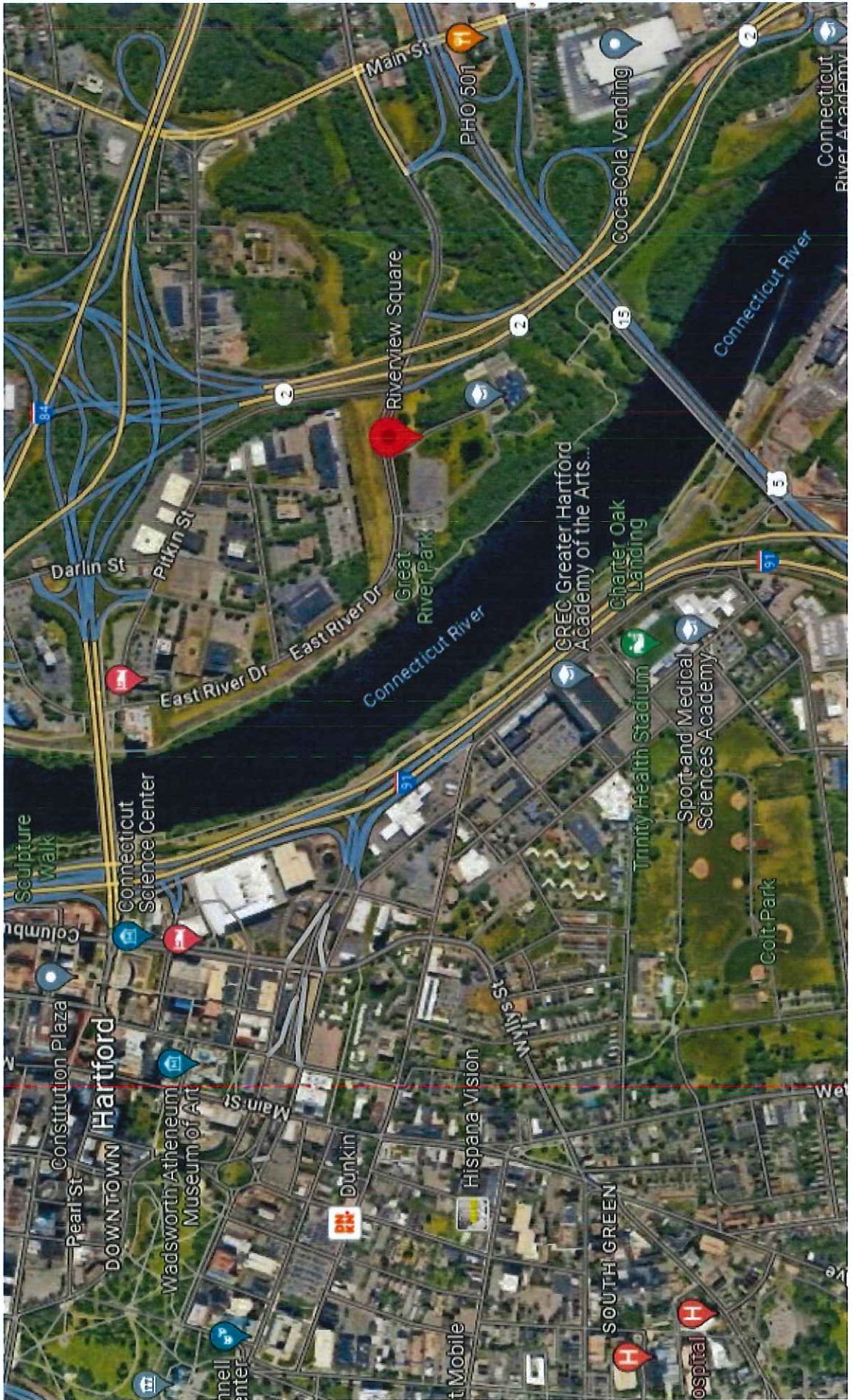
Meeting Date: October 4, 2024

Background: Commerce Center Apartments (The "Project") is a proposed multi-family development located in East Hartford, consisting of 150 new apartment units along the Connecticut River with walkability to downtown Hartford. The property is over 35-acres in size, and has been owned and managed by Eastford Associates, an affiliate of Simon Konover Co. ("Konover"), for over 40-years. Konover originally envisioned the site as an office development, but with changing workforce dynamics and the supply-demand imbalance for apartments in Greater Hartford, the highest and best use shifted towards housing. Konover has approached the Town of East Hartford and CRDA to provide up to \$6.5 million in second-position financing and has finalized an 8-year graduated tax abatement with the town, which will help make the Project economically feasible. Like other CRDA projects in East Hartford, the funds are specific to East Hartford and will be made available through a Memorandum of Understanding ("MOU").

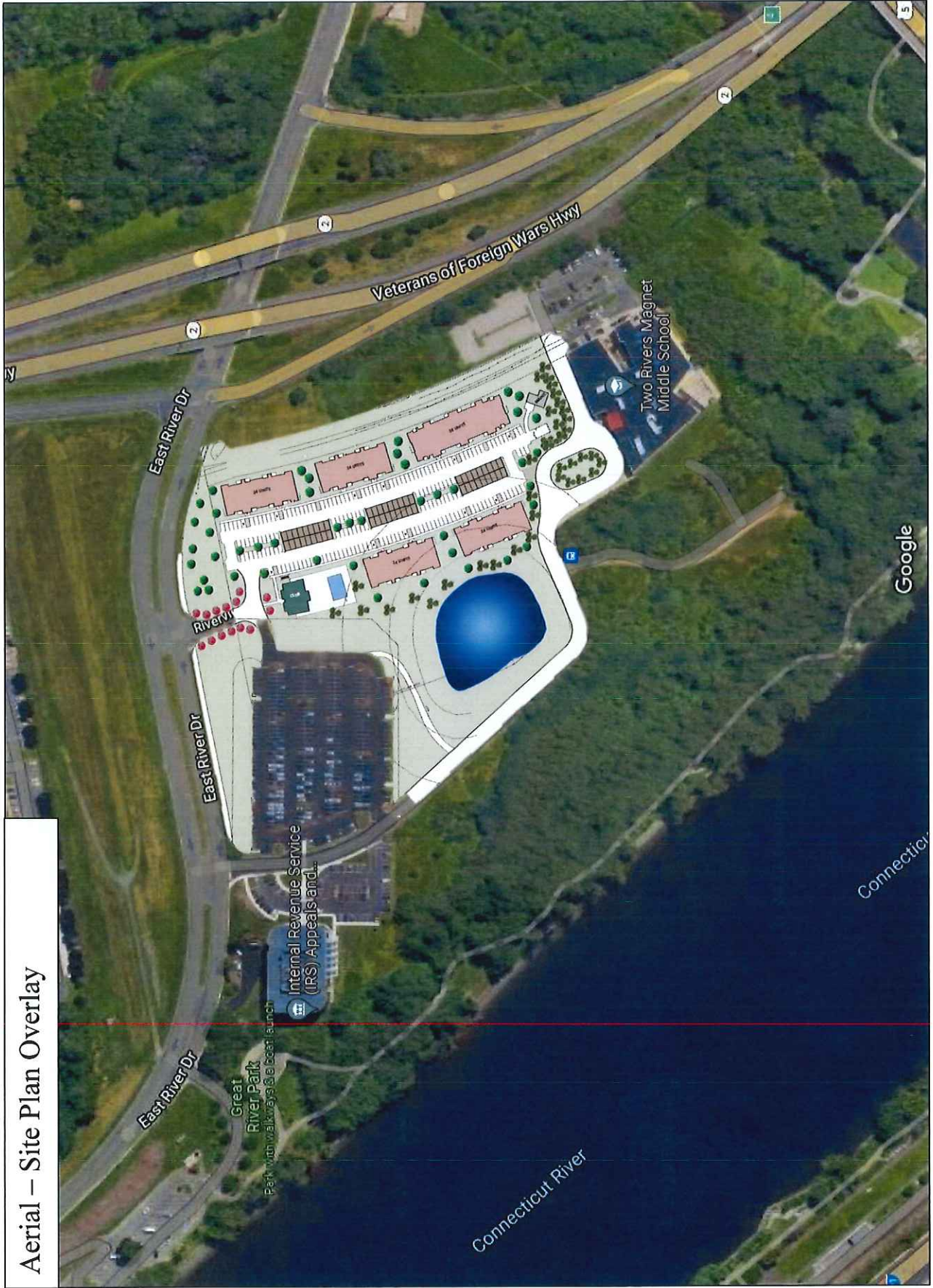
The Project: The proposed Project contemplates developing the vacant site into 150 multifamily units. Early plans show five, three-story buildings surrounding both covered and uncovered surface parking, with two points of ingress/egress along East River Drive. The unit mix will consist of 19 studios, 38 one-bedroom, 75 two-bedroom and 18 three-bedroom units. Community amenities include a clubhouse which will house a management office, fitness center, dedicated work-from-home spaces, a community room and café area. Outdoor amenities adjacent to the clubhouse include a pool, lounge area and grilling stations. The site is located between the American Eagle Financial Credit Union and Two Rivers Magnet School, and benefits from easy highway access to Route 2, Route 15, I-84 as well as direct connectivity to trails along the Connecticut River. Walking north along the river provides access to Great River Park, Founders Plaza (also a priority for redevelopment by the town), the pedestrian friendly Founders Bridge, and downtown Hartford. South of the Project is riverside greenspace and trails leading to Goodwin University's recently built and growing Riverside Campus.

Proposal: Staff recommend making a loan of up to \$6,500,000 to Konover for the development of 150 apartment units in East Hartford. The proposed loans will carry a term of 10 years and earn interest at 3.00%, with an interest only period for the first 36 months. Principal and interest payments will be made for the remaining 84 months, or until the loan pays off. Interest payments will be calculated using a 360-month amortization schedule and the loan is pre-payable at any time without penalty.

Resolution: *The Executive Director is authorized to make a construction-to-permanent loan of up to \$6.5 million to Simon Konover (or such single-purpose entity acceptable to CRDA) for the purposes of developing 150 apartment units (\$43,333/unit) in East Hartford, CT. The loan will carry a 10-year term at 3% interest-only for years 1-3 and amortizing principal and interest on a 30-year/360-month basis beginning in year four. The loan is subject to CRDA Board approval, State of Connecticut Bond Commission approval, all financing sources being secured, a new or amended Memorandum of Understanding ("MOU") executed with the Town of East Hartford, and such fiduciary terms as deemed necessary by the Executive Director and CRDA counsel.*



Aerial – Site Plan Overlay



Sources and Uses Commerce Center

Sources of Funds

Equity Contribution (incl. land)	\$	7,750,000
Construction Loan	\$	33,250,000
CRDA Loan (New)	\$	6,500,000
		<hr/>
Total Sources of Funds	\$	<u>47,500,000</u>

Uses of Funds

Land	\$	6,000,000
Construction (Hard Costs)	\$	36,285,000
Soft Costs (Legal, etc)	\$	1,990,000
Financing Costs	\$	3,225,000
		<hr/>
Total Uses of Funds	\$	<u>47,500,000</u>

**Proforma
Commerce Center**

	Stabilized		
<u>Gross Potential Income</u>			
Residential	\$	4,459,380	
Other Income	\$	243,000	
Gross Potential Income	\$	4,702,380	
 <u>Vacancy Factor</u>			
Residential	\$	235,119	5%
Effective Gross Income	\$	4,467,261	
 <u>Expenses</u>			
Real Estate Taxes	\$	858,053	
Real Estate Tax Abatement	\$	(858,053)	
Current Land Taxes	\$	48,088	
Insurance	\$	93,750	
Utilities	\$	75,000	
Repairs + Maintenance	\$	240,000	
Management Fee	\$	134,000	3%
Professional Fees / G+A	\$	51,750	
Payroll	\$	240,000	
Marketing	\$	37,500	
Capital Reserves	\$	37,500	
Total Expenses:	\$	957,588	
Expense Ratio:		21%	
Net Operating Income (NOI)	\$	3,509,673	
 1st Mtge (Interest)	 \$	 2,150,274	
2nd Mtge (Interest)	\$	195,000	
Total 1st & 2nd Mortgage	\$	2,345,274	
Net income after mortgage int.	\$	1,164,399	
DSCR I/O		1.50 x	
Principal Payments	\$	371,638	
CFADS	\$	792,761	
DSCR AMORT		1.29 x	
DSCR AMORT (10-yr average)		1.25 x	
Debt Yield (on 1st mortgage)		10.56%	
 <u>Loan Balances</u>			
Construction Loan	\$	33,250,000	
CRDA	\$	6,500,000	
Total Loan Balances	\$	39,750,000	

18 Temple Street Refinancing “Pratt 2”
(21-29 Temple, 892-900 Main, Hartford)

October 4, 2024

Issue:

CRDA participated in the financing of the rehabilitation and conversion of the property known as 18 Temple Street in 2021 from its former dormitory style configuration into garden style apartments totaling 76 conventional apartments, 12 townhomes, and 1 additional unit within 892-900 Main Street for a total of 89 new units, 20% (16) of which were designated as affordable. This was part of the larger project renovating the adjoining ‘Sage Allen’ complex within the Pratt Street Initiative. Per the Loan and Security Agreement between CRDA and Laz Temple LLC, dated October 14, 2021, Section 2.18(a) provides that any refinancing of loans senior to the CRDA loan must not adversely affect the project’s ability to service the CRDA debt. Generally, loans at or below the initial mortgage amount, at terms longer than initially approved and/or at interest rates lower than previously approved with consideration for amortization schedules, are approved at the administrative level.

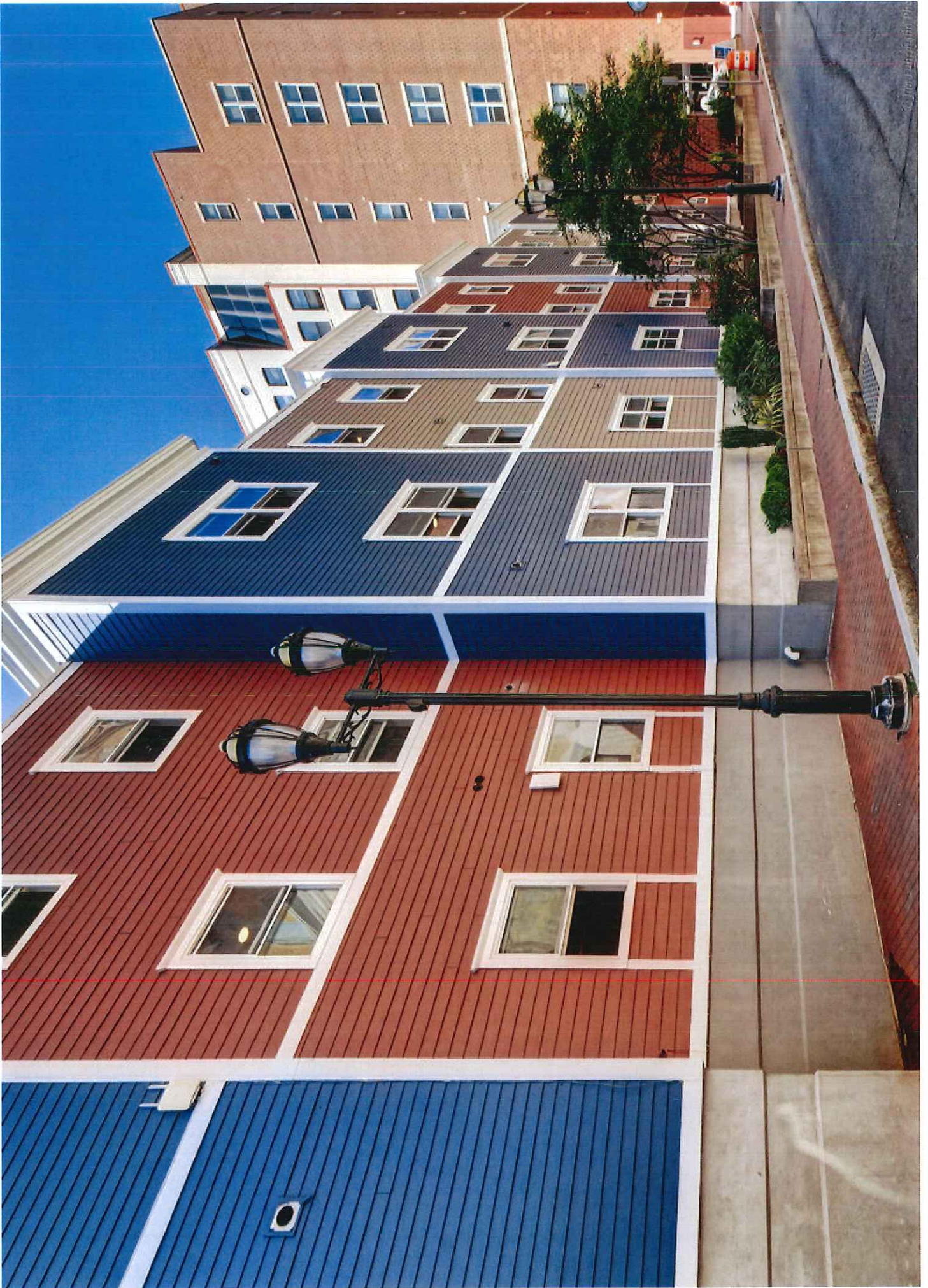
A second provision that governs refinancing, Section 2.18(b), requires a split of any net proceeds greater than the first mortgage amount pay off (plus required reserves and reasonable closing costs). However, in this situation, though the senior mortgage is increasing in size from the initial \$25M to \$26M, it is allowing for an additional \$1M advance to be used to fit out commercial tenant space, when such tenant lease is secured. For this reason, it would be appropriate to waive the provisions of 2.18(b) as the additional funds will be contributing to the improvement of the property. Approving a larger senior mortgage and controlling for the use of those monies requires Board approval rather than administrative sign off.

Recommendation:

Upon review of the terms for the new mortgage, it is important to note that the interest rates will be lower than the original note going from SOFR plus 2.36 (7.19%) to SOFR plus 1.85 (6.68%) [SOFR - Secured Overnight Financing Rate], the terms are extended to 2031 from 2026, and the amortization is adjusted from 25 yrs (300 months) to 30 yrs (360 months). It is only the increased first mortgage that will allow for commercial tenant improvements that is changing and upon such increase; it will not adversely affect the ability to service the CRDA debt of \$2M (senior note P&I savings are actually \$12k/mth+) The \$1M increase will provide resources to expand the gross rent potential of the property and be recaptured in that new rent. For this reason, the staff recommendation is to approve the refinancing of the senior note with Wells Fargo Bank from \$25M to \$26M as proposed.

Resolution:

The Executive Director is authorized to enter subordination and inter-creditor agreements with the senior lender confirming the new debt structure, providing that the additional funds are only used for tenant improvements designed to increase commercial occupancy or such increase will be subject to section 2.18(b) of the CRDA – Laz Temple LLC Loan Agreements.



CRDA Housing Approved

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Aff 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	3/19/2013	3/19/2013	3/28/2014	Rentling	98%
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	Rentling	86%
179 Allyn	63	\$4.89M	\$233K	\$6.5M	\$103K	80/20	\$3.25M 99/10, \$3.25M 2nd Lien, Refi 2022	3/24/2013	6/21/2013	11/15/2013	Rentling	84%
Somers/Spectra	190	\$23.9M	\$123K	\$2.05M	\$10.6K	85/15	* Note Paid Off	6/4/2013	6/21/2013	12/5/2013	Rentling	97%
Capewell	72	\$26.1M	\$358K	\$5.0M	\$69.4K	80/20	construction financing/converted to mortgage note	1/15/2014	2/28/2014	6/30/2015	Rentling	96%
390 Capitol	112	\$36.3M	\$290K	\$7M	\$62.5K	80/20	2 loans, 5% 20 yr.	6/19/2014	3/17/2015	9/22/2015	Rentling	95%
35 Lewis	6	\$1.8M	\$306K	\$300K	\$50K	100	construction/pern loan 1-3% 30 yr.	6/19/2014	7/25/2014	4/8/2015	Rentling	100%
38-42 Elm	6	\$1.24M	\$206K	\$346,350*	\$61.5K	100	loan 3% 30 yr.	2/18/2016	7/25/2016	2/25/2015	Rentling	66%
1279-83 Main	10	\$1.35M	\$135K	\$297K	\$29.7K	100	loan 3% 25 yr.	6/16/2016	9/9/2016	9/9/2016	Rentling	
370 Ash/In	60	\$20.3M	\$338K	\$4M	\$66K	70/30	loan 3% 20 yr.	11/30/2017	9/20/2019	12/12/2020	Rentling	100%
Millenium	96	\$19.5M	* 1	\$6.5M	\$67.7K	100	Former Madison, foreclosure 2/2021	10/15/2015	12/11/2015	3/31/2016	Rentling	88%
81 Arch	53	\$23M	\$380K	\$5.6M	\$103.7K	100	Mess 2% 10 yr.	3/16/2017	11/15/2016	11/7/2017	Rentling	100%
101 Pearl	157	\$28.4M	\$184K	\$9.24M	\$58.8K	100	construction/pern loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Rentling	97%
111 Pearl	101	\$21.55M	\$208K	\$6.06M	\$59.47K	100	construction/pern loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Rentling	96%
88 (109-21) Allyn	66	\$21.1M	\$219K	\$6.8M*	\$103K	80/20	construction/pern loan 3% 5 yr.	12/8/2016	5/12/2017	11/8/2017	Rentling	86%
Coit North	48	\$13.6M	\$283K	\$2.88M	\$60K	100	construction/pern loan 3% 20 yr.	5/18/2017	11/29/2017	7/2/2018	Rentling	100%
28 High	28	\$5.5M	\$196.4K	\$1.9M	\$67.8K	80/20	loan 3% 30 yr., refi 8/21	2/2/2018	2/16/2018	8/29/2018	Rentling	100%
100 Trumbull	8	\$750K	\$93.7K	\$480K	\$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	Rentling	100%
Coit "U"	28	\$7M	\$269K	\$1.5M	\$53.5K	100	loan 3% 20 yr.	1/10/2019	12/18/2019	11/30/2020	Rentling	100%
F Pratt - 99 Pratt	179	\$28.8M	\$231K	\$12M	\$93K	100	\$3M/\$9M 1% 5yr 30yr.	10/17/2019	4/16/2021		Rentling	100%
F Pratt 2 - 18 Temple	47	\$34.9M	\$210K	\$2M	\$42.5K	90/10	New Units 47 / Total Units 166 / 16 Aff. Units / 2.75% 30 yr. loan	9/17/2020	12/18/2019	4/16/2021	Rentling	97%
Park/Main	126	\$26.8	\$212K	\$8.4M	\$66.7K	80/20	Perk 39/Main 87	9/20/2018	9/20/2018	6/25/2020	Rentling	98%
DeNe "C"	270	\$56.2M	\$208K	\$11.8M	\$43.7K	90/10	3% 30 yr. 15 yr. term	9/20/2018	9/20/2018	9/30/2020	Rentling	95%
55 Elm	164	\$63.3M	\$385K	\$13.5M	\$81.3K	80/20	2% 30 yr. Perm. \$7M 2% bridge \$6.5M 15 yr. term	4/16/2020	9/20/2018	6/14/2024	2025	
DeNe "g"	297	\$68.3M	\$231K	\$13.6M	\$57.3K	90/70	3% 30 yr.	3/18/2021	4/16/2021	12/15/2022	2024	
Revel (Hilton)	147	\$17.9M	\$121K	\$5.9M	\$40K	80/20	3% 30 yr.	12/15/2021	12/15/2021	6/15/2024	2025/6	
DeNe Arrowhead Block	45	\$18.3M	\$395K	\$4.1M	\$88.4K	80/20	2% 30 yr. \$3.8M + \$500K	12/9/2021	10/16/2023	8/29/2022	Rentling	50%
Coit "L" "East"	45	\$6.7M	\$148.8K	\$1.5M	\$33.3K	100	3% 20 yr.	11/17/2022	12/18/2022	8/15/2023	2024	
18-20 & 30 Trinity	108	\$45.35M	\$417K	\$6.5M	\$60.1K	80/20	\$6.5M \$1.5% 5 yrs./30 yr. loan	5/18/2023	10/16/2023			
31-45 Pratt	38	\$7M	\$188K	\$1.11M	\$30K	100	3% 30 yr.	9/21/2023	12/14/2023			
15 Lewis St.	78	\$26.7M	\$342K	\$7M	\$89K	90/10	\$5M 3% 30 yr. - \$2M Cashflow Note	9/21/2023	10/16/2023			
30 Laurel	47	\$9.8M	\$208K	\$3.52M	\$75K	100	2% 30 yr.	3/21/2024	6/7/2024			
Summary	2987 ¹	\$7600K	\$260K	\$175M	\$40.8K median \$46K avg.	87/13	2547 market/958 affordable					

9/12/2024

¹ deposits and leases

² \$75K/unit est. residential + 188 hotel rooms

³ notes repaid

⁴ \$16K from Housing Cap. Fund

⁵ \$343 including recap and neighborhood deals

⁶ \$20K 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	\$56K	Mkt	Note has been paid off.	12/8/2016		6/13/2018	Renting	100%
241 Asylum	4	\$1.99M	\$150K	\$200K	\$50K	Mkt	construction note 5 yr., Capital Funds	03/22/2018	N/A	01/28/2021	Renting	100%
115-117							\$200,000 Hist. Bridge Loan ¹	12/8/2016	N/A	5/7/2018	Renting	100%
Sigourney	4	\$1.16M	\$290K	\$200K	\$50K	Aff	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	5/5/2023	Owned	100%
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	\$25.4M	\$250K	\$1M	\$12K	Aff	City Funds 2% Loan co-term with CHFA	10/20/2022	N/A	6/21/2024	N/A	100%
29 Ashley	1	\$565K	\$565K	\$150K	\$50K	Aff	Heritage \$50K Grant	2/16/2023	6/1/2018	5/25/2023	2023	Sold
847 Asylum	3	\$1.87M	\$623K	\$300K	\$66.6K	Aff	Heritage \$150K Loan Heritage \$200K Grant	2/16/2023	6/1/2018	5/25/2023	2024	
Summary	416²											

9/12/2024

¹ Paydown of note from sale

² 221 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 Arsenal 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 2/3/2023	5/24/2018	6/1/2018	multiple properties see Housing Varied Funding Report
Fuller Brush	Conversion of 2 buildings to res. 153 units	\$42.6M	\$2,000,000 \$3,500,000 \$3,000,000	Neighborhood	\$8.5M initial Loans 2% 30 yr. bridge historic & perm Two notes CRDA/City	4/1/2022	5/19/2022	7/29/2022	In construction
Liberty Church	Steeple Restoration Historic Rehab	\$1M+	\$1,000,000	Urban Act	Grant Funds	N/A	N/A	3/31/2022	Project nearing completion
235 Hamilton Part 2	Conv. 235 units Plus commercial	\$90M	\$8,500,000		Loan to accompany City revolving Fund Loan of \$4M	3/16/2023	3/16/2023	4/6/2023	Project being redesigned
17 Bartholomew	57 new units	\$17.60	\$3,000,000	CRDA/City	3% Loan/30 Yr.	9/19/2023	9/21/2023	NA	Pending Closing
35 Bartholomew	Parking Garage	\$11.6M	\$5,200,000	CRDA/City	\$5.2M Grant	9/19/2023	9/21/2023	NA	Awaiting Private Financing