

**CRDA Housing Committee Meeting
Friday, December 2, 2016 at 9:00AM**

PRESENT:

Directors: Hartford Development Services Director Sean Fitzpatrick (telephone), Chair; Board Chair Suzanne Hopgood; East Hartford Mayor Marcia Leclerc; and Nick Lundgren – DOH proxy for Commissioner Klein.

Advisory Members: Paul Canning – UBS (left at 9:55am); Kylie Gosselin – City of Hartford;

Staff: Michael Freimuth; Anthony Lazzaro; and Lauren Vaz.

Guests: Jeffrey Ravetz – Girona Ventures; Joseph Klaynberg – Wonder Works Construction; William Crosskey & Kyle Choleva– Crosskey Architects; and Lauri Waddell from Trio Properties (all left at 9:55am).

The meeting was called to order at 9:03am by Committee Chair Fitzpatrick.

1. Draft Minutes

Minutes from the November 4, 2016 Housing Committee Meeting were approved.

2. Project Status Report

- Capewell Lofts received its TCO, and 390 Capitol has a pending CO; pre-leasing is in progress for both properties.

3. 101 & 111 Pearl Street

Mr. Ravetz gave a brief overview of his company, Girona Ventures, and an update on the completed Spectra (5 Constitution Plaza) project. He reviewed the potential tax revenue benefit that could come from converting the two buildings. Mr. Crosskey reviewed the projected design for both buildings to include 255 apartments (100 Pearl: 154 total units (143 studio & 11 1-bedroom) and 111 Pearl: 101 units (74 studio, 21 1-bedroom, and 6 2-bedroom)).

After some discussion, the Committee voted to approve and forward the following resolution (moved by Board Chair Hopgood and seconded by Mayor Leclerc) to the CRDA Board for 101 Pearl Street: *"The CRDA Housing Committee approves the use of State Bond a/location housing funds to assist the developer, Girona Ventures (or such acceptable single purpose entity) to construct 154 new units of housing at 101 Pearl Street Hartford and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$9.2 Million in assistance at 3% interest only during construction, converting to a permanent loan at certificate of occupancy at 3% interest plus 1% principal paydown per annum for 30 years, with 50% of net loan proceeds to pay down CRDA outstanding principal at year 10. In year 20, 50% of net loan proceeds from refinancing to pay off brownfield loan with residual of 50% of such proceeds to pay down CRDA principal outstanding. CRDA remaining balance to be paid off in year 30 and is subject to {1} full CRDA Board approval and the State of Connecticut Bond Commission and (2) all other sources of funds being secured; and {3} such fiduciary terms as deemed appropriate by the Executive Director and CRDA Counsel."*

After additional discussion, the Committee voted to approve and forward the following resolution (moved by Board Chair Hopgood and seconded by Mayor Leclerc) to the CRDA Board for 111 Pearl Street: *"The CRDA Housing Committee approves the use of State Bond a/location housing funds to assist the developer, Girona Ventures (or such acceptable single purpose entity) to construct 101 units of housing at 111 Pearl Street Hartford and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$6.06 Million in assistance at 3%, interest only, during construction, converting to a permanent loan at certificate of occupancy at 3% interest plus 1% principal paydown per annum for 30 years, with 50% of net loan proceeds to pay down CRDA outstanding principal at year 10."*

In year 20, 50% of net loan proceeds from refinancing to pay off brownfield loan with residual of 50% of such proceeds to pay off CRDA principal outstanding. CRDA loan remaining balance to be paid down in year 30. Further, CRDA Housing Committee approves the use of State Bond a/location housing funds to provide a bridge loan of \$2.835 Million to be available to finance construction at 3% interest only, and to be repaid from the proceeds of state historic credits. These a/locations are subject to (1) full CRDA Board approval and State of Connecticut Bond Commission approval; {2} all other sources of funds being secured; and {3} such fiduciary terms and conditions as deemed appropriate by Executive Director and CRDA Counsel."

4. 103-5,109-121 Allyn Street

Mr. Freimuth stated that LISC approved its portion of the project's financing for acquisition and pre-development costs, and United Bank issued a term letter. After a review of the project details, the Committee voted to approve and forward the following resolution (moved by Board Chair Hopgood and seconded by Mayor Leclerc) to the CRDA Board: *"The Housing Committee recommends that \$6 Million of CRDA Bond a/location housing funds be made available as loans to the developer as follows: \$4 Million for construction and \$2 Million as a bridge loan for historic credits. Upon permanent financing from the bank, \$2 Million will be lent as permanent loan to developer in subordinate position at 3% for 30 years and \$2 Million will be deposited into a collateral reserve account for a period not to exceed five years subject to 1.) full CRDA Board approval; 2.) all funding sources being secured; 3.) State Bond Commission approval; and 4.) such fiduciary terms as deemed necessary and appropriate by the Executive Director and the CRDA counsel."*

5. 241 Asylum

This partially occupied property, also known as the "Cast Iron Building", will have 4 live-work units on the two upper floors. The proposed \$1.395 million development includes a \$400,000 construction loan from CRDA. The Committee voted to approve and forward the following resolution (moved by Board Chair Hopgood and seconded by Mayor Leclerc) to the CRDA Board: *"The CRDA Housing Committee authorizes the use of \$400,000 of CRDA Housing Funds to be lent to Keith Werner, Werner and Company (or such acceptable single purpose entity) for the construction of 4 additional units of 'live work' housing at 241 Asylum Street, Hartford at 3% interest only for a two year construction/stabilization period. At the discretion of CRDA, the loan can be extended for three additional years at 3% interest with amortizing P&I over 25 years. The loan is to be used for construction and refinancing of previous city facade loan and shall be a subordinate second position lien. The loan authorization is subject to 1} full CRDA Board approval; 2} all other sources of funds being secured; and 3} such fiduciary terms as deemed appropriate by the Executive Director and CRDA Counsel."*

6. 105-7 Wyllys

This property, located across from the Capewell Lofts, is new construction with 24 2-bedroom units, and a garage. The Committee voted to approve and forward the following resolution (moved by Board Chair Hopgood and seconded by Mayor Leclerc) to the CRDA Board: *"The CRDA Housing Committee hereby approves the use of State Bond allocation housing funds to assist the developer, Providian Builders (or such acceptable single purpose entity) to construct 24 new units of housing at 105-07 Wyllys Street, Hartford and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$1.9 Million in assistance at 1% interest only for the construction period not to exceed 18 months; and amortized principal and interest at 1% for 30 years as a loan at issuance of certificate of occupancy, in no less than a second position subordinate lien, subject to {1} full CRDA Board approval and State of Connecticut Bond Commission approval; {2} all other sources of funds being secured; and {3} such fiduciary terms and conditions as deemed appropriate by Executive Director and CRDA Counsel."*

7. Next Meeting: January 6, 2017.

8. Adjourned at 10:12am.

"Minutes were approved at the Housing Committee Meeting on 3-3-17."