

CRDA HOUSING COMMITTEE MEETING

Monday, August 27, 2012

10:00 AM

CRDA Conference Room

Present:

Directors: Board Chairman Suzanne Hopgood (by phone), Committee Chairman Thomas Deller, Mayor Marcia Leclerc, Dr. Pamela Trotman Reid, Commissioner Catherine Smith

Volunteer Committee Members: Nick Lundgren (DECD) and Paul Canning (UBS Realty Investors LLC)

Guests: Edward LaChance (DECD), Eric Chatman (CHFA), Sheila Stone (CHFA), and Nancy O'Brien (CHFA)

Staff: Jim Abromaitis, Anthony Lazzaro, and Terryl Mitchell Smith

The meeting was called to order at 10:05am by Committee Chairman Deller.

1. Minutes from August 10, 2012 meeting were approved. (Moved by Mayor Leclerc, seconded by Commissioner Smith – approved unanimously).
2. 777 Main Street Project - Discussion
 - Project and proposal background
 - Possible funding sources
 - Type of housing: efficiencies, one and two bedroom units
 - Percentage of affordable to market rate rental pricing
3. The Committee voted to make the following recommendation to the full Board for the Wednesday, August 29, 2012 board meeting, to wit: ***that an amount not-to-exceed \$17.7 million be set aside for the 777 Main Street Project subject to further negotiations through DECD and CHFA, and with an action deadline of December 31, 2012.*** (Moved by Commissioner Smith, seconded by Mayor Leclerc – approved unanimously)
4. Future Project(s)
 - "On the Plaza"
5. CRDA Housing Committee Procedures - Discussion
6. Assignments.
 - Hierarchical Cash Flow for the 777 Main Street Project (Nick Lundgren)
7. Next scheduled meeting: Friday, September 7, 2012 at 9:00 AM
8. Meeting was adjourned at 11:14 AM.

CRDA Housing Committee Meeting

Friday, September 7, 2012

9:00am

CRDA Conference Room

Present:

Directors: CRDA Chairman Suzanne Hopgood, Committee Chairman Thomas Deller, and Mayor Marcia Leclerc;

Absent: Mayor Segarra and Commissioner Smith;

Volunteer to the Committee: Nick Lundgren (DECD);

Guests: Edward LaChance (DECD), Helen Muniz (DECD), and William Rock, Esq. (Shipman & Goodwin);

Staff: Anthony Lazzaro, Terryl Mitchell Smith;

Approval of Minutes

Minutes of the August 27, 2012 Housing Committee Meeting were unanimously approved.

Update of Existing Projects

Members of the DECD staff provided an update to the 777 Main Street Project. Developer wants to readdress funding options. CRDA is looking to create value assets with its project investment. Performance guidelines and requirements need to be part of the deal structure.

New Projects for Consideration

Representatives from DECD provided background information concerning the "On the Plaza Project" and the "MD Fox Project." The committee agreed that more information was needed and they would have further discussion regarding the "On the Plaza Project" once such information was available. The committee determined that the "MD Fox Project" did not meet CRDA's criteria; accordingly, said project will not be considered by the committee.

Future Projects

The Committee generally discussed potential sites of future projects.

Assignments

CRDA will draft additional selection criteria for future projects.

Adjourn

Meeting adjourned at 10:22am. Next meeting is scheduled for 9:00am, Friday October 5, 2012, CRDA Conference Room.

Minutes unanimously approved October 5, 2012



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**CRDA Housing Committee Meeting
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Friday, October 5, 2012**

PRESENT:

Directors: Board Chair Suzanne Hopgood (via telephone), Committee Chairman Thomas Deller, Commissioner Catherine Smith, and Mayor Marcia Leclerc

Volunteers to the Committee: Nick Lundgren (DECD) and Paul Canning (UBS Realty Investors LLC)

Guests: Abul Islam (TAROB), Michael Patenaude (TAROB), John Lloyd (TAROB), David Hancock (CBT Architects), Eric Greene (Erland Construction), Brad Schide, Christopher Healy, and William Rock, Esq. (Shipman & Goodwin)

Staff: Michael Freimuth and Anthony Lazzaro

The meeting was called to order at 3:04 PM by Committee Chairman Deller

1. Minutes from the September 7, 2012 Housing Committee Meeting were approved (Moved by Mayor Leclerc, seconded by Commissioner Smith – approved unanimously).
2. Presentation by TAROB , LLC regarding The Residences at River View
 - Project Team/Developer's Profile
 - Project Details
 - Firm Experience
 - Construction Details
 - Financing
3. Executive Session – Committee Chairman Deller requested a motion for the Housing Committee to enter Executive Session for the reasons outlined in the Agenda item #2. The motion was moved by Commissioner Smith, seconded by Mayor Leclerc, and unanimously approved by the Committee. Attorney Rock was invited to attend the Executive Session.
4. Hartford Housing Study – Committee Chairman Deller provided a brief overview of the forthcoming Hartford Housing Study.
5. Assignments
 - Schedule a presentation by CHFA of its various funding programs (Anthony Lazzaro)
6. Adjourned at 4:17 PM



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**CRDA Housing Committee Meeting
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Friday, January 4, 2013**

PRESENT:

Directors: Committee Chairman Thomas Deller, Commissioner Catherine Smith, Mayor Marcia Leclerc, and Mayor Segarra.

Staff: Michael Freimuth and Anthony Lazzaro

The meeting was called to order at 9:00 AM by Committee Chairman Deller

1. Minutes from the October 5, 2012 Housing Committee Meeting were approved (Moved by Commissioner Smith, seconded by Mayor Leclerc – approved unanimously).
2. 777 Main Street Project
The Executive Director, Michael Freimuth, presented a letter agreement outlining the terms and conditions of CRDA funding for the 777 Main Street project (the "Letter Agreement"). Mr. Freimuth provided a project description and the Committee discussed the proposed CRDA financing. After consideration, Committee Chairman Deller requested a motion for the Housing Committee to forward the Letter Agreement, as presented, to the CRDA Board for consideration. (Moved by Commissioner Smith, seconded by Mayor Segarra – approved unanimously).
3. Trumbull on the Park
CRDA owns a Class B Membership Interest in the Trumbull on the Park Project (the "Project"). The Connecticut Housing Finance Authority ("CHFA"), which owns 95% of the Class A Membership Interest in the Project, desires to transfer all the Class A and Class B Membership Interests in the Project to Lewis/Pearl Street Ventures. The terms and condition of the sale is outlined in the respective CHFA Memorandum. After consideration, Commissioner Smith moved that the Housing Committee forward this matter to the CRDA Board with the Committee's recommendation for approval. The motion was seconded by Mayor Segarra and approved unanimously.
4. Residences at River View & Front Street Housing
Mr. Freimuth provided a brief update of the captioned projects.

5. CRDA Small Projects Fund

Mr. Freimuth offered a new proposal to set-aside \$6 million for smaller housing projects consisting of no more than 10 new units per building. The Committee extolled the merits of such a program and requested that the matter be investigated further.

6. 2013 Housing Committee Meeting Dates

A proposed schedule for Housing Committee meeting dates was unanimously approved (Moved by Mayor Segarra, seconded by Commissioner Smith).

7. Adjourned at 10:17 AM

UNANIMOUSLY APPROVED APRIL 5, 2013

**CRDA Housing Committee Meeting
State Capitol – Room 404
Hartford, CT 06103
Friday March 1, 2013**

PRESENT:

Directors: Committee Chairman Thomas Deller, Nick Lundgren (DECD Designee), Mayor Pedro Segarra and Mayor Marcia Leclerc.

Staff: Michael Freimuth and Anthony Lazzaro

The meeting was called to order at 9:00 AM by Committee Chairman Deller

1. 179 Allyn Street

Mr. Freimuth provided a summary of the captioned development, including a review of the project costs, the sources and uses statement, and income projections. After a discussion of the aforementioned particulars, the Committee unanimously voted to forward the proposal to the CRDA Board for consideration with the recommendation for approval.

2. 201 Ann Street

Mr. Freimuth presented a summary of the captioned development, including a review of the project costs, a projected profit & loss statement, and projected cash flow statement. After a discussion of the aforementioned particulars, the Committee unanimously voted to forward the proposal to the CRDA Board for consideration with the recommendation for approval.

3. 289 Asylum Street

Mr. Freimuth presented a summary of the captioned development, including a review of the operating pro forma and the sources & uses statement. After a discussion of the aforementioned particulars, the Committee unanimously voted to forward the proposal to the CRDA Board for consideration with the recommendation for approval.

4. 370 Asylum Street

Mr. Freimuth presented a summary of the captioned development, including the project costs, the sources & uses statement, cash flow analysis, and expense projections. The Committee discussed the particulars of the proposal and recommended that further investigation be performed. Mayor Segarra asked that a meeting be called with the project sponsor as re-use questions and project funding concerns existed.

5. Taxes

It was noted that the 'As Completed' Property Tax projections were inaccurate and the City Development Administrator would cross check the forecasts with the Tax Advisor.

6. Adjourned at 9:55am.

UNANIMOUSLY APPROVED APRIL 5, 2013



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**CRDA Housing Committee Meeting
CRDA – Conference Room
Hartford, CT 06103
Friday April 5, 2013**

PRESENT:

Directors: Board Chairwoman Suzanne Hopgood, Committee Chairman Thomas Deller, Mayor Marcia LeClerc, and Nick Lundgren (DECD Designee), Paul Canning.

Staff: Michael Freimuth and Anthony Lazzaro

The meeting was called to order at 9:00 AM by Committee Chairman Deller

1. Minutes from the January 4, 2013, February 1, 2013 and March 1, 2013 Housing Committee Meetings were approved (Moved by Mayor Leclerc, seconded by Thomas Deller) approved unanimously.
2. 201 Ann Street
Mr. Freimuth provided an update regarding the status of the captioned development, including a review of the tax estimates and their overall impact on the mortgage amount, which is subject to appraisal.
3. City Property Tax
The Committee reviewed the impact of the City's current residential tax structure on potential housing projects. The Committee discussed possible solutions to address the negative impact on residential development, including a legislative revision that would create a special rate for housing developments that were capital city projects.
4. Project Pipeline
Pratt Street - Mr. Freimuth presented a summary of a proposal to develop approximately forty units of residential housing along Pratt Street.

289 Asylum Street – Mr. Lundgren gave a brief update regarding DECD's due diligence review of the 289 Asylum Street project. DECD has requested an updated profit and loss statement for the restaurant located in the building's retail space.

Pearl-Trumbull – Mr. Freimuth presented a potential proposal for a residential project located at Pearl and Trumbull.

Capewell – Mr. Freimuth presented a potential proposal for a residential project located at the Capewell Factory. This project is in its early stages, as such, the Committee will be kept apprised of developments as they transpire.

5. 179 Asylum and Buckingham Place

The Committee received a brief update on the 179 Asylum project and generally discussed a possible residential project located at Buckingham Place.

6. Adjourned at 10:45am.

UNANIMOUSLY APPROVED MAY 13, 2013

TO: Housing Subcommittee
FROM: Mike Freimuth *mwf*
RE: Summary for Projects
May agenda
DATE: May 8, 2013

Attached are Information packets for three housing projects as well as an updated pipeline report. The deals vary widely and a variety of public policy questions are 'on the table' as the projects require some creative solutions and options. They are summarized below.

Sonesta/5 Constitution: (SCP, LLC, Hartford/New York) This deal has previously been awarded funds from DECD as well as historic credit allocations. Private financing has been identified and the deal has taken on renewed life. However, the present disruption in the federal historic tax credit market has led to a request for CRDA to provide a bridge loan to the developer for the initial historic credit funds in the amount of \$2.05 million. Once the historic credits begin to flow again, this note will be retired. Total units are 193, 32 of which are affordable and total project cost is estimated at \$23.9 M.

99 Pratt Street: (Northpoint Mgmt, Chesnut Ridge NY) This property consists of two separate buildings totalling approximately 100,000 sf. The first floor is retail; floors 2 and 3 have commercial tenants. The proposal is to convert the vacant fourth and fifth floors into 26 housing units. The current commercial market for "B" space is limited and such a conversion will provide a more balanced and sustained investment. The cost of conversion is somewhat complicated as costs have to be allocated to the residential portion and the commercial footage. Total project is \$5.6 Million but \$4.45 Million is due to the cost of conversion of the upper floors to residential. The deal has private equity, loan, historic credits and a request for \$1.8 Million loan from CRDA.

Capewell: (CIL, Hartford, CT) Now being proposed as a condominium project totalling 67 units, 15 of them affordable. Total project cost is estimated at \$24.8 million with some tax credits and a small brownfield grant. The request however is for CRDA to provide the full construction note which would be reduced by sale proceeds and the receipt of grants/credits to a smaller amount, estimated to be \$5.3 million upon completion. The proposal is that the \$5.3 M would be further allocated to a loan of \$2.65M and an equity contribution of \$2.65M. The allocation of a full construction note is a significant risk and one that consumes the greater portion of remaining CRDA funding authority. Consequently, we are having conversations to encourage greater private construction lending and how to secure/collateralize those monies. A market study has not been provided further begging questions of demand, absorption, pricing and construction time schedule.

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**CRDA Housing Committee Meeting
CRDA – Board Room B
Hartford, CT 06103
Monday May 13, 2013 at 3:00 PM**

PRESENT:

Directors: Board Chairwoman Suzanne Hopgood [via telephone], Committee Chairman Thomas Deller, Mayor Marcia Leclerc, and Nick Lundgren (DECD Designee).

Volunteers: Evonne Klein (nominated Commissioner of the proposed CT Department of Housing) and Paul Canning (UBS Realty Investors LLC) [via telephone].

Staff: Michael Freimuth and Anthony Lazzaro

Guests: Martin Legault - CIL Affordable Housing, Inc. ("CIL") and David McKinley - CIL

The meeting was called to order at 3:00 PM by Committee Chairman Deller.

1. Minutes from the April 5, 2013 Housing Committee Meeting were unanimously approved (Moved by Mayor Leclerc, seconded by Thomas Deller).
2. Project Review

Sonesta (5 Constitution Plaza) – Mr. Freimuth provided an update regarding the status of the captioned development. Due to disruptions in the federal historic tax credit market, CRDA has been asked to provide a bridge loan to the developer in an amount of \$2.05 million. Once the disruptions in the market are addressed, the note will be retired. After a discussion of the project particulars, the Committee unanimously voted to forward the proposal to the CRDA Board for consideration with a recommendation for approval (moved by Mayor Leclerc, seconded by Nick Lundgren).

99 Pratt Street – Mr. Freimuth provided a description of the captioned project, which includes the conversion of commercial space located on the fourth and fifth floors into 26 housing units. The pro forma assumes a tax rate authorized by the proposed CRDA legislation concerning the City of Hartford's taxing authority. The Committee generally discussed area amenities and the availability of tenant parking. The project will require additional evaluation before it can be considered properly by the Committee.

Capewell Factory – At this point in the meeting, Chairwoman Hopgood recused herself from the discussion of this project citing a past business relationship with CIL, which ended approximately five years ago. [Of note, subsequent to the Committee meeting, an opinion was sought from the Office of State Ethics regarding the above past business relationship. Brian O’ Dowd from the OSE opined that nothing in the Ethics Code would prohibit Chairwoman Hopgood from participating in any discussions or voting on matters related CIL].

Mr. Legault informed the Committee that DECD had recently awarded a \$2 million Brownfield grant to CIL to remediate the environmental conditions associated with the project. Mr. Legault further described the proposed condominium project totaling 67 units, 15 of which would be affordable. Upon inquiry by the Committee, Mr. Legault acknowledged that he had not initially considered rental units for the project; however, it is an option that he would like to consider. The Committee stated they would be amenable to the presentation of such a proposal.

3. Bond Committee

The Committee discussed the logistics associated with a State Bond Commission request for the following projects:

- a. 179 Allyn Street
- b. 201 Ann Street
- c. 283 Asylum Street
- d. Sonesta – 5 Constitution Plaza

4. Project Pipeline

Mr. Freimuth presented a summary of a various housing projects that CRDA is currently tracking.

5. Adjourned at 4:35 PM.

UNANIMOUSLY APPROVED ON JULY 12, 2013

C·R·D·A

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Development Authority*

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AGENDA

**CRDA Housing Committee Meeting
CT Convention Center
CRDA Office, 5th Floor – Large Conference Room
Hartford, CT 06103
Friday, June 7, 2013 - 9:00 A.M.**

1. **Approval of Minutes from May 13, 2013 Housing Committee Meeting**
2. **99 Pratt**
2. **3 Constitution**
4. **Capewell**
5. **101/111 Pearl**
6. **370 Asylum**
7. **Hartford Office Supply**
8. **Adjourn**