**Board of Directors**

**Executive Director’s Report**

**January 26, 2021**

**Upper Albany**

Albany Avenue Lawsuit

The attorney (Howard Levine from Carmody, Torrance) is recommending we take our dispute with the former owner to mediation. This will end the process sooner, save on attorney’s fees and we are likely to recover some of the damages. In Howard’s words, both parties will walk away unhappy. We can show $150,000 in damages; Howard thinks we can recover about $40,000-$50,000. It is not enough to retire the bills but I have been in contact with the architect and environmental consultant who are willing to settle for what they can get from us. We have been working with them for a very long time and they understand it is in their interest to be flexible in this situation. The lawyers won’t settle however. We have payment plans with them through 2021.

Rehoboth Place II

As reported in November, CHFA is making a $100,000 grant to us for a number of repairs at Rehoboth Place including removing and replacing all decking and railings; removing trees; upgrading lighting, replacing sheetrock in basements; replacing exterior doors and major repairs to make a vacant unit rent-ready. Millennium also secured agreement from CHFA to begin raising the subsidized and market rents enough to stabilize the property and ensure ongoing sustainability. We are including Rehoboth in the NHAH tax credit refinance/resyndication. The additional units and this funding make the whole package more attractive to tax credit investors.

4-40 Vine Street

Red Stone is reviewing the 2021 financials to respond to our request to release the final developer fee payment of $130,000. I am hopeful this will actually happen in first quarter 2021. As you will see in the property financials, 4-40 Vine is healthy, paying all its bills and has cash left over. There are no vacancies overall and we achieved 96% occupancy in 2021.

35 Vine

Development of the vacant parcel we own at 35 Vine Street will be a 2021 priority, assuming financing is available and no major decline in immediate market conditions. Paul Selnau has created initial plans for two two-family homes.

**Executive Director’s Report**

**Page 2**

**January 26, 2021**

**Sheldon/Charter Oak Neighborhood**

MLK Apartments

We are working on the full application for state funding and the tax credit allocations. The architects are preparing renderings, which we will circulate as soon as they are ready. We submitted a preliminary application for Brownfields investigation and remediation funds on January 25th. Now that we are further into planning we have determined that increasing the unit count to 155 is feasible physically and financially.

Sheldon Wyllys

Nothing has changed since our November meeting: Our plan to draw down the final equity payment from Red Stone is still pending. Red Stone wanted to reconsider the agreement we had already reached, which delayed this process, we resolved their questions, they agreed to move ahead and then they changed their minds again. You will recall what is at issue is the outstanding $850,000 loan from DOH to the property. There is cash available in the amount of $600,000 and we had secured Red Stone’s and DOH’s consent to pay the $600,000 now and amortize the remaining $250,000, making manageable monthly payments until 2046. Red Stone wants DOH to defer the $250,000, at least until 2031. I assume DOH will be flexible about Red Stone’s request because they are happy to get the $600,000 in cash. They are not accustomed to having developers repay loans in cash at all! Once this final issue is resolved, we will have cash to take care of the remaining obligations on this project and close it out finally.

**Northeast Neighborhood**

NHAH: As noted above, this project now includes Rehoboth, as well as Martin/Garden and NHAH, meaning the tax credit financed project is now 93 units. This structure helps NHAH because it brings in additional units and funding and it helps Rehoboth and Martin/Garden because those properties are just too small to be separately sustainable.

We are working towards closing on the LISC bridge loan. The proceeds of this loan will be used to address issues from the 2019 REAC inspection as well as to repay the Institute for Community Economics (the balance of this loan is approximately $400,000) and to retire the operating loans totaling $270,000 that SOC has made to this project over the years. This $270,000 will go into our operating budget and is the source of funds to repay HEDCO and to pay down our line of credit, clean up payables from Albany Avenue, establish reserves, etc. We are working out some issues with HUD around when the Section 8 subsidies become available to the project. The HUD regulations are very

**Executive Director’s Report**

**Page 3**

**January 26, 2021**

complicated and possibly ambiguous. The project has retained the Washington DC law firm Nixon Peabody to advise on how the regulations apply.

**Bacon Congregate**

See attached report.

**Action Items: Approve resolutions**

**Grants**

Department of Housing

We applied for the $80,000 operating grant from the state Department of Housing under a new program that funds Community Housing Development Organizations (CHDO’s), a HUD designation for non-profit developers. I was told award letters would go out in January so we should be getting a letter any day now.

Hartford Collaborative

Our Hartford Collaborative grant for 2021 was increased over last year from $126,000 to $151,000. Up until 2020, this grant was always doled out quarterly. As a result of the pandemic, last year LISC gave us a lump sum in February. I have been told that we may get the $151,000 as a lump sum in first quarter 2021.

AmeriCorps

We were selected for participation in the AmeriCorps program, which means a part-time AmeriCorps member will be placed at SOC to work with SOC and Millennium staff on neighborhood planning and neighborhood outreach and engagement. We are beginning recruitment now for an early March start date. Our goal is to hire a resident of Hartford.

**Property Management**

Operations continue to improve. I am attaching financial summaries of each property’s year end results. The outlook is really excellent for Stonington, Sheldon Wyllys, Vine Street and MLK. NHAH, Martin Garden and Rehoboth struggled in 2020 but we are in the process of re-organizing and recapitalizing those properties so they will be renovated and stable upon project completion in mid- 2022.