

**RIPPOWAM CORPORATION
REGULAR BOARD MEETING**

August 24, 2022

6:45 PM

Agenda

TO: Richard Ostuw
Ronice Latta
Bianca Shinn-Desras

- a. Call to Order
- b. Approval of the Board Meeting Minutes for July 27, 2022
- c. Development Update
- d. Other Business
- e. Adjourn

RIPPOWAM CORPORATION
Meeting Minutes of the Board of Directors
July 27, 2022

The Meeting of the Board of Directors of the Rippowam Corporation (the “Corporation”) was held at 40 Clinton Avenue, Stamford, Connecticut and a remote connection meeting platform, Zoom, on Wednesday, July 27, 2022.

Commissioner Ostuw called the meeting to order at 6:48 p.m.

Attendees

Board Members: Rich Ostuw Absent:
 Ronice Latta
 Bianca Shinn-Desras

COC Board Members: Susan Rutz
 Laura Burwick
 Lester McKoy
 Sheila Williams-Brown

Staff: Vin Tufo
 Natalie Coard
 Jon Gottlieb
 Lisa Reynolds
 Jackie Figueroa
 Brethela Love-Ortiz
 Ken Montanez
 Jan Tantimonico
 Michele Tarulli
 Chris Warren
 Christine Young

1. **Approval of Minutes of Previous Meetings** –
Meeting Minutes for June 22, 2022, were approved unanimously on a motion by Director Shinn-Desras, seconded by Director Latta.

2. **Resolutions:**

22-09 Authorize an Agreement between Rippowam Corporation (“Rippowam”) and Viking Construction, Inc. (“Viking”) for Construction Management Preconstruction and Construction Services for Oak Park Phase 1, (61 units).

➤ Director Latta moved, Director Shinn-Desras seconded.

The resolution was passed.

Ayes: Rich Ostuw Nays: None
 Ronice Latta
 Bianca Shinn-Desras

3. **Development Update** –
The July Development report was presented by Mr. Gottlieb, Mr. Warren and Ms. Tarulli.

4. **Adjournment** -
At 7:08 p.m., after a motion duly made by Director Latta and seconded by Director Ostuw, the Board meeting was adjourned.

Respectfully submitted by:
Jonathan Gottlieb, President

The undersigned, being all of the Directors of Rippowam Corporation, do hereby affirm and consent to each and every resolution duly adopted, and action duly taken by the Directors of the Corporation at this Meeting.

Ronice Latta

Rich Ostuw

Bianca Shinn-Desras

THE ABOVE BEING ALL OF THE DIRECTORS
OF RIPPOWAM CORPORATION

RIPPOWAM CORP. DEVELOPMENT UPDATE
AUGUST 2022

Corona Virus Actions: We are coordinating closely with COC and aligning actions taken at the sites managed by Stone Harbour with those policies and practices implemented by COC. We provide updates on changes in State and federal policies and actions and assist operations staff in resolving issues with UniteCT applications.

IN CONSTRUCTION

Lawnhill Terrace 4: The work is progressing well. Buildings 17 and 18 have progressed to full floor installation being complete, along with hardware installation. These buildings are awaiting cabinets and vanities for final finish work to begin. These are slated for September arrival and installation. Building 19 is in process with flooring and hardware installation. Building 20 has ongoing millwork and painting, with Building 21 slightly behind in a similar path. Site work has installed the conduit across Custer Street to connect to the Community Building and Phase 3. Sewer laterals on Building 19 will begin to be worked on next week. Sidewalks have been poured at building 21 with drainage work ongoing. We anticipate a 12-month project period with an additional two to four months to obtain final City approvals.

Rippowam Manor: Final City inspections were completed some time ago, as well as additional inspections by new City staff. We are working with the contractor to complete the last two items needed to receive the final certificate of occupancy. The limited partner, (LP), who has held an 80% ownership interest for many years, is selling its interest. We met with the replacement partner and conducted due diligence regarding its business practices. The current LP has agreed to pay the remainder of our developer fee prior to exiting the partnership. An appraisal of the property requested by the new partner was conducted on August 17.

Glenbrook Manor: Leasing continues to fill units that become vacant during the renovation period, although this has slowed due to staff shortages and new staff training at COC. We are completing close-out activity required to obtain the balance of the approved mortgage loan, which will result in a significant cash payment. HUD is requiring Radon tests in all first-floor units, a new requirement just issued. We requested that this be a post-closing requirement due to the need to keep all windows closed for three days but HUD denied our request. The radon test cannisters will be placed on August 26 and collected on August 29. The other remaining requirements are submission of an operations and maintenance manual and independent confirmation that area noise limits are not exceeded.

IN PLANNING STAGE

Oak Park: The design and engineering process is advancing. The schematic design phase has been completed and the design development phase is commencing. There is extensive coordination among the team, including Rippowam Corp staff, architects, various engineers, energy consultants, and the newly selected construction manager. Soil testing by the geo-technical engineer is scheduled for August 22 – 24. A 9% tax credit application will be submitted in January 2023. Updates will be presented to the Board as the process advances. Emergency repairs to the existing buildings will be performed as needed to ensure resident health and safety until redevelopment is completed.

Clinton Manor: During a recent high wind event, a portion of the exterior building siding detached and fell to the ground. After examination by an architect, engineer, and siding consultant, it has been determined that the siding on the two sides of the building that was not replaced during major renovations several years ago should now be replaced. Our lender, Bankwell, has approved our refinancing application, and work will proceed following the procurement of a contractor through a formal procurement process and the completion of the refinancing of the existing tax-exempt bond loan and a supplemental loan to fund the repairs. Closing of financing has been delayed due to revisions to the design plans for the repairs and is now expected in late August or early September. Because of the weather-sensitive nature of the work, we anticipate commencement in the early spring of 2023.

Quintard Manor: Planning is under way for the installation of a second elevator. The existing elevator is older and needs frequent servicing. In order to avoid using existing residential space for the new elevator, we will utilize the area now occupied by a stairwell. A replacement fully enclosed stairwell will be added on the rear exterior wall. A design contract has been executed and a loan application for the cost of the project has been initiated with CHFA, which holds the first mortgage. The appraisal ordered by CHFA is due in August. Proposals for zoning approvals required because of the changes to the building footprint will be submitted in September. A geo-technical engineer has been selected to perform soil testing, which is required due to the exterior enclosed stairwell to be added in the rear parking area. The design team believes that the stairwell can be added without the loss of parking spaces.

ASSET MANAGEMENT

Capital Needs Assessments: D3, an experienced assessment firm, has been retained to perform needs assessments at Taylor Street, Stamford Manor, Clinton Manor, and Post House. These reviews will help us plan for long-term capital budget needs at each site and aid in decisions regarding refinancing and renovation planning.

Lawnhill Terrace 3: Awaiting final lender approval for conversion to permanent financing, expected by end of August. We encountered delays in receiving required sign-offs from CHFA, which has delayed the conversion, which is now expected during September.

Park 215, (Phase IV Vidal Court Revitalization): Over half of the commercial space is leased and medical offices there are in operation. A non-profit service provider has recently expressed strong interest in the remaining commercial space. We have worked closely with this organization to show the space, provide operational details, and offered terms for either a sale or long-term lease of the space. We are investigating the possibility installing an electronic gate at the entrance to the residential parking area due to non-residents using the lot. We would offset the cost by charging market rate residents a small monthly parking fee, and also charging those residents with second cars in the lot.

Summer Place – Siding Repair of Adjacent Building: The two buildings on either side of Summer Place are built on the lot lines and are built out to the street frontage. Summer Place is set back from the street with its parking area in front. A significant amount of the exterior siding on one of the adjacent buildings (1010 Summer Street) has detached and fallen into our parking area. We provided the 1010 owner with a temporary license and indemnity agreement, allowing workers to access our property to make the required repairs while protecting us from liability. The contractor installed safety fencing to

block off a portion of our property and repair work was begun, but was halted for an extended period due to an equipment failure. The contractor resumed work on August 16 and expects to complete the first phase of work by month end. The finish siding material is back-ordered and is not expected to be available for six months. We will have full access to the Summer Place parking area in the interim period.

Conversion of COC Public Housing Portfolio: Applications for Rental Assistance Demonstration (RAD) conversion of Ursula Park Townhouses, Sheridan Mews, Lawn Avenue, and CT Avenue, and for the 33 public housing units at Fairgate to Section 8 project-based vouchers have received preliminary approval. Repairs which recent needs assessments call for in the first five years following RAD conversion must be done shortly after conversion. We estimate the cost of those repairs at approximately \$1.6 million for the four COC developments, which will be funded from either the proceeds of scattered site property sales or existing public housing reserves. Repairs at Fairgate will be funded from existing project reserves.

HUD has begun final processing of the RAD conversion application that covers Ursula Park and Sheridan Mews. Radon testing will be conducted at Fairgate August 22 – 24. After the test results are submitted, HUD will begin final processing for the Fairgate RAD application. The application covering Lawn Avenue and CT Avenue will be eligible for final processing following completion of extensive site work at Lawn Avenue, which is now expected to be completed in December. HUD estimates its timeframe for final processing to be 60 – 90 days.

For the remaining 249 units, which includes Stamford Manor (215 units), and the public housing units within Post House, Taylor Street, Palmer Square, Greenfield, and Park 215, we will pursue conversion to Section 8 under the Streamlined Voluntary Conversion program, which is available for portfolios under 250 units. The simpler streamlined process has two significant advantages: Full Section 8 rental assistance is provided for every resident household, and HUD does not require a specific program of repairs. The revenue increase would be quite large, allowing reserves to be built up and providing an ability to fund repairs and improvements over time.

Taylor Street: An owner-occupant that previously rented out their unit in violation of deed restrictions has moved back in. The legal case remains open in pursuit of significant fines, although that owner has now admitted to being absent for an extended period. Taylor Street is approaching the end of its fifteen-year tax credit compliance period (12/2022). We have begun discussions with Blackstone, which purchased AIG's limited partnership interest effective January 1, regarding Year 15 issues. A physical needs assessment will be conducted August 22 – 24 and the report available in mid-September. One owner unit is currently for sale.

Leasing of Higher End Affordable Units: Eligibility under the Low-Income Housing Tax Credit Program (LIHTC) extends through households earning up to 60% of the area median income (AMI). In Stamford, the maximum income for a family of four is currently \$108,000, (60% of the Area Median). While there is almost always significant demand for LIHTC units in the separate category for households under 25% of AMI, there are fewer applications submitted by households at the higher end of the 26% - 50% AMI category, and within the 51% - 60% AMI category. We use a private leasing agent, NewBridge

Realty, to aid the marketing of affordable units reserved for the 50% - 60% AMI range, and COC has strengthened its marketing effort to this income category, as well. The recent increase in the AMI of almost 20% is much larger than the typical annual increase. This will increase the maximum eligible income in each income tier and allow higher rents to be charged if landlords choose to impose them, and if the market will support such increases.

Year 15 Tax Credit Project Planning (Post House and Taylor Street): As tax credit projects approach their fifteenth year of operations, it is necessary to prepare for the exit of the investor limited partner, which typically exits between years thirteen and fifteen of operations. Taylor Street and Post House are the two oldest tax credit developments in our portfolio. Both are currently in year 15. Discussions are under way with the limited partners of both sites, although talks have advanced further regarding Post House. The Post House limited partner has agreed to exit in return for a payment of \$300,000. Because of the very large pre-payment penalties associated with refinancing we have decided to keep the existing first mortgage in place and pay the limited partner exit fee and State transfer tax from Rippowam Corp funds. The existing Post House mortgage balloons in 2028 and will be refinanced at that time with no pre-payment penalties. Discussions with the Taylor Street limited partner are on hold pending completion of an independent capital needs assessment.

UPCOMING TRANSACTIONS AND TASKS

COVID-19: Address higher than anticipated rent delinquency levels. Monitor any new or modified federal and state rent relief programs and assist COC in implementation.

992 Summer Street: Monitor repair work at the adjacent 1010 Summer Street. Continue to facilitate communication and coordination between COC property managers and Inspirica service provider team. Determine appropriate use for space previously planned for medical clinic for residents. Work with Inspirica to utilize the growing balance in the supportive services reserve.

Park 215: Continue marketing effort to obtain tenants for remaining available commercial space. Coordinate commercial tenant fit-out process. Consider installing a gate to limit unauthorized parking and charging a monthly parking fee to market rate residents.

Rippowam Manor: Lease the few remaining vacant units. Coordinate close-out of renovations, City sign-off, and close supplemental loan supported by post-rehab rents.

Glenbrook Manor: Coordinate leasing of vacant units.

Lawnhill Terrace 3: Complete project close-out.

Lawnhill Terrace 4: Oversee renovations, leasing of units upon completion, and project close-out.

Oak Park: Coordinate work of selected design team, engage with residents and land use approval boards, and prepare 9% tax credit comprehensive plan. Implement selected emergency repairs.

Wait List Management Improvement: Working with COC, develop improvements in marketing and recruitment of applicants, in evaluating applicant eligibility, and in keeping applicants eligible and interested while on the waiting lists. Coordinate use of private real estate agents.

Year 15 Preparation: Conclude discussions with investor limited partners for Taylor Street and Post House regarding the investor's exit from the limited partnership.

PORTFOLIO PERFORMANCE

Market rate occupancy levels continue strong, with larger than usual rent increases for new tenants and lease renewals. A significant amount of unpaid rent resulting from the Covid pandemic has been recaptured through the COC and State rent relief programs. Demand and occupancy continues strong at the fully affordable developments in the Rippowam Corp. portfolio: Post House, Taylor Street, Clinton Manor, Quintard Manor, Summer Place, Rippowam Manor, Glenbrook Manor, and Lawnhill Terrace 1, 2 and 3, although unpaid rent remains significant at some sites, especially Lawnhill Terrace 2 and Oak Park. Rippowam staff work very closely with property managers from COC and Stone Harbour Management, and with Family Centers, which provides supportive services for all sites in our portfolio.