RIPPOWAM CORPORATION
BOARD MEETING

March 23, 2021
5:00 PM
Agenda

TO: Richard Ostuw
Adriana Ospina
Ronice Latta

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a. Call to Order

b. Approval of Minutes for February 23, 2021

c. Development Financing Discussion

d. Development Update

e. Other Business

f. Adjourn

RIPPOWAM CORPORATION
Meeting Minutes of the Board of Directors
February 23, 2021

The Meeting of the Board of Directors of the Rippowam Corporation (the "Corporation") was held on a remote connection meeting platform- Zoom on Tuesday, February 23, 2021.

The meeting was called to order at 5:00 p.m.

Attendees

Board Members:	Rich Ostuw Adriana Ospina Ronice Latta	Absent:	None
COC Board Members:	Susan Rutz Lester McKoy Sheila Williams-Brown	COC Advisory Board:	Bianca Shinn-Desras
Staff:	Vin Tufo Jon Gottlieb Chris Warren Michelle Rodriguez Michele Tarulli Natalie Coard Lisa Reynolds Sam Feda Jamie Perna Christine Young Alexis Luzetti Dakota Arturo Darnel Paulemon Tania Silverio		

1. **Approval of Minutes of Previous Meetings** –
   Meeting Minutes of January 26, 2021 were approved unanimously on a motion by Director Latta, seconded by Director Ospina.

2. **Tax Credit Program** –
   The Tax Credit Program was presented by Mr. Gottlieb.

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

4. **Adjournment** -
   At 5:47 p.m., the Board meeting was adjourned.

Respectfully submitted by:

Vincent Tufo, 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.

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Rich Ostuw

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Adriana Ospina

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Ronice Latta

THE ABOVE BEING ALL OF THE DIRECTORS
OF RIPPOWAM CORPORATION

DEVELOPMENT PROJECT FINANCING

The purpose of this document is to provide a description, and examples, of how development projects are financed by Rippowam Corp. Topics include the different types of projects, various sources of funding and the requirements associated with each source.

PROJECT TYPES

<u>New Construction</u>
Construction of new buildings rather than renovation. May include the demolition and removal of existing buildings, excavation of older utility lines, parking areas and walkways. May also include remediation of environmental hazards in older buildings (lead, asbestos), or underground (pollution or toxic waste from previous uses of the site). Often includes installation of new electric and gas lines, water and sewer lines, roads, walkways and storm drainage lines and structures.

<u>Renovation (also called Rehabilitation)</u>
Varying degrees of repair and improvement to existing buildings. Most Rippowam Corp. projects feature substantial renovation, including new windows and doors, electrical wiring and equipment; new plumbing lines and fixtures; new floors and roofs; new kitchens and baths; and new appliances and lighting fixtures. Security improvements are often included, such as new or additional CCTV cameras and recording equipment. Site improvements may include play and passive recreation areas, paving of parking areas, roads and walks, and repair or replacement of electric and/or gas lines. Energy conservation measures are included to the extent financially feasible.

<u>New Construction or Renovation Combined With Acquisition of Land or Buildings</u>
For some development efforts, vacant land or existing buildings may be acquired. Most Rippowam Corp. projects have involved land or buildings already owned by COC, such as Lawnhill Terrace and Rippowam Manor. Acquisition of property from other sources was most recently required for Park 215 and Greenfield. Given the high cost of property in Stamford, projects requiring arms-length property acquisition are generally much more difficult to package financially.

FINANCING STRUCTURE

Most Rippowam Corp. development projects utilize several of the private and public funding sources described below, including hard debt (loans to be repaid during construction/renovation and from the outset of renovations), soft debt (loans to be repaid from surplus cash flow only to the extent available), outright grants, and cash invested as equity in return for tax credits. For tax credit projects, it is financially efficient to have all funding structured as loans, with all but the first mortgage being soft debt.

TYPICAL FUNDING SOURCES

Frequently used funding sources include the following. Projects often combine five or six sources.

Private First Mortgage Debt

Public funding sources require that private debt be maximized in order to ensure the least possible use of scarce public funds. The primary formula for determining the amount of hard debt a project can support is the debt service coverage ratio (DSCR). Lenders typically require a DSCR of 1.15, meaning $1.15 in revenue (after paying all expenses other than hard debt) for each $1,00 of debt service. The intent is to provide a cushion in the event of reduced rental income so the ability to pay mortgage debt is not jeopardized. During construction or renovation, this loan is interest-only, with no amortization (repayment of principal). Upon conversion to permanent financing, both interest and principal are paid.

Large banks, such as JP Morgan Chase, are the most common source of first mortgage debt. For projects other than those using 4% tax credits, banks use their own funds for these loans. For 4% tax credit projects, the first mortgage is required to be funded from proceeds of the sale of tax-exempt bonds. For these projects, COC issues the tax-exempt bonds, which are purchased by the lender, which then loans the funds to the project. COC receives a fee for issuing the bonds.

Low-Income Housing Tax Credits (LIHTC)

Most Rippowam Corp. projects include either 9% or 4% tax credits, with recent exceptions being the renovations at Rippowam Manor and Glenbrook Manor. These two sites are 100% Section 8 supported, and the rental income generated after refinancing at recent low interest rates supports hard debt sufficient to fund the renovation program. For other developments, tax credits are a necessary component of the financial structure. The credits fund approximately 30% - 35% of project costs (4% credits) or 60% - 65% of costs (9% credits). Please refer to the tax credit program description for more details on the operation of the LIHTC program.

State Capital Funds

The CT Department of Housing (DOH) is an important source of soft debt. DOH funds may originate as proceeds of State bond issues or may be federal funds that are administered by the State. These funds are requested in an annual funding round when associated with CHFA award of 9% tax credits. DOH sometimes conducts annual funding rounds for funds to be used with 4% credits, but often accepts these applications on a rolling basis. DOH funds are loaned directly to the development partnership rather than through COC, and loan repayments are made to DOH. Repayment terms are negotiated for each project, and repayment is made from cash flow only as available.

Housing Tax Credit Contribution Program (HTCC)

Under HTCC, developers apply to CHFA for State tax credits, which can then be sold to investors with State tax liability. Historically, utility companies, such as Eversource, have purchased these credits. The maximum amount of credits is limited to $500,000 per project and credits are priced at one dollar per credit dollar.

City Capital Funds

The City has provided funds for most Rippowam Corp projects as grants to COC that are loaned to the projects. Until a few years ago, City funds were often $1 million or more per project, but more recently have been $500,000 or less, and in some cases, zero. The City asks those that will be requesting funds each year to submit brief proposals for review. We continue to submit proposals but no longer assume that funds will be awarded.

City Fee-in-Lieu Funds (FIL)

Developers of market rate housing have the option of including affordable units within their developments or entering an agreement with an affordable housing developer to accept funding for an affordable project as an alternate means of satisfying City requirements. The Zoning Board historically reviewed and approved such agreements, but the City is in the process of creating an Affordable Housing Trust Fund (AHTF) which will administer the FIL program. Once the AHTF is in place, developers that choose to pay instead of including affordable units in their projects will pay into the AHTF rather than making an agreement with an affordable housing developer. The AHTF will invite proposals for use of the funds which will be evaluated and ranked.

FIL is an important source of funding for Rippowam Corp projects because the amounts awarded have been significant. The City bases the amount on unit size and income level targeting. The award calculation process may change once the AHTF is in operation, but examples under the current formula include the following FIL amounts for certain unit size/income combinations:
Two-bedroom unit affordable to households at 25% AMI: $344,160
Three-bedroom unit affordable to households at 25% AMI: $371,693
Two bedroom @ 50% AMI: $207,930
Three bedroom @ 50% AMI: $ 224,564

Replacement Housing Factor (RHF)

When a federal public housing development is either demolished or removed from the federal portfolio, HUD increases the amount of annual capital funds awarded to the parent housing authority. The increased funding lasts for up to ten years and in the past has provided several hundred thousand dollars for new developments in return for the inclusion of a small number of federal public housing units. RHF funds have been used in the development of Palmer Square, Greenfield, and Park 215.

Proceeds From Refinancing

When the original mortgage loan for a development is fully, or mostly, paid off, it is sometimes possible to refinance the property for an amount sufficient to retire any existing debt and fund comprehensive renovations. This approach is currently in use at Rippowam Manor and Glenbrook Manor.

Seller Financing

Because federal tax credits can be claimed against the cost of acquiring buildings (but not land), we have COC sell buildings at full market value to the tax credit partnership in order to maximize the tax credits associated with the acquisition. To avoid having to pay the full purchase price at closing, 90% of the sale price is covered by a mortgage issued by COC as the seller. This allows tax credits to be claimed against the full purchase price while only 10% of the cost is paid at closing. The balance becomes senior soft debt and is paid from surplus cash as available from operations.

Energy Rebates

Utility companies offer cash to developers in return for the incorporation of energy saving measures into construction or renovation plans. The size of the rebate varies depending upon the level of anticipated energy savings, and is typically less for renovation projects, which cannot attain the level of energy savings possible for new construction.

Deferred Developer Fee (DDF)

Rippowam Corp earns a developer fee for each project, typically 10% of total project costs less land acquisition and other small items. Developer fee is most often funded from equity contributed by the limited partner, and the timing of the payment of developer fee is negotiated and memorialized in the partnership agreement. A common payment schedule is 10% - 15% at initial closing, a similar amount at 50% construction completion, 35% - 50% upon completion, and the balance after final sign-off by CHFA and the limited partner, often a year after completion. In order to reduce the overall funding required during the development stage, up to 50% of developer fee can be deferred. The outstanding fee amount becomes the senior claim on surplus cash from operations until it is fully paid.

Sponsor Loan

A developer may loan cash to the project if other sources are insufficient to cover all development expenses. This loan is repaid from surplus cash. Each soft loan (repaid form cash flow as available) is given a priority ranking, indicating the order in which it is to be repaid. Deferred developer fee always has the highest priority.

THE THREE STAGES OF THE DEVELOPMENT PROCESS

Pre-Development

Expenditures begin long before construction or renovation commences, often years before. Following the completion of the appropriate procurement processes, expenses incurred during this period primarily include design (architect, engineers), environmental investigation, legal fees, property acquisition or option to purchase, and financing application fees. These costs are typically funded from owner or sponsor capital. Although eligible for inclusion in the development budget and reimbursable as eligible project expenses, these initial investments are at risk if the project does not move forward, or if the final budget is too small to include all pre-development costs.

Construction/Renovation

When all approvals are in place for funding, planning and zoning, and building permits, construction or renovation can commence. The construction or renovation period lasts until the contractor's work is complete, funders have signed off on the project as complete, and City permission for occupancy is in place. At this point, occupancy can commence. Marketing and preparation for occupancy begins during the final few months of construction or renovation. Once occupancy reaches 90 – 95% (depending upon the first mortgage lender), conversion of the construction loan to a permanent 30 or 40 year mortgage can occur.

During the construction/renovation period, the private first mortgage (called the "construction loan") is typically much larger than it will be after the project is occupied and operating normally. This is because most tax credit equity is not available until after completion, and because, in 4% tax credit deals, the construction loan must fund at least 51% of development period costs. Most funding sources, other than tax credit equity, may be fully utilized during the development stage, although some will be reserved for reducing the construction loan balance to its targeted permanent level.

Conversion to Permanent Financing and Stabilized Operations

Upon completion of construction/renovation and receipt of all approvals necessary for occupancy, the construction loan is converted to a long-term amortizing mortgage loan. The limited partner makes the final contributions of tax credit equity at this time, or when final CHFA sign-off on the tax credits is issued. The later payments of tax credit equity and portions of other funding sources reserved for the purpose, are used to reduce the principal balance of the permanent mortgage loan, and to fund expenses not needed until operations commence, such as capitalized reserves, leasing commissions and final legal and other professional fees. It is most common that half of the developer fee will be deferred, to be paid from project cash flow.

Sample Development Budgets for Differing Project Types

The following examples are pdfs of the Excel spreadsheets used in project planning, and in funding applications submitted to CHFA and DOH. This format is also acceptable to other public and private funders including limited partners and first mortgage lenders. Examples include Park 215 (a new construction project with 9% tax credits), and Lawnhill Terrace 3 (a renovation project with 4% tax credits).

Lawnhill Terrace 3
Rippowam Corporation
LIHTC No.

PERMANENT SOURCES

Equity Capital, Grants, Etc.

	%		Amount	$'s / Unit		
					11,120,420	
					833,708	
					492,639	
Federal LIHTC Net Proceeds	32.61%	$	8,249,642	$158,647		
Fed. Historic Credits	0.0%		-	$0	$649,076	
Other: State Tax Credits (HTCC)	0.0%			$0	$198,834	3.23%
Pending basis exclusion confirmation (eversource)	-0.4%		(109,578)	-$2,107	154,000	
Other:	0.0%		-	$0		
Deferred Developer Fee:	3.3%		823,169	$15,830		
Insurance	35.7%	$	8,963,233	$172,370	$172,916	

Financing

	%		Amount	$'s / Unit	
					649,076
					Init. DSC
1st Mortgage	8.3%	$	2,095,000	$40,288	1.36
LHT Existing Reserves	3.3%	$	830,000	$15,962	
Fee-In-Lieu Loan		$	1,473,110		8 PBVs
Northeast Utilities Energy Rebates	0.4%	$	109,578	$2,107	
Seller Loan	21.7%	$	5,450,000	$104,808	
HTCC		$	434,715		
Sponsor Loan	0.7%	$	184,374	$3,546	
HACS City Capital Funds	2.0%	$	500,000	$9,615	
State Capital Funds	18.7%	$	4,700,000	$90,385	
Oak Park Reserves (for mortgage payoff)		$	400,447.00		
FINANCING SUB-TOTAL	64.3%	$	16,177,224	$311,100	

TOTAL SOURCES $483,470

Funding Gap [*Sources less Uses*] $ (1)

USES

	%		Amount	RESID. GSF % 0.0% $'s / Unit
Construction Hard Costs	54.8%	$	13,773,724	$0
Const. Contingency	2.6%	$	655,892	$0
Architectural / Engineering	2.4%	$	605,000	$0
Finance and Interim Costs	6.4%	$	1,597,660	$0
Soft Costs (Fees and Expenses)	1.7%	$	427,390	$0
Developer Allow. / Fee (Overhead+Profit)	6.6%	$	1,665,922	$0
Pre-Develop. Carrying Costs	0.0%	$	-	$0
Site Acquisition (Recognized)	22.7%	$	5,700,000	$0
Mortgage Payoff	0.0%			$0
Capitalized Reserves	2.4%	$	600,000	$0
Recognized Lending Costs	99.5%	$	25,025,588	$0
Entity / Syndication / Other Costs	0.5%	$	114,870	$0

TOTAL USES $0

[See Development Budget or Space / Cost Allocation for detail.]

RESIDENTIAL UNIT MIX

	Qualified / Affordable	Market Rate	Row Totals	
0-BR	0	0	0	0.0%
1-BR	0	0	0	0.0%
2-BR	28	0	28	53.8%
3-BR	24	0	24	46.2%
4-BR	0	0	0	0.0%
TOTALS	52	0	52	
0	100.0%	0.0%		
NEW	0	0	0	0.0%
REHAB.	52	0	52	100.0%
GSF Residential			0	0.0%
GSF Non-Residential			0	0.0%
Total Built Space (GSF)			0	

(Built Space (GSF) includes Surface and/or Garage parking areas.)

DEVELOPMENT DESCRIPTION

OPERATING PROJECTION

Proforma Stabilized Year =

REVENUE		Gross	$'s / Unit	% Gross
RESIDENTIAL: Qualified / Afford. Units	$	675,672	$12,994	100.0%
RESIDENTIAL: Market Rate Units		-	$0	0.0%
Gross Residential Income	$	675,672	$12,994	100.0%
LAUNDRY (Net)		-	$0	0.0%
OTHER CONCESSIONS (Net)		-	$0	0.0%
ELD. / CONGREGATE SERVICES (Net)		-	$0	0.0%
COMMERCIAL / RETAIL (Net)		-	N/A	0.0%
PARKING (Net)		-	$0	0.0%
OTHER		-	$0	0.0%
GROSS INCOME	$	675,672	$12,994	
LESS: Avg. Overall Vacancy Loss %		6.00%		
EFFECTIVE GROSS INCOME (EGI)	$	635,133	$12,214	

EXPENSES		All		Resid. Only	$'s / Unit
ADMIN. / MAINT. / OPERATING		391,553		391,553	$7,530
OTHER		-		-	$0
CAPITAL (Replacement) RESERVE		-		-	$0
REAL ESTATE TAXES		59,913		59,913	$1,152
EXPENSE Sub-Total	$	451,466	$	451,466	$8,682

ESTIMATED INITIAL NOI =

Permanent Financing Terms

	1st Mortg. Loan	2 2nd Mortg. Loan	3 3rd Mort. Loan	4 Developer / Investor Cash Flow Loan	5 Deferred Developer Fee Loan (See Repayment Note Below)
Principal Amount	$ 2,095,000	$ -	$ -	$ -	$ -
Perm. Loan Term (Yrs.)	18	0	0	0	0
Fully Amortizing (Yes or No)	Yes				
Amortization Schedule (Yrs.)	30	0	0	0	0
No. Payments Per Year	12	0	0	0	0
Permanent Loan Interest Rate	5.00%	0.00%	0.00%	0.00%	0.00%
Additional Interest (If Applic.)	0.0%	0.0%	0.0%	0.0%	0.0%
Construction Interest Rate (If Applic.)	5.00%	0.00%	0.00%	0.00%	0.00%
Total Annual Scheduled Debt Service (ADS)	$134,956.96	$0.00	$0.00	$0.00	$0.00
Initial Debt Serv. Coverage (DSC)	1.361	0.00	0.00	n/a	n/a
Note Key					

Deferred / Pledged Developer Fees: Under CHFA's LIHTC guidelines, approved *Deferred Developer Fee* amounts are to be repaid from Owner Distributions based upon one payment per year at an annua interest rate equal to the Long-Term Applicable Federal Rate (AFR). *Full repayment must occur within the first ten (10) years of operations.*

Year 15 Debt Serv. Coverage (DSC)	1.150
Year 18 Debt Serv. Coverage (DSC)	1.061

CONSTRUCTION / INTERIM SOURCES		53.22%	Const. / Interim Interest Rates	Bridge Loan Fees or Points (%)	Permanent Status and/or Repayment Sources
	Construction Loan	$ 13,000,000	5.00%		Converts to Perm. Financing (See Terms / Notes above)
	Co-1st Mortgage Loan	-	0.00%		Converts to Perm. Financing (See Terms / Notes above)
	2nd Mortgage Loan	-	0.00%		Converts to Perm. Financing (See Terms / Notes above)
	HACS City Capital Funds	$ 500,000	0.00%		Converts to Perm. Financing (See Terms / Notes above)
	Northeast Utilities Energy Rebates				
	State Capital Funds	2,322,912			Converts to Perm. Financing (See Terms / Notes above)
	Other: Seller Note	5,040,000	*10% paid to seller at closing*		Converts to Perm. Financing (See Terms / Notes above)
	Bridge / Interim Loan	-	0.00%	0.00%	Repaid from:
	Bridge / Interim Loan	-	0.00%	0.00%	Repaid from:
	LHT Existing Reserves				Owner / Investor Equity Capital
10.00%	Fed. LIHTC Equity	832,093	n/a		Owner / Investor Equity Capital
	State Tax Credit Equity	475,000	n/a		Owner / Investor Equity Capital
	Deferred Developer Fee		n/a		Owner / Investor Equity Capital
	Fee in Lieu	1,473,110			
	Other	-			
	TOTAL CONST./ INTERIM SOURCES	$ 23,643,115			
	TOTAL USES	$ 23,697,705			
	SOURCES Less USES	$ (54,590)	Excess Construcion Sources to meet the 50% TEB Test - Excess Sources will pay down Construction Loan.		

Lawnhill Terrace 3
Rippowam Corporation
Based on GC *Schedule of Values* dated:

	% TDC			BUDGET		EXCHANGE ELIGIBLE BASIS: 70% NPV - 9% or 30% NPV - 4% (New / Rehab.)		EXCHANGE ELIGIBLE BASIS: 30% NPV - 4% Exist. Building Acquisition Credit
CONSTRUCTION	55.0%			$ 13,773,724				
SITE & IMPROVEMENTS (Div. 1-16) Hard Costs	44.5%			$ 11,129,429		11,129,429		-
GENERAL REQUIREMENTS (Max. 9% Site + Improvements)		9.0%		833,708		833,708		-
OVERHEAD and PROFIT (Max. 7% Site + Improvements)		7.0%		492,639		492,639		-
BOND PREMIUM / L.O.C. COST		1.2%		136,306		136,306		-
Other: Contractor Contingency				655,892		655,892		-
BUILDING PERMITS and OTHER DEVELOPMENT FEES		1.9%		198,834	3.23%	198,834		-
Other: Allowances		0.0%		154,000		154,000		
CONSTRUCTION (CHFA Form 2328) Sub-Total		54.1%		$ 13,600,808				
Other: Furnishings	808,139					-		-
Other: Insurance				172,916		172,916		-
Other:				-		-		-
CONSTRUCTION CONTINGENCY	*% Const. >*	*5.0%*		*655,892*		655,892		-
ARCHITECTURAL and ENGINEERING	2.4%	4.4%		$ 605,000				
ARCHITECT - Design		2.5%		210,000		210,000	*	-
ARCHITECT - Contract Admin (Min. 35% of Contract)	% Contract >	38.2%		130,000		130,000	*	-
ENGINEERING (Civil-Site / Structural / Mechanical, Etc.)				125,000		125,000	*	-
SURVEYS				35,000		35,000	*	-
Architectural Printing, Supplies & Reimbursement				15,000		15,000	*	-
Geotechnical Survey/Test Borings				5,000		5,000	*	-
Energy Star Certification				15,000		15,000		
Environmental Monitoring				40,000		40,000		
Soils & Materials Testing				20,000		20,000		
Special Inspections				10,000		10,000		
Cost Estimating	4,700,000			-		-		-
FINANCE and INTERIM COSTS	6.4%			$ 1,597,660				
INTEREST - Const. + 6 mo Stabilization		6.00%	13,000,000	650,000		390,000		-
CONSTR LOAN ORIG. / COMMIT. FEE @		0.75%	$13,000,000	97,500		97,500		-
INTEREST - Bridge Loan @		6.00%	$ -	-		-		
Accrued Interest			$ -	400,447		400,447		
R. E. TAXES / PILOTS - Const. Period				-		-		-
INSURANCE - Const. Period (Builder's Risk / Liability / Hazard)				90,000		90,000		-
Issuer Fee (1%) & Costs of Issuance & Bond Counsel				230,000		-		-
Permanent Loan Origination/Commitment Fee	0.8%			15,713		XXXXXXXXXXX		XXXXXXXXXXX
Lender Plan/Cost Review				12,000		12,000		XXXXXXXXXXX
Lender Counsel				75,000		50,000		XXXXXXXXXXX
Monthly Inspections ($1,800/mo, 15 months)				27,000		27,000		XXXXXXXXXXX
SOFT COSTS - Fees & Expenses	1.7%			$ 427,390				
LEGAL COUNSEL - Real Estate, Finance, Zoning & Authority				80,000		32,000	*	-
TITLE INSUR. PREMIUMS and RECORDING COSTS				60,000		60,000	*	-
APPRAISALS / MARKET STUDY (CHFA / LIHTC Required)				20,000		20,000	*	-
LEASE UP & MARKETING				15,000		XXXXXXXXXXX		XXXXXXXXXXX
COST CERTIFICATIONS & ACCOUNTING (CHFA / LIHTC Required)				25,000		XXXXXXXXXXX	*	XXXXXXXXXXX
ENVIRONMENTAL REPORTS and TESTING				25,000		25,000	*	-
Zoning Application, Permits & Approvals				25,000		25,000	*	-
DOH Legal Counsel				23,000		-		-
Relocation				56,390		56,390		-
SOFT COST CONTINGENCY (5% Max.)	A&E+FIN+SOFT %	3.8%		98,000		73,500		-
TOTAL DEVELOPMENT COSTS (TDC)				$ 17,059,666		$ 16,393,453		$ -
DEVELOPER ALLOWANCE / FEE	Max.15% TDC	10.0%		1,665,922		1,665,922		-
PRE-DEVEL. FINANCING (Interest) COSTS [Lender-Approved]				-		-		-
SITE ACQUISITION — Appraised "As Is" Value >		$0		5,700,000		XXXXXXXXXXX		XXXXXXXXXXX
Land	2,150,000			XXXXXXXXXXX		XXXXXXXXXXX		XXXXXXXXXXX
Existing Building/s	3,550,000	0		XXXXXXXXXXX		XXXXXXXXXXX		3,550,000
CAPITALIZED RESERVES				600,000		XXXXXXXXXXX		XXXXXXXXXXX
OpEx / Debt Service - 6 months	295,000			XXXXXXXXXXX		XXXXXXXXXXX		XXXXXXXXXXX
LHT Existing Replacement Reserves	305,000			XXXXXXXXXXX				
				XXXXXXXXXXX		XXXXXXXXXXX		XXXXXXXXXXX
RECOGNIZED LENDING COSTS				$ 25,025,588		XXXXXXXXXXX		XXXXXXXXXXX
ENTITY and SYNDICATION COSTS / OTHER				$ 114,870		XXXXXXXXXXX		XXXXXXXXXXX
Entity Organizational and Legal				-		XXXXXXXXXXX	*	XXXXXXXXXXX
CHFA LIHTC Application Fee				250		XXXXXXXXXXX	*	XXXXXXXXXXX
Predevelopment Loan Costs				-		XXXXXXXXXXX		XXXXXXXXXXX
Tax Opinion/Investor Legal				50,000		XXXXXXXXXXX	*	XXXXXXXXXXX
CHFA Tax Credit Fee (*8% of Annual Credit amount*)	Estim. Fee =	$64,620		$64,620		XXXXXXXXXXX		XXXXXXXXXXX
Mortgage Payoff				-		XXXXXXXXXXX		XXXXXXXXXXX
TOTAL USES				$ 25,140,458		$ 18,059,375		$ 3,550,000

Lawnhill Terrace 3
Rippowam Corporation

Non-LIHTC SOURCES of FUNDS

Mortgage Loan Proceeds	$	2,095,000
State Capital Funds		4,700,000
Lawnhill Terrace Existing Reserves		830,000
Northeast Utilities Energy Rebate		109,578
Rippowam Sponsor Loan		184,374
HACS City Capital Funds		500,000
Seller Loan		5,450,000
Deferred Developer Fee		823,169
Total Non-LIHTC SOURCES		$14,692,121
Less: TOTAL USES		25,140,458
Insurance		
LIHTC EQUITY GAP	$	(10,448,337)
PLUS: Estim. LIHTC Net Proceeds		$8,249,642
Overall FUNDING GAP	$	(2,198,695)

CREDIT CALCULATION FACTORS

1. APPLICABLE FRACTION (LIHTC Qual. Unit %)

LIHTC Qualified Units	52	100.0%
Non-Qualified Units	0	
Total Units	52	

2. RESIDENTIAL NET LEASABLE SPACE

4,700,000

NSF - LIHTC Qualified Units	1	100.0%
NSF - Non-Qualified Units	0	
Total NSF	1	

Applicable Fraction is the LESSER of the two above percentages.

3. QUALIFIED CENSUS TRACT (QCT) / DDA INCREMENT

Applicable = Yes	Yes
Not Applicable = No	

218.02

CREDIT CALCULATION

CHFA LIHTC No.:

Credit NPV's of AFR based on April 2018 R

11,129,429
830,708
492,659
106,308
649,076
198,834
154,000

Credit Types

	70% NPV - 9% or 30% NPV - 4% New Const. / Sub-Rehab. Credit	30% NPV - 4% Exist. Building Acquisition Credit	TOTALS
	3.23%	3.23%	
TAX CREDIT ELIGIBLE BASIS	$18,059,375	$3,550,000	$21,609,375
808,139 LESS: BASIS ADJUSTMENTS *(Insert Negative Values)*			
172,916		XXXXXXXXXXXX	0
Non-Qualified Non-Recourse Financing		XXXXXXXXXXXX	0
649,076		XXXXXXXXXXXX	0
Non-Qual. excess portion of higher qual. units		XXXXXXXXXXXX	0
Fed. HistoricTax Credits (Resid. Portion)	0	XXXXXXXXXXXX	0
Other		XXXXXXXXXXXX	0
PLUS: QCT INCREMENT *(If Applic.)*	$5,417,813	XXXXXXXXXXXX	5,417,813
ADJUSTED ELIGIBLE BASIS	$23,477,188	$3,550,000	$27,027,188
X the Applicable Fraction (%)	100.0%	100.0%	
TOTAL QUALIFIED BASIS	$23,477,188	$3,550,000	$27,027,188
***ELIGIBLE* Credit from QUALIFIED E**	$758,313	$114,665	$872,978

LIHTC EQUITY GAP >	$ (10,448,337)	
ALLOWABLE Credit from GAP ANALYSIS >	$1,105,644	
MAX. ANNUAL CREDIT AMOUNT (a)	$872,978	872,978
Annual Credits Per Qualified Unit	$16,788	
Equity Raise ($ Yield / $1.00)	$0.945	
ESTIM. LIHTC NET PROCEEDS	$8,249,642	5,843,510
(a) Lesser of Credit from Gap Analysis or from Qualified Basis		5,098,566

POST- CREDIT RESERVATION STATUS

[Credit Investor Contact Information: Name, Address, Principal Contact]

LIHTC's *Applicant has received a NOTICE of LIHTC RESERVATION from the Authority.*

Lawnhill Terrace 3
Rippowam Corporation

ESTIMATION of RESIDENTIAL RENTS

FEDERAL STATISTICAL AREA: Stamford-Norwalk

HUD-Approved AMI $131,300
Effective Date 3/28/2016

TRENDING	Qualified Units	Market Rate Units	Compounding Periods (Yrs.)
Resid. Rents	2.0%	2.0%	3
Util. Allowances	5.0%		3

CURRENT YEAR > 2018 | 2021 < PROFORMA STABILIZED YEAR (PSY)

QUALIFIED UNITS

Max. AMI% and NO. UNITS	UNIT TYPES	Max. Allowable GROSS Rent / Mo. (2018)	Max. Allowable GROSS Rent / Mo. (2021)	LESS: Monthly Utility Allowance (Tenant's Share)	Max. Allowable NET Rent / Mo. (A)	Applicant's Proposed NET Rent / Mo. (B)	
					Lesser of (A) or (B) will apply		
25.0%	LIHTC						
n/a	O-BR	$0	$0	$0	$0	$0	
n/a	1-BR	$0	$0	$0	$0	$0	
3	2-BR	$790	$838	$135	$1,400	$1,400	PBVs
5	3-BR	$912	$968	$159	$1,600	$1,600	PBVs
n/a	4-BR	$0	$0	$0	$0	$0	
50.0%	LIHTC						
n/a	0-BR	$0	$0	$0	$0	$0	
7	2-BR BASE	$1,518	$1,611	$135	$1,476	$862	
0	2-BR	$1,518	$1,611	$135	$1,476	$1,200	
9	3-BR BASE	$1,753	$1,860	$159	$1,701	$903	
0	3-BR	$1,753	$1,860	$159	$1,701	$1,400	
60.0%	LIHTC						
n/a	O-BR	$0	$0	$0	$0	$0	
15	2-BR	$1,822	$1,934	$135	$1,799	$905	
3	2-BR	$1,822	$1,934	$135	$1,799	$1,250	
4	3-BR	$2,104	$2,233	$159	$2,074	$1,055	
6	3-BR	$2,104	$2,233	$159	$2,074	$1,400	
> 60% up to 100%	Other Afford.						
n/a	O-BR / Studio	$0	$0	$0	$0		
n/a	1-BR	$0	$0	$0	$0		
n/a	2-BR	$0	$0	$0	$0		
n/a	3-BR	$0	$0	$0	$0		
n/a	4-BR	$0	$0	$0	$0		

MARKET RATE UNITS

2021 < PROFORMA STABILIZED YEAR (PSY)

Max. AMI% and NO. UNITS	UNIT TYPES	PV Current Year Rents ($'s/PUPM)	Tenants Pay All Utilities [Yes or No]	Applicant's Proposed NET Rent / Mo.
140.0%				
n/a	O-BR / Studio	n/a		$0
n/a	1-BR	n/a		$0
n/a	2-BR	n/a		$0
n/a	3-BR	n/a		$0
n/a	4-BR	n/a		$0

Lawnhill Terrace 3
Rippowam Corporation

REVENUE

LIHTC No. | PROFORMA STABILIZED YEAR **2021**

RESIDENTIAL

QUALIFIED UNITS		INCOME TIERS (AMI%)	AVG. NSF / Unit	NET (Contract) Rent / Mo.	Utility Allow. / Mo.	$'s / NSF	GROSS INCOME	LESS: Vacancy %	EFFECTIVE ANN. GROSS INCOME (EGI)
n/a	0-BR	Max. 25%	0	$0	0	n/a	-	6.0%	-
n/a	1-BR		0	$0	0	n/a	-	6.0%	-
3	2-BR		0	$1,400	135	#DIV/0!	50,400	6.0%	47,376
5	3-BR		0	$1,600	159	#DIV/0!	96,000	6.0%	90,240
n/a	4-BR		0	$0	0	n/a	-	6.0%	-
n/a	0-BR	>50% to 60%	0	$0	0	n/a	-	6.0%	-
7	2-BR BASE		0	$862	135	#DIV/0!	72,408	6.0%	68,064
0	2-BR		0	$1,200	135	#DIV/0!	-	6.0%	-
9	3-BR BASE		0	$903	159	#DIV/0!	97,524	6.0%	91,673
0	3-BR		0	$1,400	159	#DIV/0!	-	6.0%	-
n/a	0-BR	>50% to 60%	0	$0	0	n/a	-	6.0%	-
15	2-BR		0	$905	135	#DIV/0!	162,900	6.0%	153,126
3	2-BR		0	$1,250	135	#DIV/0!	45,000	6.0%	42,300
4	3-BR		0	$1,055	159	#DIV/0!	50,640	6.0%	47,602
6	3-BR		0	$1,400	159	#DIV/0!	100,800	6.0%	94,752
n/a	0-BR / Studio	>60% to 100%	0	$0	0	n/a	-	6.0%	-
n/a	1-BR		0	$0	0	n/a	-	6.0%	-
n/a	2-BR		0	$0	0	n/a	-	6.0%	-
n/a	3-BR		0	$0	0	n/a	-	6.0%	-
n/a	4-BR		0	$0	0	n/a	-	6.0%	-
52	100.0%		0	$1,083		#DIV/0!	$ 675,672	6.00%	$ 635,133 100.0%

MARKET RATE UNITS

n/a	0-BR / Studio	>100% to 140%	0	$0	XXXXXXXX	n/a	-		-
n/a	1-BR		0	$0	XXXXXXXX	n/a	-		-
n/a	2-BR		0	$0	XXXXXXXX	n/a	-		-
n/a	3-BR		0	$0	XXXXXXXX	n/a	-		-
n/a	4-BR		0	$0	XXXXXXXX	n/a	-		-
0	0.0%		n/a	$0		$0.00	$ -	10.00%	$ - 0.0%
52	TOTAL UNITS		n/a	$1,083		#VALUE!	$ 675,672	6.00%	$ 635,133 100.0%

OTHER INCOME

LAUNDRY (Net to the Project)		-	20.0%	-
OTHER CONCESSIONS (Net to the Project)		-	20.0%	-
ELDERLY / CONGREGATE RESID. SERVICES (Net to the Project)		-	20.0%	-
COMMERCIAL / RETAIL (Net)	NSF [ ] $0.00 $'s / NSF	-	20.0%	-
PARKING		-	20.0%	-
OTHER		-	2.5%	-
	STOT: NON-RESID.	$ -	0.00%	$ - 0.0%
	TOTAL ANNUAL INCOME	$ 675,672	6.00%	$ 635,133

EXPENSES

Administrative	$ / PUPA	RESIDENTIAL	NON-RESIDENTIAL	COMBINED
Conventions and Meetings		-	-	-
Management Consultants		-	-	-
Advertising and Marketing		546	-	546
Office Salaries/Mgmt Aide - Salary/Benefits (Project Share)		12,000	-	12,000
Office Salaries/Tax Credit Compliance - Salary/Benefits (Project Shar		0	-	-
Office Rent and Expenses and Supplies		2,500	-	2,500
Management Fee (Max. 5% EGI)	5.0%	31,757	-	31,757
Manager Salary/Benefits (Project Share)		40,000	-	40,000
Owner Asset Management Fee		0	-	-
Audit and Bookkeeping and Legal Expenses (Project Share)		22,000	-	22,000
Administrative / Misc., inc. Bad Debt		11,500	-	11,500
Total ADMINISTRATIVE	$2,314	$ 120,303	$ -	$ 120,303

Maintenance				
Decorating and Painting		-	-	-
Supplies (Grounds Maint / Janitorial / Etc.)			-	-
Repairs and Maint. (HVAC / Electrical / Plumbing)		18,700	-	18,700
Elevator Maint. / Service Contract		0	-	-
Exterminating		5,000	-	5,000
Vehicle Equipment Operation & Repair		0	-	-
Lobby and Common Areas		0	-	-
Misc. O&M, Routine Repairs, Unit Turnover		25,050	-	25,050
Operating and Other		0		
Fuel (Gas / Oil)		2,000	-	2,000
Electricity		16,000	-	16,000
Water and Sewer		18,000	-	18,000
Garbage and Trash Removal		22,500	-	22,500
Ground, Janitorial & Repairs Contracts & Snow Removal		16,500	-	16,500
Property and Liability Insurance		38,000	-	38,000
Other Insurance		17,000	-	17,000
Worker's Compensation		0	-	-
Payroll - Maintenance Staff (Salary/Benefits)		44,500	-	44,500
Payroll - Resident Services Coordinator		27,000	-	27,000
Security		21,000	-	21,000
Health Insurance and Other Benefits		-	-	-
Misc.Taxes, Licenses, Permits and Insurance		-	-	-
Other		-	-	-
Total ADMIN, MAINT. And OPERATING	$7,530	$ 391,553	$ -	$ 391,553
Other:	$0	-	-	-
Capital (Replacement) Reserve	$0	-	-	-
Sub-Total (Incld. RESERVES)	$7,530	$ 391,553	$ -	$ 391,553
Other	$0	-	-	-
Real Estate Taxes (see estimate below)	$1,152	59,913	-	59,913
TOTAL ANNUAL EXPENSES	$8,682	$ 451,466	$ -	$ 451,466
			ESTIMATED INITIAL NOI	**$ 183,667**

REVENUES [Net of Vacancy Losses]	Vac. %	Growth %	1	2	3	4	5	6	7	8	9	10	11	12
			2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
RESIDENTIAL - Qualified / Afford.	6.00%	2.0%	635,133	647,836	660,792	674,008	687,488	701,238	715,263	729,568	744,160	759,043	774,224	789,708
RESIDENTIAL - Market Rate	10.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Laundry	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Other Concessions	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Elderly / Congregate	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Commercial / Retail	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Parking	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Other	2.5%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME (EGI)			$ 635,133	$ 647,836	$ 660,792	$ 674,008	$ 687,488	$ 701,238	$ 715,263	$ 729,568	$ 744,160	$ 759,043	$ 774,224	$ 789,708
EXPENSES Admin. / Management / Operating		3.0%	355,553	366,219	377,206	388,522	400,178	412,183	424,548	437,285	450,403	463,916	477,833	492,168
Other		3.0%	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		3.0%	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972	48,381	49,832
Capital (Replacement) Reserve		4.0%	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes / PILOT's		3.0%	59,913	61,710	63,562	65,469	67,433	69,456	71,539	73,685	75,896	78,173	80,518	82,934
Sub. Tot: ANNUAL EXPENSES			$ 451,466	$ 465,010	$ 478,960	$ 493,329	$ 508,129	$ 523,372	$ 539,074	$ 555,246	$ 571,903	$ 589,060	$ 606,732	$ 624,934
$'s PUPA			8,682	8,942	9,211	9,487	9,772	10,065	10,367	10,678	10,998	11,328	11,668	12,018
NOI (NPV $2,101,897; Rate 5.00%)			$ 183,667	$ 182,826	$ 181,832	$ 180,680	$ 179,360	$ 177,866	$ 176,189	$ 174,322	$ 172,256	$ 169,982	$ 167,492	$ 164,774
AFDS @ 1.15			$159,711	$158,979	$158,115	$157,113	$155,965	$154,666	$153,208	$151,585	$149,788	$147,811	$145,645	$143,282
SCHEDULED ANNUAL DEBT SERVICE (ADS)														
1st Mortg. Loan, Self-Amortizing ($2,095,000) — ADS			$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96
Term > 18 — DSC			1.36	1.35	1.35	1.34	1.33	1.32	1.31	1.29	1.28	1.26	1.24	1.22
Rate > 5.00% — Bal. (E.O.Y.)			$2,062,673	$2,030,110	$1,995,881	$1,961,010	$1,924,263	$1,886,410	$1,846,423	$1,804,179	$1,759,553	$1,712,410	$1,662,607	$1,609,995
Loan 2 ($0) — ADS			-	-	-	-	-	-	-	-	-	-	-	-
Term > 0.00 — DSC			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rate > 0.00% — Bal. (E.O.Y.)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Loan 3 ($0) — ADS			-	-	-	-	-	-	-	-	-	-	-	-
Term > 0 — DSC			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rate > 0.00% — Bal. (E.O.Y.)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ADS STOT. =			$134,956.96	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957
CASH FLOW AFTER DEBT SERVICE (CFADS)			$ 48,710	$ 47,869	$ 46,876	$ 45,723	$ 44,403	$ 42,909	$ 41,232	$ 39,365	$ 37,299	$ 35,025	$ 32,535	$ 29,817
PROJECT DSC =			1.36	1.35	1.35	1.34	1.33	1.32	1.31	1.29	1.28	1.26	1.24	1.22
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EFFECTIVE DSC (w/Op-DS-Cvg Reserve)			1.36	1.35	1.35	1.34	1.33	1.32	1.31	1.29	1.28	1.26	1.24	1.22
CONTINGENT PAYMENTS [To 3rd Parties from Cash Flow after Mandatory Debt Service]														
Other, 1 PMT. / Yr. (0.0%)			-	-	-	-	-	-	-	-	-	-	-	-
Cum. Paid Accrued Int.			-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW / SURPLUS CASH			$ 48,710	$ 47,869	$ 46,876	$ 45,723	$ 44,403	$ 42,909	$ 41,232	$ 39,365	$ 37,299	$ 35,025	$ 32,535	$ 29,817
OWNER DISTRIBUTIONS *Limited Dividend* — AVAILABLE / PERMITTED DISTRIBUTION			$ 48,710	$ 47,869	$ 46,876	$ 45,723	$ 44,403	$ 42,909	$ 41,232	$ 39,365	$ 37,299	$ 35,025	$ 32,535	$ 29,817
ANNUAL CASH-ON-CASH RETURN %			0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.3%
Deferred Dev. Fee Loan ($0) — PMT			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	n/a	n/a
To be fully repaid, Term > 0 — NPV											MAX. NPV=	$0	n/a	n/a
in 10 yrs. @ Long Term AFF, Rate > 0.00% — Bal. (E.O.Y.)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	n/a	n/a
Cum. Paid			-	-	-	-	-	-	-	-	-	-	n/a	n/a
Developer Cash Flow Loan (0.0%)			48,710	47,869	46,876	45,723	44,403	42,909	41,232	39,365	37,299	35,025	32,535	29,817
Cum. Paid			48,710	96,578	143,455	189,178	233,581	276,490	317,722	357,087	394,386	429,411	461,946	491,763
Other (0.0%)			-	-	-	-	-	-	-	-	-	-	-	-
Annual Total			$ 48,710	$ 47,869	$ 46,876	$ 45,723	$ 44,403	$ 42,909	$ 41,232	$ 39,365	$ 37,299	$ 35,025	$ 32,535	$ 29,817
Cum. Distribution			48,710	95,579	143,455	189,178	233,581	276,490	317,722	357,087	394,386	429,411	461,946	491,763
Operating / Debt Service / Coverage Reserve			1	2	3	4	5	6	7	8	9	10	11	12
CHFA-Required Reserve, NPV's — Project Actual DSC >			1.36	1.35	1.35	1.34	1.33	1.32	1.31	1.29	1.28	1.26	1.24	1.22
For 1.0 DSC: 0 — BALANCE (B.O.Y.)			$18	19	20	21	22	23	24	25	26	27	28	29
For 1.0 - 1.15 DSC: 18 — OUTFLOWS (for 1.0 DSC)			-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RESERVE: $18 — 5.00%			1	1	1	1	1	1	1	1	1	1	1	1
Paid INTO Reserve			-	-	-	-	-	-	-	-	-	-	-	-
BALANCE (E.O.Y.)			19	20	21	22	23	24	25	26	27	28	29	30
Economic Coverage (1.0 to 1.15DSC)			-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE NOI			$ 183,667	$ 182,826	$ 181,832	$ 180,680	$ 179,360	$ 177,866	$ 176,189	$ 174,322	$ 172,256	$ 169,982	$ 167,492	$ 164,774
EFFECTIVE DSC			1.36	1.35	1.35	1.34	1.33	1.32	1.31	1.29	1.28	1.26	1.24	1.22

NOI_CF

			13	14	15	16	17	18	19	20	21	22	23	24
REVENUES [Net of Vacancy Losses]	Vac. %	Growth %	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
RESIDENTIAL - Qualified / Afford.	5.00%	2.0%	805,502	821,612	838,045	854,805	871,902	889,340	907,126	925,269	943,774	962,650	981,903	1,001,541
RESIDENTIAL - Market Rate	10.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Laundry	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Other Concessions	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Elderly / Congregate	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Commercial / Retail	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Parking	20.0%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
Other	2.5%	2.0%	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME (EGI)			$ 805,502	$ 821,612	$ 838,045	$ 854,805	$ 871,902	$ 889,340	$ 907,126	$ 925,269	$ 943,774	$ 962,650	$ 981,903	$ 1,001,541
EXPENSES Admin. / Management / Operating		3.0%	506,933	522,141	537,805	553,939	570,558	587,674	605,305	623,464	642,168	661,433	681,276	701,714
Other		3.0%	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		3.0%	51,327	52,867	54,453	56,087	57,769	59,503	61,288	63,126	65,020	66,971	68,980	71,049
Capital (Replacement) Reserve		4.0%	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes / PILOT's		3.0%	85,422	87,984	90,624	93,343	96,143	99,027	101,998	105,058	108,210	111,456	114,800	118,243
Sub. Tot: ANNUAL EXPENSES			$ 643,682	$ 662,993	$ 682,882	$ 703,369	$ 724,470	$ 746,204	$ 768,590	$ 791,648	$ 815,397	$ 839,859	$ 865,055	$ 891,007
$'s PUPA			12,379	12,750	13,132	13,526	13,932	14,350	14,781	15,224	15,681	16,151	16,636	17,135
NPV $2,101,897 / Rate 5.00% — NOI			$ 161,820	$ 158,620	$ 155,162	$ 151,437	$ 147,432	$ 143,136	$ 138,536	$ 133,621	$ 128,377	$ 122,791	$ 116,848	$ 110,534
AFDS @ 1.15			$140,713	$137,930	$134,924	$131,684	$128,201	$124,466	$120,466	$116,192	$111,632	$106,774	$101,607	$96,117
SCHEDULED ANNUAL DEBT SERVICE (ADS)														
1st Mortg. Loan, Self-Amortizing: $2,095,000 — ADS			$134,956.98	$134,956.98	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96	$134,956.96
Term > 18 — DSC			1.20	1.18	1.15	1.12	1.09	1.06	1.03	0.99	0.95	0.91	0.87	0.82
Rate > 6.00% — Bal. (E.O.Y.)			$1,554,416	$1,495,701	$1,433,674	$1,368,149	$1,298,927	$1,225,801	$1,148,550	$1,066,941	$980,729	$889,654	$793,441	$691,802
Loan 2: $0 — ADS			-	-	-	-	-	-	-	-	-	-	-	-
Term > 0.00 — DSC			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rate > 0.00% — Bal. (E.O.Y.)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Loan 3: $0 — ADS			-	-	-	-	-	-	-	-	-	-	-	-
Term > 0 — DSC			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rate > 0.00% — Bal. (E.O.Y.)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ADS STOT. =			$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957	$ 134,957
CASH FLOW AFTER DEBT SERVICE (CFADS)			$ 26,863	$ 23,663	$ 20,205	$ 16,480	$ 12,475	$ 8,179	$ 3,579	$ (1,336)	$ (6,580)	$ (12,166)	$ (18,109)	$ (24,423)
PROJECT DSC =			1.20	1.18	1.15	1.12	1.09	1.06	1.03	0.99	0.95	0.91	0.87	0.82
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EFFECTIVE DSC (w/Op-DS-Cvg Reserve)			1.20	1.18	1.15	1.15	1.15	1.15	1.15	1.15	1.00	1.00	1.00	1.00
CONTINGENT PAYMENTS [To 3rd Parties from Cash Flow after Mandatory Debt Service]														
Other, 1 PMT. / Yr. — 0.0%			-	-	-	-	-	-	-	-	-	-	-	-
Cum. Paid Accrued Int.			-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW / SURPLUS CASH			$ 26,863	$ 23,663	$ 20,205	$ 16,480	$ 12,475	$ 8,179	$ 3,579	$ -	$ -	$ -	$ -	$ -
OWNER DISTRIBUTIONS *Limited Dividend* — AVAILABLE / PERMITTED DISTRIBUTION			$ 26,863	$ 23,663	$ 20,205	$ 16,480	$ 12,475	$ 8,179	$ 3,579	$ -	$ -	$ -	$ -	$ -
ANNUAL CASH-ON-CASH RETURN %			0.3%	0.3%	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred Dev. Fee Loan: $0 — PMT			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
To be fully repaid, Term > 0 — NPV			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
in 10 yrs. @ Long Term AFF, Rate > 0.00% — Bal. (E.O.Y.)			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cum. Paid			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Developer Cash Flow Loan — 0.0%			26,863	23,663	20,205	16,480	12,475	8,179	3,579	-	-	-	-	-
Cum. Paid			518,626	542,289	562,494	578,974	591,449	599,628	603,207	603,207	603,207	603,207	603,207	603,207
Other — 0.0%			-	-	-	-	-	-	-	-	-	-	-	-
Annual Total			$ 26,863	$ 23,663	$ 20,205	$ 16,480	$ 12,475	$ 8,179	$ 3,579	$ -	$ -	$ -	$ -	-
Cum. Distribution			518,626	542,289	562,494	578,974	591,449	599,628	603,207	603,207	603,207	603,207	603,207	603,207
			13	14	15	16	17	18	19	20	21	22	23	24
Operating / Debt Service / Coverage Reserve — CHFA-Required Reserve	NPV's	Project Actual DSC >	1.20	1.18	1.15	1.12	1.09	1.06	1.03	0.99	0.95	0.91	0.87	0.82
For 1.0 DSC	0	BALANCE (B.O.Y.)	30	32	34	36	38	40	42	44	(1,322)	(8,133)	(21,011)	(40,623)
For 1.0 - 1.15 DSC	18	OUTFLOWS (for 1.0 DSC)	-	-	-	-	-	-	-	1,336	6,580	12,166	18,109	24,423
TOTAL RESERVE	$18	5.00%	2	2	2	2	2	2	2	(31)	(231)	(711)	(1,503)	(2,642)
Paid INTO Reserve			-	-	-	-	-	-	-	-	-	-	-	-
BALANCE (E.O.Y.)			32	34	36	38	40	42	44	(1,322)	(8,133)	(21,011)	(40,623)	(67,688)
Economic Coverage (1.0 to 1.15DSC)			-	-	38	3,764	7,769	12,065	16,664	20,244	20,244	20,244	20,244	20,244
EFFECTIVE NOI			$ 161,820	$ 158,620	$ 155,200	$ 155,200	$ 155,200	$ 155,200	$ 155,200	$ 155,200	$ 134,957	$ 134,957	$ 134,957	$ 134,957
EFFECTIVE DSC			1.20	1.18	1.15	1.15	1.15	1.15	1.15	1.15	1.00	1.00	1.00	1.00

RIPPOWAM CORP. DEVELOPMENT UPDATE
MARCH 2021

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.

For residents with genuine income loss due to Covid-19, the internal COC rent relief program can cover up to 100% of delinquent rent at the time of entering the rent relief program. Upon entering the program, residents will pay 30% of their income as rent, with the accrued balance going forward being subject to a repayment agreement, commencing at the end of the period of Covid related income loss.

Those eligible for temporary full or partial rent deferral include residents other than those in the federal public housing and Section 8 programs. The program has been expanded to allow applications from market rate tenants. Federal program residents are already eligible for interim re-certifications, which reduce the tenant share of rent and offset that reduction with an increase in federal subsidy. The developments most affected by potential rent loss are Oak Park and all Lawnhill Terrace phases.

Tenant participation in the rent forbearance program has increased due to program modifications and extensive outreach and recruitment efforts by property managers and resident service coordinators. Some residents are reluctant to commit to a repayment agreement, or possibly to sign any agreements, but we also find a number of households that have not experienced significant income loss but simply choose not to pay. These residents are not eligible for the rent relief program and are taking advantage of the State eviction moratorium to withhold rent without immediate consequence. When the eviction moratorium eventually ends, we anticipate many of these residents will move out, either with or without notice, leaving large unpaid balances.

The State prohibition on initiation of evictions for non-payment and all but the most severe lease violations has recently been extended "for the duration of the health emergency", currently projected to be in place at least through April The federal (CDC) eviction moratorium has also been extended and will likely remain in place for at least several months. The CDC allows the initiation of evictions and would be preferable to the State moratorium, but the CDC rules are not in effect as long as the State moratorium exists. We have urged the State to rescind the State moratorium in order to allow the CDC moratorium to become effective or to modify the State moratorium to more closely match the CDC rules.

The State closed its previous rent relief program in early December. The program reopened on March 15, funded at over $200 million. We are working with residents to determine eligibility and assist in the application process. The program will fund 85% of up to six months of delinquent rent and up to six months future rent. We have objected to the requirement that landlords forgive 15% of delinquent rent and urged the State to remove that requirement for housing authorities and non-profit owners.

<u>IN CONSTRUCTION</u>
Lawnhill Terrace 3: Work continues at the site with reduced crew size and maintenance of distance between workers, in conformance with the Governor's Executive Order on construction site practices. By

the end of March, it is anticipated that the first quad will be complete except for touch-up of final interior work, and that inspection for final touch-up will be under way for the second quad. Final as-built surveys and a request to the City for issuance of a certificate of final completion will have been submitted. The current goal is City issuance of certificates of occupancy for the first quad in early April with the second quad soon after, depending on the City's inspection schedule. Completion of the community center will follow, as will landscaping work that requires warmer weather. The property management team is preparing to relocate households from the Phase 4 area to the completed Phase 3, and is also working with our private leasing agent, NewBridge Realty, to set up model units and marketing plans for those units not to be occupied by returning residents.

Rippowam Manor: Renovation work was halted for an extended period in compliance with State and City guidance regarding construction work in occupied buildings but resumed in August. A nurse is on site to perform temperature checks and medical assessments for all workers and delivery drivers. A separate entrance has been set up for crew members to limit contact with residents. Coordination meetings are being held with the contractor and property managers, and extensive communication with residents is under way. J Stack units are complete and residents have returned to those units. Work is ongoing in the A stack and the B stack has begun relocation. The final stack is C, with completion anticipated in June. Work in common hallways is ongoing and renovation of the community room is scheduled to commence in April. Exterior work is resuming as weather permits and will commence in earnest as spring arrives. Outdoor work includes refinishing the building exterior, installing drip edge around air conditioner sleeves, paving and final landscape improvements.

Glenbrook Manor: The new FHA-insured mortgage loan closed in early September. The project budget has increased by approximately $90,000, due to delays related to Covid-19, the cost of the on-site nurse and other protective measures, and additional requirements by the City. This increase is offset by the increase in the loan amount of over $200,000 from original projections. The first six units have been completed and reoccupied. Work is progressing in the other five units on the 4th (uppermost) floor. Work continues in the community room, basement level, and common areas. As outdoor temperatures rise, roof replacement is scheduled for April, followed by refinishing of the exterior.

Temporary relocation of residents is going well, with a coordinated effort by property managers, resident service coordinators and Rip Corp. staff. All health and safety measures are being observed to minimize resident contact with the construction crew and to clean and sanitize all spaces regularly.

IN PLANNING STAGE

Vidal Court Replacement – Phase V: Under an existing HUD grant, master planning and schematic design for a possible fifth phase of the Vidal Court revitalization on Stillwater Avenue was performed. A preliminary cost estimate for the development has been completed, but further action on this phase is not scheduled for the near term.

Lawnhill Terrace 4: The Zoning Board has awarded an additional $1.3 million in Fee-in-Lieu funds bringing the total allocated to Lawnhill 4 to over $2.1 million. We have received a special allocation of State DOH funds to complete the funding sources and the team is preparing the DOH and tax credit applications and finalizing terms with the lender and investor. Thirteen Project-Based Vouchers will be assigned to Lawnhill 4, which will generate additional revenue and support a larger permanent mortgage.

The process of putting together the due diligence items for the consolidated application for tax credits and DOH funding continues. Viking Construction has been selected as Construction Manager and is working with the architect to finalize renovation plans and secure pricing from subcontractors. The target date for having the full cost estimate in place is mid-March. With pricing identified, the tax credit and DOH funding applications are expected to be submitted in late April.

Oak Park: A comprehensive rehab in three phases, similar to the renovations being performed at Lawnhill Terrace, is planned following the completion of the final Lawnhill Terrace phase. A study of physical conditions has been completed by QAM Architects, identifying a scope of work requiring immediate attention, prior to the start of overall renovations. These items include stabilizing electrical systems, removal of existing unused oil tanks and repairs to the building roofs. We are in the process of estimating the cost of work and identifying funding sources for addressing these most critical issues. The Zoning Board has awarded $3.45 million in Fee-in-Lieu funds toward both interim repairs and the more comprehensive renovation to follow. We continue to seek additional funding. The interim scope of work has an estimated cost of $2 million. We are proposing to use $1.5 million in replacement reserve funds. We learned recently that detailed construction plans of the existing buildings do not exist. As a result, the design team is measuring the buildings in order to create accurate plans for bidding and design. This has delayed the completion of design and bid specs. Measuring of all units is ongoing.

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. We met with the architect and an expert in panelized siding to identify options for new siding, and a cost estimate has been prepared, We are investigating the possible refinancing of the existing mortgage and inclusion of funds to pay for the repair.

Stamford Manor: Because of the recurring sizeable operating deficit at Stamford Manor, COC has asked that we investigate possible alternative funding approaches to the conventional low-income public housing program under which Stamford Manor has always operated. The deficit is primarily attributable to very large security expenditures and to the resident services provided through Family Centers. The amount of HUD operating subsidy is based on an internal calculation performed by HUD for all regions of the country, with no consideration of the actual costs of any given development. The HUD formula is unable to recognize the special security needs or the importance of supportive services to the particular population at Stamford Manor.

We have determined that it is not possible to increase the amount of public housing operating subsidy. We have also investigated other potential options for addressing the recurring deficits at Stamford Manor. All would maintain the level of affordability at Stamford Manor that currently exists, would not result in any change in resident rent payments, and would not require relocation of any residents. This topic is addressed in greater detail under Asset Management.

ASSET MANAGEMENT

Park 215, (Phase IV Vidal Court Revitalization): Commercial leasing activity has largely ceased due to Covid-19, although a showing took place in early September. Over half of the commercial space is leased and medical offices there are in operation, but there have been no recent showings of the space that remains available. We have transferred a portion of the soft debt from the tax credit partnership that owns the residential portion to SCCIC, which owns the ground floor commercial condo.

Conversion of COC Public Housing Portfolio: HUD has two standards for conversion of public housing developments to Section 8 rental subsidy. For housing authorities with greater than 250 public housing units, one option is very cumbersome and requires extensive and costly repairs. The other option requires fewer repairs but provides no additional operating funding beyond what had been provided under the public housing program. This second option is the Rental Assistance Demonstration (RAD).

Applications for RAD conversion of the Ursula Park Townhouses, Sheridan Mews, Lawn Avenue, and CT Avenue public housing developments to Section 8 project-based vouchers have received preliminary approval. Physical needs assessments and energy audits have been completed for all five RAD sites. Data from the assessments and audits is being verified and will be entered into the HUD electronic reporting tool and inform the required HUD financing plan for funding of current and long-term repairs at each site. The required federal environmental review is underway.

For the remaining 249 units, which includes Stamford Manor (215 units), and the public housing units within Post House Palmer Square, Greenfield, and Park 215, we suggest conversion to Section 8 under the Streamlined 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. The six scattered site public housing units are not addressed here because their disposition is already under way.

Taylor Street: Investigation by an independent party has determined that two of the eight owner-occupants are living elsewhere and renting their units, in violation of their deed covenants. We have initiated legal action against these two owners and their tenants on behalf of both Rippowam Corporation, as the designated affordability monitor, and the condominium association. The legal process has been delayed due to the closure of the courts. Following the required notice and hearing, we began fining the two owners in violation of the primary residence requirement. The fines are in the amount of $50 per day and are retroactive to the start of the violations. We have also amended the bylaws to permit our legal fees to be charged to those found in violation. One owner unit has recently sold. A second unit had been under contract but the lender for the buyer has declined to make loans at Taylor Street. We had provided the seller with contact info for the lender that funded the buyer of the unit that closed but the second unit buyer chose to work with a different lender. We have reminded the seller of the lender that has offered to make additional loans.

Clinton Manor Cell Antenna: Negotiations have been completed and the lease agreement has been executed. We have coordinated with COC facilities staff to ensure that the installation will not cause damage or maintenance problems, and T-Mobile will install a separate back-up generator to serve the antenna in the event of a power outage. Rental revenue from T-Mobile will begin at $2,250 per month with annual escalations. The most recent delay in installation of the antenna is due to T-Mobile placing a hold on all new projects until the merger with Sprint was completed. The merger has received government approvals, and a lawsuit seeking to block the merger was recently dismissed. We continue to reach out to T-Mobile in hopes of getting the project moving again.

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 over $86,000. For a two bedroom unit in Stamford, the LIHTC program permits rents up to $1,822, including utilities. 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.

After extensive discussions with COC Admissions and Property Management staff, some changes have been implemented in hopes of generating more applications from households at the upper end of the eligible income range and retaining those applicants throughout the leasing process. COC has created new marketing materials and has reduced the size of the application package for units that have affordability restrictions but do not receive subsidy under the public housing or Section 8 programs. NewBridge Realty, the firm that handles the leasing for our market rate units, has been actively marketing the unsubsidized affordable units. The problem of recruiting applicants at the upper end of the income ranges eligible for affordable units remains, and we are working with COC and NewBridge to improve recruiting. COC is initiating a new marketing effort on a trial basis. We are coordinating with COC and are hopeful that the program will lead to increased wait lists.

Additional efforts and procedural changes remain under discussion both to improve our marketing efforts and to maintain better contact with households on the waiting lists, but we have identified one new approach as an experiment: We have two units targeted to households with incomes up to 60% of the area median for which the wait lists are exhausted. We will be listing these units with a private broker (NewBridge Realty) in the CT Multiple Listing Service (MLS). If successful, this will result in both the leasing of the two available units, and also in the start of a wait list made up of those eligible applicants not selected for these two units. We also hope that the brokers associated with these applicants will remain in contact with them while they are on the wait list, resulting in a more accurate and up to date wait list as time passes.

Year 15 Tax Credit Project Planning: 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, and we are focusing on these two sites initially. Discussions are being initiated with the investor limited partners, with the goal of transfer of their interest to the General Partner, which in each case would be an entity owned by Rippowam Corporation. The Taylor Street investor has indicated an interest in exiting the partnership early. Debt remaining at Taylor Street will be approximately $400,000 at the time of partnership dissolution, and approximately $2 million at Post

House. Both developments can be refinanced for amounts sufficient to pay off the existing loans and fund any needed capital items, including energy efficiency improvements.

Miscellaneous: We have prepared a Request for Qualifications for architectural services in order to expand the list of pre-qualified design firms from which we can request proposals for specific projects. This will allow project-specific procurement to focus on the suitability of the pre-approved firms for the project under consideration and reduce the length of the procurement period. Following technical review by legal counsel the RFP will be published.

UPCOMING TRANSACTIONS AND TASKS

COVID-19: Address higher than anticipated rent delinquency levels. Implement rent relief program. Assist residents in applying for the State and local rent relief programs, and for unemployment compensation and other benefits. Submit FEMA funding application for fourth quarter 2020 – applications for second and third quarters have been previously submitted. Monitor new federal and state rent relief programs and assist COC in implementation. FEMA rules have recently changed to provide 100% reimbursement of eligible expenditures rather than 75%.

992 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. Identify and address source of mold in certain units.

Park 215: Continue marketing effort to obtain tenants for remaining available commercial space. Coordinate commercial tenant fit-out process.

Rippowam Manor: Coordinate temporary relocation of residents during renovations. Coordinate renovations and oversee project during development period.

Glenbrook Manor: Coordinate temporary relocation of residents during renovations. Coordinate renovations and oversee project during development period.

Lawnhill Terrace 3: Oversee renovation process and coordinate re-occupancy with property management team

Lawnhill Terrace 4: Prepare funding applications and finalize agreements with lender and investor. Finalize plans and specs after receiving cost estimate.

Oak Park: Complete building measurements, plans and specifications, procure contractors, and implement initial 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. Place MLS ads.

Year 15 Preparation: Initiate discussion 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 reasonably strong, given Covid-19 concerns, although applicant quality has declined. The amount of unpaid rent remains high, with some market rate residents experiencing income loss due to Covid-19 and others simply choosing to withhold rent because of the State and federal eviction moratoria that remain in place. We have been generally successful in seeking more aggressive rent increases for the market rate units on turnover, although renewal increases are either not being implemented currently due to Covid-19 economic impacts or are smaller than usual. Strong demand and occupancy continues 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 and 2, although unpaid rent levels are significant at several 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. We are closely monitoring rent delinquencies due to tenant income loss during the Covid 19 emergency and taking steps to offset those losses.

EXTERNAL COMMUNICATIONS AND ISSUES

CHFA Tax Credit Allocation Policies: CHFA is currently considering modifications to the Qualified Allocation Plan (QAP), used to establish priorities for awarding 9% tax credits. During a recent meeting with housing authority representatives, CHFA presented some draft QAP revisions and solicited comments. The draft language reflects some of our previous comments and suggestions, and CHFA and DOH staff at the meeting were receptive to additional suggestions, which we have submitted in writing. We will continue to monitor the process as the QAP revision progresses.

DOH Funding Policies: Historically, State funding in tax credit projects from the State Department of Housing (DOH) has been provided as a grant or "soft" debt for which interest and principal payments are accrued and later forgiven, not repaid. DOH changed that policy a few years ago to one which requires repayment of the State investment from surplus cash from 50% of net cash flow. We are working with the new DOH leadership to urge either the elimination of the repayment requirement or at least a reduction on the portion of cash flow dedicated to repayment. To date we have been successful in reducing the repayment amount for Lawnhill 3 to 10% of net cash flow, and to deferring the commencement of repayment for over ten years.

Communities of Opportunity Policy: DOH and CHFA funding and tax credit allocation policies favor what are considered to be "communities of opportunity". Communities of opportunity are generally those with higher incomes, fewer low-income households, higher rated public schools, and more growth. Urban areas, such as the West Side of Stamford, do not fare well in this calculation and the policy further hinders our opportunities to receive tax credits and DOH funding. We will continue to seek modification of polices we believe unfairly penalize COC and that do not recognize the importance of neighborhood revitalization.