

**RIPPOWAM CORPORATION  
REGULAR BOARD MEETING**

**June 28, 2023**

**6:45 PM**

**Agenda**

TO: Richard Ostuw  
Ronice Latta  
John Coff

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- a. Call to Order
- b. Approval of the Board Meeting Minutes for May 24, 2023
- c. Resolution 23-06 – Approval of Rippowam Corporation Budget
- d. Development Update
- e. Adjourn



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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Ronice Latta

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Rich Ostuw

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John Coff

THE ABOVE BEING ALL OF THE DIRECTORS  
OF RIPPOWAM CORPORATION

**RIPPOWAM CORPORATION**

40 Clinton Avenue, Suite 101

Stamford, CT 06901

**Board Meeting Date:** June 28, 2023

**Resolution Number:** 23-06

**RESOLUTION**

**Subject:** Approval of FY 2024 Operating Budget for Rippowam Corporation

**Background:** This resolution will authorize the proposed Budget for the Fiscal Year End beginning July 1, 2023 – June 30, 2024.

**Resolution:** **Be it resolved by the Board of Directors of Rippowam Corporation that the 2024 Fiscal Year End Operating budget for Rippowam Corporation is approved and that the officers of Rippowam Corporation are hereby authorized to implement said budget on behalf of the Board.**

Jonathan Gottlieb

Staff Member Submitting Report



**RIPPOWAM CORP. DEVELOPMENT UPDATE**  
**JUNE 2023**

**IN CONSTRUCTION**

**Megan: Lawnhill Terrace 4:** We have received the full Certificate of Occupancy for the entirety of LHT4. Unfortunately, contractor error on site resulting in a waste-water flooding issue in building 20 requires repair prior to occupancy. Five units in the affected building had already been leased prior to the flooding. Those residents have been relocated. The insurance claim with the subcontractor's insurance is ongoing. While it seems to be resolved that the insurance is accepting of the validity of the claim, they have adjustors working on valuing the claim. We are working with our insurance consultants at USI to see what options we may have to speed this process up. Some small exterior items remain outstanding – pavers leading to the generator, potential ground water channeling leading to yard drains, and the shifting of a gang mailbox. Leasing is progressing well with fourteen units in place. Most other units have families assigned that are completing the eligibility screening and income verification process.

**Megan, Chris, Michele: Oak Park:** Bi-weekly meetings with the tax credit limited partner and mortgage lender are ongoing, as are bi-weekly meetings with the architecture/engineering team and the construction manager. A kick-off call with CHFA and DOH staff was held on May 19. All parties involved have indicated that we should see more review from them as we near the end of the summer. Counsel will join the investor/lender calls as partnership and loan documents are being developed.

The City has agreed to utilize the historic “shelter rent” formula to calculate local real estate taxes for Oak Park 1, resolving a dispute arising from the City's proposal of an alternate assessment approach.

Several long lead time items are in process, the most notable of which are the subdivision of the Phase 1 area from the rest of the Oak Park site, and the revised 100% drawings for subcontractor bidding. We are also exploring the possibility of seeking the demolition permit prior to the financial closing since the permit process is lengthy and complex.

The first resident relocation meeting was held on May 24. Resident surveys administered by two Resident Service Coordinators are in process and these RSCs participate in our weekly relocation meetings. The Section 8 lottery for the number of households that cannot be accommodated in vacant Oak Park units will begin June 26 and continue through July 7. Because of the unit mix of vacant units all six three-bedroom households will receive Section 8 vouchers. Approximately fourteen two-bedroom families will receive vouchers through the lottery. RSCs, Rippowam Corp and COC are all working to assist residents in the Section 8 application process. Newbridge Realty will assist in the subsequent unit search for those awarded vouchers and we will fund all moving expenses, including new security deposits. Residents relocating off-site with vouchers may choose to return to the completed development.

COC maintenance and Rippowam Corp have inspected the vacant units at Oak Park and determined which are able to be made ready for occupancy. IBM is in the process of executing repairs and turnover preparation for those units. Eight units have been made ready, with one utilized to rehouse a family impacted by an electrical fire, so seven remain ready for relocation. We are preparing to begin moving those who do not receive vouchers in the lottery into these units once the voucher list is finalized. We hope to have all relocation activity complete by mid-November.

The design and construction team is finalizing site improvement and construction plans. Additional soil testing began last week. The team continues to look for ways to make the plans more efficient and therefore less costly, with close coordination between the design team and construction management firm. We received a proposal from a vendor to install solar panels on the roof of the multifamily building which would be owned by the vendor with power generated by the panels sold back to the power grid. After analysis, it was determined that our cost to modify the roof to accept the panels would far exceed the offered lease fee of \$800 annually.

**Michele: Clinton Manor:** The contractor selected to perform the stucco siding replacement, East Coast Wall Systems (ECWS) submitted construction plans to the City Building Department and received comments on Friday last week. The architect updated the plans and re-sent the drawings to ECWS the same day. Once our legal counsel finalizes the construction contract, it will be circulated for signature. After ECWS completed their site visit last week, Megan and I had a meeting with the architect to discuss what was needed from ECWS to proceed with the work. The architects issued a list of required items to the contractor and will schedule another meeting once the contractor has submitted the requested documents. The architect received a temporary fencing plan and schedule, along with some comments from ECWS. We hope to finalize the construction contract and commence the siding repairs this summer, although it is not likely that the full scope of work can be completed before cold weather forces the work to stop. The work will be halted during the late fall and winter and resumed in the spring of next year.

#### IN PLANNING STAGE

**Michele: 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 to the exterior. We received the revised estimate which included the base cost and the additional cost for a few items that are desirable but not required. The total cost including the alternates is estimated at \$2.9MM. Without the alternates the total is \$2.2M. The alternates include a new entry canopy, signage and exterior lighting. The current mortgage lender, CHFA, has offered additional financing of \$2.7 to \$2.9 million, depending on interest rates at the time of loan closing. Any funding gap will be filled with a portion of Quintard's substantial cash flow and existing reserves.

#### ASSET MANAGEMENT

**Chris: Rippowam Manor:** Removal of the pull-cord emergency notice system has been completed, per guidance from our insurance consultant. The security camera system installation is in process (also at Glenbrook Manor), with extensive wiring being run prior to the cameras being installed. We continue to monitor the level of resident services, community events and outreach, and have met with Family Centers to discuss the Resident Service Coordinator program, reporting of services provided and outcomes, and overall program focus. The new limited partner continues to make frequent requests for information and has requested adjustments to the annual audit.

**Chris: Security and Marketability Analysis of Various Properties:** Installation of security camera systems at Rippowam Manor and Glenbrook Manor is under way. We monitor vacancies and leasing activity at all sites and appreciate the efforts of the Operations team which have resulted in improved occupancy levels. Improvements to lobbies and common areas to enhance marketability and "curb

appeal” have been implemented, focused on developments that do not receive rent subsidies and additional measures to improve marketability are being sought.

**Chris: Other Asset Management Activities:** Monitoring resident services across the portfolio and working towards unifying programs and services provided to residents. Establishing consistent offerings and maintaining a presentable and approachable service space are current objectives. Participating in assessing conditions at Stamford Manor and identifying potential scope of current and post-conversion repairs. Monitoring resident services provision at Summer Place by Inspirica, condition of neighboring building, and impact on our parking area. Working with private leasing agent, NewBridge Properties, to monitor market changes (including seasonal variation) and maximize revenue from market rate units by increasing asking rents on turnover and lease renewal. Participating in Oak Park turnover preparation and relocation effort.

**Capital Needs Assessments:** Detailed physical needs assessments and multi-year cost projections have been completed for Taylor Street, Stamford Manor, Clinton Manor, and Post House. The written reports have been received and will help us plan for long-term capital budget needs at each site and aid in decisions regarding refinancing and renovation planning. As part of the annual operating budget development process, we are working with the Finance Dept. to ensure that deposits to each project’s replacement reserve are sufficient to fund repairs called for in the needs assessments.

**Project Operating Budgets:** As part of the enhanced asset management function, we have participated to a greater extent than in previous years with Finance and Operations staff in the review of 2022 operating revenue and expenses and the development of operating budgets for 2023.

**Property Inspections and Reviews:** Another aspect of the enhanced asset management role is a more frequent presence at each site in the Rippowam and COC portfolios. This will help to identify and monitor issues to be addressed and enable us to assist the Operations team. We continue to hold discussions with Taylor Street condo unit owners to plan repairs and capital budgets, since these decisions will affect monthly common charge paid by the eight condo unit owners.

**Michele: Park 215, (Phase IV Vidal Court Revitalization):** Over half of the commercial space is leased and medical offices there are in operation. An offer for 3,900 of the remaining 10,500 square feet has been received from an operator of adult day care centers. We have responded with a counter-offer and await the next communication from the potential tenant. The offers consist of a term sheet containing proposed lease terms.

**Michele: Summer Place – Siding Repair of Adjacent Building and Flooring Replacement:** 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 initial phase of repair work has been completed and fencing removed, allowing us full use of our parking area. Supply chain issues have delayed the delivery of the finish siding material, which is not expected for



several months. We will continue to monitor the condition of the wall that abuts our property in the interim.

The existing vinyl plank flooring at Summer Place has been showing separation at the connection points and along the corridor walls for several years. This separation of the planks is limited to the corridor flooring and not in the residential units. The original contractor, architect, flooring contractor and manufacturer of the product, have all visited the building several times to observe the damage. It was determined that the installation nor the product itself were causing the separation but likely building settlement which is common for ground up construction. We do not anticipate further settlement to the current degree and plan to replace the damaged flooring with a product by a different manufacturer. The vendor is anticipating the flooring materials to be delivered to their warehouse before the end of June. The logistics of the flooring installation will be formalized prior to the delivery of the product.

**Michele: Conversion of COC Public Housing Portfolio:** Fairgate – The items that failed the HQS inspections have been corrected the reinspection is being scheduled. Our counsel and HUD counsel have finalized the required legal documents and a closing of the conversion to Section 8 Project-Based Voucher subsidy for all units is scheduled to occur prior to July 1.

Sheridan Mews/Ursula Park – Final HUD questions were resolved last week. We anticipate that HUD will issue the RAD closing commitment shortly, placing the Sheridan/Ursula conversion in the 60 – 90 day closing queue.

Lawn/CT Aves – Action on the Lawn Avenue and CT Avenue proposal will follow the issuance of the closing commitment for Sheridan and Ursula. We do not anticipate significant questions and hope to complete the full first round of conversions prior to the end of the year.

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 public housing 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. Analysis of needed repairs and improvements at Stamford Manor has commenced. A structural engineer has been retained to inspect the property and their report is due this week. The new report and past studies will be used to develop a scope of work for repairs and improvements to be funded initially with existing HUD capital funds, and with increased revenue from Section 8 subsidy following conversion.

**Chris: Taylor Street:** With the exit of the limited partner following the completion of the fifteen-year tax credit compliance period, entities owned by Rippowam Corporation are the sole owners of Taylor Street. The new partnership borrowed \$400,000 from COC to retire the original mortgage loan. The new loan is being repaid with payments equal to the previous mortgage payments. We are preparing cost estimates for certain site repairs and improving the participation of the eight condo unit owners in the condo association.

**Chris: Leasing of Higher End Affordable Units:** While there is almost always significant demand for units reserved for households with incomes under 25% of the area median, there are fewer applications submitted by households at the higher end of the 26% - 50% category, and within the 51% - 60% category. We use a private leasing agent, NewBridge Realty, to complement COC's marketing of affordable units reserved for the 50% - 60% range, and COC has strengthened its marketing effort to this income category, as well. Leasing at Lawnhill Terrace has commenced and is going well. Several families have moved in, and most units have households assigned that are completing the screening and income verification process. We closely monitor leasing of units without rent subsidy at Clinton Manor, Quintard Manor, all Lawnhill Terrace phases, and the unsubsidized affordable units at the mixed-income sites. Occupancy levels continue to be strong at these sites, with market resistance to studio units an ongoing challenge.

**Year 15 Tax Credit Project Planning:** The first half of the limited partner's interest in Post House was transferred to a new entity owned by Rippowam Corp. in 2022. The full interest of the Taylor Street limited partner was transferred to a new entity owned by Rippowam Corp. on February 28. The next development to reach year 15 will be Fairgate, which has the same limited partner as we had at Taylor Street. We anticipate discussions regarding partnership restructuring for Fairgate later this year or early in 2024. Our counsel is preparing amended partnership documents to reflect the change in limited partners that has occurred at Taylor Street. This revised agreement will serve as a template for new documents for Post House, Fairgate and other sites as Year 15 changes are completed.

**Chris: Facilities Management:** We continue to coordinate closely with Maintenance and Property Management to facilitate effective and timely communication among all team members, improve work flow and assist in identifying responsible parties in various situations.

#### PORTFOLIO PERFORMANCE

For market rate units: We continue to monitor market trends and adjust rents upon lease renewals and as vacancies arise. Demand continues to be strong for most units and increases for new market rate tenants of \$50 - \$100 over previous rents for the same unit have been achieved.

A significant amount of unpaid rent resulting from the Covid pandemic has been recaptured through the COC and State rent relief programs. **The State has resumed the provision of rental assistance on a more limited basis and we assist COC in working with residents to file applications.** 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. 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.

#### UPCOMING TRANSACTIONS AND TASKS

**Rent Arrearage:** Address higher than anticipated rent delinquency levels. Assist COC and Stone Harbour in addressing chronic delinquency issues.

**992 Summer Street:** Monitor hallway flooring replacement. Monitor repair work at the adjacent 1010 Summer Street. Continue to facilitate communication and coordination between COC property managers and Inspirica service provider team. Work with Inspirica to improve resident supportive services.

**Park 215:** Continue marketing effort to obtain tenants for remaining available commercial space. Attempt to negotiate agreement with current prospective tenant. Coordinate commercial tenant fit-out process. Continue to work with active prospective tenants by providing information and design assistance.

**Resident Services:** Continue to monitor the level and quality of resident services.

**Lawnhill Terrace 4:** Oversee completion of minor remaining site work, leasing of units, and project close-out, including conversion to permanent financing and receipt of balance of investor equity.

**Oak Park:** Initiate and continue efforts toward initial financial closing. Work closely with residents to prepare for, and implement, temporary and permanent relocation.

**Clinton Manor:** Coordinate with Property Management and Maintenance to commence re-siding and balcony repair with the minimum amount of disruption and inconvenience for residents. Monitor work through completion and close-out.

**Quintard Manor:** Finalize construction plans and new loan. Obtain contractor and initiate elevator and stairway construction.

**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.