

**RIPPOWAM CORPORATION
REGULAR BOARD MEETING**

August 23, 2023

6:45 PM

Agenda

To: Richard Ostuw
Ronice Latta
John Coff

- a. Call to Order
- b. Approval of the Board Meeting Minutes for July 26, 2023
- c. Development Update
- d. Adjourn

RIPPOWAM CORPORATION
Meeting Minutes of the Board of Directors
July 26, 2023

The Meeting of the Board of Directors of the Rippowam Corporation (the "Corporation") was held at 40 Clinton Avenue, Stamford, Connecticut and on the Zoom remote connection meeting platform on Wednesday, July 26, 2023.

Director Ostuw called the meeting to order at 6:54 p.m.

Attendees

Board Members: Rich Ostuw
 John Coff
 Ronice Latta

COC Board Members: Lester McKoy
 Sheila Williams-Brown
 Ari Goldstein

Present: Vin Tufo
 Natalie Coard
 Jon Gottlieb
 Lisa Reynolds
 Jackie Figueroa
 Ken Montanez
 Jan Tantimonico
 Michele Tarulli
 Chris Warren
 Christine Young

1. Approval of Minutes of Previous Meetings

Meeting Minutes for June 28, 2023, were approved unanimously on a motion by Director Ostuw, seconded by Director Coff.

2. Development Update

The July Development report was presented by Mr. Gottlieb, Ms. Tarulli and Mr. Warren.

3. Adjournment

At 7:26 p.m., after a motion duly made by Director Ostuw and seconded by Director Latta 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

John Coff

THE ABOVE BEING ALL OF THE DIRECTORS
OF RIPPOWAM CORPORATION

RIPPOWAM CORP. DEVELOPMENT UPDATE
AUGUST 2023

IN CONSTRUCTION

Megan: Lawnhill Terrace 4: All units are leased with the exception of Building 20, the location of the eight units damaged by a flood caused by a subcontractor. The property management team has applicants ready for these units once they are repaired. We are working with our insurance consultant and with the construction manager to pursue insurance coverage from the offending subcontractor's insurance carrier. That carrier has denied the claim, without basis, in our opinion, and we continue to pursue full reimbursement for the cost of repairs, and also for lost rent, additional construction loan interest, and penalties imposed by the limited partner for late delivery of tax credits for the affected units.

We have had success in regaining contact with HUD regarding the \$450,000 federal grant that will help to repay the construction loan. We received assistance from Congressman Himes's office in getting HUD to respond. We hope to receive the funds in the near future. Minor site work remains to be completed but all units are fully approved for occupancy.

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. 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 application to subdivide the Phase 1 area from the balance of the property has been completed and submitted to the City. The Planning Board is scheduled to take up the application on August 29. We have commenced the application process for the demolition permit since the permit process is lengthy and complex.

The Section 8 lottery for those residents interested in relocating off-site has been completed, with extensive and helpful efforts by Section 8, the property management team and the two resident service coordinators. A briefing was held on August 16th for the families that have submitted all the required Section 8 application documents, and those families will receive vouchers and begin their housing search, assisted by NewBridge Properties. The few voucher applicants whose applications remain incomplete are being assisted by the property management team. The resident service coordinators and property managers are working with those Phase 1 households that did not join the Section 8 lottery to begin relocating to existing vacant Oak Park units that have been prepared for temporary use during the Phase 1 development period. We have made packing supplies available, and have scheduled the first internal moves to the units that maintenance and IBM have made ready in the later Oak Park phases. We will fund all moving expenses for voucher holders, including new security deposits. Residents relocating off-site with vouchers may choose to return to the completed development.

An updated construction drawing set (98% complete) has been issued to the construction manager and a final set reflecting input from the construction manager is expected September 1. This will be used for final pricing and to provide final cost figures for the closing documents. We are working with CHFA to modify the existing Oak Park mortgage to eliminate the repayment requirement. We are also requesting

the City waive any WPCA sewer impact fee charge resulting from adding more bathrooms to the Oak Park replacement units.

Michele: Clinton Manor: The architect has requested revisions in the contractor's schedule of values. This is the only outstanding item and is an exhibit to the contract. The contract will be executed and work commenced once the revised exhibit is submitted. We are coordinating with the property management team to prepare residents for the work and to address the loss of some parking spaces that will be needed for construction equipment.

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. The total cost including the alternates is estimated at \$2.9MM. 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. Michele has completed her review of the design development drawings and the architect is preparing the final construction drawings for the bid package.

ASSET MANAGEMENT

Chris: Rippowam Manor, Glenbrook Manor: Protective railings are being installed around the floodway that runs through the property and other capital needs are being reviewed with the limited partner, including the addition of a safety railing along the exterior walkway. At Rippowam and Glenbrook Manor, the performance of the recently installed security camera and monitoring systems are being reviewed and evaluated. We are working with the contractor to facilitate repair of damage to windows at Glenbrook caused by a lift truck during security camera installation.

Chris: Security and Marketability Analysis of Various Properties: 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: We are working with the Operations team to prepare guidelines and handbooks to assist staff in dealing as expeditiously as possible with residents that fall behind in rent payments. The two-pronged approach focuses on moving through all stages of the lease enforcement process as quickly as possible, while also working intensively to assist residents in curing any delinquency. We are also coordinating with Operations in preparing guidance regarding the oversight, direction, and evaluation of service contractors, such as those providing landscaping, snow removal, janitorial, and litter patrol services. We are requesting that the City retain the Shelter Rent tax formula for our affordable units instead of implementing an assessed value approach.

Coordination of preparation of vacant units for temporary relocation at Oak Park continues, as does monitoring of the Family Centers resident service coordinators. 19 vacant Oak Park units have been made ready for occupancy. We are coordinating closely with NewBridge Realty to assist up to 18 Section 8 voucher holders in relocating from Oak Park to off-site units, either temporarily or permanently.

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 will participate with Finance and Operations in evaluation of 2023 operating performance and preparation of 2024 operating budgets.

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 charges 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. The two parties that had expressed interest recently have withdrawn. Another potential tenant has contacted our broker for a showing, to be scheduled shortly. We are working with the State Department of Housing to eliminate or significantly reduce the repayment terms of the original loan.

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. Because the repairs to the wall bordering our property have remained incomplete for an extended period, the City Blight Inspector has issued a notice requiring the repair to be completed. The owners of 1010 have recently submitted an application to convert the building from offices to apartments.

Replacement of all common area flooring is under way and progressing well, with minimal disturbance and inconvenience to residents. The Operations team is overseeing the flooring installation.

Michele: Conversion of COC Public Housing Portfolio: The Fairgate RAD conversion is almost complete, lacking only a signed subordination agreement from CHFA. Once that is received all Fairgate conversion documents can be recorded. The RAD Closing Commitment has been issued for the Ursula Park/Sheridan Mews. Closing documents are being prepared and uploaded to the HUD website. HUD is reviewing the conversion documents for Lawn Avenue/CT Avenue and has requested revisions to the repaid assessment, which the architect is implementing.

The RFQ for construction management services has been issued, and we anticipate proposing a firm for Board approval in September. The initial assignment for the selected firm will be to oversee the required repairs and improvements at the four RAD developments. An identified construction manager, scope of work and price agreement must be in place in order to close the final conversions,

The structural analysis of Stamford Manor has been completed, with the major findings being the need to replace the two exterior stairways and to perform major repairs of the elevated concrete walkways and surrounding areas. We hope to complete as much of this work as possible with public housing capital funds prior to the conversion from public housing to Section 8.

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 working with unit owners and property management to address concerns with certain service contracts. Preparing for development of 2024 operating budget and meetings with unit owners on the proposed budget.

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 remaining limited partner interest was transferred to an entity controlled by Rippowam Corp in August. 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 and is pending at Post House. This revised agreement will serve as a template for new documents for 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 workflow 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 continue 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

Asset Management: Address higher than anticipated rent delinquency levels. Assist COC and Stone Harbour in addressing chronic delinquency issues. Prepare suggestions for improved A/R management and for coordinating work of service contractors.

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.

RAD Conversion: Complete closings of the Ursula Park/Sheridan Mews and Lawn Avenue/CT Avenue conversions. Procure construction manager and implement required repairs at all sites.

Streamlined Voluntary Conversion (SVC): Continue seeking cost estimates for extensive work to be performed at Stamford Manor prior to conversion in order to utilize remaining public housing funds. Pursue SVC of all remaining public housing units upon final RAD closing.

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.