

**RIPPOWAM CORPORATION**  
**REGULAR BOARD MEETING**  
**September 27, 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 from August 23, 2023
- c. Development Update
- d. Resolution

23-07: Authorize an Agreement between Rippowam Corporation (“Rippowam”) and BRD Builders (BRD) for BRD to serve as construction manager for a variety of repairs and improvements required by HUD at four sites being converted from public housing to Section 8 under the RAD program: Ursula Park Townhomes, Sheridan Mews, Lawn Avenue Townhomes, and CT Avenue.

- e. Adjourn



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John Coff

THE ABOVE BEING ALL OF THE DIRECTORS  
OF RIPPOWAM CORPORATION

**RIPPOWAM CORP. DEVELOPMENT UPDATE**  
**September 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. The subcontractor's insurance carrier has now rejected the claim that they previously accepted. We have provided documentation to refute the reasons for the claim's rejection and we are also working with Viking's insurance carrier since Viking will be responsible for the cost of repairs if their subcontractor fails to do so. We are seeking not only the cost of repair, but 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 continue to work 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 after a prolonged period of silence. Renewed contact resulted in requests for information that had been submitted previously. That issue has now been resolved, and we are aware of no remaining issues, but we have received no guidance regarding when the funds may be disbursed.

**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. 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 approved by the City and will be filed following review by the Engineering Dept. We continue to pursue the application process for the demolition permit since the permit process is lengthy and complex.

The relocation of residents of the Phase I area is progressing well, with extensive participation by all Rip Corp staff, Property Management, Maintenance, Section 8, resident service coordinators, and Finance. Several on-site moves have been completed and others are scheduled for the coming weeks. Completion of on-site moves is expected during October.

Moves by those households that received Section 8 vouchers are also underway, with several scheduled to move on or around October 1. Some voucher holders are relocating to Lawnhill Terrace and others to our mixed-income developments. Some wish to remain and use their vouchers in Oak Park and we are accommodating their preference. There are a few residents that need units of a different size than their current Oak Park unit, and another that requested relocation to a COC senior development. Each household has its own needs, preferences and interests, and the entire team works to accommodate all as much as possible.

A fully complete construction drawing set was issued to the construction manager on 9/1. Following clarification requested by the construction manager, the plans were sent to potential sub-contractors on 9/8. This will be used for final pricing and to provide final cost figures for the closing documents. Final costs are scheduled to be delivered by October 20. We continue to work 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:** All required information has been submitted by the contractor. Because the exterior stucco siding cannot be replaced during cold weather, a decision was made to commence the work in April of 2024 in order to avoid starting the work now and stopping at the end of November. The lender, Bankwell, has agreed to the altered project schedule and is reviewing the construction contract and updated owner financial information.

#### 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 75% - 80% complete in preparing the final construction drawings for the bid package.

#### ASSET MANAGEMENT

**Chris: Rippowam Manor, Glenbrook Manor:** Monitoring capital repairs and post-renovation activity. Installation of security camera is complete. We have approved work to install protective railings around the sidewalk. We are also working with Finance on the annual budget and preparing to meet with the limited partner on the proposed 2024 budget. An unanticipated major repair, the replacement of the hot water tank was found to be necessary. All projects are being funded from the replacement reserve. At Glenbrook, repair of a window area damaged during security camera installation is scheduled to be made this week.

**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. Vacant unit prep is being done by IBM and COC Maintenance. We are coordinating closely with NewBridge Realty and COC Section 8 to assist

those households that received Section 8 vouchers 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. The development of 2024 operating budgets has begun. Cost increases for insurance coverage are anticipated and allowances for unpaid rent may be increased.

**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. There has been no further word from prospective tenants. The State Department of Housing is willing to eliminate or significantly reduce the repayment terms of the original loan, but the tax credit investor fears the tax consequences if the IRS deems any modification to be a forgiveness of debt.

**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 has been completed.

**Michele: Conversion of COC Public Housing Portfolio:** HUD has issued, and all parties have signed, the final closing document for the Fairgate RAD conversion, to be effective 9/22. Closing documents for the Ursula Park/Sheridan Mews conversion have been prepared and uploaded to the HUD website for HUD review. We anticipate receipt of the RAD closing commitment for the Lawn Avenue/CT Avenue conversion soon.

The RFP for construction management services generated four inquiries and requests for the full RFP package, but only one complete application was ultimately received. The response was from a firm that has done recent work for COC, including at Lawn Avenue, and the RFP response was reviewed and deemed to be of high quality. A resolution recommending selection of BRD Builders as construction manager for the required repairs at the four COC public housing sites being converted to Section 8 is on the Board agenda for the September meeting.

**Stamford Manor:** Cost estimates for replacing the two exterior stairways and installing a temporary stair for use during the reconstruction process, and for repairs to the concrete exterior walkways at each floor of the building exceed \$3 million. This amount is far beyond the available budget and the architect and structural engineer are now hoping to design a scope of work for repairs and supports for the existing stairs that can extend the useful and safe life of the stairways for several years.

**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. We are coordinating with Finance on the development of the proposed 2024 operating budget, which will be presented to the condo association in October.

**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 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. in February. The Fairgate limited partner wishes to exit a year early and negotiations have commenced toward that end. We have commented on the proposed purchase and sale agreement and expect the interest transfer to be concluded in October. Our counsel is preparing model amended partnership documents that can be used as new entities owned by Rippowam Corp replace the previous limited partners.

**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. **Although demand continues to be strong for most units, the size of rent increases on turnover and lease renewal is declining somewhat and turnover rates have increased to closer to pre-pandemic levels.**

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. It is unclear how much longer the limited assistance will be available. 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, 3 and 4, 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 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. Continue to work with prospective tenants by providing information and design assistance.

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

**Lawnhill Terrace 4:** Oversee repair of flood-damaged units, 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. Commence required repairs at all four 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.

**RIPPOWAM CORPORATION  
40 CLINTON AVENUE, SUITE 101  
STAMFORD, CT 06901**

**Board Meeting Date:** September 27, 2023

**Resolution Number:** 23-07

**RESOLUTION**

**Subject:** Authorize an Agreement between Rippowam Corporation (“Rippowam”) and BRD Builders (BRD) for BRD to serve as construction manager for a variety of repairs and improvements required by HUD at four sites being converted from public housing to Section 8 under the RAD program: Ursula Park Townhomes, Sheridan Mews, Lawn Avenue Townhomes, and CT Avenue.

**Background:** This resolution is to approve the execution of an agreement for a variety of interior and exterior repairs at four developments being converted from public housing to Section 8 Project-Based Vouchers. The repairs are required as a condition of HUD’s approval of the conversion.

Rippowam Corporation conducted a public procurement process to obtain a construction manager for the renovations. Ads and notices were placed in the Stamford Advocate, Construct CT, and BidNet CT. These are the primary and standard sources used by contractors to learn of business opportunities. Four inquiries were received in response to the notices and the RFP package was sent to each of the four.

Three of the firms that requested RFP packages chose not to respond. Reasons included the job being too small, the amount of documentation and record keeping required due to the public funding source. BRD was the only firm to submit a full response to the RFP.

BRD has done previous work for COC, most recently extensive site improvements at Lawn Avenue Townhomes, one of the sites covered by the current RFP. COC has been pleased with the results of BRD’s work. Despite being the sole respondent to the RFP, staff believes BRD is a good fit for this work.

The RFP called for separate price proposals for pre-construction services and construction management. BRD’s proposed fee for pre-construction services is \$30,000. The proposed fee for construction management services is 18% of the base bid cost. The fee is inclusive of profit, overhead, and general conditions. Based on the scope of work contained in the RFP, BRD estimates the cost at \$1,969,090, inclusive of a 10% contingency and all fees.

Subsequent to submission of the RFP response, four items were added to the original scope of work after consultation with the architect. BRD's estimate for these additional items is \$753,869. This brings the total estimated cost to \$2,722,959.

**NOW, THEREFORE, BE IT RESOLVED, that:**

- 1. The Construction Management Agreement referenced herein is hereby approved subject to review and approval of counsel and all revisions to said Construction Management Agreement as may be necessary to correct errors, reflect final refinements of the transaction, and respond to requirements of regulators are hereby agreed to.**
- 2. The President or Vice President is hereby authorized, empowered and directed to execute the Construction Management Agreement and to execute additional documents and take such further actions as may be necessary and proper to accomplish the work pursuant to the Construction Agreement.**
- 3. Further, the President, Vice President, and such other officers and designees of Rippowam Corporation whose signatures may be required, are hereby authorized, empowered and directed to execute additional documents and take such further actions as may be necessary and proper to accomplish the work pursuant to the Construction Management Agreement.**
- 4. The Board of Directors hereby encumbers \$2,722,959 to provide payment for the maximum authorized cost of renovations. This amount includes the proposed cost of the full scope of required repairs inclusive of all fees and contingency. Further Board authorization is required before exceeding this amount.**
- 5. This Resolution shall take effect immediately.**

**Jonathan Gottlieb**  
**Staff Person Submitting Resolution**