

**RIPPOWAM CORPORATION
REGULAR BOARD MEETING**

October 25, 2023

6:45 PM

Agenda

To: Richard Ostuw
Ronice Latta
John Coff

- a. Call to Order
- b. Approval of the Board Meeting Minutes from September 27, 2023
- c. Development Update
- d. Adjourn

RIPPOWAM CORPORATION
Meeting Minutes of the Board of Directors
September 27, 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, September 27, 2023.

Director Ostuw called the meeting to order at 6:45 p.m.

Attendees

Board Members:	Rich Ostuw John Coff Ronice Latta	Absent: None
COC Board Members:	Sheila Williams-Brown Lester McKoy	Absent: Divya Malhotra
Advisory Board:	Jaclyn Williams	Absent: Ari Goldstein
Present:	Natalie Coard Jon Gottlieb Sam Feda Jackie Figueroa Beth Janney Ken Montanez Darnel Paulemon Megan Shutes Peter Stothart Jan Tantimonico Michele Tarulli Rob Velez Chris Warren Christine Young	

1. Approval of Minutes of Previous Meetings

Meeting Minutes for August 23, 2023, were approved unanimously on a motion by Director Ostuw, seconded by Director Coff.

2. Development Update

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

3. 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.

➤ Director Ostuw moved, Director Latta seconded.

The resolution was passed.

Ayes:	Rich Ostuw	Nays:	None
	John Coff		
	Ronice Latta		

4. **Adjournment**

At 7:10 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
OCTOBER 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. Viking has completed the repair of the flood-damaged units and the property management team is working with the assigned tenants in preparation for move-in. We continue to seek reimbursement for repair costs and related expenses from the subcontractor's insurance carrier. Viking's insurance carrier is aware that it will have to fund these costs if the subcontractor's carrier continues to refuse.

We continue to work with HUD regarding the \$450,000 federal grant that will help to repay the construction loan. The most recent communication from HUD indicated that with the clarification of a single item, processing would be complete, and the grant funds can be released. The requested information has been provided.

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 approved for filing by the Engineering Dept. Public notices and neighbor notifications of the proposed demolition of the Phase 1 area have been circulated.

Temporary relocation of Phase 1 residents continues. 13 moves have been completed and 14 are pending. These include moves within Oak Park, to other COC portfolio properties, and by voucher holders to privately owned units. Five voucher holders continue to seek off-site units. We have units at Oak Park reserved for these households if their off-site search is unsuccessful. Voucher holders moving to temporary units at Oak Park may continue to search for off-site units or other COC units if they wish.

We also have units reserved at Oak Park for four households with special circumstances. One person currently in a two-bedroom unit is now eligible for a single bedroom and the larger unit is jammed with various items because the resident has a very serious hoarding problem. We have reserved a vacant unit to serve as a temporary storage location for some of the items in addition to those the resident will move to the living unit. A significant amount of material will have to be discarded and we are working closely with Family Centers and Property Management to provide supportive services to facilitate the disposal and move.

One resident in a two-bedroom unit with her daughter was found to have significant unreported income, making the household over-income for any tax credit properties, and facing a significant rent increase if remaining in Oak Park. The head of household has elected to receive a one-bedroom voucher that can be used at Oak Park or elsewhere. Another family has been found to have a significantly greater income than was previously reported. That family can elect to remain in Oak Park paying much higher rent or may choose to enter the private rental market.

Another resident in a two-bedroom unit is now eligible for a single bedroom. In order to remain a two-bedroom household, that resident sought to add her daughter to her lease, but the daughter's application has been rejected due to criminal history. An appeal has been filed. The head of household remains eligible for a one-bedroom unit and one is reserved for her at Oak Park.

The construction manager is completing the procurement of subcontractors and final pricing for the Phase I demolition and construction, to be submitted by 10/30. 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: 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 construction contract is complete and ready to be executed pending final approval by the lender of the revised schedule.

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. Construction drawings are nearing completion and the work will be put out to bid as soon as the bid package is available.

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 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. We work very closely with Stone Harbour Management on both long term and day-to-day issues, providing policy guidance and technical assistance.

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. Meetings are under way with Finance and Property Management to finalize the 2024 operating budgets. For developments with outside partners, the budgets will be sent to those partners for approval.

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 recent interest from a substance abuse counseling agency. We await the details of their proposal. The tax credit investor and the State Dept. of Housing have agreed, in concept, with our proposal to defer repayment of the DOH loan for four years. That is the maximum deferral without creating tax liability. For the remaining two or three years prior to the exit of the limited partner, we will use surplus cash for property capital repairs and improvements. Following the exit of the partner, DOH would modify the loan further to reduce or eliminate the repayment obligation. We await final agreement on the details of this approach from DOH.

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.

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. HUD has issued comments to the draft closing documents for Ursula Park and Sheridan Mews. Revisions have been made in response to those comments. The RAD closing commitment for Lawn Avenue and CT Avenue has been received.

We continue to work with BRD Builders, the construction manager selected for the required RAD repairs, to complete the contract, schedule, and pricing for the work at all four RAD sites. Submission of the required information to HUD is anticipated in the coming weeks. This is the last information needed to close the conversion of Ursula Park and Sheridan Mews.

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 engineer are preparing plans and specs for the temporary repair of the existing stairs to extend their safe and useful life until a comprehensive renovation program can be put in place following the planned 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. The proposed 2024 operating budget was presented to the condominium association on 10/18 and approved.

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 at Post House 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. We have reached an exit agreement for the Fairgate limited partner. A resolution to approve the agreement is on the October Board agenda. The exit fee has been negotiated down to \$155,000 from \$230,000. We will also be responsible for the State controlling interest transfer tax, estimated at \$200,000.

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. Market strength continues to decline somewhat as we enter a slower period of the year for discretionary relocations.

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. Work with State DOH and equity investor to modify DOH loan repayment terms

Resident Services: Continue to monitor the level and quality of resident services, working closely with the Operations team.

Lawnhill Terrace 4: Oversee the closeout of repair of flood-damaged units, leasing of units, 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, Operations and Family Centers to prepare for, and implement, temporary and permanent relocation. Continue to press CHFA to modify the Oak Park mortgage terms and with WPCA to reach agreement on the sewer impact fee for Phase 1.

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.