

**RIPPOWAM CORPORATION
REGULAR BOARD MEETING**

February 28, 2024

6:45 PM

Agenda

To: Richard Ostuw
Ronice Latta
John Coff

- a. Call to Order
- b. Approval of the Board Meeting Minutes from January 24, 2024
- c. Development Update
- d. Other business
- e. Adjourn

Ayes: Ronice Latta
John Coff

Nays: None

6. **Adjournment**

At 7:09 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
FEBRUARY 2024

IN CONSTRUCTION

Megan: Lawnhill Terrace 4: All units are leased as of 2/22/23. We reached 90% occupancy in December, allowing us to begin working with the lender and investor on conversion to permanent financing. This is a 90-day process of review for operations, and will likely allow us to convert in April 2024. Weekly meetings on progress have begun. We have initiated legal action against Viking Construction and their plumbing subcontractor, a step required in order for Viking's insurance company to take action against the insurer of the sub-contractor that caused the flood. We are working in cooperation with Viking on this. We continue to work with HUD regarding the \$450,000 federal grant that will help to repay the construction loan.

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. Current projections for closing are for May/June, in keeping with the timeline necessary for the State of Connecticut CIF grant awards schedule. We will have further clarity on this timeline in March, when the CIF recommendations are sent to the Governor.

A chain link fence that will remain throughout the duration of the construction period has been installed and the Phase 1 site is fully secured.

We have reached agreement with City safety officials on a modified street address plan for the new Oak Park, including Ursula Park Townhomes. The new address plan will take effect when Phase 2 is under way so there is plenty of time to assist residents with any changes needed to their mailing and street address. The CT DOH and CT DEEP have signed off on the redevelopment plan after review of our responses to their questions.

We continue to work with the construction manager (Viking Construction) on a possible early start for portions of the work prior to the official closing. Potential early start items include environmental remediation, utility disconnects, early ordering of electrical equipment with extended lead times, and possibly commencing demolition of existing buildings.

We continue to work with CHFA to modify the existing Oak Park mortgage to eliminate the repayment requirement. The City has agreed to waive any WPCA sewer impact fee charge resulting from adding more bathrooms to the Oak Park replacement units.

Michele: Clinton Manor: A meeting was held with the architect and the contractor for the siding repair that is planned to commence in the second half of March. We are working closely with COC to address the temporary loss of parking spaces and general inconvenience of living and working at an active construction site.

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. The Architect issued the 100% Construction Documents to us for review. Once we have made our comments to the documents, they will be sent back for revisions and re-issued to us for a brief review prior to finalizing for bidding.

ASSET MANAGEMENT

Chris: Rippowam Manor: Continuing to work with partner on possible refinance of property. Extensive discussion regarding the operating budget with partner seeking reductions in spending wherever possible in order to free up more cash for debt service. An independent rent comparability study has been completed, as required every five years. We will be submitting an application for increased Section 8 subsidy based on the higher market rents identified in the study. A similar study and process is also underway for Glenbrook Manor.

Chris: Security and Marketability Analysis of Various Properties: We continue to monitor the performance and effect of the recent security improvement measures. Early indications are that the improvements have been helpful.

Chris: Leasing: We are working with Operations and our private leasing agent (NewBridge Properties) to reduce turnover time and better coordinate showings, marketing and lease-up. The focus of this effort is on the units without Section 8 subsidy at Clinton Manor and Quintard Manor (total 74 units) and units under the tax credit program that do not receive rent subsidy, such as most at Lawnhill Terrace. Market Rate unit leasing continues to be strong.

Chris: Other Asset Management Activities: Researched possible alternatives to the current process for acquiring possession of a unit in which the sole resident becomes deceased and has no emergency contact or family document in their tenant files. Met with Operations to describe findings and options. Discussion is ongoing. Continuing to coordinate with Operations to implement some or all of the recommended procedural changes.

Continue to coordinate efforts to minimize the non-payment period time during legal actions. Delays at the final step: (Court Clerk issuing execution order) have been identified as a major cause of delay. Several documented instances confirm the result in higher write-offs. Working with Operations, the plan is to approach the court administrators to seek relief. Continuing to coordinate with Operations to plan approach to court administrators.

Reasonable Accommodation coordination: The Asset Management team is now being notified of all reasonable accommodation requests when they are filed. Asset Management has the option to request additional information, contact the applicant or anyone providing evidence in support of the request, if the application appears questionable.

We are 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. Working on capital repairs at Post House (roof) and Taylor Street. Continuing to review performance and reporting of resident service coordinators.

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 participated with Finance and Operations in evaluation of 2023 operating performance and preparation of 2024 operating budgets. Several meetings were held and the cooperation was positive. For developments with outside partners, the budgets have been 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. We have exchanged offers and counteroffers with a potential commercial tenant – a substance abuse counseling organization. Discussions are on hold until the organization receives a Certificate of Need from the State, although the tenant believes this will occur in the near future. One of the existing medical tenants is interested in expanding into an adjacent portion of the vacant space. We are negotiating the terms and various lease options.

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: The Fairgate RAD conversion is fully closed and the 33 units previously designated as public housing are now project-based Section 8. Closing of the conversion for Ursula Park and Sheridan Mews is anticipated by end of this month. We are compiling the closing documents for the Lawn Avenue/CT Avenue conversion for review by HUD counsel. There are title issues with CT Avenue that are being researched.

Michele: 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. Final drawings and specifications for stair repairs have been issued by the architect and are under review. Once approved in-house, the work can be put out to bid.

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 agreement, reflecting the new limited partner controlled by Rippowam Corporation, is in place.

Year 15 Tax Credit Project Planning: With Rippowam Corp now the sole owner of Taylor Street, Post House and Fairgate, new, simpler partnership agreements are in place for each site and will be a model for future restructurings.

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. Market strength is expected to remain at current levels and there may be seasonal improvement as spring approaches.

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, working closely with the Operations team.

Lawnhill Terrace 4: Oversee conversion to permanent financing and receipt of balance of investor equity. Monitor lawsuit.

Oak Park: Initiate and continue efforts toward initial financial closing. Continue to press CHFA to modify the Oak Park mortgage terms.

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.