RIPPOWAM CORPORATION
BOARD MEETING

August 24, 2021
5:00 PM
Agenda

TO: Richard Ostuw
Ronice Latta
Bianca Shinn-Desras

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a. Call to Order

b. Approval of Minutes for July 27, 2021

c. August Development Update

d. Other Business

e. Adjourn

RIPPOWAM CORPORATION

Meeting Minutes of the Board of Directors

July 27, 2021

The Meeting of the Board of Directors of the Rippowam Corporation (the "Corporation") was held on a remote connection meeting platform- Zoom on Tuesday, July 27, 2021.

The meeting was called to order at 5:00 p.m.

Attendees

Board Members:	Rich Ostuw Ronice Latta Bianca Shinn-Desras	Absent:
COC Board Members:	Susan Rutz Sheila Williams-Brown	
Staff:	Jon Gottlieb Michele Tarulli Natalie Coard Lisa Reynolds Jackie Figueroa Sam Feda Jan Tantimonico Christine Young Chris Warren	

1. **Approval of Minutes of Previous Meetings** –
Meeting Minutes of June 22, 2021, were approved unanimously (with one correction – Adriana was listed as absent, but she was present) on a motion by Director Latta, seconded by Director Ostuw.

2. **Board Appointments and Election of Officers** –
   - Director Shinn-Desras was appointed to the Board on a motion by Director Latta, and seconded by Director Ostuw, unanimously.
   - Director Latta was appointed Vice Chair on a motion by Director Shinn-Desras, and seconded by Director Ostuw, unanimously.

3. **Resolution:**

21-03: Approve Appointment of Jonathan Gottlieb as President and Vincent Tufo as Vice President of Rippowam Corporation.

➢ Director Latta moved, Director Shinn-Desras seconded.

Be it resolved by the Board of Directors of Rippowam Corporation that, effective August 1, 2021, Jonathan Gottlieb shall be President and Vincent Tufo shall be Vice President of Rippowam Corporation.

The resolution was passed.

Ayes:	Rich Ostuw Ronice Latta Bianca Shinn-Desras	Nays:	None

4. **Development Update** –
The July Development report was presented by Mr. Gottlieb, Ms. Tarulli and Mr. Warren. Director Rutz requested a worksheet showing leasing status and progress at the various sites. Director Latta mentioned feedback she had received regarding the length and complexity of the affordable program application package. Discussion followed.

5. Adjournment -

At 5:33 p.m., after a motion duly made by Director Latta and seconded by Director Shinn-Desras, the Board meeting was adjourned.

Respectfully submitted by:

Vincent Tufo, 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.

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Ronice Latta

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Rich Ostuw

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Bianca Shinn-Desras

THE ABOVE BEING ALL OF THE DIRECTORS
OF RIPPOWAM CORPORATION

RIPPOWAM CORP. DEVELOPMENT UPDATE
AUGUST 2021

Corona Virus Actions: We are coordinating closely with COC and aligning actions taken at the sites managed by Stone Harbour with those policies and practices implemented by COC. We provide updates on changes in State and federal policies and actions, and assist operations staff in resolving issues with UniteCT applications.

The State prohibition on initiation of evictions for non-payment and all but the most severe lease violations expired on July 20, but the Governor has extended certain eviction prevention provisions through September 30. These primarily include additional time before evictions can be effective and seem intended to encourage tenants to apply to the State rent relief program, UniteCT. The federal (CDC) eviction moratorium expired on July 31, but a slightly modified moratorium was implemented by the CDC shortly after. The modification limited the moratorium to areas with significant virus activity, but includes most of the U.S., including CT. We continue to assist operations staff in seeking funds through UniteCT, and negotiated an agreement with DOH to accept a letter we prepared as proof of project ownership, and to direct related questions to one senior DOH official. While we continue to assist with processing issues as they arise, problems are fewer and overall response times have improved,

IN CONSTRUCTION

Lawnhill Terrace 3: All 52 residential units have been approved for occupancy, and residents have begun moving into the completed units from the Lawnhill 4 area. The management office/community building is complete and awaiting final City sign-off, which should trigger issuance of a final certificate of occupancy for the entire development. The property management team is actively working through the COC wait list to fill the units not taken by returning residents, and with our private leasing agent, NewBridge Realty, to process applications submitted on behalf of their clients. Very few residents remain to be relocated to Phase 3 from the Phase 4 area and all Phase 3 units have new residents assigned. Of the approximately thirty new residents, about a dozen have come through our private leasing agent.

Rippowam Manor: All units and interior renovations are complete. We await City and architect final sign off for completion, with only minor site work remaining in order to receive City Engineering Dept. sign off which will trigger final certifications. Funding from the Eversource energy rebate program will likely be greater than expected and will help to offset electrical and window installation costs incurred during renovation. LED fixtures, new refrigerators and triple pane windows all qualified for the program. Lease up of units is underway and progressing quickly with only studio units remaining to be filled. Lease-up is expected to be completed by early September. We continue to work with the lender on close-out issues and the process to obtain the supplemental loan triggered by HUD approval of post-rehab rents, and with HUD on obtaining approval to implement post-rehab rents.

Glenbrook Manor: Third floor units are completed and residents will be relocated back to their apartments by the end of the month. This brings the interior unit work to 50% completion. The entire 2nd floor is scheduled to be renovated in one phase, rather than two, to help make up time lost to previous delays. Residents will be moved out of the 2nd floor by the end of the month. We expect to continue this pattern for the first and final floor. We have accumulated more vacancies than anticipated, which allows full floor internal relocation. We are working with the contractor to prepare a revised scheduled for the balance of the project and to maintain progress in order to make up additional time. Delays in delivery of materials and fixtures are a problem and may cause further delays. Appliances are still a major item subject to extended delays. We are exploring alternative appliance brands and models and current refrigerators are being kept on site for use until new pieces are delivered. With the completion of the 3rd floor and moving onto the 2nd floor the management and resident service offices will be relocated back into their newly renovated spaces. A great effort has gone into coordinating the additional relocation of the offices and an entire floor of units.

Site work is scheduled to begin in early September and continue as weather allows. The exterior refinishing of the building is complete.

IN PLANNING STAGE

Vidal Court Replacement – Phase V: Under an existing HUD grant, master planning and schematic design for a possible fifth phase of the Vidal Court revitalization on Stillwater Avenue was performed. A preliminary cost estimate for the development has been completed, but further action on this phase is not scheduled for the near term.

Lawnhill Terrace 4: The Zoning Board has awarded an additional $1.3 million in Fee-in-Lieu funds bringing the total allocated to Lawnhill 4 to over $2.1 million. We have received a special allocation of State DOH funds to complete the funding sources and the team is preparing the DOH and tax credit applications and finalizing terms with the lender and investor. Thirteen Project-Based Vouchers will be assigned to Lawnhill 4, which will generate additional revenue and support a larger permanent mortgage. We have received completed and submitted the DOH term sheet. DOH has accepted the document and is preparing a version for signature. We have also responded to questions from CHFA review staff working on our application. A financial closing is possible in the fall of this year, depending on the timing of CHFA and DOH review and the availability of tax-exempt bond volume cap, followed by a construction period of approximately twelve months.

Oak Park: CHFA has issued a new Qualified Allocation Plan (QAP) which will guide the award of 9% tax credits for 2022 and 2023. The new QAP incorporates important changes we have recommended for several years. The primary change is a set-aside of 25% of available credits for rehab projects. The ranking system for rehabs has been modified to focus on the amount of repair needed and certain other factors which make the potential for a successful 9% application for Oak Park more feasible. The timing of the 2022 application round in January is too soon for us, but we are commencing a comprehensive planning and design process in hopes of submitting a strong application in late 2022 or early 2023. In the interim, we will soon implement a program of emergency repairs focused on the electrical system, roof repair, and certain structural problems in a few locations.

Clinton Manor: During a recent high wind event, a portion of the exterior building siding detached and fell to the ground. After examination by an architect, engineer, and siding consultant, it has been determined that the siding on the two sides of the building that was not replaced during major renovations several years ago should now be replaced. The architect and consultants are preparing repair plans and a bid package for the siding replacement. Our current lender, Bankwell, has issued an initial loan commitment term sheet, which has been executed now that the tax credit investor has approved the proposed refinancing. Bankwell has ordered an appraisal of the property and we have been answering questions and providing additional information requested by the underwriter. We will complete the refinancing once plans and specifications for the repairs are completed by the design team and approved by the lender.

Stamford Manor: Because of the recurring sizeable operating deficit at Stamford Manor, COC has asked that we investigate possible alternative funding approaches to the conventional low-income public housing program under which Stamford Manor has always operated. The deficit is primarily attributable to very large security expenditures and to the resident services provided through Family Centers. The amount of HUD operating subsidy is based on an internal calculation performed by HUD for all regions of the country, with no consideration of the actual costs of any given development. The HUD formula is unable to recognize the special security needs or the importance of supportive services to the particular population at Stamford Manor.

We have determined that it is not possible to increase the amount of public housing operating subsidy. We have also investigated other potential options for addressing the recurring deficits at Stamford Manor. All would maintain the level of affordability at Stamford Manor that currently exists, would not result in any change in resident rent payments, and would not require relocation of any residents. This topic is addressed in greater detail under Asset Management.

ASSET MANAGEMENT

Park 215, (Phase IV Vidal Court Revitalization): Over half of the commercial space is leased and medical offices there are in operation. A non-profit service provider has recently expressed strong interest in the remaining commercial space. We have worked closely with this organization to show the space, provide operational details, and offered terms for either a sale or long-term lease of the space. We are investigating the possibility installing an electronic gate at the entrance to the residential parking area due to non-residents using the lot. We would offset the cost by charging market rate residents a small monthly parking fee, and also charging those residents with second cars in the lot.

Summer Place – Siding Repair of Adjacent Building: 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 it's 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. No injuries resulted but one resident's vehicle was damaged. Half of our lot remains roped off for safety and unavailable. The owner of 1010 has offered free parking to our residents in their parking area, beneath the building. The owner has been fighting with his insurance carrier regarding his claim but has agreed to have his maintenance team make temporary repairs to allow full use of our parking lot. We provided the 1010 owner with a temporary license and indemnity agreement, which has been executed. This allows workers to access our property to make the required repairs while protecting us from liability. Work is to commence when any required municipal permits have been issued. Repair work has recently recommenced. Property management and maintenance staff are monitoring the work to ensure safety measure and protections for our property are in place

Conversion of COC Public Housing Portfolio: Applications for Rental Assistance Demonstration (RAD) conversion of Ursula Park Townhouses, Sheridan Mews, Lawn Avenue, and CT Avenue, and for the 33 public housing units at Fairgate to Section 8 project-based vouchers have received preliminary approval. Physical needs assessments have been completed for all five RAD sites. Data from the assessments has been uploaded to the HUD e-Tool platform. We have completed a detailed review of the assessments and sent revised versions to the architect. The architect will complete the upload of the reports in the HUD electronic system. A new environmental and energy conservation electronic assessment has also been completed and uploaded. The next step will be a "concept call" with HUD, followed by submission of the formal financing plan. Repairs which the assessments call for in the first five years following RAD conversion must be done shortly after conversion. We estimate the cost of those repairs at approximately $1 million for the four COC developments, which will be funded from either the proceeds of scattered site property sales or existing public housing reserves. Repairs at Fairgate will be funded from existing project reserves.

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 suggest conversion to Section 8 under the Streamlined Conversion program, which is available for 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. The six scattered site public housing units are not addressed here because their disposition is already under way.

Taylor Street: Investigation by an independent party has determined that two of the eight owner-occupants are living elsewhere and renting their units, in violation of their deed covenants. We have initiated legal action against these two owners and their tenants on behalf of both Rippowam Corporation, as the designated affordability monitor, and the condominium association. Following the required notice and hearing, we began fining the two owners in violation of the primary residence requirement. The fines are in the amount of $50 per day and are retroactive to the start of the violations. We have also amended the bylaws to permit our legal fees to be charged to those found in violation. Two owner units have recently been sold. One of these belonged to an owner accruing significant fines for non-residency. Those fines were paid at the closing, although the seller paid under protest, preserving the option to take legal action to recapture the funds in the future. A third unit is now listed for sale. We continue to assist prospective buyers and sellers by providing the maximum sale price calculation and buyer income limits. Preparations are under way for the annual meeting of the condominium association, at which staff will present the proposed 2022 operating budget. Taylor Street is approaching the end of its fifteen-year tax credit compliance period (12/2022). We have initiated discussion with the equity partner (AIG) on unwinding the partnership at that time. AIG is selling its affordable housing interests to Blackstone at the end of this year, so meaningful discussions will be delayed until early 2022. We have had initial introductory conversations with Blackstone but nothing beyond that,

Leasing of Higher End Affordable Units: Eligibility under the Low-Income Housing Tax Credit Program (LIHTC) extends through households earning up to 60% of the area median income (AMI). In Stamford, the maximum income for a family of four is currently over $91,000. While there is almost always significant demand for LIHTC units in the separate category for households under 25% of AMI, there are fewer applications submitted by households at the higher end of the 26% - 50% AMI category, and within the 51% - 60% AMI category.

After extensive discussions with COC Admissions and Property Management staff, some changes have been implemented in hopes of generating more applications from households at the upper end of the eligible income range and retaining those applicants throughout the leasing process. COC has created new marketing materials and has reduced the size of the application package for units that have affordability restrictions but do not receive subsidy under the public housing or Section 8 programs. NewBridge Realty, the firm that handles the leasing for our market rate units, has been actively marketing the unsubsidized affordable units. The problem of recruiting applicants at the upper end of the income ranges eligible for affordable units remains, and we are working with COC and NewBridge to improve recruiting. COC is initiating a new marketing effort on a trial basis. We are coordinating with COC and are hopeful that the program will lead to increased wait lists.

Additional efforts and procedural changes remain under discussion both to improve our marketing efforts and to maintain better contact with households on the waiting lists, but we have identified one new approach as an experiment: We have begun using a private broker, Newbridge Realty, to generate applicants for units at Lawnhill Terrace aimed at households with incomes at the upper end of the affordable range. NewBridge has generated a significant number of applications for newly available units at Lawnhill 3, which is encouraging. We are hopeful that NewBridge applicants unable to get into Lawnhill 3 during initial lease-up will remain on the waiting list for future openings.

Year 15 Tax Credit Project Planning: As tax credit projects approach their fifteenth year of operations, it is necessary to prepare for the exit of the investor limited partner, which typically exits between years thirteen and fifteen of operations. Taylor Street and Post House are the two oldest tax credit developments in our portfolio, and we are focusing on these two sites initially. Discussions are being initiated with the investor limited partners, with the goal of transfer of their interest to the General Partner, which in each case would be an entity owned by Rippowam Corporation. Debt remaining at Taylor Street will be approximately $400,000 at the time of partnership dissolution, and approximately $2 million at Post House. Both developments can be refinanced for amounts sufficient to pay off the existing loans and fund any needed capital items, including energy efficiency improvements.

Miscellaneous: We have prepared a Request for Qualifications for architectural services in order to expand the list of pre-qualified design firms from which we can request proposals for specific projects. This will allow project-specific procurement to focus on the suitability of the pre-approved firms for the project under consideration and reduce the length of the procurement period. Following technical review by legal counsel the RFP will be published.

UPCOMING TRANSACTIONS AND TASKS

COVID-19: Address higher than anticipated rent delinquency levels. Implement rent relief program. Assist residents in applying for the State and local rent relief programs, and for unemployment compensation and other benefits. Submit FEMA funding application for fourth quarter 2020 – applications for second and third quarters have been previously submitted. Monitor new federal and state rent relief programs and assist COC in implementation. FEMA rules have recently changed to provide 100% reimbursement of eligible expenditures rather than 75%.

992 Summer Street: Continue to facilitate communication and coordination between COC property managers and Inspirica service provider team. Determine appropriate use for space previously planned for medical clinic for residents. Work with Inspirica to utilize the growing balance in the supportive services reserve. Identify and address source of mold in certain units. Monitor the repair of exterior siding on adjacent building.

Park 215: Continue marketing effort to obtain tenants for remaining available commercial space. Coordinate commercial tenant fit-out process. Continue discussions are with a prospective purchaser/tenant interested in all of the remaining commercial space. Consider installing a gate to limit unauthorized parking and charging a monthly parking fee to market rate residents.

Rippowam Manor: Coordinate re-occupancy by residents of the last few units being renovated. Lease other vacant units as quickly as possible. Coordinate close-out of renovations, City sign-off, HUD approval of post-rehab rents, and close supplemental loan supported by post-rehab rents.

Glenbrook Manor: Coordinate temporary relocation of residents during renovations. Coordinate renovations and oversee project during development period.

Lawnhill Terrace 3: Obtain final occupancy certificate for the development and coordinate re-occupancy with property management team and private leasing agent.

Lawnhill Terrace 4: Respond to any questions or information requests from CHFA and DOH.

Oak Park: Complete plans and specifications for initial emergency repairs, procure contractors, and implement repairs.

Westwood: Complete refinancing. Closing expected in September.

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.

Year 15 Preparation: Hold discussion with investor limited partners for Taylor Street regarding the investor's exit from the limited partnership.

PORTFOLIO PERFORMANCE

Market rate occupancy levels continue strong. The amount of unpaid rent remains high, with some market rate residents experiencing income loss due to Covid-19 and others simply choosing to withhold rent while the State and federal eviction moratoria remained in place. We have been successful in seeking more aggressive rent increases for the market rate units on turnover and lease renewal and have recently had several offers above our asking rents from new applicants. Strong demand and occupancy continues 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 and 2, although unpaid rent levels are significant at several sites, especially Lawnhill Terrace 2 and Oak Park. 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. We are closely monitoring rent delinquencies due to tenant income loss during the Covid 19 emergency and taking steps to offset those losses.

EXTERNAL COMMUNICATIONS AND ISSUES

CHFA Tax Credit Allocation Policies: As noted in the Oak Park update, a recent revision in CHFA credit allocation priorities has improved our chances for seeking 9% credits for rehab projects. CHFA policies remain less favorable for new construction proposals, although somewhat less so under the new credit allocation plan.

DOH Funding Policies: DOH has revised its loan repayment policies and is no longer requiring a portion of operating cash flow as repayment. Current issues include redundant technical reviews since CHFA also performs detailed design and construction reviews, and overall slowness of application processing and staff responsiveness to questions.

Communities of Opportunity Policy: DOH and CHFA funding and tax credit allocation policies favor what are considered to be “communities of opportunity”. Communities of opportunity are generally those with higher incomes, fewer low-income households, higher rated public schools, and more growth. Urban areas, such as the West Side of Stamford, do not fare well in this calculation and the policy further hinders our opportunities to receive tax credits and DOH funding. While an “opportunity” criteria remains in the newly revised credit allocation plans for rehab projects, it carries less weight than previously.