

**RIPPOWAM CORPORATION
REGULAR BOARD MEETING**

March 23, 2022

7:00 PM

Agenda

TO: Richard Ostuw
Ronice Latta
Bianca Shinn-Desras

- a. Call to Order
- b. Approval of the Board Meeting Minutes for February 23, 2022
- c. Update on Planning for Oak Park Redevelopment
- d. Development Update
- e. Other Business
- f. Adjourn

RIPPOWAM CORPORATION
Meeting Minutes of the Board of Directors
February 23, 2022

The Meeting of the Board of Directors of the Rippowam Corporation (the "Corporation") was held on a remote connection meeting platform- Zoom on Wednesday, February 23, 2022. The meeting was called to order at 7:05 p.m.

Attendees

Board Members: Rich Ostuw
 Ronice Latta
 Bianca Shinn-Desras

COC Board Members: Susan Rutz
 Lester McKoy
 Sheila Williams-Brown

Staff: Vin Tufo
 Jon Gottlieb
 Natalie Coard
 Lisa Reynolds
 Jackie Figueroa
 Ken Montanez
 Jamie Perna
 Sam Feda
 Megan Shutes
 Michele Tarulli
 Chris Warren
 Christine Young

1. Approval of Minutes of Previous Meetings –

Meeting Minutes for January 26, 2022, were approved unanimously on a motion by Director Latta, seconded by Director Ostuw.

2. Resolution -

22-06 Approve Six Architect Firms as Pre-Qualified to Respond to Project-Specific Requests for Architect Services

➤ Director Latta moved, Director Ostuw seconded.

The resolution was passed.

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

3. Update on Planning for Oak Park Redevelopment

The planning update for Oak Park Redevelopment was presented by Mr. Gottlieb and Ms. Tarulli.

4. Development Update –

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

5. Adjournment -

At 7:38 p.m., after a motion duly made by Director Latta and seconded by Director Ostuw, 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

Bianca Shinn-Desras

THE ABOVE BEING ALL OF THE DIRECTORS
OF RIPPOWAM CORPORATION

RIPPOWAM CORP. DEVELOPMENT UPDATE
MARCH 2022

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 Governor and Legislature have extended certain eviction prevention provisions until April 15, 2022. These include providing thirty-day notice of any eviction action, and a stay of any pending eviction action if an application for rental assistance through UniteCT is filed, pending the disposition of such application. UniteCT has obligated its remaining funding, and it is uncertain how many COC applications currently in the pipeline will be funded. We have requested guidance regarding which of our many applications in the pipeline might be funded but DOH is unable to provide any guidance at all beyond saying any existing incomplete application as of March 31 will be discarded.

IN CONSTRUCTION

Lawnhill Terrace 4: The financial closing took place on February 14 and work commenced shortly after and is on or ahead of schedule. Interior demolition has been completed in one building, with framing to begin following asbestos clearance approval. Demolition is under way at the second building with framing scheduled to begin in late March. We anticipate a 12-month project period with an additional two to four months to obtain final City approvals. Because all remaining Lawnhill Terrace residents are housed in the first three phases, all residents of Phase 4 will be new. Thirteen units will be assisted with Project-Based Section 8 vouchers, allowing occupancy by very low-income households. The remaining 21 units will be affordable to households in the 50% and 60% of Area Median Income range.

Rippowam Manor: Renovations are complete, with only final City sign off still outstanding. Three units remain unoccupied, which keeps occupancy above the level needed to convert to permanent financing. Final City sign-off on the completed work remains delayed due to staff shortages in the Engineering Department, with inspection now promised for late March. Closeout of the construction loan and closing of the supplemental loan is expected in April pending final City approvals. The anticipated supplemental loan amount has decreased somewhat due to rising interest rates, to \$3.8 million. The proceeds of that loan will be divided 80% to the investor partner and 20% to COC.

Glenbrook Manor: First floor units are completed and residents have returned with the exception of one unit which requires special bathroom fixtures to accommodate the resident. Site work is nearing completion with the balance being weather dependent. The Community Room is also nearing completion. Materials are mostly on site with only small items pending shipment but not holding up any major construction components. Final completion is anticipated by the end of April. Leasing continues to fill the many units that become vacant during the renovation period.

IN PLANNING STAGE

Oak Park: The planning and design process for the full demolition and redevelopment of the Oak Park continues. A zoning application seeking General Design Plan approval for the full site has been filed.

Design work continues and outreach to residents and the community will commence shortly. A 9% tax credit application will be submitted in January 2023. Updates will be presented to the Board as the process advances. Emergency repairs to the existing buildings will be performed as needed to ensure resident health and safety until redevelopment is completed.

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. Our lender, Bankwell, has approved our refinancing application, and work will proceed following the procurement of a contractor through a formal procurement process and the completion of the refinancing of the existing tax-exempt bond loan and a supplemental loan to fund the repairs. Preparations are under way to prepare new tax-exempt bond documents and close the refinancing in early 2022 and delay release of the additional \$1.5 million for disbursement when repairs commence.

ASSET MANAGEMENT

Lawnhill Terrace 3: Occupancy remains in excess of 90%, as required for close-out and conversion to permanent financing, anticipated in late April or early May. The final cost certification is complete and under review by the tax credit investor.

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 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. A building permit application was submitted to the City in December, although additional required material was not submitted until March 1. Repair work is expected to commence upon issuance of the permit.

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 the architect has completed the upload of the revised reports in the HUD electronic system. A new environmental and energy conservation electronic assessment has also been completed and uploaded. Following a recent call with HUD, we have provided additional requested information.

Only one item requires resolution before we can submit formal financing plans and complete the conversion process. The open question is whether radon testing must be performed at two sites which do not have basements, and if so, in what sample size of units. 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 \$1.5 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 will pursue conversion to Section 8 under the Streamlined Voluntary 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.

Taylor Street: An owner-occupant that previously rented out their unit in violation of deed restrictions has moved back in. The legal case remains open in pursuit of significant fines, although that owner has now admitted to being absent for an extended period. Taylor Street is approaching the end of its fifteen-year tax credit compliance period (12/2022). We anticipate beginning discussions with Blackstone, which purchased AIG's limited partnership interest effective January 1, regarding Year 15 issues. An RFP for a property management agent has been issued with responses due this month. The RFP is necessary because no procurement for property management has been done since occupancy began in 2008, and the property manager (COC) is a related party to the General Partner, which is owned by Rippowam Corp.

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.

Additional efforts and procedural changes have been implemented by COC to improve marketing efforts and to maintain better contact with households on the waiting lists. We also use a private broker, Newbridge Realty, to generate applicants for higher priced affordable units at Lawnhill Terrace and the mixed-income developments. We have recently added Quintard Manor and Clinton Manor to the NewBridge list because we have reached the limit of the number of units that can be converted to Project-Based Section 8 upon vacancy (50%). The remaining units will not have operating subsidy as new tenants move in, but rents will remain capped at tax credit levels. We continue to work with COC to improve the overall intake and leasing effort.

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.

UPCOMING TRANSACTIONS AND TASKS

COVID-19: Address higher than anticipated rent delinquency levels. Submit FEMA funding application for the first quarter of 2021. Monitor any new or modified federal and state rent relief programs and assist COC in implementation.

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. 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. 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 with a prospective 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: Lease remaining vacant units as quickly as possible. Coordinate close-out of renovations, City sign-off, and close supplemental loan supported by post-rehab rents.

Glenbrook Manor: Coordinate completion of renovations, conversion to permanent financing, and leasing of vacant units.

Lawnhill Terrace 3: Complete project close-out.

Lawnhill Terrace 4: Oversee renovations, leasing of units upon completion, and project close-out.

Oak Park: Coordinate work of selected design team, commence resident consultation, and prepare 9% tax credit comprehensive plan. Implement selected emergency repairs.

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, with larger than usual rent increases for new tenants and lease renewals. A significant amount of unpaid rent resulting from the Covid pandemic has been recaptured through the COC and State rent relief programs. Demand and occupancy continues 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 and 2, although unpaid rent remains significant at some 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.