

**RIPPOWAM CORPORATION
REGULAR BOARD MEETING**

September 28, 2022

7:15 PM

Agenda

TO: Richard Ostuw
Ronice Latta
Bianca Shinn-Desras

- a. Call to Order
- b. Approval of the Board Meeting Minutes for August 24, 2022
- c. Resolution
 - 22-10: Authorize Selection of Hoopes Morganthaler Rausch & Scaramozza (HMRS) Following Public Procurement Process
- d. Development Update
- e. Other Business
- f. Adjourn

RIPPOWAM CORPORATION
Meeting Minutes of the Board of Directors
August 24, 2022

The Meeting of the Board of Directors of the Rippowam Corporation (the "Corporation") was held at 40 Clinton Avenue, Stamford, Connecticut and a remote connection meeting platform, Zoom, on Wednesday, August 24, 2022.

Commissioner Ostuw called the meeting to order at 7:03 p.m.

Attendees

Board Members: Rich Ostuw Absent: Ronice Latta
Bianca Shinn-Desras

COC Board Members: Susan Rutz
Laura Burwick
Lester McKoy

Present: Vin Tufo
Natalie Coard
Jon Gottlieb
Lisa Reynolds
Sam Feda
Jackie Figueroa
Brethela Love-Ortiz
Ken Montanez
Jamie Perna
Megan Shutes
Peter Stothart
Jan Tantimonico
Chris Warren
Christine Young

Public: Mr. Andrew Banoff
Ms. Cynthia Bowser
Ms. Frances Lane
Mr. Barry Michelson
Mr. Rick Redniss

1. **Approval of Minutes of Previous Meetings** –
Meeting Minutes for July 27, 2022, were approved unanimously on a motion by Director Shinn-Desras, seconded by Director Ostuw.
2. **Development Update** –
The August Development report was presented by Mr. Gottlieb, Mr. Warren and Ms. Shutes.
3. **Adjournment** -
At 7:14 p.m., after a motion duly made by Director Shinn-Desras 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 CORPORATION
40 Clinton Avenue, Suite 101
Stamford, Connecticut 06901

Board Meeting Date: September 28, 2022

Resolution Number: 22 - 10

RESOLUTION

Subject: **Authorize Selection of Hoopes Morganthaler Rausch & Scaramozza (HMRS) Following Public Procurement Process**

Background: Rippowam Corporation utilizes legal services for a variety of tasks including drafting and reviewing contracts, partnership agreements, loan documents, and other items, and to advise on potential litigation.

Two responses were received to an RFP published in accordance with all procurement rules and guidelines. A third respondent sent an email stating they had intended to apply but the firm they were to partner with withdrew at the last minute. The incumbent counsel, HMRS, received a higher ranking from all three reviewers. HMRS received favorable ranking for relevant experience and for a more cost-effective fee proposal. The scoring grids and a description of the procurement process are attached to this resolution.

Resolution: **Be it resolved by the Board of Directors of Rippowam Corporation that Hoopes Morganthaler Rausch & Scaramozza be awarded a contract to serve as Legal Counsel for a term of five years and that the President and Vice President of Rippowam Corporation be authorized to execute and implement the agreement.**

Jonathan Gottlieb
Staff Member Submitting Report

MEMO TO FILE
LEGAL SERVICES PROCUREMENT
AUGUST 2022

The RFP was issued in late July and responses were due on August 17. The invitation to submit proposals to provide legal services to Rippowam Corporation was published in the Stamford Advocate. Three firms requested proposal packages: Murtha Law, Crumbie Law Group, and Hoopes Morganthaler Rausch & Scaramozza (HMRS). Two proposals were received, from Murtha Law and HMRS.

The attached email string shows the initial request from Crumbie Law Group, a reminder message about the due date sent by Rippowam Corp., and the reply from Crumbie Law Group explaining that they were unable to submit a response because a planned partner firm was unable to participate.

REVIEW - Legal Services SCORING
 Proposals rec'd 08/17/2022 at 2:00 p.m. - RFP

Reviewer: M Shutes

	CRITERIA	MAXIMUM	HMRS	Murtha Cullina
1	Appropriateness of proposed service approach	20	20	20
2	Real estate development and operation experience with a specialization in affordable housing and community facilities	30	25	20
3	Mixed, public and private financing experience	15	13	10
4	Experience in structuring ownership entities. Including syndicated limited partnerships and not-for-profit affiliates of quasi-public agencies	15	15	15
5	Fee Proposal	20	18	10
	TOTAL POINTS	100	91	75

Recommendation (List the firm you are recommending. You may include narrative to explain how scores were derived.)

HMRS

REVIEW - Legal Services SCORING
 Proposals rec'd 08/17/2022 at 2:00 p.m. - RFP

Reviewer: M. Tarulli

	CRITERIA	MAXIMUM	HMRS	Murtha Cullina
1	Appropriateness of proposed service approach	20	20	20
2	Real estate development and operation experience with a specialization in affordable housing and community facilities	30	30	17
3	Mixed, public and private financing experience	15	15	13
4	Experience in structuring ownership entities, including syndicated limited partnerships and not-for-profit affiliates of quasi-public agencies	15	15	14
5	Fee Proposal	20	20	10
	TOTAL POINTS	100	100	74

Recommendation (List the firm you are recommending. You may include narrative to explain how scores were derived.)

REVIEW - Legal Services SCORING
 Proposals rec'd 08/17/2022 at 2:00 p.m. - RFP

Reviewer: Chris Warren

	CRITERIA	MAXIMUM	HMRS	Murtha Cullina	
1	Appropriateness of proposed service approach	20	19	18	
2	Real estate development and operation experience with a specialization in affordable housing and community facilities	30	28	25	
3	Mixed, public and private financing experience	15	15	13	
4	Experience in structuring ownership entities. Including syndicated limited partnerships and not-for-profit affiliates of quasi-public agencies	15	15	12	
5	Fee Proposal	20	18	9	
	TOTAL POINTS	100	95	77	

Recommendation (List the firm you are recommending. You may include narrative to explain how scores were derived.)

RIPPOWAM CORP. DEVELOPMENT UPDATE
SEPTEMBER 2022

IN CONSTRUCTION

Lawnhill Terrace 4: Progress continues at LHT4. There have been a few timing concerns that have arisen in the last week or so. The electrical meters and components have been severely delayed. These items were ordered in February, and the ETA on their arrival was revised into spring of 2023. This is due to production issues at the manufacturer in China. We have sought a solution to this and found one that is acceptable to the engineers and the utility company. Higher capacity components are available and can be 'powered down' to meet the property's needs. This should keep us within our schedule and depending on the utility company's availability reduce or eliminate the need for temporary heating in the winter months. At buildings 17 and 18 all cabinets have been installed, plumbing work continues, and countertop installation has begun. HVAC ventilation duct work is in process. At building 19 cabinets have been installed, countertops are being measured, and plumbing and ventilation HVAC are due to begin next week. Building 20 has electrical work and cabinets in process. Building 21 also has electrical trim and cabinets expected next week. Vinyl flooring is in process. Site work continues with sidewalk pouring at building 20, precast stair installation, retaining wall work, and sewer work at buildings 18 and 17. The water incursion into the basement of building 19 is being investigated, as chemical testing shows signs that it may be domestic rather than rain or groundwater. We may need to involve Aquarion if the leak appears to be under the slab. Repairing this could potentially remove the need for a generator as a back-up power source for sump pumps but that is not yet confirmed.

Rippowam Manor: Final City inspections were completed some time ago, as well as additional inspections by new City staff. We are working with the contractor to complete the last open item needed to receive the final certificate of occupancy. The transfer of limited partner interest from ERI to Forward Housing is expected to close by the end of this month.

Glenbrook Manor: Leasing continues to fill units that become vacant during the renovation period, although this has slowed due to staff shortages and new staff training at COC. We are completing close-out activity required to obtain the balance of the approved mortgage loan, which will result in a significant cash payment. Radon tests required by HUD have been completed in all first-floor units and several upper floor apartments. The tests showed no excessive radon present. The other remaining requirements for a final closing have been submitted except for detailed invoices supporting certain work and additional radon test back-up.

IN PLANNING STAGE

Oak Park: The design development phase is advancing. There is extensive coordination among the team, including Rippowam Corp staff, architects, various engineers, energy consultants, and the construction manager. The team is working on the 9% tax credit application to be submitted in January 2023. This complex process will continue through the submission date. 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. Closing of financing is planned for the last week of September. The refinance of the existing debt at a lower interest rate will be effective immediately. The new loan to fund the repairs will be drawn down as work progresses. Bids will be requested in October with a November response date and work should commence in the spring since warmer weather is required.

Quintard Manor: Planning is under way for the installation of a second elevator. The existing elevator is older and needs frequent servicing. In order to avoid using existing residential space for the new elevator, we will utilize the area now occupied by a stairwell. A replacement fully enclosed stairwell will be added on the rear exterior wall. A design contract has been executed and a loan application for the cost of the project has been initiated with CHFA, which holds the first mortgage. The appraisal ordered by CHFA shows a value of \$9 million and maximum permitted debt of \$7.2 million. The existing debt is \$3.6 million, so we can borrow up to an additional \$3.6 million if necessary. Soil tests are scheduled for 9/26. The zoning application is to be submitted in October.

ASSET MANAGEMENT

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 report for Taylor Street has been received and the others are expected in the coming weeks. These reviews will help us plan for long-term capital budget needs at each site and aid in decisions regarding refinancing and renovation planning.

Lawnhill Terrace 3: Awaiting final lender approval for conversion to permanent financing. All CHFA approvals are in place. JP Morgan Chase is delaying conversion due to elevated level of tenant delinquent rent. We are preparing explanation showing a significant portion of the arrearage is due to State lease enforcement prohibitions that remained in place up to June of this year and working with COC to reduce overall delinquencies.

Park 215, (Phase IV Vidal Court Revitalization): Over half of the commercial space is leased and medical offices there are in operation. A letter of intent has been signed with a pediatric medical group based in Greenwich to lease the larger of the two remaining commercial areas (6,600 square feet). A proposed lease has been issued to the prospective tenant for review. 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. The initial phase of repair work has been completed and fencing removed, allowing us full use of our parking area. Supply chain issues have delayed the delivery of the finish siding material, which is not expected for several months. We will continue to monitor the condition of the wall that abuts our property in the interim

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. Repairs which recent needs 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 \$1.6 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.

HUD has begun final processing of the RAD conversion application that covers Ursula Park and Sheridan Mews. Radon testing was completed at Fairgate August 22 – 24, and the results submitted to HUD, so the Fairgate application is now also under HUD review. The application covering Lawn Avenue and CT Avenue will be eligible for final processing following completion of extensive site work at Lawn Avenue, which is now expected to be completed in December. HUD estimates its timeframe for final processing to be 60 – 90 days.

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 have begun discussions with Blackstone, which purchased AIG's limited partnership interest effective January 1, regarding Year 15 issues. A physical needs assessment was conducted August 22 – 24 and the report from the independent assessment firm confirms that the property is in largely very good condition. The primary capital item identified in the report is the need to replace rooftop mechanical equipment which is nearing the end of its useful life.

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 \$108,000, (60% of the Area Median). 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. We use a private leasing agent, NewBridge

Realty, to aid the marketing of affordable units reserved for the 50% - 60% AMI range, and COC has strengthened its marketing effort to this income category, as well. The recent increase in the AMI of almost 20% is much larger than the typical annual increase. This will increase the maximum eligible income in each income tier and allow higher rents to be charged if landlords choose to impose them, and if the market will support such increases.

Year 15 Tax Credit Project Planning (Post House and Taylor Street): 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. Both are currently in year 15. Discussions are under way with the limited partners of both sites, although talks have advanced further regarding Post House. The Post House limited partner has agreed to exit in return for a payment of \$300,000. We have agreed on a two-step process for the transfer of the limited partner interest. This will exempt the transfer from taxation. Because of the very large pre-payment penalties associated with refinancing we have decided to keep the existing first mortgage in place and pay the limited partner exit fee and State transfer tax from Rippowam Corp funds. The existing Post House mortgage balloons in 2028 and will be refinanced at that time with no pre-payment penalties. Discussions with the Taylor Street limited partner have been on hold pending completion of the capital needs assessment but can now resume since the report has been issued.

UPCOMING TRANSACTIONS AND TASKS

Rent Arrearage: Address higher than anticipated rent delinquency levels. Assist COC and Stone Harbour in addressing chronic delinquency issues

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.

Park 215: Continue marketing effort to obtain tenants for remaining available commercial space. Close currently pending commercial lease transaction. Coordinate commercial tenant fit-out process. Consider installing a gate to limit unauthorized parking and charging a monthly parking fee to market rate residents.

Rippowam Manor: Coordinate City sign-off, complete limited partner switch, close supplemental loan when interest rates are more favorable.

Glenbrook Manor: Coordinate final close-out of construction and new financing..

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, engage with residents and land use approval boards, 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: Conclude discussions with investor limited partners for Taylor Street and Post House 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, 2 and 3, 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.