

**RIPPOWAM CORPORATION
REGULAR BOARD MEETING**

March 22, 2023

6:45 PM

Agenda

TO: Richard Ostuw
Ronice Latta
Bianca Shinn-Desras

- a. Call to Order
- b. Approval of the Board Meeting Minutes for February 22, 2023
- c. Development Update
- d. Oak Park Redevelopment Update
- e. Adjourn

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

6. **Adjournment** -

At 7:36 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

Bianca Shinn-Desras

THE ABOVE BEING ALL OF THE DIRECTORS
OF RIPPOWAM CORPORATION

RIPPOWAM CORP. DEVELOPMENT UPDATE
MARCH 2023

IN CONSTRUCTION

Lawnhill Terrace 4: We have received three Temporary Certificates of Occupancy (TCOs) for buildings at LHT4 (buildings 19, 20, 21). The City is holding the remaining 2 building certificates (buildings 17 and 18) until the work on installing a trench drain to ameliorate the drainage issue in their parking area is complete. We have finalized the design of this trench drain, and the City has signed off. We are currently waiting for materials to be delivered, with the expectation that they will arrive before the end of the month. Once these materials arrive, we anticipate approximately two weeks to complete the installation. This means we have 22 of the 34 units available for leasing. Property management is vetting clients from the waitlist, and we are seeing new applications to the wait list from our real estate partners at Newbridge.

Glenbrook Manor: An updated Asbestos Operations and Maintenance Plan was sent to HUD last week. Once HUD signs off on the report a date for the final closing can be set. In anticipation of favorable HUD action we are working with the lender to prepare for the final close-out and receipt of the available loan balance of approximately \$4.2 million. Efforts to lease the remaining vacancies continue.

IN PLANNING STAGE

Oak Park: The application for over \$17 million in 9% federal tax credits and \$4 million in State capital funding has been submitted to CHFA and DOH. Awards are expected in April. The applications reflect the costs of environmental remediation as identified by our consultants. The Mayor has confirmed her continued support for an allocation of \$1.25 million in City capital funds for the project. We will provide testimony to the Board of Finance later in March as well as to the Board of Representatives as they consider the Mayor's proposed allocation of capital funds.

Clinton Manor: 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 closing of the refinance of the existing loan and the supplemental loan to fund the siding repairs has been completed. The initial advertisement to Bid was published in October but only one complete bid was received and it was far in excess of the estimated cost. The revised bid documents were issued March 1 and a walk-through of the building was held March 8. Bids are due on March 29.

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 exterior. 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. Revised elevator Design Development (DD) drawings have been completed and are under review. Cost estimates will be updated based on the completed DD drawings following review and any modification. After discussions with the City regarding the required Street Improvements for projects exceeding \$250k, the Planning staff offered to locate funding assistance for minor street improvements but have yet to confirm a funding source.

ASSET MANAGEMENT

Rippowam Manor: The COC Operations team has been successful in reducing the number of vacant units. As of this writing there are no remaining vacancies. The new Limited Partner wishes to delay refinancing of the property until interest rates are lower, hopefully in 2024. Bids for the installation of security cameras have been received and are under final review. We are monitoring and addressing post-construction issues at both Rippowam Manor and Glenbrook Manor.

Security and Marketability Analysis of Various Properties: We are reviewing pricing for the purchase of security cameras at Rippowam Manor and Glenbrook Manor and hope to complete installation in 2023. Funding for this work was anticipated when the 2023 operating budgets were developed. We are reviewing security conditions at other developments and will likely propose additional measures in some locations. We are monitoring vacancies and leasing activity at all sites, and particularly at the recently renovated Glenbrook Manor. Improvements to lobbies and common areas to enhance marketability and “curb appeal” have been implemented, focused on developments that do not receive rent subsidies.

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 have participated to a greater extent than in previous years with Finance and Operations staff in the review of 2022 operating revenue and expenses and the development of operating budgets for 2023.

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 charge paid by the eight condo unit owners.

Lawnhill Terrace 3: All parties have agreed on March 27 as the date for the conversion to permanent financing. This will allow the Department of Housing processing time to wire their funds. Lender and Investor are fully signed off on readiness for this date. We, along with the lender, are still tracking the tenants currently in the legal process due to non-payment of rent. We have had several families enter into court mandated repayment agreements, and several more are pending final legal decision. We have only had one eviction thus far, due to non-participation of the tenant in the legal process.

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 interest in the vacant space from two potential tenants in recent months, with one still actively considering the majority of the remaining space.

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. 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.

The existing vinyl plank flooring at Summer Place has been showing separation at the connection points and along the corridor walls for several years. This separation of the planks is limited to the corridor flooring and not in the residential units. The original contractor, architect, flooring contractor and manufacturer of the product, have all visited the building several times to observe the damage. It was determined that the installation nor the product itself were causing the separation but likely building settlement which is common for ground up construction. We do not anticipate further settlement to the current degree and plan to replace the damaged flooring with a product by a different manufacturer. After soliciting proposals from multiple sources, a contract to replace the flooring has been awarded. The flooring material will be ordered and installation is anticipated in May.

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 \$1.8 million for the four COC developments, which will be funded from primarily from the proceeds of scattered site property sales or existing public housing reserves. Repairs at Fairgate will be funded from existing project reserves.

Ursula Park, Sheridan Mews and Fairgate financing plan documents were submitted to HUD last month. HUD is expected to complete their review of the documents by May 2nd. If the documents are approved, a closing date will be set by HUD. The required third residents meeting for each site has been scheduled for April 4 and 5. Once the current capital improvement work at Lawn Avenue has been completed, HUD will determine if the financing plan documents are complete and ready for submission for Lawn Avenue and CT Avenue.

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: Taylor Street has reached the end of its fifteen-year tax credit compliance period (12/2022). The Limited Partner (investor) has exited the partnership after lengthy negotiations and a new entity owned by Rippowam Corp. is in place as the new Limited Partner 99.9% interest in Taylor Street

for \$1.00. State transfer tax liability is expected to be approximately \$10,000. The remaining mortgage debt of \$400,000 has been paid off with funds loaned by COC. This loan will be repaid from a subsequent mortgage financing when interest rates are more favorable or from available cash flow previously used for debt service.

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. We are monitoring and assisting in the leasing process for Lawnhill 4 and for units without rent subsidy at Clinton Manor, Quintard Manor, all Lawnhill Terrace phases, and all units without rent subsidy at the five mixed-income developments. Annual revisions to the Area Median Income are typically issued in March. HUD has indicated that the new AMI will be delayed until May this year.

Year 15 Tax Credit Project Planning (Post House and Taylor Street): The first half of the limited partner's interest in Post House was transferred to a new entity owned by Rippowam Corp. in 2022. The full interest of the Taylor Street limited partner has been transferred to a new entity owned by Rippowam Corp. on February 28.

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. Inspirica has executed a repayment agreement and has begun repaying funds drawn from the services reserve. Coordinate replacement of flooring in common areas on each floor.

Park 215: Continue marketing effort to obtain tenants for remaining available commercial space. Attempt to negotiate agreement with current prospective tenant. Coordinate commercial tenant fit-out process. Continue to work with active prospective tenants by providing information and design assistance.

Glenbrook Manor: Coordinate final close-out of construction loan and conversion to permanent financing.

Lawnhill Terrace 3: Complete project close-out.

Lawnhill Terrace 4: Oversee completion of renovations, leasing of units, and project close-out, including conversion to permanent financing and receipt of balance of investor equity.

Oak Park: Respond to any questions from CHFA and DOH as our funding applications are reviewed. Update residents and other stakeholders as funding announcement are made. Advocate for the Mayor's proposed capital fund allocation before the Board of Finance and Board of Representatives.

Clinton Manor: Re-bid the proposed scope of work and increase outreach to achieve larger pool of qualified and complete proposals.

Quintard Manor: Complete design and cost estimating, determine if funds available for the work are sufficient.

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.

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. 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.

RIPPOWAM CORPORATION

40 Clinton Avenue, Suite 101
Stamford, Connecticut 06901

Meeting Date: March 22, 2023

Resolution Number: 23-02

RESOLUTION

Subject: Authorize an agreement with NewBridge Realty, Inc. to provide Leasing Agent services for Fairgate, Westwood, Palmer Square, Greenfield and Park 215, and affordable unit without rent subsidy at other sites.

Background: This resolution is to authorize NewBridge Realty, Inc. to provide Leasing Agent services for the five mixed-income developments and units without rent subsidy in other developments. The contract will be for a two-year term with up to three one-year automatic renewals unless terminated earlier by either party.

On January 17, 2023 Rippowam Corporation issued a request for proposals (RFP) seeking submissions from qualified firms to provide Leasing Agent services. Under the RFP, the Corporation sought a qualified firm to work closely with Rippowam Corporation and represent its interests during initial lease-up and to fill vacancies during operating periods.

Only one response was submitted to the RFP. To encourage a broader response, the RFP was reissued on February 9, 2023 after being revised to eliminate unnecessary forms and documentation. The second RFP also yielded a single response, from the incumbent leasing agent. Staff reviewed the proposal for completeness in accordance with the requirements set forth in the RFP. The proposal was determined to be complete and successfully addressed all aspects of the evaluation criteria contained in the RFP.

Staff recommends that the leasing agent contract be awarded to the incumbent agent, NewBridge Realty, Inc., with commissions not to exceed an amount equal to one month's rent for each one-year lease signed as a result of its efforts. No fee is due for lease renewals.

NOW, THEREFORE, BE IT RESOLVED that:

1. NewBridge Realty, Inc. has been selected pursuant to the process set forth in a Request for Proposals issued February 9, 2023. Accordingly, NewBridge Realty, Inc. is hereby designated to perform Leasing Agent services for Fairgate, Westwood, Palmer Square, Greenfield and Park 215, and units without rent subsidy in other developments for an initial two-year term, with up to three one-year extensions at the discretion of Rippowam Corporation.

2. The President and Vice President of Rippowam Corporation are hereby authorized, empowered and directed to negotiate and execute a contract for services with NewBridge Realty, Inc., including all items contained in the scope of services outlined in the RFP and as further negotiated between NewBridge Realty, Inc. and Rippowam.

3. Management fees paid to NewBridge, Realty, Inc. for the performance of the approved scope of services shall not exceed an amount equal to one month's rent for each one year lease signed as a result of its efforts without the approval of the Corporation. No fee shall be due for lease renewals.

4. This Resolution shall take effect immediately.

Staff Member Submitting Resolution

Jonathan Gottlieb

President