

**RIPPOWAM CORPORATION
REGULAR BOARD MEETING**

May 24, 2023

6:45 PM

Agenda

TO: Richard Ostuw
Ronice Latta
John Coff

- a. Call to Order
- b. Approval of the Board Meeting Minutes for April 26, 2023
- c. Development Update
- d. Resolution 23-05: Authorize Agreement between Clinton Manor LLC and East Coast Wall Systems for exterior siding replacement
- e. Adjourn

John Coff

4. **Adjournment**

At 6:59 p.m., after a motion duly made by Director Ostuw and seconded by Director Coff 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
MAY 2023

IN CONSTRUCTION

Megan: 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 certificates (buildings 17 and 18) until the work on installing a trench drain to ameliorate the drainage issue in their parking areas is complete. We have installed two trench drains at the site, per the city's instructions, and are currently awaiting final direction on the installation of a third from the Engineering Dept. We have also re-graded some grassy areas near the trench drains. There has, unfortunately, been a contractor error on site that has resulted in a waste-water flooding issue in building 20. While the cause of the issue has been resolved, the damage done to the floor and subfloor in several units has necessitated relocation of the affected families in residence to other buildings. Four of the five families have been relocated within LHT4, with the fifth going to LHT3. The repair work and associated costs will be covered by the subcontractor's insurance. A claim has been opened, and the insurance inspectors are expected on site shortly. Leasing is progressing well with eleven units leased up. Most other units have families assigned that are completing the eligibility screening and income verification process.

Megan: Oak Park: The application for over \$18 million in 9% federal tax credits and \$4 million in State capital funding has been approved by the CHFA Board. The City Board of Representatives has given the final approval required for the \$1.25 million in City Capital Funds. Bi-weekly meetings with the tax credit limited partner and mortgage lender have commenced, as have bi-weekly meetings with the architecture/engineering team and the construction manager. These meetings will shift to a weekly schedule as we get closer to a financial closing. A kick-off call with CHFA and DOH staff was held on May 19. Counsel will join the investor/lender calls as partnership and loan documents are being developed.

A meeting with Oak Park residents of the Phase 1 area is scheduled for May 24, to provide updates on the status of the project and begin more detailed discussions regarding temporary relocation. We are working with the Section 8 Dept. to set aside Housing Choice Vouchers for those Phase 1 households unable to be temporarily relocated on site. Inspections of the vacant units are under way to identify any which may not be appropriate for continued use.

Michele: Clinton Manor: East Coast Wall Systems (ECWS), the low bidder among the three bids received, has been selected as the contractor for the Clinton Manor EIFS (Exterior Insulated Finish System) project. The project kickoff meeting is scheduled for June 1, 2023, to discuss logistics and overall timing. A resolution authorizing the selection is before the Board on May 24.

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. 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. Existing debt totals approximately \$3.6 million, allowing up the an equal amount of new debt, subject to interest rate considerations. The anticipated cost estimate has been

received for the proposed second elevator addition. The estimate came in at \$2.9MM which is below the original projection of \$3.5MM. We have requested certain items (new entry canopies, exterior lighting, and tower logo) currently included in the scope of work be considered as Alternates to lower the estimated costs further. A revised estimate is pending.

ASSET MANAGEMENT

Chris: Rippowam Manor: The building remains at full occupancy. Removal of the pull-cord emergency notice system is under way per advice from our insurance consultant. We continue to monitor the level of resident services, community events and outreach. The limited partner is again considering refinancing the property in order to take out cash. Working with our insurance consultant we have identified savings in costs through deletion of unnecessary coverage for certain items.

Chris: Security and Marketability Analysis of Various Properties: Contracts for installation of security camera systems at Rippowam Manor and Glenbrook Manor have been executed following Board approval. Equipment has been ordered and installation is expected to commence within four weeks. We are reviewing security conditions at other developments and will likely propose additional measures in some locations. We monitor vacancies and leasing activity at all sites and appreciate the efforts of the Operations team which have resulted in improved occupancy levels. Improvements to lobbies and common areas to enhance marketability and “curb appeal” have been implemented, focused on developments that do not receive rent subsidies and additional measures to improve marketability are being sought.

Chris: Other Asset Management Activities: Participating in evaluation of condition of vacant Oak Park units to determine which may be too damaged to use for temporary relocation. Monitoring resident services across the portfolio and working towards unifying programs and services provided to residents. Establishing consistent offerings and maintaining a presentable and approachable service space are current objectives. Participating in assessing conditions at Stamford Manor and identifying potential scope of current and post-conversion repairs. Monitoring resident services provision at Summer Place by Inspirica, condition of neighboring building, and impact on our parking area.

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.

Michele: Park 215, (Phase IV Vidal Court Revitalization): Over half of the commercial space is leased and medical offices there are in operation. The broker had a showing last week with a prospective tenant interested in approximately 3,500-3,700 SF of space. Since the showing they have requested additional information regarding rents and layout.

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. 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. The vendor is anticipating the flooring materials to be delivered to their warehouse before the end of June. The logistics of the flooring installation will be formalized prior to the delivery of the product.

Michele: Conversion of COC Public Housing Portfolio: The Fairgate draft closing documents have been submitted to HUD. Once HUD receives the draft documents, they will begin their review. The anticipated closing date is early July 2023. We received additional HUD comments to the Ursula Park/ Sheridan Mews Financing Plan documents which we are currently revising. Once the RAD Conversion Commitment (RCC) has been issued for Ursula/Sheridan, HUD will begin their review of the Lawn/Connecticut Avenue Financing Plan documents in preparation of issuing the RCC for those properties.

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. Analysis of needed repairs and improvements at Stamford Manor has commenced. A structural engineer is being retained and past studies are being

evaluated in anticipation of performing renovations this year with existing HUD capital funds and additional repairs and improvements following conversion.

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 borrowed \$400,000 from COC to retire the original mortgage loan. The new loan is being repaid with payments equal to the previous mortgage payments. We are working on site improvements and engaging with the eight condo unit owners to improve their participation in the condominium association.

Chris: Leasing of Higher End Affordable Units: While there is almost always significant demand for units reserved for households with incomes under 25% of the area median, there are fewer applications submitted by households at the higher end of the 26% - 50% category, and within the 51% - 60% category. We use a private leasing agent, NewBridge Realty, to complement COC's marketing of affordable units reserved for the 50% - 60% range, and COC has strengthened its marketing effort to this income category, as well. Leasing at Lawnhill Terrace has commenced and is going well. Several families have moved in, and most units have households assigned that are completing the screening and income verification process. We closely monitor leasing of units without rent subsidy at Clinton Manor, Quintard Manor, all Lawnhill Terrace phases, and the unsubsidized affordable units at the mixed-income sites. Occupancy levels continue to be strong at these sites, with market resistance to studio units an ongoing challenge.

Year 15 Tax Credit Project Planning: 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 was transferred to a new entity owned by Rippowam Corp. on February 28. The next development to reach year 15 will be Fairgate, which has the same limited partner as we had at Taylor Street. We anticipate discussions regarding partnership restructuring for Fairgate later this year or early in 2024. Our counsel is preparing amended partnership documents to reflect the change in limited partners that has occurred at Taylor Street. This revised agreement will serve as a template for new documents for Post House, Fairgate and other sites as Year 15 changes are completed.

Chris: Facilities Management: We continue to coordinate closely with Maintenance and Property Management to facilitate effective and timely communication among all team members, improve work flow 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. Demand continues to be strong for most units and increases for new market rate tenants of \$50 - \$100 over previous rents for the same unit have been achieved.

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.

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 hallway flooring replacement. 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. 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: Continue to monitor the level and quality of resident services.

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

Oak Park: Initiate and continue efforts toward initial financial closing. Work closely with residents to prepare for, and implement, temporary and permanent relocation.

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: Update potential new borrowing based on current interest rates and loan terms.

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.

**CLINTON MANOR HOUSING CORPORATION
40 CLINTON AVENUE, SUITE 101
STAMFORD, CT 06901**

Board Meeting Date: May 24, 2023

Resolution Number: 23-05

RESOLUTION

Subject: Authorize an Agreement between Clinton Manor LLC (“CMLLC”) and East Coast Wall Systems (ECWS) for exterior siding replacement and related tasks of Clinton Manor, 22 Clinton Avenue, Stamford, CT.

Background: This resolution is to approve the execution of an agreement for Exterior Insulated Finish System (EIFS) façade replacement and related tasks at 22 Clinton Avenue, known as Clinton Manor. The work is necessary due to the deterioration of the existing EIFS material on the East and West elevations of the building not replaced during previous renovations. In addition to the EIFS replacement, the work will include replacement of existing EIFS at exterior balconies, enclosure of disused exterior through-wall heating and cooling wall sleeves and vents, removal of existing caulking and refinishing the existing EIFS at the North and South elevations.

Rippowam Corporation conducted a public procurement process to obtain a general contractor for the proposed renovation. East Coast Wall Systems, of Middletown, CT, was the low bidder, and was selected as general contractor through this public and open procurement process, following a careful analysis of all proposals received, review by the project architect of their experience, capacity, and qualifications, and consultation with references.

The base bid from ECWS is \$1.6 million. Acceptance of three alternate items and two allowance items contained in the bid package is also recommended. Those alternates and allowances add a total of \$282,050, for a total initial contract amount of \$1,882,050. In anticipation of potential unforeseen costs, the inclusion of a 10% contingency (\$188,205) is recommended, bringing the total recommended for approval to \$2,070,255. Any additional expenditure beyond this level would require Board approval.

Approximately \$1.285 million remains available from the recent refinancing. With the assistance of the Finance Department, sources have been identified to provide the balance of funding required for the anticipated contract amount:

- Replacement Reserve: \$200,000 (current balance \$367,000)
- Project Cash Flow: \$397,000 (annual cash flow \$919,000)

The limited partner, Boston Financial, has approved these expenditures.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Construction Agreement referenced herein is hereby approved subject to review and approval of counsel and all revisions to said Construction Agreement as may be necessary to correct errors, reflect final refinements of the transaction, and respond to requirements of regulators are hereby agreed to.
2. The President or Vice President is hereby authorized, empowered and directed to execute the Construction Agreement and to execute additional documents and take such further actions as may be necessary and proper to accomplish the work pursuant to the Construction Agreement.
3. Further, the President, Vice President, and such other officers and designees of CMLLC whose signatures may be required, are hereby authorized, empowered and directed to execute additional documents and take such further actions as may be necessary and proper to accomplish the work pursuant to the Construction Agreement.
4. The Board of Directors hereby encumbers \$2,070,255 to provide payment for the maximum authorized cost of renovations. Further Board authorization is required before exceeding this amount.
5. This Resolution shall take effect immediately.

Jonathan Gottlieb
Staff Person Submitting Resolution