



HOUSING CORPORATION

2879 WEST 12TH STREET · BROOKLYN, NEW YORK 11224 · TEL. (718) 266-5400 · FAX (718) 265-0630

Board of Directors Meeting (October 27th 2020)

Date: October 27, 2020
Time: 7:00 p.m.

Type: Conference Call

I. ATTENDEES:

Board Members:

Tatyana Yezerkaya, Keith Murphy, Peter Rey, Olga Gitlin, Isolda Israilov, Rita Kapilevich, Roman Grinberg

Metro Management Development, Inc.: David Baron, Ernest Susco, Darya Iлина

Legal Counsel: Adam Leitman Bailey, Rachel Sigmund McGinley, Vladimir Mironenko

Luna Park Housing Corporation: Eric Szurant

Call to Order: 7:07 p.m.

Approval of minutes: Tatyana Yezerkaya motions to approve the minutes. Keith Murphy seconds. All in favor. Minutes approved.

New elevator company – update

Rachel Sigmund McGinley says that HPD will receive the signed contract tomorrow. States that it shouldn't take long to approve because this is a maintenance contract. Tatyana Yezerkaya asks if Rachel Sigmund McGinley could remind HPD about 1st sale cap. Assessment. Rachel Sigmund McGinley states that HPD wants us to provide them with a proposed date when the cap assessment will go in effect. Rachel Sigmund McGinley clarifies that this will require 2 info meetings and suggests after the info meetings take place after new year. Tatana Yezerkaya suggests that it is done asap. Rachel Sigmund McGinley clarifies whether Tatyana Yezerkaya wants to call a special meeting for this which will require retainment of the election company and the earliest that can be done is December, 2020 but believes that will be a lot to process for the shareholders in one month. David



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Baron states that we can contract with elect us separately to vote on the 1st capital assessment. One doesn't need the election services for that. Rachel Sigmund McGinley believes that it makes more sense to have the informational meeting after the new years to ensure shareholders have enough time to review the information. Rachel Sigmund McGinley states that she has to submit materials to HPD so January would work. Rachel Sigmund McGinley anticipates that shareholders may have a lot of questions about the 1st capital assessment, so it would make sense to have a meeting later in January. Tatyana Yezerkaya asks if January 18 and January 26th would work. Keith seconds. All in favor. Discussion regarding the dates. ALB isn't available during these days. The annual will be on the 18th and 26th. Rachel Sigmund McGinley mentions that there have to be at least 2 informational meetings. 18th is the Martin Luther King Day so we need to move it to the 19th. David Baron states that it's best to do within a 2-week time frame. Management has to make sure that election services is available during these days as they are conducting elections at other buildings.

HDC Requirements regarding doormats

Ernest Susco every year we have an annual inspection by HDC which holds the mortgage for Luna Park. One of the items on this annual report was the issue with the doormats. HDC sees them as a tripping hazard and they want us to remove them. Keith Murphy says that the doormats should be fine as long as they are rubber based and narrow. Keith Murphy suggests that we challenge that. Ernest Susco states that he can push back on it since this is controversial. Keith Murphy states that this is not currently a city regulation. Ernest Susco clarifies that since HDC holds the mortgage for us, we have to comply but Ernest Susco will try to fight this battle. All in favor of trying to fight for keeping the mats.



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J51 savings

Luna Park applied for several J51's tax breaks. Consultant was able to come up with a 5 million break on taxes. It will cost Luna Park about \$115,000 for the services. Ernest Susco states that LPHC always applies for J51 whenever we do major renovations but this was approved and we have to pay the company's fee for all the work they did over the years to get us this credit. As soon as Luna Park started the façade project in 2010, we applied for the J51 credit and over the years whenever we did any capital improvements, although it took almost 15 years, we finally got the credit. David Baron explains that J51 is a real estate improvement credit given for improvements that extend a life of the property. Consultants submit the application to the city and once the application is approved, the city reduces a property's tax amount. It's a dollar for dollar tax reduction that the coop gets. RPC did it for LPHC. David Baron mentions that we could work out a payment plan with the company. Ernest Susco clarifies that the company was hired 10 years ago. David Baron explains that they were hired 10 years ago and what we have to pay for is the work that they had done over the years saving LPHC almost \$6,000,000 dollars in taxes (\$487k/year savings on taxes).

Smokestack project – update

\$263,000 deposit has been paid to AM&G Waterproofing LLC. We've received confirmation of the brick order and the company is on track to start the work in June, 2021.

Memo from re-election process during COVID

Tatyana Yezerskaya hopes to curtail the violation of proxy power. David Baron states that according to HPD, proxies are required. However, a person can only come with one proxy to avoid people submitting multiple proxies. Rachel states



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that in the email dated September 27th, Gary Sloman of HPD had indicated that in the event proxies are needed to reach a quorum, they will be allowed. Adam confirms that the proxies should only be used only if the quorum can't be achieved otherwise. Rachel states that the priority is to have the fairest election possible. Once we submit the election package, HPD can come back with feedback. Adam asks if anyone is opposed to him contacting Julie Walpert of HPD to get a clearer idea as to what the elections should look like and what the procedure should look like. Adam will speak with Julie regarding this.

Results of new dog policy

Dog re-registration is underway with new tags being distributed to the dog owners of Luna Park. Once the process is complete, security guards will be able to better enforce dog policy which will be part of the house rules as well, once we receive the final approval of the rules from HPD.

Apartment resale

Only reinstatement applications are being processed at the moment. New lottery list and internal transfers are not being processed until further notice.

Committees on hold due to COVID

Update on terraces

Eric Szurant states that they are currently finishing up 13th floor in Building 1; explains that it takes time to strip and prime the floors.

B.O.D. thanks Rabbi David

Tatyana Yezerskaya states that the Board thanks Warbasse Jewish Heritage Congregation for the food distributions. Peter Rey thanks Roman Grinberg for



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helping organize these events. Roman Grinberg asks if the Board would like to vote on providing a room for food storage and distributions. Tatyana Yezerkaya says this will be added to the next meeting's agenda. All in agreement.

Update on cameras

Ernest Susco explains that costs and materials will be prepared for next meeting. Proposals have been collected but at this time must be placed on hold due to financial concerns.

Façade project - Brief presentation by Tatyana Yezerkaya on "Violation of construction rules and overspending money"

Tatyana Yezerkaya begins by saying that LPHC has an 8A loan which had been taken out to cover the cost of the façade work; because Luna Park has this loan, the property must remain a Mitchell-Lama. Tatyana Yezerkaya hopes that the legal team can help LPHC refinance with a lower percent rate. Rachel explains that legal counsel has looked into this prior and has determined that due to high refinancing penalty, it does not make sense for LPHC to refinance. Roman asks what would happen if Luna Park stopped paying back this loan. Adam says that they would lead to a foreclosure. Rachel clarifies that Luna Park also has a contract with Wells Fargo and agrees that the 6% rate at the time was a good deal and a good rate. Tatyana asks Adam if there is a way for LPHC hold the company that did the facade work accountable for deficiencies in the work. Ernest Susco clarifies that at the last Board Meeting, the Board has voted to hire an owner representative to conduct a peer review for the facade work. Adam says that



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based on the results of that survey, Adam will be able to determine whether or not a case can be made.

Name directory update

Digital options have been considered but at this time it is cost prohibitive. Name directories in the buildings will be updated with new name tags.

New business

Meeting Adjourned 9:48 PM

- Meeting adjourned at 9:48 p.m.
- Minutes submitted by Office Manager, Darya Ilina.