

## Bourne & Kenney Resident FAQ

***How will we ensure that these buildings do not fall back into disrepair over the next 40 years? What safeguards guarantee that future ownership maintains the properties to a dignified standard?***

Pennrose Management Company brings extensive experience to this effort, currently managing more than 12,000 housing units nationwide, including approximately 700 units in New York State. The company has a strong track record and a positive reputation among residents.

Immediately after the sale, new ownership will invest in strengthened on-site operations. This includes a dedicated, permanent staffing structure with property managers, assistant property managers, maintenance supervisors, maintenance technicians, and service coordinators. The properties will also have ongoing contracts for janitorial services, maintenance repairs, pest control, landscaping, snow removal, and other essential facility needs. Regional and corporate teams will provide oversight and support to ensure consistent, high-quality management.

In addition, the project will maintain fully funded reserves. These reserves are separate from the renovation budget and will be set aside to be used to address system repairs as they arise in future years, ensuring the long-term stability of the buildings long after the substantial renovation that we are planning.

As part of the project's financing, Bourne and Kenney will enter into a new regulatory agreement with New York State Homes and Community Renewal (HCR). This agreement requires the properties to be maintained in safe, secure, and quality living conditions.

Additionally, the Bourne and Kenney will enter into a new Housing Assistance Payments (HAP) contract with the Newburgh Housing Authority, under oversight by the federal government's Department of Housing and Urban Development (HUD). This contract requires ongoing housing quality inspections and ensures the properties continue to meet federal standards for safety and habitability.

***Will low-income housing opportunities be included for households making below 60% of AMI? Is there any risk of tenant permanent displacement? Will residents return to the same units?***

The redevelopment project will preserve and expand low-income housing opportunities. The communities will receive at least 140 Project Based Rental Assistance Vouchers (PBVs) from the Newburgh Housing Authority, ensuring that households with the greatest rent burdens receive long-term rental assistance. Current residents who meet the income

eligibility requirements for these vouchers can apply for them, even if they are not currently receiving any rental assistance.

No residents will be displaced due to having incomes below 60% of the area median income (AMI). In fact, the redevelopment will continue to serve households well below that level, and many new residents under the 60% AMI threshold will be welcomed. This approach maintains affordability while meeting all program requirements.

The project is designed as an in-place rehabilitation, meaning units will be renovated during daytime hours while allowing residents to return to their homes each evening whenever feasible. If any temporary relocation becomes necessary, it will be conducted in full compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). URA is a federal law that guarantees tenant protections, including notices, moving assistance, and access to comparable housing in the meantime.

All residents who need to be temporarily relocated will return to a suitable unit once the rehabilitation work is complete.

***Will new management be onsite? Will there be a full-time superintendent onsite? How will work orders be handled?***

Yes, new management will be present on site. This includes opening a management office at the Kenney in addition to the existing office at the Bourne. There will be a full-time superintendent onsite. Work orders can be processed both online and in-person. Work orders are assigned within 24 hours and are completed within 3 days, with items relating to life safety being prioritized.

Work orders can be submitted in writing or through the resident portal/application. Preventive maintenance is essential, and the Pennrose management team remains highly focused on keeping the communities in strong condition following the renovation.

***Beyond work orders, how will residents' voices be heard?***

Pennrose Management Company's core philosophy is grounded in listening to residents and ensuring that their voices meaningfully shape how the community is managed. We recognize that strong resident engagement occurs through everyday interactions, open communication channels, and consistent opportunities for residents to share concerns, priorities, and ideas.

We actively encourage and support the formation and operation of tenant associations, and the new ownership has allocated dedicated funding to sustain tenant-led activities. The existing tenant association will be fully recognized by the new ownership and will continue

to receive support. Free and fair elections will be held annually to ensure that leadership remains representative of the community.

Beyond the tenant association, the on-site management team remains committed to hearing directly from all residents. Management maintains an open-door policy, holds periodic tenant events, and is available for one-on-one conversations to address concerns as they arise. ***How will re-certifications work, especially for over-income households?***

Pennrose Management Company has experienced staff who will support all existing residents throughout the recertification process. This process will occur in tandem with the renovation work. Once all required documentation is collected, management will determine whether the resident qualifies for rental assistance through a Project Based Voucher and whether they remain within the same income tier, or whether their income has changed from previously reported levels.

Currently, under the Low-Income Housing Tax Credit (LIHTC) program, both the Bourne and the Kenney are restricted to households earning at or below 60% of Area Median Income (AMI). However, in some cases, prior management may not have conducted up to date income verifications, resulting in certain households exceeding the 60% AMI limit.

To ensure residents remain housed and the property maintains compliance, the new regulatory agreement with New York State will allow the communities to serve households earning up to 80% of AMI. This ensures that households whose incomes have moderately increased can remain in their homes while still meeting federal requirements.

***What are your plans to ensure that the tenant-occupied rehab is least disruptive to residents?***

The developer, contractor, and architect have extensive experience with tenant-occupied rehabilitation projects. Renovations will take place in cohorts of approximately 8–12 units at a time. The team will coordinate to enter a unit each morning, perform the scheduled work, and return the unit to a livable condition by the end of the day.

The target renovation timeline for each unit is approximately three weeks. During this period, residents will be asked to vacate their unit each morning, and the unit will be made functional and safe for re-entry at the end of the day. Hospitality suites will be provided for residents to use during daytime construction hours.

Depending on the condition of certain units, some may require more extensive work. Across both properties, 25 units are currently vacant; these will be renovated first and used as temporary housing for residents who must fully relocate for a short period, typically 3–4 weeks, if their units require deeper rehabilitation.

The development team will cover all costs associated with these temporary relocations and move-ins, and will make every reasonable effort to accommodate residents' needs

throughout the construction process. ***How will informal tenants and non-lease occupants be handled?***

The developer recognizes that household dynamics vary by apartment. When individuals are living in a household but are not listed on the lease, their status will be reviewed as part of the standard LIHTC recertification process and in accordance with federal income-qualification requirements.

The management company will, as is its established practice, make every good-faith effort to income-qualify any non-lease occupants so they can be formally added to the household. Further, the team will prioritize assigning units to informal tenants who cannot remain in their current apartments due to occupancy or household-size limitations. This may include, but is not limited to, transferring the entire household to a larger unit or, where appropriate, subdividing the household into two units. In such cases, the team will also assist residents in applying for rental assistance if needed. Our goal is to ensure that all residents are housed safely, in compliance with program rules, and in units that meet quality and regulatory standards.

***Will there be local hiring for construction?***

The general contractor has extensive experience delivering multifamily housing projects throughout New York State. Job creation is a key component of this development, and the contractor will make every good-faith effort to hire local and regional subcontractors to ensure that economic benefits remain within the community.

***How can the developer be required to complete the work?***

To ensure the renovation work is completed, the developer will sign a completion guarantee requiring all renovations to be fully delivered. Any cost overruns are the responsibility of the developer –not the residents or the City. The contractor will also provide a bond – a form of financial backup – to ensure work is completed and bills are paid. The contractor has strong financial capacity and a proven track record on similar projects.

The developer has a long history of successful delivery. Over the past 50 years, the Pennrose development and construction team has completed more than 27,000 housing units across the United States and currently manages 15+ active construction projects each year. This experience demonstrates both capacity and reliability—we know how to deliver projects of this scale and ensure their long-term success.

***Why is the PILOT necessary for this project?***

Payment in Lieu of Taxes (PILOT) agreements are a foundational component of affordable housing finance. Because rents must remain well below market levels, operating income is not sufficient to support full property-tax obligations. A predictable and reduced tax

structure is required for lenders and public housing agencies to provide long-term financing. Without a PILOT, the project cannot secure required funding and will not move forward.

The team is targeting an August acquisition, with renovations beginning immediately afterward, pending coordinated approvals from several agencies. However, the timeline depends heavily on the PILOT approval. If the PILOT is not approved in time for the funding application, the schedule will shift significantly.

***What housing quality enforcement provisions are included with the PILOT agreement?***

The current PILOT agreement includes housing quality enforcement language addressing performance failures, compliance lapses, and habitability violations. This language requires the owner to maintain a valid Rental License throughout the term of the agreement and provides the City with enforcement mechanisms to terminate the agreement if the license is not consistently maintained. To maintain a Rental License, all units must comply with City Code housing quality standards.

***How does the Attorney General's action against the current owner affect this project?  
How would an appointed temporary receiver affect the project?***

The developer is aware of the Attorney General's recent motions, including the request for temporary receivership. The development team remains fully committed to moving the project forward. At this time, receivership proceedings are not expected to impede the financial closing of the acquisition from the current owner.

The PILOT resolution would allow the project to remain on its planned timeline and advance toward closing, with any ongoing legal actions involving current ownership having minimal impact on the ongoing financing activities.

***What security features will be put in place?***

The renovation scope will include installing an array of cameras across both properties and implementing a new lighting system, designed thoughtfully to enhance security. As Pennrose assumes management of the property, the team will typically deploy manned security to monitor conditions during the transition. This on-site presence generally remains in place until the camera and lighting installations are completed, and any identified security concerns have been addressed.

***What resident engagement plans are contemplated?***

While an initial introductory meeting with residents can take place, full and substantive engagement describing the complete scope of work cannot begin until the project's path is certain. The viability of the development, and the commitments we are able to present,

depend on approval of the PILOT. Contour Housing Partners cannot make representations to residents regarding the scope of renovation plans until financing is secured.

A comprehensive resident engagement plan for both Bourne and Kenney will be implemented once we receive approval to proceed with the project.

Our engagement approach includes:

- **Introduction of the full development and on-site management team:** We will meet with residents to introduce all key personnel, including the development team, property management company, and relocation staff.
- **Overview of the redevelopment scope and construction timeline:** Residents will receive a clear explanation of the renovation plan, expected sequencing, and anticipated timelines. Residents will have an opportunity to understand the physical improvements planned for their buildings and units, along with the next steps in the process.
- **Detailed education on resident rights and protections:** This includes an accessible explanation of the Uniform Relocation Act; residents' right to return; nondisplacement commitments; required notices; requalification procedures and documentation; relocation assistance services; and the process for requesting reasonable accommodations.
- **Creation of meaningful opportunities for resident input.**  
Each meeting is scheduled to allow time for questions, concerns, and feedback. We view resident feedback as essential, and we incorporate it into project planning wherever feasible. Having the team present on site ensures that resident voices shape the redevelopment effort.

This is a proven engagement model. Most recently, this team led a similar resident engagement process at the Taylor Apartments in Troy, New York. Over the course of predevelopment and construction, we held more than ten resident meetings. The kickoff session included multiple development team members, property management leadership, relocation specialists, and design professionals. We presented a detailed bilingual slide deck and distributed a corresponding resident guide. Producing and delivering these materials requires substantial coordination across several organizations—an approach we are fully committed to repeating here as we do in all our in-place renovations.

Overall, our plan emphasizes transparency, communication, and direct resident involvement. We are committed to carrying out this engagement process thoughtfully, thoroughly, and with a high level of respect for the residents and the community.