

LONG BEACH  
**BRIDGEPORT**  
Homeowners Association

Dear Homeowner,

If you were one of the 20+ participants at the Renovation Town Hall meeting in June, thank you for both your attendance and participation. We hope that the attached Frequently Asked Questions (FAQs) will assist with bringing you current with the project.

“An investment in knowledge pays the best interest.” – Benjamin Franklin

The rebuilding of our community is more than just renovating the buildings, replacing all the damaged wood and painting, while strengthening the financials of the HOA. We have both opportunities and challenges in other areas in which our 60 households can provide strength in problem solving and solutions for bettering our community. We also have a life safety aspect needing repair that has been neglected for far too long.

One difference between renting an apartment and owning a condominium is that we all own one-sixtieth of this 60-unit complex. For example, you may live on a ground floor unit, but you still own one-sixtieth of the roof.

Over the years, Bridgeport has been regarded as one of the most attractive and desirable condo complexes in Long Beach – mainly due to its location, architecture, winding walkways, separate buildings and landscaping.

The Board is preparing to repair catwalks, paint both stucco and siding as well as patio walls, handrails and gates. When it is all finished, it will dramatically improve the appearance of what we ALL own and increase its market value. During the preconstruction phase, the Board kept owners informed at Board Meetings and received input from homeowners during the Homeowner Forum.

We have all heard the saying that “Life is what you make out of it.” This community belongs not only to us and our families, but to you and your family as well.

“Our community belongs to all of us, and our community is what we make out of it.”

Sincerely,

Long Beach Bridgeport Board of Directors

## **REASONS FOR RENOVATION**

### **Q: Why are we taking this action now? Can this project be postponed?**

A: Damages related to catwalks, wood siding and trim requiring repair throughout the HOA are tremendous. The Federal Reserve has recently implemented several interest rate hikes in 2022 with the expectations of additional rate hikes to follow. Inflationary price pressures and potential supply shortages may drive material and labor prices even higher. Postponing this project is not deemed to be in the best financial interest of the community.

Additionally, due to the recently enacted CA Senate Bill 326, these repairs to the elevated walkways and balconies must be completed by the end of 2023. This is a "Life Safety Issue" that could ultimately result in much higher costs to all homeowners if someone were to get hurt should one of these elements fail.

### **Q: Can some but not all be redone?**

A: This approach was considered and ruled out for a number of reasons: 1) There is hardly a building in the complex that does not require some siding being replaced; 2) Property values could be negatively affected if only certain elevations on certain buildings were completed; 3) The exteriors of the building are the responsibility of the HOA and therefore everyone needs to be treated equally; 4) Economies of scale provides price advantages; 5) Building exterior uniformity; and 6) Warranties would become a challenge where new and old products meet.

### **Q: How does the project benefit me specifically?**

A: First and foremost, it will protect your investment in your home. Without these repairs, the HOA components will continue to degrade to a point where the cost to bring it back to its acceptable use will become too great for the HOA. Secondly, our experience is that once a renovation such as this is underway, property values escalate even greater than the amount of the assessment. Potential buyers want to know they are buying into a complex that cares about how its buildings look and are taken care of; this adds value to the property.

## **CONSTRUCTION MANAGER - DESIGN BUILD ASSOCIATES (DBA)**

### **Q: Who is Design Build?**

A: DBA is a construction consulting firm that has been in the HOA construction business for 39 years. You can also learn who they are by visiting their website at [www.dbuild.com](http://www.dbuild.com).

### **Q: What makes them qualified for this project?**

A: They are licensed general contractors that work exclusively as construction managers and consultants. They have been in business for 39 years with an excellent track record and have completed hundreds of projects. 99% of the projects that they do are for homeowner associations with projects just like Bridgeport.

### **Q: Do you get a kickback from the contractor?**

A: Design Build Associates never receives any money from any other vendor. They never have and never will. Our fee for this project is solely what the HOA pays us for all the services that we are providing to the HOA.

### **Q: IS DBA going to serve as the General Contractor? What is the role of Design Build throughout the process?**

A: Design Build Associates is strictly our construction manager and consultant. They assisted to prepare all the needed bid documents, obtained contractor bids, coordinated with the Board to interview contractors, and with the selection of a contractor. They will also work with our legal counsel to write the contract between the association and the contractor, then they will oversee the entire project to make sure that the contractor stays on task and completes the work as required by the contract. They will process all payments to contractors and ensure that all of the proper lien releases are obtained to protect the HOA.

## **CONSTRUCTION – VARIOUS QUESTIONS**

### **Q: What is the entire scope of this renovation project?**

A: The scope of the project includes replacing all damaged exterior wood trim and siding from the roof line to the ground. The exterior of all buildings, wrought iron railings, all common area doors, pool building and all wood around the pool, vents and entry doors will be painted. There are over 30 beams and at least 8 posts that are severely damaged and must be replaced. This is a legal requirement dictated by the new Senate Bill 326. The repairs to the balconies are also required by the same SB 326 Civil Code. The elevators will be modernized and brought up to code compliance. The garage CMU walls will be sealed to prevent further deterioration.

### **Q: Is there any part of the project that can be deferred?**

A: All of the items in the project have been deferred for years. The need to repair is now critical.

### **Q: What future improvements are needed?**

A: The board is discussing improvements to landscape/planters, pool/spa bathroom repairs, and repainting of parking spaces. We expect re-roofing to be necessary in about 4-6 years.

### **Q: Will the HOA continue to provide information throughout this entire process?**

A: Absolutely, there will be additional town hall meetings and the opportunity to receive regular updates once the project has commenced.

### **Q: Who do I contact if I have a problem?**

A: Once the project gets underway, there will be contact numbers provided on notices should you need to speak to someone about a particular issue.

### **Q: Is there going to be a CPM? (Critical Path Method Schedule)**

A: Yes.

### **Q: Why were the two lowest bidders chosen to interview?**

A: All solicited bidders were prequalified and deemed fully capable of handling this project. The two low bidders' numbers had similar bids; the other 3 bidders were significantly higher and were therefore eliminated. The Board then interviewed the two lower bidders and made a selection based on the best needs of both the project and community.

### **Q: Will change orders be capped?**

A: Change orders will be managed with set labor and material rates. The budget will include an "owner contingency" to cover the cost of these unknown items that would result in change orders.

### **Q: What material is proposed for the railing?**

A: Wrought iron but with modern horizontal cross-members.

### **Q: Will we be painting the buildings the same colors or new colors?**

A: The Board is working with several color sample boards and as the choices are narrowed down, we anticipate asking the homeowners to vote on the final colors.

### **Q: What will be done to ensure that walkways are not a recurring problem where we make multi-million-dollar repairs only to do it again in 7-10 years?**

A: The damage to most areas of the walkways is due to moisture getting below the deck coating and seeping down into the wood components below. It will be necessary to maintain the deck coating by following all of the manufacturer's recommendations. Typically, this will involve applying a top coat every 3-5 years.

## **FINANCING/COSTS**

### **Q: My house is the smallest floorplan, why do I have to pay the same price?**

A: Per the CC&Rs that you were given when you purchased your home, the assessments are made per unit and not determined by square footage.

**Q: What is this going to cost me? Do I have to pay the whole amount up front? How is this project going to be financed?**

A: The final cost for each individual homeowner was made available and presented at the third Town Hall Meeting on October 12, 2022. Each homeowner has the option to pay the entire assessment up front or participate in a financing option with monthly payments. The Board of Directors is currently looking at a combination of financing methods which would include a special assessment in conjunction with the HOA obtaining a loan or an Emergency Assessment.

**Q: Am I able to make multiple lump sum payments instead of monthly payments over the 15 years?**

A: The loan is set up to either be paid in full, up front or monthly payments.

**Q: Are there any tax benefits?**

A: You will need to speak with a tax professional for this question.

**Q: Will the bank do a credit check on each owner?**

A: No, there will not be any individual credit checks. The loan is being originated by the HOA.

**Q: Can the loan rate be locked in now?**

A: Unfortunately, the terms of the loan will not be able to be “locked in” until the financing has received membership approval in the upcoming ballot solicitation. It is important that every voting member returns their ballot. Please vote!

**Q: Can I get my own loan?**

A: Absolutely! The Board recommends voting members to approve a “Loan Option” in the ballot package so that everyone will have a financing option immediately available to them. This will not preclude anyone from researching and getting themselves a better financing option, and then paying their loan balance off.

**Q: If I get a loan, can I write off the interest?**

A: Please contact either your accountant, tax preparer, or legal advisor for assistance with this question.

**Q: Is the loan structure a fixed interest rate?**

A: Yes, the rate is fixed for 15 years.

**Q: Is there an appraisal fee for those who need to refinance?**

A: Each homeowner will be responsible for all fees associated with alternative financing.

**Q: Will monthly dues increase?**

A: If the project is approved, there will be no immediate increase in dues. The Board is in the process of finalizing the 2023 budget.

**Q: Why doesn't our HOA monthly payment cover this?**

A: Current reserve contributions collected from previous HOA monthly payments are expected to be insufficient to cover all of the necessary repairs. In a letter from Optimum, CFO Mike Smith recommends against the HOA using Reserve funds due to low funding levels.

**Q: What happens if someone can't pay or defaults on payments?**

A: The HOA has the right to pursue that individual for the funds due, place a lien on the property and even foreclose on the property, if necessary to collect.

**Q: Assuming the assessment is approved, when would the start date be and finance/payments?**

A: If the project is approved when the votes are counted in November, the project would most likely start after the first of the year.

**Q: What happens if I sell my house before the project is done?**

A: You may sell your property at any time. If you are participating in the HOA's loan you may be required to pay the balance of your share of the loan out of escrow. This is fully negotiable between you and the buyer. However, be aware that most lenders require that the loan be paid before escrow closes.

If you sell before any assessment is passed you are still obligated to disclose to any potential buyer that this assessment is likely. However, once the word gets out that the HOA has passed this assessment and is completing this work your property value is likely to increase.

**PROJECT SOLICITATION**

**Q: What happens if I don't agree with the project?**

A: All homeowners have a voice and will have the ability to vote "Yes" or "No" regarding the Renovation Project before November 15, 2022.

**Q: Will another Special Assessment be needed for future projects?**

A: Only if the reserve fund is not adequately funded there is the potential for another Special Assessment.

**Q: What happens if the vote for the Special Assessment does not pass?**

A: If the membership vote fails, the Board will have no other option than to institute an Emergency Special Assessment to repair the "Life/Safety" items. These are all items associated with the elevated walkways and balconies. This type of assessment only deals with the emergency issues and does not remedy any of the aesthetics or the completeness of the full project leaving a piece-meal look and feel in the community.

**Q: Is there a report Showing Bridgeport's solvency compared to other comparable sized HOAs?**

A: No, there are no reports comparing financials that we are aware of. Each HOA is a private business entity, and those records would not be easily accessible.

**Q: We have to vote on this, right? What happens if we vote no?**

A: Correct, all homeowners will be solicited with a ballot by postal mail for voting in October 2022. We encourage everyone to participate because every vote has significance in a community of 60 homeowners. If this project does not pass, the Board of Directors will have to consider raising HOA monthly dues and/or voting on an emergency assessment or possibly both up to the maximum amounts allowed to be used towards making such repairs. These specific increases unfortunately may not have a financing related option. If the Board chooses not to raise additional funds, damages to the building will become more severe and the community will have no other choice but to renovate the entire complex in the future, but at an expectedly higher price tag.

**Q: What happens if I don't vote?**

A: All homeowners have a voice. Should you choose not to vote your voice will not be heard regarding the Renovation Project.

**Q: How much of the Reserves are going to be used for this project?**

A: There will not be any Reserves used for this project besides what has been spent to date. The Reserves are currently only 34% funded. Based on the current budget and operating expenses, the HOA would not qualify for the loan if any of the Reserves were to be used.

**Q: Why does this project include more than just the critical Life and Safety items?**

A: The damaged wood on the building needs to be replaced or it could cause further damages to the building envelope and further damage to the interior of the buildings. The paint on the buildings is long overdue. Without sufficient coverage with paint, the wood will deteriorate even faster resulting in even larger costs to repair.

## **FRONT DOORS**

### **Q: Will front doors be included?**

A: Existing front doors and common area doors will be painted.

## **INCONVENIENCES TO HOMEOWNERS**

### **Q: How long is the process going to take?**

A: Once construction begins, the project is estimated to take place over a 6-8 month period.

### **Q: Will we have to move out of our homes?**

A: No, we do not expect relocation to be necessary, but there will be times during the project that you will not have access to your home for certain time periods during the day, such as 8am-12pm or 10am-2pm.

### **Q: I work from home. What will be done to mitigate noise? Will the construction noise interfere with my phone calls?**

A: There will be some expected noise as this project is being completed. Homeowners will have advanced notice of their specific building renovation so that the resident can make alternative plans.

### **Q: Will I still be able to drive in and out of the garage during construction?**

A: Yes, however there may be times that you will be asked to limit your activities in and out of the garage and your parking may be temporarily relocated while work is taking place around the garage. That time will be a few days during the entire time work is being completed on the garage walls and ceilings. However, you will have daily access in and out of the parking garage.

### **Q: How will our daily lives be interrupted?**

A: Once work begins in the complex, it will move in an organized fashion throughout the property. There will be expected additional noise and dust from work being completed, but the contractor selected specializes in working in occupied HOAs and is prepared to minimize the inconveniences to the homeowners. You will receive plenty of written notices prior to any work starting on your building. Once work starts it will take about 2 to 4 weeks to complete a building. The contract or will post updates and schedules to a Bridgeport URL.

### **Q: Will the workers need to access inside my home?**

A: There are no planned tasks that would require the contractors to be in your home. That said, if there ended up being a stud or sill plate that needed to be replaced due to termites or dry rot and the contractor needed access to your home, they will schedule time with you for such repairs. This is expected to only relate to a repair caused by current structural damage due to dry rot or termites.

## **LANDSCAPING**

### **Q: Will plants be destroyed during construction?**

A: Some damage to landscaping is bound to happen during this project. The contractor will work to avoid as much damage as possible as the work is completed.

## **LIGHTING**

### **Q: Will lighting fixtures be replaced?**

A: No, this is currently not part of the project.

## **PARTICIPATION FROM THE COMMUNITY**

### **Q: What input as a homeowner will I have throughout this process?**

A: We encourage homeowners to attend both Board meetings and the remaining Town Hall meetings that are planned specifically for this project. If you as a homeowner are interested in helping to move the project forward you should let the Board know of your interest.

**Q: Why was there no input from the homeowners on DBA and/or the General Contractors?**

A: The homeowners elected board members to make such decisions. Updates were provided at every Board meeting for the past 12 months. The Board must decide what is the most efficient and effective process to complete this project.

**Q: Do I get to make choices as far as design and color?**

A: Homeowners will have the opportunity to provide input; however, the decision will ultimately be made by the Board.

**Q: Will a separate committee be formed to oversee the project?**

A: DBA was hired specifically to oversee the project based on their expertise and impeccable resume. The Board will work in conjunction with DBA to manage the project; a separate committee with additional points of contact will not be necessary.

**PATIOS**

**Q: Will the patios be included in the project?**

A: Yes, you will be asked to consolidate items on your patios and courtyards, so the contractor has full patio access to the patio walls of your unit as well as the perimeter patio walls.

**RAIN GUTTERS**

**Q: Will the project include rain gutters?**

A: The existing gutters and downspouts will be reused and painted. However, there may be a need to replace some downspouts due to damage.

**ROOFING**

**Q: Have the roofs been assessed?**

A: The roofs have been determined to be in a satisfactory condition are not part of this renovation project.

**WARRANTIES**

**Q: What warranties/guarantees will be provided?**

A: There is a contractor warranty which is different than the materials warranty. The contractors' warranty is for 2 years. The material warranties vary by material and manufacturer. The paint will have a 12-year limited warranty, and the deck coating will have a 5–10-year warranty.

**WINDOWS**

**Q: Do you foresee any issues with windows?**

A: The only issue may be with previously installed retrofit windows that were not properly installed.

**Q: Will windows be an option for replacement?**

A: No, windows are not included in this project. Windows are a part of each homeowner's responsibility