

Brooklyn Housing Authority – Minutes October 7, 2015

Chairman Bruce Parsons called the meeting to order at 10:00 AM

Members Present:

Chairman	Bruce Parsons
Vice Chairman	Paul Phaiah
Treasurer	Aida Bissonnette

Members Absent: None

Others Present:

PHA Property Manager	Linda Laflamme
PHA Business Manager	Sarah Shoppe
PHA Executive Director	Kathy Carter
ECHO	Peter Battles

Approval of the minutes

Aida Bissonnette made a motion to accept the minutes of the July 15, 2015. Paul Phaiah seconded the motion. All were in favor. So voted.

Tiffany Place

Peter Battles gave the following update on the Tiffany Place Rehabilitation Project:

- The project was put out to bid. There were many vendors present at the walk thru that expressed interest in bidding on the project. The estimated cost for the overall project by ECHO is 2.8 million dollars plus 10% contingency. Unfortunately, only 2 bids were received and the prices were incredibly high. The bid received from Enfield Builders was one million over budget and the second bid from A. Secondino and Sons was two million over budget. Based on this the project will have to be rebid.
- Andrew Woodstock, ECHO Project Manager has been reaching out to vendors who did not submit a bid to try and determine exactly why. Advertising was done in the Hartford Courant and State website.
- DOH funds were awarded, but have not gone to the bond commission yet.
- Mr. Battles will update CHFA and DOH on the bid results and status of the project.
- Mr. Battles is recommending another application for tax credit be submitted in February.
- Bruce Parsons offered to contact Mike Santoro, DOH to discuss status.
- CHFA latest technical review expressed concerns about PCB's/hazardous materials. PCB's can be found in caulk. ECHO has been in touch with Fuss and O'Neil Inc. Estimated cost for review is \$4,500. Mr. Battles noted that he wants to have a meeting with CHFA, Fuss and O'Neil and ECHO to determine the exact scope of work.
- Rental Income Calculation Worksheet was reviewed in detail.
- 20 Year Cash Flow Worksheet was reviewed in detail.
- The board agreed to pay ECHO the remaining balance in the RM&R Passbook held at Jewett City Savings Bank to ECHO. Approximate balance is \$4,500.00. Aida Bissonnette and Paul Phaiah signed the withdrawal slip.
- The Consulting Contract with ECHO was reviewed.

Upper Village

- A write off of \$2,201.19 was reviewed. Aida Bissonnette made a motion to approve the write off. Paul Phaiah seconded the motion. All were in favor. So voted.

Adjournment

There being no further business, Aida Bissonnette made a motion to adjourn the meeting at 10:51 AM. Paul Phaiah seconded the motion. All were in favor. So voted.

Subject: BHA Meeting, October
From: Peter Battles (echopb@sbcglobal.net)
To: pha24@hotmail.com; brooklynhousing@sbcglobal.net;
Date: Monday, September 14, 2015 2:47 PM

I am forwarding some materials that may be useful for distribution to the Housing Authority Board prior to our meeting on October 7. Most of these are taken from the SSHP grant application.

1) **Development Budget:** This budget is based on the in-house hard construction cost estimates and may change based on actual bids received.

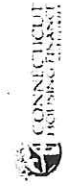
2) **Rental Income Worksheet:** The lower portion of this worksheet shows the estimated rents for the 13 units that DOH has committed to subsidize and the rents for the 14 unsubsidized units. Please keep in mind that the contract rents include heat and hot water.

3) **20-Year Cash Flow Projection:** This spreadsheet is a projection of project income and expenses over a 20-year period. Operating expenses are broken down into administrative costs, utilities, maintenance, etc. It is assumed that Replacement Reserve deposits and all Net Operating Income (NOI) will be retained to build up reserves against future capital improvements. The timing and cost of the projected future capital improvements are taken from the Capital Needs Assessment commissioned by CHFA a couple of years ago. The projection achieves the two objectives of a) positive cash flow throughout the 20-year period and b) build-up of sufficient reserves to pay for anticipated capital replacements over the 20 years.

4) **Draft Management Contract:** The final document is a draft contract between BHA and ECHO for development services going forward, as contemplated in the Memorandum of Understanding signed in 2012. Under the paragraph on Compensation, the minimum total fee of \$230,000 is the figure used in the Development Budget and covers all work from the ECHO's retention as project developer through the end of construction.

Peter Battles
ECHO

CHFA DOH CONSOLIDATED APPLICATION



Version 2015.1
Submission Date:
July 15, 2015



Exhibit 6.3 - DEVELOPMENT BUDGET

DEVELOPMENT NAME	Tiffany Place	APPLICANT	Brocklyn Housing Authority	FINANCE PLAN					Total
		%	BUDGET	TAX CREDIT ELIGIBLE BASIS		DOH FUNDS	HTCC	Historic Tax Credits - State	
				70% NPV - 9% or 30% NPV - 4% (New / Rehab.)	30% NPV - 4% Exist Building Acquisition Credit				
SITE & IMPROVEMENTS (Div. 1-16) Hard Costs			2,371,573	2,371,573	N/A	1,008,573	660,000	703,000	2,371,573
GENERAL REQUIREMENTS (Max. 9% Site + Improvements)		5.6%	205,010	205,010	N/A	83,010	59,000	63,000	205,010
OVERHEAD and PROFIT (Max. 7% Site + Improvements)		7.0%	166,000	166,000	N/A	71,000	46,000	49,000	166,000
BOND PREMIUM / L.O.C. COST			75,000	75,000	N/A	75,000			75,000
BUILDING PERMITS and OTHER DEVELOPMENT FEES			30,000	30,000	N/A	15,000	15,000		30,000
CONSTRUCTION (Project Cost Summary) Sub-Total			2,847,583	2,847,583	N/A	1,252,583	780,000	815,000	2,847,583
COMMERCIAL CONSTRUCTION			0	N/A	N/A				0
COMMERCIAL CONSTRUCTION CONTINGENCY			0	N/A	N/A				0
Other			0	0	N/A				0
Other			0	0	N/A				0
Other			0	0	N/A				0
CONSTRUCTION CONTINGENCY (10% Max) (% Const. >)		10.0%	284,758	142,379	N/A	284,758			284,758
CONSTRUCTION			3,132,341	2,989,962	N/A	1,537,341	780,000	815,000	3,132,341
ARCHITECT - Design			129,565	129,565	N/A	129,565			129,565
ARCHITECT - Contract Admin (Min. 35%) (% Contract >)		35.0%	69,766	69,766	N/A	69,766			69,766
ENGINEERING (Civil-Site / Structural / Etc.)			0	0	N/A				0
SURVEYS (A-2: Exist. Conditions and As-Built)			2,500	2,500	N/A	2,500			2,500
Blueprints/Copies/Printing			0	0	N/A				0
Other			0	0	N/A				0
Other			0	0	N/A				0
Other			0	0	N/A				0
ARCHITECTURAL and ENGINEERING			201,831	201,831	N/A	201,831	0	0	201,831
INTEREST (CHFA) - Const. + 2 Mos. Lease Up		#DIV/0!	0	0	N/A				0
CHFA LOAN ORIG. / COMMIT. FEE			50,000	50,000	N/A	50,000			50,000
INTEREST - Bridge Loan			0	0	N/A				0
FEES - Bridge Loan			0	0	N/A				0
R. E. TAXES / PILOTS - Const. Period			40,000	40,000	N/A	20,000	20,000		40,000
INSURANCE - Const. Period (Builder's Risk / Liability / Hazard)			5,000	5,000	N/A	5,000			5,000
UTILITIES - Const. Period (If Owner Paid)					N/A				0
Negative Arbitrage on Bonds (If Applic.)					N/A				0
Credit Enhancement Premium (HUD or Private Perm. Mortg. Insur.)					N/A				0
Other			0	0	N/A				0
Other			0	0	N/A				0
CHFA CONSTRUCTION OBSERVATION			28,500	28,500	N/A	28,500			28,500
FINANCE and INTERIM COSTS			123,500	123,500	N/A	103,500	20,000	0	123,500
LEGAL COUNSEL - Real Estate (Closing Docs and Title Work)			30,000	30,000	N/A	30,000			30,000
CHFA EXTERNAL LEGAL COUNSEL			0	0	N/A				0
TITLE INSUR. PREMIUMS and RECORDING COSTS			5,000	5,000	N/A	5,000			5,000
APPRAISALS / MARKET STUDY (CHFA / LIHTC Required)			0	0	N/A				0
LEASE UP & MARKETING			8,000	N/A	N/A	8,000			8,000
COST CERTIFICATIONS (CHFA/LIHTC/DOH Required)			8,500	N/A	N/A	8,500			8,500
ENVIRONMENTAL REPORTS and TESTING			230,000	230,000	N/A	230,000			230,000
Administrative Costs			42,500	42,500	N/A	42,500			42,500
Environmental Contingency			0	0	N/A				0
Other					N/A				0
OTHER COMMERCIAL USES/COSTS		4.6%	30,000	N/A	N/A	30,000			30,000
SOFT COST CONTINGENCY (5% Max) (A&E+FIN+SOFT %)			354,000	346,000	N/A	354,000	0	0	354,000
TOTAL DEVELOPMENT COSTS (TDC)			3,811,672	3,861,283	N/A	2,196,672	800,000	815,000	3,811,672

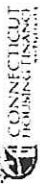


Exhibit 6.3 - DEVELOPMENT BUDGET

DEVELOPMENT NAME		APPLICANT		FINANCE PLAN						
Tiffany Place		Brooklyn Housing Authority								
	%	BUDGET	TAX CREDIT ELIGIBLE BASIS			DOH FUNDS	HTCC	Historic Tax Credits - State	Total	
			70% NPV - 9% or 30% NPV - 4% (New / Rehab.)	30% NPV - 4% Exist Building Acquisition Credit	30% NPV - 4%					
DEVELOPER ALLOWANCE / FEE (Max 15% TDC)	0.0%		0	N/A	N/A				0	
PRE-DEVELOPMENT FINANCING (Interest) COSTS [Lender-Approved]			N/A	N/A	N/A				0	
Land Cost			N/A	N/A	N/A				0	
Existing Building/s			N/A	N/A	N/A				0	
SITE ACQUISITION (Appraised "As Is" Value)		0	0	N/A	N/A	0	0	0	0	
Operating / Debt Serv / Coverage Capital / Replacement Other		0	N/A	N/A	N/A	N/A	N/A	N/A	0	
CAPITALIZED RESERVES		0	N/A	N/A	N/A	0	0	0	0	
RECOGNIZED LENDING COSTS		3,811,872	3,861,293	0	N/A	2,196,872	800,000	815,000	3,811,872	
Entity Organizational and Legal			N/A	N/A	N/A				0	
Syndicator Fees / Commissions			N/A	N/A	N/A				0	
Equity Bridge Loan Interest and Fees			N/A	N/A	N/A				0	
Tax Opinion and Entity Accounting			N/A	N/A	N/A				0	
CHFA Tax Credit Fee (8% Ann. Credit)	#DIV/0!		N/A	N/A	N/A				0	
CHFA LIHTC Applic. Fee			N/A	N/A	N/A				0	
Other			N/A	N/A	N/A				0	
ENTITY and SYNDICATION COSTS / OTHER		0	0	N/A	N/A	0	0	0	0	
TOTAL RESIDENTIAL USES		3,811,872	3,861,293	0	N/A	2,196,872	800,000	815,000	3,811,872	
TOTAL COMMERCIAL USES		0	0	0	0	0	0	0	0	
TOTAL USES		3,811,872	3,861,293	0	N/A	2,196,872	800,000	815,000	3,811,872	

Prepared By:		4/8/2015	
Peter Battles, President		Date	
Name & Title			
Eastern CT Housing Opportunities			
Company			
Official Use Only			
Budget Period:	From:	to:	Reason for Revision:
Revision #:			

Exhibit 5.1 - RENTAL INCOME CALCULATION WORKSHEET

DEVELOPMENT NAME

Current Year

2015

Tiffany Place

APPLICANT

Brooklyn Housing Authority

Proforma Stabilized Year (PSY)

2017

by

11-13-74

UTILITY ALLOWANCE

	Indicate Energy Source (e.g., gas, electric)	"X" all that Apply		Enter Current Year Tenant Paid Utility Allowance for all that Apply				
		Owner Paid	Tenant Paid	0BR	1BR	2BR	3BR	4BR+
Heating								
Hot Water		X						
Cooking		X	X					
Lighting			X		\$11.00	\$14.00	\$19.00	
Air Cond.					\$27.00	\$34.00	\$45.00	
Refrigerator			X					
Range			X					
Other								
Total				\$0.00	\$38.00	\$48.00	\$84.00	\$0.00
Utility Allowance Tended to Proforma Stabilized Year:				\$0.00	\$41.90	\$52.92	\$70.56	\$0.00

Source and Effective Date of Utility Allowances: DOH State Rental Assistance Program schedule, 2015

RENTAL INCOME

[illegible]

Number of LITHC Qualified Units

27

Number of Other Affordable Units

0

Number of Market Rate Units

1998

CONTRACT for CONSULTING SERVICES

between

BROOKLYN HOUSING AUTHORITY ("BHA") ("Owner") and

EASTERN CONNECTICUT HOUSING OPPORTUNITIES ("ECHO") ("Consultant")

**SUBJECT: DEVELOPMENT MANAGEMENT SERVICES,
TIFFANY PLACE, BROOKLYN, CONNECTICUT**

DATE: SEPTEMBER , 2015

WHEREAS, BHA is the owner of a multifamily residential property known as the Tiffany Place Apartments (hereinafter, "Tiffany Place" or "the property"), located at 5 Front Street and 29 Tiffany Street, Brooklyn, CT, which is currently unoccupied and in need of redevelopment; and

WHEREAS, BHA, desiring that the redevelopment be effectuated and the property re-occupied as rental housing, issued a Request for Qualifications from qualified developers, considered the responses from said developers, and thereafter selected ECHO as its Housing Development Partner; and

WHEREAS, by contract dated August 19, 2013, BHA retained ECHO to provide Pre-Development Services for the project, the scope of which has been satisfactorily completed; and

WHEREAS, BHA and ECHO acknowledge and agree that: 1) fees for tasks undertaken by ECHO pursuant to the Pre-Development contract and budget have not been fully paid by BHA; and 2) ECHO has performed tasks during the pre-development phase, including preparation and coordination of multiple grant and loan applications, well in excess of the work contemplated in the Pre-Development contract, for which ECHO has received no compensation; and

WHEREAS, funding sufficient to undertake the rehabilitation of the property at no cost to BHA is now in hand or committed, including but not limited to a grant/deferred mortgage loan from the CT Department of Housing under the State-Sponsored Housing Projects rehabilitation program (the "DOH SSHP grant");

WHEREAS, BHA desires to retain ECHO as its consultant to manage the construction of the project and to administer the various funding sources, as contemplated in a Memorandum of Understanding between the parties executed on October 10, 2012;

NOW, THEREFORE, the parties agree that ECHO shall serve as development consultant to BHA under the terms and conditions set forth in this agreement.

Responsibilities of Consultant:

1. Consultant shall perform all tasks necessary to secure all project funds that, at the inception of this contract, are committed but not received, including final approval and execution of the DOH SSHP grant, reservation of historic tax credits and contributor commitment, and application for and approval of the bridge loan to be paid off upon receipt of the historic tax credits.
2. Consultant shall perform all tasks necessary to manage the physical redevelopment of the property, including: permitting; bidding and award of construction contracts; inspection of the construction work on an on-going basis throughout the construction period to ensure that all work is completed in a satisfactory manner and in accordance with the project plans and specifications; coordination of progress payments and associated approvals with the project architect; submittal of draw requests against the project funding sources; review and approval of contractor payroll to ensure compliance with prevailing wage requirements; and review and approval of contractor's cost certifications.
3. Consultant shall perform all tasks necessary to manage soft-cost expenditures required to complete the project, including architect fees, legal services, insurance, bridge loan interest, and CHFA construction observation.
4. Consultant shall perform all tasks necessary to the administration of the grants, loans, and contributions that collectively make up the development budget, including preparation and submittal of draw-down requests, the maintenance of full and accurate financial records segregated by funding source and the preparation and filing of all interim and final reports required by the funding sources.
5. Consultant shall give regular reports to Owner on the progress of the work.

Responsibilities of Owner:

1. Owner shall review and approve the scope of work and budget and any amendments to same.
2. Owner shall establish and maintain bank accounts for the deposit of funds received for the project and for the payment of all project invoices. Such accounts shall be segregated as to funding source as may be required by the funders.
3. Owner shall promptly review, approve, and pay project vendor invoices when presented by Consultant with a recommendation for payment. Should Owner question any invoice presented by Consultant, Owner shall promptly advise Consultant so that proper payment may be made without delay.

Compensation: BHA shall pay to ECHO, in compensation for the services performed under this contract, a sum equal to ten percent (10%) of the value of all construction contracts awarded and completed or such other sum as is permitted under the terms of the DOH SSHP grant, provided,

however, that the total compensation paid to ECHO for services performed under this contract and under the Pre-Development Services contract between the parties dated August 19, 2013, shall be not less than \$230,000. Compensation to ECHO shall be made in quarterly installments over the term of the construction as DOH SSHP grant funding for Administrative Costs is made available to BHA in accordance with the Assistance Agreement.

General Terms:

1. Term of Agreement. This Agreement will commence upon execution by the parties and will terminate upon completion and final acceptance of the work outlined in the scope of work, unless sooner terminated. The parties may terminate this agreement at any time by mutual agreement, provided that BHA compensates ECHO for work completed or contracted for at the time of termination.
2. Independent Consultant. The parties to this Agreement agree that the relationship created by this Agreement is that of employer-independent Consultant. ECHO is not an employee of BHA and is not entitled to benefits as may be provided by BHA to its employees, including, but not limited to, group insurance and pension plan.
3. Assignment Prohibited. ECHO shall neither assign its rights nor delegate its duties under this Agreement without prior written consent of BHA. This prohibition of assignment and delegation extends to all assignments and delegations that lawfully may be prohibited by agreement.
4. Conflict of Interest. ECHO affirms that to the best of its knowledge there exists no actual or potential conflict between ECHO's business or financial interest and its services under this Agreement, and in the event of change in either its private interests or services under this Agreement, it will raise with BHA any questions regarding possible conflict of interest which may change.
5. Insurance. ECHO shall maintain Worker's Compensation Insurance, Commercial General Liability Insurance including, but not limited to errors and omissions and Automobile Liability Insurance, reasonably satisfactory to BHA. ECHO will furnish certificates of insurance upon BHA's request prior to start of work.
6. Dispute Resolution. All claims, disputes or controversies arising out of, or in relation to, the interpretation, application, or enforcements of this Agreement shall first be submitted to non-binding mediation pursuant to the Rules of Commercial Mediation of the American Arbitration Association.
7. Indemnification. ECHO shall indemnify, defend and hold harmless BHA, BHA's representatives, subcontractors, agents, officers and employees, from and against all losses, claims, demands, damages, expenses or judgments arising from any willful or negligent act, error or omission of ECHO, its officers, agents, or employees, successors or assigns, or its subcontractors, in the making or performance of this Agreement, or while in or about the Project

for any reason or connected in any way whatsoever with the performance of this Agreement.

8. Validity. In the event any provision(s) of this Agreement shall be construed to be invalid or unenforceable for any reason, this Agreement shall be construed as if such invalid or unenforceable provision(s) had never been inserted herein and shall not impair or otherwise affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any prior negotiations, agreements, or understandings. This Agreement shall not be amended except in writing, signed by both parties.

10. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement on the _____ day of _____, 2015.

Eastern Connecticut Housing Opportunities, Inc..

By: _____
Name: Peter Battles
Title: President
Hereunto Duly Authorized

Brooklyn Housing Authority

By: _____
Name: Bruce Parsons
Title: Chairman
Hereunto Duly Authorized