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The Key To Affordable Housing

Connecticut Housing Finance Authority

Construction Guidelines:
Project Planning &
Technical Services Review
2020

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I. PROJECT PLANNING AND TECHNICAL SERVICES REVIEW

A. Introduction

1. CHFA has developed a series of “Construction Guidelines” (Guidelines) to further assist development teams through the application, planning, design and review process. Each of these Guidelines focuses on specific subjects of major interest in this process, including: Construction Cost, Environmental & Hazardous Materials, Energy Conservation and Project Planning and Technical Services Review (Technical Review Process). These Guidelines are to be used in conjunction with the Multifamily Design, Construction and Sustainability Standards (the Standards).
2. This Guideline outlines the construction document review requirements for multifamily housing financed by CHFA. It is the intent of the Standards, and the Guidelines, that multifamily housing financed through CHFA is designed to serve the needs of its residents with as much quality, durability, comfort, indoor air quality and environmental sustainability as the market and resources permit. It is acknowledged, however, that individual developments may face unique site, design, financing or market constraints, for which full compliance may be difficult or impossible. It is intended that such unique constraints be identified early in the design and underwriting review process, so that the owner/developers may request a modification of specific items that prove to be problematic. CHFA WILL consider such requests on a case-by-case basis.

II. DEVELOPMENT TEAM/DESIGN APPROACH

Owners/Developers should assemble an integrated development team – including a qualified architect, a general contractor (GC), and other professional consultants for the project.

A. Development Team Selection Process

CHFA encourages the owner/developer to follow an organized development team selection process whereby the owner/developer:

1. Issues a Request for Qualifications (“RFQ”) for architectural/engineering services;
2. Selects several candidates, from the Architectural/Engineering (“A/E”) firms, or teams, that respond to the RFQ, to be interviewed;
3. Conducts the interviews, selects an architectural firm or team, and negotiates a contract; and
4. Uses competitive bidding to select a GC, and negotiates a contract using the same RFQ and interview process. All applicants are subject to bidding requirements, but may be exempt from having a GC in place at time of application. CHFA reserves the right to require competitive bidding among three general contractors pre-qualified by the Applicant and accepted by CHFA in order to achieve the lowest reasonable construction cost and the bids must be shared with CHFA. If the Development Team does not select the GC with the lowest bid, they must demonstrate in writing that there is sufficient justification to go with a GC with a higher bid price. The final contract amount is subject to CHFA approval.

B. Bidding Related Questions:

1. Regarding applications for which a competitive bid process has already taken place prior to submission, and if changes occur between Application and Initial Closing:
 - a. If the project hard cost and Scope of Work (“SOW”) remain the same, and cost changes for Divisions 2-16 as submitted in the Project Cost Summary (“PCS”) and Exploded Trade payment Breakdown (“ETPB”) are minor:
 - i. CHFA may allow adjustments within Divisions 2-16 as long as subtotal for Divisions 2-16 is the same.
 - ii. The GC is expected not to exceed the percentages for general requirements, builders overhead and builders profit-GMP fees that were accepted at the time of application review by Technical Services.
 - b. If the project hard cost increases due to changes in the SOW, such as additional deterioration of existing conditions, or price escalation due to time lapse between Application and Initial Closing:
 - i. Value engineer and prioritize the critical SOW that needs to remain in project. CHFA would require the work related to Life Safety and Building Codes to remain in the project. The eliminated portions of the SOW can be added as Alternates in the Owner/GC contract, to be included if funds become available later.
 - ii. Submit revised PCS and ETPB, along with a letter of explanation to CHFA for approval.
 - iii. Add additional source to balance the project budget if possible.
 - iv. The GC is expected not to exceed the percentages for general requirements, builders overhead and builder’s profit-GMP fees that were accepted at the time of application review by Technical Services.
2. Regarding applications that haven't had a competitive bid process prior to submission, but have bid the project after funding approval:
 - a. CHFA recommends Owner/Developer to go with a Guaranteed Maximum Price (GMP) contract versus a Stipulated Sum contract.
 - b. CHFA requires the GC to submit hard costs with general requirements, builders overhead and builder’s profit-GMP fees not to exceed percentages accepted by Technical Services at the time of application review.
 - c. The Development Team is responsible for including this requirement within their bid solicitation package and to notify the GC of these limits, as these percentage limits must also be included in the GC Contract.
 - d. If the bids come in higher than what was anticipated at Application, follow guidance referred to in Item 1 above.
 - e. If the bids come in lower than what was anticipated at Application, underwriting is done to this lower amount unless a valid alternative is presented to CHFA and prior authorization is approved by CHFA.

C. Architect

The Architect is the licensed design professional who: a) coordinates the owner/developer’s design goals, aesthetics, function, safety, economy, and future user needs; b) develops documents which enable the GC to build the project; and c) acts as the owner/developer’s representative throughout the design and construction process, to ensure that the final product meets the owner/developer’s expectations; and supervises the design team, bidding and construction administration services.

1. Architect Qualifications: The Architect shall be licensed by the State of Connecticut and must have a minimum of five (5) years of relevant, multifamily residential design and construction experience.

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Proof of such experience, in the form of three (3) reference letters from current and/or past clients, performance on multifamily residential projects of similar types and sizes, must be provided. Proof of experience may be provided at the discretion of Technical Services if the architect has successfully delivered prior CHFA projects.

2. Owner/Architect Agreement: The owner/developer/architect agreement shall include the following AIA contract documents:
 - a. AIA Document B101-2017 – Standard Form of Agreement between owner and architect with Standard Form of Architect’s Services.
 - b. AIA Document B201-2017 – Standard Form of Architect’s Services: Design and Construction Administration.
 - c. Contract documents shall be assignable to CHFA.
 - d. The construction administration portion of the architect’s fee should be a minimum of 35% of the total fee, to be paid in equal monthly installments based upon the length of the agreed-upon construction schedule.
 - e. Architect’s Services: The scope of the architect’s services shall include the preparation of agenda, scheduling and running weekly job-site meetings with the owner/developer, GC, and any professional consultants, sub-contractors or other parties necessary to maintain work progress. The Architect shall conduct field inspections and lead job meetings weekly during construction. A CHFA Field Observer may also visit the site and attend job meetings as CHFA’s representative on a bi-weekly basis. The Architect shall record meeting minutes for all job meetings, and distribute copies to all attendees and CHFA Technical Services.
 - f. The architect shall also prepare and distribute a final punch list to all parties, and verify that the work is completed by the GC.
 - g. The architect shall contract with currently-licensed professional consultants as necessary to carry out the design, construction and commissioning. All professional consultants shall be licensed by the State of Connecticut and must have a minimum of five (5) years of relevant, multifamily residential design and construction experience. It is the Architect’s responsibility to provide the necessary due diligence to ensure that all sub-consultants have the required minimum experience.
3. Insurance and Other Requirements for Design/Supervisory Architects and Professional Consultants:
 - a. Professional liability insurance in a form, amount and term satisfactory to CHFA shall be provided prior to the date of Initial Closing. All insurance policies must be in full force and effect as of the date of submission, and must be maintained for a period of seven (7) years after substantial completion of construction. CHFA shall be a named certificate holder on all insurance certificates.
 - b. For detailed CHFA insurance requirements, refer to the CHFA website.

D. Architectural Design Responsibilities

1. All architectural, planning, engineering, landscaping and other services, which contribute to drawings and specifications, shall be under the direction of the design architect. As a general rule, CHFA discourages multiple professional service contracts; however, consideration for such arrangements may be made, on a case-by-case basis. Exceptions may be made for civil engineering site work and licensed survey work contracted directly by the developer; however, the architect will be required to coordinate these with other design work.
2. The design architect shall review and opine on the reasonableness of the GC’s proposed cost estimate and submit it as a letter to CHFA.
3. The design architect for CHFA-financed rehabilitation projects must determine which existing interior building components are suitable for re-use, and which are acceptable to CHFA. Replacement building

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materials, components and finishes shall comply with the requirements of the Standards, and all work shall conform to applicable codes.

4. CHFA prefers the traditional Owner/Architect/GC development process, in which the owner, architect, professional consultants and contractor are separate, independent business interests. Typically, design/build development teams shall not be used; however, consideration for such arrangements may be made, on a case-by-case basis. Exceptions may be made for experienced development teams with a minimum of five (5) years of affordable multifamily development experience and/or three (3) successfully completed projects.
5. Typically, construction trade or design/build contractors and sub-contractors shall not be employed to carry out design work; however, consideration for such arrangements may be made, on a case-by-case basis. Where work such as fire suppression design, irrigation design, truss design, commercial kitchen design, and modular building design is proposed to be carried out by design-build contractors, such work shall be certified by a licensed engineer, and the design architect shall be responsible for coordinating and accepting their work.

E. General Contractor (GC)

CHFA encourages constructive participation by the GC during the design process, and recommends the GC's regular input to help maintain cost control for the development.

1. The GC is responsible for the construction or development of a property, pursuant to the terms of a primary contract with the owner/developer. The GC is responsible for all means and methods such as materials, vehicles, tools and labor used in the construction of the project, in accordance with the contract documents such as construction contract, schedule, general conditions, material/systems specifications and drawings prepared by the architect. The GC manages the construction process, including planning, staffing, organizing, budgeting, scheduling and supervision.
2. GC Qualifications: The GC shall be licensed by the State of Connecticut as a major contractor, and must have a minimum of five (5) years of relevant experience in the construction of residential facilities. The GC shall provide proof of such experience by submitting a minimum of three (3) reference letters from current and/or past clients, regarding the GC's performance on residential projects of similar type and size. The GC shall provide a minimum of three (3) reference letters from major material suppliers, regarding the GC's credit account payment history. Proof of experience may be provided at the discretion of Technical Services if the GC has successfully delivered prior CHFA projects.
3. Owner/GC Agreement: The agreement shall include the following AIA contract documents:
 - a. AIA Document A102-2017 Standard Form of Agreement Between owner and GC where the basis of payment is the Cost of the Work Plus a fee with a Guaranteed Maximum Price (GMP). The CHFA recognized amount for cost certification purposes shall be the lesser of:
 - i. The actual cash paid and to be paid at final closing, as reflected on the General Contractor's Certificate of Actual Costs, or
 - ii. The contract price under the construction contract, as reflected on the most recent approved PCS.For reimbursement of costs associated with permit, other fees & bond premiums, the GC shall provide proof of payment, such as a paid receipt or paid invoice. The PCS submitted at Initial Closing shall be updated to reflect these actual costs incurred.

CHFA-recognized general requirements, builder's overhead and builder's profit-GMP fees are calculated as a percentage of the CHFA recognized construction cost (Subtotal for Divisions

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2-16). The percentage for general requirements, builders overhead and builder's profit-GMP fees is computed based on the most recent approved PCS.

Proposed Change Orders should be limited to reasonable additional costs for unforeseen conditions and project betterments that increase the CHFA recognized construction cost, or credits that are applied to the development budget construction contingency. All CHFA-approved change orders will be added to the above-mentioned recognized construction cost. Additional bond and/or permit costs generated by the change order preparation and approval process during construction will be handled separately through a final change order at the completion of construction. The amount of actual cash paid or to be paid as described above shall be reduced by CHFA to the extent such amount includes any costs disallowed by CHFA in its review of the contractor's certificate of actual cost.

Any hard cost savings realized during or at the end of the construction may be used for betterments to the project upon approval from CHFA. To use these savings for betterments to the project the savings will be added to the construction contingency via credit change orders. These savings will be controlled by the owner. Any cost saving agreement between Owner and GC must be disclosed to and approved by CHFA at the time of Initial Closing or a 42M letter is issued by CHFA. Note that CHFA will only recognize GMP savings for the GC to the extent that the builder's profit does not exceed the maximum allowed by CHFA. All remaining hard cost savings will be allocated as described in the Multifamily Rental Housing Program Guideline, which is available on the CHFA website.

The Guaranteed Maximum Price contract (GMP) is preferred. However, if a Stipulated Sum (also known as Fixed Price or Lump Sum) contract is favored by the Development Team, this will be considered by CHFA.

- b. AIA Document A101-2017 Standard Form of Agreement Between Owner and GC where the basis of payment is a Stipulated Sum:

The recognized construction cost amount shall be the contract price under the construction contract, as reflected on the most recent approved PCS, excluding costs for permit, other fees and bond premiums. For reimbursement of costs associated with permit, other fees and bond premiums, the GC shall provide proof of payment, such as a paid receipt or paid invoice. The PCS submitted at Initial Closing shall be updated to reflect these actual incurred amounts. Note that CHFA will only recognize builder's profit to the extent that it does not exceed the maximum allowed by CHFA.

All CHFA-approved change orders will be added to the above-mentioned recognized construction cost. Additional bond and/or permit costs generated by the change order preparation and approval process during construction will be handled separately through a final change order at the completion of construction. The amount of actual cash paid or to be paid as described above shall be reduced by CHFA to the extent that such amount includes any costs disallowed by CHFA in its review of the contractor's certificate of actual cost.

- c. AIA Document A201-2017 – General Conditions of the Contract for Construction, with Instructions.
- d. AIA Document A312-2010 – Performance Bond, with Instructions.
- e. Contracts must be assignable to CHFA, and shall include dates for commencement and completion of construction, and provisions for liquidated damages and/or early completion incentives (if any), progress payments and reduction of retainage.

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- f. Contracts must include the final PCS, ETPB and Construction Schedule as exhibits to the agreement. Note that the PCS will be used as a source document for evaluating GC costs for cost certification purposes.
 - g. The GC shall include the cost of a General Contractor's Cost Certification prepared by an independent, third-party CPA in the construction contract amount. For guidance on Cost Certifications, refer to the Cost Certification Preparation Guidelines on the CHFA website.
4. Other Requirements for GCs:
- a. The GC must use his own employees to perform at least 15% of the construction work, but can utilize the services of specialty trade firms such as sub-contractors to perform particular tasks under the direction and coordination of the GC in a direct contractual relationship, to complete the project.
 - b. The GC will divide the total general conditions cost into equal monthly payments based upon the length of the agreed-upon construction schedule, which will be included in the monthly payment requisitions during construction.
 - c. The GC is expected not to exceed the percentages for general requirements, builder's overhead and builder's profit-GMP fees that were accepted at the time of application review by Technical Services.
 - d. For detailed CHFA insurance requirements, refer to the CHFA website.
 - e. Refer to CHFA Procedures for bonding requirements. Note that that if a subcontractor places a lien, the GC is required to bond over it within 30 days, after which it becomes the responsibility of the developer to bond over it, and or place funds in escrow to cover it.
5. General Contracting arrangement: The traditional owner/architect/GC construction project delivery process is preferred, in which the GC provides the material, labor, equipment (such as engineering vehicles and tools) and services necessary for the construction of the project for a guaranteed maximum price. The GC's responsibilities generally include applying for building permits, securing the property, providing temporary utilities on site, managing personnel on site, providing site surveying and engineering, disposing or recycling of construction waste, monitoring schedules and cash flows, maintaining accurate records and also hiring specialized subcontractors to portions of the construction work the GC's own employees cannot provide.
6. Construction Manager as Constructor and Construction Manager at-Risk (CM@R) agreements: Typically, the construction management project delivery method shall not be employed; however, consideration for such arrangements may be made by CHFA. Exceptions may be made for experienced construction management firms with a proven record of minimum five (5) years of affordable multifamily development experience, or three (3) successfully-completed affordable multifamily development projects. Use AIA document A133-2009 Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of Work Plus a Fee, with a Guaranteed Maximum Price.
- a. These terms refer to a particular business relationship of owner, architect and construction manager, which entails a commitment by the construction manager to deliver the project within a Guaranteed Maximum Price (GMP). The CM as Constructor is similar to the GC during the construction phase. The CM@R delivery method is an alternative procurement process similar to longstanding private sector construction contracting, wherein the construction manager acts as consultant to the owner in the design development phase, but as the equivalent of a GC during the construction and final closing phases.
 - b. The CM as Constructor and CM@R shall work closely with the owner/developer and architect on design review, project schedule analysis, constructability review and cost control management. The CM as Constructor and CM@R shall value engineer all building systems at each of the major milestones, with a lifecycle analysis for major building elements, such as site, building envelope, HVAC and lighting. In conjunction with the architect, CM shall prepare a cost estimate and

- evaluate the cost estimate against the construction budget. CM shall recommend, if necessary, the appropriate action to correct and/or avoid potential cost over-runs. The CM as Constructor and CM@R shall not include a construction cost contingency in its fee proposal; construction cost contingencies shall be included as a line item in the approved Owner's development budget.
- c. For detailed CHFA insurance requirements, see the CHFA website and refer to CHFA procedures for bonding requirements.
7. Cost estimates shall reflect the best professional estimate of actual anticipated costs, while establishing internal estimating allowances consistent with good professional practices appropriate to each phase of development. Larger allowances held at early phases of development are assumed to gradually diminish to zero for the final cost estimate. Describe specific measures implemented to reduce project costs and quantify projected savings as a letter to CHFA.

III. FIELD ENGINEERING SUBMISSION REQUIREMENTS

A. Boundary and Topographic Site Survey

The purpose of these specifications is to describe the minimum requirements for a boundary and topographic site survey for use in the design, construction and post-construction verification of "as-built" conditions. In general, the surveyor shall perform all field work necessary to accurately determine the location of property lines and existing physical conditions of the site, set monument markers, establish benchmarks and record on a Property and Topographic Survey, the information and data as required. The surveyor shall obtain such information and data from public and other records, including a review of underlying documents to current title work (within 120 days). All data and information required by these specifications shall be depicted and noted on a survey map in accordance with the pertinent portions of the current Minimum Standard Detail requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and Sections 20-300b-1 through 20-300b-20 of the Regulations of Connecticut State Agencies – Standards for Surveys and Maps in the State of Connecticut as adopted by the Connecticut Association of Land Surveyors, Inc. All surveys shall meet or exceed Horizontal Accuracy Class A-2 and Topographic Accuracy Class T-2, SHALL be signed and sealed by a Connecticut licensed professional land surveyor, and shall include the following:

1. North Arrow with appropriate source reference (record map; CT Coordinate System; NAD27; NAD83; etc.).
2. Precise legal perimeter description ("metes and bounds" or "course and distances") shall appear on the face of the survey map, preceded by identification of the appropriate street address, if available. Said description SHALL conform entirely to the survey. Any contiguous plot shall be described by a single perimeter description of the entire subject property. Division into parcels shall be avoided, unless such is requested so as to serve a special purpose. If the property is described as being on a filed map, the survey map shall specifically reference that filed map.
3. Two benchmarks referenced to an established datum permanent objects adjacent to the site located and described.
4. All boundary lines, labeled with bearings and distances.
5. Mark all corners of the site and other boundary line intersections not previously marked by a monument. Where existing structures preclude setting monuments at the intersection of property lines, a brass pin should be set in the property line extended, tagged and so noted, along with the distance from the true corner. At least one corner of the property shall be designated by course and distance from, or by the

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coordinates of, a readily discernible reference marker. Depict and label position and description of each marker.

6. Designate the total area within boundary lines in both square feet and acreage. If the overall boundary is made up of individual parcels, include the area of each.
7. Easements, Encroachments, and Improvements
 - a. Indicate any and all servient and appurtenant easements by Book and Page, if any, the origin (e.g. Deed from A to B), if applicable, and nature. It is also desirable to describe an easement appurtenant to a fee parcel by using a separate parcel description.
 - b. Clearly indicate the location, dimensions and nature of (A) all encroachments upon the property; (B) all encroachments upon adjoining property, streets or alleys, by any buildings, structures or other improvements upon the property; and (C) all party walls between, with or adjoining the property and other property.
 - c. Indicate position, size and material of any and all improvements on the property, including buildings, retaining walls, decorative walls, areaways, driveways, paving, etc. Indicate the existence and location of off-site structures within 10 feet of the property lines. Indicate the location of any and all adjacent building lines. Note names of adjoining property owners.
8. Trees: Indicate location, species and size of trees over 6" in trunk diameter, measured at breast height (dbh).
9. Roads and Rights of Way: The following data shall be indicated on survey drawing for all streets, alleys, roads, highways and rights-of-way adjacent to the site:
 - a. Dimensions and distances from property lines
 - b. Type(s) and condition of material(s)
 - c. Type(s) of curbs and gutters
 - d. Elevations of sidewalks along edges nearest the site, at 20-foot intervals, at corners, and points of slope change
 - e. Elevations of tops of curbs and flow-line of gutters, at 20-foot intervals, at corners, and points of slope change
10. Sanitary Service: Development of sites without access to sanitary service is discouraged, due to the costs associated with providing well-designed, efficient on-site wastewater treatment and disposal systems. Development of sites without access to public water and sanitary services will not be funded. The following data pertaining to utilities adjacent to the site shall be depicted and noted on the survey:
 - a. Location and type of available electric service, including lines, poles and manholes
 - b. Location of water mains, hydrants and manholes, indicating size of water mains
 - c. Location and size of gas mains, including type (low or high pressure)
 - d. Location, size, direction of flow, pipe slope, and type(s) of material of sanitary, storm or combined sewer mains. Indicate public or private, and if use is exclusively for sanitary waste or storm water drainage. Indicate elevations of flow-line, "in" and "out" inverts, and locations of manholes.
 - e. If a utility is not available at the site, it shall be noted whether or not, and where service is available in the community.
 - f. List the company or governmental body of jurisdiction for all utilities.
11. Topography: Elevations of the site shall be taken on a grid suitable to the topography and size of the site. Contour lines shall be at two-foot intervals. Elevations shall be marked on contour lines at regular intervals, and the reference datum shall be specifically stated.

12. Miscellaneous Information:

- a. Note other information pertaining to site conditions, e.g. abandoned foundations, ditches, culverts, mine shafts and tunnels (if visible or known), wells, sanitary drain fields, excavations, etc. Also indicate locations of any and all waterways, wetlands, and established floodplains and floodways.
- b. In addition to other contractual services, the surveyor shall obtain and/or verify requisite information and data from public records, including names, locations, dimensions and elevations of streets, curbs, gutters, sidewalks, established building lines, easements, utilities, proposed improvements, condemnations, etc., necessary for, and incidental to, a completed site survey, preparation of the drawing thereof, and the certification by the surveyor that the data presented meets, at a minimum, the horizontal and topographic accuracy classifications specified in the referenced standards to which the survey was prepared.

13. Coordination with Legal Survey: The survey shall meet the requirements of CHFA's Legal Department; including long-form certification language. This can be found on CHFA website under Standard Closing requirements.

B. Capital Needs Assessment (CNA) Report

If rehabilitation work is involved, the owner/developer shall commission a CT-licensed Architect or Professional Engineer, and a Mechanical Engineer, BPI-, RESNET HERS- and/or ENERGY STAR-certified Assessor/Rater to conduct a physical evaluation and energy assessment of all building components to remain during and after the rehabilitation. The findings shall be compiled into a Capital Needs Assessment (CNA) Report, including a written description indicating the level of the rehabilitation and 20-year replacement schedule. For new construction projects, submit a Capital Needs Assessment (CNA) six months post-construction. This aids the Development Team to consider and plan for the long-term capital needs of the project in the early phase of project development. This helps encourage more efficient design, as well as maintenance of appropriate reserve levels, which improve the viability of the project over the long term.

In the case of a complete gutting of buildings, provide an Architectural Needs Assessment Report by an Architect, and a Structural Needs Assessment Report by a structural engineer, to identify and assess the age, appearance, condition, useful life expectancy, and structural capacity of all materials, assemblies, fabrications, equipment and systems that are to remain after the gut rehabilitation. The reports shall include the age, the material, the condition and life expectancy for such components. However, if the applicant submits drawings and specifications that are at least 90% complete as part of their application, in lieu of a Structural Needs Assessment Report, the applicant may submit structural drawings and specifications that are at least 90% complete and have been professionally stamped and signed by the structural engineer for the project.

CNA requirements include the following:

1. A narrative description of the development, including the evaluator's overall assessment of the property condition including of the building exterior and interior, including mechanical and accessible spaces; e.g., attics, roofs, crawl spaces, etc. Any spaces not accessed shall be noted in the report. The narrative shall include property location, age, physical attributes, number of units inspected and the physical condition of the units inspected.
2. The presence of, or suspected presence of, environmental hazards, such as asbestos, lead paint or mold shall be detailed.

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3. The number of living units required to be assessed shall be as follows:
 - a. Developments with 4 – 40 units \geq 50%
 - b. Developments with 41 – 60 units \geq 35%
 - c. Developments with 61 – 80 units \geq 30%
 - d. Developments with 81 – 100 units \geq 25%
 - e. Developments over 100 units \geq 20%If determining the number of units to be assessed results in a fraction, round up to the next number.
4. The report shall include photographs of building characteristics that accurately reflect the existing conditions present.
5. Physical Assessment: The report shall further examine and analyze:
 - a. The site, including general topography, ground water drainage, bituminous/concrete pavement, bituminous/concrete walks and curbs, site amenities, water, storm, sanitary sewer, gas and electric services.
 - b. Structural systems, both for substructures and super structure, including exterior wall systems, doors and windows, roofing system and drainage.
 - c. Common area and unit interiors, including existing finishes (carpet, vinyl wall covering, paint, VCT, ceramic tile, etc.), appliances, cabinets, toilet fixtures, exhaust fans, range hoods, etc.
 - d. Building thermal envelope components, including an evaluation of insulation and air-sealing measures.
 - e. Building mechanical systems and controls, including HVAC systems, plumbing and domestic hot water, fire protection, electrical lighting and power, communication and security systems, etc.
 - f. Any components which are non-compliant with the ADA, Section 504 or Fair Housing Guidelines. The report shall include a copy of the owner's certification that the specific development complies with all of the ADA and 504 regulations, along with compliance with Fair Housing Guidelines. If the owner is unable to so certify, then the report shall state how the owner plans to achieve compliance.
6. Energy Assessment: The report shall include a Level I – Walk-through Energy Assessment (minimum) to assess building energy efficiency, identify defects and simple, low-cost improvements, and create a list of energy conservation measures and retrofit opportunities, including implementation costs and energy savings. This inspection is based on visual verifications, study of installed equipment and operating data, analysis of historic energy use and cost, and a benchmarking comparison to the performance of similar buildings in the area. A Level II – Detailed/General Audit is preferred.
 - a. Coordinate with the utility companies and fuel vendors to analyze common area annual energy usage data. Living units to be assessed for energy efficiency shall be:
 - i. If owners are responsible for residential utility costs, coordinate with the utility companies and fuel vendors to analyze energy usage data for all units.
 - ii. If tenants are responsible for utility costs, and annual energy usage is not currently tracked by the owner, a sample of information from 10% of the residential units, including at least one of each unit type, shall be assessed.
 - b. For developments served by Municipal utilities, the CT Green Bank or CEEF may be able to provide no-, or low-cost Level I Energy Audit and assessment services and on-site testing, and financial incentives for energy conservation measures and retrofit opportunities.
7. The report shall include an interview with on-site property management and maintenance personnel to gain knowledge of past repairs, pending repairs and chronic physical deficiencies. The consultant shall obtain and include a 5-year history of the owner's capital repair expenditures for the development.

8. The report shall include a budget and an in-depth scope of work for the proposed rehabilitation work. This budget shall include expenditures and costs for all property improvements that may affect the project's future marketability. Improvements may include energy efficiency upgrades, adding central air to the development, community room additions, etc. All proposed improvements (e.g., doors, windows, siding, roofing, paving, etc.) shall strive to comply with the Standards. Individual building materials, components, fabrications, and equipment for all proposed repair, replacement and capital improvement projects shall comply with the applicable section(s) of the current Standards. However, when determining the scope of work for proposed repair, replacement and capital improvement projects, owners and property managers are strongly encouraged to consider the interconnectedness of building materials, components, fabrications, and equipment that comprise a fully-functioning building.
9. The CNA report shall include a spreadsheet that outlines, by line item, the costs of proposed improvements expensed in year one, with a life-cycle replacement budget reflecting appropriate line item costs expensed over the proposed mortgage term, if applicable; otherwise a 20 year life-cycle is acceptable. The spreadsheet shall show all costs in today's dollars, with an appropriate rate of inflation for costs expended over the life-cycle term. Please refer to the "Comprehensive Capital Needs Assessment Schedule", which can be found on the CHFA website.
10. Contact CHFA with any questions regarding CNA requirements.

C. Soil Boring Reports

A soil survey in accordance with ASTM D 1586 shall be performed under the direction of a CT-licensed structural and/or civil engineer, by a CT-licensed Geotechnical Engineer. The entire site is to be investigated, tested and evaluated with respect to soil and water conditions through subsurface exploration. The resulting report shall include test data, narrative descriptions and recommendations regarding the proposed site development. Locations for borings are to reflect varying site conditions. Special attention is to be given to boring locations in low or marshy areas, areas where there is a history or evidence of fill or where rock may be expected.

1. Soil borings are to be made with a drilling rig, taking samples as often as the character of the soil changes, and describing it in accordance with acceptable engineering standards. Samples are to be submitted to a soil specialist for analysis.
2. The engineer is to indicate the location of borings on a boundary survey and log the borings on the site plan or on a separate document. The logs are to use an exaggerated vertical scale to indicate, with acceptable key names and symbols, the nature of soil composition at each stratum to a depth of 15 to 20 feet.
3. For sites anticipating high-rise buildings, borings are to be concentrated in the area of the anticipated building location. At least one of these borings shall be drilled to a depth of 100 feet or to hardpan.
4. Borings are to be performed after buildings have been located on the site plan. There shall be a minimum of two borings per building for low-rise structures and at least two borings per wing for mid-rise structures with a minimum of three to four borings overall for this building type. Borings shall also be carried out in parking areas and roadways.
5. The engineer shall indicate bearing capacities of soils at various levels and shall note ground water conditions such as high water tables, flood zones, etc.

6. The soils report shall include boring logs, written analysis and recommendations for earthwork, fill and compaction, foundation design, floor slab support, wall backfill, subgrade preparation and pavement design, as well as identification of any special needs for subsurface water control.
7. If unusual, irregular or suspect subsurface conditions are evident, CHFA may, at its own discretion, require additional subsurface investigation.
8. If subgrade soils are determined to be unsuitable for the proposed site improvements, soils correction must be undertaken to avoid structural failure.

D. Remediation/Re-use of Existing Brownfield Sites

CHFA encourages the re-use and redevelopment of abandoned or underutilized commercial and industrial sites, where redevelopment and re-use has not occurred due to the presence or potential presence of pollution in the buildings, soil and/or groundwater that requires remediation before, or in conjunction with, the restoration, redevelopment and re-use of the property. CHFA will recognize abandoned, underutilized commercial and industrial sites as “Brownfields”, if they are included by the Federal Government or the State of Connecticut on a published list of Brownfields, or can be documented to have received Brownfield remediation funds from the Federal Government or the State of Connecticut.

IV. CRITERIA FOR EVALUATING DEVELOPMENT PROPOSALS

In evaluating the suitability of a project or in selecting one proposal from several, CHFA considers a number of criteria. Regarding housing for elderly persons, particular emphasis is placed on locating these developments in close proximity to services such as medical care and senior citizens centers. If federal funding is involved, such as HOME funds, particular care must be taken in selecting sites that are fully accessible.

A. Site Selection

Ideally, development sites shall not be selected if the surroundings would detract excessively from the quality of development, or where the development would have an adverse effect upon its surroundings. By considering issues such as lot orientation, storm-water management, access to transit, and minimizing street widths early on, many environmental benefits can be accrued at later stages of the project. Site considerations include:

1. Planning and Zoning
2. Land and Soil
3. Site Utilities
4. Existing Structures
5. Site Development Cost

B. Development Costs

Overall costs of development shall be considered in relation to the quality of the resulting development, and not only to the number of dwelling units constructed. Location, available services, ease of development, type of construction, quality of materials, size and number of units and amenities provided, all contribute to overall costs. The development budget shall be prepared and evaluated for what it provides, as well as overall and per dwelling costs. It must be supported by the rents generated by the marketplace. Site improvement and building costs shall be consistent with the type and quality of the proposed development and reasonable in cost per dwelling. Costs shall be evaluated for their adequacy to provide construction

which reduces the consumption of energy and the amount of maintenance required over the mortgage life of the development, and for the amenities planned in its design.

C. Project Data for Construction Cost

In order for CHFA to evaluate the construction costs for proposed developments, the Architect must provide the following project data for construction cost on the construction drawings, which must be updated and re-submitted for each phase of the Technical Services Review Process:

1. Number of Buildings
2. Building Gross Area (Total Project Square Footage – all buildings)
3. Total Number of Units and Breakdown of Unit Type (including number of bedrooms and accessibility types)
4. Unit Net Area (Net Residential Area – each dwelling unit)
5. Total Living Unit Area
6. Total Common Area (Net Common Area – all buildings)
7. Total Commercial Area (Net Commercial Area – mixed-use buildings)
8. Total parking Area (Net Area – parking within the footprint of the building; or Gross Area – separate parking garages)

D. Area and Use Definitions for Construction Cost Calculations (for use in conjunction with the Architect SF Info Table from the Consolidated Application)

1. Building Gross Area
 - a. All floor areas, including construction and shaft spaces within the building, measured from the outside of the exterior walls; spaces only partially enclosed, such as balconies, entrance canopies, etc., are not included; basements in town houses are not included. Floor areas of non-housing, such as commercial spaces, are to be included; basements with common space that has a housing use are included.
2. Unit Net Area: The floor area inside the finished surfaces of a residential unit, inside face of all walls.
3. Residential Area: Spaces to be included in Residential Area calculations include dwelling units (including the manager's unit), entry vestibules, lobby spaces deemed necessary for foot travel from the building entry to the elevator and from the elevator to the unit entry, corridors, elevator lobbies, elevators, receiving, mechanical/electrical/meter rooms, stairways, trash rooms and required tenant storage.
4. Common Area: Spaces to be included in Common Area calculations include community buildings, community rooms, common kitchens, offices, reception areas, maintenance areas, library areas, meeting rooms, common laundries, lounges, restrooms, mailrooms, janitor closets, craft rooms, game rooms, conference rooms, mechanical/electrical rooms for common areas and common storage space. Note: the lobby space deemed necessary for foot travel from the building entry to the elevator, and from the elevator to the unit entry, is not considered common space.
5. Commercial Area: Spaces to be included in Commercial Area calculations include all areas available for commercial lease in mixed-use buildings.
6. Parking Garage: If a parking garage is included within the footprint of the building, provide the Net Square Footage of the garage itself. If a separate garage structure is included in the project, provide the Gross Square Footage of the entire garage.

E. Project Cost Summary (PCS) and Exploded Trade Payment Breakdown (ETPB)

The submission of the CHFA/DOH Consolidated Application exhibits for PCS and ETPB are intended as a statement of final contract pricing based on the projected costs developed by the Contractor for each of the 16-divisions of the Construction Specification Institute MasterFormat 1995 standard construction specification filing system. The PCS and ETPB also serve as the contractor's requisition template and cost certification template. Use of the 50-division, six-digit code 2014 MasterFormat filing system in Project Manuals is acceptable, provided all information is re-organized into 16-divisions for CHFA/DOH application exhibits and construction cost-related forms.

1. CHFA prefers that all PCS and ETPB exhibits be prepared by a qualified General Contractor (GC) or professional multifamily residential/commercial construction cost estimator. Estimates prepared by the Architect should be avoided. Estimates prepared by the Owner are not acceptable. If a GC selection process has been completed prior to the submission of a PCS and ETPB, the selected GC must be the preparer.
2. Housing Authorities, Non-Profit Entities and Municipalities may be sales and use tax exempt for goods and services used in connection with creating and maintaining low and moderate income housing. All ETPB and PCS construction cost exhibits must include sales and use tax at the time of funding application, except as indicated below:
 - a. If the development entity has already been determined to be tax exempt, the CT DRS determination letter and CERT-126 "Certificate for Exempt Purchases of Tangible Personal Property for Low and Moderate Income Housing Facilities" form must be provided with the funding application.
 - b. If the Applicant/Owner and Co-sponsor are individually tax exempt, and a determination by CT DRS is pending, or an application to CT DRS has not yet been made, IRS 501(c)(3) letters for both the Applicant/Owner and Co-sponsor, and a signed written statement that the proposed development entity will assume responsibility for any additional costs arising out of a denial of tax exempt status by CT DRS, must be provided with the funding application. Note that a CT DRS determination letter and a CERT-126 form must be provided prior to finalizing the ETPB & PCS for initial closing, or a 42M letter is issued by CHFA.

F. Prevailing Wages/Davis-Bacon Wages

State Prevailing Wages and/or Davis-Bacon Wages may be required. It is the responsibility of the applicant to determine if such requirements apply to their project. Please contact the necessary State and Federal authorities to determine the applicability of prevailing wages and/or Davis-Bacon wage rates prior to submitting an application. The rationale for including or excluding Prevailing Wages and/or Davis-Bacon Wages in the construction cost shall be included with the application. When Prevailing Wage Rates are required by the Connecticut Department of Labor, and/or Davis-Bacon Wage Rates are required by the U.S. Department of Labor, provide a summary analysis of the various labor categories and the hard cost increase in the labor rate over standard labor rates. The data provided by the applicant must be supported by the State of CT prevailing wage sheets or Davis-Bacon wage rates for each labor type and category. Labor rates for standard labor must be included for each of the various labor categories so a comparison can be performed.

G. CHFA Very Low-Income (VLI) Construction Employment Policy

All multifamily projects funded by CHFA are required to comply with CHFA's Very Low-Income (VLI) Construction Employment Policy. Refer to this policy located on the CHFA website.

H. CHFA Cost Acceptance Limits

1. General Requirements: 6% of Total Hard Cost (max.)
2. Builders Overhead: 2% of Total Hard Cost (max.)
3. Builders Profit- GMP Fees: 6% of Total Hard Cost (max.)
4. Percentage Stacking: Percentages shall remain the same for all Change Orders; Percentage Stacking is not allowed
5. Identity of Interest: For applications where there is a stated Identity of Interest between a Developer and General Contractor, or a Contractor and Architect, i.e. they are related entities, the following limits would apply for Builders Overhead and Builders Profit-GMP Fees and General Requirements:
 - a. Builders Overhead and Builders Profit-GMP Fees (combined): 6 percent of construction costs
 - b. General Requirements: 5 percent of construction costs.
6. Note that limits may be further restricted in the event that a HUD subsidy layering review is required.

V. TECHNICAL SERVICES REVIEW

A. Pre-Design Meeting

It is encouraged that the owner/developer schedules a pre-design meeting with CHFA prior to submittal of a financing application as early as possible to discuss drawings, programmatic parameters and process requirements. Note that the Standards may be more restrictive in some cases than local planning and zoning requirements; as such, the local municipality's planning and zoning review/approval process should be concurrent with the CHFA application process.

B. Design Review Process

Projects will be evaluated by the CHFA Technical Services Department at full application. For all developments, including those receiving Low-Income Housing Tax Credits (both 9% and 4%) and developments financed with tax-exempt bonds, the review of construction documents is the first stage of the Technical Review Process between the development team and CHFA Technical Services.

All finance applications must comply with CHFA Procedures, and the requirements of the CHFA/DOH Consolidated Application. Building materials, products, fabrications, assemblies, equipment and systems for all proposed development projects (rehabilitations and new construction), and all capital improvement repair, replacements and installations, must comply with all applicable Building Codes, State and Federal regulations and the current Multifamily Design, Construction and Sustainability Standards – CHFA. However, if a Notice of Funding Availability (NOFA) or the Qualified Allocation Plan (QAP) has different requirements, the more restrictive requirements shall take precedence.

Sufficient detail must be provided to enable the development team's estimator to determine the project cost data to be submitted on the PCS and ETPB finance application exhibits, and to facilitate CHFA Technical Services' review. Other documents required at this stage include recommendations for the phasing and schedule of the construction, site and landscape plans, structural, mechanical, electrical, plumbing and fire protection plans and other information such as soil boring documents, consistent with construction documents at varied phases of completeness as described below.

C. 40% Construction Contract Document Threshold Requirements

Submit a complete CHFA/DOH Consolidated Application with all of the threshold Technical Services-related forms, exhibits, and attachments, etc., including, electronic set of 40% complete Construction Drawings and Specifications, in accordance with requirements for financing consideration with dimensions on major common areas and typical units, basic layouts, types and sizes of mechanical and electrical equipment and systems, materials and operations, and typical building sections, wall sections and details. Please note full size printed set of Construction Drawings and Specifications are no longer required, only electronic sets of Construction Drawings and Specifications are to be uploaded for review. All drawings that are to be developed for use in the construction of the development shall be coordinated to allow printing on the same standard sized print pages, and all pages shall be bound together as a complete set. All drawings must include sheet titles and numbers, graphic and lettered scales, and a north arrow. Note that all 40% construction contract document requirements apply, regardless of construction type, means and methods. In the case of modular box construction, the architect shall be familiar enough with the means and methods of the selected manufacturer to provide 40% drawings and specifications indicating all materials, assemblies, fabrications, equipment and systems, and all such items must be reflected in the construction cost-related application exhibits and back-up documentation.

1. Title Sheet: Provide development location, including location map, names and contact information for the Sponsor, Architect, Landscape Architect, Site Planner, Surveyor, Engineer and any other special consultants, revision dates, index of drawings, a development data summary, a graphic/tabular analysis of the applicable Building Codes to which the proposal has been designed and a large note on the title sheet clearly indicating that the drawings are intended as “40% Construction Drawings”. Building Code requirements to be addressed in the analysis include, but are not limited to: use and occupancy classification(s), building height(s) and area(s), type(s) of construction and fire-resistance rating(s), fire protection system(s), means of egress and accessibility, and the architects square footage information table as detailed in the Consolidated Application.
2. ALTA Survey: Boundary and topographic surveys shall be prepared by a Connecticut licensed professional Land Surveyor to meet the current Minimum Standard Detail requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and Sections 20-300b-1 through 20-300b-20 of the Regulations of Connecticut State Agencies – Standards for Surveys and Maps in the State of Connecticut as adopted by the Connecticut Association of Land Surveyors and Horizontal Accuracy Class A-2/Topographic Accuracy Class T-2 requirements.
3. Site Plans: The Design Development Site Plan shall indicate refined arrangements and functional groupings of units to scale, to create a meaningful sequence of usable spaces. Specific relationship of unit arrangement, of the structure to the site, site grading, circulation, lighting, paving, screening, setbacks, parking, play areas and recreation areas shall be presented, including:
 - a. Zoning: A table with information regarding the applicable requirements for the zone, use, lot area, frontage, setbacks, bulk, height, density, parking, gross and net square footage, etc. and an indication of compliance or non-compliance for each requirement
 - b. Structures: Locations, shapes, sizes, arrangements and groupings of all structures
 - c. Circulation and Parking: Vehicular and pedestrian route layouts and materials; parking/dwelling unit relationships, location, types and number of parking spaces
 - d. Soils: Locations of soil borings; data and analysis of topsoil (may be a separate report)
 - e. Utilities: General layouts of major utilities, easements and connections; irrigation water source and pressure (if proposed)
 - f. Recreation: Locations and types of facilities
 - g. Grading and Landscaping: General character/major features of finished grading, existing and proposed contours at 2' (min.) intervals, berms and mounds, sections, etc.; storm water

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- management/detention and retention areas; general character of plantings, screening concepts, relationship to units and open space, etc.; areas of no-disturbance/ tree and vegetation protection and areas acceptable for construction vehicles and material storage
- h. Lighting: Location and character of proposed fixtures (catalog illustrations), height, wattage and photometric information and a separate Site Lighting Photometric Plan indicating conformance with CHFA-required exterior illumination levels)
4. Residential and Community Building Plans: Definitive designs for typical dwelling units, residential buildings and community building(s) shall be developed and submitted to CHFA. These designs shall be based on careful study of the development program and concept plan.
- a. Residential Buildings: Provide residential building floor plans, sections and elevations of typical residential buildings at 1/8"= 1'-0" scale (min.), indicating overall dimensions, gross area, basic construction technique and exterior materials and keyed to the Site Plan, and dwelling unit floor plans for each unit type (including door and window locations, door swings, and furniture layout), indicating designation, dimensions and area of each room and space, at 1/4"=1'-0" scale (min.)
- b. Community Buildings/Facilities: Provide community building floor plans, sections and elevations of community buildings at 1/4"= 1'-0" scale (min.), keyed to the Site Plan, and indicating overall basic dimensions, gross area, basic construction technique and exterior materials, door and window locations, door swings, and furniture layouts, and designation, dimensions and area of each room and space
- c. Non-residential Facilities: Provide community building floor plans, sections and elevations of commercial and other non-residential facilities included in development at 1/4"= 1'-0" scale (min.), keyed to the Site Plan, and indicating overall basic dimensions, gross area, basic construction technique and exterior materials, door and window locations, door swings, and furniture layouts, and designation, dimensions and area of each room and space
- d. All Buildings: Provide residential and non-residential building structural, HVAC, fire suppression and electrical floor plans at 1/8"= 1'-0" scale (min.), indicating designation of each room and space, system layouts and fixture, equipment and control locations
- e. Provide a code sheet and accessibility plan outlining the major code and ADA implications of the building and project including site issues.
5. Residential 40% Specifications: Outline specifications and "scope of work" lists are not acceptable as 40% Specifications. Provide one printed copy of a Construction Contract Project Manual at a 40% level of completion which defines all proposed major building components and systems in division 2 through 16, of the 5-digit-based CSI MasterFormat 1995, including Part 1 – General: Warranty information and Part 2 – Products: Manufacturer, Material/Component/Manufactured Unit and Performance information (min.). Project Manuals organized under MasterFormat 1995 are preferred, since the PCS and ETPB exhibits in the CHFA/DOH Consolidated Application, construction phase payment requisition and post-construction Cost Certification Templates are organized by 16-divisions. Use of the 50-division, six-digit code 2014 MasterFormat filing system in Project Manuals is acceptable, provided all information is re-organized into 16-divisions for CHFA/DOH application exhibits and construction cost-related forms. Provide a large note on the cover sheet clearly indicating that the specifications are intended as a "40% Project Manual".

D. 90% Construction Contract Document Requirements

Plans and Specifications \geq 90% complete may be provided. Note that, except for additional post-bid clarifying notes, details, and any necessary revisions due to value engineering, \geq 90% complete drawings and specifications are expected to include all of the elements outlined below, to be construction contract bid- and building permit review-ready. All hard costs shall be reflected in the PCS and ETPB. Please note

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full size printed set of Construction Drawings and Specifications are no longer required, only electronic set of Construction Drawings and Specifications are to be uploaded for review.

1. 90% Construction Contract Drawings: 90% complete drawings shall include site development plans, sections and details, building, dwelling unit, community and other non-residential facility life-safety, structural, HVAC, fire suppression and electrical floor plans, demolition plans (if applicable), building elevations, sections, elevations, details, interior elevations, and schedules. All 90% complete drawings developed for use in the construction of the development shall be coordinated to allow printing on the same standard sized print pages, and all pages shall be bound together as a complete set. All drawings must include sheet titles and numbers, graphic and lettered scales, a north arrow and a rectangular space 1¼" h. x 3½" w. in the upper right corner of all drawing sheets for the CHFA 5-party Initial Closing stamp.
 - a. Title sheets shall include development location, including location map, names and contact information for the Sponsor, Architect, Landscape Architect, Site Planner, Surveyor, Engineer and any other special consultants, revision dates, index of drawings, complete project area data for construction cost review, a graphic/tabular analysis of the applicable Building Codes to which the proposal has been designed and a large note on the title sheet clearly indicating that the drawings are intended as "90% Construction Drawings". Building Code requirements to be addressed in the analysis include, but are not limited to: use and occupancy classification(s), building height(s) and area(s), type(s) of construction and fire-resistance rating(s), fire protection system(s), means of egress and accessibility.
 - b. ALTA Survey: Boundary and topographic surveys shall be prepared by a Connecticut licensed professional Land Surveyor to meet the current Minimum Standard Detail requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and Sections 20-300b-1 through 20-300b-20 of the Regulations of Connecticut State Agencies – Standards for Surveys and Maps in the State of Connecticut as adopted by the Connecticut Association of Land Surveyors and Horizontal Accuracy Class A-2/Topographic Accuracy Class T-2 requirements.
2. 90% Construction Contract Specifications: 90% complete specifications shall define all proposed building materials, products, fabrications, equipment and systems in division 2 through 16, of the 5-digit-based CSI MasterFormat 1995, including Part 1 – General, Part 2 – Products and Part 3 – Execution. Project Manuals organized under MasterFormat 1995 are preferred, since the PCS and ETPB exhibits in the CHFA/DOH Consolidated Application, construction phase payment requisition and post-construction Cost Certification Templates are organized by 16-divisions. Use of the 50-division, six-digit code 2014 MasterFormat filing system in Project Manuals is acceptable, provided all information is re-organized into 16-divisions for CHFA/DOH application exhibits and construction cost-related forms. Unless otherwise permitted by CHFA, manufacturers' instructions shall be followed for the installation of all materials, products, fabrications and equipment. Provide a rectangular space 1¼" h. x 3½" w. in the upper right corner of all pages for the CHFA 5-party Initial Closing stamp, and a large note on the cover sheet clearly indicating that the submission is intended as a "90% Project Manual".

VI. 100% CONSTRUCTION CONTRACT DOCUMENTS and INITIAL CLOSING

The review of 100% complete construction documents is the second stage of the CHFA Technical Review Process between the development team and CHFA Technical Services. This phase culminates with the final documents from which the development will be constructed: construction contract documents.

A. 100% Construction Contract Document and Initial Closing Submission Requirements

1. Architect and GC qualifications, zoning approval, capital, energy and/or structural needs assessments should have been submitted with the original application. If any of these have changed, updated documents are required for review.
2. Environmental Assessment: Provide final Environmental Site Assessment and Hazardous Material Survey reports.
3. Soils Report: If not previously submitted, or if revisions to previously-submitted boring and test pit report by a licensed Geotechnical Engineer, provide additional or updated documents.
4. Energy Conservation Plan: Provide a final estimate of anticipated energy incentives from the utilities based on a Letter of Agreement (LOA) with incentive amounts, energy savings details and verification requirements.
5. Availability of Utilities: If not previously submitted, submit updated documents. When there will be no changes to the utilities available at an existing development, this may not be required.
6. Property and Topographic Survey and Legal Description: Submit two copies of the Property and Topographic Surveys, including a certification statement to CHFA, its successors and assigns; the title insurance company/companies insuring the Mortgage; the owner/developer, DOH (if applicable) and/or other interested parties; with no statement of facts objectionable to CHFA. The survey certification language and attendant notes should include the following basic elements in a format acceptable to CHFA, and should be used for both the pre-construction and As-built surveys:
 - a. Survey Certification Statement:

To: Connecticut Housing Finance Authority, [State of Connecticut/DOH/Other Lenders], [Title Insurance Company], [owner/developer] [Other Interested Parties]:
This is to certify that this map and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1(existing), 2, 3, 4, 5, 6, 7(a), 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, 20 and 21 of Table A thereof. The fieldwork was completed on [Date].
Date: [Certification Date]
Signature: [Licensed Land Surveyor's Signature with Professional Seal Affixed]
 - b. Applicable Notes (including, but not necessarily limited to):
 - i. This survey map has been prepared in accordance with Sections 20-300b-1 through 20-300b-20 of the Regulations of Connecticut State Agencies and the "Standards for Surveys and Maps in the State of Connecticut" as adopted by the Connecticut Association of Land Surveyors, Inc. as a Property and Topographic Survey, the Boundary Determination Category of which is a [Resurvey or First Survey] conforming to Horizontal Accuracy Class A-2 Topographic Accuracy Class T-2. This [survey/resurvey] is intended to be used for conveyance or financing purposes, and as a base for engineering site design.
 - ii. Reference is made to [List of Maps] of the [Municipality] Land Records.
 - iii. Reference is made to deeds of record found in [List of Books/Pages] of the [Municipality] Land Records.
 - iv. Reference is made to instruments of record as labeled hereon.
 - v. Areas of the surveyed parcel(s):
 1. Total = [Sq. Ft. (Acres)]
 - vi. There are no wetlands on the subject property as indicated in [Wetlands/Watercourses and Soils Report], prepared by [Soils Science and Environmental Services Consultant], [Date].

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- vii. Property does not lay within a FEMA Flood Hazard Zone, as depicted on Flood Insurance Rate Map, Panel [Number], Map [Number], Effective Date: [Date].
 - viii. Reference is made to map titled [Title] dated [Date], prepared by [Surveyor].
 - ix. Elevations depicted hereon are based on the North Atlantic Vertical Datum of 1988 (NAVD88).
 - x. Subsurface utility, structure and facility locations depicted hereon have been compiled, in part, from municipal records and field measurements. These locations must be considered as approximate, may not be complete, and other such structures may exist on site. The size, location and existence of all such features must be verified by the appropriate authorities prior to construction.
7. 100% Construction Contract Drawings: Provide one full size printed set of 100% complete Construction Drawings, in accordance with CHFA requirements. All drawings developed for use in the construction of the development shall be coordinated to allow printing on the same standard sized print pages, and all pages shall be bound together as a complete set. All drawings must include sheet titles and numbers, graphic and lettered scales, and a north arrow. Changes to previously-submitted drawings (revisions and additional notes/details, etc.) based on specific 40% review comments shall be identified in accordance with architectural graphic standards by drawing a “cloud”.
- a. Title Sheet: Development location, including location map, names and contact information for the Sponsor, Architect, Landscape Architect, Site Planner, Surveyor, Engineer and any other special consultants, revision dates, index of drawings, a development data summary, a list of the applicable Building Codes, use group, building classification to which the proposal has been designed and a large note on the title sheet clearly indicating that the drawings are intended as “100% construction drawings”.
 - b. Boundary and Topographic Survey
 - c. Site Plans (list of typical site plan drawings):
 - i. Demolition Plan
 - ii. Road and Building Location Plan
 - iii. Site Layout Plan
 - iv. Grading Plan
 - v. Planting Plans
 - vi. Site Utility Plan
 - vii. Site Lighting and Photometric Plan
 - viii. Sewer Profiles
 - ix. Irrigation Plans
 - d. Residential and Community Building Plans (list of typical Residential and Community Building construction drawings):
 - i. Building Demolition Plans and Elevations (scale not less than 1/8"=1'0"):
 - ii. Building Foundation Plan (scale not less than 1/8"=1'0"):
 - iii. Interior Demolition Plans and Elevations (scale not less than 1/4"=1'0"):
 - iv. Building Elevations (scale not less than 1/8"= 1'-0"):
 - v. Building Roof Plan (scale not less than 1/8"= 1'-0"):
 - vi. Unit Floor Plans (scale not less than 1/4"= 1'-0"):
 - vii. Unit Interior Elevations (scale not less than 1/4"= 1'-0"):
 - viii. Building Sections (scale not less than 1/4"= 1'-0"):
 - ix. Exterior Section Details (scale not less than 3/4"= 1'-0"):
 - x. Interior Architectural Construction Details (scale not less than 1 1/2"= 1'-0"):
 - xi. Door, Window and Finish Schedules (gut rehab and new projects) and Scope of Work Matrix (less-than-gut rehab projects)
 - xii. Structural Framing Plans (Composite floor/roof plans (scale not less than 1/8"= 1'-0") and unit floor plans and mechanical equipment room plans (scale not less than 1/4"= 1'-0"))

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- xiii. Mechanical, Plumbing, Fire Protection and Electrical Plans (Composite floor/roof plans (scale not less than 1/8"= 1'-0") and unit floor plans and mechanical equipment room plans (scale not less than 1/4"= 1'-0"))
8. 100% Construction Contract Specifications: Provide one printed copy of a Construction Contract Project Manual at a 100% level of completion, which defines all required bidding, contract and general requirements in division 1, of the 5-digit-based CSI MasterFormat 1995, and technical specifications for all building materials, components, assemblies, fabrications, equipment and systems in divisions 2 through 16, including Part 1 – General, Part 2 – Products and Part 3 – Execution. Project Manuals organized under MasterFormat 1995 are preferred, since the PCS and ETPB exhibits in the CHFA/DOH Consolidated Application, construction phase payment requisition and post-construction Cost Certification Templates are organized by 16-divisions. Use of the 50-division, six-digit code 2014 MasterFormat filing system in Project Manuals is acceptable, provided all information is re-organized into 16-divisions for CHFA/DOH application exhibits and construction cost-related forms. Unless otherwise permitted by CHFA, manufacturers' instructions shall be followed for the installation of all materials, products and equipment. Provide a large note on the cover sheet clearly indicating that the submission is intended as a "100% Project Manual".
 9. Other Contract Documents related to the Architect:
 - a. Standard AIA owner/Architect Agreement and Amendments, if any [the fee distributed for construction administration (CA) shall be 30 - 35% of the architect's total fee as determined by CHFA based upon project cost and schedule]
 - b. Certificate of Liability Insurance naming CHFA as certificate holder
 - c. Certification that the documents adhere to all applicable codes and CHFA requirements
 - d. ADA/ Uniform Federal Accessibility Standards Compliance Certification
 10. Other Contract Documents related to the GC:
 - a. Contractor's Qualifications
 - b. Standard AIA owner/Contractor Agreement, including contract time, contract sum, list of addenda, list of drawings and specs, and liquidated damages
 - c. Riders and Exhibits
 - d. Contractor's General Liability, Automobile, Umbrella, Worker's Compensation and Latent Defects insurance coverage per applicable CHFA requirements for multi-family developments under construction and/or with permanent financing, which can be found in the Multifamily Rental Housing Development Document Library section of the CHFA website
 - e. Schedule of Values
 - f. Construction Schedule: CHFA prefers Critical Path Method (CPM) construction schedules, such as those created with Primavera, Suretrack, Microsoft Project or other project scheduling and control software, in order to develop, analyze, update, monitor and report the progression of construction projects such that the owner/developer is informed quickly and accurately of project events, potential problems, and corrective actions. If Microsoft Excel-type bar charts are used, the all construction operations shall be consolidated onto one page, or a series of pages, to continuously show all concurrent work. If the project is to be divided into major sub-projects for multiple buildings, color coding the bars can keep the sub-project work together.
 - g. Performance & Payment Bonds – refer to CHFA Procedures for requirements
 - h. List of Sub-contractor(s)
 - i. Building Permit(s)

B. Early-Start

CHFA discourages owner/developers from starting construction prior to Initial Closing. Early Start is entirely at the owners/developers own risk. If the owner/developer finds that there is no other viable alternative, and chooses to assume total liability for all construction costs, fees (including those for a CHFA Field Observer) and all liens and encumbrances incurred prior to Initial Closing and the recordation of a mortgage. A “Notification of Intent to Commence Construction” form (see CHFA website) may be executed and submitted to CHFA. Additional information and documentation such as proof of ownership of the project site/buildings/appurtenances, building permits, commencement date, construction schedule, professional service and construction contracts, insurance policies, environmental assessment and implementation plans, construction drawings and specifications, and CHFA cost breakdown forms will be required and a pre-construction meeting with the owner/developer, architect, general contractor, bonding company representative, and CHFA Field Observer and CHFA staff, must be held.

1. All support documentation submitted with the Notification of Intent to Commence Construction form must meet all the Standards, and the owner/developer will be responsible for revisions and resubmission as required by CHFA.
2. The owner/developer must understand that CHFA will not be responsible for any liens or any other objection to title, which might result from the fact that construction of a project commenced prior to the CHFA Initial Closing and the recordation of a mortgage. In addition, it must be understood that CHFA acceptance of a prior start of construction for a development will not in any respect be deemed to obligate CHFA in any way.

VII. CONSTRUCTION and POST-CONSTRUCTION

A. CHFA Construction Observation Requirements

For all developments with CHFA funding, or other funds administered by CHFA, construction observation is required by an assigned CHFA Field Observer. For all developments funded through tax credit equity only – both 9% and 4%, CHFA staff may periodically visit the development to conduct on-site observations of the construction process. Observations may occur at any time within the duration of the construction process, up to the placed-in-service date, or up to the execution of the IRS Form 8609. The observations will confirm compliance with the Standards. In addition, as-built drawings and Specifications reflecting compliance with the Standards, prepared by the GC, and verified/approved by the architect, shall be submitted prior to the execution of the IRS Form 8609.

B. Pre-Construction Meeting

Prior to, or immediately after Initial Closing, a pre-construction meeting will be held at CHFA. Those attending the meeting representing the development team should include the owner, the architect, the contractor and any other project management/administrative personnel involved with preparing and submitting payment requisitions, or as otherwise deemed necessary by the owner. Attendance by the Energy Consultant is strongly recommended. CHFA representatives will include staff from underwriting and Technical Services Departments, requisition processor and the CHFA Field Observer assigned to the project. The CHFA Field Observer shall perform bi-weekly site visits to the development and provide field reports and progress photos, among other duties and tasks as the representative for CHFA.

The purpose of the pre-construction meeting is to review CHFA-required project management and administrative procedures, responsibilities and expectations during, and immediately after, the construction phase. Note that the representative of the architect-of-record who provides on-site administration services

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must be a CT-licensed architect. The typical agenda for a CHFA pre-construction meeting is outlined in the CHFA document “Pre-construction Meeting”, which can be found on the CHFA website. Subjects reviewed during the pre-construction meeting include CHFA Field Observation accommodations, requisition and lien waiver processes and submission requirements, job meeting agendas/meeting minutes, forms/documentation/record-keeping requirements, change order processes and submission requirements, project sign requirements, special testing documentation/submission requirements, stored material policy/process and submission requirements, construction schedule maintenance, photo records/submission requirements, Permission to Occupy (PTO)/first reduction of retainage process and submission requirements and final closing/reduction of retainage process and submission requirements.

C. Initial Site Meeting

Discussion and coordination of the following construction-phase logistical issues and process recommendations by the Development Team and the CHFA Field Observer at the first site meeting is recommended:

1. Introductions/exchange of business cards
2. Schedule of Values
3. List of Sub-contractors
4. Change Orders
5. As-built Drawings
6. Building Permits
7. Additional Sets of Drawings
8. Project Site Cleaning
9. Deliveries and Site Access
10. Color Schedule
11. Start/Completion Dates
12. Construction Schedule
13. Coordination of Work
14. Daily Reports
15. Roles of Architects and Engineers
16. Testing REQUIREMENTS
17. Examination of Site
18. Dimensions
19. Enclosures and Barricades
20. Field Office
21. Utility Connections and Charges
22. Fire Extinguishers
23. Emergency Phones
24. Insurance
25. Warranties and Guarantees
26. Applications for Payment
27. Protection and Safety
28. Project Sign
29. Sanitary Facilities
30. Shop Drawings
31. Soil Erosion and Sedimentation Control
32. Soils Information
33. Substitutions
34. Lien Waivers
35. Surveyor
36. Minority Work Requirements
37. Labor Rates
38. RFI Log
39. PCO Log
40. Allowance Log

D. Energy-efficient New and Rehabilitated Buildings

Proposed less-than-gut rehabilitation projects financed through CHFA are encouraged to be designed and constructed to provide for projected reductions in energy consumption in compliance with CHFA Standards: $\geq 10\%$ (min.) for minor rehabilitations, $\geq 15\%$ (min.) for moderate rehabilitations and $\geq 20\%$ (min.) for substantial rehabilitations. Projected energy consumption reduction shall be calculated based on current estimated energy consumption.

Proposed new and gut-rehabilitated projects financed through CHFA must be designed and constructed to meet or exceed ENERGY STAR certification program requirements in compliance with CHFA Standards. Refer to the EPA ENERGY STAR Multifamily New Construction Program Decision Tree, Version 2.0, to determine which ENERGY STAR program is applicable to the design of each building.

To ensure that developments awarded limited CHFA financial resources are built in accordance with the energy efficiency data represented in the Energy Conservation Plan submitted with the application, design

and construction phase modeling, inspection, testing and verification in accordance with national and regional certification requirements should be provided for all projects funded through CHFA. Evidence of the necessary soft costs for the ongoing consulting services by the energy professional of record, to review any proposed energy-related scope of work changes to the building envelope assembly and/or adjustments to mechanical systems during construction, and for inspection, blower door and duct blaster air leakage testing, HVAC commissioning and verification of installed components and systems by qualified HERS raters working under a RESNET HERS Quality Assurance (QA) Provider accredited by EPA, should be evident in the development budget provided with the application. In order to ensure proper operation and maximum HVAC system efficiency under building occupancy conditions, a minimum two-year service contract commencing upon completion of the commissioning of the HVAC system, and benchmarking building performance with the ENERGY STAR Portfolio Manager interactive online tool for tracking and assessing energy use, water consumption and greenhouse gas emissions for a minimum of two years, are strongly recommended for all projects.

E. CHFA Quality Assurance (QA)/Quality Control (QC) Guidelines

1. Minor, Moderate and Substantial Rehabilitation Projects

Depending on the level of rehabilitation, the following documentation must be provided with the Cost Certification:

- Confirmation from the energy professional that the energy conservation measures outlined in the Energy Conservation Plan submitted with the application have been visually verified and, as appropriate, tested and/or graded according to RESNET Standards

2. New and Gut-rehabilitation Projects

Depending on the applicable ENERGY STAR Certification System, the following documentation must be provided with the Cost Certification:

a. Threshold:

- An updated Consolidated Application Energy Conservation exhibit based on the inspected, tested and verified As-built conditions
- ERI Path: Copies of the ENERGY STAR Certificate for each dwelling unit confirming certification by the EPA under the ENERGY STAR Multifamily New Construction v. 1.1 (MFNC) or ENERGY STAR Certified Homes v. 3.1 (ESCH) program, as applicable according to the ENERGY STAR Multifamily New Construction Decision Tree v 2.0
- ASHRAE Path: Copies of the Baseline and As-built energy models prepared by the energy consultant demonstrating $\geq 15\%$ annual energy cost savings over the ASHRAE 90.1-2013 Standards requirements (or $\geq 20\%$ annual energy cost savings over ASHRAE 90.12010 Standards requirements; or $\geq 25\%$ annual energy cost savings over ASHRAE 90.1-2007)

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b. Passive House:

i. Prior to Initial Closing or 42M letter is issued by CHFA:

- Confirmation of pre-certification by PHI or PHIUS

ii. At Cost Certification:

- An updated Consolidated Application Energy Conservation exhibit based on the inspected, tested and verified As-built conditions
- Confirmation of Passive House certification by PHI or PHIUS