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HOUSING FINANCE  
AUTHORITY

*The Key To Affordable Housing*

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# Connecticut Housing Finance Authority

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Construction Guidelines:  
Construction Costs

2017

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**These Guidelines are effective January 1, 2017**

# CHFA Construction Guidelines: Construction Costs

January 2017

## **I. Construction Cost Evaluation**

Cost effectiveness is strongly encouraged, as the objective is to maximize the overall cost effectiveness of developments, including but not limited to, construction costs for applications submitted. The “Construction Guidelines: Construction Costs” document outlines the CHFA construction cost review process.

CHFA recognizes all construction projects as unique and understands there may be verifiable, significant Square Foot (SF) cost differences between the guideline costs and a general contractor’s cost submission.

Conditions which may significantly increase or decrease SF costs may be: extreme site conditions, extreme environmental conditions, material and labor market conditions, site location and conditions specific to difficult inner city site profiles, interior and exterior finishes, demolition, metals, elevators, fire suppression, masonry, and/or geothermal and photovoltaic applications including Passive House measures. Recognition of the cost implications of these and other conditions may result in an upward adjustment to the guideline SF cost.

CHFA derives a final cost per SF for each project by performing site visits, evaluating architectural drawings from the design development stage to 100% drawings, environmental and geotechnical reports, and the method of construction (wood stick-frame, panelized, modular, masonry, steel, etc.) that is specified. CHFA’s historical construction cost database is also accessed and used to determine construction cost effectiveness. When a construction project’s final SF cost is determined, the SF cost, and all relevant material, is reviewed and discussed with the CHFA underwriter and technical services staff.

CHFA invites all applicants to contact the CHFA Technical Services Department to discuss conditions which may significantly increase or decrease SF costs.

## **II. Prevailing Wages/Davis-Bacon Wages**

Prevailing Wages and/or Davis Bacon Wage Rates may be required. It is the responsibility of the applicant to determine if such requirements apply to their project. Please contact the necessary authorities to determine the applicability of prevailing wages and/or Davis Bacon wage rates. 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, documentation and itemization of all current required wage rates shall be provided to CHFA with the funding application, whether or not cost changes are proposed based upon additional detail and/or revisions to the construction documents.

## **III. Project Building Types and Guideline Costs**

Note that references to “single” and “multiple” buildings pertain to the number of buildings on the site, not buildings of different sizes, configuration, number of stories, etc. The guideline cost for dissimilar buildings will be analyzed on the type, size and scope of the construction work specified.

1. Minor Rehabilitation
  - a. Single building, multiple story minor rehabilitation: \$36 per SF
  - b. Multiple buildings, multiple story minor rehabilitation: \$30 per SF
2. Moderate Rehabilitation
  - a. Existing single building, multiple story moderate rehabilitation: \$78 per SF
  - b. Existing multiple buildings, multiple story moderate rehabilitation: \$73 per SF

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3. Substantial Rehabilitation
  - a. Existing single building, multiple story substantial rehabilitation: \$113 per SF
  - b. Existing multiple buildings, multiple story substantial rehabilitation: \$108 per SF
4. Gut Rehabilitation
  - a. Existing single building, multiple story gut rehabilitation: \$138 per SF
  - b. Existing multiple buildings, multiple story gut rehabilitation: \$132 per SF
  - c. Existing single/multiple 19<sup>th</sup>/early 20<sup>th</sup> century mill buildings, gut rehabilitation: \$165 per SF
5. New Construction
  - a. Single building, multiple story (wood frame, vinyl siding): \$156 per SF
  - b. Multiple buildings, multiple story (wood frame, vinyl siding): \$150 per SF
  - c. Single/multiple buildings, multiple story (steel frame): \$206 per SF

**Example:** A new construction project with multiple buildings, multiple story wood framing and vinyl siding has a guideline SF cost of \$144. With the inclusion of extreme site and environmental conditions, and an upgrade from vinyl siding to brick veneer, upward adjustments may result in a new, increased SF cost. In this type of example, the applicant should contact CHFA prior to submitting an application.

### IV. Definitions

1. Square Foot (SF): Gross Square Footage is calculated using a building's first level footprint square footage, and adding the square footage of other levels (except basements and attics) to determine total square footage, including steel-framed first floor structures, parking garages, etc. Portions of basements, attics, and cantilevered sections used for living space shall be included (attic living areas are measured from knee wall to knee wall and gable end to gable end, where applicable). SF cost is determined by dividing the total construction cost by the project's SF. For application construction cost review, the source document of the total project SF is the square footage table found on the architect's drawings per Consolidated Application requirements.
2. Total Construction Cost: Total Construction Cost is defined as all construction costs, inclusive of CSI Masterformat 1995 Construction Divisions 2 through 16, contractor's general requirements, overhead & profit, building permits and fees, and bond premium. Total Construction Cost does not include contingency reserve.
3. Building Rehabilitation Definitions: (based on the International Existing Building Code)
  - a. Minor Rehabilitation: Construction renovations to existing buildings, consisting of items such as: kitchen cabinet replacement; bathroom vanity replacement; new wall, ceiling and floor finishes in kitchens and bathrooms; A/C unit and sleeve replacement, etc.
  - b. Moderate Rehabilitation: Construction renovations to existing buildings, consisting of items such as: kitchen cabinet replacement; bathroom vanity replacement; new wall, ceiling and floor finishes in kitchens, bathrooms and various other rooms in each apartment; exterior door replacement; exterior window replacement; roof replacement; exterior siding repair or replacement; new hot water heaters; hot water boilers; A/C unit and sleeve replacement; electrical service upgrade, etc.
  - c. Substantial Rehabilitation: Construction renovations to existing buildings, consisting of all items listed for moderate rehabilitation above, and the inclusion of up to 50% of the items listed for gut rehabilitation below.

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- d. Gut Rehabilitation: Construction alterations and renovations to existing buildings, consisting of complete removal, replacement or reconfiguration of: interior partitions and walls; ceiling and floor finishes; replacement of all interior doors and frames; replacement of building mechanical and electrical systems; modifications to existing structure and exterior wall systems, including window and exterior door replacements and new building insulation; replacement of existing roof system(s); replacement of all interior kitchen cabinets and bathroom vanities; painting of all rooms in each apartment and common areas, etc.
4. Commercial space:
- a. CHFA will not pay for the subdivision or fit-out of any commercial tenant space.
  - b. CHFA will only accept the cost for the portion of the building structure, exterior doors and windows, exterior walls, etc., that pertain to the building envelope where the commercial space is included.
  - c. CHFA will accept the cost for Mechanical and Electrical provisions to be put in place, such as heating/cooling equipment on the roof with the ductwork running down through the building, but capped off once it reaches the tenant space. Ductwork within the space is the responsibility of the tenant. Cost for providing electrical sub-panels for the tenant to connect to would also be accepted.

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Building materials, components, fabrications, assemblies and equipment for all proposed development projects (rehabilitations and new construction) should comply with the applicable sections of the current “Multifamily Design, Construction and Sustainability Standards-CHFA” (the Standards). The “Construction Guidelines: Project Planning & Technical Services Review” and the Standards define the design process and the specific recommendations for multifamily housing financed through CHFA. All applications should strive to meet the Standards, and must comply with CHFA Procedures and the requirements of the CHFA/DOH Consolidated Application.