

CHFA Capital Needs Assessment and Replacement Reserve Analysis

Prepared for:

Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067

and

Recap Real Estate Advisors
38 Chauncy Street, Suite 600
Boston, MA 02111



38 Chauncy Street, Suite 600 | Boston, MA 02111
T: 617.338.9484 | F: 617.338.9422

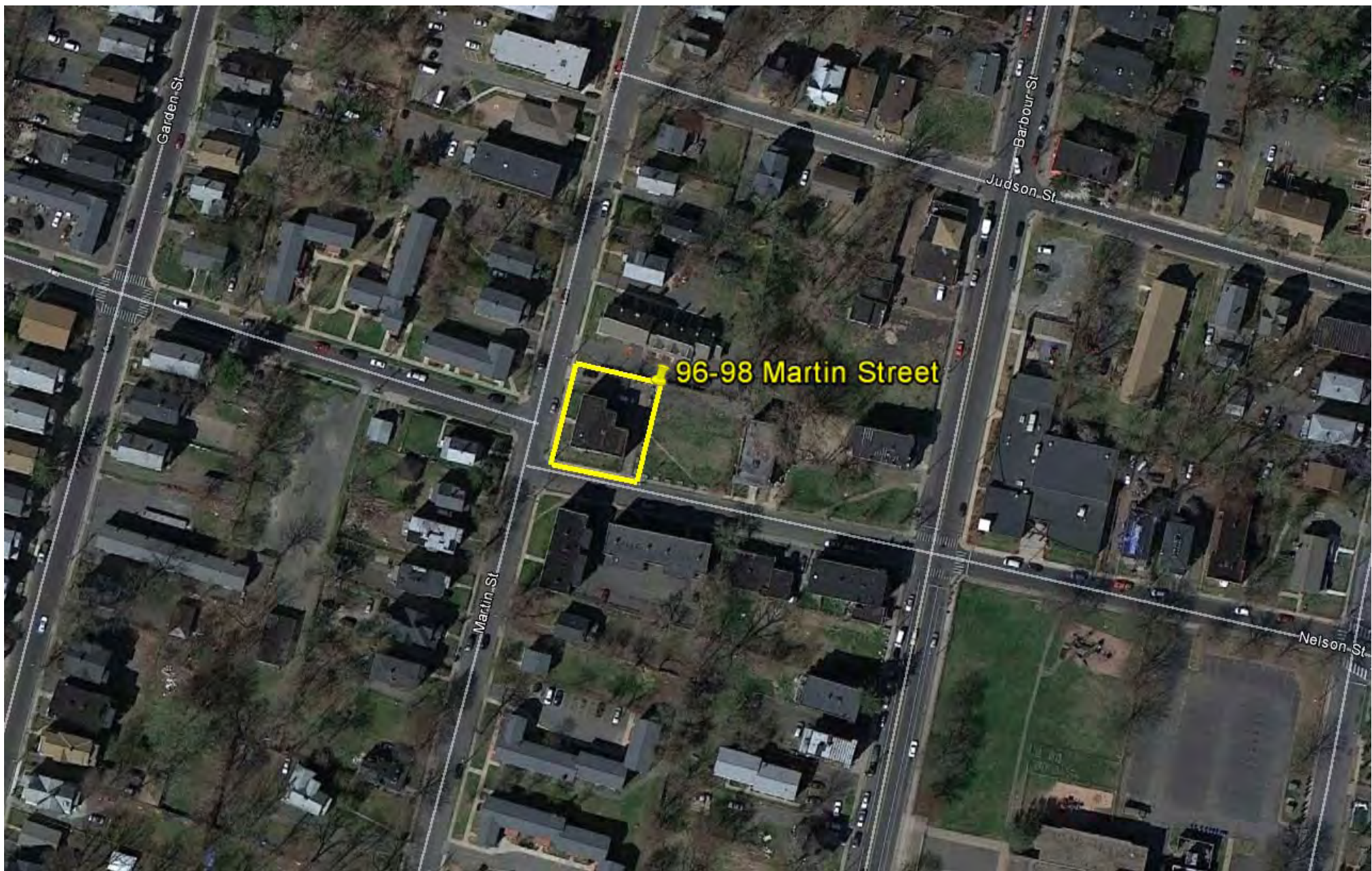
on-site-insight.com



96-98 Martin Street
CHFA # 91080D
Sheldon Oak Central, Inc.
Hartford, CT

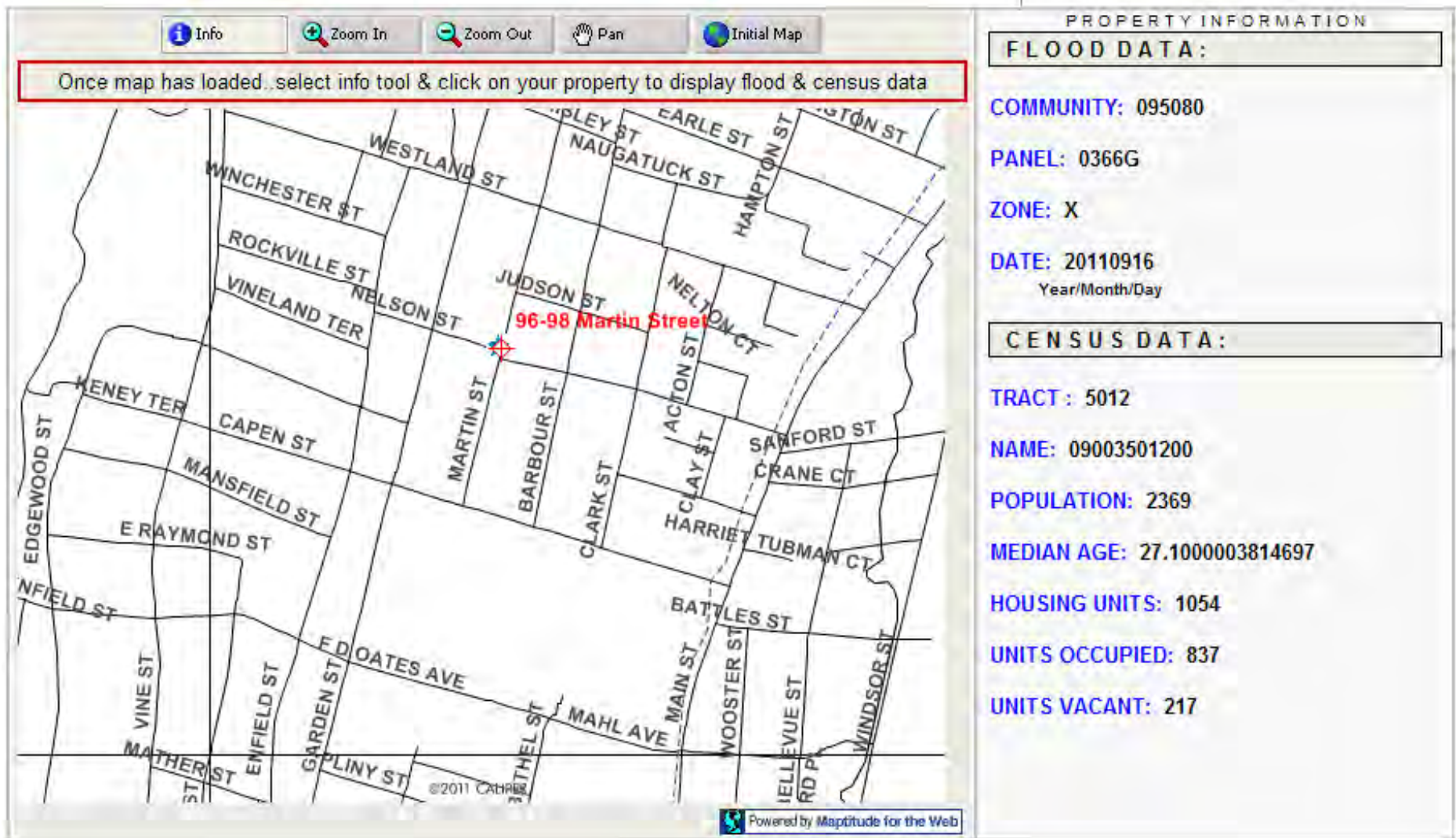
April 17, 2013

Final Report



96-98 Martin Street

96-98 Martin Street
Harford, CT 06106



96-98 Martin Street

96-98 Martin Street
Hartford, CT 06106

Zone X = Outside the 500-year floodplain and
Outside the 1% and 0.2% annual chance floodplains

Executive Summary

96-98 Martin Street

Hartford, CT

96-98 Martin Street is a residential development for families that is comprised of a three-story, walk-up style building that contains a total of six three-bedroom units – three with one bathroom and three with two bathrooms. Original construction of the development is estimated to date to the 1920s, and it was renovated in 1990.

Overall the development is in fair to good condition. As shown on the attached capital needs worksheets, the development faces significant capital needs in the near term. Based on these projections, the development is seen as requiring an adjustment to current replacement reserve funding and/or an infusion of additional capital, both of which were understood by On-Site Insight to be unfunded at the time this report was prepared.

Key findings identified as part of this assessment include the following:

- Asphalt paving in the parking areas is original and cracked/worn; resurfacing costs are shown in Year 1.
- The wrought iron fencing along the public sidewalks is in need of minor repairs and painting; periodic allowances are shown.
- Cracks, mortar loss, and spalling were noted on the exterior masonry wall surfaces at various locations; repair/re-pointing allowances are shown in Years 1 and 16.
- The common entry doors are newer and in generally good condition; no near-term needs are anticipated. The windows are single hung aluminum framed models that date to the rehab; future replacement is shown in Year 9, after thirty years of service.

- The building was reported to have a fully adhered rubber membrane roof covering that was installed in 2010; no evidence of water infiltration was noted and no near-term needs are anticipated.
- Common area walls and ceilings were reportedly painted and floor coverings were reportedly replaced in 2010. The finishes are in fair condition at the present time. Allowances for future refurbishment are shown based on observed conditions and expected useful service lives.
- There is no central heating equipment at the development. A freestanding domestic hot water tank is in place to serve a laundry room that is no longer present. An allowance for future replacement of this tank, should the laundry be brought back online, is shown in Year 3 and again in Year 13.
- The original zone-type fire alarm control panel is serviceable but at or beyond the end of its expected useful service life; replacement costs are shown in Year 1. Replacement of the door buzzer/intercom panel at the main entry door is also shown in Year 1.
- Annual allowances for in-unit floor covering replacement needs are shown from Year 1 forward.
- Unit bathroom fixtures are in generally good condition; future allowances to replace tubs/surrounds, mixing valves, vanities, and sinks are shown in Years 8-10.
- New kitchen cabinetry was installed in all units in 2010; no near-term needs are anticipated. Allowances for the as needed replacement of appliances are shown based on observed conditions, current ages, and expected useful service lives.
- Annual allowances for the as needed replacement of smoke detectors are shown from Year 1 forward.
- Individual boilers with integral (tankless) domestic hot water generators for each unit were installed in a single basement-level mechanical room in 2010. No problems related to these new boilers were noted, and no near-term needs are anticipated.
- Neither the common areas nor any of the units are handicap accessible at the present time. Costs to install a ramp system to the common entry at the rear/side of the building are included. Unit-level modifications would require expansion of a bathroom to meet floor area and turning radius requirements, installation of compliant fixtures, and installation of compliant kitchen cabinetry that includes knee clearance space under the sink and at a thirty-inch wide work surface.

Additional Notes:

1. The Physical Assessment of the property was conducted on March 22nd, 2013. Additional information was provided to ON-SITE INSIGHT by site staff and others. OSI was represented on this assignment by Bruce Hutchinson. We would like to thank Mr. Marcus Smith of Sheldon Oak Central, Inc. for his assistance.
2. Cost estimates used in this assessment are based on data from *RS Means Facilities and Construction Cost Data*. These cost estimates have been applied uniformly across the entire study portfolio to help ensure consistency of future projections. Actual owner and/or site pricing could vary significantly.
3. Unless required by fire, safety, or accessibility codes, items are typically shown being replaced in kind and do not include any planned upgrades or potential upgrade opportunities.
4. Regular updates of this plan are recommended to ensure careful monitoring of major building systems and to adjust the program to accommodate unanticipated circumstances surrounding the buildings, operations, and/or occupants.
5. This report is delivered subject to the conditions on Appendix A, *Statement of Delivery*.



Asphalt paving at parking areas exhibits age-related cracks and deterioration



Wrought iron fencing along property lines at public streets is in need of minor repairs, surface prep, and painting



Building architecture as seen at street facing elevations



Building architecture as seen at rear elevations



Area of brick and mortar loss at third floor level of Martin Street elevation



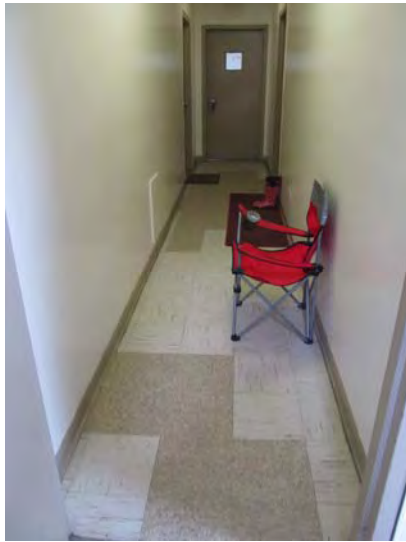
Open vertical seam between red and yellow brick



Select areas of mortar loss evident at various other locations around building



Main entry to building – Door is in generally good condition



Typical finishes in common hallways



Typical finishes in common stairways



Original zone-type fire alarm control is serviceable but at or near the end of its expected useful service life



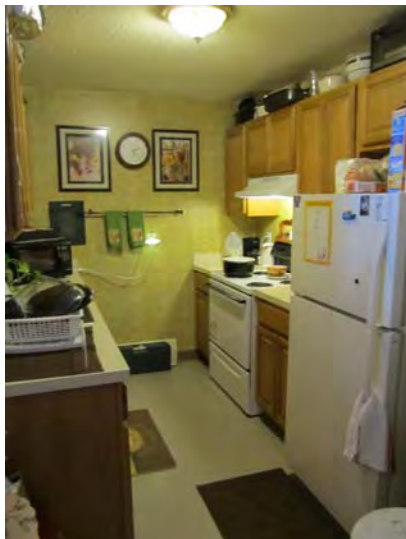
Domestic hot water tank for former laundry room – Laundry room not in place at present time and tank not being used



Typical finishes in unit living areas



Typical finishes and fixtures in unit bathrooms



Typical finishes and equipment in unit kitchens



New combination boilers/domestic hot water generators were recently installed for all units in a basement-level mechanical room

Comprehensive Capital Needs Assessment Schedule

Summary

Owner Sponsor Name:	Sheldon Oak Central, Inc.
Project Name:	96-98 Martin Street
Project City / Town:	Hartford

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	March 29, 2013

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

Beginning Replacement Reserve Balance:	
Annual Replacement Reserve Contribution:	
Additional Misc. Contribution:	

	Component	Total Planned Expenditures by Year																						
		Emergency	Deferred	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Revitalization
				2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Site Improvements	0	9,900	7,870	0	0	0	0	1,225	0	0	0	0	3,476	0	0	0	0	1,646	0	0	0	0	0
2	Building Exterior	0	0	20,246	0	0	0	0	0	0	0	45,601	0	2,475	0	0	0	0	30,608	0	0	0	0	0
3	Roofing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,269	0	0
4	Lobby - Mail Area	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Community Room	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Common Hallways	0	0	0	0	0	1,345	0	0	0	0	3,770	0	0	0	0	1,807	0	0	0	0	5,066	0	0
7	Common Stairways	0	0	0	0	0	3,008	0	0	0	0	7,536	0	0	0	0	9,852	0	0	0	0	10,128	0	0
8	Common Laundry	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Common Area Restrooms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Building Boilers	0	0	0	0	1,289	0	0	0	0	0	0	0	0	0	1,732	0	0	0	0	0	0	0	0
11	Building Mechanical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Building Electrical	0	0	9,650	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Building Elevator	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Building Structural	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Unit Living	0	0	1,098	1,131	1,165	1,200	1,236	1,273	1,311	1,350	1,391	1,432	1,475	1,520	1,565	1,612	1,660	1,710	1,762	1,814	1,869	1,925	0
16	Unit Kitchens	0	2,700	965	994	1,024	1,055	1,086	1,119	1,153	1,187	2,425	1,480	1,525	256	264	272	280	1,504	1,549	1,595	1,643	12,147	0
17	Unit Bathrooms	0	7,500	532	548	565	582	599	617	636	11,004	11,334	11,674	716	737	759	782	805	830	854	880	906	934	0
18	Unit Electrical	0	0	456	470	484	498	513	529	544	561	578	595	613	631	650	670	690	710	732	754	776	800	0
19	Unit Mechanical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,613	14,022	14,442	0	0	0	0
20	Annual Planned Expenditures	0	20,100	40,817	3,143	4,526	7,687	3,434	4,762	3,644	14,102	72,635	15,182	10,280	3,144	4,971	14,995	17,049	51,029	19,339	5,044	56,658	15,805	0
21	Annual Provision (indexed at 3%)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	Outside Capital			425,000																				
23	Cumulative Reserve Balance	0	(20,100)	364,083	360,940	356,414	348,727	345,292	340,530	336,886	322,784	250,150	234,967	224,687	221,543	216,572	201,577	184,528	133,499	114,160	109,116	52,458	36,653	

Site Improvements

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

96-98 Martin Street - SS 3/29/2013

Building Exterior

Owner Sponsor Name:	Sheldon Oak Central, Inc.
Project Name:	96-98 Martin Street
Project City / Town:	Hartford

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	March 29, 2013

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

[illegible]

Roofing

Owner Sponsor Name:	Sheldon Oak Central, Inc.
Project Name:	96-98 Martin Street
Project City / Town:	Hartford

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	March 29, 2013

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

[illegible]

Lobby / Mail Area

Owner Sponsor Name:	Sheldon Oak Central, Inc.
Project Name:	96-98 Martin Street
Project City / Town:	Hartford

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	March 29, 2013

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

[illegible]

Community Room

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

96-98 Martin Street • Capital Needs Assessment • © On-Site Insight

Common Hallways

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

Page 14

Comprehensive Capital Needs Assessment Schedule

Common Stairways

Owner Sponsor Name:	Sheldon Oak Central, Inc.
Project Name:	96-98 Martin Street
Project City / Town:	Hartford

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	March 29, 2013

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Planned Expenditures by Year																													
							Code	Emergency	Code	Deferred	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Revitalization					
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032						
1	Walls	2,356		2	5	2016				0	0	0	2,574	0	0	0	0	2,985	0	0	0	0	3,460	0	0	0	0	4,011	0							
2	Ceilings	396		2	5	2016				0	0	0	433	0	0	0	0	502	0	0	0	0	582	0	0	0	0	675	0							
3	Floors	3,197		2	10	2021				0	0	0	0	0	0	0	0	4,050	0	0	0	0	0	0	0	0	5,442	0								
4	Doors					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
5	Railings					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
6	Stair Treads	3,956		2	15	2026				0	0	0	0	0	0	0	0	0	0	0	0	0	5,810	0	0	0	0	0	0							
7	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
8	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
9	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
10	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
11	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
12	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
13	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
14	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
15	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
16	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
17																																				
18																																				
19																																				
20																																				
21																																				
22																																				
23																																				
24																																				
25																																				
26																																				
27	Annual Planned Expenditures						0	0	0	0	0	3,008	0	0	0	0	7,536	0	0	0	0	9,852	0	0	0	0	10,128	0	0							
28	Cumulative Reserve Balance						0	(20,100)	364,083	360,940	356,414	348,727	345,292	340,530	336,886	322,784	250,150	234,967	224,687	221,543	216,572	201,577	184,528	133,499	114,160	109,116	52,458	36,653								

Common Laundry

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

[illegible]

Common Area Restrooms

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

96-98 Martin Street • Capital Needs Assessment • © On-Site Insight

Building Boilers

Owner Sponsor Name:	Sheldon Oak Central, Inc.
Project Name:	96-98 Martin Street
Project City / Town:	Hartford

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	March 29, 2013

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

[illegible]

Building Mechanical

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

96-98 Martin Street - SS 3/29/2013

Building Electrical

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

Page 20

Building Elevator

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

[illegible]

Building Structural

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

96-98 Martin Street - SS 3/29/2013

Unit Living

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

Page 23

Unit Bathrooms

Owner Sponsor Name:	Sheldon Oak Central, Inc.
Project Name:	96-98 Martin Street
Project City / Town:	Hartford

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	March 29, 2013

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

96-98 Martin Street • Capital Needs Assessment • © On-Site Insights

Unit Electrical

Number of Units:	6
Total Square Feet:	7,519
Default Inflation Rate:	3.0%

Page 26

Appendix A: Statement of Delivery

Our Capital Needs Assessment (the "CNA" or the "Report") on the subject property is delivered subject to the following terms and conditions:

1. This report and analysis are based upon observations for the visible and apparent condition of the building and its major components on the date of the fieldwork. Although care has been taken in the performance of this assessment, ON-SITE INSIGHT, Inc. (and/or its representatives) makes no representations regarding latent or concealed defects that may exist and no warranty or guarantee is expressed or implied. This report is made only in the best exercise of our ability and judgment.
2. We have undertaken no formal evaluation of environmental concerns, including but not limited to asbestos containing materials (ACMs), lead-based paint, chlorofluorocarbons (CFCs), polychlorinated biphenyls (PCBs), and mildew/mold.
3. Conclusions in this report are based on estimates of the age and normal working life of various items of equipment and/or statistical comparisons. Actual conditions can alter the useful life of any item. When an item needs immediate replacement depends on many factors, including previous use/misuse, irregularity of servicing, faulty manufacture, unfavorable conditions, Acts of God and unforeseen circumstances. Certain components that may be working when we made our inspection might deteriorate or break in the future without notice.
4. To prepare this report, we used historic data on capital activities and costs, blueprints (when available), and current prices for capital actions. We have not independently verified this information, have assumed that it is reliable, but assume no responsibility for its accuracy.
5. Unless otherwise noted in the report, we assume that all building components meet code requirements in force when the property was built.
6. If accessibility issues are referenced in the report, the site elements, common areas, and dwelling units at the development were examined for compliance with the requirements of the Uniform Federal Accessibility Standards (UFAS), and for Massachusetts properties, the Massachusetts Architectural Accessibility Board (AAB). The methodology employed in undertaking this examination is adapted from a Technical Assistance Guide (TAG-88-11) titled "Supplemental Information About the Section 504 Transition Plan Requirements" published by the Coordination and Review section of the U.S. Department of Justice Civil Rights Division, and the AAB Rules and Regulations, 521 CMR effective July 10, 1987. The Guide also incorporates the requirements of UFAS, published April 1, 1988 by the General Services Administration, the Department of Defense, the Department of Housing and Urban Development, and the U.S. Postal Service. Changes in legislation and/or regulations may make some observations moot.
7. Response Actions and estimated costs of responses were developed by ON-SITE INSIGHT, Inc. If additional structural work is necessary, costs for some Response Actions may exceed estimates. Whenever the Response Action is to remove, reposition, or modify walls, a competent structural engineer should be retained before any work is done, because such investigation may disclose that a Response Action is either more costly than estimated, or is not possible.
8. Conclusions reached in this report assume current and continuing responsible ownership and competent property management.
9. Regular updates of this plan are recommended to ensure careful monitoring of major building systems and to adjust the program to accommodate unanticipated circumstances surrounding the buildings, operations, and/or occupants.