

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

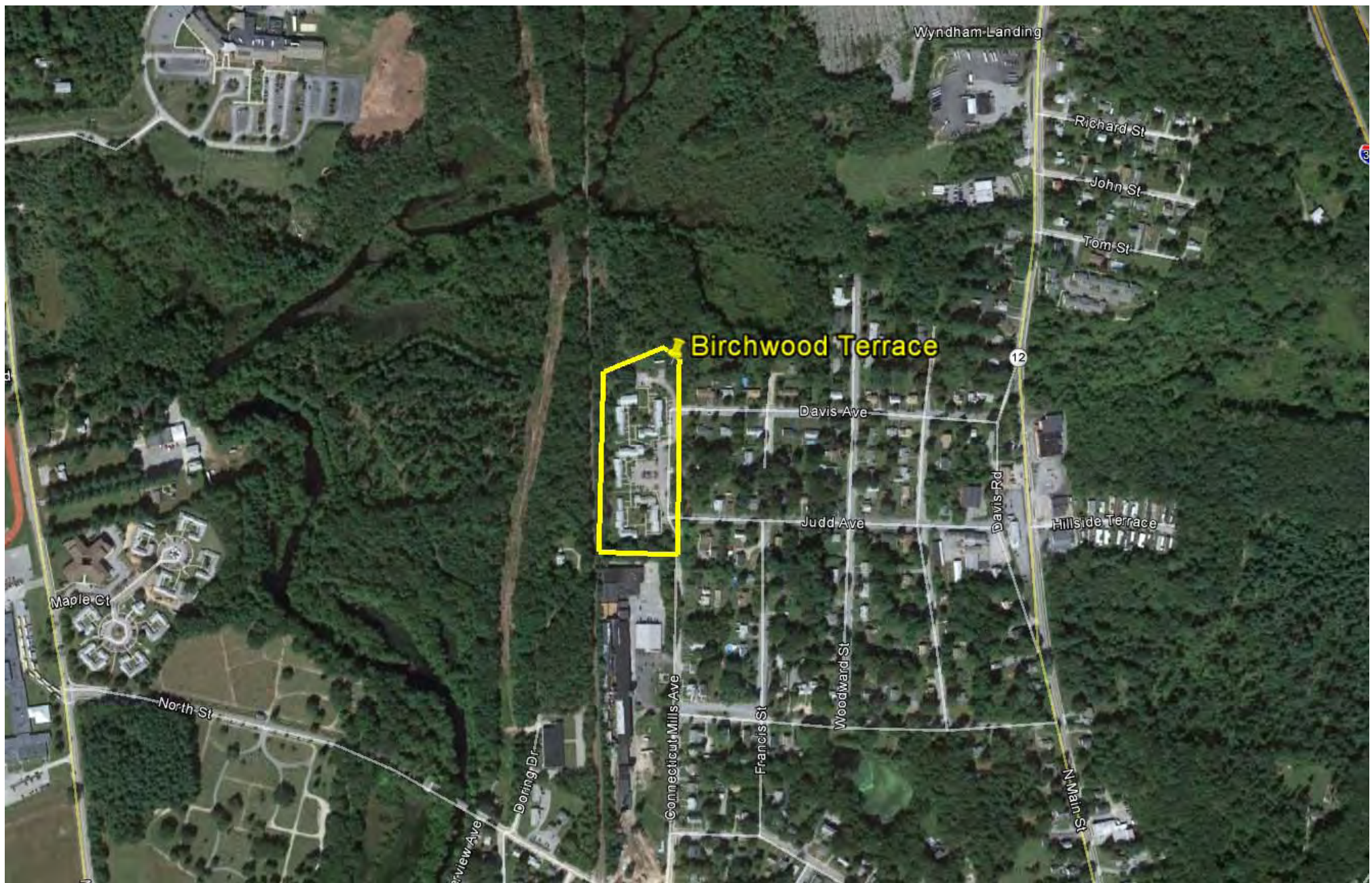
on-site-insight.com



Birchwood Terrace
CHFA # 85087D
Killingly Housing Authority
Danielson, CT

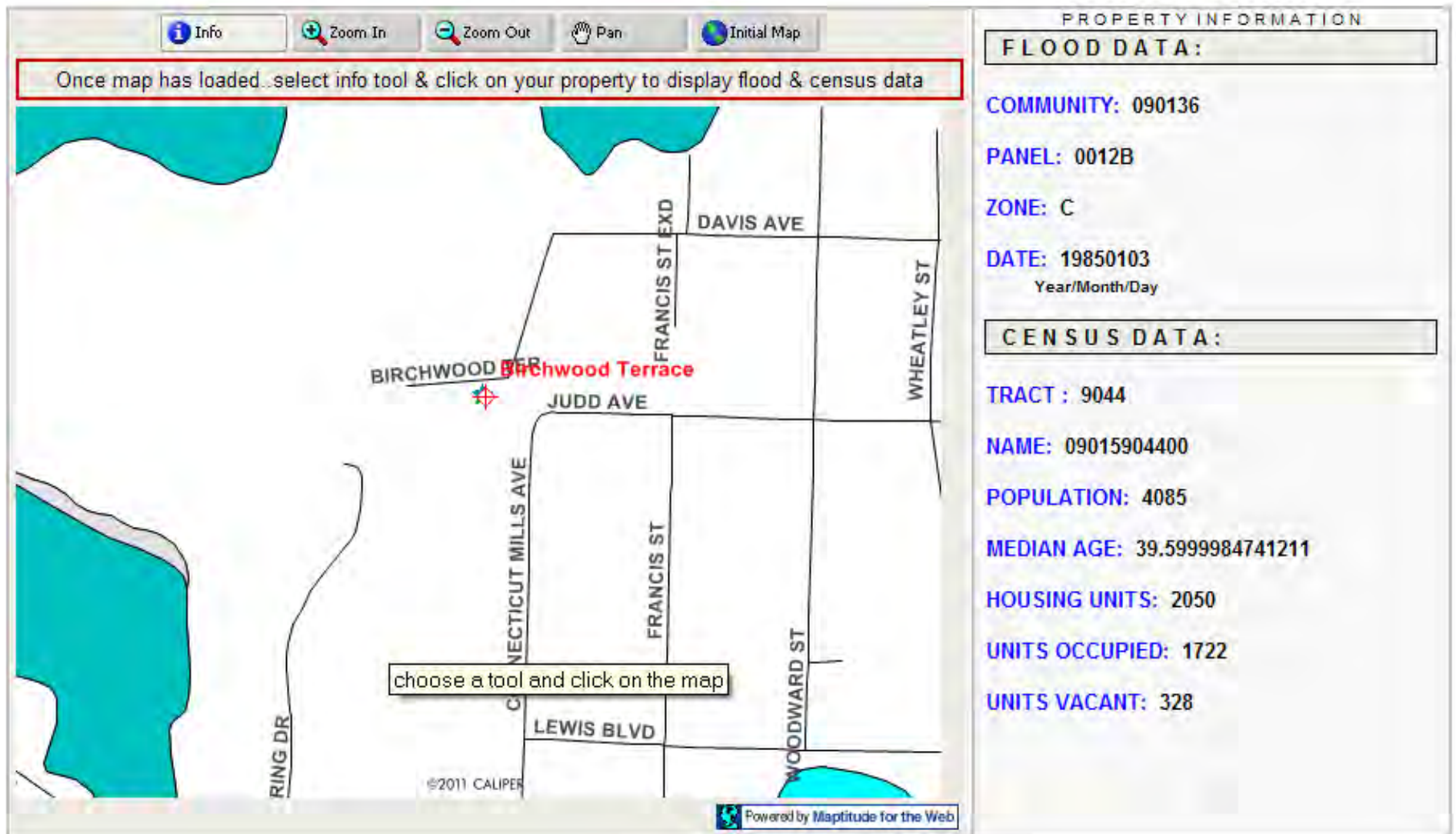
February 11, 2013

Final Report



Birchwood Terrace

41 Birchwood Terrace
Danielson, CT 06239



Birchwood Terrace

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Danielson, CT 06239

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

Executive Summary

Birchwood Terrace

Danielson, CT

Birchwood Terrace is a residential development for seniors, comprised of 5 residential buildings and 1 maintenance/storage building. The development includes 40 one-bedroom apartments. Construction of the development dates to 1981. Most recent renovations have included the expansion of unit layouts at each building in 2001 and 2002.

Overall the development is in good condition. As shown on the attached capital needs worksheets, the development faces significant capital expenditures over the course of the assessment period. Based on these projections, the development is seen as requiring an adjustment to current replacement reserve funding and/or an infusion of additional capital.

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

- Site asphalt paving exhibits sporadic cracking and minimal settlement. Periodic surface maintenance allowances are shown in the plan, with total resurfacing costs shown in Year 12. Concrete walks date to 1994, good overall conditions were observed. Periodic sectional repair allowances are shown in the plan. Pole mounted site lighting is to be upgraded in Years 4-5. Site signage and the wood-framed gazebo structure are to be replaced in Years 10 and 15 respectively. Accessibility improvements would include ramp/railing replacements at the gazebo. The recyclables shed is due to be refurbished in Year 2.

- Portions of exterior vinyl siding and the roofing surfaces have been replaced as part of the expansion renovations in 2001 and 2002. Older vinyl siding dates to 1994, with spot damage and organic material growth observed. Repair and powerwashing allowances are shown periodically, with full-scale replacement anticipated in Years 17-20. Garage and community building doors are shown being replaced in Year 12. Original unit rear doors are shown for replacement in Year 4, newer front doors starting in Year 7. Screened in porches at building transition areas exhibit some damage, with updates shown starting in Years 4 and 17. Roofs display spot shingle curling, lifting, and staining. Some decking deflection was also observed. Premium costs for replacement are shown starting in Year 4. Gutters and downspouts at respective buildings should be replaced concurrently.
- The centrally located community building (attached to Building 3) houses facilities such as a kitchenette, offices, community room, restrooms, and a laundry. Accessibility improvements would include the kitchenette and its associated cabinetry and appliances. Finishes updates would include painting and flooring. Future appliance (both kitchen and laundry) replacements are shown in the plan.
- The domestic hot water heater serving the community building is shown for replacement in Years 6 and 18. The heat pump HVAC system serving the community building is shown being updated in Year 13. The air conditioner that supplements cooling needs for the community building is shown being updated in Years 5 and 15. Site representatives noted that an emergency generator is to be added to the community building, costs are shown in Year 2.
- Thirty units were expanded in 2001 and 2002 (living areas and bedrooms) (Unit #9 was re-constructed following a “fire” four years ago). Many finishes in these units were upgraded at the time of the expansion. Most kitchen cabinetry sets date to a 1994 property rehab. Other than painting, usually upon unit turnover, most other in-unit fixtures are original. While in-unit painting is generally handled from operations; the plan shows costs to replace flooring, update kitchen cabinetry and appliances, replace bathroom tubs/surrounds, and update bathroom fixtures/accessories. Smoke/fire detection devices and emergency pull cord devices are to be monitored, tested, and replaced as operating expenditures. The heat pump / HVAC systems are shown for future replacement in Years 12-13. Domestic hot water tanks are replaced as they fail. Allowances are shown throughout the plan.

Additional Notes:

1. The Physical Assessment of the property was conducted on Tuesday, January 15th and Friday, January 18th, 2013. Additional information was provided to ON-SITE INSIGHT by site staff and others. OSI was represented on this assignment by Craig Torres. We would like to thank Ms. Carol Greene and the Killingly Housing Authority staff for their 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*.



1. Typical site paving conditions



2. Spot cracking of concrete walks



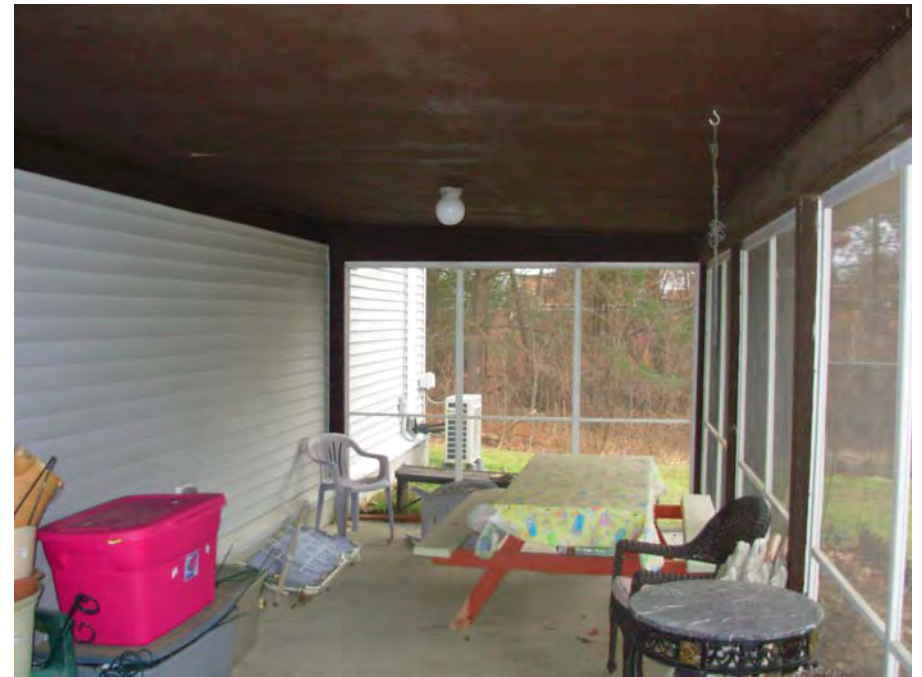
3. Recyclables shed to be refurbished



4. Typical building elevations



5. Typical transition screened porches



6. Typical interiors of screened porches



7. Spot damage and organic mtl. growth on vinyl
Birchwood Terrace • Capital Needs Assessment • © On-Site Insight



8. View of the maintenance-storage garage



9. Staining, curling, spot lifting of roofing shingles



10. Community room and kitchenette



11. DHW tank serving community building
Birchwood Terrace • Capital Needs Assessment • © On-Site Insight



12. Typical unit kitchen cabinetry and appliances



13. Some finish wear observed on cabinetry



14. Typical unit DHW tanks



15. Heat pump HVAC systems serving units
Birchwood Terrace • Capital Needs Assessment • © On-Site Insight



16. Heat pump HVAC system exterior condenser units, typical
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Comprehensive Capital Needs Assessment Schedule

Summary

Owner Sponsor Name:	Killingly Housing Authority
Project Name:	Birchwood Terrace
Project City / Town:	Danielson, CT

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	February 11, 2013

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Beginning Replacement Reserve Balance:	\$121,373
Annual Replacement Reserve Contribution:	\$4,913
Additional Misc. Contribution:	

	Component	Total Planned Expenditures by Year																						Revitalization
		Emergency	Deferred	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
				2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Site Improvements	0	0	18,994	2,343	0	53,358	77,536	0	0	0	23,364	9,133	0	133,354	0	3,506	18,151	0	0	26,539	4,065	2,834	0
2	Building Exterior	0	0	7,913	25,686	27,513	31,472	13,873	8,116	11,325	11,665	13,171	6,618	5,551	13,827	13,481	6,066	6,248	6,435	46,751	49,710	87,463	90,087	0
3	Roofing	0	0	0	0	0	42,929	44,217	45,544	46,910	48,317	0	0	0	0	0	0	0	0	0	0	12,871	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	6,500	11,733	0	0	0	0	0	0	0	1,305	0	1,637	3,881	1,093	1,126	0	0	6,443	0	0	0	0
6	Common Hallways	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Common Stairways	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Common Laundry	0	0	968	0	1,475	2,284	1,564	1,611	1,156	0	0	0	0	0	1,380	2,041	2,102	3,256	2,231	0	1,648	0	0
9	Common Area Restrooms	0	1,054	1,724	0	0	0	0	0	0	0	373	0	0	0	0	0	0	0	1,074	0	0	0	0
10	Building Boilers	0	0	0	0	0	0	0	2,087	0	0	0	0	0	0	0	0	0	0	0	2,975	0	0	0
11	Building Mechanical	0	0	0	0	0	0	898	0	0	0	0	0	0	0	6,202	0	1,207	0	0	0	0	0	0
12	Building Electrical	0	0	0	25,000	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	1,400	12,583	11,518	11,864	12,219	12,586	12,964	13,353	13,753	14,166	14,591	15,028	15,479	15,944	16,422	16,915	17,422	17,945	18,483	19,038	19,609	0
16	Unit Kitchens	0	3,800	8,262	16,928	17,436	17,959	18,498	19,053	19,624	20,213	20,819	21,444	5,997	6,176	3,985	4,105	4,228	4,355	7,160	7,375	12,823	7,824	0
17	Unit Bathrooms	0	0	0	8,704	8,965	9,234	9,511	9,797	10,090	10,393	10,705	11,026	11,357	5,887	6,063	6,245	6,432	6,625	6,824	7,029	7,240	11,771	0
18	Unit Electrical	0	4,900	4,900	2,944	3,032	3,123	3,217	3,314	3,413	3,515	3,621	3,729	3,841	3,957	4,075	4,198	4,323	4,453	0	0	0	0	0
19	Unit Mechanical	0	0	2,833	2,918	3,006	3,096	3,189	3,285	3,383	3,485	3,589	3,697	3,808	77,286	79,605	4,161	4,286	4,414	4,547	4,683	4,824	4,968	0
20	Annual Planned Expenditures	0	17,654	69,909	96,042	73,290	175,675	185,090	105,769	109,255	111,342	91,112	70,239	47,219	259,847	131,829	47,870	63,893	46,962	92,974	116,794	149,970	137,092	0
21	Annual Provision (indexed at 3%)			4,913	5,060	5,212	5,369	5,530	5,696	5,866	6,042	6,224	6,410	6,603	6,801	7,005	7,215	7,431	7,654	7,884	8,120	8,364	8,615	
22	Outside Capital			1,986,000																				
23	Cumulative Reserve Balance	121,373	103,719	2,024,724	1,933,742	1,865,663	1,695,357	1,515,797	1,415,724	1,312,335	1,207,036	1,122,147	1,058,319	1,017,702	764,656	639,832	599,177	542,715	503,408	418,318	309,644	168,039	39,561	

Site Improvements

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Birchwood Terrace CHFA SS 2/11/2013

Building Exterior

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Birchwood Terrace CHFA SS 2/11/2013

Roofing

Owner Sponsor Name:	Killingly Housing Authority
Project Name:	Birchwood Terrace
Project City / Town:	Danielson, CT

Current Year:	2013
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Report Date:	February 11, 2013

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Default Inflation Rate:	3.0%

[illegible]

Comprehensive Capital Needs Assessment Schedule

Lobby / Mail Area

Owner Sponsor Name:	Killingly Housing Authority
Project Name:	Birchwood Terrace
Project City / Town:	Danielson, CT

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Number of Units:	40
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[illegible]

Community Room

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Birchwood Terrace CHFA SS 2/11/2013

Common Hallways

Owner Sponsor Name:	Killingly Housing Authority
Project Name:	Birchwood Terrace
Project City / Town:	Danielson, CT

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Number of Units:	40
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[illegible]

Common Stairways

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Birchwood Terrace CHFA SS 2/11/2013

Comprehensive Capital Needs Assessment Schedule

Common Laundry

Owner Sponsor Name:	Killingly Housing Authority
Project Name:	Birchwood Terrace
Project City / Town:	Danielson, CT

Current Year:	2013
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Number of Units:	40
Total Square Feet:	25,890
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	268		9	6	2013				268	0	0	0	0	0	320	0	0	0	0	0	0	382	0	0	0	0	0	456	0					
2	Ceilings	700		9	6	2013				700	0	0	0	0	0	836	0	0	0	0	0	0	998	0	0	0	0	0	1,192	0					
3	Floors	700		9	12	2016				0	0	0	765	0	0	0	0	0	0	0	0	0	0	0	0	1,091	0	0	0	0					
4	Ventilation					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
5	Lighting Fixtures					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
6	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	0					
8	Other					2013				0	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	0					
10	Other					2013				0	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	0					
12	Other					2013				0	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	0					
14	Other					2013				0	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	0					
16	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
17	Laundry Equipment	5,560		7	10+	2015				0	0	1,475	1,519	1,564	1,611	0	0	0	0	0	0	0	2,041	2,102	2,166	2,231	0	0	0						
18																																			
19																																			
20																																			
21																																			
22																																			
23																																			
24																																			
25																																			
26																																			
27	Annual Planned Expenditures							0		0	968	0	1,475	2,284	1,564	1,611	1,156	0	0	0	0	0	1,380	2,041	2,102	3,256	2,231	0	1,648	0	0				
28	Cumulative Reserve Balance							121,373		103,719	2,024,724	1,933,742	1,865,663	1,695,357	1,515,797	1,415,724	1,312,335	1,207,036	1,122,147	1,058,319	1,017,702	764,656	639,832	599,177	542,715	503,408	418,318	309,644	168,039	39,561					

Common Area Restrooms

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Birchwood Terrace CHFA SS 2/11/2013

Building Mechanical

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Birchwood Terrace CHFA SS 2/11/2013

Building Elevator

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Birchwood Terrace CHFA SS 2/11/2013

Unit Living

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Birchwood Terrace CHFA SS 2/11/2013

Unit Kitchens

Owner Sponsor Name:	Killingly Housing Authority
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Project City / Town:	Danielson, CT

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Birchwood Terrace CHFA SS 2/11/2013

Unit Electrical

Owner Sponsor Name:	Killingly Housing Authority
Project Name:	Birchwood Terrace
Project City / Town:	Danielson, CT

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	February 11, 2013

Number of Units:	40
Total Square Feet:	25,890
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	Emergency Call System					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2	Electrical Panel					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
3	Smoke Detectors					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
4	Intercom					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
5	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
6	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	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							
8	Other					2013				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							
10	Other					2013				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							
12	Other					2013				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							
14	Other					2013				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							
16	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
17	Electrical Circuit Breaker Panels (Replaced at Unit #9)	1 unit		4	30+					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
18	Electrical Circuit Breaker Panels	42,875		32	30+	2014				0	2,944	3,032	3,123	3,217	3,314	3,413	3,515	3,621	3,729	3,841	3,957	4,075	4,198	4,323	4,453	0	0	0	0						
19	Accessibility Improvements (Lowering Electrical Panels)	4,900		varies	30+	2013		4	4,900	4,900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
20	Emergency Call (Bedrooms and Baths - local ring) - Optg.	40 units		varies	15+					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
21	Smoke Detect. (Bedrooms and Living Rooms, local) - Optg.	80 devices		varies	<10					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
22																																			
23																																			
24																																			
25																																			
26																																			
27	Annual Planned Expenditures						0	4,900	4,900	2,944	3,032	3,123	3,217	3,314	3,413	3,515	3,621	3,729	3,841	3,957	4,075	4,198	4,323	4,453	0	0	0	0	0						
28	Cumulative Reserve Balance						121,373	103,719	2,024,724	1,933,742	1,865,663	1,695,357	1,515,797	1,415,724	1,312,335	1,207,036	1,122,147	1,058,319	1,017,702	764,656	639,832	599,177	542,715	503,408	418,318	309,644	168,039	39,561							

Unit Mechanical

Number of Units:	40
Total Square Feet:	25,890
Default Inflation Rate:	3.0%

Birchwood Terrace CHFA SS 2/11/2013

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.