

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



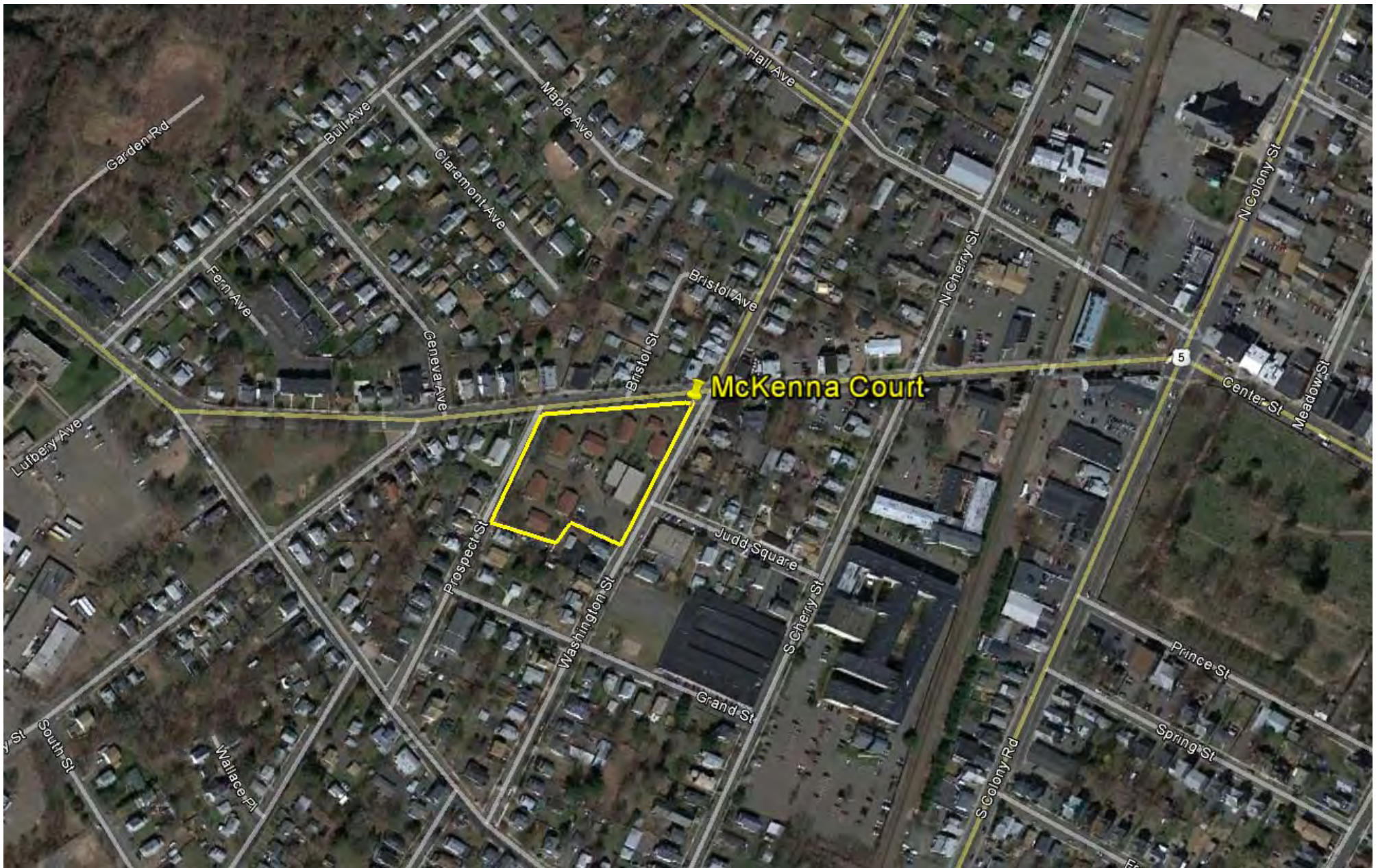
McKenna Court

CHFA # 85209D

Wallingford Housing Authority
Wallingford, CT

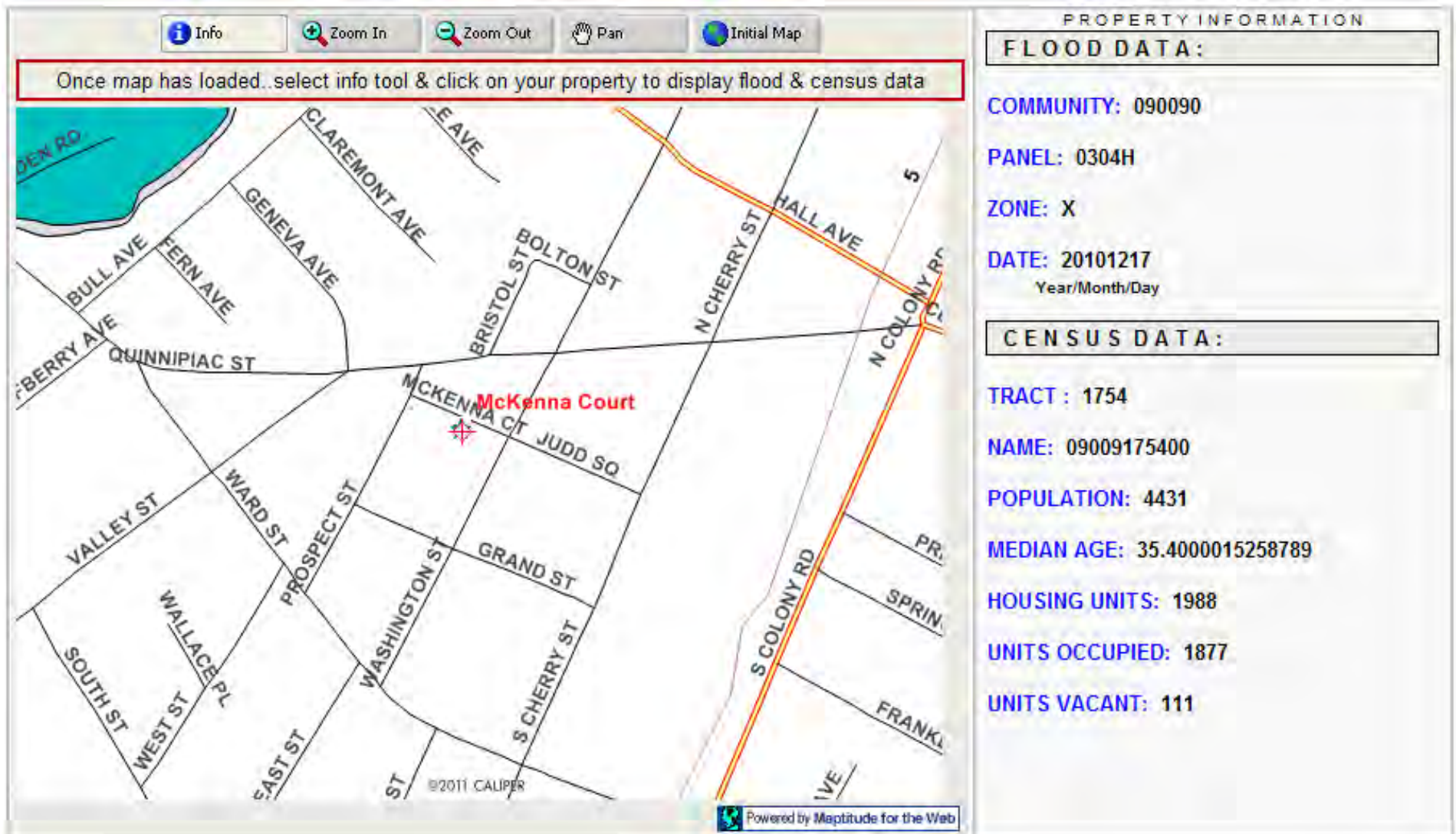
March 13, 2013

Final Report



McKenna Court

1-30 McKenna Court
Wallingford, CT 06492



McKenna Court

1-30 McKenna Court
Wallingford, CT 06492

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

Executive Summary

McKenna Court

Wallingford, CT

McKenna Court is a residential development for the elderly that is comprised of seven residential buildings and a freestanding community building that also houses storage and service space for the Authority's maintenance department.. The development includes 22 efficiency and 8 one-bedroom units. Three units, 2 efficiency and 1 one-bedroom, are designated as handicap accessible. Original construction of the development dates to 1980. In approximately 2008, a renovation scope of work that included new vinyl siding, windows, and doors was completed, and these components are in good condition and should not require any significant capital expenditures during the plan's term.

Overall the development is in generally good condition. As shown on the attached capital needs worksheets, the development faces significant capital needs over the term, primarily for upgrade and/or replacement of in-unit finishes and components. 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:

- Access drive and parking asphalt resurfacing is shown in Year 11. Pedestrian walkway resurfacing is shown in Year 4.
- No problems related to the brick veneer or vinyl siding exterior wall surfaces were noted; no significant capital needs identified.
- Replacement of the single leaf steel service door at the mechanical room is significant rusted and shown being replaced in Year 1.
- The residential building roofs have conventional three-tab shingles that exhibit age and wear; replacement is shown in Years 2-4.

- Interior wall and ceiling surfaces are in good condition; future painting cycles shown in Years 6 and 16. Vinyl floor tile replacement is shown in Year 6.
- The domestic hot water tank and heat pump at the community building are both newer and no near-term needs are anticipated.
- No problems related to the central fire alarm control panel were noted; an allowance for a future panel upgrade is shown in Year 13.
- Annual allowances for in-unit floor covering replacement (carpet in living areas/vinyl tile in restrooms and kitchens) are shown from Year 1 forward.
- **Note:** Costs for floor tile replacement do not include any potential remediation of reported asbestos containing materials (ACMs) as it is unknown what level or scope of work might be necessary to complete said remediation. However, it should be noted that remediation costs could likely add significantly to those costs shown here as part of the assessment.
- Allowances to replace older high-flow toilets with contemporary water conserving low-flow models are shown in Years 1-3.
- Original kitchen cabinetry that is in fair condition is typical in units; replacement allowances are shown in Years 1-5.
- Annual allowances for replacement of kitchen appliances, as needed, are shown from Year 1 forward.
- Replacement of original Stab-Lok circuit breaker panels are shown in Years 1-5.
- Heat pumps were added at all units in 2012; no problems were noted and no near-term needs were identified. Annual allowances for as needed replacement of original electric baseboard radiation, now used for supplemental heating, are shown from Year 1 forward.
- Annual allowances for replacement of unit-level electric domestic hot water tanks are shown from Year 1 forward.
- Modifications necessary for common area accessibility include installation of lever-style door hardware at resident services office, replacement of cabinetry in kitchen to be at proper heights and with adequate knee clearance, and centering of toilets at eighteen inches from adjacent wall and installation of grab bars.
- Modifications necessary for unit-level accessibility include relocating toilets so as to be centered at eighteen inches from the adjacent wall, insulating pipes under sinks, and lowering of mirrors and medicine cabinets.

Additional Notes:

1. The Physical Assessment of the property was conducted on January 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 the office staff of Demarco Management Company and the maintenance staff of the Wallingford Housing Authority 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*.



Asphalt-paved surfaces in generally good condition



Typical asphalt-paved pedestrian walkway



Typical waste management screening/enclosure found at various locations throughout the site



Typical building architecture as seen at a residential building



Building architecture as seen at community building



Brick veneer, vinyl siding, windows, and doors all in good overall condition



Steel lintels in need of surface preparation and painting and perimeter caulking in need of replacement



Rust-damaged service door at community building mechanical room



Roof coverings in fair to good condition



Interior view of community room



Exterior condenser for recently installed heat pump at community room



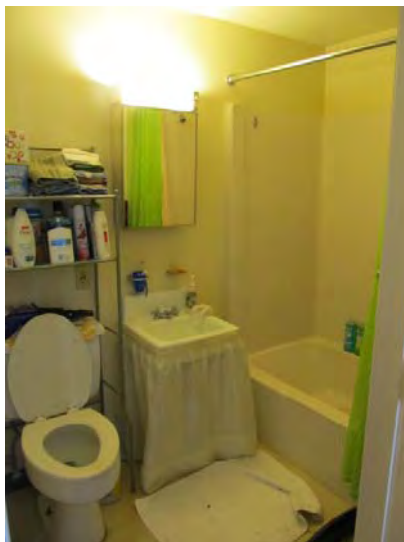
Natural gas-fired domestic hot water tank for community building



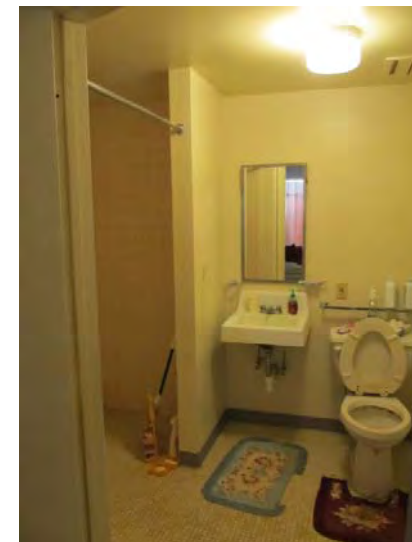
Fully addressable fire alarm control panel has been updated in recent years



Typical finishes in unit living areas



Typical finishes and fixtures in 'standard' unit bathrooms



Handicap accessible unit bathrooms include a roll-in shower



Typical finishes and equipment in 'standard' unit kitchens



Handicap accessible unit kitchens include knee clearance space under the countertop



Typical exterior condenser for heat pumps that were recently installed in all units



Each unit has an electric, storage-type, domestic hot water tank

Comprehensive Capital Needs Assessment Schedule

Summary

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

Beginning Replacement Reserve Balance:	\$167,850
Annual Replacement Reserve Contribution:	\$8,050
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	5,265	0	0	56,572	0	6,104	0	0	17,605	0	42,458	0	0	0	0	8,203	0	0	0	0	0
2	Building Exterior	0	0	515	0	0	0	0	0	0	0	0	0	3,967	4,086	4,209	4,335	4,465	0	0	0	0	0	0
3	Roofing	0	0	0	24,433	25,166	25,921	0	0	0	0	0	0	0	0	0	0	75,224	0	0	0	0	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	150	4,301	0	0	0	0	5,910	0	0	0	0	0	0	0	0	0	1,520	0	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	250	250	0	0	0	0	744	0	0	0	0	0	0	0	0	0	361	0	0	0	0	0
9	Common Area Restrooms	0	4,175	4,175	0	0	0	0	694	0	0	0	0	0	0	0	0	0	419	0	0	0	0	0
10	Building Boilers	0	0	0	0	0	0	0	0	0	0	1,539	0	0	0	0	0	0	0	0	0	2,068	0	0
11	Building Mechanical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,008	0	0	0	0	0	0
12	Building Electrical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,822	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	3,029	3,120	3,214	3,310	3,409	3,512	3,617	3,725	3,837	3,952	4,071	4,193	4,319	4,448	4,582	4,719	4,861	5,007	5,157	5,312	0
16	Unit Kitchens	0	0	18,232	18,779	19,343	19,923	20,520	2,401	2,473	2,547	2,624	2,702	2,783	2,867	2,953	3,042	3,133	3,227	3,324	3,423	3,526	3,632	0
17	Unit Bathrooms	0	6,525	11,924	5,561	5,728	1,419	8,208	8,455	8,708	8,969	9,239	9,516	9,801	10,095	10,398	10,710	1,965	2,024	2,085	2,147	2,211	2,278	0
18	Unit Electrical	0	0	9,510	9,795	10,089	11,532	11,878	3,713	3,825	3,940	4,058	4,180	4,305	4,434	4,567	4,704	4,845	4,991	5,140	5,295	5,453	5,617	0
19	Unit Mechanical	0	0	4,119	4,243	4,370	4,501	4,636	4,775	4,919	5,066	5,218	5,375	5,536	5,702	5,873	29,399	30,281	31,190	32,125	33,089	7,013	7,223	0
20	Annual Planned Expenditures	0	11,100	61,321	65,931	67,909	123,178	48,652	36,309	23,542	24,248	44,120	25,725	72,921	31,378	50,141	56,638	128,503	56,654	47,534	48,960	25,429	24,061	0
21	Annual Provision (indexed at 3%)			8,050	8,292	8,541	8,797	9,061	9,333	9,613	9,901	10,198	10,504	10,819	11,144	11,478	11,822	12,177	12,542	12,919	13,306	13,705	14,116	
22	Outside Capital			775,000																				
23	Cumulative Reserve Balance	167,850	156,750	878,479	820,840	761,472	647,090	607,499	580,522	566,593	552,246	518,324	503,104	441,001	420,767	382,104	337,288	220,962	176,850	142,234	106,580	94,856	84,911	

Site Improvements

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

McKenna Court - SS 2/6/2013

Building Exterior

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

McKenna Court - SS 2/6/2013

Lobby / Mail Area

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

[illegible]

Community Room

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

McKenna Court - SS 2/6/2013

Common Hallways

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

McKenna Court - SS 2/6/2013

Common Stairways

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

[illegible]

Common Laundry

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

McKenna Court - SS 2/6/2013

Common Area Restrooms

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

[illegible]

Comprehensive Capital Needs Assessment Schedule

Building Boilers

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

[illegible]

Building Electrical

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

McKenna Court • Capital Needs Assessment • © On-Site Insight

Building Structural

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

McKenna Court - SS 2/6/2013

Comprehensive Capital Needs Assessment Schedule

Unit Kitchens

Owner Sponsor Name:	Wallingford Housing Authority
Project Name:	McKenna Court
Project City / Town:	Wallingford

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

Number of Units:	30
Total Square Feet:	20,945
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					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
2	Ceilings					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
3	Floors	731		1	1	2013			731	753	776	799	823	848	873	899	926	954	983	1,012	1,042	1,074	1,106	1,139	1,173	1,209	1,245	1,282							
4	Cabinets					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
5	Countertops					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
6	Sink					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
7	Kitchen Exhaust Fan					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
8	GFI Outlet					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
9	Vent Hood					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
10	Refrigerators	1,340		1	1	2013			1,340	1,380	1,422	1,464	1,508	1,553	1,600	1,648	1,697	1,748	1,801	1,855	1,911	1,968	2,027	2,088	2,150	2,215	2,281	2,350							
11	Stove					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
12	Range					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
13	Dishwasher					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
14	Disposal					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	Cabinets	57,375		32	25	2013			11,475	11,819	12,174	12,539	12,915	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
18	Range	15,000		32	20	2013			3,000	3,090	3,183	3,278	3,377	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
19	Kitchen Exhaust Fan	8,430		32	25	2013			1,686	1,737	1,789	1,842	1,898	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
20																																			
21																																			
22																																			
23																																			
24																																			
25																																			
26																																			
27	Annual Planned Expenditures						0	0	18,232	18,779	19,343	19,923	20,520	2,401	2,473	2,547	2,624	2,702	2,783	2,867	2,953	3,042	3,133	3,227	3,324	3,423	3,526	3,632	0						
28	Cumulative Reserve Balance						167,850	156,750	878,479	820,840	761,472	647,090	607,499	580,522	566,593	552,246	518,324	503,104	441,001	420,767	382,104	337,288	220,962	176,850	142,234	106,580	94,856	84,911							

Unit Electrical

Number of Units:	30
Total Square Feet:	20,945
Default Inflation Rate:	3.0%

[illegible]

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.