Connecticut Housing Finance Authority

Construction Guidelines: Construction Costs

2014

These Guidelines are effective January 1, 2014

I. CHFA Construction Cost Guidelines

Building materials, components, fabrications, assemblies and equipment for all proposed development projects – rehabilitations and new construction – shall 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 requirements for multifamily housing financed through CHFA. All applications must meet the Standards, and must comply with CHFA Procedures and the requirements of the CHFA/DOH Consolidated Application.

Cost effectiveness is strongly encouraged; an objective is to maximize the overall cost effectiveness of developments, including but not limited to, construction costs for applications submitted. These "Construction Guidelines: Construction Cost" outline the CHFA Technical Services construction cost review process.

A. Definitions

1. Square Foot (SF): 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. 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 Square Footage.
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.
    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.

B. Prevailing Wages/Davis-Bacon Wages

1. 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 immediately upon receipt from the Department of Labor, and must accompany all subsequent Technical Review progress submissions, whether or not cost changes are proposed based upon additional detail and/or revisions to the construction documents.

C. Project Building Types/Guideline Costs

1. Minor Rehabilitation
   a. Single building, multiple story minor rehabilitation: $33 per SF
   b. Multiple buildings, multiple story minor rehabilitation: $27 per SF
2. Moderate Rehabilitation
   a. Existing single building, multiple story moderate rehabilitation: $70 per SF
   b. Existing multiple buildings, multiple story moderate rehabilitation: $65 per SF
3. Substantial Rehabilitation
   a. Existing single building, multiple story substantial rehabilitation: $102 per SF
   b. Existing multiple buildings, multiple story substantial rehabilitation: $97 per SF
4. Gut Rehabilitation
   a. Existing single building, multiple story gut rehabilitation: $124 per SF
   b. Existing multiple buildings, multiple story gut rehabilitation: $118 per SF
   c. Existing single/multiple 19th/early 20th century mill buildings, gut rehabilitation: $149 per SF
5. New Construction
   a. Single building, multiple story (wood frame, vinyl siding) $140 per SF
   b. Multiple buildings, multiple story (wood frame, vinyl siding) $134 per SF
   c. Single/multiple buildings, multiple story (steel frame) $185 per SF

C. Regional Construction Cost Differences

1. Annual Prevailing Wage Building Rates published by the Connecticut Department of Labor for towns and cities in throughout Connecticut are monitored to account for regional cost increases specifically related to cities and towns within Connecticut's eight counties.
2. Additional research includes the use of Location Factors for current Residential Cost Data and Building Construction Cost Data, as published by R. S. Means, a nationally-recognized company specializing in construction cost indices.

D. Construction Cost Evaluation Methodology

1. 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. CHFA invites all applicants to contact the CHFA Technical Services Department to discuss conditions which may significantly increase or decrease SF costs.
2. Conditions which may significantly increase SF costs may be: extreme site conditions, extreme environmental conditions, material and labor market conditions, conditions specific to difficult inner city site profiles, interior and exterior finishes, and/or geothermal and photovoltaic applications. Recognition of the cost implications of these and other conditions may result in an upward adjustment to the Standards Guideline SF Cost.
3. Technical Services derives a final cost per SF for each project by performing numerous site visits, evaluating architectural drawings from the schematic stage to 100% drawings, surveying lumber yards, concrete and asphalt plants, and other wholesalers/retailers for current unit pricing. 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 submitted to the Technical Services Peer Review Committee for further review, discussion and consensus.

   Example: a new construction project with multiple buildings, multiple story wood framing and vinyl siding has a Standards guideline SF cost of $134. With the inclusion of extreme site and environmental conditions, and an upgrade from vinyl siding to brick veneer, upward adjustments would result in a new Standard SF cost.