ON-SITE INSIGHT
A RECAP REAL ESTATE ADVISORS COMPANY

CHFA
Capital Needs Assessment and Replacement Reserve Analysis

McGuire Court
CHFA #85208D
Wallingford Housing Authority
Wallingford, CT

March 13, 2013

Final Report

Prepared for:

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

and

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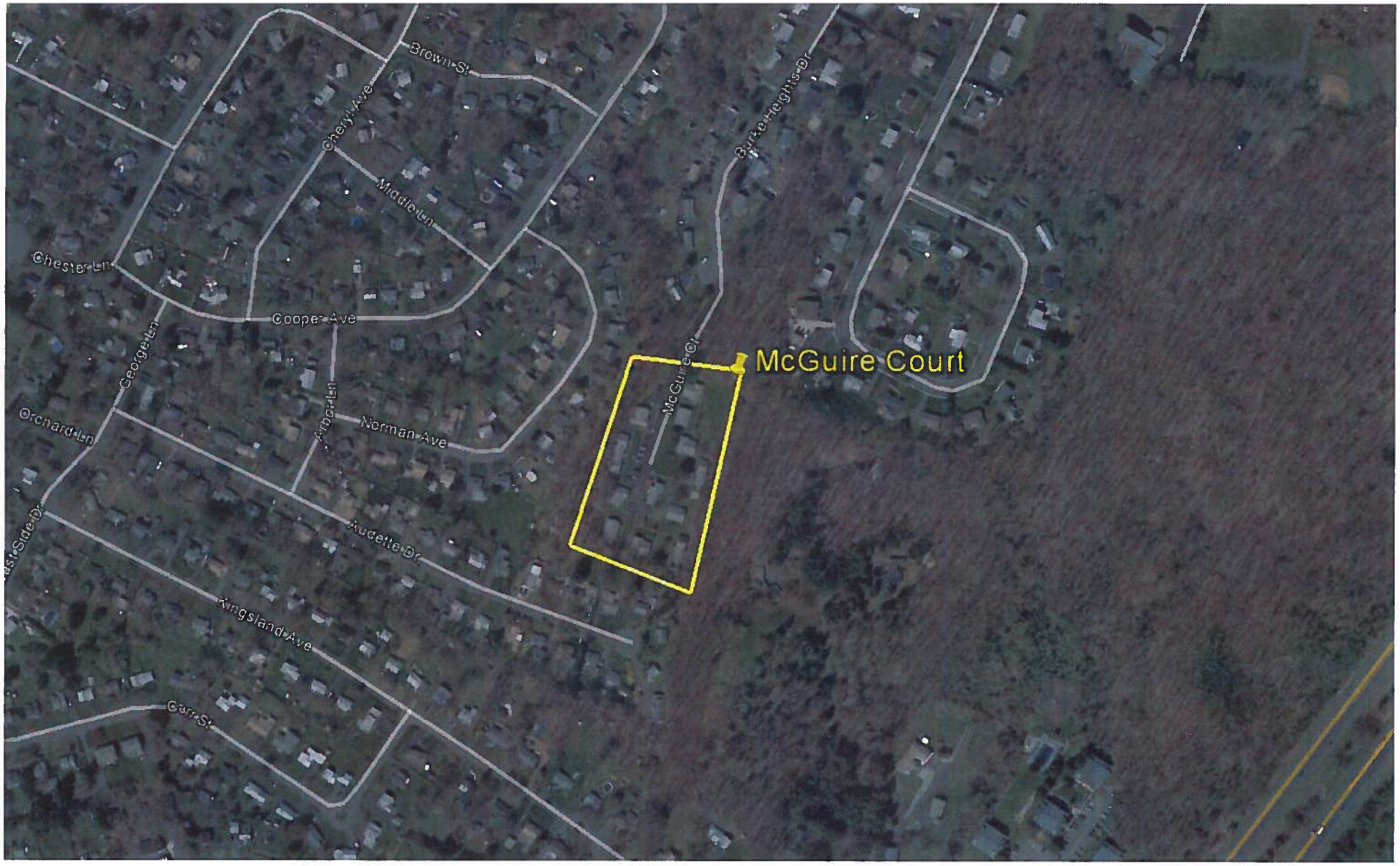
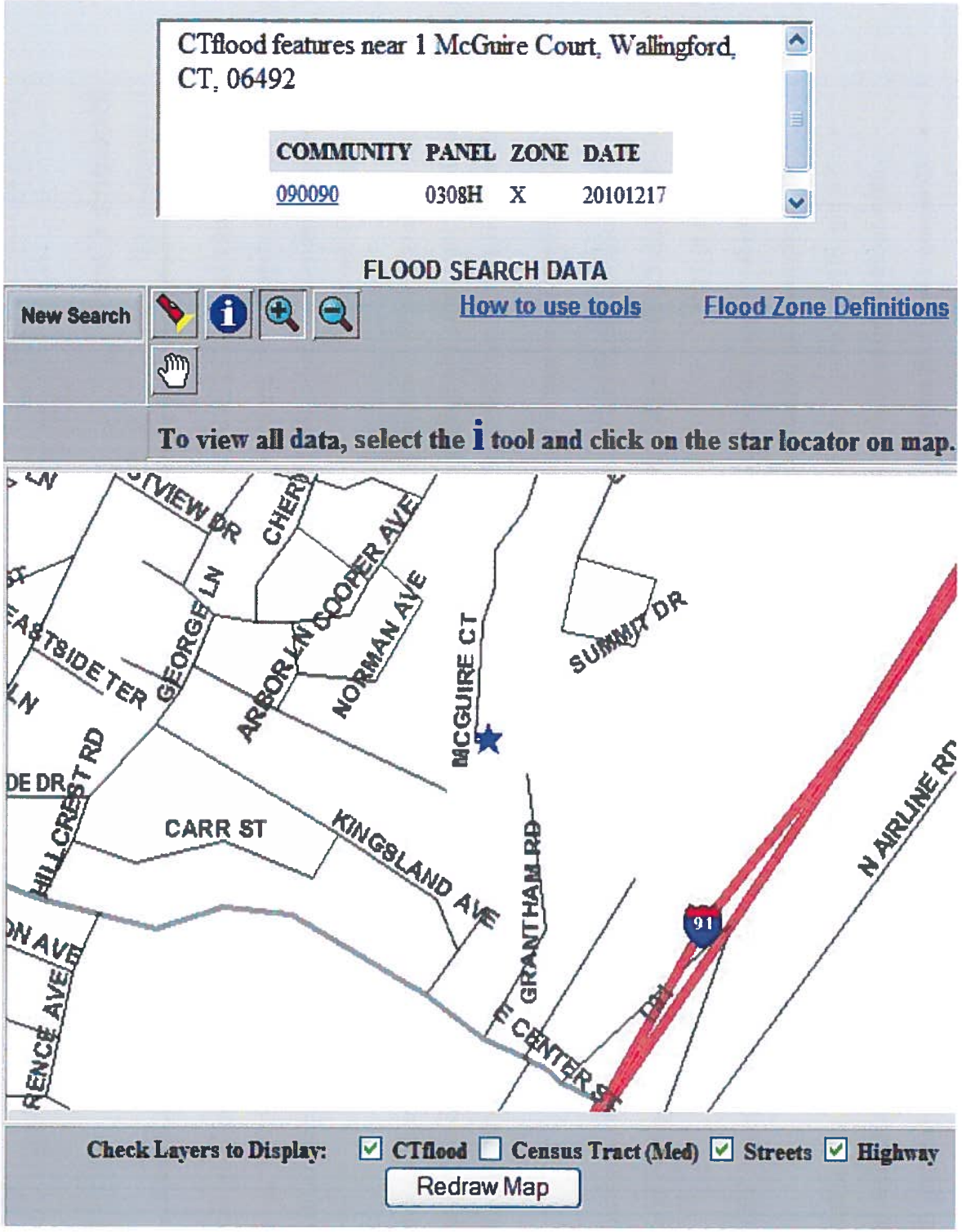


McGuire Court

1-50 McGuire Court
Wallingford, CT 06492



McGuire Court

1-50 McGuire Court
Wallingford, CT 06492

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

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Executive Summary

McGuire Court

Wallingford, CT

McGuire Court is a residential development for the elderly that is comprised of eleven residential buildings and a freestanding community building. The development includes 40 efficiency and 10 one-bedroom units. Original construction of the development dates to 1972. Subsequent renovations have included new asphalt paving on the access drive and parking areas in 2011 and new vinyl siding in approximately 2004.

Overall the development is in fair condition. As shown on the attached capital needs worksheets, the development faces significant capital needs in the near 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:

- No problems related to the recently resurfaced asphalt were noted, and no near-term costs are anticipated.
- The asphalt-paved pedestrian walkways are original and exhibit areas of wear, deterioration, and potential trip hazards; resurfacing is shown in Year 1.
- The brick veneer exhibits areas of spalling at various locations throughout the development; allowances for selective brick replacement and re-pointing are shown in Years 1 and 16.
- No significant damage was noted on the vinyl siding; however, dirt and organic growth on the surface are widespread – periodic allowances for pressure washing are shown in Years 1, 6, and 11; replacement costs are shown in Year 16.
- Common entry, unit entry, and storm doors exhibit varying levels of age-related wear/deterioration; replacement costs are shown over a five-year period starting in Year 1. Window replacement is shown on a concurrent schedule.
- Existing conventional three-tab roof shingles exhibit age, wear, and areas of past repair; replacement costs are shown in Years 1-3.

- Interior wall and ceiling surfaces are in good condition; future painting cycles shown in Years 10 and 20. Vinyl floor tile replacement in common areas is in good condition and shown being replaced concurrent with the first painting cycle.
- **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.
- The main fire alarm control panel is small system that provides outcall only; an allowance to upgrade the system is shown in Year 1.
- Annual allowances for in-unit floor covering replacement (carpet in living areas/vinyl tile in restrooms and kitchens) are shown from Year 1 forward.
- Annual allowances for bathtub re-glazing, mixing valves, sinks, and accessories are shown from Year 1 forward.
- Allowances to replace older high-flow toilets with contemporary water conserving low-flow models are shown in Years 1-5.
- Allowances to replace original kitchen cabinetry, which exhibits age and wear, are shown in Years 1-5.
- Annual allowances for replacement of kitchen appliances, as needed, are shown from Year 1 forward.
- 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 hardware on interior common entry doors, modification of cabinetry in kitchen to be at proper heights and with adequate knee clearance, and expansion/reconfiguration of restrooms to meet floor area requirements and presence of compliant fixtures.
- Modifications necessary for unit-level accessibility include re-framing of doors to meet width requirements, expansion/reconfiguration of bathrooms to meet floor area requirements and installation of compliant fixtures, installation of compliant cabinetry with knee clearance space at the sink and work surface, and lowering of circuit breaker panels to be within reach range limits. Allowances to complete this work in five (10%) of the units are shown in Year 1. For some items such as cabinetry replacement, no separate cost has been shown; it is assumed that it would be completed as part of the cabinetry replacement work included in Years 1-3.

Additional Notes:

1. The Physical Assessment of the property was conducted on January 25th, 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*.

Access drive and parking area asphalt paving recently replaced

Original asphalt-paved sidewalks exhibit varying levels of wear and deterioration; some significant

Typical building architecture as seen at front elevation of a six unit building

Areas of spalled brick noted at various locations throughout the development

Dirt and organic growth typical
on vinyl sided exterior wall surfaces

Typical unit entry door, storm door, and casement-style
window – Most components exhibit age-related wear

Steel lintels over windows and doors set in masonry
openings are rusting and require surface
preparation and painting in the near-term

Roof shingles exhibit age and wear
and have been patched at some locations

Interior view of community room

New cabinetry and appliances recently installed in community kitchen

Exterior condenser for recently installed heat pump at community room

Electric, storage-type, domestic hot water tank for community building

Typical living area as seen at an efficiency unit

Typical finishes and fixtures in unit bathrooms

Typical finishes and equipment in unit kitchens

Typical exterior condenser for
heat pumps that are found in all units

Comprehensive Capital Needs Assessment Schedule

Summary

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

Beginning Replacement Reserve Balance:	$89,198
Annual Replacement Reserve Contribution	$16,712
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	0	100,157	0	0	5,407	0	0	0	0	6,268	0	0	0	0	7,267	0	0	0	0	50,545	0	0
2	Building Exterior	0	0	62,851	32,517	31,652	32,602	33,580	5,249	0	0	0	0	10,904	0	0	0	1,706	177,675	7,895	8,132	8,376	8,627	0
3	Roofing	0	0	33,620	34,629	35,668	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Lobby - Mail Area	0	0	0	0	0	0	0	0	0	0	0	1,474	0	0	0	0	0	0	0	0	0	741	0
5	Community Room	0	1,760	1,760	0	0	0	0	0	0	0	0	4,906	0	0	0	0	0	0	0	0	0	4,113	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	0	0	0	0	0	0	0	0	0	1,122	0	0	0	0	0	0	0	0	0	499	0
9	Common Area Restrooms	0	10,000	10,000	0	0	0	0	0	0	0	0	799	0	0	0	0	0	0	0	0	0	482	0
10	Building Boilers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Building Mechanical	0	0	0	0	0	0	0	0	1,015	0	0	0	0	0	0	3,892	0	0	1,364	0	0	0	0
12	Building Electrical	0	0	0	0	0	0	14,069	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	7,525	11,290	3,878	3,994	4,114	4,238	4,365	4,496	4,630	4,769	4,912	5,060	5,212	5,368	5,529	5,695	5,866	6,042	6,223	6,410	6,602	0
16	Unit Kitchens	0	0	20,771	21,394	22,036	22,697	23,378	5,171	5,326	5,486	5,651	5,820	5,995	6,175	6,360	6,551	6,747	6,950	7,158	7,373	7,594	7,822	0
17	Unit Bathrooms	0	50,000	60,215	10,521	10,837	11,162	11,497	7,069	7,302	7,521	7,746	7,979	8,218	8,465	8,719	8,980	9,249	9,527	9,813	10,107	10,410	10,723	0
18	Unit Electrical	0	6,125	8,965	2,925	3,013	3,103	3,196	3,292	3,391	3,493	3,598	3,706	3,817	3,931	4,049	4,171	4,296	4,425	4,557	4,694	4,835	4,980	0
19	Unit Mechanical	0	0	6,631	6,830	7,035	7,246	7,464	7,687	7,918	8,156	8,400	8,652	8,912	9,179	47,237	48,654	50,114	51,617	53,166	10,960	11,289	11,628	0
20	Annual Planned Expenditures	0	75,410	316,281	112,695	114,235	86,331	97,421	32,853	29,448	29,286	36,433	30,369	42,905	32,961	71,733	85,043	77,868	256,059	89,995	47,490	99,459	56,217	0
21	Annual Provision (Indexed at 3%)			16,712	17,213	17,730	18,262	18,810	19,374	19,955	20,554	21,170	21,805	22,460	23,133	23,827	24,542	25,278	26,037	26,818	27,622	28,451	29,305	
22	Outside Capital			1,425,000																				
23	Cumulative Reserve Balance	89,198	13,788	1,139,240	1,043,758	947,253	879,184	800,573	787,093	777,600	768,868	753,605	736,942	715,596	705,768	657,862	597,361	544,831	314,809	251,631	231,764	160,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Site Improvements

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Code	Emergency	Code	Deferred	Planned Expenditures by Year																			Revitalization
											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	Asphalt Parking / Roadways	29,690		2	20	2031					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,545	0	
2	Crack Fill / Sealant					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Concrete Sidewalks					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Bituminous Sidewalks					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Fencing					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Landscaping					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Dumpster Enclosures					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	Storm Water System					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Site Lighting					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	Crack Fill / Sealant	4,948		2	5	2016					0	0	0	5,407	0	0	0	0	6,268	0	0	0	0	7,267	0	0	0	0	0	0	
18	Bituminous Sidewalks	17,917		20+	20	2013					17,917	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Site Lighting	82,240		41	25	2013					82,240	0	0	0	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	180,157	0	0	5,407	0	0	0	0	6,268	0	0	0	0	7,267	0	0	0	0	50,545	0	0
28	Cumulative Reserve Balance							89,190		13,788	1,139,240	1,043,758	947,253	878,184	800,573	787,993	777,800	768,868	753,606	736,942	716,596	705,758	657,862	597,361	544,831	314,800	251,631	231,784	180,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Building Exterior

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Code	Emergency	Code	Deferred	Planned Expenditures by Year																				Revitalization
											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	Exterior Doors					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Glass Doors (Sliders)					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Exterior Walls - Masonry	25,039		40	15	2013					25,039	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,009	0	0	0	0	
4	Exterior Walls - EIFS					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Ext. Walls - Vinyl Siding	84,084		10	25	2028					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	131,000	0	0	0	0	
6	Ext. Walls - Wood Siding					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Windows					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	Exterior Soffits and Fascia					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Caulking					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Unit Balconies / Decks					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	Railings					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12	Lintels	3,450		20	10	2013					3,450	0	0	0	0	0	0	0	0	0	4,637	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	Ext. Walls - Vinyl Siding Pressure Washing	4,528		10	5	2013					4,528	0	0	0	0	5,249	0	0	0	0	6,267	0	0	0	0	0	0	0	0	0	
18	Exterior Common Doors	705		25+	30	2014					0	726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Exterior Unit Doors	62,500		40	30+	2013					12,500	12,875	13,261	13,659	14,069	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	Storm Doors	24,600		varies	15	2013					4,920	5,068	5,220	5,376	5,536	0	0	0	0	0	0	0	0	0	0	7,085	7,895	8,132	8,376	8,627	
21	Service Doors	1,030		20+	20	2014					0	1,061	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	Overhead Doors	1,126		-5	20	2027					0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,706	0	0	0	0	0	
23	Windows	62,075		40	30+	2013					12,415	12,787	13,171	13,566	13,973	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24																															
25																															
26																															
27	Annual Planned Expenditures							0		0	62,851	32,517	31,662	32,602	33,580	5,249	0	0	0	0	10,904	0	0	0	1,706	177,675	7,895	8,132	8,376	8,627	0
28	Cumulative Reserve Balance							89,196		13,786	1,139,240	1,043,758	947,253	879,184	800,573	787,893	777,889	768,958	753,606	736,042	716,596	706,788	687,962	597,301	544,631	314,809	231,631	231,784	166,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Roofing

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Code	Emergency	Code	Deferred	Planned Expenditures by Year																			Revitalization
											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	Chimney					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Hatches / Skylights					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Penthouse / Machine Rooms					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Roof Railings					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Roof - Asphalt Shingle					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Roof - Built-up Tar and Gravel					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Roof - Single-ply Membrane					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	Roof - Asphalt Shingle	100,860		15+	20	2013					33,620	34,629	35,668	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18																															
19																															
20																															
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		0	33,620	34,629	35,668	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Cumulative Reserve Balance							89,196		13,768	1,139,249	1,843,758	947,253	879,184	809,573	787,883	777,896	768,868	753,094	736,042	716,596	706,768	687,862	597,361	544,831	314,999	251,631	231,784	166,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Lobby / Mail Area

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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	335		1	10	2022					0	0	0	0	0	0	0	0	0	437	0	0	0	0	0	0	0	0	0	587	
2	Ceilings	88		1	10	2022					0	0	0	0	0	0	0	0	0	114	0	0	0	0	0	0	0	0	0	154	
3	Floors	707		40	49	2022					0	0	0	0	0	0	0	0	0	922	0	0	0	0	0	0	0	0	0	0	
4	Mail Facilities					2013					0	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	0	
6	Other					2013					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	
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	0	0	0	0	0	0	1,474	0	0	0	0	0	0	0	0	0	741	0
28	Cumulative Reserve Balance							89,198		13,786	1,139,249	1,043,758	947,253	879,184	800,573	787,893	777,099	766,868	753,606	736,042	718,596	706,788	687,962	597,361	544,831	314,969	251,631	231,764	166,756	133,843	

Planned Expenditures by Year

Comprehensive Capital Needs Assessment Schedule

Community Room

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Code	Emergency	Code	Deferred	Planned Expenditures by Year																				Revitalization
											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	Floor	2,800		40	49	2022					0	0	0	0	0	0	0	0	0	3,653	0	0	0	0	0	0	0	0	0	0	
2	Kitchen Cabinets / Sink					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Kitchen Appliances	1,388		1	20	2032					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,430	
4	Furnishings					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Walls	613		1	10	2022					0	0	0	0	0	0	0	0	0	799	0	0	0	0	0	0	0	0	0	1,074	
6	Ceiling	347		1	10	2022					0	0	0	0	0	0	0	0	0	453	0	0	0	0	0	0	0	0	0	609	
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	Accessibility Improvements	1,760		ADD	20	2013			4	1,760	1,760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18																															
19																															
20																															
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		1,760	1,760	0	0	0	0	0	0	0	0	4,906	0	0	0	0	0	0	0	0	0	4,113	0
28	Cumulative Reserve Balance							69,196		13,756	1,139,240	1,043,758	947,253	879,164	800,573	787,063	777,800	768,868	753,606	736,642	716,596	705,788	657,862	597,361	544,631	314,800	251,631	231,764	169,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Common Hallways

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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
											Planned Expenditures by Year																				
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Walls 1					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Walls 2					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Walls 3					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Ceiling 1					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Ceiling 2					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Ceiling 3					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Floors 1					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	Floors 2					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Floors 3					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Unit Doors					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	Hand Railings					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12	Interior Lighting 1					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	Interior Lighting 2					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	Interior Lighting 3					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15	Common Doors					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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Cumulative Reserve Balance							89,196		13,788	1,139,240	1,943,758	947,253	879,184	860,573	787,993	777,800	758,868	753,806	736,842	715,586	706,768	657,862	597,361	544,631	314,809	251,631	231,764	168,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Common Stairways

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Code	Emergency	Code	Deferred	Planned Expenditures by Year																				Revitalization
											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	Walls					2013					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	
3	Floors					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	Other					2013					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	
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Cumulative Reserve Balance							69,196		13,788	1,139,248	1,043,758	947,253	879,184	869,573	787,983	777,690	768,868	753,696	736,942	715,596	705,768	657,842	597,361	544,631	314,809	251,631	231,764	169,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Common Laundry

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Code	Emergency	Code	Deferred	Planned Expenditures by Year																				Revitalization
											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	Walls	213		1	10	2022					0	0	0	0	0	0	0	0	0	278	0	0	0	0	0	0	0	0	0	374	
2	Ceilings	71		1	10	2022					0	0	0	0	0	0	0	0	0	93	0	0	0	0	0	0	0	0	0	125	
3	Floors	575		40	49	2022					0	0	0	0	0	0	0	0	0	750	0	0	0	0	0	0	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	
5	Lighting Fixtures					2013					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	
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	0	0	0	0	0	0	1,122	0	0	0	0	0	0	0	0	0	499	0
28	Cumulative Reserve Balance							89,196		13,788	1,139,240	1,043,758	947,253	879,184	809,573	787,093	777,609	768,868	753,606	736,842	718,596	706,769	657,962	597,361	544,631	314,009	231,631	231,764	166,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Common Area Restrooms

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Code	Emergency	Code	Deferred	Planned Expenditures by Year																				Revitalization
											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	Walls	233		1	10	2022					0	0	0	0	0	0	0	0	0	304	0	0	0	0	0	0	0	0	0	409	
2	Ceilings	42		1	10	2022					0	0	0	0	0	0	0	0	0	55	0	0	0	0	0	0	0	0	0	73	
3	Sinks					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Toilets					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Partitions					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Accessories					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Floor	338		40	49	2022					0	0	0	0	0	0	0	0	0	440	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	
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	Accessibility Improvements	10,000		ADD	20	2013			4	10,000	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18																															
19																															
20																															
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		10,000	10,000	0	0	0	0	0	0	0	0	799	0	0	0	0	0	0	0	0	0	482	0
28	Cumulative Reserve Balance							89,198		13,798	1,139,240	1,043,798	947,253	879,184	800,573	787,003	777,000	768,068	753,006	736,042	716,586	705,788	657,962	597,301	544,631	314,000	251,631	231,764	180,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Building Boilers

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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
											Planned Expenditures by Year																				
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Boilers / Warm Air Furnaces					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Boiler Operating Controls					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Pneumatic Systems Controls					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Condensate & Feed Water					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Fuel Oil Storage					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Fuel Oil Transfer System					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Fuel Exhaust					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	Combustion Air					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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Cumulative Reserve Balance							89,196		13,788	1,139,240	1,043,758	947,253	879,184	800,573	787,083	777,600	768,868	753,806	736,942	716,596	700,788	667,862	597,361	544,831	314,899	251,631	231,784	160,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Building Mechanical

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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
											Planned Expenditures by Year																				
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Building Fire Suppression					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Building Heating Distribution					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Domestic Hot / Cold Water Dist.					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Building Sanitary Waste & Vent.					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Make-Up Air Unit					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Ventilation & Exhaust					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Air Handling Units					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	Heat Pump	2,650		2	15	2026					0	0	0	0	0	0	0	0	0	0	0	0	0	3,892	0	0	0	0	0	0	
9	DHW Generation	850		4	10	2019					0	0	0	0	0	0	1,015	0	0	0	0	0	0	0	0	0	1,364	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	0	0	0	1,015	0	0	0	0	0	0	3,892	0	0	1,364	0	0	0	0
28	Cumulative Reserve Balance							89,196		13,788	1,139,240	1,043,758	947,253	879,184	800,573	787,883	777,890	768,868	753,606	736,642	716,596	706,788	657,862	597,381	544,831	314,800	291,631	231,784	160,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Building Electrical

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Code	Emergency	Code	Deferred	Planned Expenditures by Year																				Revitalization
											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	Switch Gear					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Emergency Generator					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Smoke / Fire Detection					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Signaling / Communication					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Building Wiring					2013					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	
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	Smoke / Fire Detection	12,500		5	10	2017					0	0	0	0	14,069	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18																															
19																															
20																															
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		0	0	0	0	0	14,069	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Cumulative Reserve Balance							89,196		13,788	1,139,249	1,043,758	947,253	879,184	860,573	787,093	777,690	766,968	753,985	736,042	716,596	705,766	657,962	597,301	544,831	314,909	251,631	231,764	168,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Building Elevator

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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
											Planned Expenditures by Year																				
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Shafts and Doorways					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Cabs					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Other					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Other					2013					0	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	0	
6	Other					2013					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	
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																															
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19																															
20																															
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Cumulative Reserve Balance							69,196		13,786	1,139,340	1,843,758	947,253	679,164	800,573	787,993	777,686	768,868	753,698	736,042	718,396	706,766	657,962	597,361	544,631	314,808	291,631	231,784	166,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Building Structural

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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
											Planned Expenditures by Year																				
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Foundation / Floor Slab					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Framing & Columns					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Steel					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Wood Framing					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Masonry Bearing Walls					2013					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	
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																															
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21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Cumulative Reserve Balance							69,198		13,788	1,139,240	1,043,758	947,253	879,184	800,573	787,983	777,800	769,868	763,606	736,042	715,596	705,750	687,962	597,381	544,631	314,909	291,631	231,764	160,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Unit Living

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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
											Planned Expenditures by Year																				
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Interior Doors					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Walls					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Ceilings					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Interior Stairs					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Floors	3,765		1	1	2013					3,765	3,878	3,994	4,114	4,238	4,365	4,496	4,630	4,769	4,912	5,060	5,212	5,368	5,529	5,695	5,866	6,042	6,223	6,410	6,602	
6	AC Sleeve					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Electrical Outlets					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	Lighting Fixtures					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	Accessibility Improvements	7,525		ADD	20	2013			4	7,525	7,525	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18																															
19																															
20																															
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		7,525	11,290	3,878	3,994	4,114	4,238	4,365	4,496	4,630	4,769	4,912	5,060	5,212	5,368	5,529	5,695	5,866	6,042	6,223	6,410	6,602	0
28	Cumulative Reserve Balance							89,196		13,788	1,139,248	1,043,758	947,253	879,164	800,573	787,963	777,600	768,868	763,006	736,042	715,596	705,758	657,962	597,361	544,831	314,800	251,631	231,764	160,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Unit Bathrooms

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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
											Planned Expenditures by Year																				
											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	
2	Ceiling					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Lavatory / Vanity					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Toilet					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Tub / Surround					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Floor	625		1	1	2013					625	644	663	683	703	725	746	769	792	815	840	865	891	918	945	974	1,003	1,033	1,064	1,096	
7	Accessories	1,045		1	1	2013					1,045	1,076	1,109	1,142	1,176	1,211	1,248	1,285	1,324	1,363	1,404	1,447	1,490	1,535	1,581	1,628	1,677	1,727	1,779	1,832	
8	Lighting Features					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Exhaust Fan	520		1	1	2013					520	536	552	568	585	603	621	640	659	678	699	720	741	764	787	810	834	859	885	912	
10	GFI Outlet					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	Toilet	20,500		40	30	2013					4,100	4,223	4,350	4,480	4,615	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	Tub / Surround	57,500		varies	30	2013					2,875	2,961	3,050	3,142	3,236	3,333	3,433	3,536	3,642	3,751	3,864	3,980	4,099	4,222	4,349	4,479	4,614	4,752	4,894	5,041	
19	Lavatory / Vanity	21,000		40	30+	2013					1,050	1,082	1,114	1,147	1,182	1,217	1,254	1,291	1,330	1,370	1,411	1,453	1,497	1,542	1,588	1,636	1,685	1,735	1,788	1,841	
20	Accessibility Improvements	50,000		ADD	20	2013			4	50,000	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		50,000	60,215	10,521	10,837	11,162	11,497	7,069	7,362	7,521	7,746	7,979	8,218	8,465	8,719	8,980	9,249	9,527	9,813	10,107	10,410	10,723	0
28	Cumulative Reserve Balance							89,196		13,786	1,139,240	1,043,758	947,253	879,184	800,573	767,663	777,690	768,868	753,696	736,942	715,596	706,788	697,962	597,361	544,831	314,806	251,631	231,764	168,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Unit Kitchens

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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
											Planned Expenditures by Year																				
											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	
2	Ceilings					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Floors	1,140		1	1	2013					1,140	1,174	1,209	1,246	1,283	1,322	1,361	1,402	1,444	1,487	1,532	1,578	1,625	1,674	1,724	1,776	1,829	1,884	1,941	1,999	
4	Cabinets					2013					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	
6	Sink					2013					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	
8	GFI Outlet					2013					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	
10	Refrigerators	2,233		1	1	2013					2,233	2,300	2,369	2,440	2,514	2,589	2,667	2,747	2,829	2,914	3,001	3,091	3,184	3,280	3,378	3,479	3,584	3,691	3,802	3,916	
11	Stove	1,088		1	1	2013					1,088	1,120	1,154	1,188	1,224	1,261	1,299	1,337	1,378	1,419	1,462	1,505	1,551	1,597	1,645	1,694	1,745	1,797	1,851	1,907	
12	Range					2013					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	
14	Disposal					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	Cabinets	67,500		40	25	2013					13,500	13,905	14,322	14,752	15,194	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	Kitchen Exhaust Fan	14,050		40	25	2013					2,810	2,894	2,981	3,071	3,163	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19																															
20																															
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		0	20,771	21,394	22,036	22,697	23,378	5,171	5,326	5,486	5,651	5,820	5,995	6,175	6,360	6,551	6,747	6,950	7,158	7,373	7,594	7,822	0
28	Cumulative Reserve Balance							69,196		13,786	1,139,248	1,043,758	947,253	879,184	808,573	787,093	777,690	768,968	763,005	738,042	715,596	706,758	687,862	597,361	544,831	314,900	291,631	231,764	166,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Unit Electrical

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement 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
											Planned Expenditures by Year																				
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Emergency Call System	750		1	1	2013					750	773	796	820	844	869	896	922	950	979	1,008	1,038	1,069	1,101	1,134	1,168	1,204	1,240	1,277	1,315	
2	Electrical Panel					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Smoke Detectors	2,090		1	1	2013					2,090	2,153	2,217	2,284	2,352	2,423	2,496	2,570	2,648	2,727	2,809	2,893	2,980	3,069	3,161	3,256	3,354	3,454	3,558	3,665	
4	Intercom					2013					0	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	0	
6	Other					2013					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	
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	Accessibility Improvements	6,125							4	6,125	6,125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18																															
19																															
20																															
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		6,125	8,965	2,925	3,013	3,103	3,196	3,292	3,391	3,493	3,598	3,706	3,817	3,931	4,049	4,171	4,296	4,425	4,557	4,694	4,835	4,980	0
28	Cumulative Reserve Balance							89,198		13,788	1,138,240	1,043,758	947,253	879,184	800,573	787,993	777,606	768,868	753,606	736,042	716,596	706,786	657,862	597,361	544,631	314,800	251,631	231,764	160,756	133,843	

Comprehensive Capital Needs Assessment Schedule

Unit Mechanical

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

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

Number of Units:	50
Total Square Feet:	21,792
Default Inflation Rate:	3.0%

	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Code	Emergency	Code	Deferred	Planned Expenditures by Year																			Revitalization
											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	Radiators	2,361		1	1	2013					2,361	2,453	2,528	2,602	2,680	2,761	2,843	2,929	3,016	3,107	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,176	
2	Unit Temperature Controls					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Air Conditioning Unit / Sleeve					2013					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Other					2013					0	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	0	
6	Other					2013					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	
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	Heat Pumps	132,500		2	15	2025					0	0	0	0	0	0	0	0	0	0	0	0	37,783	38,916	40,084	41,286	42,525	0	0	0	
18	DHW Generation	42,500		varies	10	2013					4,250	4,378	4,509	4,644	4,783	4,927	5,075	5,227	5,384	5,545	5,712	5,883	6,059	6,241	6,429	6,621	6,820	7,025	7,236	7,452	
19																															
20																															
21																															
22																															
23																															
24																															
25																															
26																															
27	Annual Planned Expenditures							0		0	6,631	6,830	7,036	7,248	7,464	7,687	7,918	8,156	8,400	8,652	8,912	9,179	47,237	48,654	50,114	51,617	53,166	10,960	11,289	11,628	0
28	Cumulative Reserve Balance							89,196		13,786	1,139,240	1,043,758	947,253	879,164	800,573	787,063	777,800	768,868	753,866	736,042	716,596	706,788	657,862	597,361	544,831	314,809	291,631	231,764	160,756	133,843	

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.

RECAP
REAL ESTATE ADVISORS

To: Owners of Multifamily Apartments in the Connecticut State-Sponsored Housing Portfolio Capital Plan Study Group

From: Recap Real Estate Advisors Capital Plan Team

Date: October 1, 2013

Subject: Site-Specific Capital Plan Property Analyses

You are receiving this package because you are the owner of one or more properties in the Connecticut State-Sponsored Housing Portfolio. The Connecticut Housing Finance Agency (CHFA) has hired Recap Real Estate Advisors (Recap) to develop a Capital Plan for the portfolio. The Capital Plan will help CHFA and the Connecticut Department of Housing (DOH) to plan for potential State-funded capital investments in the portfolio and for the potential award of additional Rental Assistance Payment (RAP) contracts to some properties in the portfolio.

As part of the Capital Plan effort, Recap was asked to study each property individually and to develop property-specific recommendations. These recommendations are based on the data which is currently available in the course of a broad reaching project such as this. When we aggregate the property-specific recommendations into the overall Capital Plan for the portfolio, the Plan should provide a framework which is flexible enough to incorporate more information over time.

Owner Review and Comment

We have also committed to providing you, as the owner of each property, with an opportunity to react to and comment on the property-specific information before it is incorporated into the Capital Plan report for CHFA. This package includes all the material which you should review. In this package, you will find the following documents:

- Guidance for Understanding and Using the Site-Specific Capital Plan Property Analysis. This describes the components of the Property Analysis report and how certain assumptions and data are used in the analysis.

- Property Analysis. This document includes summary information about the research we incorporated into our analysis as well as the property-specific recapitalization strategy recommendation.

- A Capital Needs Assessment for each Property. Over the course of the last several months, a capital needs analyst from On-Site Insight (OSI) met with you or your staff, conducted a site visit and prepared a capital needs assessment (CNA). The CNA was shared with you or with the contact you designated, at which time you were invited to offer comments. Enclosed in this package is a duplicate copy of CNA which was finalized following the comment period.

- A Market Analysis. Recap engaged AMS Consulting to do market studies on a sample of about one-third of the properties in the portfolio. If your property was not one of the ones in the sample, the market analysis in this package is the one that most closely applies to your property.

- A Town Market Scan. AMS Consulting also prepared an overview of the market for every host municipality. Typically, these are attached at the rear of the Market Analysis.

Please review the Property Analysis for any factual errors or misunderstandings which would allow us to present a more appropriate recommendation. Please also feel free to identify subjective disagreements with our recapitalization suggestion, which we will consider in making our final recommendation within the Capital Plan. To the extent appropriate, when we disagree with or can't incorporate your comments, we may quote or paraphrase your concerns in a supplemental page attached to your Property Analysis and included as part of the Capital Plan report to CHFA and DOH. The final report will be made available on the Internet and you will be able to access and review the final Property Analysis delivered to CHFA and DOH.

How to Provide Comments

Please submit your comments to CHFACapitalPlan@RecapAdvisors.com. If we have questions or need addition information to respond, someone familiar with your property will contact you. Please make sure to include your contact information, the name of the property, the town and the CHFA number in your comments. ***Please submit your comments as soon as possible in order to give the team time to resolve them. Comments are due no later than October 15, 2013.***

How to Learn More

There is a lot of information in this package, including Frequently Asked Questions. In addition, Recap, CHFA and DOH have organized a webinar during which you can ask questions in connection with your review of the materials. The webinar information is as follows:

Monday, October 7, 2013, 9:00 a.m. – 10:30 a.m

Registration is required. Registration and dial-in instructions will be distributed to you by e-mail on Wednesday, October 2. If you have not received the Webinar invitation by close of business Thursday, October 3, please contact CHFACapitalPlan@RecapAdvisors.com

For those without internet access or with limited comfort with computer-based presentations, CHFA has arranged for you to be able to watch and listen to the webinar on the screen from the CHFA offices. In order to take advantage of this assistance, please register with Jovanna Mejia at jovanna.mejia@chfa.org or call her at 860-571-4376. CHFA staff will be present to assist you in navigating the technology and in posing questions to the webinar presenters.

We hope that the final Capital Plan recommendations will be useful to you as well as to CHFA and DOH. We understand that the Capital Plan process has imposed upon your time and energy, and we appreciate your participation in the process. Thank you very much.

RECAP
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CONNECTICUT
STATE-SPONSORED HOUSING PORTFOLIO
CAPITAL PLAN

GUIDANCE FOR UNDERSTANDING AND USING THE SITE-SPECIFIC CAPITAL PLAN PROPERTY ANALYSIS

Prepared by
Recap Real Estate Advisors

October 1, 2013

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1. Background on the Capital Plan

A. Overview

The Connecticut State-Sponsored Housing Portfolio is a portfolio of approximately 300 properties with a total of over 13,000 units located all over the State. It includes family properties and those serving seniors and individuals with disabilities. While most of the properties are independent living rental communities, some are congregate living properties, offering meals and services for seniors who are not as independent as they once were. Still others are limited equity co-operatives and "mutual housing" properties.

Most of the properties were built quite some time ago and, given their age, have significant capital needs which the owners have been unable to address due to limited resources. Recognizing this need and in an effort to protect the State's investment in the portfolio, Governor Malloy has proposed a $300 million fund over 10 years to recapitalize the Connecticut State-Sponsored Housing Portfolio. The Legislature, indicating general agreement with the Governor's initiative, has already committed funds for the first two years of this effort (FY2012 and FY2013).

In order to benefit from an objective, third-party analysis of the portfolio's needs, the Connecticut Housing Finance Agency (CHFA), in consultation with the Connecticut Department of Economic and Community Development (DECD), now the Department of Housing (DOH), has engaged a team led by Recap Real Estate Advisors to develop a Capital Plan to provide an evaluation of the physical, financial and operational needs of properties in the State-Sponsored Housing Portfolio. The total Capital Plan engagement covers 305 properties. For a few properties – specifically the homeless housing portfolio of 20 sites – the Plan only included the preparation of a capital needs assessment. Of the remaining 285 properties, with 10,967 units, the plan included more detailed modeling, although the nature of the analysis for the 21 limited equity cooperatives was more discrete than for the rest of the portfolio given limited data available and the ineligibility of these properties for some of the funding programs available for multifamily rental communities.

While the Capital Plan examines each property individually and develops a recommended transaction for each property, it is important to emphasize that these recommendations are based on currently available data. The Capital Plan provides a framework for making policy decisions regarding the modernization program, but it is a broad investigation designed to frame policy discussions and is subject to adjustment with respect to the particular properties both over time and as additional information is gathered.

B. Goals and Objectives

The underlying goal of the Capital Plan is to develop a strategy to modernize the State-Sponsored Housing Portfolio in a way that ensures the long-term sustainability of the properties in the portfolio while providing an affordable housing resource for the citizens of Connecticut.

At a more granular level, this overarching goal translates into the following more detailed objectives:

- Ensure that the properties are on a long-term sustainable trajectory;
- Reflect a realistic understanding of the capital needs in the portfolio and of the funding availability;
- Provide a framework for making decisions about the allocation of the State's investment, including funding and timing decisions;
- Leverage other resources, such as private debt or low-income housing tax credit equity, to minimize the public subsidy requested;
- Consider changes in the operations or affordability of the properties as necessary to assure sustainability and to leverage outside resources;
- Assure that the portfolio provides quality, market-responsive affordable housing options;
- Minimize changes in the portfolio's current levels of affordability; and
- Protect the current residents from displacement in the event of any changes in the long-term affordability of the properties.

Through the course of the analysis, the relationship between the capital needs and the operating subsidy needs of the portfolio has taken center stage. The data makes clear that the capital needs of the portfolio are intimately tied to the current revenue levels – the current base rent levels and the current operating subsidy available. Many owners serve extremely low income households without a rental assistance contract or other form of operating subsidy and for most owners – with or without operating subsidy – the modest annual revenues have resulted in an accumulation of capital needs. The Capital Plan anticipates the award of some new operating subsidy contracts, but for those properties that don't receive new RAP contracts, the tension between maximizing affordability and stabilizing their revenue projections will remain.

Given the interplay between affordability, operating subsidy and rental assistance payments on the one hand and the ability to pay for long-term capital needs on the other, the Capital Plan analysis seeks to disaggregate these elements. The analysis has identified the revenue each property needs to operate sustainably for the long term – over 20 years. It separately identifies the capital subsidy needed to modernize the portfolio. By separating the two issues, the Capital Plan tries to present a more accurate picture of the State-wide annual cost associated with providing affordable housing to the lowest income households in the State.

C. Methodology

The Capital Plan is based on four major streams of data compiled over the past year. They are:

- Financial and operating data, drawn from the CHFA databases. This data was originally provided by you, the owners, and includes the most currently available version of each

property's operating expense history, rent levels, occupancy data and wait list data when the site analysis was begun. In most cases, this corresponds to 2010 or 2011 data.

- A recent capital needs assessment for each property, either newly commissioned in connection with the Capital Plan and completed in the Spring/Summer of 2013 or provided by the owner. The CNAs used the standard CHFA format and projected 20-year needs across 19 building components.

- Market research, including both a town market scan for every municipality in which portfolio properties are located and a more detailed property assessment for a sample of 125 representative properties – over 40% of the portfolio. The sample was selected for maximum applicability to nearby properties and examined the rent levels which could be achieved in the market, the demand at different affordability levels and potential absorption rates for different rent structures. The property assessments reflected a study of comparable properties in the community, with adjustment for amenities, unit sizes, etc.

- An owner survey which was sent to the owner contact on file with CHFA for every property in the portfolio. The survey sought to identify priorities and concerns across the portfolio and to explore topics including site operations, finances, asset management planning, recapitalization transaction expertise and resident and board engagement. We received a 98% response rate.

The Capital Plan effort also included additional research on green enhancements and architectural enhancements at sample properties. This research is intended to explore ideas for optional enhancements, which could be examples for properties across the portfolio, and to allow us to quantify the cost premium associated with a more ambitious green or physical redevelopment agenda. The specific additional research included:

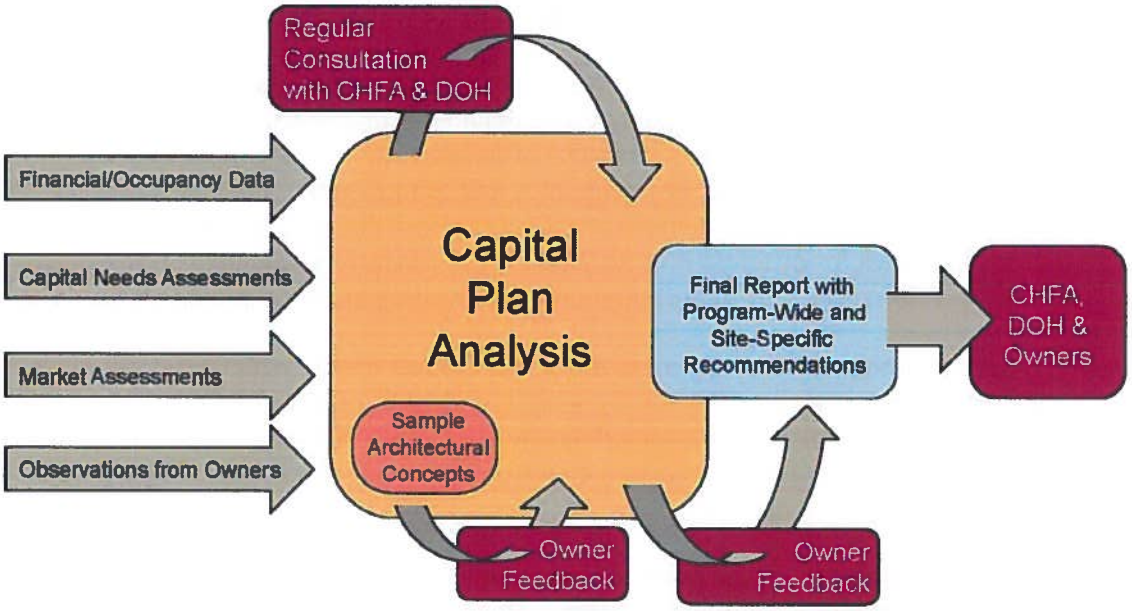
- Green Capital Needs Assessments for a sample of 12 properties, which examine greater energy modeling and identify green solutions to a property's capital needs issues.

- Architectural revitalization concepts for a sample of 12 properties to generate discussion of what might be on the table if an owner were to pursue a vision other than recapitalization of the property as-is.

With this foundation of information and based on a series of assumptions developed in consultation with the State, the Capital Plan team has developed a draft recapitalization plan for each property – a draft site-by-site property analysis. The budgets for these site-by-site property analyses were then rolled-up into an aggregated budget for the entire portfolio. The site-by-site analyses were then revised to align the recommended expenditure of State's capital subsidy and rental assistance payment contracts with the proposed availability of those resources over the next several years. (The Governor's capital plan proposal anticipates the availability of some new rental assistance payments – RAP – contracts. These contracts would be in addition to the RAP contracts currently available across the State and are **not** proposed to divert funds from other properties currently receiving rental assistance payment support.) The revised site-by-site property analyses are being distributed to the owners for review and comment with this guidance.

Below is a graphic illustrating the process through which the Capital Plan is being developed.

Capital Plan Process



2. Structure of the Site-Specific Capital Plan Property Analyses

Each Site-Specific Capital Plan Property Analysis consists of ten sections, which fall into three major categories – baseline property information, followed by observations and recommendations with respect to operating and expense pro formas and with respect to capital transactions. Within each section, the report is structured to provide data along the left side of each page and a brief narrative interpreting the data along the right side of the page. The ten sections of the plan are:

Baseline Property Information Sections:

- Property Identification
- Property Description
- Current Operating & Capital Needs Status

Operating and Expense Pro Forma Observations and Recommendations:

- Revenue Adjustments Prior to a Recapitalization Transaction
- Revenue Adjustments Concurrent with a Recapitalization Transaction

Capital Transaction Observations and Recommendations:

- Transaction Options
- Recommended Transaction and Transaction Assumptions
- Summary of Recommended Transaction
- Summary of Capital Needs & State Subsidy Needs
- Scenario Pro Formas

Each of these sections is described in more detail in the remainder of this document.

3. Baseline Property Information Sections

Page 1 of the Property Analysis consists of the Baseline Property Information sections. An image of a sample hypothetical property is set forth below.

CHFA Capital Plan Property Assessment - Holder Place

Property Identification

Holder Place
NUTMEG, CT

A

Total Current Unit Count: 100
Census Tract: 6000
Connecticut Congressional District: 1

CHFA Property Identification #: 99999D
Current State Sponsored Housing Program: SH Moderate Rental
This is a single, stand-alone property. As there are no other adjacent properties under common ownership, there are no opportunities for consolidation to achieve greater efficiencies of scale.

B

Property Description

C

Tenancy Type: Family
Structure Type: Duplex
Number of buildings: 50
Maximum # of Stories: 2
Elevator? None

Summary property description:
The Holder Place property has 50 two-bedroom and 50 three-bedroom units. Generally, the property consists of relatively spacious units. It features amenities such as in-unit laundry and a community room.

Current Operating & Capital Needs Status

Aggregate Capital Needs (without market enhancements): $ 5,000,000
Capital Needs per Unit: $ 50,000
Projected Year 1 (2014) Operating Income: $ 20,000

D

Current operations at the property are projected to generate roughly $20,000 in net operating income (NOI) or revenue after operating expenses) in Year 1 (2014). With incomes and expenses trending at 2% and 3% respectively, which is a standard affordable housing industry convention, the NOI figure decreases annually and results in negative NOI operating in 2017. As a result, the property is not sustainable and cannot adequately address its future capital needs, projected to be approximately $5.0 million ($50,000 per unit) over the next 20 years.

E

The basic property identification includes the transaction name, location, unit count, census tract and Congressional District (See A, above). Within the portfolio, there were a number of properties that are adjacent to each other, are operated in a consolidated manner, or would be most appropriately recapitalized as a small grouping of properties. The Capital Plan recommends consolidation as much as possible, as it is extremely difficult to finance small deals with material private sector leverage. This judgment is relatively straightforward when the properties are adjacent and are fundamentally phase 1 and phase 2 of the same operational program. However, the Plan also recommends consolidation if there is a cluster of properties under common ownership in the same area, which may or may not correspond to operational efficiencies.

If the Capital Plan recommends that the properties be consolidated for purposes of future recapitalization, the Property Analysis reflects a consolidated analysis of the properties. The basic property information includes a reference to which properties are included and the program(s) they are currently operated under (see B). The Property Analysis also includes a short summary description of the consolidated property(ies) and key features, such as the number of buildings (see C).

The first page of the Property Analysis also includes a summary of fundamental data from the research, specifically the aggregate capital needs of the property over the next 20 years (see D) and the 2014 projected net operating income (NOI) (see E). The readers should note that projected 2014 operating income is trended from the most recent data available to the study team, which was generally either 2010 or 2011 data.

The data on this page should be factual information familiar to you. If there are factual errors, please bring them to the attention of the Capital Plan team.

4. Observations & Recommendations: Operating and Expense Pro Formas

A. Immediate Revenue Adjustments

Pages 2 and 3 of the Property Analysis examine the property's net operating income (NOI) potential under various repositioning strategies. On Page 2, the Property Analysis explores the potential for revenue adjustments which could be implemented in 2014, prior to the implementation of any recapitalization transaction.

Revenue Adjustments Prior to a Recapitalization Transaction — Holder Place, continued

Current average income relative to the Area Median Income (AMI): 25%

	Current Base Rent	Affordability (% AMI)
Studio/efficiency unit:		
One-bedroom unit:		
Two-bedroom unit:	400	22%
Three-bedroom unit:	425	19%
Four-bedroom unit:		
Five-bedroom unit:		
Six-bedroom unit:		

A

	Proposed Base Rent	Affordability (% AMI)
Studio/efficiency unit:		
One-bedroom unit:		
Two-bedroom unit:	575	30%
Three-bedroom unit:	650	30%
Four-bedroom unit:		
Five-bedroom unit:		
Six-bedroom unit:		

C

Number of current households that would be impacted by the proposed increase in Base Rent: 75

E

Rental operating subsidy necessary in 2014 to generate revenue equal to raising the base rent as proposed: $ 175,000

Total rental operating subsidy necessary assuming a turnover-based leasing strategy: $ 1,500,000

G

In order for the property to operate in a sustainable manner into the foreseeable future, the property would benefit from greater revenues. This can happen in one of two ways - either the property could get operating subsidy from the state or federal government, or it could charge higher rents. A higher rent structure burdens low-income households to pay a greater percentage of their income for housing and it will require that the property serve tenants with higher incomes.

B

Currently, base rents are set by the owner of each property, often in consultation with CHFA staff. While there varying definitions of affordability, this study considers a rent which exceeds 30% of a household's adjusted gross income to be burdensome on the household's monthly budget. In the table to the left, the base rent is identified for each unit size. The table also identifies the minimum household income level for which the base rent would be considered "affordable." The household income level is presented as a percentage of the local Area Median Income.

There are strong reasons to keep the base rents low, as low base rents provide affordable housing options for the state's lowest income residents and reduce the burden of operating subsidies on the State budget. However, if the property's revenue stream (including any available operating subsidy and any cross-subsidy from higher income residents) does not cover the cost of actually operating the property, including the cost of ongoing maintenance and capital improvements, the property itself is at risk.

D

The Capital Plan is intended to identify the real estate needs of the State Sponsored Housing Portfolio. In order to ensure a minimum revenue stream and in order to implement programmatic consistency regarding base rent levels, this analysis assumes that all base rents are adjusted in 2014 to equal the greater of a) the current base rent or b) 30% of the adjusted gross income of a household at 30% of AMI for the applicable household size, provided these levels do not exceed the local market. This base rent adjustment would represent a significant increase for some households. The analysis identifies the number of households that would be affected by such a change and the amount of operating subsidy needed to protect these households. If the owners elect not to raise the base rents as assumed in this analysis, the property is more likely to experience tight operating budgets towards the end of the Capital Plan subsidy period and will be less able to access leverage funding such as private debt.

Protecting the 75 Family Households at risk in the event of a base rent increase is clearly a major concern. In 2014, the base rent increase creates the need for operating subsidy of $175,000 to protect these households while generating the revenue equivalent to the proposed increase in the base rent.

F

This 2014 rental operating subsidy would recur annually, with inflation increases, for the next 20 years if the State determines that, as a policy matter, the property should continue serving households with an income profile equivalent to the current residents at the property. An alternative formulation assumes that, upon turnover, new residents would move in for whom the proposed base rent is affordable and tenant protection operating subsidies would no longer be necessary. This turnover strategy requires less operating subsidy from the State, but also reduces the number of units of housing available to the lowest income residents of the community. The total tenant protection operating subsidy associated with the increase in the base rent assuming that, on turnover, the units are leased to households able to pay the new base rent without assistance is $1,500,000.

As the base rent is established by each owner, the base rent charged varies from property to property and, as a result, the average resident income relative to the Area Median Income (AMI) differs from property to property. The Property Analysis identifies the current base rent and the household income level relative to the AMI for which the base rent corresponds to 30% of the household's income – an estimate of affordability (see A). If the property has structure deficits due to a revenue problem, the Capital Plan may recommend the property to receive a new rental assistance payment (RAP) contract, which would be identified in the associated narrative (see B). The Property Analysis also explores what the base rent would be if the State adopted a standard policy that, beginning in 2014, all base rents equal the greater of a) the current base rent or b) 30% of the adjusted gross income of a household at 30% of AMI for the applicable household size, provided these levels do not exceed the local market as indicated in the market studies (see C). This approach has significant policy implications, which are discussed briefly in the Property Analysis (see D) and will be discussed in more detail in the Capital Plan report.

Whether or not this is a desirable strategy, the base rent adjustment would represent a significant rent increase for some households. The analysis identifies the number of households that could be affected by such a change (see E). The narrative briefly references the ways this change could be implemented to protect current residents (discussed in more detail in the Capital Plan report) and identifies what subsidy would be needed on an annual basis to continue providing housing at the current levels of affordability long-term (see F). In addition, the analysis includes, as an alternative, the amount of operating subsidy which would be needed to protect current households during a transition period assuming that, through turnover and incremental rent increases, the subsidy tapers down over a 10-year period (see G). This tenant-protection subsidy was not contemplated prior to the development of the Capital Plan so its availability is currently unclear.

B. Future Revenue Adjustments Concurrent with a Recapitalization Transaction

Page 3 of the Property Analysis takes this line of thought one step further, considering the potential for income tiering to improve property revenue at the time of the recapitalization transaction. The Capital Plan team assumed that income tiering would not be viable absent additional investment in the property to position it to appeal to higher income families, albeit still within regulatory definitions of low-income households.

Revenue Adjustments Concurrent with a Recapitalization Transaction — Holder Place, continued

Household Income Level	Current Income Mix	Proposed Income Mix
0-25% of AMI	75	75
25-50% of AMI	20	20
50% of AMI or greater	5	5
Total number of units	100	100

A

With the revenue generated by the increase in the base rent or the provision of an equivalent operating subsidy, the property should operate under a sustainable revenue picture for the foreseeable future. As a result, no additional revenue adjustments from income mixing are recommended in connection with the transaction.

	Pre-Trans. Base Rent	Post-Trans. Base Rent
Studio/efficiency unit:		
One-bedroom unit:		
Two-bedroom unit:	575	575
Three-bedroom unit:	650	650
Four-bedroom unit:		
Five-bedroom unit:		
Six-bedroom unit:		

B

Rental operating subsidy in the transaction year which would be necessary to generate additional revenue equal to that generated by income mixing: $ -

C

Transitional rental operating subsidy necessary to protect current residents and permit a five-year transition to income tier occupancy: $ -

D

E

Property used for market reference: Cross-Town Apartments

The Capital Plan proposes the implementation of these revenue enhancements ***only to the extent necessary to ensure the property's long term sustainability on an operating basis***. If the property is projected to maintain a positive net operating income (NOI) throughout the 20-year analysis period with only a base rent adjustment, the team did not consider income mixing. Further, the team assumed that a significant percentage of units will be reserved for households at the current average resident income even in an income-mixing scenario. The Property Analysis indicates the current income mix and the potential income mix (see A), as well as any

additional base rent increase which might occur at the time of a recapitalization transaction (see B). If the property is proposed to get a new RAP contract, the new RAP payment standard would be reflected in the post-transaction base rent figure.

As described above with respect to the base rent increase, the analysis also indicates the subsidy that would be needed on an annual basis to continue providing housing at the current levels of affordability long-term (see C) and the amount of operating subsidy which would be needed to protect current households during a transition period (see D). In the income-mixing scenario, the Capital Plan assumes a more rapid, 5-year transition period as most lenders and investors would be unlikely to assume that the income-mixing strategy would be effective long-term without either an up-front adjustment or a more accelerated transition. The potential for income tiering is constrained by the potential to attract a higher-income tenant demographic. The Analysis identifies which of the property market assessments was used for purposes of the analysis (see E).

5. Observations & Recommendations: Capital Transactions

The remaining 5 pages of the Property Analysis examine the potential recapitalization transactions for the property.

A. Transaction Options

The Capital Plan analysis models five different transaction scenarios for each property and considers the prospect under each scenario to address the property's capital and operational needs. The scenarios are: (1) Current, (2) Recoverable Grant, (3) CHFA/FHA, (4) 4% Low Income Housing Tax Credits ("LIHTC"), and (5) 9% LIHTC.

1. Current Scenario

The first scenario, the "Current Scenario" assumes the property continues operating as it is currently operated, with no material change in the base rent and no implementation of income mixing strategies to improve the property's revenue position. Consequently, there is no adverse impact on the current residents or on the opportunity to serve households like them into the future. The Current Scenario also assumes that the property pays for its capital investments on a year-by-year basis according to the timing projections contained in the capital needs assessment.

In performing capital investments on a year-by-year basis, it is assumed that each trade would come to the site independently, without the need for overarching coordination. The Current Scenario does not include a budget for a contractor's general requirements, overhead and profit. If needed, the owner would serve as the general contractor for the work, managing any coordination among the trades and sequencing the work appropriately. The Current Scenario also does not include an allowance for soft costs (architecture or design, relocation, etc.), since implementation of capital investments would be absorbed into the routine operation of the property. Finally, since the Current Scenario does not anticipate a unitary recapitalization transaction, the budget does not include funds for transaction costs (legal fees, financing costs, required reserves, due diligence costs, sponsor overhead and developer fee).

For some properties, projection of the Current Scenario indicates that they are currently self-sustaining and will continue to be self-sustaining into the future without significant need for State assistance. At these properties, revenue is sufficient to cover the property's capital needs, either through the annual budget or through the use of replacement reserves.

For other properties, the Current Scenario indicates that the property cannot sustain itself without regular and significant financial support and assumes that the State funds the needs of the property on an annual basis, closing any operating deficit gap and providing capital subsidies to perform the work proposed. With respect to these properties, the Current Scenario is neither a sustainable nor an efficient strategy for the State, as it would require the State to have a much more active role in supervising both capital and operating budgets. Where the owner has limited knowledge of construction and capital investment projects, the need for State supervision would be even greater. This level of oversight would correspond to a higher degree of accountability by the owner to the State and represents a level of on-going dependence on the State which is in

tension with the goal of making the properties self-sustaining over the long-term. However, under current programmatic assumptions, it is the most viable option and therefore "recommended." The Capital Plan report will outline programmatic recommendations to reduce the number of properties recommended for the Current Scenario.

2. Recoverable Grant Scenario

The second scenario, the "Recoverable Grant Scenario," represents a more typical transaction, but would be heavily reliant on subsidy, if available. The Recoverable Grant Scenario assumes any necessary revenue adjustments to achieve a positive net operating income (NOI) over the long term, for example, through an increase in base rent and/or introduction of a mixed-income framework, or the equivalent revenue from federal or state operating subsidy, if available. The Recoverable Grant Scenario envisions a streamlined allocation of funds from the State to the property, implemented with standardized documents and minimal legal or due diligence transaction costs. The Recoverable Grant, also known as "soft debt," would be repaid to the State to the extent possible from cash flow. The Recoverable Grant Scenario is most frequently selected when the transaction is too small to warrant the transaction costs associated with alternative financing or if the market is too weak to support debt or equity leverage.

3. CHFA/FHA, 4% LIHTC & 9% LIHTC Scenarios

The three remaining scenarios, "CHFA/FHA," "4% LIHTC" and "9% LIHTC," correspond to different leverage transaction structures. Each scenario includes transaction costs appropriate to the nature of the transaction. For example, legal fees in the two LIHTC scenarios are higher than in the CHFA/FHA Scenario. Typically, the CHFA/FHA scenario would generate the least amount of funds for capital improvements and the 9% LIHTC scenario would generate the greatest amount, with the 4% LIHTC scenario falling in between.

The CHFA/FHA scenario assumes a CHFA-issued or FHA-insured first mortgage with no other financing. The Capital Plan does not presume however that these transactions will be implemented with any specific type of debt. This scenario is simply a "debt-only" approach and would work with most first mortgage debt offering favorable terms.

The two LIHTC scenarios assume both debt and a syndication of low income housing tax credits. The 4% tax credits rely on the use of tax exempt bond financing and are generally available when needed. (The analysis assumes that the tax exempt bonds will be used for construction funding in order to generate the tax credits, but may not remain outstanding at the full amount after permanent debt conversion.) The 9% tax credits are a competitive and scarce resource so cannot be assumed to be available for very many properties. In fact, the Capital Plan has not recommended any transaction for 9% LIHTC as the baseline recommendation, as the team assumed a few properties each year would seek to implement a more complex revitalization or deep-green transaction, which would compete for the 9% LIHTC resources. The Capital Plan modeling does, however, illustrate the potential funding which might be available if a property were to be financed with 9% LIHTC equity. In each of these scenarios, the Capital Plan assumes that any subsidy from the State would be provided in the form of a recoverable grant or soft debt, and would be repaid to the State to the extent possible from cash flow.

4. Underwriting Principles and Modeling Assumptions

In preparing the recommended transaction structure for each property, Recap is applying the following primary underwriting principles. Note that these underwriting assumptions apply to the entire 10-year Capital Plan period, so they do not necessarily conform to current market underwriting.

- Positive net operating income (NOI) for 20 years in order to ensure long-term sustainability unless a debt or financing transaction would require a higher NOI level at specific points in time. For example, we expect LIHTC transactions to maintain a DSC ratio in excess of 1.10 throughout the 15-year compliance period which, for transactions beginning in the last year of the 10-year Capital Plan, would end 25 years from now.

- Income trending at 2%, expense trending at 3%, pursuant to both CHFA and common industry underwriting standards.

- Base rent increases up to 30% of the adjusted gross income of a household at 30% of Area Median Income (AMI) if necessary to maintain positive NOI. Note that the analysis is also quantifying the rental assistance operating subsidy needed to protect the current tenants on a transitional basis and the operating subsidy necessary to maintain the affordability of the units at the current levels of affordability long-term in order to quantify the impacts of these important policy choices.

- An income-tiered model which establishes a higher base rent for a subset of units in the applicable property ***if an increase in base rent by itself is insufficient*** to maintain positive NOI. To the extent mixed-income housing is suggested, Recap is using the three income tier brackets which CHFA uses in its 9% LIHTC underwriting: 0% to 25% of AMI; 25%-50% of AMI; and over-50% of AMI. Units in each tier are reserved for households with incomes within the tier. The base rent for each tier is calculated off a 30% of AMI household income, a 40% of AMI household income and a 55% of AMI household income, respectively. All of the incomes reflected in any "mixed income" plan are still within the definition of "low income" and the property would still be use restricted as affordable housing. If income tiering is proposed for consideration, it is only to the extent necessary to achieve positive NOI and units are distributed among multiple income tiers. For example, if use of the 50% and over tier is not necessary to achieve positive NOI, Recap has modeled a tiering distribution using only the two lower-income tiers. Any income tiering is also capped by the market capture rate potential as documented in the market research. If income tiering can only succeed with physical enhancements to the property, a rough budget for the enhancements is included as a supplement to the capital needs projection. Again, the models quantify the operating subsidy which would be needed to protect the current tenants on a transitional basis and the operating subsidy necessary to achieve the same level of revenue without income tiering.

- Transaction years based the timing of the property's greatest need with respect to critical building systems and on the extent of needs per unit.

- Deferral of non-critical capital needs until the transaction year and deferral of critical capital needs calendared in the three years prior to the transaction until the transaction year.

- A threshold of approximately $1,000,000 in tax credit equity investment in order to consider the property viable as a low-income housing tax credit transaction. Even at this level, it may be hard to attract an equity investor to such small transactions absent additional assistance from the State.

- Vacancy at the greater of the most recently reported property vacancy or 5% in debt transactions and 7% in LIHTC transactions.

- 5% property management fee in all transactions.

- $350 per unit annual replacement reserve deposits at elderly/disabled properties and $425 per unit annual replacement reserve deposits at family properties.

- Operating expense savings of 5% on utilities and maintenance following the recapitalization transaction.

- Interest rates at 4.95% for debt-only transactions, 5.33% for tax-exempt bond (4% LIHTC) transactions and 5.68% for 9% LIHTC transactions.

- Equity syndication pricing at $0.83 per $1.00.

- Recoverable grant or soft debt repayment based on 50% of cash flow.

Page 4 of the Analysis introduces the transaction options for each property. This page includes a summary of the capital subsidy needs (see A) and of the capital subsidy plus operating subsidy needs (see B) associated with each of the transaction options. Page 4 also includes a brief summary of the potential scenarios modeled (see C).

Transaction Options — Holder Place, continued

	A: Capital Surplus or (Gap)	B: Total (Gap) Funded by Subsidy inc. Capital & Operating
Current Scenario (excluding transaction costs):	(3,000,000)	(4,500,000)
Recoverable Grant Scenario:	(8,320,000)	(8,220,000)
CHFA/FHA Scenario:	(6,345,000)	(6,852,000)
4% LIHTC Scenario:	(4,300,000)	(4,460,000)
9% LIHTC Scenario:	(1,075,000)	(1,332,000)

The Capital Plan analysis considers five scenarios and the prospect under each scenario to address the property's capital and operational needs. Each scenario's capacity to address the property's capital needs is listed to the left, as represented by the Replacement Reserve (RM&R) balance at the end of 20 years. Also at left is the total gap, including both operating subsidy needs and capital subsidy needs, over the 20 year study period.

- The first scenario, the "Current Scenario" assumes the property continues operating as it currently is operated - no material change in the base rent and no implementation of income mixing strategies to shift the property's revenue picture. Consequently, there is no adverse impact on residents or on the opportunity to serve the income demographic currently holding tenancies. The current scenario uses the baseline capital needs as the anticipated capital investment for purposes of identifying the surplus or gap. However, the current scenario - unlike the other four scenarios - does not include any allowance for soft costs (architecture or design, relocation, developer overhead, etc.) or for general contractor overhead and profit (as this assumed each trade would come to the site independently, without the need for overarching coordination).

- The second scenario, the "Recoverable Grant Scenario" assumes any revenue adjustments described above (i.e., if the analysis suggested an increase in base rent and/or introduction of a mixed-income framework or the equivalent revenue from federal or state operating subsidy). The Recoverable Grant Scenario envisions a streamlined allocation of funds from the State to the property, implemented with standardized documents and minimal legal or due diligence transaction costs. The Recoverable Grant would be repaid to the State to the extent possible from cash flow. The Recoverable Grant Scenario is most frequently selected when the transaction is too small to warrant the transaction costs associated with alternative financing or if the market is too weak to support debt or equity leverage.

- The three remaining scenarios - "CHFA/FHA," "4% LIHTC" and "9% LIHTC" correspond to three different leverage transaction structures. Each scenario includes transaction costs appropriate to the nature of the transaction. (For example, legal fees in the two LIHTC scenarios are higher than in the CHFA/FHA scenario.) Typically, the CHFA/FHA scenario would generate the least amount of funds for capital improvements and the 9% LIHTC scenario would generate the greatest amount, with the 4% LIHTC scenario falling in between. The CHFA/FHA scenario is a debt-only scenario, using either CHFA or FHA-insured financing. The two LIHTC scenarios assume both debt and a syndication of low income housing tax credits. The 4% tax credits rely on the use of tax exempt bond financing and are generally available when needed. (The analysis assumes that the tax exempt bonds will be used for construction funding in order to generate the tax credits, but may not remain outstanding at the full amount after permanent debt conversion.) The 9% tax credits are a competitive and scarce resource so cannot be assumed to be available for all properties.

B. Recommended Transaction

Page 5 of the Property Analysis outlines the recommended transaction type and proposed transaction year (see A), key underwriting assumptions that vary slightly from transaction to transaction (see B) and the capital subsidy which would be needed from the State in order to implement the proposed transaction (see C). Page 5 closes with a snapshot of both the short- and long-term picture of the property under the recommended transaction and a general transaction summary (see D).

Recommended Transaction and Transaction Assumptions — Holder Place, continued

Recommended Transaction Option:	4% LIHTC
Recommended Transaction Year	2014
Replacement Reserve Deposit PUPY:	425
Debt Service Coverage in Transaction Year:	1.7
Debt Service Coverage in Transaction Year 15:	1.10
Pre-Transaction Capital Subsidy Needed:	-
Transaction Capital Subsidy Needed:	4,300,000

A — The capital plan recommends using the 4% low income housing tax credit scenario to finance the capital needs at this property. The debt-only scenario leaves significant capital needs unaddressed, while the use of 9% tax credits at this property would be an inefficient use of the scarce 9% resource given the competing needs within the portfolio and within the State as a whole. The 4% LIHTC scenario, however, covers the capital needs appropriately while minimizing the need for State capital subsidies.

B — This analysis has suggested a potential transaction year of 2014 based on a series of criteria outlined in the capital plan report. In short, the transaction year has been informed by the distribution of capital needs year-by-year at the property (i.e., when to major needs hit) and by the need to distribute the timing of capital transaction for properties within the State Sponsored Housing Portfolio over a period of years in order to manage scarce State-wide resources.

This property has been underwritten assuming replacement reserve deposits of $425 per unit per year, assuming debt service coverage is maintained over 1.10 throughout the first 15 years of the new financing, and assuming hard construction capital needs of $5.0 million.

C — The property is able to cover its capital needs from current replacement reserves through the date of the capital transaction, so no interim State support is needed.

Summary of Recommended Transaction

Under the 4% LIHTC scenario, the property yields $256,250 in NOI in the transaction completion year, which includes $425 per unit per year in replacement reserve deposits. After debt service, the property generates $156,250 in cash flow in the capital transaction's completion year, trending to $25,000 fifteen years thereafter. Post-transaction, distributions of cash flow are governed by the terms of the transaction documents and, to the extent not restricted by the documents, could be used at the owner's discretion for ongoing capital needs, owner's working capital or the owner's other priorities. The transaction raises $2,000,000 in debt and $3,500,000 in equity. The transaction results in a gap of $4,300,000, all of which would need to be covered by State capital subsidy. This compares to a net gap of over $4,500,000 if no transaction takes place at the property and the capital needs are addressed through routine maintenance or a needs gap of over $8,320,000 if the capital needs are addressed in a consolidated transaction relying entirely on State capital subsidy.

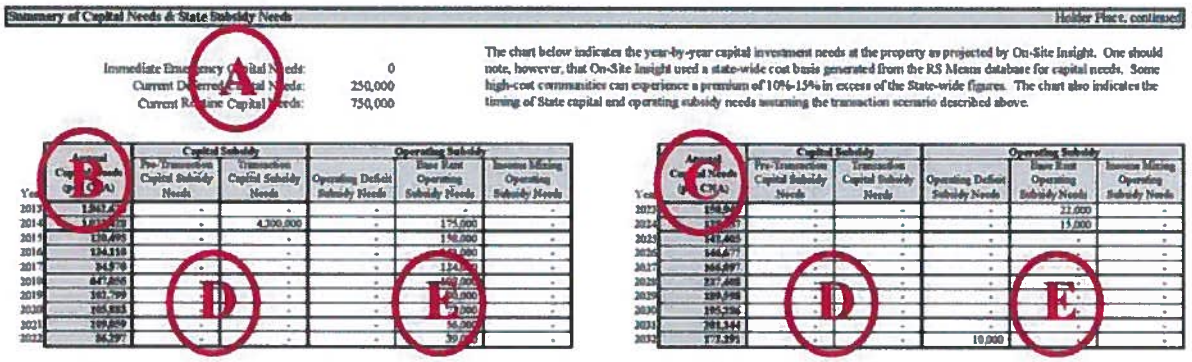
D

The selection of the recommended transaction considered multiple factors, including the desire to leverage State funds with private resources through debt and LIHTCs, the limited availability of competitive resources such as the 9% LIHTC, and the effort to minimize the subsidy to be requested from the State, considering interim capital subsidies, transaction subsidies and operating subsidy needs. The Capital Plan team also evaluated whether the transaction costs of the leverage transaction overwhelm the transaction as a whole (in which case the Recoverable Grant scenario was recommended) and balanced the desire to minimize the subsidy to be requested from the State against considerations such as transaction viability, reduced dependence on the State long-term and the potential need for soft costs and technical assistance. Where possible, the Capital Plan sought to avoid the Current Scenario for weak-revenue properties as the Current Scenario doesn't put the property on a long-term path for sustainable performance.

C. Impact of Recommended Transaction on Capital Needs and Subsidy Needs

Page 6 of the Property Analysis provides a summary of the property's needs under the recommended transaction. By way of background, the Property Analysis identifies the property's emergency, current and deferred needs (see A). It is noteworthy, however, that this figure does not distinguish between critical building components (roof, boiler, other property or unit mechanical systems, elevator and structural components) and finishes such as kitchen cabinetry, which may well be a deferred need, but is also not always a crisis need.

More significantly, this page of the Property Analysis outlines a year-by-year picture of the property's subsidy needs with years 1-10, corresponding to the time frame of the Capital Plan, in the left-hand chart (see B) and years 11-20, corresponding to the window for analysis of long-term sustainability, in the right-hand chart (see C). Each chart identifies the need according to two kinds of capital subsidy need (see D) and three kinds of operating subsidy need (see E).



1. Capital Subsidies

The Capital Plan assumes all immediate and long term needs identified in the capital needs assessments will be addressed in all of the transaction scenarios, either year-by-year (referred to as "pre-transaction" needs) or in conjunction with a recapitalization transaction.

- Pre-Transaction Capital Subsidy. Recap has assumed that capital needs within three years of the proposed transaction year can be managed on the ground – using replacement reserves to cover immediate needs or patching the building components to hold out for a comprehensive recapitalization. However, for the properties that are projected to have a transaction year starting in 2018 or beyond, some interim needs will have to be addressed prior to the transaction. The "Pre-Transaction Capital Subsidy" references the amount of funding which will be needed to cover critical building components prior to the transaction year, net of the current replacement reserve balance. For the properties falling into the Current Scenario, there is no "transaction year" so the pre-transaction capital subsidy is the expected total needed over time to cover the property's 20-year capital needs.

- Transaction Subsidy. The "Transaction Subsidy" is the capital subsidy needed to implement the proposed transaction scenario, which is determined as the gap between the total projected sources and uses of funds at the time of the recapitalization transaction.

2. Operating Subsidies

In many cases, the properties also need operational subsidies, either to put the property onto a long-term sustainable path or to protect the current tenants from the impact of base rent adjustments or income tiering.

- Base Rent Operating Subsidy. The "Base Rent Operating Subsidy" responds to the proposed 2014 increases in base rents at many properties. Recap has set the proposed

base rent at 30% of the adjusted gross income of a household at 30% of Area Median Income. When the current base rent at a given property is below the new proposed base rent, the base rent operating subsidy, if available, would cover the difference. In some cases, it is an increase in the rental assistance payment under current RAP contracts. In others, it is a new tenant protection subsidy. The Capital Plan assumes that, with respect to the tenant protection subsidy, the base rent operating subsidy would decline over 10 years until it would not be necessary. Base rents are adjusted to the new proposed standard for all transaction scenarios except for the current scenario. As a policy matter, the State could decide to retain base rent subsidies over a longer period of time and thus allow for greater affordability for households with incomes below 30% of AMI, which would need significantly more operating subsidy.

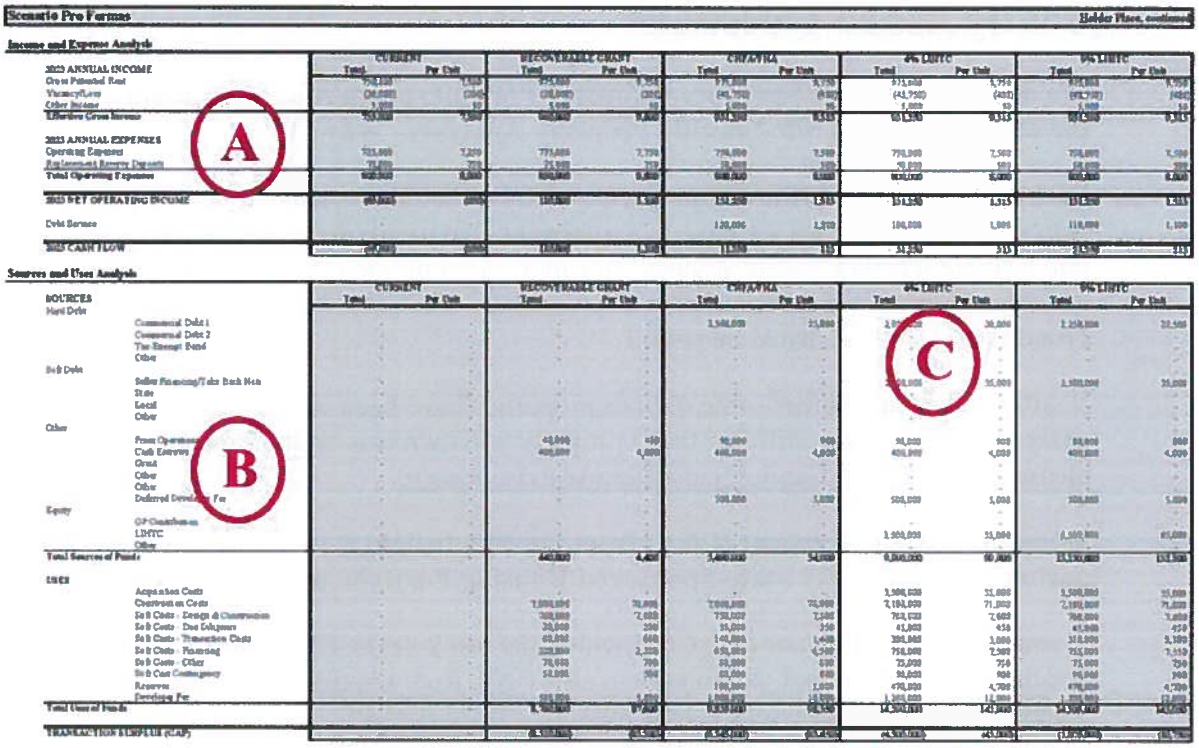
- Income Mixing Operating Subsidy. The "Income Mixing Operating Subsidy" is also a tenant protection subsidy intended only for properties that have been proposed for income tiering. While the new revenue stream from income tiering will need to be in place at the time of the transaction closing in order to underwrite the deal at that level, Recap assumes that, on the ground, the implementation of income tiering will be based on turnover in order to protect the current residents. The income mixing operating subsidy is the difference in rental revenue between the rents present after a base rent adjustment and the proposed income tiering rent structure. As with the base rent operating subsidy, the income mixing operating subsidy declines over time, but assumes only a 5-year timeframe to meet the new income tier structure.

- Operating Deficit Subsidy. Given weak revenue assumptions at some of the Current Scenario properties and further given CHFA's income and expense trending assumptions, which are typical for the industry, some properties may not maintain positive cash flow over the 20 year period examined by the Capital Plan. The "Operating Deficit Subsidy" is proposed to cover this deficit, although there is not currently a programmatic structure to provide such support.

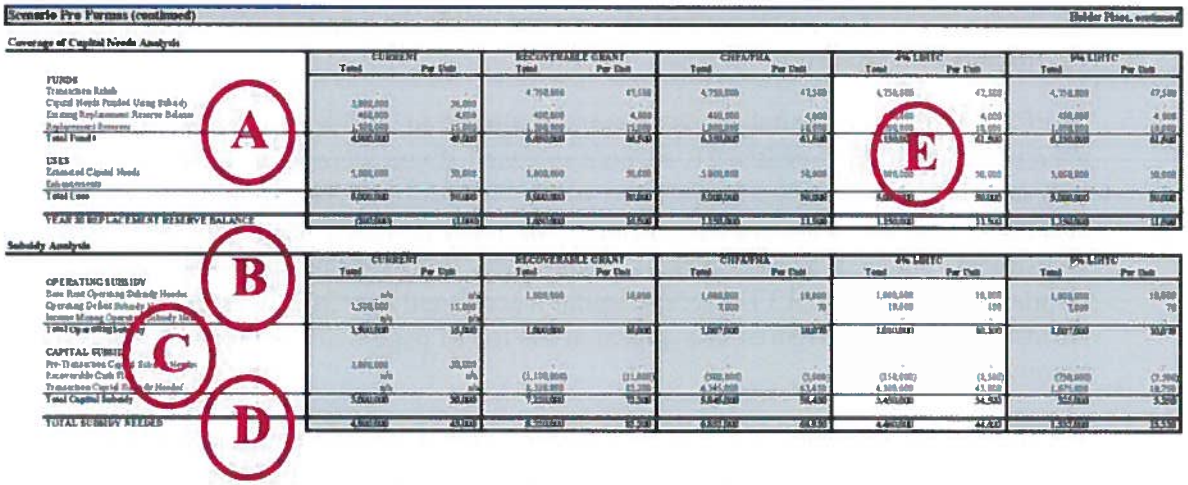
The Capital Plan is intended to cover the 10 year period from 2013 to 2022. While the recommended transactions all take place in the 10-year Capital Plan timeframe, Recap analyzed all properties over a 20 year period to ensure the capital needs were being met and transactions were sustainable over time. Given that some properties cannot sustain themselves under either a transaction or the Current Scenario and also given that some operating subsidy needs (such as the tenant protection subsidies described above) extend beyond the 10-year window, the Capital Plan model anticipates the need for some operating and capital subsidy beyond 2022.

D. Scenario Pro Formas

The final two pages of the Property Analysis provide greater detail on the five financial models for each property. The chart at the top of Page 7 provides the 2023 operating expense and revenue picture for each property (see A, top of next page). The year 2023 was chosen because, upon completion of the 10-year Capital Plan, all properties will have implemented their recapitalization transactions, if applicable. The 2023 year provides a fair comparison between the different scenarios in a normal operating year. Page 7 also includes the sources and uses for each transaction (see B). The recommended transaction is highlighted in white (see C).



Finally, page 8 summarizes the impact of each scenario on the property's capital needs and year 20 replacement reserve balance (see A, below). Each scenario other than the Current Scenario assumes an annual deposit into a replacement reserve account. This ensures that the properties are self-sustaining for the long term, able to implement the next recapitalization event without a future infusion of State capital subsidy. The chart on Page 8 also totals the aggregate 20-year subsidy need in each case, specifically the operating subsidies (see B, below) and the capital subsidies, including any offset for repayment of recoverable grants or soft debt (see C, below). The most significant number is the total subsidy needed, on both an aggregate and per-unit basis (see D, below). Again, the recommended transaction is highlighted in white (see E, below).



6. Frequently Asked Questions

1. **We own several State Sponsored Housing Portfolio properties but did not receive the same number of Site-Specific Property Analyses. Why?**

   Each State-Sponsored Housing property you own should be included in a Property Analysis. In some cases we have recommended that multiple properties be consolidated into a single recapitalization strategy, in which case only one Property Analysis document is provided for the cluster of properties. The properties covered by each Property Analysis are listed on page 1.

   If, after checking whether some of your properties have been consolidated for transaction analysis purposes, you still feel that a property you own was omitted from this package, please contact CHFACapitalPlan@RecapAdvisors.com.

2. **A capital needs assessment (CNA) from On-Site Insight is not included in the package for one of my State-Sponsored Housing Portfolio properties. Where is it?**

   If you had completed your own CNA within the last 2 years, CHFA provided us with that document and we did not commission a new CNA from On-Site Insight. If you still believe a capital needs assessment is missing, please contact CHFACapitalPlan@RecapAdvisors.com.

3. **The Capital Plan is a 10-year plan. Why does the capital needs assessment cover 20 years?**

   The Capital Plan corresponds to the Governor's proposal to commit $300 million, spread over 10 years, to modernize the State-Sponsored Housing Portfolio and to put the portfolio on a sustainable path. We have defined "sustainability" as covering the capital and operating needs of the property over the next 20 years. The Capital Plan is intended to guide the State in making budget decisions over the next 10 years, decisions which will have an impact over the full 20 year period.

4. **My property is in good shape but the capital needs assessment says I need to invest a significant sum up-front. Why?**

   The CHFA standard capital needs assessment format identifies the amount you would need to deposit into your RM&R account in year 1 if you were to cover all of your 20-year capital needs from the RM&R and still have a positive balance in the RM&R account in year 20. That does not mean the property currently needs that level of investment. To identify your current capital needs, look for the "2013 Emergency Capital Needs," the "2013 Deferred Capital Needs" and the "2013 Current Capital Needs." These three figures also appear at the top of page 6 of the Property Analysis report.

   The transaction scenarios (i.e., the four scenarios other than the Current Scenario) may recommend an investment that is significantly greater than your current capital needs.

The transaction scenarios assume you have one opportunity over the next 10 years to access leverage financing and to request significant State subsidy. As a result, the transaction scenarios assume you address all of the needs which would arise over the subsequent 15 years when you implement the transaction. This represents an investment significantly greater than your current needs as a pro-active step.

5. What do we do if we disagree with the capital needs assessment's price estimates?

The capital needs assessment provides a framework to estimate the cost of capital improvements, but will vary somewhat from the final prices you get from contractors. In some cases, you will get better pricing and in others the improvements will cost more. Also, On-Site Insight has used state-wide cost-estimation figures. High cost markets will likely have a premium cost beyond the capital needs assessment figures shown. It is important to remember that the Capital Plan is a budgeting and planning tool, not a definitive allocation of subsidy dollars.

If you disagree with the capital needs assessment's price estimates, you will have ample opportunity to engage an architect to develop a detailed scope of work and get the scope of work priced in the course or preparing for a recapitalization transaction. If the recapitalization transaction is a few years away, you would also probably get an updated capital needs assessment at that time to reflect the repairs you will have made by then. You will include price estimates that you agree with in your funding applications when you are ready to implement a recapitalization transaction. It is our hope, however, that the data in the capital needs assessment and the discussion in the Property Analysis can assist you in developing the plans for your portfolio.

6. How was the transaction year selected?

The transaction year was selected based on a review of the capital needs within your property's critical building components (roof, boiler, other property or unit mechanical systems, elevator and structural components).

Based on the capital needs assessment, we identified the 3-year period in which your critical capital needs were highest, and used the mid-year as the ideal transaction year for each property. For each year of the Capital Plan, we sorted all of the properties with ideal transaction years equal to or prior to the year of the plan based on critical capital needs per unit and implemented transactions until that year's anticipated subsidy budget was exhausted.

The following illustrates this calculation. Assume that only 2 properties can be funded in each year.

Property ID	Ideal Transaction Year	Critical Needs Per Unit
Property 1	2014	$50,000
Property 2	2014	$12,000
Property 3	2014	$30,000
Property 4	2015	$45,000
Property 5	2015	$25,000

In 2014, Properties 1, 2 and 3 would be considered for funding. Given that only 2 properties could be funded before exhausting the subsidy available in 2014, Properties 1 and 3 would be selected to be modeled in the 2014 transaction years based on their higher per unit critical capital needs.

In 2015, Properties 2, 4 and 5 would be considered for funding. The Capital Plan does not simply bump the properties chronologically, but places all of them on even footing to be funded in 2015. Again, given that only 2 properties could be funded before exhausting the subsidy available in 2015, Properties 4 and 5 would be selected to be modeled in the 2015 transaction years based on their higher per unit critical capital needs. Property 2 would continue to be considered for funding in each year until it is funded.

Property 2 would not, however, be left without assistance to cover its immediate critical needs. While we have assumed that owners will be able to extend the life of building systems for up to 3 years from the end of their expected useful life as projected in the capital needs assessment, we have also assumed pre-transaction capital subsidies in order to cover the property's other critical capital needs prior to its projected transaction year.

7. My capital needs are urgent and the property can't wait until the proposed transaction year to get additional capital investments. How can I cover those needs?

While we have assumed that owners will be able to extend the life of building systems for up to 3 years from the end of their expected useful life as projected in the capital needs assessment, we have also assumed pre-transaction capital subsidies in order to cover the property's other critical capital needs prior to its projected transaction year.

8. How fixed is the projected transaction and transaction year?

While we have tried to make the Capital Plan transaction recommendations as viable as possible, it is important to remember that additional important information will come to light as the transaction planning progresses over the next several years.

The Capital Plan provides a framework for the State to use in developing policies governing any re-investment in the State-Sponsored Housing Portfolio. Recap would

expect transaction years and transaction structures to shift somewhat in response to additional information and in response to the owners' desires. We assume that the State will establish application processes and develop scoring criteria for each year's funding applications based on the issues and decision points highlighted in the Capital Plan. We also assume that the owners will indicate their preferred transaction structure in the funding applications you choose to submit.

As additional information comes to light, the shifts in transaction types and transaction years should generally balance out so that, as a whole, the reinvestment in the State-Sponsored Housing Portfolio will be somewhat consistent with the Capital Plan. Similarly, the Property Analysis should inform your thinking and advance your planning for your properties, even if the details change. Ideally, the recommended transaction will be a useful direction for you, but if the analysis helps you formulate your reasons to pursue something other than the proposed transaction, that is also valuable.

9. What if we disagree with a recommendation to raise the base rent or to introduce income tiering?

Those are legitimate points of disagreement. These discussions raise important policy issues with respect to the level of operating subsidy the State can afford to commit to the State-Sponsored Housing Portfolio and the availability of these properties for very-low income households.

The Capital Plan attempts to highlight these policy issues and to quantify the impact of different policy choices on the State budget in order to inform this debate. Recap encourages continued discussion of the pros and cons of these issues, which will be discussed in more detail in the Capital Plan report.

10. We are currently applying for funding for our State Sponsored Housing property. How does that relate to the Capital Plan?

The Capital Plan does not currently incorporate any funding decisions that the State may be in the process of making with respect to the "Ready" projects funding round. The State is continuing to review your application and you should not change your current recapitalization plans unless/until you receive word from the State that you have not been funded.

11. Is the property analysis what will be included in the Capital Plan report?

Not necessarily. We are distributing the property analyses for owner comment, which may change our recommendations. In addition, we will continue to study the properties and refine our recommendations prior to finalizing them for the Capital Plan report. We may make changes beyond those in response to owner comments. The property analyses are drafts and are subject to change.

12. Why doesn't the 2014 Operating Income on Page 1 of the Property Analysis correspond to our current experience?

The net operating income labeled as "Projected Year 1 (2014) Operating Income" is projected out from the most recent data we received from CHFA. In most cases, this data was from either 2010 or 2011.

13. Why does the Operating Income and Expense Analysis on Page 7 refer to 2023?

All of the transactions contemplated by the Capital Plan will have been implemented by 2023 – year 11 of the Capital Plan schedule. This chart is intended to provide an image of what the sustained operating income and expense picture would be at that time, allowing the reader to consider the long-term trends and sustainability of the property.

The Operating Income and Expense figures are based on the data that was provided to us – generally 2010 or 2011 data. The historic data has been adjusted for inflation and for transaction-related items, as applicable, such as the addition of replacement reserve deposits, management fees, debt service, etc. On the revenue side, 2023 is the first year in which we can reliably project that all revenue adjustments will have been implemented for all properties, again allowing a consistent presentation both among scenarios and among properties in the State Sponsored Housing Portfolio.

14. What's next?

As noted elsewhere, these are drafts of the Property Analyses. In the short term, Recap will be adjusting these analyses based on your feedback and on additional internal review and revision. To the extent appropriate, when we disagree with or can't incorporate your comments, we may quote or paraphrase your concerns in a supplemental page attached to your Property Analysis and included as part of the Capital Plan report to CHFA and DOH. The revised Property Analyses will be incorporated into the final Capital Plan report delivered to CHFA, DOH and, via the internet, to you.

Following issuance of the Capital Plan, CHFA and DOH will be reviewing the document and making decisions regarding how to implement the Capital Plan recommendations – how to structure funding application and award processes, how to adjust the Capital Plan based on additional details of information, how to provide necessary technical assistance, etc. The implementation steps will be determined by CHFA and DOH over the coming weeks and months.

CHFA Capital Plan Property Assessment - McGuire Court

Property Identification

McGuire Court
WALLINGFORD, CT

Total Current Unit Count:	50
Census Tract:	1759.00
Connecticut Congressional District:	3

CHFA Property Identification #: 85208D
Current State Sponsored Housing Program: SH Elderly

This is a single, stand-alone property. As there are no other adjacent properties under common ownership, there are no opportunities for consolidation to achieve greater efficiencies of scale.

Property Description

Tenancy Type:	Elderly/Disabled
Structure Type:	Row House
Number of buildings:	12
Maximum # of Stories:	1
Elevator?	None

Summary property description:
The McGuire Court property has 40 efficiency or studio and 10 one-bedroom units. Generally, the property consists of relatively small units. It features amenities such as common laundry, owner-provided air conditioning, and a common room.

Current Operating & Capital Needs Status

Aggregate Capital Needs (without market enhancements):	$ 1,829,413
Capital Needs per Unit:	$ 36,588
Projected Year 1 (2014) Operating Income:	$ (30,490)

Current operations at the property are projected to generate negative $30,500 in net operating income (NOI, or revenue after operating expenses) in Year 1 (2014). With incomes and expenses trending at 2% and 3% respectively, which is a standard affordable housing industry convention, the NOI figure decreases annually and this shortfall continues to grow. As a result, the property is not sustainable and cannot adequately address its future basic capital needs, projected to be approximately $1.83 million ($36,588 per unit) over the next 20 years.

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Current average income relative to the Area Median Income (AMI): 23%

	Current Base Rent	Affordability (% AMI)
Studio/efficiency unit:	230	16%
One-bedroom unit:	240	15%
Two-bedroom unit:		
Three-bedroom unit:		
Four-bedroom unit:		
Five-bedroom unit:		
Six-bedroom unit:		

	Proposed Base Rent	Affordability (% AMI)
Studio/efficiency unit:	435	30%
One-bedroom unit:	466	30%
Two-bedroom unit:		
Three-bedroom unit:		
Four-bedroom unit:		
Five-bedroom unit:		
Six-bedroom unit:		

Number of current households that would be impacted by the proposed increase in Base Rent: 0

Rental operating subsidy necessary in 2014 to generate revenue equal to raising the base rent as proposed: $ 89,784

Additional rental assistance payments subsidy over a 20 year period due to revised base rent: $ 2,050,717

In order for the property to operate in a sustainable manner into the foreseeable future, the property would benefit from greater revenues. This property currently has a rental assistance payments contract with the State, which allow the residents to pay an affordable rent based on their income, but generally only yields the base rent amount as revenue. Currently, base rents are set by the property owners in consultation with CHFA.

Low base rent levels maximize affordability for households in the community. However, if the property's revenue stream (including any available operating subsidy) does not cover the cost of actually operating the property, including the cost of ongoing maintenance and capital improvements, necessary repairs and maintenance will get deferred. An extended period of deferred maintenance can put the property itself at risk, which would be a significant blow to the availability of affordable housing in the area.

The Capital Plan is intended to identify the real estate needs of the State Sponsored Housing Portfolio. In order to ensure a minimum revenue stream, this analysis assumes that all base rents are adjusted in 2014 to equal the greater of a) the current base rent or b) 30% of the adjusted gross income of a household at 30% of AMI for the applicable household size, provided these levels do not exceed the local market.

The figures to the left indicate the additional rental operating subsidy which would be necessary in 2014 to cover this base rent increase as well as the total 20 year impact given that this subsidy need will recur annually, with inflation increases. Since the rental assistance payment protects the residents of the property, none of the actual households would be impacted by the increase in the base rent and the property would continue to serve the current resident demographic.

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Household Income Level	Current Income Mix	Proposed Income Mix
0-25% of AMI	32	32
25-50% of AMI	18	18
50% of AMI or greater	0	0
Total number of units	50	50

	Pre-Trans. Base Rent	Post-Trans. Base Rent
Studio/efficiency unit:	435	435
One-bedroom unit:	466	466
Two-bedroom unit:		
Three-bedroom unit:		
Four-bedroom unit:		
Five-bedroom unit:		
Six-bedroom unit:		

Rental operating subsidy in the transaction year which would be necessary to generate additional revenue equal to that generated by income mixing: $ -

Additional rental operating subsidy necessary to sustain Rental Assistance Payments based on the adjusted base rent: $ -

Property used for market reference: John P. Savage

While the revenue generated by the increase in the base rent improves the property's income and expense picture, it is insufficient for the property to operate sustainably for the foreseeable future. (The capital plan analysis considers sustainable operations to be a level of operating income sufficient to cover operating expenses and servicing of any capital leverage necessary to maintain the physical asset for the next 15-20 years without routine capital subsidies from the State.) However, as noted above, the property receives a project-based rental assistance payment. A RAP arrangement provides operating support to the property while permitting residents to pay based on what they can afford, so income mixing is neither needed nor appropriate. For extremely low income households, properties with a RAP are their only viable option. In order to ensure long-term stability, a post-transaction base rent increase, which would be covered by the RAP subsidy, is used to generate enough income for the property to operate at a sustainable level.

The rental assistance payment ensures that the property receives the base rent. However, since the base rent increase suggested above is insufficient over the long term, the only alternative is to increase the base rent again in conjunction with the recapitalization transaction. (An income-tier structure in this situation would only serve to reduce housing options to the lowest income households, without increasing revenue to the property.)

An increase in the base rent at a property with a rental assistance payment translates into an increase in the operating subsidy necessary to sustain the property over time.

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	Capital Surplus or (Gap)	Total (Gap) Funded by Subsidy inc. Capital & Operating
Current Scenario (excluding transaction costs):	(1,124,987)	(2,364,517)
Recoverable Grant Scenario:	(2,811,358)	(4,389,474)
FHA Scenario:	(2,306,959)	(4,190,692)
4% LIHTC Scenario:	(1,704,164)	(3,525,683)
9% LIHTC Scenario:	(444,471)	(2,264,199)

The Capital Plan analysis considers five scenarios and the prospect under each scenario to address the property's capital and operational needs. Each scenario's capacity to address the property's capital needs is listed to the left, as represented by the Replacement Reserve (RM&R) balance at the end of 20 years. Also at left is the total gap, including both operating subsidy needs and capital subsidy needs, over the 20 year study period.

- The first scenario, the "Current Scenario" assumes the property continues operating as it currently is operated - no material change in the base rent and no implementation of income mixing strategies to shift the property's revenue picture. Consequently, there is no adverse impact on residents or on the opportunity to serve the income demographic currently holding tenancies. The current scenario uses the baseline capital needs as the anticipated capital investment for purposes of identifying the surplus or gap. However, the current scenario - unlike the other four scenarios - does not include any allowance for soft costs (architecture or design, relocation, developer overhead, etc.) or for general contractor overhead and profit (as it is assumed each trade would come to the site independently, without the need for overarching coordination).

- The second scenario, the "Recoverable Grant Scenario" assumes any revenue adjustments described above (i.e., if the analysis suggested an increase in base rent and/or introduction of a mixed-income framework, or the equivalent revenue from federal or state operating subsidy). The Recoverable Grant Scenario envisions a streamlined allocation of funds from the State to the property, implemented with standardized documents and minimal legal or due diligence transaction costs. The Recoverable Grant would be repaid to the State to the extent possible from cash flow. The Recoverable Grant Scenario is most frequently selected when the transaction is too small to warrant the transaction costs associated with alternative financing or if the market is too weak to support debt or equity leverage.

- The three remaining scenarios - "CHFA/FHA," "4% LIHTC" and "9% LIHTC" correspond to three different leverage transaction structures. Each scenario includes transaction costs appropriate to the nature of the transaction. (For example, legal fees in the two LIHTC scenarios are higher than in the CHFA/FHA scenario.) Typically, the CHFA/FHA scenario would generate the least amount of funds for capital improvements and the 9% LIHTC scenario would generate the greatest amount, with the 4% LIHTC scenario falling in between. The CHFA/FHA scenario is a debt-only scenario, using either CHFA or FHA-insured financing. The two LIHTC scenarios assume both debt and a syndication of low income housing tax credits. The 4% tax credits rely on the use of tax exempt bond financing and are generally available when needed. (The analysis assumes that the tax exempt bonds will be used for construction funding in order to generate the tax credits, but may not remain outstanding at the full amount after permanent debt conversion.) The 9% tax credits are a competitive and scarce resource so cannot be assumed to be available for all properties.

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Recommended Transaction and Transaction Assumptions

Recommended Transaction Option:	4% LIHTC
Recommended Transaction Year	2016
Replacement Reserve Deposit PUPY:	350
Debt Service Coverage in Transaction Year:	1.970
Debt Service Coverage in Transaction Year 15:	1.101
Pre-Transaction Capital Subsidy Needed:	-
Transaction Capital Subsidy Needed:	1,704,164

The capital plan recommends using the 4% low income housing tax credit scenario to finance the capital needs at this property. The debt-only scenario leaves significant capital needs unaddressed, while the use of 9% tax credits at this property would be an inefficient use of the scarce 9% resource given the competing needs within the portfolio and within the State as a whole. The 4% LIHTC scenario, however, covers the capital needs appropriately while minimizing the need for State capital subsidies.

This analysis has suggested a potential transaction year of 2016 based on a series of criteria outlined in the capital plan report. In short, the transaction year has been informed by the distribution of capital needs year-by-year at the property (i.e., when to major needs hit) and by the need to distribute the timing of capital transaction for properties within the State Sponsored Housing Portfolio over a period of years in order to manage scarce State-wide resources.

This property has been underwritten assuming replacement reserve deposits of $350 per unit per year, assuming debt service coverage is maintained over 1.101 throughout the first 15 years of the new financing, and assuming hard construction capital needs of $1.83 million.

The property is able to cover its capital needs from current replacement reserves through the date of the capital transaction, so no interim State support is needed.

Summary of Recommended Transaction

Under the 4% LIHTC scenario, the property yields $73,475 in NOI in the transaction completion year, which includes $350 per unit per year in replacement reserve deposits. After debt service, the property generates $31,178 in cash flow in the capital transaction's completion year, trending to $4,278 fifteen years thereafter. Post-transaction, distribution of cash flow is governed by the terms of the transaction documents and, to the extent not restricted by the documents, could be used at the owner's discretion for ongoing capital needs, owner's working capital or the owner's other priorities. The transaction raises $616,000 in debt and $1,171,000 in equity. The transaction results in a gap of $1,704,000, all of which would need to be covered by State capital subsidy. This compares to a needs gap of over $2,364,000 if no transaction takes place at the property and the capital needs are addressed through routine maintenance or a needs gap of over $2,811,000 if the capital needs are addressed in a consolidated transaction relying entirely on State capital subsidy.

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Immediate Emergency Capital Needs:	0
Current Deferred Capital Needs:	75,410
Current Routine Capital Needs:	316,261

The chart below indicates the year-by-year capital investment needs at the property as projected by On-Site Insight. One should note, however, that On-Site Insight used a state-wide cost basis generated from the RS Means database for capital needs. Some high-cost communities can experience a premium of 10%-15% in excess of the State-wide figures. The chart also indicates the timing of State capital and operating subsidy needs assuming the transaction scenario described above.

		Capital Subsidy		Operating Subsidy		
Year	Annual Capital Needs (per CNA)	Pre-Transaction Capital Subsidy Needs	Transaction Capital Subsidy Needs	Operating Deficit Subsidy Needs	Base Rent Operating Subsidy Needs	Income Mixing Operating Subsidy Needs
2013	391,671	-	-	-	-	-
2014	112,695	-	-	-	89,784	-
2015	114,235	-	-	-	91,580	-
2016	86,331	-	1,704,164	-	93,411	-
2017	97,421	-	-	-	95,279	-
2018	32,853	-	-	-	97,185	-
2019	29,448	-	-	-	99,129	-
2020	29,286	-	-	-	101,111	-
2021	36,433	-	-	-	103,134	-
2022	39,369	-	-	-	105,196	-

		Capital Subsidy		Operating Subsidy		
Year	Annual Capital Needs (per CNA)	Pre-Transaction Capital Subsidy Needs	Transaction Capital Subsidy Needs	Operating Deficit Subsidy Needs	Base Rent Operating Subsidy Needs	Income Mixing Operating Subsidy Needs
2023	42,905	-	-	-	107,300	-
2024	32,961	-	-	-	109,446	-
2025	71,733	-	-	-	111,635	-
2026	35,043	-	-	-	113,868	-
2027	77,803	-	-	-	116,145	-
2028	256,059	-	-	-	118,468	-
2029	39,958	-	-	-	120,837	-
2030	47,490	-	-	-	123,254	-
2031	99,459	-	-	-	125,719	-
2032	56,217	-	-	-	128,234	-

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Income and Expense Analysis

2023 ANNUAL INCOME	CURRENT Total	CURRENT Per Unit	RECOVERABLE GRANT Total	RECOVERABLE GRANT Per Unit	CHFA/FHA Total	CHFA/FHA Per Unit	4% LIHTC Total	4% LIHTC Per Unit	9% LIHTC Total	9% LIHTC Per Unit
Gross Potential Rent	224,464	4,489.28	368,538	7,370.76	368,538	7,371	368,538	7,371	368,538	7,371
Vacancy/Loss	(15,584)	(311.69)	(15,584)	(311.69)	(18,427)	(369)	(25,798)	(516)	(25,798)	(516)
Other Income	10,007	200.14	10,007	200.14	10,007	200	10,007	200	10,007	200
Effective Gross Income	**218,886**	**4,377.73**	**362,961**	**7,259.21**	**360,118**	**7,202**	**352,747**	**7,055**	**352,747**	**7,055**
2023 ANNUAL EXPENSES										
Operating Expenses	249,748	4,995	267,896	5,358	262,079	5,242	261,710	5,234	261,710	5,234
Replacement Reserve Deposits	31,645	633	31,645	633	24,908	[illegible]	24,908	498	24,908	498
Total Operating Expenses	**281,393**	**5,628**	**299,541**	**5,991**	**286,987**	**5,740**	**286,618**	**5,732**	**286,618**	**5,732**
2023 NET OPERATING INCOME	**(62,507)**	**(1,250)**	**63,419**	**1,268**	**73,131**	**1,463**	**66,129**	**1,323**	**66,129**	**1,323**
Debt Service	-	-	-	-	48,660	[illegible]	42,297	846	42,227	845
2023 CASH FLOW	**(62,507)**	**(1,250)**	**63,419**	**1,268**	**24,471**	**489**	**23,832**	**477**	**23,902**	**478**

Sources and Uses Analysis

SOURCES	CURRENT Total	CURRENT Per Unit	RECOVERABLE GRANT Total	RECOVERABLE GRANT Per Unit	CHFA/FHA Total	CHFA/FHA Per Unit	4% LIHTC Total	4% LIHTC Per Unit	9% LIHTC Total	9% LIHTC Per Unit
Hard Debt										
Commercial Debt 1	-	-	-	-	846,740	16,935	616,378	12,328	734,815	14,696
Commercial Debt 2	-	-	-	-	-	-	-	-	-	-
Tax-Exempt Bond	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Soft Debt										
Seller Financing/Take Back Note	-	-	-	-	-	-	1,500,000	30,000	1,500,000	30,000
State	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other										
From Operations	-	-	14,138	283	31,638	633	31,638	633	31,638	633
Cash Escrows	-	-	89,198	1,784	89,198	1,784	89,198	1,784	89,198	1,784
Grant	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee	-	-	-	-	167,691	3,354	176,393	3,528	175,704	3,514
Equity										
GP Contribution	-	-	-	-	-	-	-	-	-	-
LIHTC	-	-	-	-	-	-	1,171,663	23,433	2,313,097	46,262
Other	-	-	-	-	-	-	-	-	-	-
Total Sources of Funds	**-**	**-**	**103,336**	**2,067**	**1,135,271**	**22,705**	**3,585,271**	**71,705**	**4,844,452**	**96,889**
USES										
Acquisition Costs	-	-	-	-	-	-	1,500,000	30,000	1,500,000	30,000
Construction Costs	-	-	2,297,635	45,953	2,297,635	45,953	2,323,097	46,462	2,323,097	46,462
Soft Costs - Design & Construction	-	-	257,373	5,147	253,752	5,075	259,792	5,196	259,792	5,196
Soft Costs - Due Diligence	-	-	12,757	255	22,757	455	27,088	542	27,088	542
Soft Costs - Transaction Costs	-	-	34,638	693	114,638	2,293	241,802	4,836	241,802	4,836
Soft Costs - Financing	-	-	71,799	1,436	227,342	4,547	271,006	5,420	270,338	5,407
Soft Costs - Other	-	-	28,750	575	32,500	650	32,500	650	32,500	650
Soft Cost Contingency	-	-	20,266	405	32,549	651	37,140	743	36,556	731
Reserves	-	-	-	-	41,830	837	156,025	3,121	158,491	3,170
Developer Fee	-	-	191,476	3,830	419,227	8,385	440,983	8,820	439,260	8,785
Total Uses of Funds	**-**	**-**	**2,914,694**	**58,294**	**3,442,230**	**68,845**	**5,289,434**	**105,789**	**5,288,924**	**105,778**
TRANSACTION SURPLUS (GAP)	**-**	**-**	**(2,811,358)**	**(56,227)**	**(2,306,959)**	**(46,139)**	**(1,704,164)**	**(34,083)**	**(444,471)**	**(8,889)**

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Coverage of Capital Needs Analysis

	CURRENT		RECOVERABLE GRANT		CHFA/FHA		4% LIHTC		9% LIHTC	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
FUNDS										
Transaction Rehab	-	-	1,773,196	35,464	1,773,196	35,464	1,773,196	35,464	1,773,196	35,464
Capital Needs Funded Using Subsidy	1,124,987	22,500	-	-	-	-	-	-	-	-
Existing Replacement Reserve Balance	89,198	1,784	89,198	1,784	89,198	1,784	89,198	1,784	89,198	1,784
Replacement Reserves	615,227	12,305	615,227	12,305	484,247	9,685	484,247	9,685	484,247	9,685
Total Funds	**1,829,413**	**36,588**	**2,477,622**	**49,552**	**2,346,641**	**46,933**	**2,346,641**	**46,933**	**2,346,641**	**46,933**
USES										
Estimated Capital Needs	1,829,413	36,588	1,829,413	36,588	1,829,413	36,588	1,829,413	36,588	1,829,413	36,588
Enhancements	-	-	-	-	-	-	-	-	-	-
Total Uses	**1,829,413**	**36,588**	**1,829,413**	**36,588**	**1,829,413**	**36,588**	**1,829,413**	**36,588**	**1,829,413**	**36,588**
YEAR 20 REPLACEMENT RESERVE BALANCE	**-**	**-**	**648,209**	**12,964**	**517,228**	**10,345**	**517,228**	**10,345**	**517,228**	**10,345**

Subsidy Analysis

	CURRENT		RECOVERABLE GRANT		CHFA/FHA		4% LIHTC		9% LIHTC	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
OPERATING SUBSIDY										
Base Rent Operating Subsidy Needed	n/a	n/a	2,050,717	41,014	2,050,717	41,014	2,050,717	41,014	2,050,717	41,014
Operating Deficit Subsidy Needed	1,239,530	24,791	-	-	0	-	0	-	0	-
Income Mixing Operating Subsidy Needed	n/a	n/a	-	-	-	-	-	-	-	-
Total Operating Subsidy	**1,239,530**	**24,791**	**2,050,717**	**41,014**	**2,050,717**	**41,014**	**2,050,717**	**41,014**	**2,050,717**	**41,014**
CAPITAL SUBSIDY										
Pre-Transaction Capital Subsidy Needed	1,124,987	22,500	-	-	-	-	-	-	-	-
Recoverable Cash Flow	n/a	n/a	(472,601)	(9,452)	(166,984)	(3,340)	(229,197)	(4,584)	(230,989)	(4,620)
Transaction Capital Subsidy Needed	n/a	n/a	2,811,358	56,227	2,306,959	46,139	1,704,164	34,083	444,471	8,889
Total Capital Subsidy	**1,124,987**	**22,500**	**2,338,757**	**46,775**	**2,139,976**	**42,800**	**1,474,966**	**29,499**	**213,482**	**4,270**
TOTAL SUBSIDY NEEDED	**2,364,517**	**47,290**	**4,389,474**	**87,789**	**4,190,692**	**83,814**	**3,525,683**	**70,514**	**2,264,199**	**45,284**

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Market Assessment –John P. Savage Elderly Housing (Wallingford, CT)

I. Description Of Property

Subject Property Description & Location – The Subject Property (John P. Savage Commons) is a 35-unit State Assisted Low Income Elderly Housing complex located at 34 Martin Rd in central Wallingford, CT. The property consists of nine row-house style buildings, all single story with private front entrances and back doors. Built in 1992, the complex is relatively new and consists solely of one bedrooms. The project is attractively landscaped with sidewalks and lighting throughout.

All units come with refrigerator and stove. New heat pumps installed provide for both heat and air conditioning. Dedicated off-street parking consists of 38 spaces. On site is a community room with kitchen facilities. This building also houses a small laundry room. There are 4 handicap units with ramps installed for entrance into the unit.

Household rent for these units is determined on 30% of income, or base rent, whichever is greater. Household eligibility is restricted to persons 62 years or older unless certified totally disabled. Households must have incomes of 80% of AMI or below. Base rent is $270 for the 1 bedroom, plus utilities (Heat & HW). A utility allowance of $50 is provided which is deducted from the gross income as part of rent determination. Vacancy stands at 3. Wallingford HA has a joint waiting list for all its state elderly which currently stands at 77 for 1 Bedrooms.

Below is chart on unit mix with additional information on property on following page.

John P. Savage
34 Martin Ave
Wallingford, CT 06492

Type	Property Type	Baths	# of units	Living Area SF	Base Rate
1 Bedroom	Ranch	1	35	600 sf	$270
Total			**35**		

Additional Property Info	John P. Savage
Property Type	Elderly
Program	SH Elderly
Parking	38 (est)
Year Built	1992
# of Buildings	9
# of Handicap Units	4
Acres	N/A
Vacancy	3 Units
Waiting List – 1 BR	71 (joint list)
Owner	Wallingford HA

Subject Property Features and Amenities –

- Utilities Provided in Rent: ***None*** *(Utility Allowance: $50/studio, $50/1BR)*[1]
- *Refrigerator:* ***Yes***
- Stove: **Yes**
- Microwave: **No**
- Dishwasher: **No**
- Laundry Room: **Yes**
- Hook-Up: **No**
- Community Room: **Yes**
- Elevators: **N/A**
- Garages: **No**
- Other: **AC – Heat Pump**

II. Description of Site and Neighborhood

Map of the Area – Below is Exhibit 1 : Site Locator Map identifying the Subject Property in relation to surrounding transportation corridors, land uses and physical features.

[1] The town of Wallingford has its own electricity for residents at rates that are comparatively low to rest of the state.

Exhibit 1 – Subject Site Map

Neighborhood Description & Land Uses – The Subject Property is situated on a partially secluded site just off Center Street, a major corridor for the town. Surrounded largely by undeveloped parcels, the immediate area beyond the property consists primarily of single family residential – though on Center Street a mix of residential of different densities and commercial exist. Directly north of the property is a condominium under construction with units listing for $320,000. Downtown Wallingford is less than a mile west on Center Street supporting a wide diversity of shops, dining and services including the town library. Several parks are within easy driving distance of the Subject Property.

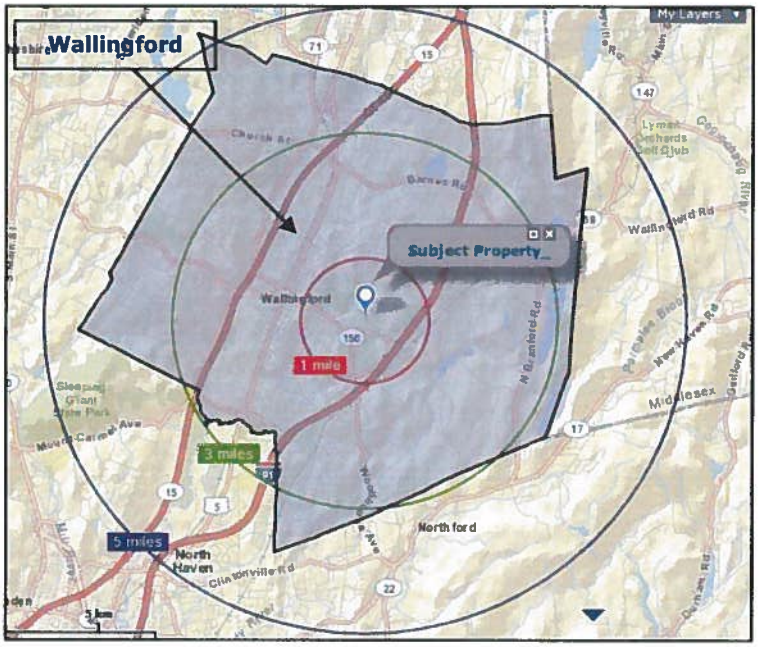
Access – The Subject Property is well located to local shopping and service areas and major transportation connectors. As noted above, the Subject Property is accessed via Center Street (Route 150), an important corridor for the town. Center Street feeds into the downtown less than 1 mile distance, also connecting to Colony Road (Route 5), a a north-south corridor serving the region. Center Street also connects ultimately with Merritt

Parkway to the west and Interstate 91 to the east. Public bus transit is also found Center Street with a bus stop not far from the Martin Street entrance.

Delineation of Market Area – The defined Primary Market Area (PMA) of demand for units at the Subject Property is Wallingford.

The Competitive Trade Area is the geographic area within which we expect the majority of prospective households to consider affordable housing alternatives. Factors that are considered in the establishment of the Competitive Trade Area include consistency in housing options, access to housing options, distance from the subject property and character of neighborhood. For purpose of this analysis, we have defined the Competitive Trade Area to be Wallingford.

Exhibit 2 – Market Area Map



II. Economics & Demographics of Market Area

[PLEASE REFER TO MARKET BRIEF IN THE APPENDIX ON TRENDS RELATED TO ECONOMIC AND DEMOGRAPHIC TRENDS FOR THE AREA]

III. Rental Survey

Housing Rental Survey Summary Analysis –

It is somewhat surprising Wallingford does not support more market rate rental apartment housing given its large and relatively healthy employer base. Our survey of apartments identified only four actively marketing in town. Filling this gap for rental housing are

condominium rentals, which Wallingford does have in ample supply, and the small multi-family home market of 2-4 units (refer to Wallingford Market Brief). As one would expect, the multi-family homes provides the more affordable housing in town with average rents of $696/m for a one bedroom and $973/m for a two bedroom unit. Condo rentals associated with newer construction is the defacto luxury rental market in town. In between these two markets lies the professionally managed Wallingford apartment market consisting of an estimated 550 to 650 units. Although mostly lacking similarity to the Subject Property in terms of product (outside the fact they are flat-style apartments) and amenities, the surveyed apartments are priced to capture a market at 50% to 80% AMI, which at the lower end of this spectrum, the subject property has seen some penetration.

Below is a summary of the results of the rental survey within the market area.

Summary of Rental Market Analysis

A summary of the rental analysis indicates the following market factors:

- Four open-age market rate apartments in Wallingford were surveyed reflecting the market environment for rental housing in Wallingford. None are true comparables to the subject property but each reflect a market alternative for units at the Subject Property based on pricing, unit configurations, features and amenities for senior households at incomes of 80% AMI or less.

- All of the surveyed properties were built in the 1970s-80s. Parker Place is actually a mill conversion to condominiums of which a large block of units were retained by an investor and rented. Three of the properties are walk-up garden apartments (all three stories) – while Parker Place is a four story low-rise with elevator.

- Of the four, Amenities are most basic at Northridge, centering largely on storage and laundry room. They become more elevated in Parker Place, Silvertree Apts, and Southwind, with all three offering dishwashers, microwave, central air conditioning, fitness center, while Silvertree and Southwind also offer decks/patios, swimming pool, and tennis courts. On-site management is provided in all four.

- Average rent for studio and one bedroom was $753/m and $916/m, respectively. None of the four include utilities in the rent.

- Unit size averaged 532 sf for the efficiency and 763 sf for the one bedroom.

- Vacancies were identified in all four properties surveyed – though in some cases these were identified for the first of the month in January 2013.

A summary of the analysis of rental data for apartment survey is provided in the table 1 on following page.

Table 1

Open-Age Market Rate Housing Rental Survey – Wallingford

Property	Total Units	Prop. Type	Age	0 BR	0 BR size	$/sf	1 BR	1BR size	$/sf	Utilities In Rent	Unit Availability
Northridge 12 North Turnpike Rd	57	Garden	1970s	--	--	--	$795	700	$1.16	No	1-2 in Jan.
Southwind Apts 181 Southwind Dr	180	Garden	1980s	$785	585	$1.34	$970	725	$1.29	No	Available
Silvertree 88 North Turnpike Rd	200	Garden	1970s	$749	480	$1.56	$999	865	$1.15	No	Available
Parker Place Apts 53 Parker St	120	Low-Rise Mill	1988	$725			$900			No	Available
Average				**$753**	532		**$916**	763			

Source: Property Managers, Internet, Rental Agents

Survey of Governmental Assisted Housing– In order to better understand the options for affordable senior housing in Wallingford, a survey was undertaken of governmental assisted housing. This survey identified 6 publically funded housing properties in Wallingford for the elderly, inclusive of the Subject Property, totaling 345 units. Five of the six properties are owned and managed by the Wallingford Housing Authority (WHA). Of this number only one is federally funded. Notably, WHA reported vacancies in all state funded properties, including three at the Subject Property – despite a waiting list. A representative for the authority indicated that there is market resistance to the efficiencies which are showing up highest in vacancies. But in addition, in Wallingford, a town official must inspect and approve a unit before lease-up can begin including processing of applications on the waiting list.

The one property not associated with WHA is Silver Pond, a 160-unit senior complex owned by Carrabetta Properties. Silver Pond is LIHTC property offering efficiencies, 1 and 2 bedrooms units. According to leasing agent at Silver Pond, units are restricted to households earning $23,000 to $35,700, with one bedrooms renting at $800 inclusive of utilities. Vacancies were reported for both studios and one bedrooms.

Refer to Table 2 on following page for results of survey of publically assisted senior housing projects in Wallingford.

Table 2

Survey of Governmentally Assisted Elderly Housing – Wallingford

Property Name	Address	Owner	Public Funder	Deter. Of Rent	Elderly Units	Age	Vacancy/ Waitlist**
Silver Pond*	656 East Center St	Silver Pond Realty	CHFA/ LIHTC	See Below	160	1973	Availability
East Side Ter.	10 East Terrace	Wallingford Hsing Auth	HUD	Base Rnet	30	1966	1 studio
John P. Savage (*Subject Property*)	34 Martin Ave	Wallingford Hsing Auth	CHFA	Base Rent	35	1992	3 One BRs
McGuire Court	50 McGuire Court	Wallingford Hsing Auth	CHFA	Base Rent	50	1974	6 studios
McKenna Court	66 Washington St	Wallingford Hsing Auth	HUD/CHFA	30% Inc	30	1980	No Vac. -68 WL
South Side Ter.	40 South Side Terrace	Wallingford Hsing Auth	CHFA	Base Rent	40	1969	3 studios
Total					**345**		

Source: Internet, Property Owners/Managers

* Silver Pond is a LIHTC project with income eligibility between $23,000 and $35,700. Complex offers 1 and 2 BR units. 1 Bedrooms rent for $800/m. ** Wallingford HA has a joint waiting list of 91 applicants for state-funded elderly

VI. Analysis of Current Tenant Base

Demographics-Economics-Rent Structure of Current Tenant Base:

- Total Units: **35**
- Total Occupied Units: **34**
- Total Residents: **41 (9 --2per/HHs)**
- Total # of Children: **0**
- Average Age: **75**
- % Minority: **6%**
- # of Disabled HH under 62: **3**
- % at Base Rent or below: **18% (6HHs)**

- Income Below 25%AMI: **19% (6)**
- Income 25% at 50% AMI: **74% (23)**
- Income 50% AMI or greater: **7% (2)**
- Average Adjusted Income: **$17,683**
- Average Tenant Rent: **$395/m (1BR)**

John P. Savage Common Income Distribution

Resident HH Income	Rent Equivalent	% of HH
< $10,000	$250	13%
$10000-$15000	$250-$375	22%
$15000-$20000	$375-$500	37%
$20000-$25000	$500-$625	16%
$25000-$30000	$625-$750	3%
>$30000	>$750	9%

VI. Conclusions/Recommendations

a. Rent Structure Opportunity

Market & Property Factors

Positive

- Subject Property relatively new; built in 1992.
- Private entrances (back and front)
- All one bedrooms
- Unit size comparable to market
- Newly installed Heat Pump Units
- Community Building with laundry
- Close to shops-services – Downtown

Challenges

- Limited parking
- Vacancy[2]
- Competition from Silver Ponds (LIHTC)

Below is a summary of data compiled on Subject Property and average rents identified within specific market segments.

Unit Type	Subject Property	Subject Property	Local Market Alternatives	Assisted Alternatives	CT MLS Multifamily	CT MLS Condo	Managed Apartments
	Contract Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent
Studio			$753				$745
1 BR	$270	$395	$916	$800	$696	$838	$841
2 BR					$973	$1252	$1031

Included in the above under Assisted Alternatives is **Silver Pond,** a senior housing property funded in part with LIHTC. According to representative of property, household income eligibility is between $23,000 and $35,700. Vacancies were reported for units.

Tenant Base Trends

- John P. Savage appears to have bucked the trend experienced by many senior housing state-wide towards growing concentration of lower income HHS.

[2] According to property manager the prime reason for current vacancy of 3 units in the Subject Property is that remediation work is/was needed in the units recently vacated, which then must be inspected by town official before any applications can be processed on waiting list.

- A comparison of income distribution for J.P. Savage residents in 2003 vs 2011 reveals just the opposite – a shift in the last nine years to more senior households with higher incomes, not less.

John P. Savage Resident HH Income	J.P. Savage Year 2003	J.P. Savage Year 2011
< 25%AMI	26%	19%
25-50% AMI	74%	74%
50%-80% AMI	0%	7%

Source: DECD, CHFA, Property Owners

Market Depth

To evaluate the capacity for rent restructuring at the Subject property, we have performed a market penetration analysis. This type of analysis bases its assessment of potential market capture on the relationship between the size of the development and its target market, taking into consideration housing options likely to compete with the Subject Property.

The market penetration rate represents the share of eligible target market that the Subject Development must capture in order to achieve full/optimum occupancy, assuming all existing and planned facilities are operating at capacity. As it is used here, it is primarily designed to reflect scale of demand at different price brackets and the capacity to capture that market assuming somewhat conservative penetration rates. Thus at lower household incomes you would expect higher capacity to capture due to lack of affordable options. The opposite is the case at higher household incomes.

As a first step in testing market depth for Rent Stratification, we must first estimate the number of renters from homeowners by income in the source market area (in this case five mile radius from Subject Property). We assume that most, if not all of the market for the available units will come from households renting homes, rather than from those who are homeowners. As this data is not available at town level for 2010, we start by using data from both 2010 Census and American Community Survey 2011 to arrive at distribution within the county, the lowest level for which current tenure HH data by income is available. Using that data, an adjustment factor was applied to better reflect the tenure base of the the Source Market Area (SMA)[3].

New Haven County	New Haven County Tenure Distribution		Adjustment Factor Wallingford SMA	
Income Distribution	Rent	Own	Rent	Own
under 15,000	77%	23%	74%	26%
15000-25000	63%	37%	57%	43%
25000-35000	53%	47%	46%	54%
35000-50000	42%	58%	33%	67%

Source: US Census 2010, American Community Survey, 2011

[3] The adjustment was determined based on the ratio of ownership in the SMA to County home ownership.

The chart below reflects estimated distribution of senior households in SMA by tenure and income. Based on our analysis of tenure by income, we estimate the Source Market Area contains 2,294 households whose incomes fall within the income threshold for the target market of which 1,187 are renters. The chart also shows current distribution within the Subject Property of senior tenants by income (excludes young disabled).

Wallingford	Source Mkt Senior HH 65+			Subject
Income Distribution	Total	Rent	Own	Property Senior Tenant Base
under 15,000	513	377	136	10
15000-25000	640	368	272	15
25000-35000	494	227	267	3
35000-50000	647	215	432	1
Total	**2,294**	**1,187**	**1,107**	**29**
Young Disabled				3
Vacancy				3

Source: US Census 2010, American Community Survey, 2011

Other Factors for Determining Market Depth

Other defining factors in determining market capacity of the source market for the proposed rental units of the Subject Property is overall rental turnover in the marketplace and expected absorption of units by source market renters.

- Based on discussions with area property managers and census data on mobility patterns, we have assumed a 30% turnover rate within the market place with respect to renters.
- Relative to market penetration, we have assumed that 80% of the units will be filled by residents in Wallingford.

As a rule, for housing projects looking to capture very low income households , market penetration rates of 10 to 20% attest to the project's potential feasibility (and often higher depending on an areas housing availability at such income levels) assuming most or all existing housing options are operating at capacity. As you ratchet up the income brackets and come closer to a household's financial ability to find housing in the broader market, more conservative penetration rates are applied to test feasibility/potential depth of market. Thus at income brackets $25,000-$50,000 conservative rates of 3 to 5% are being applied to test market depth.

To assist in determining potential for rent structuring, we looked at both market depth on an annual level based on assumption of turnover per year in the marketplace as well as the potential capture in aggregate overall among all households 65+ within the source area in each bracket. A comparison is provided between the present income distribution found at the Subject Property among seniors and estimate of potential capture on an annual basis.

Below is a chart showing estimates for potential capture on an annual basis at different income brackets. There is evident depth at the lower incomes levels $25,000 and below on an annual basis with a source market potential for 28 units. While above $25,000, the potential market base is estimated at 5 units based on a 3 to 5% penetration of market.

SMA	Senior HH 65+ - Source Market Area				
Income Distr	Total	Rent	Turnover ratio	# Renters Moving	Current Senior HH Tenants
under 15,000	513	377	30%	113	10
15000-25000	640	368	30%	110	15
25000-35000	494	227	30%	68	3
35000-50000	647	215	30%	65	1
Young/disabled					3
Vacancy					3
Total	2294	1187	1107	356	35

Potential capture rates:		Potential Annual Capture Rate	Current # Senior HHs at Sub. Prop
under 15,000	15%	17	10
15000-25000	10%	11	15
25000-35000	5%	3	3
35000-50000	3%	2	1
Total		33	29

* Formula = # Renters Moving in Source Market X Potential Capture Rate

Source: US Census 2010, American Community Survey, 2011

In the chart below, we estimate the aggregate capture potential among 65+ households within the defined source market area (Wallingford) at each income bracket. This is helpful in gauging overall market depth in the primary source market.

Wallingford	Senior HH 65+		Aggregate Potential Capture Total HH 65+	
Income Distribution	Total	65+ HH Renters	Capture Rates	Total Senior HH Capture Potential
under 15,000	513	377	15%	57
15000-25000	640	368	10%	37
25000-35000	494	227	5%	11
35000-50000	647	215	3%	6
Total	2294	1187		111

Source: US Census 2010, American Community Survey, 2011

b. Recommendations for Improving Marketability

We believe, without the benefit of viewing units, that most of the needed steps for improving marketability at John P. Savage would be confined to interior improvements – including upgrading kitchen appliances, new cabinets, ect. We also note that parking appears tight at the complex – at least when we visited the site. In talking to other complexes, we are finding a higher demand on parking than what was originally envisioned - with not only more older people driving – but also for guest parking for visiting nurses, caregivers and the like. In either case, these type of upgrades would help marketing to a broader income base.

One improvement that appears to have already occurred is the provision of heat pumps to each unit – though this might have been part of the original construction. In any event, anything to improve energy efficiency and therefore utility costs would be highly desirable to a prospective tenant.

c. Redevelopment Scenario

From a market analysis perspective, John P. Savage Common does not reflect a strong need for a redevelopment scenario.

APPENDIX

MARKET BRIEF

Town: *Wallingford, CT*
County: *New Haven County*

1. Economic Trends

Major Employers - Wallingford

Employer	Sector
Amphenol Corp	
Bristol-Myers Squibb Company	
Respironics	
Verizon Wireless	
Quest Diagnostics, Inc.	

Source: CERC, Town Profiles 2012

Over the last 30 years Wallingford has been very successful in rebuilding its economic base from primarily manufacturing to one incorporating broad sectors of the economy. Providing the basis for this transition are five industrial and corporate parks covering 1500 acres. Some of the larger and more noteworthy companies in town are listed to the left. Not included on this list but a key employer is Gaylord Hospital - a highly regarded long term acute & chronic care hospital.

Major Industries - Wallingford

Industry Sector - 2011	% Share of Jobs
Manufacturing	17.7%
Health Care	15.8%
Retail Trade	9.9%
Administrative & Support	7.7%
Wholesale Trade	7.6%
Government	9.4%

Source: CT Dept. of Labor

Wallingford's job base is diverse with manufacturing still a key member (4,741 jobs), though much less so compared to 30 years ago. Health Care (Gaylord), Retail Trade and Admin & Support combined added 9,065 jobs to the local economic base in 2011. .

Labor Force & Employment Trends

Labor Force +Employment	Wallingford	New Haven County
Labor Force-2011	25,807	457,666
Unemployment -2011	8.1%	9.7%
Total Employment -Workplace	26,854	348,985
2005 - 2011 - Annual Growth	-0.1%	-0.5%
2010 - 2011 - Annual Growth	1.3%	1.0%

Source: CT Dept. of Labor

Wallingford is a sizeable jobs center with employment of 26,854 as of 2011 - greater than the local labor force. Between 2005-2011, overall employment declined by 6%, but increased last year (2011) by 1.3%.

Meanwhile the jobless rate in town stood at 8.1%, better than the rate posted for the county.

Town: *Wallingford, CT*
County: *New Haven County*

2. Demographic Trends

Population Trends

Population	Wallingford	New Haven County
2000 Total population	42,923	824,008
2010 Total Population	45,135	862,477
Annual Percentage Growth	0.50%	0.46%
2011 Total Population (est)	45,109	862,441
2016 Total Population (proj.)	45,122	871,880
2011– 2016 Annual Rate	0.01%	0.22%

Source: 2010 Census, ESRI Business Systems

Wallingford experienced steady population growth last decade but future growth is expected be flat.

Household Trends

Household	Wallingford	New Haven County
2000 Total Households	16,665	319,040
2010 Total Households	18,032	334,502
Annual Percentage Growth	0.79%	0.47%
2011 Total Households (est.)	18,025	334,488
2016 Total Households (proj.)	18,119	338,444
2011– 2016 Annual Rate	0.10%	0.24%

Source: 2010 Census, ESRI Business Systems

Wallingford recorded steady HH growth last decade with the adding 1,367 new households. Over the short term (to 2016), household expansion is projected to be more moderate.

Race & Ethnicity

	% Share of Population	
Population - 2010	Wallingford	New Haven County
White Alone	91.0%	74.8%
Black Alone	1.4%	12.7%
Asian Alone	3.4%	3.5%
Hispanic (Any Race)	7.9%	15.0%
	Change - 2000 to 2010	
White Alone	-4.0%	-6.4%
Black Alone	40.0%	12.4%
Asian Alone	88.9%	45.8%
Hispanic (Any Race)	75.6%	48.5%

Source: 2010 Census, ESRI Business Systems

9% of Wallingford's population in 2010 was minority - with Asians the largest group. Persons of Hispanic origin - any race accounted for nearly 8% of the population base , a 75% increase from 2000.

Town: *Wallingford, CT*
County: *New Haven County*

2. Demographic Trends (Cont'd)

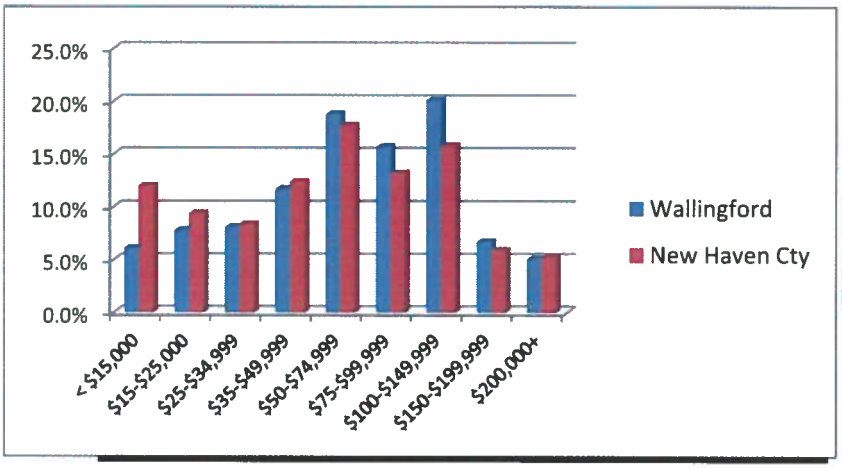
Median Income

Median HH Income	Wallingford	New Haven County
2000	$57,524	$48,834
2011 (est.)	$70,669	$58,775
Annual Avg % Growth	2.1%	1.9%

Source: 2010 Census, ESRI Business Systems

Wallingford's income profile is moderate-high with median income 20% higher than the county median.

HH Income Distribution (2011)



Source: 2010 Census, ESRI Business Systems

Income Distribution within Wallingford is most concentrated in middle income brackets $50,000-$100,000 (34.5%), but also well represented in the higher income band $100,000-$150,000 (20%). Meanwhile , 22% of town's HHs earn under $35,000.

HH Income Distribution - 65+ (2010)

HH's	Wallingford		New Haven Cty	
	65-74	75+	65-74	75+
Total HHs	1,906	2,008	36,177	40,068
< $15,000	8.9%	17.1%	12.9%	21.8%
$15-$25,000	14.4%	18.2%	12.5%	18.0%
$25-$34,999	14.2%	11.1%	11.1%	11.1%
$35-$49,999	18.3%	14.9%	15.2%	12.9%
$50-$74,999	18.2%	10.6%	19.1%	14.0%
$75-$99,999	12.3%	14.7%	12.8%	10.0%
$100-$149,9	8.0%	5.1%	8.7%	5.5%
$150-$199,9	1.9%	4.9%	3.6%	3.3%
$200,000+	3.7%	3.3%	4.1%	3.4%
Med Inc.	*$44,020*	*$37,789*	*$47,829*	*$33,930*

Source: 2010 Census, ESRI Business Systems

A large core of 65+ households in Wallingford earn under $25,000 (29%), while 35% of the 75+ HHs have incomes under this level. 29% of all 65+ HHs earn between $25,000-$50,000.

Town: *Wallingford, CT*
County: *New Haven County*

2. Demographic Trends (Cont'd)

Poverty Rates

Households - 2010	Wallingford % Total	New Hav.Ct % Total
Married Couple - Family	1.8%	1.4%
Other Family HHs (spouse not present)	1.7%	3.9%
Non-Family HHs	2.8%	5.4%
Poverty Ratio - Total	6.4%	10.6%

Source: ACS Population Survey, ESRI Business Systems

Poverty ratios is moderate in Wallingford (though below the county) affecting a broad spectrum of household types.

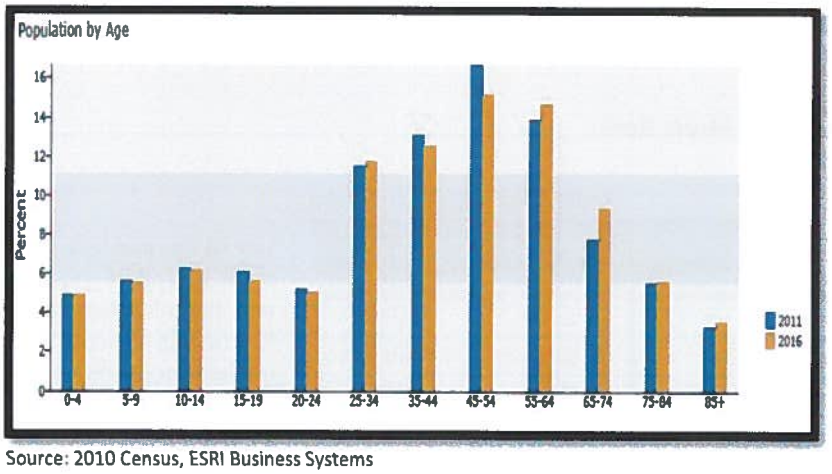
Age Trends

Population - 2010	Wallingford % Total	New Hav.Ct % Total
Age 18+	79.0%	77.6%
Age 65+	16.5%	14.4%
Age 75+	8.9%	7.3%
Median Age	42.9	39.2

Source: 2010 Census, ESRI Business Systems

Wallingford has higher proportion of seniors over 65 compared to the county pushing its median age to 42.9 vs. 39.2 for the county.

Age Distribution 2011-2016



Source: 2010 Census, ESRI Business Systems

Waterbury's senior population , 65+, is expected to rise to 18.5% of total resident base by 2016, up from 16.5% in 2010. Moderate increases are also projected for age cohorts 25-34 and 55-64.

Town: *Wallingford, CT*
County: *New Haven County*

3. Housing Trends

Tenure and Vacancy

HH's	Wallingford		New Haven Cty	
	2000	2010	2000	2010
Own-Occp	72.6%	72.9%	63.1%	63.4%
Own-Units	12,132	13,140	201,317	212,169
Rent-Occp	27.4%	27.1%	36.9%	36.6%
Rent Units	4,569	4,892	117,723	122,333
Ttl Occp Units	16,700	18,032	319,040	334,502
Vacancy	3.5%	4.8%	6.4%	7.6%

Source: 2010 Census, ESRI Business Systems

Housing tenure in Wallingford was 73% owner-occupant - 27% rental in 2010, essentially unchanged from 2000 - though both gained in numbers.

Housing vacancy for 2010 was 4.8%, a rate considered adequate for maintaining positive market environment.

Housing Characteristics

% Share of Total Housing

Structure Type - 2010	Wallingford	New Haven County
1 Detached	62.8%	54.3%
1-Attached	6.2%	5.8%
2-unit	9.1%	9.2%
3/4 unit	8.1%	10.8%
5+ units	13.8%	19.9%
Total Housing Units - 2010	17,911	362,004

Source: ACS Housing Surveys, ESRI Business Systems

Wallingford offers a broad mix of housing product with approximately two thirds found in single family and the balance well distributed between low density and high density housing.

Rent-occupied Housing by Contract Rent

Renters with Contract Rent

Contract Rent - 2010 Distribution	Wallingford	New Haven County
Under $200	2.8%	5.6%
$200-$399	3.0%	6.6%
$400-$599	9.2%	10.9%
$600-$799	28.5%	25.5%
$800-$999	32.0%	25.2%
$1000-$1249	9.0%	11.6%
$1250-$1499	1.8%	6.1%
$1500-$1999	4.0%	2.8%
above $2000	1.6%	1.3%
Median Contract Rent	$812	$794

Source: ACS Housing Surveys, ESRI Business Systems

Like its housing types, Wallingford's rental market is found in various forms with 2-4 unit multi-family homes and condos functioning an important role in the market along with managed apartments. On the whole - rents are moderate to high in town with median rent for Wallingford in 2010 estimated at $812/m compared to $794 for the county.

Town: *Wallingford*
County: *New Haven County*

4. Rental Housing Market

Mfamily

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1	10	$701	$696	58	$575-$800
2	26	$981	$973	64	$700-$1250
3	5	$1,120	$1,100	35	$950-$1300
4					

Source: CT MLS (Dom- Days on Market)

Condo

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1	11	$838	$838	31	$725-$1200
2	34	$1,265	$1,252	28	$800-$1850
3	5	$1,780	$1,710	27	$1500-$2100
4					

Source: CT MLS (Dom- Days on Market)

Managed Apartments

	# of Prop	Avg Studio BR rent	Avg One BR rent	Avg Two BR rent	Avg Three BR rent
Apts	4	$745	$841	$1,031	

Source: AMS, Property Mgrs., Internet, RE Journals