Parsonage File

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GENERAL PHYSICAL CONDITION ASSESSMENT REPORT

Rye Second Parish Apartments
575 Washington Rd
Rye, NH 03870

Prepared for:

The Housing Partnership

Inspection Date: June 3, 2015
Report Date: June 18, 2015

LASSEL ARCHITECTS PA
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Figure 1 East Elevation

Figure 2 Carriage house

Rye Second Parsonage Apartments General Conditions:

The main building was built in 1810 and has additions built on the West and South sides. The property is on the corner of Washington Rd. and Old Parish Road adjacent to the Rye Public Library. There is a separate masonry carriage house that has been converted to an apartment. Parking is on site on a paved area. There are 7 apartments in the main house and one apartment in the carriage house. Each apartment can be accessed and/or exited from a front & rear stairway. The site is located within the Rye Historic overlay district and any exterior renovations will need to be reviewed by the Historic District Commission.

Site Conditions:

The property is set on a level site that could meet all ADA code requirements. Landscaping is well maintained and trees seem in good health. There was no ponding of water on the site following a rainy day before the inspection.

The parking lot will need to be addressed to repair multiple cracks and should receive an overlay treatment and not simply receive a sealant application at this point of its life cycle. It should also be raised to meet the level of Washington Road at the entrance.

Figure 3 Apartment path and masonry stair repair

Figure 4 Second floor apartment stairs and rear fence

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Exterior staircases to the second floor are pressure treated wood and the stringers and the posts have been repaired recently. Stairs are not level and are built with open risers. First floor apartments are served by brick stairs. One unit has a temporary repair to the brick that needs to be repaired to be level and have correct nosing. No unit is currently wheelchair accessible.

Pathways are made of several different materials including concrete, concrete pavers and brick pavers. They appear to be in acceptable condition for wear. One apartment does not have a paved path to the entrance and is only accessible by walking across the grass yard. Yard fence adjacent to the library parking lot has support issues where the posts enter the ground and is assumed to have rotted below grade.

Structural Conditions:

Main house first floor framing has areas of historical insect damage, rot and members that have been compromised by plumbing pipes. Building is structurally stable and all insect damage seems to have been at an earlier time. No active insects or evidence of active insects was seen. Work needs to be done to maintain the integrity of the certain framing members, and beams will need to be replaced or reinforced. Crawl spaces will need to be inspected fully and will need to have ventilation to the main basement area. The crawl space framing at the west side of the house is not visible but is out of plumb over the span of the rooms.

From the exterior, there are cracks in the concrete masonry foundation wall at the west side. Attic framing is rough timber and purlin framing and does not show any rot or insect damage. New sheathing was visible through the roof decking. The carriage house is slab on grade and shows no signs of foundation damage or framing concerns.

Exterior Conditions:

The main house roof is asphalt shingle and was replaced in 2014 according to the building maintenance supervisor. The southeast corner of the main house is low slope rolled roof and was not replaced at the same time as the shingles. The carriage house roof is older and does not show any wear or leaks. Siding is in need of attention as some of the clapboards have rotted or split. Window trim looks original to the house but is in poor condition and should be replaced due to wet rot on heads, jambs and sills. Exterior door jambs and sills are also in poor condition and should be replaced. Steel apartment doors at the second floor rear apartments are rusting and not sealing properly and should be replaced. Steel basement bulkhead is in poor condition has rusted out hinges and rust holes through the surface which are allowing water to enter the basement. Eaves were not checked for rot but need to be scraped and painted at a minimum. Some clapboards have been replaced as part of maintenance but the walls were not repainted so the color does not match precisely.

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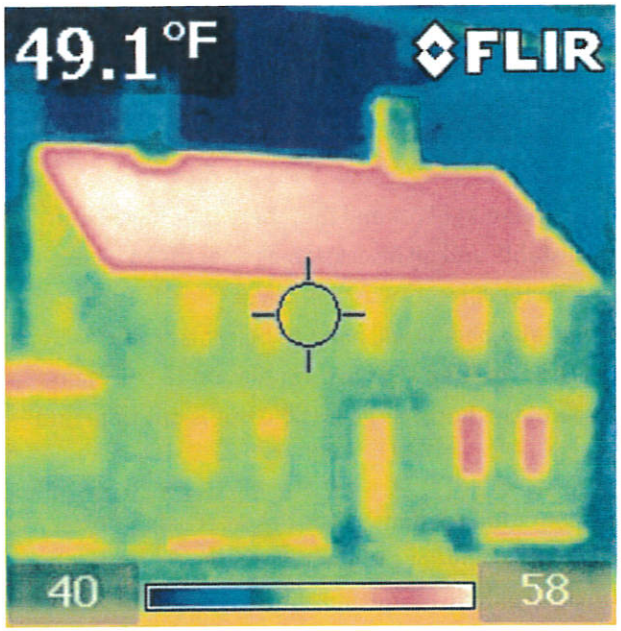
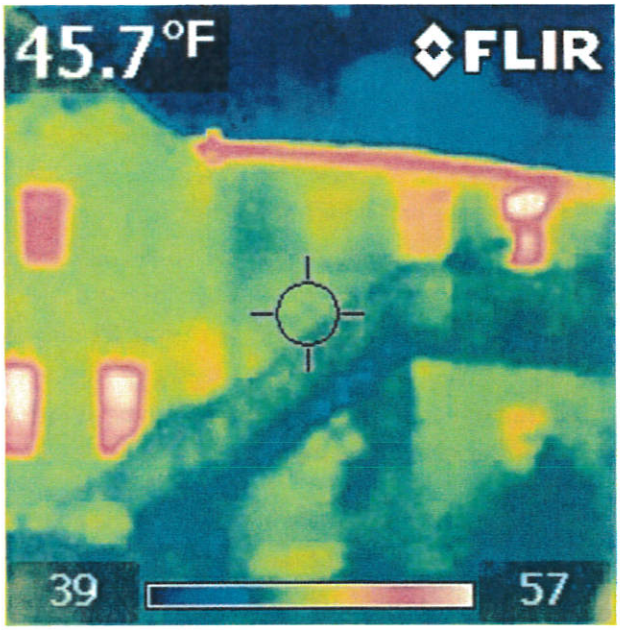
Masonry chimneys have lost mortar and should be repointed to prevent damage to the bricks. The brick masonry at the corners with downspouts also need to be repointed.

The front gutter on the main house is bent off the fascia and should be replaced. The leaders from the front gutter are not attached. Some leaders were clogged with leaves at the time of inspection and should be cleaned. All downspouts need diverters at the base and need splash blocks to prevent damage to the building foundation.





Interior Conditions:

The interiors are well maintained but mostly original components exist. The windows had been replaced within the last 15 years. The manufacturer is unknown and they appear to be in working condition as double paned vinyl units. The existing windows do not meet the current building code minimum clear opening dimensions for egress windows but were permitted when the building was built.

The kitchen & bathroom cabinets are original and could use replacing. The appliances vary in age and are all in working acceptable condition. Long term consideration would be to replace appliances with more efficient energy star rated appliances.

None of the kitchens have any venting and the bathrooms appear to be vented to the roof. Bathroom vents ducts are wooden at the attic and should be replaced with metal or flex duct. Most of the hallways and apartments had minimal odors within the hallways and units. Attic space has windows but has no venting.

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The flooring is a variety of materials from wide plank floors, oak strip floors, sheet vinyl, and carpet.

No radon tests where taken at the property

Mechanical System Conditions:

The main house has one boiler with eight zones to heat the entire building. The boiler was installed in 1995 and still operates. The 20 year old boiler is operating at 83% efficiency and is reaching the end of its lifespan. A new boiler will be needed soon and a new oil boiler would operate much more efficiently. The units are heated through hot water baseboard systems. The carriage house has a propane heater where the owner provides the fuel for heat.

The main house oil fired water heater is less than 10 years old and seems in good operating condition. The carriage house water heater is electric and has standing water in the drain pan that it is in.

There are no sprinkler systems within the buildings

Electrical Conditions:

We took minimal notes relating to the electrical system however note that each unit has their on meter. Tenants pay their own electrical fees.

Smoke and CO2 detectors were in place and were hard wired.

Special Needs Conditions:

The property has no ADA apartments for special needs populations. The building was occupied prior the 1991 Fair Housing Guidelines and the scope of work to repair the building would not require any units to be fully accessible. Any upgrades to meet handicap accessibility would be voluntary to benefit tenants. While making a fully accessible unit is not technically feasible in the historic building, reasonable accommodations can be made to provide a unit that is designed to accommodate a tenant with hearing and visual impairments.

Conclusions:

Critical repair needs :

- Bulkhead doors need to be replaced to prevent water from entering basement.
- Carriage house water heater needs to be evaluated because of water in the drain pan.
- Masonry stairs need to be repaired to meet current stair code. Current temporary repair does not provide any nosing.

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- First floor south west apartment needs to have walkway from the exit continuous to the public way. Currently it exits onto an unpaved path.
- Unit 8 in carriage house needs to be verified to have GFI outlets in kitchen. No GFI was visible during the inspection.

Recommended repairs:

- Doors need to function properly. Second floor West apartments have steel doors that are sticking and not opening easily. Doors have visible rust on the surface and door frames show rot damage. New doors would also improve energy efficiency. New doors need to be approved by the Rye Historic District Commission.
- Exterior walls have local areas of rotted wood siding and trim. In order to extend the life of the exterior wall systems, siding and trim repairs, caulking and painting are recommended to be done.
- Gutters, downspouts and splash blocks need to be addressed. The gutter on the front of the main house needs replacing. Downspouts need to be secured to gutters where they have pulled away. Downspouts also need to be cleaned of debris that is clogging them. Diverters need to be installed at the base of the downspouts to direct water away from damaging the foundation and splash blocks need to be installed to carry water away from the house.

Capitol improvement repairs:

- The first floor structure needs review and repair. Beams and joists supporting the first floor have historic insect damage and current rot damage. The framing is stable and no additional termite damage seems to be occurring but the rot damage needs to be addressed and prevented from continuing. Full structural review needs to be done to determine which framing members need to be reinforced or replaced. Not all framing members are visible from the basement due to limited crawl space access. Crawl space ventilation needs to be addressed to meet code and prevent further rotting.
- Heating system boiler is at the end of its lifespan and should be replaced with a new more efficient boiler.
- Second floor apartment stairs and railings are reaching the end of their usable life and should be replaced. Existing stairs show signs of rot and are not level walking surfaces. Repairs have been made to sustain the structural integrity of the stair stringers but overall condition warrants replacement.
- Several window trim boards show signs of rot and need to be replaced. New trim needs to be approved by Rye Historic District Commission.

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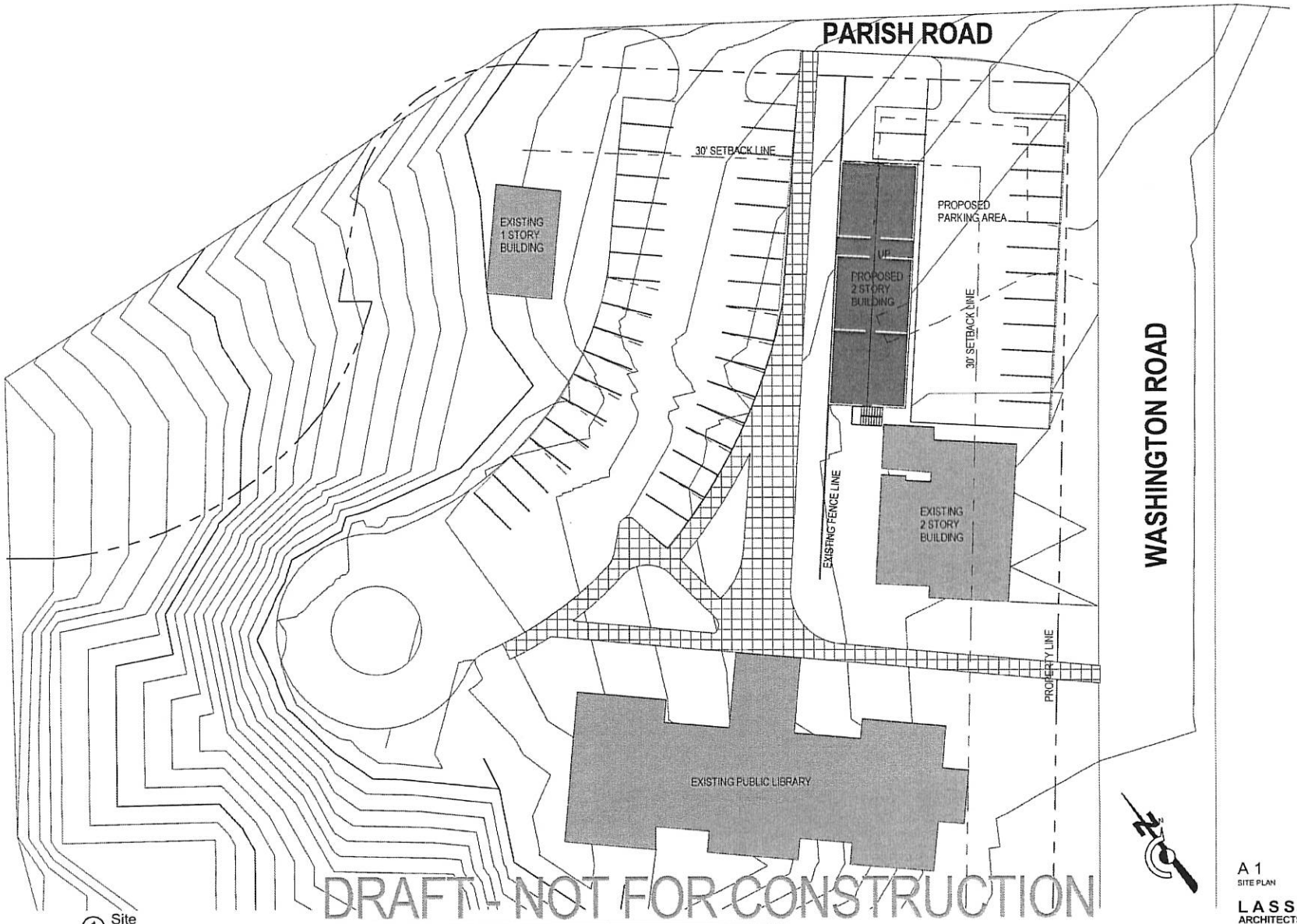
- Windows need to function properly. Any window that is not operable needs to be repaired or replaced. Any bedroom egress window that does not function would be a critical repair issue. New windows should be considered for the building to improve occupant comfort, improve energy efficiency and work with new trim to keep the structure water-tight and prevent future wood rot. New windows need to be approved by Rye Historic District Commission.
- Chimney and foundation brick need repointing. Eroded mortar needs to be repaired to prevent damage to bricks. New mortar will need to be mixed to be compatible with historic bricks.
- Programmable thermostats and temperature limiting thermostats can improve the amount of energy use in the building
- Low flow showerheads and toilets are recommended to reduce water use in the building.
- Kitchen range hoods are recommended. Hoods can prevent smoke detector false alarms when cooking. Hoods can also reduce cooking odors.
- Lighting fixtures should be updated to use CFL bulbs or LED bulbs to reduce energy use.
- Attic stair door should be replaced with an insulated door and sealed frame.
- Attic insulation was blown in as some point and should be evaluated to check R-value and adequate coverage.
- Attic ventilation needs to be installed to provide air flow and prevent ice dams on the roof in the winter.
- Bathroom vents need to be inspected. Wooden vents were visible in the attic and seemed to be connected to current bathroom vent system. These wooden vents are not well sealed to direct exhaust air to the outside.
- One unit should be converted to accommodate hearing and visually impaired. This can be a way to reasonably accommodate disabled clients since having a fully accessible unit is not readily feasible.
- Asphalt paving in the parking lot is beyond patching due to the amount of cracking and holes. It is recommended to re-grade and replace the paving to have a even walking and driving surface.

Parsonage
Balance Sheet (With Period Change)
Period = Jan 2015-Aug 2015

	Balance Current Period	Beginning Balance	Net Change
Unrestricted Cash	604	1,697	(1,094)
Tenants Receivable	367	1,176	(809)
A/R Other	-	12,500	(12,500)
Total Accounts Receivable	367	13,676	(13,309)
Tenant Security Deposits	5,163	5,153	10
Prepaid Insurance	1,292	-	1,292
Total Other Current Assets	6,455	5,153	1,302
Buildings	13,351	13,351	-
Building Improvements	249,571	249,571	-
Total Property, Plant, and Equipment	262,922	262,922	-
Accumulated Depreciation - Buildings	(5,377)	(5,153)	(224)
Accumulated Depreciation - Building Impro	(94,296)	(89,864)	(4,432)
Total Accumulated Depreciation	(99,673)	(95,017)	(4,656)
TOTAL ASSETS	170,675	188,431	(17,757)
Accounts Payable	3,119	1,183	1,935
Prepaid Tenant Rent	301	-	301
Accrued Water and Sewer	(240)	-	(240)
Tenant Security Deposits	4,315	4,290	25
Due to/from THP	3,245	15,745	(12,500)
TOTAL CURRENT LIABILITIES	10,739	21,218	(10,479)
Mortgage Notes Payable	38,178	42,966	(4,788)
TOTAL LIABILITIES	48,917	64,183	(15,266)
Retained Earnings	117,505	119,996	(2,490)
Paid-in Capital	4,252	4,252	-
TOTAL PARTNER'S EQUITY	121,757	124,248	(2,490)
TOTAL LIABILITIES AND PARTNER'S EQUITY	170,675	188,431	(17,757)

Parsonage
Jan 2015-Aug 2015

	YTD Actual	YTD Budget	Variance	% Var
Tenant Rent	38,092	43,416	(5,324)	-12.26
Local Housing Authority	3,969	-	3,969	N/A
Vacancy	(4,028)	(1,353)	(2,675)	-197.72
Interest	2	2	(0)	-10.50
Other Residential Charges	25	-	25	N/A
TOTAL INCOME	38,060	42,065	(4,005)	-9.52
Residential Services Payroll	319	221	(98)	-44.53
Credit Bureau Costs	29	-	(29)	N/A
Office Payroll	1,213	1,408	195	13.88
Office Supplies	53	150	97	64.42
Postage	52	96	44	45.98
Manager Payroll	1,102	1,208	107	8.82
Management Fee	1,744	3,101	1,357	43.77
Audit Expense	591	603	12	1.99
IT/Software	218	578	360	62.33
Telephone Expense -Indirect	204	240	36	14.85
Training Expense	39	-	(39)	N/A
Travel and Mileage Expense	94	-	(94)	N/A
Food and Meetings	4	-	(4)	N/A
Legal Expense	368	-	(368)	N/A
Payroll Tax Expense	262	248	(14)	-5.62
Benefits Expense	405	683	278	40.71
Workers Comp	256	287	31	10.83
Other Admin Expense	126	90	(36)	-39.68
Electricity	463	360	(103)	-28.67
Electricity Vacant Units	150	-	(150)	N/A
Heat	4,390	8,312	3,922	47.19
Water and Sewer	1,060	480	(580)	-120.83
Lease Expense	7,067	7,064	(3)	-0.04
Lease Expense - Equipment	57	40	(17)	-42.50
Maintenance Payroll	2,548	2,856	308	10.77
Payroll Tax Expense	243	250	7	2.68
Benefits Expense	197	600	403	67.20
Janitor Contract	200	-	(200)	N/A
Maintenance Supplies	304	160	(144)	-89.96
Snow Removal	2,240	2,240	-	0.00
Grounds Contract	492	1,200	708	59.00
Grounds Supplies	212	250	38	15.30
Exterminating	325	-	(325)	N/A
Repairs Material	1,872	3,600	1,728	48.00
Repairs Contract	1,331	880	(451)	-51.25
Repairs Extraordinary Material	-	966	966	100.00
Apartment Upgrade	804	774	(30)	-3.82
Depreciation	4,656	4,656	-	0.00
Interest - Mortgage Notes	2,273	2,164	(109)	-5.03
Interest Expense - Security Deposit Return	7	-	(7)	N/A
Property and Liability Insurance	2,583	2,593	9	0.35
TOTAL EXPENSES	40,550	48,357	7,807	16.14
TOTAL RENTAL OPERATIONS AND OTHER EXPENSES	(2,490)	(6,292)	3,802	60.42
Depreciation expenses	4,656	4,656		
Loan principal payment	(4,788)	(4,788)	-	
Cash outflows	(2,622)	(6,424)	3,802	



1 Site
1" = 30'-0"

A 1
SITE PLAN

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Rye Parsonage
Apartments
Schematic Site Plan
SCALE:
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PARSONAGE

THE HOUSING PARTNERSHIP

The Parsonage Apartments
Proposed Refinance and Rehabilitation

Development Program:

Option 1 Rehabilitation of Parsonage and Carriage House

Option 2 Rehabilitation of Parsonage with additional new units either as an addition or in a separate building to achieve scale, and increase inventory of affordable housing in town. Demolition of Carriage House.

Anticipated Improvements:

Option 1
Potential interior and site layout adjustments to improve efficiency

Updated envelope (insulation, siding and trim, windows and doors, roof and gutters chimney and masonry repair.) All exterior improvements subject to Rye Historic District Commission review.

Renovated kitchen and bathrooms, flooring, interior doors, lighting fixtures etc.

New, or updated, electrical, plumbing, heating and ventilation systems.

Option 2
All improvements of Option 1 to Parsonage

New Construction of 6 – 8 additional units in a new building or addition to existing

Potential Funding Sources:

Historic Rehabilitation Tax Credit (Requires listing on the National Register)

Low Income Housing Tax Credit

Federal Home Loan Bank Affordable Housing Program (AHP)

Community Development Block Grant

Conventional Bank Debt

Proposed Ownership Structure:

Option 1 – Town transfers property to The Housing Partnership ("THP") for a sum TBD. THP becomes the managing general partner in a Limited Partnership for 15 years and retains responsibility for operating the property as senior or family affordable housing. The rehabilitated property makes property tax payments.

Option 2 – Town enters into a long-term ground lease with a new Limited Partnership at a lease rate TBD. THP is the managing general partner for 15 years and retains responsibility for operating the property as senior or family affordable housing. Property does not generate tax revenue.

In both scenarios a deed covenant is placed on the property that keeps it affordable to low-income households in perpetuity.

Timeline:

An affordable housing project requires between six months and two years to assemble all the required financing before construction can begin. The local approval process can add to this timeline.

Potential Investment:

$40,000 – $60,000 per unit for the Parsonage and carriage house.

$150,000 - $175,000 unit for new units.

These are numbers are for Total Development Cost, exclusive of acquisition cost, and include architectural and engineering costs, permitting costs, legal, financing costs, developer fee, and tenant relocation costs.