



Berkeley Housing Authority

1947 Center St., 5th Floor, Berkeley, CA 94704
Telephone: (510) 981 5470 Fax: (510) 981 5480

Item 7F
NEW BUSINESS
April 14, 2022

Office of the Executive Director

To: Honorable Chair and Members of the Berkeley Housing Authority Board

From: Rachel Gonzales-Levine, Acting Executive Director

Subject: Approve an Extension of the Project-based Master HAP Contract with Ashby Lofts for a period of 5 years (Aug. 2022 - July 2027)

RECOMMENDATION

Extend the existing Project-based Master HAP contract for 20 units at Ashby Lofts for a period of 5 years, to fulfill the maximum first contract term of 20 years.

BACKGROUND

The Project-based Section 8 Program is designed to provide guaranteed housing options for households that qualify for the Section 8 Program, often with social services components available to the residents, and housing families, and populations with special needs (homeless, seniors, disabled, youth emancipated from the foster care system, etc). With the Project-based Section 8 program, the subsidy is attached to a unit for a fixed period of time (up to 40 years in a Master HAP contract, with two 20-year term options). In the Tenant-based program, the assistance is tied to the family, responsible for finding a unit of their choice.

The Project-based program is appealing to developers because of the ability to leverage other financing options using the long term rent subsidy commitment from the housing authority. The financing is used to either build new construction housing, or to rehabilitate existing housing. Project-based housing also has the benefits of increasing housing supply, guaranteed earned administration fee, and easing fluctuations in low income affordable housing options during market rent increases, since the PBV units do not “compete” in the open market for tenants.

First awarded 20 Project-based Vouchers in 2007, and owned by Satellite Affordable Housing Associates (SAHA,) Ashby Lofts houses low income families and disabled households. In terms of the accessibility features of the property: 10 units are fully accessible to physically impaired tenants; 4 are adaptable; 1 unit each are accessible for visually and hearing impaired tenants.

Resident services are available on site, including annual service needs assessments, linkages to job training, financial literacy, adult education classes, youth development opportunities, as well as community building and health and wellness activities.

BHA's Administrative Plan, Chapter 17: Project-based Voucher Program, describes how BHA is to consider requests for extensions of master HAP contracts (Attachment 1), including: rehab needs of the property, ability to cover debt, and whether the PBVs could be used elsewhere. BHA has 100 PBVs remaining currently.

BHA staff sent a letter (Attachment 3) alerting to the expiration of the current contract in January, and inviting SAHA to apply for an extension of the Master HAP contract, including a list of requested documents to provide BHA, by the reply date Feb. 16.

STATUS

SAHA submitted a request for a 5-year extension for all 20 units (Attachment 4), citing capital needs including substantial life safety upgrades to the building exterior, which has been impacted by water damage and dry rot, totaling \$3.4 million. SAHA plans to re-syndicate and refinance the property over the next two to three years, with the City of Berkeley committing \$850,000 to aid in the renovation, and plans to secure a 4% tax credit award, tax exempt bonds, and a conventional permanent loan to complete the renovation.

Extending the PBV contract for another 5 years will allow SAHA to begin planning for the financing of the renovation. As part of the submission, SAHA provided Budgetary Operating Projections both with PBVs and without. Net Cash Flow remains constant with PBVs, starting in 2022, while projections without PBVs is in the negative territory starting in '22.

Operating Expenses

Operating expenses, per unit per year are: \$12,875 in 2022; \$13,326 in 2023; \$13, 793 in 2024 (the year of the projected refinance). Some details from SAHA regarding per-unit expenses, and insurance costs in particular appear below.

Per-unit Operating Expenses

The per-unit operating expenses are not the lowest but neither are they the highest. Ashby Lofts' expenses are driven by a continuing commitment to offer residents a good quality of life, with robust Services, activities, and a high level of janitorial services since the pandemic began. And staff are paid a Living Wage and receive benefits- full health insurance coverage for themselves and 90% of their dependents' health insurance costs covered, dental coverage, 401k matching plan, and mental health coverage including unlimited therapy. SAHA invests in maintaining the physical building, as well as investing in residents, staff, and the community.

Insurance Costs

In early 2020, at the beginning of the pandemic, SAHA experienced a significant increase in insurance cost due to a hardening insurance market. Through diligent marketing, SAHA has been able to stave off further increases and reduce costs to some extent, but the expense remains higher than before 2020. Excess Liability coverage (also called Umbrella coverage) is the main reason insurance is higher than comparable buildings. If a building has \$5M coverage through Property/Liability insurance, but experiences \$10M in damage, then excess liability covers that \$5K difference. SAHA holds a \$25M Excess Liability policy covering the entire portfolio. Not all lenders and investors require this level and not all of SAHA's peer organizations have this level of coverage. But given the size and composition of SAHA's portfolio, the SAHA Board and it's risk management professionals feel that this is an appropriate level of coverage; it protects the buildings, the residents and SAHA's lenders and

partners. And, it protects BHA if a resident were to name BHA in a lawsuit against a building.

Staff supports an approval of a 5 year extension to maximize the full 1st contract term of 20-years. Absent the PB vouchers, households would be provided a tenant-based voucher. However, should the family move to another jurisdiction with its voucher, BHA would lose Admin. Fee earnings. Additionally, BHA is guaranteed Admin. Fee for every unit under PB contract, regardless of whether the unit is leased up or not. So, for example, if a vacant unit is undergoing turnover/maintenance prior to a new PB household moving in, BHA continues to earn Admin. Fee during that time, something not true in the Tenant-based program.

FINANCIAL IMPLICATIONS OF ACTION

PBV's have guaranteed units and administrative fees. Absent the continuation of PBV contracts, BHA risks losing these fees, should families opt to move to other jurisdictions with their Tenant-based vouchers.

CONTACT PERSON

Rachel Gonzales-Levine, Acting Executive Director, 981-5485

Attachments:

1. Excerpt from BHA Admin. Plan, Ch. 17, Project-based Vouchers (pages 21-22)
2. Resolution
3. Jan. 7, 2022 BHA Invitation Letter to Submit Request for Extension
4. Feb. 15, 2022 Response Letter from SAHA

**Excerpt from BHA Admin. Plan
Ch. 17, Project-based Vouchers (pages 21-22)**

Extensions of master HAP contracts will be considered on a case by case basis, including whether (a) to extend for a full 20 years or a shorter timeframe, and (b) the need for substantial, unanticipated rehabilitation to preserve and/or extend the viability of the housing stock.

When determining whether or not to extend an expiring PBV contract, for how long, and the number of units, BHA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities;
- The extent to which projects that are serving families, elderly or disabled household include 1, 2, and 3 bedroom units
- Demonstrated need of the minimum number of project based vouchers required to (i) finance debt for substantial, unanticipated rehabilitation activity and (i) meet contractual obligation to rent to households at or below 50% of AMI.
- Preservation of fully accessible/adaptable units for wheelchair users; and,
- Whether the funding could be used more appropriately for project-based assistance at additional new construction projects, whether partially or completely owned by BHA, or another property requesting/needing PBV assistance, or in the tenant based voucher program.

BERKELEY HOUSING AUTHORITY
RESOLUTION NO. 22-__

AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO ENTER INTO A FIVE YEAR EXTENSION OF THE FIRST TERM OF THE EXISTING PROJECT-BASED SECTION 8 MASTER HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT WITH SATELLITE AFFORDABLE HOUSING ASSOCIATES FOR 20 UNITS AT ASHBY LOFTS, FOR A TOTAL OF 20 YEARS IN THE FIRST TERM

WHEREAS the original Master HAP contract with Affordable Housing Associates (now Satellite Affordable Housing Associates, SAHA) for 20 units was signed in 2007 for a 10-year term that expired in Oct. 2017; and

WHEREAS the BHA Board approved a 5 year contract extension in 2017, which expires in July of 2022; and

WHEREAS HUD's Housing Opportunity Through Modernization Act (HOTMA) of 2016, increases the length of time for the first term of a master Project-based contract to 20 years in total; and

WHEREAS BHA earns Administrative Fee for each PBV unit under Master HAP contract including the time it is vacant, being readied for lease up; and

WHEREAS the project serves 20 family and disabled households; and

WHEREAS staff reviewed the Administrative Plan criteria in determining whether to recommend approval of the extension of the first term of the contract including the cost of extending the contract and the amount of available budget authority; the need for substantial, unanticipated rehabilitation to preserve and/or extend the viability of the housing stock; and

WHEREAS Project-based housing is a critical and stable, long term housing option for the households that BHA serves (those at 0% - 50% of Area Median Income); and

WHEREAS Project-based housing is a stable, long term housing option protected against market fluctuations; and

WHEREAS SAHA sites major capital needs of \$3.4 million in the Physical Needs Assessment, and has plans to re-syndicate and refinance the property in order to conduct the work;

NOW THEREFORE BE IT RESOLVED THAT the Acting Executive Director is authorized to enter into a five year extension of the first term of the existing Project-based Section 8 Master HAP contract with Satellite Affordable Housing Associates for 20 units at Ashby Lofts for Family and disabled households, for a total of 20 years in the first term.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on April 14, 2022 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____
Rachel Gonzales-Levine, Secretary



Berkeley Housing Authority

1947 Center Street, 5th Floor, Berkeley, CA 94704

January 7, 2022

Susan Friedland, Executive Director
 Satellite Affordable Housing Associates
 1835 Alcatraz Ave.
 Berkeley, CA 94703

Re: Helios Corner and Ashby Lofts Section 8 Project-based Master HAP Contract Expirations

Dear Ms. Friedland:

The Project-based Master HAP contracts for: Helios Corner expires at the end of June 2022, and Ashby Lofts at the end of July 2022, at which time there will be a potential for five more years remaining in the first terms, for a maximum of 20 years for each of these contracts. This invitation is for SAHA to consider request(s), if needed, to extend the first contract terms for each property for an additional 1 to 5 more years.

BHA understands the critical importance of Project-based voucher subsidy to projects during new construction and major rehabilitation. BHA's availability to project base is capped by HUD regulations and at the present time we are very close to reaching that cap. Thus, the need for projects to plan for greater independence, post-Master HAP contract, is crucial, so that other critically needed projects in Berkeley may be built or rehabilitated.

As you contemplate any new comprehensive rehabilitation needs for the project that were unanticipated but now may be needed, keep in mind, each of the current Project-based vouchers can be converted to Tenant-based vouchers, allowing income streams to remain.

If SAHA is interested in renewals, please submit a separate request in writing (one for each property or simply one if only requesting renewal for one of the properties), as well as all relevant supporting documentation describing and including the following:

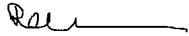
- The minimum number of years (between 1 – 5) for which SAHA requests extension(s)
- The minimum number of units (and unit sizes) for which SAHA requests extension(s)
- Financial needs of the properties: current outstanding loans, reserves, 5-year operating budgets
- Confirm unit mix in terms of bedroom size and tenancy designations (elderly, family, HOPWA, disabled, etc.) for each bedroom size
- Current condition of the properties including current/planned repairs, renovations and systems upgrades/replacements.
- Specific & planned rehab. work for the properties
- Section 504 Accessibility Features: number of fully accessible units, other accessibility features
- Current on-site services/service providers/frequency of such services, and Services Plans

- Property Management Plans
- Maintenance Plans
- Physical Needs Assessments
- Rent roll showing all units, resident tenure (move-in date)
- Vacancy/Turnover Rates
- Identification of HOME-assisted units and their maximum rents, and each tenant's 30% of income for rent, based on the most recent tenant income certification filed with TCAC;
- A copy of most recent income/rent certification filed with TCAC
- A copy of Form 8609 filed with TCAC for the first year the project was placed in Service
- Proposed Operating expense budget (in TCAC or similar format) for the project without any PBV support;
- Any other relevant information you would like to share with BHA regarding the properties: plans, needs, tenants, management, finances etc.

Please submit your response by February 16, 2022. Our goal is for the Board to make a determination about any extension request(s) at the March 10, 2022 Board meeting.

Thank you.

Best Regards,



Rachel Gonzales-Levine
Acting Executive Director

cc: Sara Abramowitz-Hill, SAHA VP of Asset Management and Compliance
Lena Ortiz, SAHA Asset Manager



February 15, 2022

Rachel Gonzales-Levine, Acting Executive Director/Management Analyst
Berkeley Housing Authority
1947 Center Street 5th Floor
Berkeley, CA 94704

Re: Ashby Lofts, Section 8 Project-based Master HAP Contract Renewal

Dear Ms. Gonzales- Levine,

Satellite Affordable Housing Associates (SAHA) appreciates the opportunity to submit this request for an extension of the Project-based Section 8 HAP Contract for Ashby Lofts. The Berkeley Housing Authority (BHA) has been a key partner of SAHA's in providing much needed affordable housing in the City of Berkeley. We are requesting that all 20 existing Project-Based Section 8 units at Ashby Lofts be renewed for another 5 years. This renewal is critical to Ashby Lofts' ability to serve low-income families and special needs populations, to maintain the financial and physical health of the property and to provide necessary resident services to support our residents as described below:

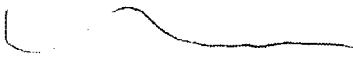
- **The Project-based revenue is critical for keeping the property safe and in good working order for the immediate future, and for the rehabilitation and refinance of the property. The property is currently 15 years old and we have recently completed a Capital Needs Assessment that indicates that the property will need substantial repairs and replacement in the next 20 years. The rehabilitation project will include substantial life safety upgrades to the building exterior totaling at least \$3.4 million in construction costs. In 2018 the building experienced significant water damage, dry rot, and leaks in units related to water infiltration of exterior stucco. SAHA performed extensive destructive testing to determine the problem and locations, and has installed shoring under walkways of concern.**
- **It is clear from the PNA that the property will need a large-scale renovation in the near future. Given the critical renovation needs of at least \$3.4 million, the project anticipates re-syndication and refinancing of the property to occur over the next two to three years. The City of Berkeley committed additional funds of \$850,000 to aid the renovation, however we will still need to secure a 4% tax credit award, tax-exempt bonds, and a conventional permanent loan to complete the renovations. The**

refinancing plan assumes increasing debt on the building through a new 20-year mortgage. A building permit application for the rehabilitation has not yet been submitted to the City of Berkeley for building permit, but is targeted for 2023.

- **For the short term, our goal is to see the HAP contract extended another five years to meet immediate capital and operating needs, with a goal of extending them an additional 20 years to support a large-scale rehabilitation that without another extension would not be possible.**

In sum, the renewal of Ashby Lofts Project-based Section 8 HAP Contract is critical to supporting the goal of serving low-income families and special needs households and providing long-term physical and financial sustainability of the project. SAHA appreciates the continued support of the Berkeley Housing Authority and looks forward to continuing our successful partnership providing much needed housing in the City of Berkeley. Please find attachments per your request.

Sincerely,



Susan Friedland, Chief Executive Officer

Attachments

Attachment A – Households Served and Unit Mix

Attachment B – Resident Services

Attachment C – Physical Needs and Property Reserves

Attachment D – Existing Financing

Attachment E – Section 504 Accessibility Features

Attachment F – Property Management Plan and Management Agreement including Maintenance Standards

Attachment G – 5 Year Operating Expense Forecasts (with and without Project-based Section 8)

Attachment A

Households Served and Unit Mix

Ashby Lofts has 54 units that serve low-income multifamily and households with special needs. 9 of the units are reserved for Special Needs tenants under HCD's Multifamily Housing Program (MHP). SAHA's Ashby Lofts is helping to fill the critical housing and services need for special needs and low income multifamily in the City of Berkeley.

A summary of project's unit mix and restrictions follows.

Unit Mix: Ashby Lofts		
Unit Type	AMI Level	Qty.
One Bedroom	30%	6
	35%	2
	50%	10
Two Bedroom	30%	6
	50%	17
	MGR	1
Three Bedroom	30%	6
	50%	6
Total Units		54

Sacramento Senior Homes
 1501 Blake St
 Berkeley, CA

Owner: Sacramento Senior Homes, LP
 Tax ID# 13-4238557
 EHA/Project: N/A
 Section: R/E N/A
 TCACE: CA-2003-888

Dispositions

APR #	Move-in Date	Current Tenant Income	30% of Current Income	#BR	Sq Ft	Tax Credit AMI	Population	Disabled (MHP-SNP)	PHS	HOME	Tenant Portion	Subsidy Portion	Current Rents	Max HOME Contract Rents	TCAC Max Rent less Utility Allowance	Rents After Subsidy is Some
201	08/17/10	\$0	\$0	1	752	50%	Family				100%	0	1005		1005	1005
202	10/27/11	\$1,024	\$312	2	762	50%	Family				102%	0	1025		1025	1025
203	02/23/15	\$4,984	\$1,495	2	833	50%	Family				102%	0	1025		1025	1025
204	08/22/07	\$5,169	\$1,551	2	833	50%	Family				102%	0	1025		1025	1025
205	08/22/07	\$5,169	\$1,551	1	578	50%	Family				85%	0	850		850	850
206	05/02/15	\$11,697	\$3,509	1	593	30%	Family				0	0	0	1855	1855	770
207	09/28/15	\$17,449	\$5,235	1	593	30%	Family				234	1709	1949	1843	1843	1327
208	06/02/10	\$9,996	\$2,999	1	578	30%	Family				351	1589	1940	1723	1723	723
209	06/02/10	\$9,996	\$2,999	1	578	30%	Family				217	1706	1923	1723	1723	1923
210	06/02/11	\$0	\$0	1	578	50%	Family				217	1706	1923	1723	1723	1923
211	09/13/07	\$1,457	\$437	1	593	30%	Family				217	1706	1923	1723	1723	1923
212	08/23/15	\$12,456	\$3,737	1	593	30%	Family				228	1712	1941	1723	1723	1941
213	08/23/15	\$12,456	\$3,737	1	593	30%	Family				1311	630	1941	1841	1841	1941
214	08/20/07	\$11,697	\$3,509	1	578	50%	Family				845	0	845	1855	1855	845
215	08/26/08	\$19,703	\$5,911	2	758	50%	Family				990	0	990	1541	1479	990
216	12/01/14	\$25,862	\$7,759	2	759	50%	Family				987	0	987	1479	1479	987
217	09/02/16	\$58,832	\$17,749	2	729	30%	Family				904	1593	2407	862	862	862
218	03/16/09	\$12,135	\$3,641	2	752	50%	Family				232	2175	2407	1541	1541	2407
301	08/27/07	\$9,000	\$2,700	2	752	50%	Family				852	1549	2401	862	862	862
302	07/02/11	\$7,242	\$2,173	2	752	50%	Family				1005	1549	2401	862	862	862
303	07/02/11	\$7,242	\$2,173	2	752	50%	Family				1005	1549	2401	862	862	862
304	07/02/11	\$7,242	\$2,173	2	752	50%	Family				1005	1549	2401	862	862	862
305	08/27/07	\$11,449	\$3,435	1	578	30%	Family				264	1676	1940	1723	1723	1940
306	03/13/09	\$0	\$0	1	593	35%	Family				272	1674	1946	852	852	852
307	04/30/10	\$58,632	\$17,590	1	593	35%	Family				621	0	621	1284	1284	621
308	12/13/13	\$8,198	\$2,459	1	593	50%	Family				865	0	865	865	865	865
309	09/02/11	\$95,242	\$28,573	2	578	50%	Family				1427	0	1427	1479	1479	1427
310	12/13/08	\$11,697	\$3,509	1	578	50%	Family				235	1705	1940	1705	1705	1940
311	03/03/10	\$16,722	\$5,017	1	593	50%	Family				1120	0	1120	1237	1237	1120
312	08/28/15	\$40,784	\$12,235	1	593	50%	Family				875	0	875	1284	1284	875
313	09/04/15	\$74,373	\$22,312	2	758	50%	Family				1361	0	1361	1361	1361	1361
314	07/27/11	\$26,630	\$7,989	2	759	30%	Family				884	0	884	862	862	862
315	07/27/11	\$26,630	\$7,989	2	759	30%	Family				884	0	884	862	862	862
316	10/29/20	\$27,304	\$8,191	2	729	50%	Family				884	1587	2401	1479	1479	2401
317	08/27/07	\$18,745	\$5,624	2	752	30%	Family				884	1587	2401	1479	1479	2401
318	08/27/07	\$18,745	\$5,624	2	752	30%	Family				884	1587	2401	1479	1479	2401
319	08/27/07	\$18,745	\$5,624	2	752	30%	Family				884	1587	2401	1479	1479	2401
401	08/29/07	\$49,641	\$14,892	3	1217	50%	Family				1155	0	1155	1705	1705	1155
402	08/09/15	\$20,124	\$6,037	3	1249	50%	Family				4	3266	3270	1705	1705	3270
403	08/20/07	\$15,696	\$4,709	3	1208	50%	Family				1175	0	1175	1705	1705	1175
404	05/01/09	\$120,064	\$36,019	3	1028	50%	Family				1271	0	1271	1705	1705	1271
405	08/21/07	\$17,332	\$5,199	2	893	50%	Family				990	0	990	1479	1479	990
406	08/21/07	\$17,332	\$5,199	2	893	50%	Family				990	0	990	1479	1479	990
407	10/19/15	\$19,448	\$5,834	2	762	50%	Family				2400	2400	2400	2400	2400	2400
408	08/21/07	\$0	\$0	2	893	50%	Family				990	0	990	1479	1479	990
409	12/02/20	\$2,400	\$720	2	828	50%	Family				990	0	990	1479	1479	990
410	10/04/19	\$14,425	\$4,328	2	893	30%	Family				310	3046	3270	862	862	3270
411	07/30/21	\$50,660	\$15,198	2	893	30%	Family				410	1873	2183	862	862	2183
412	06/13/11	\$59,638	\$17,891	2	893	30%	Family				540	1860	2400	862	862	2400
413	09/28/12	\$47,722	\$14,317	3	1028	30%	Family				1025	0	1025	1479	1479	1025
414	09/28/12	\$47,722	\$14,317	3	1028	30%	Family				2111	0	2111	992	992	2111
415	09/28/10	\$51,828	\$15,548	3	1213	30%	Family				683	2587	3270	992	992	3270
416	08/31/07	\$13,488	\$4,046	3	1215	50%	Family				1140	0	1140	1705	1705	1140
417	12/28/19	\$2,431	\$729	3	1185	30%	Family				577	2693	3270	992	992	3270
Monthly Total	12/19/18	\$12,228	\$3,668	54	1208	50%	Family				3742	52465	95103	66317	66317	95184
Annual Total		\$24	\$7	54		\$0		9	20	13	446904	623820	\$1,141,236	793804	793804	793,804

Low HOME Max Rents (50% AMI) effective 6/1/21, no change as of 2/14/22

1 bed 1284
 2 bed 1541
 3 bed 1781

TCAC Max Rents (50% AMI) effective 6/1/21, no change as of 2/14/22

1 bed 700
 2 bed 824
 3 bed 1068

35%
 50%

899 1284
 1078 1541
 1246 1781

updated 2/13/22

UAs
 1 bed 47
 2 bed 62
 3 bed 76

Unit	Resident	Move Out	Turnover Rate
210	Demetrius Moore	5/17/2017	
310	Darlene Sweatt	9/5/2017	5.6%
206	Melissa Stephens	12/6/2017	
210	Marcia Fuller	6/5/2018	
310	Tonie Harris	12/21/2018	3.7%
411	Kameelah Robinson	3/14/2019	
417	Phillipa Westry	6/1/2019	5.6%
312	Craig Hillard	11/19/2019	
317	Catanga Walker	1/6/2020	
409	Maron Szabo	6/9/2020	3.7%
316	Justin Coleman	4/25/2021	
210	Dequisha Williams	6/5/2021	
206	Markisha Williams-Steward	7/5/2021	9.3%
213	Suzann Bettencourt	10/1/2021	
310	Dusan White	12/15/2021	

Count = 15

5.6% Average turnover rate over 5 years

CALIFORNIA REDIT ALLOCATION COMMITTEE - PROJECT STATUS REPORT (PSR)

Date PSR Prepared: February 15, 2022
 TCAC NUMBER: CA-2005-910
 Project Name: Ashby Lofts
 Management Company: Ashby Lofts Associates, LP
 Contact: Sam Fakri
 Phone Number: (510) 981-0532
 County: Alameda
 Are tenants paying utilities? Yes

Number of R Errors: 10
 KEY TO ERROR: BELOW:
 VDATE: MOVE-IN DATE
 INCOME: MOVE-IN ANNUAL INCOME
 MH#: NUMBER IN HOUSEHOLD (MOVE-IN)
 UTIL: UTILITY ALLOWANCE
 RENT: TENANT PAID RENT
 HHR: NUMBER IN HOUSEHOLD (CURRENT)
 BR: NUMBER OF BEDROOMS

BUILDING NUMBER	UNIT NUMBER (INCLUDE FOR VACANT AND EXEMPT UNITS)	Federal Bond Restricted Unit (If applicable, leave blank if not restricted, or EXEMPT)	NUMBER OF BEDROOMS (INCLUDE FOR VACANT AND EXEMPT UNITS)	NUMBER IN HOUSEHOLD (CURRENT) (leave BLANK if VACANT or EXEMPT unit)	TENANT PAID RENT (leave BLANK if VACANT or EXEMPT unit)	UTILITY ALLOWANCE (leave BLANK if VACANT or EXEMPT unit)	GROSS RENT (Automatically Calculated)	TENANT GRAND-FATHERED (leave BLANK if VACANT or EXEMPT unit)	TENANT NAME (if the unit is vacant, enter "Vacant" or if an employee unit enter "Exempt")	NUMBER IN HOUSEHOLD (MOVE-IN) (leave BLANK if VACANT or EXEMPT unit)	MOVE-IN DATE/ VACANCY DATE (leave BLANK if EXEMPT unit)	MOVE-IN ANNUAL INCOME (leave BLANK if VACANT or EXEMPT unit)	CURRENT ANNUAL INCOME (leave BLANK if VACANT or EXEMPT unit)	VACANCY RATE 7.5%	TOTAL UNITS		Number of R Errors: 10	
															Total Vacant Units: 4	Total Exempt Units: 1		
															UNIT MIX		TOTAL UNITS	
															SRO: 0	3BR: 12	Total Vacant Units: 4	Total Exempt Units: 1
															1BR: 18	4BR: 0	Total L1 Units: 53	Total Units: 54
															2BR: 24	5BR: 0	Total Units: 54	Total Units: 54
CA-05-91001	201	NO	2	2	\$1,005	\$62	\$1,067	NO	Alma Barrios	0	08/17/10	\$39,936	\$0					
CA-05-91001	202	NO	4	4	\$1,025	\$62	\$1,087	NO	Shery Ballodano	5	10/27/11	\$47,613	\$43,412					
CA-05-91001	203	NO	2	3	\$1,025	\$62	\$1,087	NO	Demisse Wolde	3	02/23/15	\$35,176	\$89,984					
CA-05-91001	204	NO	2	2	\$793	\$62	\$855	NO	Donte Demby	2	10/01/21	\$30,264	\$30,264					
CA-05-91001	205	NO	1	1	\$650	\$47	\$697	NO	Verole Mack	1	06/22/07	\$25,666	\$20,364					
CA-05-91001	206	NO	1	1			\$0		Vacant		07/05/21	\$0	\$0					
CA-05-91001	207	NO	1	1	\$234	\$47	\$281	NO	Cynthia Seio	1	09/07/15	\$11,022	\$11,697					
CA-05-91001	208	NO	1	1	\$351	\$47	\$398	NO	Carl Latchison	1	09/28/15	\$16,104	\$17,449					
CA-05-91001	209	NO	1	1	\$217	\$47	\$264	NO	Michelle Guiang	0	06/01/10	\$7,797	\$9,996					
CA-05-91001	210	NO	1	1	\$173	\$47	\$220	NO	Toni Pilney	4	06/01/21	\$18,047	\$10,644					
CA-05-91001	211	NO	1	1	\$230	\$47	\$277	NO	Denise Simpson	1	09/13/07	\$10,272	\$11,457					
CA-05-91001	212	NO	1	1	\$229	\$47	\$276	NO	Deborah McQueen	1	07/25/12	\$10,260	\$11,457					
CA-05-91001	213	NO	1	1	\$1,311	\$47	\$1,358	NO	Paice Brooks	1	11/19/21	\$6,732	\$51,044					
CA-05-91001	214	NO	1	1	\$845	\$47	\$892	NO	Martin Weitzman	1	06/20/07	\$23,374	\$11,697					
CA-05-91001	215	NO	2	1	\$990	\$62	\$1,052	NO	Chris Carroll	1	06/26/08	\$25,474	\$19,703					
CA-05-91001	216	NO	2	2	\$997	\$62	\$1,059	NO	Destree Youngblood	1	12/01/14	\$20,800	\$25,862					
CA-05-91001	217	NO	2	3	\$904	\$62	\$966	NO	Alem Balet	3	03/02/16	\$22,064	\$35,810					
CA-05-91001	218	NO	2	1	\$232	\$62	\$294	NO	Kathy Godfrey	0	03/16/09	\$23,556	\$12,135					
CA-05-91001	301	NO	2	3	\$1,060	\$62	\$1,122	NO	Genet Mosazgi	2	06/27/07	\$7,008	\$39,000					
CA-05-91001	302	NO	2	2	\$652	\$62	\$914	NO	Samrawit Okhit	2	09/13/07	\$8,645	\$43,430					
CA-05-91001	303	NO	2	2	\$1,005	\$62	\$1,067	NO	Suzina Fisher	3	07/01/11	\$41,332	\$7,512					
CA-05-91001	304	NO	1	1	\$264	\$47	\$311	NO	Linda Lalimore	1	11/18/21	\$10,272	\$11,449					
CA-05-91001	305	NO	1	1	\$621	\$48	\$669	NO	Shavel		03/13/09	\$0	\$0					
CA-05-91001	306	NO	1	1	\$665	\$47	\$912	NO	Earl Clemens	0	04/30/10	\$12,189	\$58,632					
CA-05-91001	307	NO	1	1	\$1,427	\$62	\$1,489	NO	Katrina Sparks	1	12/13/13	\$24,717	\$27,328					
CA-05-91001	308	NO	2	3	\$235	\$47	\$282	NO	Beverly Dove	0	03/01/21	\$23,400	\$95,242					
CA-05-91001	309	NO	1	1	\$1,120	\$47	\$922	NO	Kevin Busher	1	12/15/21	\$10,440	\$11,697					
CA-05-91001	310	NO	1	1	\$675	\$47	\$0	EXEMPT	Amber Brown-Woods	1	06/28/15	\$32,016	\$16,722					
CA-05-91001	311	NO	2	3	\$970	\$62	\$1,032	NO	Ashley Davis	5	09/04/15	\$48,139	\$74,373					
CA-05-91001	312	NO	2	4	\$862	\$62	\$924	NO	Brook Tegegn	4	07/22/21	\$26,630	\$26,630					
CA-05-91001	313	NO	2	2	\$634	\$62	\$896	NO	Lakshia Jimmerson	2	10/29/20	\$27,304	\$47,428					
CA-05-91001	314	NO	2	2	\$287	\$62	\$349	NO	Mistee Bell	2	06/21/07	\$10,719	\$18,745					
CA-05-91001	401	NO	2	2	\$188	\$76	\$264	NO	Linda Johnson	3	09/24/07	\$15,048	\$20,141					
CA-05-91001	402	NO	3	4	\$1,155	\$76	\$1,231	NO	Ephrem Alem	4	06/20/07	\$34,328	\$34,327					
CA-05-91001	403	NO	3	6	\$4	\$76	\$80	NO	Faron Griffin	0	06/03/15	\$28,544	\$20,124					
CA-05-91001	404	NO	3	4	\$1,175	\$76	\$1,251	NO	Abdusalam Alammari	5	06/20/07	\$28,000	\$80,712					
CA-05-91001	405	NO	3	4	\$1,271	\$76	\$1,347	NO	Jane Santos	6	05/01/09	\$45,607	\$129,064					
CA-05-91001	406	NO	2	3	\$990	\$62	\$1,066	NO	Saquoia Rodriguez	3	06/21/07	\$25,946	\$38,886					
CA-05-91001	407	NO	2	2	\$0	\$62	\$62	NO	Solema Sampson	0	10/19/15	\$4,104	\$19,448					
CA-05-91001	408	NO	2	3	\$990	\$76	\$1,066	NO	Peace Esonwune	3	06/21/07	\$22,822	\$0					
CA-05-91001	409	NO	3	4	\$1,300	\$76	\$1,376	NO	Pilar Fisher	2	12/01/20	\$29,120	\$57,142					
CA-05-91001	410	NO	3	3	\$224	\$62	\$300	NO	Lalisha Nolen	0	12/06/10	\$15,094	\$19,240					
CA-05-91001	411	NO	2	3	\$410	\$62	\$472	NO	Damein McInlyre	3	10/04/19	\$17,352	\$20,805					
CA-05-91001	412	NO	2	4	\$152	\$76	\$228	NO	Camika Richardson	4	07/30/21	\$30,661	\$30,660					
CA-05-91001	413	NO	2	5	\$1,025	\$62	\$1,087	NO	Senna Bailey	4	06/13/11	\$24,062	\$86,671					
CA-05-91001	414	NO	3	7	\$1,059	\$76	\$1,135	NO	Muhammad Nisar	5	09/28/12	\$16,325	\$47,722					
CA-05-91001	415	NO	3	4	\$683	\$76	\$759	NO	Comelia Alexander	0	09/28/10	\$4,140	\$31,828					
CA-05-91001	416	NO	3	4	\$1,140	\$76	\$1,216	NO	Taiwo Koyejo	4	06/31/07	\$41,244	\$15,288					
CA-05-91001	417	NO	3	4	\$577	\$76	\$653	NO	Tamara Alberty	5	11/28/19	\$31,545	\$33,717					
CA-05-91001	418	NO	3	4	\$190	\$76	\$266	NO	Trinneia Watson	4	12/19/18	\$6,924	\$19,548					
					\$0		\$0											
					\$0		\$0											
					\$0		\$0											
					\$0		\$0											

Attachment B

Resident Services

Ashby Lofts Supportive Services Plan

Satellite Affordable Housing Associates will act as the lead Service Provider and provide on-site services as well as linkages to community-based services for all tenants at Ashby Lofts, a large family and special needs property located in Berkeley, CA. The following describes SAHA's comprehensive supportive service plan, emphasizing tailored opportunities for individuals with disabilities and low income families. The services program, along with the building's design and amenities, will support Ashby Lofts residents in maintaining a healthy, active, and independent lifestyle.

POPULATION SERVED

Ashby Lofts includes fifty-four (54) apartments for low-income families and a two-bedroom apartment for the resident manager. The building will include nine units reserved for tenants with a disability.

AMENITIES FOR PROGRAMMING ON-SITE

Ashby Lofts includes the following design features that make it ideal for conducting a resident services program:

- Spacious community / multipurpose room. The community/multipurpose room is located on the first floor, and convenient to outdoor space. This room can be configured for large group meetings and activities such as exercise classes and youth programs, yet is also comfortable for smaller groups to gather simultaneously (for coffee hour, crafts, book club, etc.).
- Services office. Office is located near the community room, providing easy access for residents to meet with the Service Coordinator. The Service Coordinator will be responsible for arranging activities on-site as well as connecting individuals to any number of services within the community.

ON-SITE BONAFIDE SERVICES COORDINATOR

Ashby Lofts will have its own on-site Service Coordinator (SC) dedicated to supporting residents build and maintain a healthy and purposeful life. In order to so, the Services Coordinator will:

- Work with the residents on collaborative financial, functional, and social assessments;
- Stay well versed in, and providing linkages to: job training, financial literacy, adult education classes, youth development opportunities, benefit/entitlement programs;
- Help residents navigate health care coverage choices for their families.
- Foster trusting relationships in order to create a safe and useful place for residents to come for help.
- Address barriers to housing stability through close partnership with Property Management.
- Design community building, health and wellness, and educational activities.

The Service Coordinator will hold welcome orientations at the time of move-in, explain the programs available for youth and adults, and learn about the households' needs and goals. From there the Service Coordinator will link residents with the related community based resources that are available to help meet these goals.

SAHA has far reaching ties throughout the Bay Area and in Berkeley and Alameda County Communities that will enrich the delivery of supportive services to the Ashby Lofts residents. For example, when a

Service Coordinators make a referral, they also work with the resident to identify how they will actually get to and return from meetings, groups, and appointments. They assist the resident in navigating enrollment and preparing any required documentation. These practices increase residents' successful access to local service providers.

SPECIALIZED SERVICES

Ashby Lofts' Services Coordinator will provide individual case management to tenants with disabilities. SAHA uses a person centered, strengths approach to collaboratively build individualized service plans. We acknowledge that individuals with disabilities may have experience discrimination or marginalization. Our focus is to collaborate with residents and follow their lead as we provide support.

The Service Coordinator is expected to have knowledge of specialized benefits, programs, and entitlements available to seniors, adults, and children with disabilities. System navigation and advocacy are critical to ensure residents receive all the related benefits for which they are entitled. Annually, Service Coordinators connect with residents to reassess any needs, ensure benefits are in place, and share new opportunities/resources.

The Services Coordinator will work hard to build an inclusive program of group activities available to all residents with an intentional focus on accessibility. These activities will be planned with input from all residents so that offerings can be tailored to their unique interests, and can suit everyone in the building regardless of their physical or cognitive levels of functioning, their cultural background, or their age. Group activities are critical to combating social isolation, particularly among residents with disabilities.

Examples of such offerings may include:

- Tai Chi
- Youth programming
- Cooking and nutrition classes
- Wellness process group
- Jump and go exercise
- Playgroups
- Homework clubs
- Mosaics
- Quilting
- Still life watercolor
- Block/Safety walks
- Yoga for all ages
- Wii bowling and racecar driving
- Field trips to museums, the putting range, fruit picking, the beach, etc.
- Embroidery
- Drum circles
- Dancing
- Book clubs
- Movie night
- Mah Jong tournaments
- Games groups
- Coffee hours
- Resilience circles
- Parenting groups
- Job seekers support groups
- Meditation/mindfulness
- Intercultural potlucks
- Men's groups
- Women's groups
- LGBT groups
- ESL classes

In addition to the above services, SAHA will also provide the following:

- SAHA will train all staff on the program goals and organizational mission, values, principles, and philosophy behind our approach to providing affordable housing to vulnerable populations.
- All staff will be trained in our policies and procedures in order to protect the privacy and confidentiality of all residents.



- We will also train staff in first-aid measures and enact other policies and procedures in order to ensure the safety and security of all staff and residents.
- SAHA will implement fair and accessible grievance procedures.

COMMUNITY ENGAGEMENT PROGRAMMING

In addition to the service coordination and case management services described above, the residents at Ashby Lofts will benefit from SAHA's Community Engagement program, which includes:

- Securing annual donations for residents, such as, holiday gifts, school supplies, and household goods.
- Civic engagement, such as, voter registration drives, voter education workshops, and advocacy opportunities.
- Intergenerational program in collaboration with SAHA senior properties.
- In-kind service partnerships, such as monthly food/grocery distributions.
- Volunteer program which recruits, places, and trains volunteers to facilitate additional health, wellness, and educational activities virtually and on-site.

Attachment C

Physical Needs and Property Reserves

In 2018 the building experienced significant water damage, dry rot, and leaks in units related to water infiltration of exterior stucco. SAHA performed extensive destructive testing to determine the problem and locations, and has installed shoring under walkways of concern. Further repairs at the exterior decks and stairs is needed to maintain safe access and walkways over the building's lifetime. The project has also collaborated with the Berkeley Office of Energy and Sustainable Development and will move the building towards electrification by replacing the central gas domestic hot water heating system (nearing its usable life) with a central electrical heat pump system. The roof will be replaced and the existing photovoltaic system (including replacement of the interior) will be repaired and expanded to help offset the building's higher electrical load. The entire building exterior will be painted and stucco repaired as needed. The Capital Needs Assessment shows immediate need of \$981,500. Beyond that, the property is expected to need close to \$8.3M of improvements in the next 20 years.

The property currently has \$91,198 in Replacement Reserves, not nearly enough to fund immediate needs and rehabilitation project.

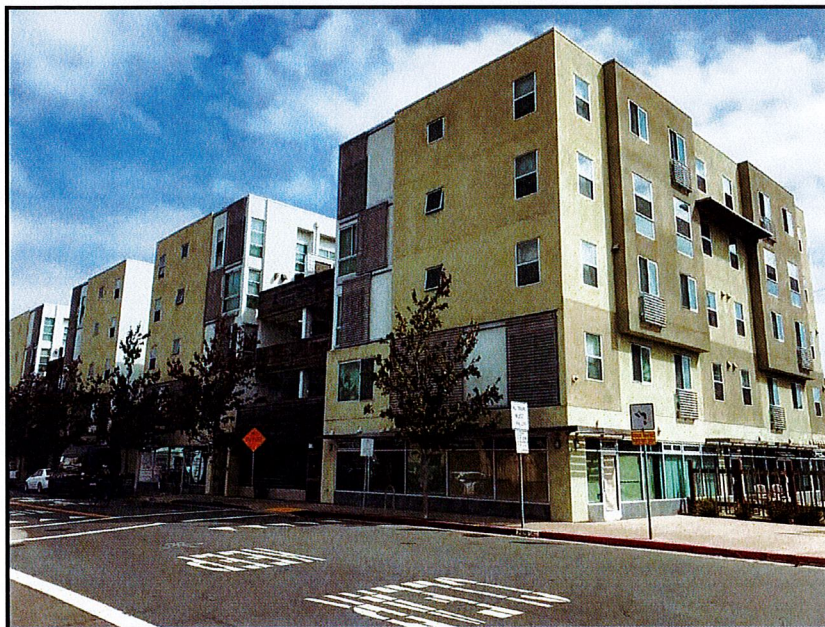


**BUREAU
VERITAS**

CAPITAL NEEDS ASSESSMENT

prepared for

Satellite Affordable Housing Associates
1835 Alcatraz Avenue
Berkeley, California 94703
Ms. Carrie Lutjens



Ashby Lofts
2909 and 2919 9th Street
Berkeley, California 94710

PREPARED BY:

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BV PROJECT #:

152227.21R000-001.152

DATE OF REPORT:

February 14, 2022

ON SITE DATE:

September 1, 2021

Bureau Veritas

10461 Mill Run Circle, Suite 1100 | Owings Mills, MD 21117 | www.us.bureauveritas.com | p 800.733.0660

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Certification

Bureau Veritas has completed a Capital Needs Assessment (CNA) of the subject property, Ashby Lofts, located at 2909 and 2919 9th Street in Berkeley, CA 94701. The CNA was performed on September 1, 2021.

The CNA was performed at the Housing Authority's request using methods and procedures consistent with good commercial and customary practice conforming to ASTM E2018-15, *Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process*. Within this Capital Needs Assessment Report, Bureau Veritas's follows the ASTM guide's definition of User, that is, the party that retains Bureau Veritas for the preparation of a baseline CNA of the subject property. A User may include, without limitation, a purchaser, potential tenant, owner, existing or potential mortgagee, lender, or property manager of the subject property.

This report has been prepared for and is exclusively for the use and benefit of the Client identified on the cover page of this report. The purpose for which this report shall be used shall be limited to the use as stated in the contract between the client and Bureau Veritas.

This report, or any of the information contained therein, is not for the use or benefit of, nor may it be relied upon by any other person or entity, for any purpose without the advance written consent of Bureau Veritas. Any reuse or distribution without such consent shall be at the client's or recipient's sole risk, without liability to Bureau Veritas.

The opinions Bureau Veritas expresses in this report were formed utilizing the degree of skill and care ordinarily exercised by any prudent architect or engineer in the same community under similar circumstances. Bureau Veritas assumes no responsibility or liability for the accuracy of information contained in this report which has been obtained from the Client or the Client's representatives, from other interested parties, or from the public domain. The conclusions presented represent Bureau Veritas's professional judgment based on information obtained during the course of this assignment. Bureau Veritas's evaluations, analyses and opinions are not representations regarding the building design or actual value of the property. Factual information regarding operations, conditions and test data provided by the Client or their representative has been assumed to be correct and complete. The conclusions presented are based on the data provided, observations made, and conditions that existed specifically on the date of the assessment.

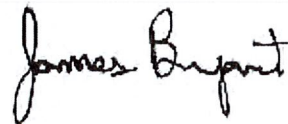
Bureau Veritas certifies that Bureau Veritas has no undisclosed interest in the subject property, Bureau Veritas's relationship with the Client is at arm's-length, and that Bureau Veritas's employment and compensation are not contingent upon the findings or estimated costs to remedy any deficiencies due to deferred maintenance and any noted component or system replacements.

Bureau Veritas's CNA cannot wholly eliminate the uncertainty regarding the presence of physical deficiencies and the performance of a subject property's building systems. Preparation of a CNA in accordance with Public Housing Modernization Standards Handbooks 7485.2 is intended to reduce, but not eliminate, the uncertainty regarding the potential for component or system failure and to reduce the potential that such component or system may not be initially observed. This CNA was prepared recognizing the inherent subjective nature of Bureau Veritas's opinions as to such issues as workmanship, quality of original installation, and estimating the remaining useful life of any given component or system. It should be understood that Bureau Veritas's suggested remedy may be determined under time constraints, formed without the aid of engineering calculations, testing, exploratory probing, the removal of materials, or design. Furthermore, there may be other alternate or more appropriate schemes or methods to remedy the physical deficiency. Bureau Veritas's opinions are generally formed without detailed knowledge from individuals familiar with the component's or system's performance.

Any questions regarding this report should be directed to Matt Anderson at matt.anderson@bureauveritas.com or at 800.733.0660 x7613.

Prepared by: Allen Manning,
Project Manager

Reviewed by:



James Bryant,
Technical Report Reviewer

1. Executive Summary

1.1. Summary of Findings

The Satellite Affordable Housing Associates contracted with Bureau Veritas to conduct a Capital Needs Assessment (CNA) of the subject property, Ashby Lofts, located at 2909 and 2919 9th Street in Berkeley, CA 94710. The CNA was performed on September 1, 2021.

Building Type / Name	# Bldgs	# Stories	# Apt Units	# Units Assessed	Year Built/Renovated	Building Size
Mid Rise	2	5	27	3	2007	33,658 SF
Mid Rise	2	5	28	3	2007	32,823 SF

The site area is approximately 0.63 acres.

Summary of Capital Needs Assessment:

On-site amenities include a children's playground and one laundry room.

Generally, the property appears to have been constructed within industry standards in force at the time of construction, to have been well maintained during recent years, and is in good overall condition. The exterior stairs show signs of water intrusion and wood and fastener deterioration in multiple locations. The existing photovoltaic system was reportedly unreliable.

According to property management personnel, the property has had a limited capital improvement expenditure program over the past three years, primarily consisting of maintenance. Supporting documentation was not provided but some of the work is evident.

There are a number of repair and replacement costs that have been identified during the evaluation period. These needs are identified in the various sections of this report and are summarized in the attached Replacement Reserves Report.

Immediate Needs:

ID	Location	Location Description	UF Code	Description	Condition	Plan Type	Cost
3272687	Ashby Lofts	Throughout	Y1090	ADA Miscellaneous, Level III Study, Includes Measurements, Evaluate/Report	NA	Accessibility	\$12,400
3271281 🔗	Ashby Lofts	Throughout building	Y1090	ADA Living Spaces, Apartment Unit, Full Mobility Conversion, Upgrade	NA	Accessibility	\$41,400
3271280	Ashby Lofts	Throughout	Y1070	ADA Living Spaces, Visual Bell & Strobe, Hearing-Impaired, Install	NA	Accessibility	\$3,600
3270074	Ashby Lofts	Roof	D5010	Solar Power, Inverter, Replace	Poor	Performance/Integrity	\$59,700
3295463	Ashby Lofts	Exterior stairs	B1080	Wood Stair Damage, Concealed, Repair	Poor	Performance/Integrity	\$273,900
3270061	Ashby Lofts	Throughout building	B1080	Stairs, Concrete, Exterior, Replace	Poor	Performance/Integrity	\$465,000
Total (6 items)							\$856,000

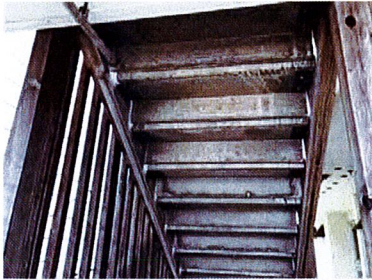
Systems Expenditure Forecast:

Systems Expenditure Forecast

System	Immediate	Short Term (1-2 yr)	Near Term (3-5 yr)	Med Term (6-10 yr)	Long Term (11-20 yr)	TOTAL
Structure	\$738,946	\$8,206	-	-	\$8,206	\$755,358
Facade	-	\$285,141	-	-	\$1,081,213	\$1,366,354
Roofing	-	-	\$210,407	-	-	\$210,407
Interiors	-	-	\$230,610	\$784,470	\$291,780	\$1,306,860
Conveying	-	-	\$29,840	\$629,964	\$29,840	\$689,644
Plumbing	\$125,328	-	\$15,251	\$35,145	\$152,181	\$327,905
HVAC	-	-	\$50,562	\$974,785	\$59,845	\$1,085,192
Fire Protection	-	-	-	\$112,523	-	\$112,523
Electrical	\$59,680	\$596,808	\$33,156	\$637,605	\$44,760	\$1,372,009
Fire Alarm & Electronic Systems	-	-	\$6,631	\$227,665	\$6,631	\$240,927
Equipment & Furnishings	-	-	\$222,409	\$281,826	\$222,409	\$726,644
Site Development	-	-	\$25,861	\$33,156	-	\$59,017
Site Pavement	-	-	-	-	-	-
Accessibility	\$57,525	-	-	-	-	\$57,525
TOTALS	\$981,500	\$890,200	\$824,800	\$3,717,200	\$1,896,900	\$8,310,600



Key Findings



Stairs in Poor condition.

Concrete, Exterior
Ashby Lofts Throughout building

Uniformat Code: B1081
Recommendation: **Replace in 2021**

Priority Score: **81.9**

Plan Type:
Performance/Integrity

Cost Estimate: \$465,000

\$\$\$\$

Exterior stairs show deterioration of wooden members and corrosion of metal elements. - AssetCALC ID: 3270061



Solar Power in Poor condition.

Inverter
Ashby Lofts Roof

Uniformat Code: D5013
Recommendation: **Replace in 2021**

Priority Score: **81.9**

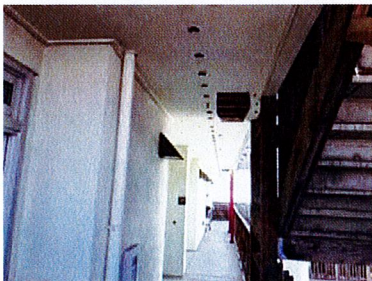
Plan Type:
Performance/Integrity

Cost Estimate: \$59,700

\$\$\$



System is reported to be unreliable. - AssetCALC ID: 3270074



Wood Stair Damage in Poor condition.

Concealed
Ashby Lofts Exterior stairs

Uniformat Code: B1081
Recommendation: **Repair in 2021**

Priority Score: **81.9**

Plan Type:
Performance/Integrity

Cost Estimate: \$273,900

\$\$\$\$

Repair damage to exterior structure surround staircases based on current evidence of moisture intrusion from staircases to surrounding building structure. - AssetCALC ID: 3295463



Solar Power in Poor condition.

Photovoltaic (PV) Panel, 24 SF
Ashby Lofts Roof

Uniformat Code: D5013
Recommendation: **Replace in 2022**

Priority Score: **81.8**

Plan Type:
Performance/Integrity

Cost Estimate: \$596,800

\$\$\$\$



Photovoltaic system reported to be unreliable. - AssetCALC ID: 3270068

ADA Living SpacesPriority Score: **63.9**Visual Bell & Strobe, Hearing-Impaired
Ashby Lofts Throughout

Plan Type: Accessibility

Cost Estimate: \$3,600

Uniformat Code: Y1071
Recommendation: **Install in 2021**

\$

Convert 2 units to be ADA A/V accessible - AssetCALC ID: 3271280

ADA Living SpacesPriority Score: **63.9**Apartment Unit, Full Mobility Conversion
Ashby Lofts Throughout building

Plan Type: Accessibility

Cost Estimate: \$41,400

Uniformat Code: Y1091
Recommendation: **Upgrade in 2021**

\$\$

Add one unit to bring number of accessible units to 5% threshold. - AssetCALC ID: 3271281

ADA MiscellaneousPriority Score: **63.9**Level III Study, Includes Measurements
Ashby Lofts Throughout

Plan Type: Accessibility

Cost Estimate: \$12,400

Uniformat Code: Y1091
Recommendation: **Evaluate/Report in 2021**

\$\$

Perform ADA survey as part of recommended ADA upgrades. - AssetCALC ID: 3272687

1.2. Follow Up Recommendations

No Additional studies are recommended. To determine the full extent of the wood rot at the stairs destructive investigation will be required.

1.3. Opinions of Probable Cost

This section provides estimates for the repair and capital reserves items noted within this Capital Needs Assessment (CNA). These estimates are based on invoice or bid documents provided either by the Owner/facility and construction costs developed from construction resources such as *R.S. Means* and *Marshall & Swift*, Bureau Veritas's experience with past costs for similar properties, city cost indexes, and assumptions regarding future economic conditions.

1.4. Methodology

Based upon site observations, research, and judgment, along with referencing Expected Useful Life (EUL) tables from various industry sources, Bureau Veritas opines as to when a system or component will most probably necessitate replacement. Accurate historical replacement records, if provided, are typically the best source of information. Exposure to the elements, initial quality and installation, extent of use, the quality and amount of preventive maintenance exercised, etc., are all factors that impact the effective age of a system or component. As a result, a system or component may have an effective age that is greater or less than its actual chronological age. The Remaining Useful Life (RUL) of a component or system equals the EUL less its *effective age*, whether explicitly or implicitly stated. Projections of Remaining Useful Life (RUL) are based primarily on age and condition with the presumption of continued use and maintenance of the Property similar to the observed and reported past use and maintenance practices, in conjunction with the professional judgment of Bureau Veritas's assessors. Significant changes in occupants and/or usage may affect the service life of some systems or components.

Where quantities could not be or were not derived from an actual construction document take-off or facility walk-through, and/or where systemic costs are more applicable or provide more intrinsic value, budgetary square foot and gross square foot costs are used. Estimated costs are based on professional judgment and the probable or actual extent of the observed defect, inclusive of the cost to design, procure, construct and manage the corrections.

1.5. Immediate Needs

Immediate Needs are line items that require immediate action as a result of: (1) material existing or potential unsafe conditions, (2) failed or imminent failure of mission critical building systems or components, or (3) conditions that, if not addressed, have the potential to result in, or contribute to, critical element or system failure within one year or will most probably result in a significant escalation of its remedial cost.

For database and reporting purposes the line items with RUL=0, and commonly associated with *Safety* or *Performance/Integrity* Plan Types, are considered Immediate Needs.

1.6. Replacement Reserves

Cost line items traditionally called Replacement Reserves (equivalently referred to as Lifecycle/Renewals) are for recurring probable renewals or expenditures, which are not classified as operation or maintenance expenses. The replacement reserves should be budgeted for in advance on an annual basis. Replacement Reserves are reasonably predictable both in terms of frequency and cost. However, Replacement Reserves may also include components or systems that have an indeterminable life but, nonetheless, have a potential for failure within an estimated time period.

Replacement Reserves generally exclude systems or components that are estimated to expire after the reserve term and are not considered material to the structural and mechanical integrity of the subject property. Furthermore, systems and components that are not deemed to have a material effect on the use of the Property are also excluded. Costs that are caused by acts of God, accidents, or other occurrences that are typically covered by insurance, rather than reserved for, are also excluded.

Replacement costs are solicited from ownership/property management, Bureau Veritas's discussions with service companies, manufacturers' representatives, and previous experience in preparing such schedules for other similar facilities. Costs for work performed by the ownership's or property management's maintenance staff are also considered.

Bureau Veritas's reserve methodology involves identification and quantification of those systems or components requiring capital reserve funds within the assessment period. The assessment period is defined as the effective age plus the reserve term. Additional information concerning systems or component's respective replacement costs (in today's dollars), typical expected useful lives, and remaining useful lives were estimated so that a funding schedule could be prepared. The Replacement Reserves Schedule presupposes that all required remedial work has been performed or that monies for remediation have been budgeted for items defined as Immediate Needs.

For the purposes of 'bucketizing' the System Expenditure Forecasts in this report, the Replacement Reserves have been subdivided and grouped as follows: Short Term (years 1-3), Near Term (years 4-5), Medium Term (years 6-10), and Long Term (years 11-20).

1.7. Key Findings

In an effort to highlight the most significant cost items and not be overwhelmed by the Replacement Reserves report in its totality, a subsection of Key Findings is included within the Executive Summary section of this report. Key Findings typically include repairs or replacements of deficient items within the first five-year window, as well as the most significant high-dollar line items that fall anywhere within the ten-year term. Note that while there is some subjectivity associated with identifying the Key Findings, the Immediate Needs are always included as a subset.

2. Capital Needs Assessment - Purpose and Scope

2.1. Purpose

The purpose of this Capital Needs Assessment (CNA) is to assist the Client in evaluating the physical aspects of this property and how its condition may affect the soundness of the Client's financial decisions over time. For this CNA, representative samples of the major independent building components were observed, and their physical conditions were evaluated. This included site and building exteriors, representative interior common areas, and a representative sample of the apartment units. Apartment unit observations include a minimum of 50 percent of the vacant units and all of the down units.

The property management staff, and code enforcement agencies were interviewed for specific information relating to the physical property, code compliance, available maintenance procedures, available drawings, and other documentation. The property's systems and components were observed and evaluated for their present condition. Bureau Veritas completed the *Systems and Conditions Table*, which lists the current physical condition and estimated remaining useful life of each system and component present on the property, as observed on the day of the site visit. The estimated costs for repairs and/or capital reserves are included in the enclosed cost tables. All findings relating to these opinions of probable costs are included in the narrative sections of this report.

The physical condition of building systems and related components are typically defined as being in one of five conditions: Excellent, Good, Fair, Poor, Missing/Failed, or a combination thereof. For the purposes of this report, the following definitions are used:

- Excellent = New or very close to new; component or system typically has been installed within the past year, sound and performing its function. Eventual repair or replacement will be required when the component or system either reaches the end of its useful life or fails in service.
- Good = Satisfactory as-is. Component or system is sound and performing its function, typically within the first third of its lifecycle. However, it may show minor signs of normal wear and tear. Repair or replacement will be required when the component or system either reaches the end of its useful life or fails in service.
- Fair = Showing signs of wear and use but still satisfactory as-is, typically near the median of its estimated useful life. Component or system is performing adequately at this time but may exhibit some signs of wear, deferred maintenance, or evidence of previous repairs. Repair or replacement will be required due to the component or system's condition and/or its estimated remaining useful life.
- Poor = Component or system is significantly aged, flawed, functioning intermittently or unreliably; displays obvious signs of deferred maintenance; shows evidence of previous repair or workmanship not in compliance with commonly accepted standards; has become obsolete; or exhibits an inherent deficiency. The present condition could contribute to or cause the deterioration of contiguous elements or systems. Either full component replacement is needed, or repairs are required to restore to good condition, prevent premature failure, and/or prolong useful life.
- Missing/Failed = Component or system has either failed or is missing where it should be present. Replacement, repair, or addition of component(s) or system(s) is recommended or required.

Throughout sections 5 through 9 of this report, each report section will typically contain three subsections organized in the following sequence:

- A descriptive table (and/or narrative), which identifies the components assessed, their condition, and other key data points.
- A simple bulleted list of Anticipated Lifecycle Replacements, which lists components and assets typically in Excellent, Good, or Fair condition at the time of the assessment but that will require replacement, or some other attention once aged past their estimated useful life. These listed components are typically included in the associated inventory database with costs identified and budgeted beyond the first several years.
- A bulleted cluster of Actions/Comments, which include more detailed narratives describing deficiencies, recommended repairs, and short-term replacements. The assets and components associated with these bullets are/were typically problematic and in Poor or Missing/Failed condition at the time of the assessment, with corresponding costs included within the first few years.

2.2. Deviations from the ASTM E2018-15 Guide

ASTM E2018-15, *Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process* requires that any deviations from the Guide be so stated within the report. Bureau Veritas's probable cost threshold limitation is reduced from the Guide's \$3,000 to \$2,000, thus allowing for a more comprehensive assessment on smaller scale properties. Therefore, Bureau Veritas's opinions of probable costs that are individually less than a threshold amount of \$2,000 are omitted from this CNA. However, comments and estimated costs regarding identified deficiencies relating to life/safety or accessibility items are included regardless of this cost threshold.

In lieu of providing written record of communication forms, personnel interviewed from the facility and government agencies are identified in Section 2.5. Relevant information based on these interviews is included in Sections 2.5, 3.1, and other applicable report sections.

2.3. Additional Scope Considerations

Items required by ASTM E2018-15 and Fannie Mae's *Exhibit III Specific Guidance to the Property Evaluator* are included within the Capital Needs Assessment (CNA). Additional "non-scope" considerations were addressed at the recommendation of Bureau Veritas and subsequent contract with the Client. These additional items are identified as follows:

Property disclosure information was obtained from the Bureau Veritas's Pre-Survey Questionnaire

An assessment of accessibility utilizing Bureau Veritas's Accessibility Checklist

A limited visual assessment and review of the property for mold growth, conditions conducive to mold growth, and evidence of moisture in accessible areas of the property

Provide a statement on the property's Remaining Useful Life

Provide cross reference indexing between cost tables and report text

Determination of FEMA Flood Plain Zone for single address properties

2.4. Property's Remaining Useful Life Estimate

Subject to the qualifications stated in this paragraph and elsewhere in this report, the Remaining Useful Life (RUL) of the property is estimated to be not less than **35** years. The Remaining Useful Life estimate is an expression of a professional opinion and is not a guarantee or warranty, expressed or implied. This estimate is based upon the observed physical condition of the property at the time of Bureau Veritas's visit and is subject to the possible effect of concealed conditions or the occurrence of extraordinary events such as natural disasters or other "acts of God" that may occur subsequent to the date of Bureau Veritas's site visit.

The Remaining Useful Life for the property is further based on the assumption that: (a) the immediate repairs, short term repairs, and future repairs for which replacement reserve funds are recommended are completed in a timely and workman-like manner, and (b) a comprehensive program of preventive and remedial property maintenance is continuously implemented using an acceptable standard of care. The Remaining Useful Life estimate is made only with regard to the expected physical or structural integrity of the improvements on the property, and no opinion regarding economic or market conditions, the present or future appraised value of the property, or its present or future economic utility, is expressed by Bureau Veritas.

2.5. Personnel Interviewed

The following personnel from the facility and government agencies were interviewed in the process of conducting the CNA:

Name and Title	Organization	Phone Number
Sam Fakir, Property Manager	Satellite Affordable Housing Associates	1510-981-0532

The CNA was performed with the assistance of Sam Fakir, Property Manager, Satellite Affordable Housing Associates the on-site Point of Contact (POC), who was cooperative and provided information that appeared to be accurate based upon subsequent site observations. The on-site contact is completely knowledgeable about the subject property and answered all questions posed during the interview process. The POC's management involvement at the property has been for the past 2.5 years.

2.6. Documentation Reviewed

Prior to the CNA, relevant documentation was requested that could aid in the knowledge of the subject property's physical improvements, extent and type of use, and/or assist in identifying material discrepancies between reported information and observed conditions. The review of submitted documents does not include comment on the accuracy of such documents or their preparation, methodology, or protocol. The following documents were provided for review while performing the CNA:

A Building Envelope Assessment prepared by Aquatech Consultancy, Inc., dated July 30, 2021, was provided for review.
A Repair proposal for roofing and other work prepared by A1 Construction, dated August 21, 2021, was provided for review.

2.7. Pre-Survey Questionnaire

A Pre-Survey Questionnaire was sent to the POC prior to the site visit. The questionnaire is included in the appendix. Information obtained from the questionnaire has been used in preparation of this CNA.

2.8. Weather Conditions

Weather conditions at the time of the site visit were clear, with temperatures in the 70s (°F) and moderate winds.

3. Code Information, Accessibility, and Mold

3.1. Code Information and Flood Zone

No relevant information about potential local building code violations was available from the municipal website and to date Bureau Veritas has been unable to contact a representative directly. A copy of the RFI letter sent to the agency is included in Appendix G.

No relevant information about potential local fire code violations was available from the municipal website and to date Bureau Veritas has been unable to contact a representative directly. A copy of the RFI letter sent to the agency is included in Appendix G.

According to the Flood Insurance Rate Map, published by the Federal Emergency Management Agency (FEMA) and dated December 21, 2018, the property is located in:

Zone X, defined as an area outside the 500-year flood plain with less than 0.2% annual probability of flooding. Annual Probability of Flooding of Less than one percent.

3.2. ADA Accessibility

Section 504 of the Rehabilitation Act of 1973 is a Federal accessibility law that was enacted on June 2, 1988. Section 504 applies to multifamily properties that have 15 or more units. The property must have a minimum of five percent mobility accessible units and two percent of the units for visual / audio hearing impairments. Exceptions can be considered due to undue financial burdens or structural restrictions. However, the exceptions do not relieve the recipients from compliance utilizing other units/buildings or other methods to achieve reasonable accommodations.

Reasonable Accommodations as described in 24 CFR 8.4(b)(i), 8.24 and 8.33 are described as follows: When a family member requires an accessible feature(s) or policy modification to accommodate a disability, property owners must provide such feature(s) or policy modification unless doing so would result in a fundamental alteration in the nature of its program or result in a financial and administrative burden.

The Uniform Federal Accessibility Standard (UFAS) 24 CFR part 40 was adopted by HUD and made effective October 4, 1984. The UFAS applies only to new construction or to alterations to the existing buildings. Alterations are defined as work that costs 50 percent or more of the building's value when the work performed occurs within a twelve-month period. Apartments modified for mobility impaired residents are to comply with UFAS.

Title III of the Americans with Disabilities Act (ADA) prohibits discrimination by entities to access and use of "areas of public accommodations" on the basis of disability. Generally, the rental office and access from the site to the rental office must be maintained and operated to comply with the Americans with Disabilities Act Accessibility Guidelines (ADAAG).

Buildings completed and occupied after January 26, 1992, are required to comply fully with ADAAG. Existing facilities constructed prior to this date are held to the lesser standard of complying to the extent allowed by structural feasibility and the financial resources available; otherwise, a reasonable accommodation must be made.

During the CNA, Bureau Veritas performed a limited accessibility review of the facility non-specific to any local regulations or codes. The scope of the visual observation was limited to the areas of focus and categories set forth in the checklist that is included in the appendix. It is understood by the Client that the observations described herein do not comprise a full Accessibility Compliance Survey, and that such a survey is beyond the scope of this particular assessment. A full measured ADA survey would be required to identify the full spectrum of all specific potential accessibility issues at the site. Additional clarifications are as follows:

- This survey was visual in nature and actual measurements were not taken to verify compliance
- Barriers and potential issues are identified regardless of applicable code/act or construction date of the facility

- Only a representative sample of units was observed
- Costs for non-compliant items are budgeted and included in the dataset
- Two overview photos were taken for each subsection in the checklist regardless of perceived compliance or non-compliance
- A “No” response to any question in the checklist does not alone guarantee full compliance with that guideline; all is subject to the limitations described elsewhere

The site was originally constructed in 2007. The site has not since been substantially renovated.

According to management, currently there are two units designated for mobility impairments and no units designated for audio-visual impairments. As such, the number of fully compliant units corresponds to 4% and 0% respectively, falling short of the respective 5% mobility and 2% audio-visual requirements. To meet the accessible unit percentage requirements, an additional one mobility unit and an additional two audio-visual units need to be converted.

The property’s common areas include the rental office, community room, laundry room, play area, and public parking to those areas. Based on Bureau Veritas’s limited review, the property is in general compliance with the applicable accessibility guidelines for those areas. Specific barriers or potential issues are itemized in the accompanying dataset and following the checklist included in the appendix.

During the interview process with the client representatives, no complaints or pending litigation associated with potential accessibility issues was reported.

A detailed follow-up accessibility study is included as a recommendation because additional full apartment unit conversions are needed and the budgetary sum of the corrective costs identified at the subject site is more than \$10,000. Reference the appendix for specific data, photos, and the checklists associated with this limited accessibility survey.

3.3. Interior Moisture and Suspect Fungal Growth

As part of the CNA, Bureau Veritas completed a limited, visual assessment for the presence of visible suspect fungal growth, conditions conducive to fungal growth, or evidence of moisture in readily accessible areas of the property. Bureau Veritas interviewed property personnel concerning any known or suspected fungal growth contamination, water infiltration, or mildew-like odor problems.

This assessment does not constitute a comprehensive survey of the property. The reported observations and conclusions are based solely on interviews with property personnel and conditions observed in readily accessible areas of the property at the time of the assessment. Sampling was not conducted as part of the assessment.

The exterior stairs showed signs of water intrusion and wood structural member deterioration in multiple locations for the exterior stairs and the surrounding building structure.

4. Existing Building Evaluation

4.1. Apartment Unit Types and Unit Mix

The appendices contain floor plan illustrations, which graphically represent the various unit types. The gross area measurements in the chart below are an approximation, are based on information provided by on-site personnel, and are not based on actual measurements. Due to the varying methods that could be utilized by others to derive square footage, the area calculations in the chart below do not warrant, represent, or guarantee the accuracy of the measurements.

Apartment Unit Types and Mix		
Quantity	Type	Floor Area
20	1 Bedroom/ 1 Bathroom	550 SF
24	2 Bedroom/ 1 Bathroom	700 SF
4	2 Bedroom/ 2 Bathroom	850 SF
7	3 Bedroom/ 2 Bathroom	1,400 SF
There are currently 2 vacant units.		
There are currently 0 down units.		
55	TOTAL	

4.2. Apartment Units Observed

Ten percent of the apartment units were observed in order to establish a representative sample and to gain a clear understanding of the property's overall condition. Other areas accessed included the exterior of the property, a representative sample of the roofs, and the interior common areas. The following apartments were observed.

Apartment Units Observed			
Unit #	Floor	Type	Comments
204	2 nd	2 Bedroom/ 1 Bathroom	Vacant. Good condition.
206	2 nd	1 Bedroom/ 1 Bathroom	Vacant. Good condition.
203	2 nd	2 Bedroom/ 1 Bathroom	Occupied. Good condition.
214	2 nd	1 Bedroom/ 1 Bathroom	Occupied. Good condition.
417	4 th	3 Bedroom/ 2 Bathroom	Occupied. Good condition.
412	4 th	3 Bedroom/ 2 Bathroom	Occupied. Good condition.

All areas of the property were available for observation during the site visit.

A "down unit" is a term used to describe a non-rentable apartment unit due to poor conditions such as fire damage, water damage, missing appliances, damaged floor, wall or ceiling surfaces, or other significant deficiencies. According to the POC, there are no down units.

5. Site Improvements

5.1. Utilities

The following table identifies the utility suppliers and the condition and adequacy of the services.

Utilities		
Utility	Supplier	Condition
Sanitary sewer	East Bay MUD	Fair
Storm sewer	East Bay MUD	Fair
Domestic water	East Bay MUD	Fair
Electric service	Pacific Gas and Electric	Fair
Natural gas service	Pacific Gas and Electric	Fair

Anticipated Lifecycle Replacements:

- No components of significance

5.2. Parking, Paving, and Sidewalks

Site Access & Egress	
Main Ingress and Egress	Ninth Street
Access from	West
Additional Entrances	N/A
Additional Access from	N/A

Parking Count				
Open Lot	Carport	Private Garage	Subterranean Garage	Freestanding Parking Structure
NA	NA	NA	32	NA
Total Parking Spaces			32	
Total Number of ADA Compliant Spaces			1	
Number of ADA Compliant Spaces for Vans			1	

Parking Lots and Pedestrian Walkways		
Item	Material	Condition
Entrance Driveway Apron	Concrete	Fair
Parking Lot	Concrete	Fair
Drive Aisles	Choose an item.	Missing
Service Aisles	None	Missing
Sidewalks	Concrete	Fair
Curbs	None	Missing
Pedestrian Ramps	None	Missing
Ground Floor Patio or Terrace	Concrete	Fair

Site Stairs			
Location	Material	Handrails	Condition
None	--	--	--

Anticipated Lifecycle Replacements:

- No items of significance

Comments:

- No significant actions are identified at the present time. Ongoing periodic maintenance is highly recommended.

5.3. Drainage Systems and Erosion Control

Drainage System and Erosion Control		
System	Exists at Site	Condition
Surface Flow	<input checked="" type="checkbox"/>	Fair
Inlets	<input type="checkbox"/>	--
Swales	<input type="checkbox"/>	--
Detention pond	<input type="checkbox"/>	--
Lagoons	<input type="checkbox"/>	--
Ponds	<input type="checkbox"/>	--
Underground Piping	<input checked="" type="checkbox"/>	Fair
Pits	<input type="checkbox"/>	--
Municipal System	<input checked="" type="checkbox"/>	Fair
Dry Well	<input type="checkbox"/>	--

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- There is no evidence of storm water runoff from adjacent properties. The storm water system appears to provide adequate runoff capacity. There is no evidence of major ponding or erosion.

5.4. Topography and Landscaping

Item	Description						
Site Topography	Slopes gently down from the east side of the property to the west property line.						
Landscaping	Trees	Grass	Flower Beds	Planters	Drought Tolerant Plants	Decorative Stone	None
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landscaping Condition	Fair						
Irrigation	Automatic Underground		Drip		Hand Watering		None
	<input checked="" type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
Irrigation Condition	Fair						

Retaining Walls		
Type	Location	Condition
None	NA	Missing

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- The topography and adjacent uses do not appear to present conditions detrimental to the property. There are no significant areas of erosion.

5.5. General Site Improvements

Property Signage	
Property Signage	Building mounted
Street Address Displayed?	Yes

Site Fencing		
Type	Location	Condition
Tube steel	South side	Fair

Dumpster Enclosures			
Dumpster Locations	Surface	Enclosure	Condition
Parking garage	Concrete pads	No enclosures	Fair

Site & Exterior Lighting					
Site Lighting	None	Pole Mounted	Bollard Lights	Ground Mounted	Parking Lot Pole Type
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Missing				
Building-Mounted Lighting	None	Wall Mounted	Recessed Soffit		
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
	Fair				

Other Site Amenities			
	Description	Location	Condition
Playground Equipment	Wood	Site	Fair

The play area is surrounded by a tube steel fence.

Anticipated Lifecycle Replacements:

- Playground equipment
- Playground surfaces

Actions/Comments:

- No significant actions are identified at the present time. Ongoing periodic maintenance is highly recommended. Future lifecycle replacements of the components listed above will be required.

6. Building Architectural and Structural Systems

6.1. Foundations

Building Foundation		
Item	Description	Condition
Foundation	Slab on grade with integral footings	Good
Basement and Crawl Space	None	--

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- The foundation systems are concealed. There are no significant signs of settlement, deflection, or movement.

6.2. Superstructure

Building Superstructure		
Item	Description	Condition
Framing / Load-Bearing Walls	Cast-in-place concrete	Good
Ground Floor	Concrete slab	Good
Upper Floor Framing	Wood joists	Fair
Upper Floor Decking	Plywood or OSB	Fair
Roof Framing	Wood joists, purlins, rafters	Good
Roof Decking	Plywood or OSB	Good

Anticipated Lifecycle Replacements:

- The exterior staircases show signs of water intrusion and building material deterioration in multiple locations. Replacements are recommended in the short term.

Actions/Comments:

- The superstructure is concealed. Walls and floors appear to be plumb, level, and stable. There are no significant signs of deflection or movement.

6.3. Roofing

Primary Roof			
Finish	Modified bituminous	Coatings	None
Type / Geometry	Flat	Installation Year	2007
Flashing	Sheet metal	Warranties	Unlikely (based on age)
Parapet Copings	Parapet with sheet metal coping	Roof Drains	Scupper, leaders and downspouts
Fascia	None	Insulation	Indeterminable
Soffits	None	Skylights	No
Attics	None	Ventilation Source (primary)	None
Roof Condition	Fair	Ventilation Source (secondary)	NA

Anticipated Lifecycle Replacements:

- Modified bituminous roof finish

Actions/Comments:

- The roof finishes were installed in 2007. Information regarding roof warranties or bonds was not available.
- According to the POC, there are no active roof leaks. There is no evidence of active roof leaks.
- There is no evidence of roof deck or insulation deterioration. The roof substrate and insulation should be inspected during any future roof repair or replacement work.
- Roof drainage appears to be adequate. Clearing and minor repair of drain system components should be performed regularly as part of the property management's routine maintenance and operations program.

6.4. Exterior Walls

Exterior Walls		
Type	Location	Condition
Primary Finish	Stucco	Fair
Secondary Finish	Wood siding	Fair
Accented with	None	--
Soffits	NA	--
Building sealants	Between dissimilar materials, at joints, around windows and doors	Fair

Anticipated Lifecycle Replacements:

- Exterior paint

Actions/Comments:

- No significant actions are identified at the present time. Ongoing periodic maintenance, including patching repairs, graffiti removal, and recaulking, is highly recommended. Future lifecycle replacements of the components listed above will be required.

6.5. Exterior and Interior Stairs

Stairs					
Type	Description	Riser	Handrail	Balusters	Condition
Building Exterior Stairs	Wood framed with precast concrete	Closed	Metal	--	Fair
Building Interior Stairs	Wood-framed	Closed	Metal	--	Fair

Anticipated Lifecycle Replacements:

- Exterior stairs

Actions/Comments:

- The wood stairs have isolated evidence of dry-rotted treads and plywood overhangs throughout. The damaged stair components and surrounding building structural components must be replaced.

6.6. Windows and Doors

Exterior Windows		
Window Framing	Glazing	Condition
Aluminum-framed storefront	Double glaze	Fair
Aluminum-framed, fixed	Double glaze	Fair

Exterior Doors		
Building Doors		Condition
Main Entrance Doors	Metal, insulated	--
Secondary Entrance Doors	Metal, insulated	--
Service Doors	Metal, insulated	--
Overhead Doors	Aluminium	--
Apartment Unit Doors		Condition
Apartment Unit Entrance Doors	Metal-Framed Door With Glass	Fair

Apartment Unit Patio Doors	Aluminum framed sliding doors			--		
	Cylindrical Lockset	Handle	Security Chain	Deadbolts	Spy-Eyes	Door Knockers
Apartment Entrance Door Hardware	Yes	Lever	Yes	NA	No	No

Anticipated Lifecycle Replacements:

- No items of significance.

Actions/Comments:

- No significant actions are identified at the present time. Ongoing periodic maintenance is highly recommended.

6.7. Patio, Terrace, and Balcony

Balcony Construction		
Item	Description	Condition
Balcony Framing	None	--
Balcony Decking	None	--
Balcony Deck Toppings	NA	--
Balcony Guardrails	NA	--

Anticipated Lifecycle Replacements:

- No components of significance

Actions/Comments:

- The concrete walkway superstructure is concealed. The concrete walkways appear to be plumb, level, and stable. There are no significant signs of deflection or movement.

6.8. Common Areas and Interior Finishes

The following table identifies the interior common areas and generally describes the finishes in each common area.

Interior Finishes			
Common Area	Floors	Walls	Ceilings
Lobby	Unfinished	Painted stucco	Stained wood
Laundry Room	Vinyl Tile	Painted Drywall	Painted drywall
Common Area Kitchen	Vinyl Tile	Painted Drywall	Painted drywall
Common Area Restroom	Ceramic Tile	Ceramic Tile	Painted drywall

Laundry Equipment		
Equipment	Comment	Condition
Commercial Washing Machines	Six machines rated at 50 LB each	Fair
Commercial Dryers	Six Gas dryers rated at 2500 BTUH each	Fair

Anticipated Lifecycle Replacements:

- Vinyl Tile
- Ceramic tile
- Interior paint

Actions/Comments:

- It appears that the interior finishes in the common areas have not been renovated within the last five years.
- No significant repair actions or short term replacement costs are required.

The washers and dryers are owned and maintained by an outside contractor.

7. Building Mechanical and Electrical Systems

7.1. Building Heating, Ventilating, and Air Conditioning (HVAC)

Overall System Description:

There are no central systems at the facility and common areas are limited to hallways, rental offices and commercial spaces. More details are provided within the tables that follow in this section and in section 8.3.

There are no central systems at the property and no shared common interior spaces. Details about heating and cooling the apartment spaces are provided within the tables that follow in this section and in section 8.3.

Packaged, Split and Individual Units	
Primary Components	Ductless split system heat pumps
Cooling (if separate from above)	Performed via components above
Heating Fuel	Electric
Location of Equipment	Building exterior
Spaces Served by Units	Offices, common areas

Controls and Ventilation	
HVAC Control System	Individual non-programmable thermostats/controls
Building Ventilation	Roof top exhaust fans

The parking garage is equipped with a mechanical ventilation system. The system consists of exhaust fans and a network of sheet metal ducts.

Anticipated Lifecycle Replacements:

- Split system heat pumps
- Rooftop exhaust fans

Actions/Comments:

- Records and other on-site evidence suggest the HVAC systems and components have been regularly maintained since the property was first occupied. The HVAC systems are maintained by outside contractors.
- Approximately 100 percent of the HVAC equipment is original. HVAC equipment is replaced on an as-needed basis.
- The HVAC system appears to be functioning adequately overall. The maintenance staff were interviewed about the historical and recent performance of the equipment and systems. No chronic problems were reported and an overall sense of satisfaction with the systems was conveyed. However, due to the inevitable failure of parts and components over time, some of the equipment will require replacement.

7.2. Building Plumbing

Domestic Water Distribution & Common Area Fixtures

Type	Description	Condition
Water Supply Piping	Copper	Fair
Water Meter	Curbside	Fair
Restroom Fixtures	Urinals, toilets, and sinks of residential grade	

Domestic Water Heaters or Boilers

Components	Boilers
Fuel	Natural gas
Distribution Pumps	Small circulation pumps
Supplementary Storage Tanks	One unit at 200 gallons
Adequacy of Hot Water	Adequate
Adequacy of Water Pressure	Adequate
Domestic Hot Water System Age	14 years
Domestic Hot Water System Condition	Fair

Sanitary Drainage

Type	Description	Condition
Waste/Sewer Piping	Cast iron	Fair
Vent Piping	Cast iron	Fair

Anticipated Lifecycle Replacements:

- Boilers
- Circulation pumps
- Water heaters
- Toilets
- Urinals
- Sinks

Actions/Comments:

- The plumbing systems appear to be well maintained and functioning adequately. The water pressure appears to be sufficient. No significant repair actions or short term replacement costs are required. Routine and periodic maintenance is recommended. Future lifecycle replacements of the components or systems listed above will be required.

7.3. Building Gas Distribution

Gas service is supplied from the gas main on the adjacent public street. The gas meters and regulators are located along the exterior walls of the buildings. The gas distribution piping within each building is malleable steel (black iron).

Anticipated Lifecycle Replacements:

No components of significance

Actions/Comments:

The pressure and quantity of gas appear to be adequate.

The gas meters and regulators appear to be functioning adequately and will require routine maintenance.

Only limited observation of the gas distribution piping can be made due to hidden conditions.

7.4. Building Electrical

Distribution and Lighting			
Electrical Lines	Underground	Transformer	Pole-mounted
Main Service Size	2000 Amps	Volts	120/208 Volt, three-phase
Meter Location	Electrical room	Branch Wiring	Copper
Conduit	Metallic	Step-Down Transformers	No
Main Distribution Condition	Fair		
Secondary Panel and Transformer Condition	Fair		
Interior Lighting Fixtures & Lamps	Most Prevalent: T-8, LED, CFL Supplemental/Accent: T-8, LED, CFL Special Areas: None		
Interior Lighting Condition	Fair		

Building Emergency Systems			
Generator/s Present?	<input type="checkbox"/>	UPS Present?	<input checked="" type="checkbox"/>
Size	NA	Fuel Type	UPS system with batteries
Generator / UPS Serves	Emergency lights, elevators, etc.	Tank Location	NA
Testing Frequency	Unknown	Tank Type	--
Generator / UPS Condition	Fair		

Anticipated Lifecycle Replacements:

- UPS System
- Photovoltaic system

Actions/Comments:

- The onsite electrical systems up to the meters are owned and maintained by the respective utility company.
- The electrical service and capacity appear to be adequate for the property’s demands.
- The photovoltaic system is reported to be unreliable, and the inverters are near the end of EUL.

7.5. Building Elevators and Conveying Systems

Vertical Conveying (Building Elevators)			
Manufacturer	Otis	Machinery Location	Ground floor or basement adjacent to shaft
Safety Stops	Electronic	Emergency Communication Equipment	☒
Cab Floor Finish	Vinyl tile	Cab Wall Finish	Stainless steel
Cab Finish Condition	Fair	Elevator Cab Lighting	CFL
Hydraulic Elevators	Two cars at 2,500 LB each		
Overhead Traction Elevators	None		
Freight Elevators	None		
Machinery Condition	Fair	Controls Condition	Fair
Other Conveyances	None	Other Conveyance Condition	--

Anticipated Lifecycle Replacements:

- Elevator controls
- Hydraulic machinery
- Elevator cab finishes

Actions/Comments:

- A report was completed for the Ashby Lofts elevator services on April 9, 2021, by National Elevator Inspection Services for Satellite Homes and is included in the appendices.
- The elevators appear to provide adequate service. The elevators are serviced by Otis on a routine basis. The elevator machinery and controls are the originally installed system. The elevators will require continued periodic maintenance.
- The elevators are inspected on an annual basis by the municipality, and a certificate of inspection is displayed in each elevator cab.
- The emergency communication equipment in the elevator cabs appears to be functional. Equipment testing is not within the scope of the work.

- The finishes in the elevator cabs will require replacement.

7.6. Fire Protection Systems

Fire Suppression	Description					
Sprinkler System & Suppression Components	Wet-pipe system	<input checked="" type="checkbox"/>	Dry-pipe system	<input type="checkbox"/>	No sprinklers	<input type="checkbox"/>
	Standpipes	<input checked="" type="checkbox"/>	Backflow preventer	<input checked="" type="checkbox"/>	Siamese connections	<input type="checkbox"/>
	Hose cabinets	<input type="checkbox"/>	Fire pump	<input type="checkbox"/>	Fire extinguishers	<input checked="" type="checkbox"/>
Sprinkler System Condition	Fair					
Fire Extinguishers	Last Service Date			Servicing Current?		
	October, 2020			Yes, serviced within last year		
Hydrant Location	9 th Street					
Siamese Location	N/A					
Special Systems	Kitchen Suppression System		<input type="checkbox"/>	Computer Room Suppression System		<input type="checkbox"/>

Fire Alarm	Description					
Fire Alarm System	Central Alarm Panel	<input checked="" type="checkbox"/>	Battery-Operated Smoke Detectors	<input type="checkbox"/>	Alarm Horns	<input type="checkbox"/>
	Annunciator Panels	<input checked="" type="checkbox"/>	Hard-Wired Smoke Detectors	<input checked="" type="checkbox"/>	Strobe Light Alarms	<input checked="" type="checkbox"/>
	Pull Stations	<input type="checkbox"/>	Emergency Battery-Pack Lighting	<input type="checkbox"/>	Illuminated Exit Signs	<input checked="" type="checkbox"/>
Fire Alarm System Condition	Fair					
Central Alarm Panel	Location			Installation Date		
	Electrical room			2007		

Anticipated Lifecycle Replacements:

- Sprinkler heads
- Central alarm panel
- Alarm devices and system

Actions/Comments:

- No significant actions are identified at the present time. Ongoing periodic maintenance is highly recommended. Future lifecycle replacements of the components listed above will be required.

8. Dwelling Units

8.1. Interior Finishes

The following table generally describes the interior finishes in the apartment units:

Typical Apartment Unit Finishes			
Room	Floors	Walls	Ceilings
Living Room	VCT, Sheet Vinyl, Carpet	Painted gypsum board	Painted gypsum board
Kitchen	VCT, Sheet Vinyl	Painted gypsum board	Painted gypsum board
Bedroom	VCT, Sheet Vinyl, Carpet	Painted gypsum board	Painted gypsum board
Bathroom	VCT, Sheet Vinyl	Painted gypsum board	Painted gypsum board
Stairwell	Carpet	Painted gypsum board	Painted gypsum board
Hallways	VCT, Sheet Vinyl, Carpet	Painted gypsum board	Painted gypsum board

Apartment Unit Interior Doors		
Item	Type	Condition
Interior Doors	Hollow Core Wood	varies; see <i>Component Condition Report</i> in the appendix for an extrapolated data set based on the apartment units sampled
Door Framing	Wood	
Closet Doors (Type 1)	Painted Hollow Core	
Closet Doors (Type 2)	Painted Hollow Core	

Anticipated Lifecycle Replacements:

Carpet
 Vinyl tile
 Sheet vinyl
 Ceramic tile
 Interior paint
 Interior doors
 Closet doors

Actions/Comments:

The interior finishes in the apartment units vary in age and condition and will require regular lifecycle replacements per the above list, typically performed upon unit turnover. Painting is considered to be routine maintenance.

8.2. Dwelling Appliances

Each apartment unit kitchen typically includes the following appliances:

Apartment Unit Kitchen Appliances		
Item	Type	Condition
Refrigerator	Frost-free 14 cubic feet	varies; see <i>Component Condition Report</i> in the appendix for an extrapolated data set based on the apartment units sampled
Cooking Range	Electric	
Range Hood	Ductless	
Dishwasher	Provided	
Garbage Disposal	Provided	
Kitchen Cabinet	Stained wood	
Kitchen Countertop	Granite	
Apartment Laundry	NA	

Anticipated Lifecycle Replacements:

- Refrigerators
- Ranges
- Range hoods
- Dishwashers
- Kitchen cabinets
- Kitchen countertops

Actions/Comments:

The vast majority of the kitchen appliances are original. Apartment appliances are replaced on an "as needed" basis. No significant repair actions or short term replacement costs are required beyond the anticipated lifecycle replacements listed above. Routine and periodic maintenance is recommended.

8.3. HVAC

Apartment Unit Heating		
Central boiler system feeds terminal fan-coil units within the apartment unit spaces as described in Section 7.1. Capacities and other information generally per below.		
Unit Type	Heating Input	Condition
One Bedrooms	40 MBH	varies; see <i>Component Condition Report</i> in the appendix for an extrapolated data set based on the apartment units sampled

Two Bedrooms	60 MBH	
Three Bedrooms	75 MBH	

Apartment Unit Cooling		
None; no cooling provided		
Unit Type	Cooling Capacity	Condition
One Bedrooms	NA	NA
Two Bedrooms	NA	
Three Bedrooms	NA	

Distribution, Controls & Ventilation	
Item	Description
Ductwork	None
Controls	Non-programmable thermostats located on the walls
Exhaust & Ventilation	Ceiling fans in bathrooms

Anticipated Lifecycle Replacements:

Fan coil units

Actions/Comments:

The HVAC systems are maintained by an outside contractor. Records of the installation, maintenance, upgrades, and replacement of the HVAC equipment at the property have been maintained since the property was first occupied.

Approximately 100 percent of the HVAC equipment is original.

The HVAC equipment appears to be functioning adequately overall. The maintenance staff were interviewed about the historical and recent performance of the equipment and systems. No chronic problems were reported and an overall sense of satisfaction with the systems was conveyed. However, due to the inevitable failure of parts and components over time, some of the equipment will require replacement.



8.4. Plumbing

Apartment Unit Plumbing		
Domestic Hot Water		
Central domestic hot water system feeds the apartment units as described in Section 7.2.		
Unit Type	Water Heater Size	Condition
One Bedrooms	NA	NA
Two Bedrooms	NA	
Three Bedrooms	NA	

Unit Plumbing Fixtures		
Item	Description / Rating	Condition
Toilet & Sink	Residential grade	varies; see <i>Component Condition Report</i> in the appendix for an extrapolated data set based on the apartment units sampled
Bathtub	Fiberglass	
Tub/Shower Surround	Fiberglass	
Bathroom Vanity Cabinet	Wood	

Anticipated Lifecycle Replacements:

- Toilets
- Vanities
- Tubs and shower surrounds

Actions/Comments:

The pressure and quantity of hot water appear to be adequate, and the water pressure appears to be sufficient in the apartment units. No significant repair actions or short term replacement costs are required. Routine and periodic maintenance is recommended.

8.5. Electrical

Apartment Unit Electrical	
Distribution Item	Description
Apartment Unit Service Size	100 Amps



Panel	Circuit-breaker type and located on the wall adjacent to the unit entrance /
Ground Fault Circuit Interruption (GFCI)	Outlets observed in kitchens and bathrooms
Space/Room	Light Fixture Description
Living Room	Compact Fluorescent Lamps (Cfls)
Kitchen	T8 - Linear Fluorescent
Bedrooms	Compact Fluorescent Lamps (Cfls)
Hallways	Compact Fluorescent Lamps (Cfls)
Bathrooms	Compact Fluorescent Lamps (Cfls)
Entry and Patio	Compact Fluorescent Lamps (Cfls)

Anticipated Lifecycle Replacements:

No components of significance

Actions/Comments:

No significant repair actions or short term replacement costs are required. Routine and periodic maintenance is recommended.

8.6. Furniture, Fixtures and Equipment (FF&E)

Not applicable. There are no furnished apartments.

9. Ancillary Structures

Not applicable. There are no major accessory structures.

10. Appendices

- APPENDIX A: Photographic Record
- APPENDIX B: Site and Floor Plans
- APPENDIX C: Pre-Survey Questionnaire
- APPENDIX D: Abbreviated Accessibility Checklist
- APPENDIX E: Component Condition Report
- APPENDIX F: Replacement Reserves
- APPENDIX G: Other Supporting Documents



APPENDIX A:
Photographic Record



Photographic Overview



1 - COVER PHOTO



2 - FRONT ELEVATION



3 - RIGHT ELEVATION



4 - LEFT ELEVATION



5 - REAR ELEVATION



6 - UNDERNEATH PARKING AREA

Photographic Overview



7 - ELECTRIC SERVICE METERS



8 - PLAY AREA



9 - COURTYARD



10 - ALUMINUM WINDOW



11 - ALUMINUM-FRAMED EXTERIOR DOOR



12 - OVERHEAD/DOCK DOOR

Photographic Overview



13 - ALUMINUM-FRAMED EXTERIOR DOOR



14 - STEEL DOOR



15 - MODIFIED BITUMEN ROOFING



16 - ALUMINUM-FRAMED UNIT ENTRY DOORS



17 - EXTERIOR PAINTED SURFACES



18 - EXTERIOR STAIRS

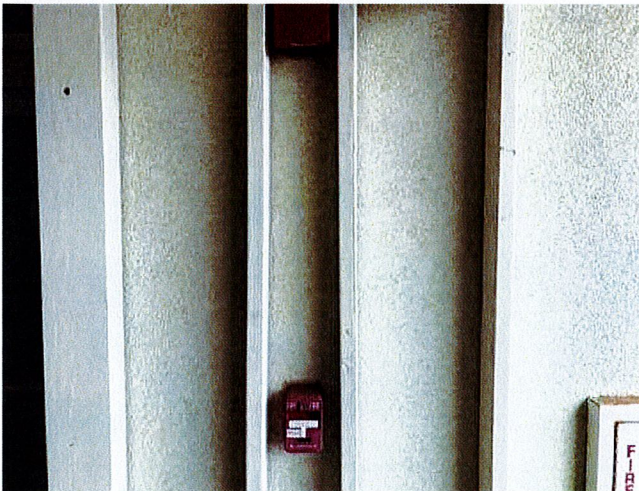
Photographic Overview



19 - FIRE EXTINGUISHER



20 - EXISTING SPRINKLERS



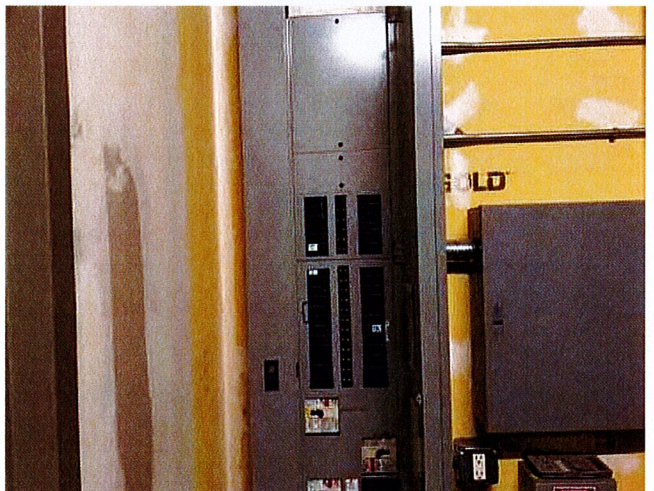
21 - FIRE ALARM SYSTEM



22 - MULTIPLEX FIRE ALARM PANEL



23 - HYDRAULIC ELEVATOR EQUIPMENT

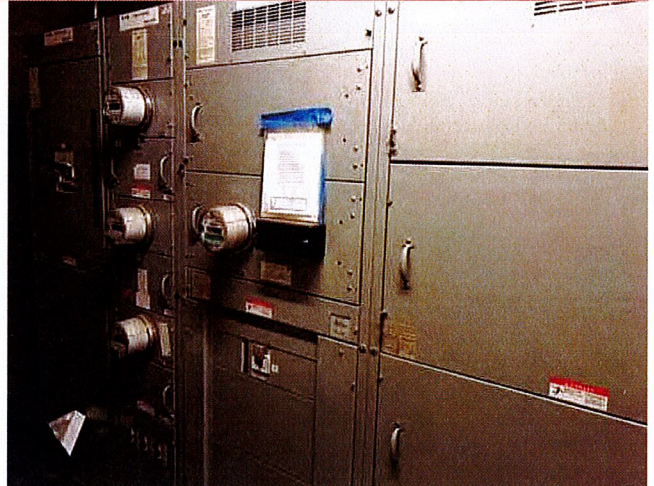


24 - ELECTRIC DISTRIBUTION PANEL

Photographic Overview



25 - PHOTOVOLTAIC SYSTEM



26 - ELECTRIC SWITCHBOARD



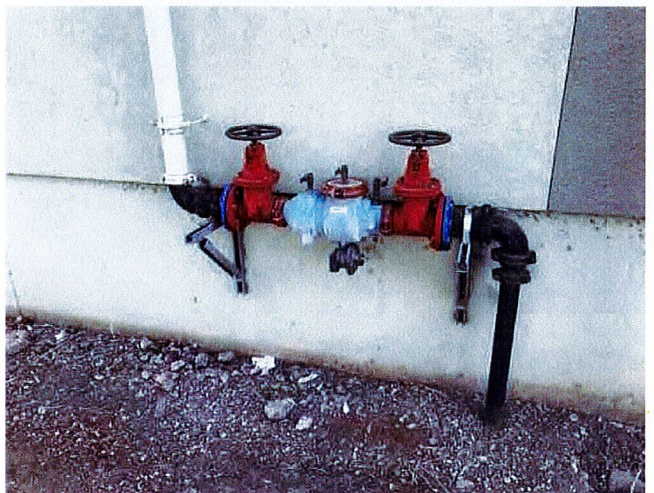
27 - SPLIT SYSTEM DUCTLESS



28 - HYDRONIC FAN COIL

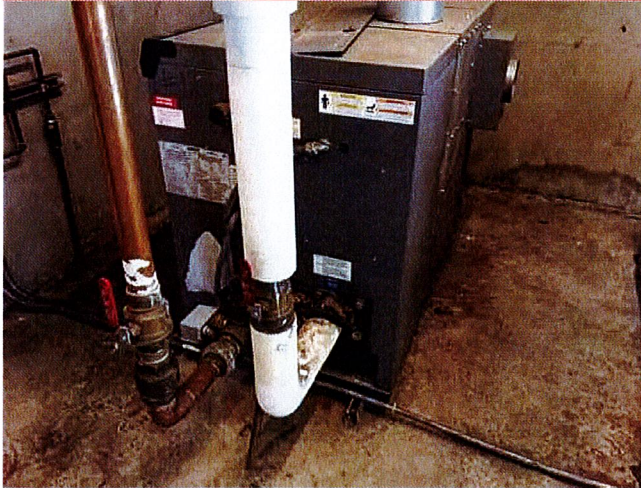


29 - WALL-MOUNTED EXHAUST FAN

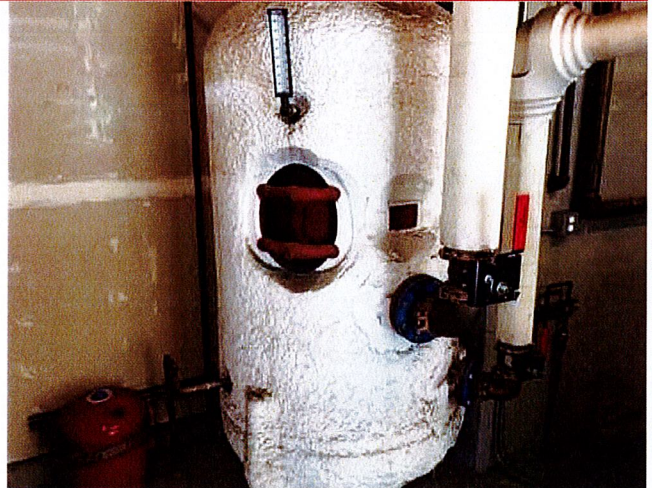


30 - BACKFLOW PREVENTER

Photographic Overview



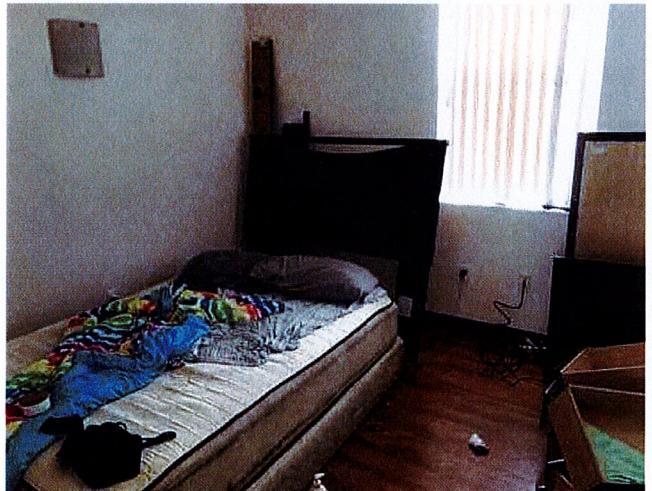
31 - DOMESTIC GAS BOILER



32 - DOMESTIC WATER STORAGE TANK



33 - UNIT 412, OCCUPIED, LIVING ROOM



34 - UNIT 412, OCCUPIED, BEDROOM



35 - UNIT 412, OCCUPIED, KITCHEN



36 - UNIT 206 , VACANT, BATHROOM

Photographic Overview



37 - UNIT 214, OCCUPIED, LIVING ROOM



38 - UNIT 417, OCCUPIED, BEDROOM



39 - UNIT 417, OCCUPIED, BATHROOM



40 - UNIT 206, OCCUPIED, KITCHEN



41 - COMMUNITY ROOM



42 - COMMERCIAL SPACE

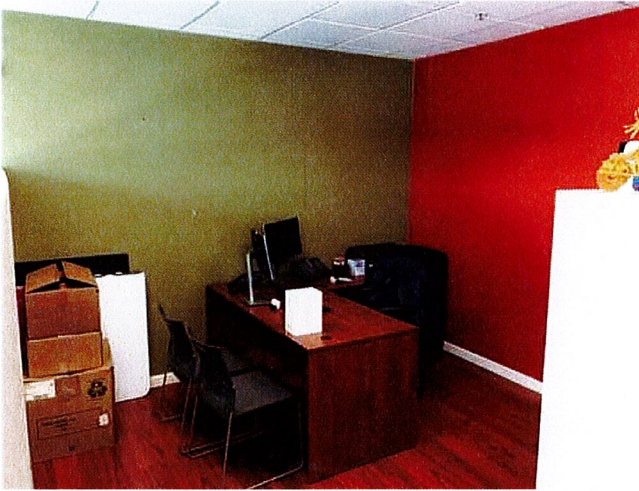
Photographic Overview



43 - LOBBY



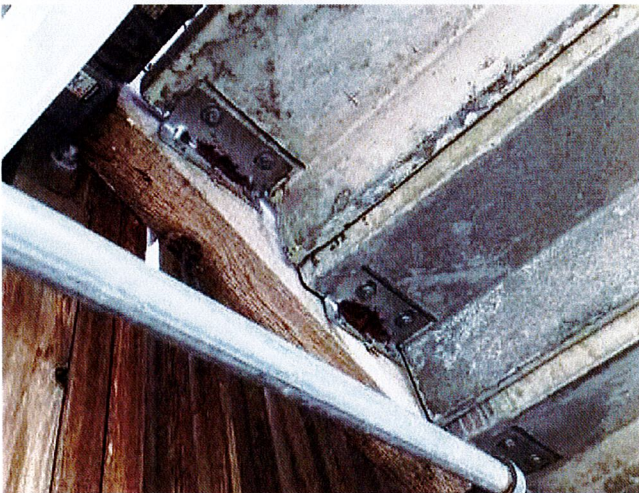
44 - LAUNDRY ROOM



45 - COMMERCIAL SPACE



46 - SOLAR POWER, INVERTER



47 - CORROSION ON STAIRCASE



48 - WATER DAMAGED WOOD FROM WATER INTRUSION



APPENDIX B:

Site Plan



Site Plan



**BUREAU
VERITAS**

Project Number

152227.21R000-001.152

Source

Google

Project Name

Ashby Lofts

SAHA

On-Site Date

September 1, 2021

