



ILLINOIS HOUSING DEVELOPMENT AUTHORITY STANDARDS FOR PROPERTY NEEDS ASSESSMENTS

Published November 2021

As part of the Application for Multifamily Financing, the Illinois Housing Development Authority (IHDA) requires applicants wishing to rehab a property to secure Property Needs Assessments (PNAs) from professional services firms experienced in providing property needs assessment services and capable of producing the desired services in a professional, timely and cost-conscious manner. All applicants must submit a "Property Needs Assessment" report (attached) and table, as found on IHDA's website (www.ihda.org).

The preparer of the report shall at all times be an independent observer and cannot be connected in any other fashion to the project such as the design architect, project architect of record, general contractor, property manager or sponsor.

The firm selected by the applicant must meet the Standards for Property Needs Assessments Estimating listed below as well as the Supplemental Consultant standards, attached.

The information below is intended as a guide to applicants in the selection of PNA firms to be used on IHDA funded projects. It is the responsibility of the applicant to make their own determination regarding the capability, competence and/or limitations of a consultant. IHDA reserves the right to change or waive any of the requirements below and reject any submitted property needs assessment not meeting these standards.

With the approval of the subsequent QAP, the Property Needs Assessment shall include an ASHRAE Level 2 Energy Audit component. IHDA will accept audit reports prepared in accordance with Fannie Mae's Multifamily Green Financing Solutions (Green Physical Needs Assessment Statement of Work and Contractor Qualifications) or audits performed by Certified Energy Auditing Consultants in compliance with ASHRAE Level 2 guidelines. The use of other formats not mentioned herein must receive IHDA approval. At a minimum the Energy Audit shall include a detailed examination of energy uses and other controllable utilities, historical data analysis of building energy use and consumption, and a set of recommendations to identify ways to save the maximum amount of energy and water at a property and capital improvements as cost efficiently as possible.

I. Scope of Services

The purpose of a Property Needs Assessment is to observe and document readily visible materials and building system defects, which might significantly affect the value of the property, and determine if conditions exist which may have a significant impact on the continued operation of the facility during the evaluation period. This assessment shall not be used by the developer as his scope of work. It shall be viewed as an independently determined addendum to the scope of work prepared by the developer's design architect.

The applicant is required to arrange for the professional firm to visit the project site to observe the project nature, existing physical conditions of all building materials and systems; associated

accessibility and other site building restraints which would have costs impacts. The applicant must supply the selected firm with the necessary documents to perform the tasks, such as a full set of plans and specifications.

The assessment shall include

- a site visit with a uniform distribution and random selected minimum of;
 - 100% for projects with 4 - 50 units
 - 75% for projects with 51 - 100 units
 - 50% for projects with 101 - 250
 - 35% for projects with 251 or more units; fully inspected
 - All of the building exteriors and common areas.
 - All roofs, mechanical equipment, drainage systems, walks and drives, attics and crawl spaces, and visible portions of the foundation and utility systems.
 - All collateral support buildings
- interviews with property management personnel;
- inquiries to the local building department,
- zoning department and fire department;
- a review of readily available construction documents (drawings and specifications) provided by the property owner;
- and visual observations of the following systems components:
 - site development,
 - building exterior and interior,
 - building structure,
 - mechanical, electrical and plumbing systems;
 - conveyance systems,
 - life safety/fire protection,
 - and general accessibility compliance.

II. Format

Professional property needs assessment firms are required to report their findings in IHDA's Property Needs Assessment report (attached) and table (found on the IHDA website at www.ihda.org).

The report shall include: critical repair items, immediate repair and replacement items (twelve-month needs), long-term physical needs (15 years), analysis of reserves for replacement and costing.

The report shall identify any repair items that represent an immediate threat to health and safety, and all other significant defects, deficiencies, items of deferred maintenance, and material building code violations that would limit the expected useful life of major components or systems. Deficiencies regarding significant life safety issues must be identified.

The report is intended to provide a general overview of the building systems and their overall condition. It shall be performed using the degree of skill and care normally exercised by qualified consultants performing similar work. The activities of the assessment shall include observations of visible and readily accessible areas. The observations shall be performed without removing or damaging components of the existing building systems. Consequently, certain assumptions shall be made regarding conditions and operating performance. In some cases, additional studies may be warranted to fully evaluate concerns noted. In addition, system checks or testing of the equipment in the operating mode is beyond the scope of this assessment.

Estimated cost opinions presented in the report shall be from a combination of sources. The primary sources are from Means Repair and Remodeling Cost Data and Means Facilities Maintenance and

Repair Cost Data; past invoices or bid documents provided by site management; as well as the report preparer's experience with costs for similar projects and city cost indexes.

Replacement and Repair Cost estimates shall be based on configured quantities. Information furnished by site personnel or the property management, if presented, shall be assumed to be reliable. If the proposed project includes a full removal of any systems, the condition of system shall be classified as required in the PNA (critical repair, immediate repair, long term need), and a replacement cost shall be provided. Proper notation confirming the system to be replaced shall be noted in the pricing section of the PNA. If the project is considering improvements to existing systems, appropriate cost estimates shall be provided.

Actual costs may vary depending on such matters as type and design of remedy; quality of materials and installation; manufacturer of the equipment or system selected; field conditions; whether a physical deficiency is repaired or replaced in whole; phasing of the work; quality of the contractor(s); project management exercised; and the availability of time to thoroughly solicit competitive pricing. In view of these limitations, the costs presented in the report shall be considered "order of magnitude" and used for budgeting purposes only. Detailed design and contractor bidding is required to determine actual cost.

A representation regarding the status of accessibility requirements shall be based on visual observation and some physical measuring and, thus, are intended to be a good faith effort to assist the developer by noting nonconforming conditions along with estimates of costs to correct and are not to be considered to be based on a detailed study.

This report is not required to confirm the presence or absence of asbestos, PCBs, lead-based paints, mold or toxic soils on this property but should report them if suspected during the visual inspection.

The preparer of the report shall at all times be an independent observer and cannot be connected in any other fashion to the project such as the design architect, project architect of record, general contractor, property manager or sponsor.

The PNA must be submitted on letterhead and must be signed by the professional services firm preparing the PNA.

IHDA must be explicitly addressed as being able to rely on the PNA.

The PNA form shall be uploaded to the IHDA portal at the time of application, and must be dated on later than 6 months prior to application date.

IHDA will accept PNA or CNA reports prepared under other similar formats (USDA Rural Development, Fannie Mae or Freddie Mac) to avoid duplication of work prepared under similar formats. The use of other formats not mentioned herein must receive IHDA approval.

Pricing must be provided for each element as defined above if the selected format varies from what is required by IHDA.

III. Certification

PNAs must be prepared by a reviewer who possesses a professional qualification in architecture or engineering, or appropriate experience and/or certifications in the construction fields. The property needs reviewer should have at least ten (10) years of experience commensurate with the subject property type and scope (size, complexity, etc.), and experience in the preparation of PNAs.

IV. Ethics

The Code of Ethics and Standards of Practice for the American Institute of Architects shall apply to all individuals providing property assessment services for IHDA projects. The Code can be found at http://content.aia.org/sites/default/files/2020-12/2020_Code_of_Ethics.pdf

V. Fee Basis

Fees for all cost and expenses related to the performance of the scope of services shall be determined between the professional services firm and the applicant. The applicant is responsible for payment of fees and entering into a written agreement with the selected professional services firm. Kickbacks or incentives for procuring inflated values are not permitted.

IHDA shall review the PNA estimation fees associated with the development to insure they are proper, fair and reasonable. IHDA has evaluated the fees from past Authority financed projects, and offers the following maximum:

Maximum per each unit inspected: \$350

VI. Questions

Any questions or request for clarification regarding this service must be submitted to *Multifamily Financing Department at Multifamilyfin@ihda.org*



ILLINOIS HOUSING DEVELOPMENT AUTHORITY SUPPLEMENTAL PROFESSIONAL SERVICES FIRM REQUIREMENTS

November 2021

As part of the Application for Multifamily Financing, the Illinois Housing Development Authority (IHDA) requires applicants to secure studies from professional services firms experienced in providing cost estimating services, market studies, Phase I Environmental studies, Rent Comparability Studies, and Property Needs Assessments.

The professional services firms selected by the applicant must meet the Supplemental Consultant standards listed below along with the standards for each discipline as found on the IHDA website.

The information below is intended as a guide to applicants in the selection of consultants to be used on IHDA funded projects. It is the responsibility of the applicant to make his/her own determination regarding the capability, competence and/or limitations of a consultant. IHDA reserves the right to change or waive any of the requirements below and reject any studies.

I. Minimum Qualifications

Professional services firms selected and retained by applicants must be registered with the Illinois Department of Revenue to conduct business in Illinois and not be debarred, suspended or otherwise prohibited from professional practice by any Federal, State or Local Agency.

The selected firm is required to have been in business for a minimum of ten (10) years and must demonstrate knowledge and related experiences with regard to preparation of studies for affordable housing projects using federal, state and city funds.

The professional services firm must supply the applicant with documentation of the firm's professional qualifications, including: Illinois Department of Revenue registration, resumes of key members assigned to the project demonstrating a minimum of ten (10) years' experience in the design, development and/or construction of affordable housing.

II. Minority Procurement Efforts

The applicant is required to make a proactive effort in selecting and retaining qualified firms certified as Minority Business Enterprise (MBE), Disadvantaged Business Enterprise (DBEs) and Women Business Enterprise (WBEs) whenever possible. The applicant is required to verify any selected MBEs, DBEs and WBEs are registered and have a valid certification number.

III. References

The selected firm must supply the applicant at least three (3) professional references pertaining to the firm's experience in performing consultant services for projects of a similar type, scale, and complexity.

IV. Fee Basis

Fees for all cost and expenses related to the performance of the scope of services shall be determined between the professional services firm and the applicant. The applicant is responsible for payment of fees and entering into a written agreement with the selected professional services firm. Kickbacks or incentives for procuring inflated values will not be permitted.

IHDA shall review the fees associated with the development to insure they are proper, fair and reasonable. IHDA has evaluated the fees from past IHDA financed projects. As such, the fees listed in each specific consultant standard reflect the maximum percentage IHDA will accept as a reasonable fee for services. Higher fee are acceptable but the owner/developer will be responsible to pay the difference between the higher fees and the fees indicated in the individual consultant standards.

V. Insurance

The selected firm must supply the applicant with proof of Professional Liability insurance with a policy limit of \$1,000,000 per occurrence and \$2,000,000 excess umbrella and must submit a copy of the certificate to IHDA. The applicant will determine and notify the applicant of any additional parties, if required prior to contract issuance. Selected firms must not allow their liability insurance to expire or cancel for any reason during the contract period.

VI. Conflict of Interests

Professional firms selected to perform services shall not have any direct or indirect interest in any property to be evaluated. IHDA reserves the right to determine necessary actions to eliminate or neutralize any conflict discovered after an applicant secured a professional firm to provide this service.

The professional services firm shall certify that no undue pressure or collusion with the client or their representatives exists in the determination of the study. The study certification shall also state that all information and procedures used to establish the study were from factual data and prepared in a professional manor.

The study must include a statement from the individual signing the study that there is no identity of interest between the signatory and any member of the development team. If any member of the development team or ownership has an identity of interest with the entity providing the study, the identity of interest relationship must be disclosed.

Failure to disclose any organizational conflict of interest may result in rejection of the application and/or the study by the professional firm with the conflict and request of a study from a different firm at applicant's expense.

VII. Coercion

Professional firms selected to perform services shall not be coerced to provide a biased outcome influencing the project scope. IHDA reserves the right to determine the validity of the results if inaccuracies are presented within the report and/ or within the supplemental supporting documents.

PHYSICAL NEEDS ASSESSMENT

GUIDANCE TO THE PROPERTY EVALUATOR

SAMPLE REPORT MASTER November 2021

PROPERTY NEEDS ASSESSMENT

FOR

**IHDA PROJECT IDENTIFICATION NUMBER
NAME OF PROJECT
ADDRESS OF PROJECT
CITY, ILLINOIS ZIP**

DATE:

PREPARED FOR

**NAME OF CLIENT
ADDRESS OF CLIENT
CITY, STATE**

PREPARED BY:

**COMPANY NAME
REVIEWER NAME, CERTIFICATIONS
COMPANY ADDRESS
CITY, STATE, ZIP**

Date:

Client Name
Address

Property Needs Assessment
IHDA PROJECT IDENTIFICATION NUMBER
PROPERTY NAME
STREET NUMBER & NAME
CITY, STATE ZIP

Dear Mr. or Ms. [CLIENT NAME]

We are pleased to provide the results of the Property Needs Assessment of the [PROPERTY NAME in ANY CITY, STATE]. This assessment was authorized on Date.

We appreciate the opportunity to provide engineering services to [NAME OF CLIENT]. If you have any questions concerning this report, or if we can assist you in any other manner, please call our office.

Sincerely,

[Your Name]

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1.0 EXECUTIVE SUMMARY

Property Name:	Heavenly Apartments		
Location:	123 Main Street, Tri-City, Illinois 60198		
Date of Assessment	March 20, 2003		
Site Information	6.5 Acres		
Buildings and Amenities:	Apartment Buildings	Five, 3-stories	
	Club house/ rental office.	One, 1-story	
	Swimming pool	One, Heated	
	Maintenance Building	One, 1-story	
	Garages	N/A	
	Carports	N/A	
	Other	N/A	
Number of Apartments:	Leased:	95	
	Vacant:	5	
	Total:	100	
Number of Parking Spaces:	Standard:	98	
	Disabled:	2	
	Total:	100	
Number of Parking Spaces Required:	Standard:	96	
	Disabled:	4	
	Total:	100	
Construction Date:	1991		
First Occupancy Date:	1992		

ABC Associates conducted a walk-through observation of Heavenly Apartments, located at 123 Main Street, in Tri-city, Illinois on March 15, 2020. This assessment was authorized on March 5, 2020, and performed in general accordance with the proposal dated March 2, 2020.

Generally, the building appears to be in fair to good physical condition. Both the exterior and interior appear to be well maintained. Based on the site observations, there are recommended capital expenditures that should be accomplished during the evaluation period.

The following table presents recommended expenditures categorized as

- **Critical Repair:** All deficiencies of health and safety, violation of Section 8 housing quality standards, FHA's regulatory agreement standards that require immediate remediation, and building and fire code violations. Correction of accessibility violations, and repairs/replacements that are crucial to the insurability of the project.
- **Immediate Repair and Replacement Items:** All items of significance deferred and other maintenance items that will need to be addressed within 12 months of closing including accessibility requirements
- **Long Term Physical Needs:** All items that require repair and replacement over the evaluation period

Capital Expenditures – 15-year Term Period
PROPERTY NAME - PROJECT CITY, Illinois

Item	Property Condition			Critical Repair	Immediate Repair & Replacement	Long Term Repair
	POOR	FAIR	GOOD			
4.01 Site Development				\$	\$	\$
4.02 Building Structure				\$	\$	\$
4.03 Building Envelope				\$	\$	\$
4.04 Building Interior				\$	\$	\$
4.05 Mechanical Systems				\$	\$	\$
4.06 Electrical Systems				\$	\$	\$
4.07 Building Plumbing Systems				\$	\$	\$
4.08 Conveyance Systems				\$	\$	\$
4.09 Life Safety/Fire Protection				\$	\$	\$
4.10 Amenities				\$	\$	\$
4.11 Other Structures				\$	\$	\$
Sub Totals				\$	\$	\$
TOTAL FACILITY CAPITAL EXPENDITURES (Accessibility compliance costs and environmental remediation costs are not included)						\$

Some items identified in the Assessment may be part of the current operating budget for the Project. If these items are included in the normal operating budget for the Project, funds for their maintenance or replacement should not be included in the Replacement Reserve.

2.0 INTRODUCTION

2.01 RELIANCE

This report was prepared for the use of [ABC Development Company] and the Illinois Housing Development Authority, 111 E. Wacker Drive, Suite 1000, Chicago, IL, its successors and/or assigns. This report is expressly and exclusively for the sole use and benefit of the client and the Illinois Housing Development Authority and is not for the use or benefit of, nor may any other person or entity rely upon this report without the advanced written consent of [ABC Associates].

2.02 EVALUATION DEFINITIONS

- Good:** Average to above-average condition for the building system or material assessed, with consideration of its age, design and geographical location. Generally, other than normal maintenance, no work is recommended or required.
- Fair:** Average condition for the building system evaluated. Some work is required or recommended, primarily due to the normal aging and wear of the building system, to return to a good condition.
- Poor:** Below average condition for the building system evaluated. Significant work anticipated returning the building system or material to an acceptable condition.

COMMON ABBREVIATIONS

ALEC:	Aluminized Emulsion Coating (Roofing)	HP:	Horsepower
A/V:	Audio Visual Device	HVAC:	Heating, Ventilation & Air Conditioning
BLDG:	Building	IN:	Inches
BOCA:	Building Officials & Code Administrators International, Inc.	KVA:	Kilo-volt amp
BUR:	Built-Up Roof	LF:	Linear Feet
CF:	Cubic Feet	MEP:	Mechanical, Electrical and Plumbing
CIP:	Cast Iron Pipe	MP:	Manual Pull Station
CMP:	Corrugated Metal Pipe	NRA:	Net Rentable Area
CMU:	Concrete Masonry Units	NO:	Number
CY:	Cubic Yard	PB:	Polybutylene
DX:	Direct Expansion	PVC:	Poly Vinyl Chloride
EIFS:	Exterior Insulating Finish System	RCP:	Reinforced Concrete Pipe
EMT:	Electrical Metallic Tubing (Conduit)	SBC:	Standard Building Code
EPDM:	Ethylene Propylene Diene Monomer	SD:	Smoke Detector
F:	Fahrenheit	SF:	Square Feet
FT:	Feet	SY:	Square Yard
GBA:	Gross Building Area	UBC:	Uniform Building Code
HC:	Handicap	VAT:	Vinyl Asbestos Tile
HID:	High-Intensity Discharge (Lighting)	VAV:	Variable Air Volume
		VWC:	Vinyl Wall Covering

3.0 GENERAL INFORMATION

3.01 GENERAL

The Heavenly Apartments is a 3-story, multi-tenant, apartment complex consisting of five, 3-story buildings, each containing 15, one-bedroom units and 15, two-bedroom units for grand total of 150-units. There is a one, 1-story clubhouse/rental office building and a one, 1-story maintenance building. Parking consists of asphalt-pavement. The architectural treatments of the buildings include face brick exterior walls, with a combination of a concrete-tile pitched roof shingles surrounding a low-sloped elastomeric rubber membrane roof area. The facility appears to be in generally good to fair overall condition for its age, use, and design.

3.02 INTERVIEWS

The following individuals were interviewed:

Name	Date	Title	Phone Number
Sarah Jane Smith		On-site Property Manager	309-674-8927
Proctor Jones		Maintenance Supervisor	309-674-8927
Ralph Pulley		Building & Zoning Department Officer	309-674-9200
Captain Bruce Lee		Fire Prevention Bureau	309-674-7290

Minutes of each meeting is attached as an Exhibit.

3.03 PROPERTY INFORMATION

The site visit portion of this property condition assessment was performed on [March 20, 2020](#), by [ABC Associates](#). The weather at the time of our observation was [clear with temperatures near 60 degrees° Fahrenheit](#).

Property Name and Address:	
	Heavenly Apartments
	123 Main Street
	Tri-City, Illinois
Site Information:	
Surrounding Area:	North: Commercial/Multi-family Residential
	South: Single/Multi-family Residential
	East: Commercial/Multi-family Residential
	West: Commercial/Multi-family Residential
Land Area:	6.5 Acres

Number of Entry Drives:	2
Parking Spaces:	
Standard	98
Handicap	2
Garage Parking	N/A
Total	100
Required	Per current Zoning 150

Building Classification Information:

Building Code:	Original Construction:	BOCA - 1984	
	Present:	International Building Code - 2021	
	Code Violations:	See Listing.	Existing non-conforming

Zoning:	R-5
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Compliance with current Zoning Ordinance:	Legal nonconforming use. The R-5 Zoning parking and density regulations have changed. The Zoning Officer reported that if 50% or less of the buildings were destroyed by a disaster, the property could be rebuilt to original configuration. If more than 50% of the buildings are destroyed then the rebuilding of the property would have to comply with the newest ordinance.
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Total Building Area: (SF)	81,000 SF
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Building Coverage:	Approximately 29 percent
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Number of Apartments	Leased	Vacant	Total
	95	5	100

Financial Assisted Programs (Section 8, 236 Housing, etc.)	50 - 236 Housing Units and 25 - Section 8 Units
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Geographic Information:

Seismic Zone:	<u>Zone 2B:</u> Moderate probability of damaging ground motion (UBC 1997)
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Proximity to Flood Plain:	<u>Zone X:</u> Area between the 100-year and 500-year flood plain (per FEMA, Panel 1600020011E, August 2, 1996)
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Radon Classification:	<u>Zone A:</u> Radon mitigation system is very highly recommended for this development
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Utility Suppliers:

Electric:	Illinois Power Company
Water:	City of Tri-City
Storm Sewer	City of Tri-City

Sanitary Sewer:	City of Tri-City
Gas:	NICOR
Telephone:	SBC
Cable/ Internet Providers:	ATT/ Comcast

3.04 BUILDING HISTORY

Date of Completion:	1992	
Date(s) of Major Improvements:	1996, 1999, & 2002 Seal coated and re-striped the parking lot. 2000 Up-graded fire alarm system to meet accessibility standards. 2001 Replaced all appliances & replaced 50% of the roofs	
Status of Occupancy Certificate:	On file with the City	
Current Owner(s):	Tri-City Development, LLC	
Architects:	Unknown	
Structural Engineers:	Unknown	
Mechanical/Electrical Engineers:	Unknown	
Civil Engineers	Unknown	
Building Documents Reviewed:	Drawing(s)	Date
Architectural Drawings	Not available	
MEP Drawings	Not available	
Civil Engineering Drawings	Not available	
Fire protection Drawings	Not available	
A/E Specifications:	Not available	
Geotechnical Soils Report:	Not available	
O&M Manual	Management O&M with Equipment	3/21/2020

4.0 PROJECT ASSESSMENT

4.01 SITE DEVELOPMENT

401.1 Signage - Last inspection performed on _____.

Description	Observation/Comments
<p>A monument sign at the main entrance provides property identification signage. The sign is suspended between two brick piers and is constructed of wood with painted raised letters.</p> <p>Numbers mounted on the face of building identifies each building.</p>	<p>The site signage appeared to be generally in good condition anticipated to require only routine maintenance over the evaluation period.</p>

401.2 Pavement - Last repair performed on _____.

Description	Observation/Comments
<p>The roadways and parking lot pavement consist of asphaltic concrete. The drawings indicate pavement specifications to be 2-½ inch asphalt over 8 inch compacted (¾ inch minus) gravel, compacted to 95% maximum density.</p>	<ul style="list-style-type: none">• The pavement is approximately 17-years old and appeared in good to fair condition, with some cracking observed, primarily along the roadway. The property manager reported that no seal coating has been applied in recent years. It is recommended that crack-sealing, as well as bituminous seal coating and re-applications of pavement markings be completed. Short Term• Additional bituminous seal coating and re-applications of pavement marking will also be required over the evaluation period. Long Term

4.01.3 Curbs - Last repair performed on _____.

Description	Observation/Comments
<p>The curbs consist of cast-in-place concrete.</p>	<p>The curbs appear to be in generally good condition, requiring only routine maintenance over the evaluation period.</p>

4.01.4 Sidewalks - Last repair performed on _____.

Description	Observation/Comments
<p>The sidewalks from the parking areas to the building entries and along the pedestrian paths are constructed of cast-in-place concrete.</p>	<p>The sidewalks appear to be in generally good condition, with no significant cracking observed, requiring only routine maintenance.</p>

4.01.5 Retaining Walls - Last inspection performed on _____.

Description	Observation/Comments
	<p>Not applicable for this site.</p>

4.01.6 Fencing - Last inspection performed on _____.

Description	Observation/Comments
<p>There is a 6-foot high ornamental iron fence spanning between masonry piers along the north</p>	<ul style="list-style-type: none">• The fence and masonry piers appear to be in good condition. Painting will be required over the

<p>and west side of the property. There is a 4-foot high ornamental iron fence and gate surrounding the swimming pool.</p>	<p>evaluation period. The cost for this item is minimal and considered to be part of routine maintenance.</p> <ul style="list-style-type: none"> The swimming pool fence and gate appear to be in good condition. Painting will be required over the evaluation period. The cost for this item is minimal and considered to be part of routine maintenance.
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4.01.7 Dumpster Areas - Last inspection performed on _____.

Description	Observation/Comments
<p>The dumpsters are located in 4 areas and sit on a concrete pad within a wood board fence enclosure with a metal gate.</p>	<ul style="list-style-type: none"> The refuse contractor owns the dumpsters. The wood enclosures appear to be in fair condition. Replacement should be anticipated over the evaluation period. Long Term

4.01.8 Site Lighting- Last inspection performed on _____.

Description	Observation/Comments
<p>Pole-mounted HID fixtures located along the driving lanes and in the parking area provide site lighting. Building mounted HID fixtures are spaced along the perimeter walls of the building. Wall mounted incandescent fixtures are mounted at the entrance doors to each building and alongside the sliding doors to the patios and balconies.</p>	<ul style="list-style-type: none"> Lighting was not observed at night, however, based on the amount of fixtures provided and their location, the lighting appeared to be adequate. The exterior site lighting appears to be in generally good condition requiring only routine maintenance over the evaluation period The building lighting HID and incandescent lighting appears to be in generally good condition requiring only routine maintenance over the evaluation period

4.01.9 Landscaping

Description	Observation/Comments
<p>The landscaping consists of mature trees, shrubs, and lawns. The lawn and planting areas have an underground irrigation system.</p>	<ul style="list-style-type: none"> The landscaping appears to be in good condition. Plantings that have died due to winter will require replacement. The cost for this item is minimal and is considered to be part of routine maintenance. The irrigation system was reported to be in good condition requiring only routine maintenance over the evaluation period. Refer to Sprinkler system section

4.01.10 Site Drainage - Last inspection performed on _____.

Description	Observation/Comments
<p>Site storm water from lawns and paved areas appears to drain overland into catch basins located in the parking lots and lawn areas. These catch basins flow via underground piping into an on-site storm water retention area located on the north side of the property.</p>	<p>The drainage system appears to be adequate and is reported to be in good condition requiring only routine maintenance over the evaluation period.</p>

4.01.11 Sanitary Sewer - Last inspection performed on _____.

Description	Observation/Comments
<p>The site sanitary sewer discharges into a municipal sewer main located in Main Street. The civil engineering drawings indicate that the piping material is reinforced concrete.</p> <p>The sanitary sewer service to each building is 4-inch vitrified clay entering the front of the building.</p>	<p>Due to hidden conditions the site sanitary sewer system could not be viewed. The Maintenance Supervisor reported that the system appears to be in good condition and no major problems have been experienced.</p>

4.01.12 Lift Stations - Last inspection performed on _____.

Description	Observation/Comments
	Not applicable to this project.

4.01.13 Domestic Water

Description	Observation/Comments
<p>The 8-inch municipal water main located in Main Street supplies the on-site water lines. The property's water distribution system consists of 6-inch ductile iron pipe located in the main roadways on the property. The system is looped.</p> <p>The water service to each building consists of 1.5-inch copper entering the building in the front</p> <p>The water meters are located in a concrete vault adjacent to each building.</p>	<p>Due to hidden conditions the site domestic water system could not be viewed. The Maintenance Supervisor reported that the system appears to be in good condition and no major problems have been experienced.</p>

4.02 BUILDING STRUCTURE

4.02.1 Geotechnical

Description	Observation/Comments
	Geotechnical identifies subsoil conditions which will require non-standard spread footings for any additions.

4.02.2 Foundation

Description	Observation/Comments
<p>The foundation system is indicated on the drawings to consist of cast-in-place concrete perimeter stem wall bearing on reinforced concrete spread footings around the exterior walls, and individual cast-in-place reinforced concrete pads at exterior and interior column locations.</p>	<p>Due to hidden conditions, the footings could not be evaluated. The foundation walls were open for limited evaluation. No cracking or other instability of the system was observed.</p>

4.02.3 Slab

Description	Observation/Comments
<p>The first floor typically consists of a four-inch poured-in-place, reinforced concrete slab bearing on two-inch leveling sand over 6-mill vapor barrier and six-inch compacted gravel.</p>	<p>Observed floors appeared to be level and stable. No significant sign of deflection or movement was observed.</p>

4.02.4 Crawl Space - Last inspection performed on _____.	
Description	Observation/Comments
The crawl spaces consist of an unfinished gravel floor without a vapor barrier. The perimeter walls and ceilings are of uninsulated exposed wood framing.	<ul style="list-style-type: none"> • Sign of deflection and movement in the ceiling framing were not observed indicating that the framing was stable. • Fire retardant plywood sheathing was not observed.
4.02.5 Superstructure	
Description	Observation/Comments
The exterior walls consist of load-bearing wood stud framing with interior steel columns and wood floor trusses supporting the upper floor. The roof framing consists of manufactured wood trusses and OSB sheathing.	The superstructure appeared to be in generally good condition. No evidence of structural instability was observed.
4.02.6 Floor Framing	
Description	Observation/Comments
The upper floor is constructed with manufactured wood truss joists supporting the plywood floor deck and lightweight concrete floor fill.	Sign of deflection and movement in the floors were not observed indicating that the floor framing was stable.
4.02.7 Roof Framing	
Description	Observation/Comments
The roof is constructed with manufactured wood truss spaced at approximately 24-inches center-to-center supporting the plywood floor deck and lightweight concrete floor fill.	<ul style="list-style-type: none"> • Sign of deflection and movement in the roof framing were not observed indicating that the roof framing was stable. • Fire retardant plywood sheathing was not observed.

4.03 BUILDING ENVELOPE

4.03.1 Wall Assembly/Finish	
Description	Observation/Comments
The exterior walls are constructed of brick veneer over CDX plywood sheathing and 2 x 4 wood stud framing with R-11 fiberglass batt insulation. T-1-11 spandrel panels are located above and below the bedroom windows on all four sides of the building.	<ul style="list-style-type: none"> • The exterior brick walls appeared to be in good condition. No evidence of spalling, cracking, or efflorescence was observed. • The T-1-11 wood siding is in fair condition. Replacement of damaged areas and painting will be required within the first year. Short Term
4.03.2 Windows: Frame, Glass/Glazing, Seal	
Description	Observation/Comments
The building's windows consist of double-glazed sliding units, set in anodized aluminum frames.	<ul style="list-style-type: none"> • The windows appear to be in fair to poor condition. Thirty windows require immediate replacement required. Critical Repair.

	<ul style="list-style-type: none"> The double pane glass appeared to be in generally good condition. The seals in fourteen units appear to be broken requiring immediate replacement. Critical Repair
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4.03.3 Exterior Doors - Last inspection performed on _____.

Description	Observation/Comments
<p>The main entrance doors to each building consist of full-glass panels set in aluminum frame.</p> <p>The rear exterior doors are insulated metal doors with a 10-inch x 10-inch vision panel. The exterior service doors are insulated metal doors</p>	<ul style="list-style-type: none"> The exterior main entrance doors appeared to be in generally good condition. The exterior insulated metal service doors appear to be in good condition. Scraping and painting will be required over the evaluation period. The cost for this item is minimal and is considered to be part of routine maintenance.

4.03.4 Sealant - Last inspection performed on _____.

Description	Observation/Comments
<p>Elastomeric type sealant material is applied around areas around windows, doors, and expansion joints.</p>	<p>Observed sealant appears to be dried-out and in poor condition requiring immediate replacement. Critical Repair</p>

4.03.5 Exterior Stairs - Last inspection performed on _____.

Description	Observation/Comments
<p>The exterior stairs are constructed of concrete fill metal pans with steel stringers and metal handrails.</p>	<p>The exterior stairs appear to be in good condition. Scraping and painting will be required over the evaluation period. Long Term</p>

4.03.6 Roofing - Last inspection performed on _____.

Description	Observation/Comments
<p>The building has a pitched roofing system consisting of asphalt shingles over roofing felts. The roof drainage consists of metal gutters and downspouts emptying on concrete splash blocks.</p>	<ul style="list-style-type: none"> The asphalt shingle roofing is 7-years old and appears to be in good condition Based on its EUL of 15 to 20 years, roof replacement is not anticipated over the evaluation period. A roof warranty was not available. The roof drainage appears to be adequate and in good condition requiring only routine maintenance over the evaluation period.

4.03.7 Skylights - Last inspection performed on _____.

Description	Observation/Comments
	<p>Not applicable for this project.</p>

4.03.8 Patios & Balconies

Description	Observation/Comments
<p>The ground-level patios are cast-in-place reinforced concrete slabs-on-grade.</p> <p>The upper level balcony framing consists of pressure-treated wood joists cantilevered off of the building framing. The balcony decks are 2-</p>	<ul style="list-style-type: none"> The ground-level patio slabs appear to be in good condition with limited signs of movement and minor cracking. Repairs are minor and considered to be routine maintenance.

<p>inch x 6-inch pressure-treated wood open slat boards.</p> <p>The balcony guardrails are metal.</p>	<ul style="list-style-type: none"> The upper level balconies appeared to be in good condition. Painting will be required over the evaluation period. Long Term
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4.04 **BUILDING INTERIOR**

4.04.1 Dwelling Units

To establish a representative sample and gain a clear understanding of the overall property condition, A minimum of 35 percent of the apartment units, of varying bedroom types, were observed in the order noted. The property has a total of 100 units.

Unit Type	Total	Mobility Accessible Units	Sensory Accessible Units	Adaptable Units
1-bedroom, 1-bath	25	1	1	5
2-bedroom, 1-bath	50	2		5
2-bedroom, 2-baths	0			
3-bedroom, 2-baths	25	2	1	5
3-bedroom, 2 ½ baths	0			
Total number of units	100	5	2	15

The following apartments were observed while on-site:

Unit Number	Unit Type	Status
123	One-bedroom, one-bath	Vacant
156	Two-bedroom, one-bath	Occupied
289	Two-bedroom, two-bath	Occupied
345	Three-bedroom, two-bath	Occupied
456	Three-bedroom, two-bath	Vacant – Handicapped Accessible

4.04.2 Common Area Interior Finishes

Common Area Stairs	
Description	Observation/Comments
<p>The Interior stairs consist of closed risers, wood tread units with carpet finish.</p> <p>The handrails are constructed of ornamental iron wood top rails.</p>	<p>The interior stairs appear to be in generally good condition and are anticipated to require only routine maintenance over the evaluation period.</p> <p>The interior stair carpet is three years old and appears to be in fair condition. The EUL of the carpet indicates that replacement will be anticipated during the evaluation period. Long Term</p>
Common Area Doors	

Description		Observation/Comments
The Interior common area doors and apartment entrance doors are typically solid-core doors set in metal frames.		The common area doors appear to be in good condition. Replacement, if required, is considered to be part of routine maintenance.
Corridors		
Floor	Carpet	The carpeting is 9-years old and appears to be in poor condition requiring immediate replacement. Critical Need
Walls	Painted Drywall	The walls appear to be in poor condition. Immediate repair and painting is required. Critical Need
Ceiling	Painted drywall	The walls appear to be in poor condition. Immediate repair and painting is required. Critical Need
Clubhouse/Rental Office		
Foyer		
Floor	Ceramic tile	The ceramic tile original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Walls	Painted drywall	The walls appear to be in good condition. Painting is recommended over the evaluation period. Long Term
Ceiling	2X4 suspended ceiling panels	The ceiling is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Clubroom		
Floor	Carpet	The carpeting is 5-years old and appears to be in fair condition requiring replacement over the evaluation period. Long Term
Walls	Painted drywall	The walls appear to be in good condition. Painting is recommended over the evaluation period. Long Term
Ceiling	Painted drywall	The ceiling appears to be in good condition. Painting is recommended over the evaluation period. Long Term

Rental Office		
Floor	Carpet	The carpeting is 5-years old and appears to be in fair condition requiring replacement over the evaluation period. Long Term
Walls	Painted drywall/Wall covering	The walls appear to be in good condition. Painting is recommended over the evaluation period. Long Term The walls that are covered with wall covering appear to be in poor condition requiring immediate replacement. Critical need
Ceiling	2X4 suspended ceiling panels	The ceiling is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Health Club		

Floor	Carpet	The carpeting is 5-years old and appears to be in fair condition requiring replacement over the evaluation period. Long Term
Walls	Painted drywall	The walls appear to be in good condition. Painting is recommended over the evaluation period. Long Term
Ceiling	2X4 suspended ceiling panels	The ceiling is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Washrooms		
Floor	Vinyl tile	The flooring is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Walls	Ceramic tile/Painted drywall	The ceramic tile is original and appears to be in good condition requiring only routine maintenance over the evaluation period. The drywall walls appear to be in good condition. Painting is recommended over the evaluation period. Long Term
Ceiling	Painted drywall	The ceiling appears to be in good condition. Painting is recommended over the evaluation period. Long Term
Kitchen		
Floor	Quarry tile	The flooring is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Walls	Washable wall covering	The walls appear to be in good condition requiring only routine maintenance over the evaluation period
Ceiling	2X4 suspended washable ceiling panels	The ceiling is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Laundry		
Floor	Vinyl tile	The flooring is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Walls	Painted drywall	The walls appear to be in good condition requiring only routine maintenance over the evaluation period
Ceiling	2X4 suspended ceiling panels	The ceiling is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Pool Equipment Room		
Floor	Exposed concrete	The flooring is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
Walls	Drywall	The walls appear to be in good condition requiring only routine maintenance over the evaluation period

Ceiling	Drywall	The ceiling is original and appears to be in good condition requiring only routine maintenance over the evaluation period.
4.04.3 Apartment Building Finishes		
Living Room/Dining Room		
Floor	Carpet	The EUL of the carpet indicates that replacement will be anticipated during the evaluation period. Critical Need, Immediate Need & Long term
Walls	Painted drywall	The walls and ceiling appear to be in good condition. Painting is done at tenant turnover and is considered part of routine maintenance.
Ceiling	Painted drywall	
Kitchen		
Floor	Vinyl tile	The EUL of the vinyl tile indicates that replacement will be anticipated during the evaluation period. Long Term.
Walls	Painted drywall	The walls and ceiling appear to be in good condition. Painting is done at tenant turnover and is considered part of routine maintenance.
Ceiling	Painted drywall	
Cabinets:	Wood	The cabinets are original and appear to be in good to fair condition requiring some replacement during the evaluation period. Critical Need & Immediate Need.
Countertop	Laminated Plastic	The countertops are original and appear to be in good to fair condition requiring some replacement during the evaluation period. Critical Need & Immediate Need.
Bathroom		
Floor	Vinyl Tile	The EUL of the vinyl tile indicates that replacement will be anticipated during the evaluation period. Long Term.
Walls	Painted drywall	The walls and ceiling appear to be in good condition. Painting is done at tenant turnover and is considered part of routine maintenance.
Ceiling	Painted drywall	
Tub/Shower:	Ceramic tile	The tub surrounds appear to be in fair condition requiring some replacement, Critical need & Immediate Need.
Vanity	Wood	The cabinets are original and appear to be in good to fair condition requiring some replacement during the evaluation period. Critical Need & Immediate Need.
Bedroom		
Floor	Carpet	The EUL of the carpet indicates that replacement will be anticipated during the evaluation period. Critical Need, Immediate Need & Long term
Walls	Painted drywall	The walls and ceiling appear to be in good condition. Painting is done at tenant turnover and is considered part of routine maintenance.
Ceiling	Painted drywall	
Utility Room		
Floor	Vinyl tile	The flooring appears to be in good condition requiring only routine maintenance over the evaluation period.

Walls	Painted drywall	The walls and ceiling appear to be in good condition. Painting is done at tenant turnover and is considered part of routine maintenance.	
Ceiling	Painted drywall		
4.04.4 Appliances			
Description			Observation/Comment
Appliance	Age Range	Number of Replacements Required	The appliances are generally original, but some replacement has occurred. They appear to be in generally good condition. The remaining useful life indicates that replacement of some of these units will be anticipated during the evaluation period. Critical Need, Immediate Need & Long Term
Refrigerator	1 to 18	23	
Range	2 to 20	35	
Hood	NA	0	
Microwave hood	2 to 15	35	
Dishwasher	1 to 15	26	
Microwave	N/A		
Wall exhaust	N/A		
4.04.5 Doors			
Description			Observation/Comments
<p>The apartment entrance doors are typically solid-core doors set in metal frames.</p> <p>The interior doors within the apartments are typically hollow-core doors set in wood frames.</p>			<ul style="list-style-type: none"> The common area doors and the apartment entrance doors appear to be in good condition. Replacement, if required, is considered to be part of routine maintenance. The hollow-core doors within the apartment appear to be in good condition. Replacement, if required, is considered to be part of routine maintenance.
4.04.6 Interior Stairs			
Description			Observation/Comments
<p>The common area interior stairs consist of closed risers, wood tread units with carpet finish.</p> <p>The handrails are constructed of ornamental iron with wood top rails.</p>			<ul style="list-style-type: none"> The common area interior stairs appear to be in generally good condition and are anticipated to require only routine maintenance over the evaluation period. The common area interior stair carpet is three years old and appears to be in fair condition. The EUL of the carpet indicates that replacement will be anticipated during the evaluation period. Long Term
4.04.7 Corridors			
Description			Observation/Comments
<p>The Interior common corridor finish consists of carpet floors, painted drywall walls and ceilings.</p>			<ul style="list-style-type: none"> The interior common corridor carpet is three years old and appears to be in fair condition. The EUL of common area corridor carpet indicates that replacement of the common corridor and stair carpet will be required. Long Term

	<ul style="list-style-type: none"> The interior corridor and stairway walls and ceilings appear to be in fair condition and will require painting during the evaluation period. Long Term
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4.05 MECHANICAL SYSTEM

4.05.1 Heating and Cooling - Last inspection performed on _____.

Description	Observation/Comments
<p>Heating and cooling for the typical apartment is provided individual, gas-fired, furnaces with split air-conditioning. The furnace is located in the utility closet along with the water heater. The condensing unit is located on a concrete pad on the exterior of the building. The cooling capacity of the units ranges from 1 Ton to 2½ Tons.</p>	<ul style="list-style-type: none"> The furnaces are reported to be original and in operating condition. The EUL for these units is approximately 15-years. Replacement of these units will be anticipated over the evaluation period. Long Term The condensing units are reported to range in age from 1-year to 12-years. Approximately 20% of the units are less than 5-years old. The EUL for these units is approximately 15-years. Replacement of 80% units will be anticipated over the evaluation period. Long Term

4.05.2 Ductwork - Last cleaning performed on _____.

Description	Observation/Comments
<p>Supply air distribution is provided through sheet metal ductwork. Return air is through a wall grille at the base of the utility closet. Electric wall-mounted thermostats control the temperature in each unit.</p>	<ul style="list-style-type: none"> Observation of the ductwork was limited to the furnace closet. It was reported by the Maintenance Supervisor that the ductwork is in good condition and no problems have been experienced with the system Electric wall-mounted thermostats were reported to be in good condition. Replacement is anticipated on an as needed basis. The cost for this item is minimal and considered to be part of routine maintenance.

4.05.3 Ventilation - Last inspection performed on _____.

Description	Observation/Comments
<p>Powered exhaust fans that discharges typically through the roof exhaust the bathrooms. Air from the typical kitchen is exhausted to the exterior by ductwork from the range hood.</p>	<ul style="list-style-type: none"> The bathroom exhaust system appears to be operational and in good condition. Fan replacement is done on an as needed basis and is considered to be part of routine maintenance The kitchen exhaust system appears to be operational and in good condition. Fan replacement is done on an as needed basis and is considered to be part of routine maintenance.

4.05.4 Energy Management - Last inspection performed on _____.

Description	Observation/Comments
	Not applicable to this project.

4.06 ELECTRICAL SYSTEM

4.06.1 Distribution - Last inspection performed on _____.

Description	Observation/Comments
<p>The electric service to the building is run underground from a pad-mounted utility company transformer located on the exterior of the building. The electrical service is rated at 600 Amps, 120/208 volt, three-phase, four-wire. The electric service to each apartment circuit breaker panel is rated at 100 amps. Branch distribution wiring was observed to be copper in metal raceway.</p> <p>The main distribution panel with the electric meters and disconnect switches, are located on the exterior wall of the building. Each apartment is metered separately.</p>	<ul style="list-style-type: none">• The electric service to the building and to each apartment appears to be adequate.• The main distribution panels, meter banks, and circuit breaker panels appear to be in good condition requiring only routine maintenance.• The copper wiring was reported to be in good condition and no major problems have occurred.

4.06.2 Transformer

Description	Observation/Comments
There are four pad mounted at this site.	The pad-mounted transformer is owned and maintained by the local power company.

4.06.3 Emergency Generator - Last inspection performed on _____.

Description	Observation/Comments
	Not applicable for this property.

4.06.4 Lighting

Description	Observation/Comments
Interior lighting fixtures in the apartments and the common areas are standard incandescent residential grade fixtures commonly used for this type of building.	The lighting appears to be in good condition. Replacement is done on an as needed basis and is considered part of routine maintenance.
Exterior lighting fixtures on building façade and immediate perimeter are standard incandescent commonly used for this type of building.	The lighting fixtures appears to be in good condition. Replacement is done on an as needed basis and is considered part of routine maintenance.
Exterior lighting fixtures on light poles throughout campus and parking area are standard incandescent and metal halide respectively, commonly used for this type of building.	The lighting fixtures appears to be in good condition. Replacement is done on an as needed basis and is considered part of routine maintenance.

4.07 BUILDING PLUMBING SYSTEM

4.07.1 Sanitary System - Last inspection performed on _____.

Description	Observation/Comments
The soil, waste, and vent system within the building is reported to be cast iron.	The Maintenance Supervisor reported that the plumbing system is in good operating condition.

	Minor problems such as clogged drains are anticipated over the evaluation period and are considered part of routine maintenance. Last maintenance services was performed on 01/01/2020.
Scoping/camera report of underground sanitary for a percentage of units to determine RUL	Existing infrastructure and a crawlspace inspection was required for applicable structures to determine potential environmental and structural hazards. Findings are provided in separate report.

4.07.2 Water Supply - Last inspection performed on _____.

Description	Observation/Comments
<p>The domestic water service to the building is observed to be 1-1/2-inch copper entering the building on the ground floor. The water piping within the building is observed to be copper.</p> <p>The water meter for each building is located in an exterior concrete vault located adjacent the building.</p>	<ul style="list-style-type: none"> The building's water distribution systems appears to be well maintained and in generally good condition. The Maintenance Supervisor reported no major problems. Minor problems with the system. Minor problems, such as the repair of leaking faucets, are considered to be part of routine maintenance. The Maintenance Supervisor reported that the water pressure and quantity appears to be adequate.

3.07.3 Water Heaters- Last inspection performed on _____.

Description	Observation/Comments
<p>A 40-gallon gas-fired water heater located in the utility closet in each apartment supplies the hot water needs for that apartment</p> <p>There is an 80-gallon, gas-fired, water heater located in the closet of the laundry that supplies the hot water needs for the laundry.</p>	<ul style="list-style-type: none"> Sixty percent of the 40-gallon water heaters were reported to be original and in good working condition. However, based on their EUL of 15 years, replacement of these units will be anticipated during the evaluation period. Long Term The 80-gallon water heater located in the laundry is 2-years old and appears to be in good operating condition.

4.07.4 Fixtures

Description	Observation/Comments
<p>The plumbing fixtures are standard type for this type of application.</p>	<p>The plumbing fixtures are reported to be in good condition. Replacement is done on an as needed basis and considered to be part of routine maintenance.</p>

4.07.5 Natural Gas

Description	Observation/Comments
<p>The building's gas service is a steel pipe service entering the front of the building. The gas piping within the building is reported to be steel. The gas meter is located on the exterior wall of the building.</p>	<p>The gas pressure and quantity was reported to be adequate.</p>
<p>Gas booster pump was replaced approximately 10 years ago because of age.</p>	<p>As part of building maintenance, the gas booster for was replaced and recently tested to be operational. The warranty for this new motor is 20 years.</p>

4.08 CONVEYANCE SYSTEM

4.08.1 Elevators- Last inspection performed on _____.	
Description	Observation/Comments
<p>The property has two hydraulic passenger elevator, providing access to all floors of the building. The elevator was manufactured by Dover Elevator Company and is serviced by ABC Elevator Company. The elevator has a rated capacity of 2,500 pounds.</p> <p>The elevator machinery is located in a room under the stairs.</p> <p>The cab finish consists of a vinyl tile floor, plastic laminate wall panel walls, and incandescent recessed lighting in a drywall ceiling.</p>	<ul style="list-style-type: none"> • The elevator is the original installation. ADA up-grades were completed in May of 1996. The elevator was last serviced in August 2001. • The number of elevators and the responsiveness was reported to provide adequate service for the building. • The elevator service contractor reported that the machine unit for both elevators are original and appear to be in good condition. • The cab finish is 5 years old and appears to be in good condition. Cab refinishing should be anticipated within the next 7-years. Long Term

4.09 LIFE SAFETY/FIRE PROTECTION

4.09.1 Sprinklers/Siamese/Standpipes - Last inspection performed on _____.	
Description	Observation/Comments
<p>The sprinkler system consists of a wet-pipe sprinkler system and a wet standpipe with fire department hose valves and connections on the floor landings in each stair tower. There is a Siamese connection on the exterior of the building, and</p> <p>The firewater service enters the building in the fire protection equipment room on the first floor along with the domestic water main.</p> <p>There is a fire pump rated at XXX gpm and a back flow preventer for the system.</p>	<ul style="list-style-type: none"> • The sprinkler system is serviced and inspected periodically by the sprinkler service contractor. The last inspection September 2001. The inspection reports indicate that the system appears to be functional and in good condition. • The fire pump and backflow preventer are tested and inspected at the time the sprinkler system is inspected and the records indicate that the fire pump and the backflow preventer are functional and in good condition.

4.09.2 Fire Hydrants - Last inspection performed on _____.	
Description	Observation/Comments
<p>On-site fire hydrants located along the roadways and on islands in the various parking lots.</p>	<p>The fire hydrants are serviced annually by the local fire department.</p>

4.09.3 Emergency & Exit Lighting - Last inspection performed on _____.	
Description	Observation/Comments
<p>The building is equipped with battery-pack emergency lights along the corridors and in the stairways.</p> <p>Battery back-up exit lights are located above all required exit doors.</p>	<p>The exit lights and emergency lights appear to be in good condition. The EUL indicates that replacement should be anticipated over the evaluation period. The cost for fixture and battery replacement is minimal and considered to be part of routine maintenance.</p>

4.09.4 Fire Alarm System - Last inspection performed on _____.	
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Description	Observation/Comments
The typical building is equipped with a fire alarm consisting of a control panel located in the sprinkler equipment, room pull stations and horns with strobes located along the path of exit travel, one enunciator panel located in the main lobby, and smoke detectors located in the common areas	<ul style="list-style-type: none"> • A fire alarm service contractor inspects services the fire alarm system periodically. The system was last inspected and tested in August 2001 and the no deficiencies were cited. The results were forwarded to the local fire department .The system appears to be functional and in good condition requiring only routine maintenance over the evaluation period. • ADT monitors the fire alarm system and notifies the local fire department in the event of an incident.

4.09.5 Smoke detectors - Last inspection performed on _____.

Description	Observation/Comments
Smoke detectors were observed in each apartment and in the common areas.	<ul style="list-style-type: none"> • The apartment smoke detectors located in the apartments are wired into the apartment's electrical panel and sounds the alarm in the apartment only. • The common area smoke detectors are wired into the building's fire alarm system. They sound the alarm in the building and notify ADT when activated.

409.6 Fire Extinguishers - Last inspection performed on _____.

Description	Observation/Comments
Type ABC fire extinguishers are located in various areas within the tenant spaces.	A fire extinguisher contractor services the fire extinguishers. The tag indicates that they were last serviced in August 2001.

4.09.7 Smoke Evacuation - Last inspection performed on _____.

Description	Observation/Comments
	Not applicable to this site.

4.09.8 Carbon Monoxide detectors - Last inspection performed on _____.

Description	Observation/Comments
Carbon monoxide detectors were observed in each apartment. Carbon monoxide detectors are required in buildings serviced by natural gas.	<ul style="list-style-type: none"> • The apartment carbon monoxide detectors located in the apartments are wired into the apartment's electrical panel and sounds the alarm in the apartment only.

4.10 AMENITIES

4.10.1 Swimming Pool - Last inspection performed on _____.

Description	Observation/Comments
The property has one in-ground outdoor pool swimming pool adjacent to the clubhouse/rental	<ul style="list-style-type: none"> • The swimming pool appeared to be in good condition, anticipated to require only routine

office. The swimming pool is constructed of concrete with ceramic tile at the water line. It has a concrete coping and a concrete walking surface surrounding the pool.	<p>maintenance such as preparing and painting the pool interior surface. Relining should not be expected over the evaluation period.</p> <ul style="list-style-type: none"> The concrete walking surface surrounding appears to be in good condition. Minor cracking was observed. Repairs are minor and considered to be part of routine maintenance.
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4.10.2 Swimming Pool Equipment - Last inspection performed on _____.

Description	Observation/Comments
The swimming pool equipment is located in the clubhouse building adjacent to the pool. The equipment consists of water filters and circulating pumps. The pool water is heated. The pool water heater is gas-fired and located in the same room as the balance of the pool equipment.	<ul style="list-style-type: none"> The pool equipment appeared to be in good to fair condition. According to its EUL, the pool equipment will need to be replaced during the evaluation period. The water is new and appears to be in good condition anticipated to require only routine maintenance over the evaluation period.

4.10.3 Children's Play Area - Last inspection performed on _____.

Description	Observation/Comments
There is a children's play area located in the northeast corner of the property. The equipment consists of wood climbing apparatus, one slide, three swings, and a sand box.	The play equipment is reported to be 3-years old and appears to be well maintained and in good condition requiring only routine maintenance over the evaluation period.

4.11 OTHER STRUCTURES

4.11.1 Clubhouse/Rental Office

Description	Observation/Comments
The clubhouse building, which houses the rental office, public restrooms with showers and lockers, health club, pool equipment, club room and kitchen, is constructed of materials similar to the apartment buildings. See Section 7.0, Building Architectural and Structural Systems for details.	The clubhouse appears to be in good condition. Interior floor and wall finish replacement will be required over the evaluation period as well as exterior wall finish. The cost of this work is included in the common area carpet and wall finish replacement costs.

4.11.2 Carports

Description	Observation/Comments
	There are no carports at this site,

4.11.3 Garages

Description	Observation/Comments
The 20 single-car garages are constructed with vinyl siding attached to 2-inch x 4-inch wood stud walls. The roofs are constructed with manufactured wood trusses and covered asphalt shingles attached and OSB sheathing. There is one, 8-foot x 7-foot vinyl overhead door with an electronic opener. There is one incandescent overhead light fixture in the unit.	<ul style="list-style-type: none"> The garages are original and appear to be in fair condition. Sections of damaged siding were observed requiring replacement. Short term The roofs are reported to be 3-years old and appear to be in good condition requiring only routine maintenance over the evaluation period. The overhead doors appear to be original and in fair condition. Three have been replaced within the

	last three years. It should be anticipated that the balance would require replacement over the evaluation period. Long Term
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5.0 TERMITE AND CARPENTER ANT CONSIDERATIONS

To the best knowledge of the property manager, termite activity has not been reported at the property; however, no inspections have been performed. The foundation walls of the building are constructed with materials not conducive to termite infiltration. However, exterior walls are constructed of materials that may be conducive to termite infiltration. There doesn't appear to be a termite shield incorporated onto the sill. The facility is located in a region where termites are known to exist. Consequently, the risk of termite activity is considered moderate to high; therefore, a termite inspection is recommended.

6.0 ACCESSIBILITY CODE COMPLIANCE

One or more of the following accessibility codes may be applicable to the development:

6.01 THE ILLINOIS ACCESSIBILITY CODE

The Illinois Accessibility Code (Code) implements the Environmental Barriers Act (410 ILCS 25). The Code is intended to establish minimum scoping and technical design requirements to ensure that the built environment in the State of Illinois is designed, constructed, and altered to be accessible to and usable by all, including individuals with disabilities.

This Code is also intended to resolve areas of difference between federal accessible design standards such as the 2010 Americans With Disabilities Act (ADA), standards for accessible design (28 CFR 36 [2010]) and this Code. The drafters of this Code compared and primarily adopted the stricter of State or federal accessible design standards to provide the greatest access throughout the State.

The Code together with the Environmental Barriers Act (EBA) has the force and effect of law in the State of Illinois.

The Illinois Attorney General shall have the authority to enforce the Code in accordance with the EBA.

Applicability

Per the EBA, any new public facility or multi-story housing for which a specific contract for the planning was awarded prior to October 23, 2018 and construction of which will begin by October 23, 2019, can be exempt from compliance with this new version of the Code and may instead comply with the Illinois Accessibility Code effective April 24, 1997.

Buildings and facilities covered: This Code applies to all “public facilities” and “Multi-story housing units” as defined and governed by the EBA and located, in whole or in part, within the legal geographic boundaries of the State of Illinois, unless specifically exempted herein. It also applies to all buildings financed whole or in part or guaranteed by a governmental unit such as the Illinois Housing Development Authority.

- The fact that a building or facility governed by the EBA is also a facility financed by federal funds is no bar to the application of this Code.
- This Code is applicable when work involving new construction, alterations, additions, historic preservation, restoration, or reconstruction in whole or in part begins after the effective date of this Code. The Code becomes enforceable with the signing of a construction contract, issuance of an official authorization or permit for construction, or the start of construction, whichever occurs first.

This report generally defines the non-compliant elements and physical barriers observed and the estimated costs for modification to provide compliance. This review is not considered to be a full accessibility survey, nor does it likely cover all aspects of non-compliance.

Definitions

"Alteration": Any modification or renovation that affects or could affect the usability of the building or facility or part of the building or facility. Alteration includes, but is not limited to, remodeling, renovation, rehabilitation, reconstruction, historic preservation, historic reconstruction, historic

restoration (as separately required in Section 202.5), changes or rearrangement of the structural parts or elements, extraordinary repairs (as defined herein), changes to or replacement of plumbing fixtures or controls, changes or rearrangement in the plan configuration of walls and full-height partitions, and changes or improvements to parking lots (as separately required in Section 202.3.3). **The following work is not considered to be an alteration unless it affects the usability of the building or facility: normal maintenance, re-roofing, interior or exterior redecoration, changes to mechanical and electrical systems, replacement of plumbing, piping or valves, asbestos removal, or installation of fire sprinkler systems. (Section 3, EBA).**

"Public Facility": Any building, structure, or site improvement which is: owned by or on behalf of a governmental unit; leased, rented or used, in whole or in part, by a governmental unit, **or financed, in whole or in part, by a grant or a loan made or guaranteed by a governmental unit**; or any building, structure, or site improvement used or held out for use or intended for use by the public or by employees for one or more of, but not limited to, the following: the purpose of gathering, recreation, transient lodging, education, employment, institutional care, or the purchase, rental, sale or acquisition of any goods, personal property or services; places of public display or collection; social service establishments; and stations used for specified public transportation. (Section 3, EBA).

"Technically Infeasible": With respect to an alteration of a building or a facility, a change that has little likelihood of being accomplished because existing structural conditions would require removing or altering a load-bearing member, which is an essential part of the structural frame; or because other existing physical or site constraints prohibit modification or addition of elements, spaces or features which are in full and strict compliance with the minimum requirements for new construction and which are necessary to provide accessibility. (ADAAG 4.1.6)

Alteration Work

Chapter 2 of the Illinois Accessibility Code requires Alterations (as defined in Section 106.5 Defined Terms) to existing public facilities to which the Environmental Barriers Act and this Code apply shall be accessible as provided in this Section.

The preparer of this report shall use the developer's scope of work and the contractor's or architect's detailed cost estimate to determine which of the following applications apply in determining the level of accessibility required. See the example below.

Example: The **Contractor's Sworn Statement** indicates that total cost of the construction work will be \$1,500,000.00. The work **not** considered as alteration work as defined in the Code, such as roofing, new carpeting, and painting and decorating, totals \$100,000.00. The alteration cost is \$1,500,000.00 - \$100,000.00 = \$1,400,000.00. The reproduction cost of the project is determined to be \$5,000,000.00 (\$130.00/SF)

The percentage is $\$1,400,000.00 \div \$5,000,000.00 = 28\%$.

If the alteration costs more than 15% but less than 50% of the reproduction cost of the public facility, and more than \$100,000, the following shall comply with the applicable requirements for new construction:

- A. the element or space being altered;
- B. an entrance and a means of egress intended for use by the general public;
- C. all spaces and elements necessary to provide horizontal and vertical accessible routes between an accessible entrance and means of egress and the element or space being altered. Public facilities are not required to provide vertical access in a building with two levels of occupiable space where the cost of providing such vertical access is more than 20% of the reproduction cost of the public facility;

- D. at least one accessible toilet room for each sex or a unisex toilet, when permitted, if toilets are provided or required (see Section 202.5.2.3);
- E. accessible parking spaces, where parking is provided; and
- F. an accessible route from public sidewalks or from the accessible parking spaces, if provided, to an accessible entrance. (Section 5, EBA).

Chapter 2 of the Illinois Accessibility Code, Applicable scope determination is as follows:

All Public Facilities - Alteration Costs 15% or Less:

If the alteration costs 15% or less of the reproduction cost of the public facility, the element or space being altered shall comply with the applicable requirements for new construction (Section 5, EBA).

All Public Facilities Other Than State-Owned - Alteration Costs 15% to 50% and less than \$100,000:

If the alteration costs more than 15% but less than 50% of the reproduction cost of the public facility, and less than \$100,000, the following shall comply with the applicable requirements for new construction:

- A. the element or space being altered; and
- B. an entrance and a means of egress intended for use by the general public. (Section 5, EBA).

All Public Facilities Other Than State-Owned - Alteration Costs 15% to 50% and More than \$100,000:

If the alteration costs more than 15% but less than 50% of the reproduction cost of the public facility, and more than \$100,000, the following shall comply with the applicable requirements for new construction:

- A. the element or space being altered;
- B. an entrance and a means of egress intended for use by the general public;
- C. all spaces and elements necessary to provide horizontal and vertical accessible routes between an accessible entrance and means of egress and the element or space being altered. VERTICAL ACCESS EXCEPTION: However, privately owned public facilities are not required to provide vertical access in a building with two levels of occupiable space where the cost of providing such vertical access is more than 20% of the reproduction cost of the public facility;
- D. at least one accessible toilet room for each sex or a unisex toilet, when permitted, if toilets are provided or required;
- E. accessible parking spaces, where parking is provided; and
- F. an accessible route from public sidewalks or from the accessible parking spaces, if provided, to an accessible entrance. (Section 5, EBA).

All Public Facilities - Alteration Costs 50% or More:

If the alteration costs 50% or more of the reproduction cost of the public facility, the entire public facility shall comply with the applicable requirements for new construction.

Alterations to Specific Categories of Public Facilities:

For religious entities, private clubs, and owner-occupied transient lodging facilities of five units, compliance with the standards adopted by the Capital Development Board is not mandatory if the alteration costs 15% or less of the reproduction cost of the public facility. However, if the cost of the alteration exceeds \$100,000, the element or space being altered must comply with the applicable requirements for new construction (Section 5, EBA). If the alteration costs more than 15% of the reproduction cost, identified above, govern.

Section 233.3 of the Illinois Accessibility Code: Housing

Scope: Alterations to housing that is owned, financed or guaranteed by a governmental unit is subject to the applicable requirements of Chapter 2. NOTE: The facilities covered by Section 233,

as well as other facilities not covered by this section, may still be subject to other Federal laws such as the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973, as amended.

Section 233.3.4 of the Illinois Accessibility Codes, Exemptions to the Alterations Requirements: Parts of buildings which it would be technically infeasible to make conform to the strict requirements of the Code for new construction, with the approval of the administrative authority.

Conclusion

Every Rehab loan will require a certain degree of accessibility. The level of accessibility work required will depend on the total cost of the alteration construction minus items not considered as alteration work, divided by the replacement cost of the project. The resulting percentage will determine the accessibility work required by the Illinois Accessibility Code that must be included in the alteration project.

A full Accessibility Compliance Survey, which is beyond the scope of this report, may reveal further aspects of the facility, which are not in compliance with other accessibility requirements. Since compliance may have legal consequences, we recommend that the developer consult with his architect to insure that all accessibility requirements have been met.

6.02 SECTION 504 OF THE REHABILITATION ACT (1973)

Under Section 504 of the Rehabilitation Act of 1973 as amended, no otherwise qualified individual with a disability may be discriminated against in any program or activity receiving federal financial assistance. The purpose of Section 504 is to eliminate discriminatory behavior toward people with disabilities and to provide physical accessibility, thus ensuring that people with disabilities will have the same opportunities in federally funded programs as do people without disabilities. Program accessibility may be achieved by modifying an existing facility, or by moving the program to an accessible location, or by making other accommodations, including construction of new buildings. HUD's final regulation for Section 504 may be found at 24 CFR Part 8. Rehabilitation

Substantial alterations - Section 504 requires that if alterations are undertaken to a housing project that has 15 or more units, and the rehabilitation costs will be 75 percent or more of the replacement cost of the completed facility, then such developments are considered to have undergone "substantial alterations" (24 CFR 8.23 (a)). For substantial alterations of multifamily rental housing, the accessibility requirements contained in 24 CFR 8.22 must be followed -- a minimum of 5 percent of the dwelling units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent, at a minimum (but not less than one unit), must be accessible to individuals with sensory impairments.

Other alterations -- When **other alterations** that do not meet the regulatory definition of substantial alterations are undertaken in multifamily rental housing projects of any size, these alterations must, to the maximum extent feasible, make the dwelling units accessible to and usable by individuals with disabilities, until a minimum of 5 percent of the dwelling units (but not less than one unit) are accessible to people with mobility impairments, unless HUD prescribes a higher number pursuant to 24 CFR 8.23(b)(2). If alterations of single elements or spaces of a dwelling unit, when considered together, amount to an alteration of a dwelling unit, then the entire dwelling unit shall be made accessible. For this category of rehabilitation the additional 2 percent of the dwelling units requirement for individuals with sensory impairments does not apply. Alterations to common spaces must, to the maximum extent feasible, make those areas accessible. A recipient is not required to make a dwelling unit, common area, facility or element accessible, if doing so would impose undue financial and administrative burdens on the operation of the multifamily housing project (24 CFR 8.23(b)). Therefore, with regards to covered alterations, recipients are only required to provide access up to the point of being an undue financial and administrative burden.

Accessibility Standards

Dwelling units designed and constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) will be deemed to comply with the Section 504 regulation. For copies of UFAS, contact the HUD Distribution Center at 1-800-767-7468; hearing or speech-impaired persons may access this number via TTY by calling the Federal Information Relay Service at 1-800-877-8339. Accessible units must be, to the maximum extent feasible, distributed throughout the projects and sites, and must be available in a sufficient range of sizes and amenities so as not to limit choice. Generally, the UFAS is the design standard for providing physical accessibility, although other standards that provides equivalent or greater accessibility may be used.

6.03 THE AMERICANS WITH DISABILITIES ACT (2010)

This act is a broad civil rights law guaranteeing equal opportunity for individuals with disabilities in employment, public accommodations, transportation, state and local government services, and telecommunications.

Title II of the ADA applies to all programs, services, and activities provided or made available by public entities. With respect to housing, this includes, for example, public housing and housing provided for state colleges and universities.

Title III of the Act covers all private establishments and facilities considered "public accommodations," such as restaurants, hotels, retail establishments, doctors' offices, theaters, the rental office and related toilets, and access to and through the project from the point of arrival in a multi-family development. People with disabilities must have equal opportunity in these establishments, both in terms of physical access and in the enjoyment of services.

6.04 THE FAIR HOUSING ACT

The Fair Housing Act defines discrimination in housing against persons with disabilities to include a failure "to design and construct" certain new multi-family dwellings so that they are accessible to and usable by persons with disabilities, and particularly people who use wheelchairs. The Act requires all newly constructed multi-family dwellings of four or more units intended for first occupancy after March 13, 1991, to have certain features: an accessible entrance on an accessible route, accessible common and public use areas, doors sufficiently wide to accommodate wheelchairs, accessible routes into and through each dwelling, light switches, electrical outlets, and thermostats in accessible location, reinforcements in bathroom walls to accommodate grab bar installations, and usable kitchens and bathrooms configured so that a wheelchair can maneuver about the space.

Developers, builders, owners, and architects responsible for the design or construction of new multi-family housing may be held liable under the Fair Housing Act if their buildings fail to meet these design requirements. The Department of Justice has brought many enforcement actions against those who failed to do so. Most of the cases have been resolved by consent decrees providing a variety of types of relief, including: retrofitting to bring inaccessible features into compliance where feasible and where it is not -- alternatives (monetary funds or other construction requirements) that will provide for making other housing units accessible; training on the accessibility requirements for those involved in the construction process; a mandate that all new housing projects comply with the accessibility requirements, and monetary relief for those injured by the violations. In addition, the Department has sought to promote accessibility through building codes.

Units Covered by the Fair Housing Act

The Fair Housing Act design and construction requirements apply to "covered multifamily dwellings" designed and constructed "for first occupancy" after March 13, 1991. A building was not designed or constructed for first occupancy if:

- It was occupied by March 13, 1991
- If the last building permit or renewal of a building permit was issued on or before June 15, 1990

Buildings where the last building permit was issued on or before June 15, 1990 are not covered by the design and construction requirements. Even if the last building permit was issued after June 15, 1990, if the property was occupied before March 13, 1991, it is not covered. HUD adopted these dates to allow time for the requirements to be considered during the design and construction phase of new properties.

The "first occupancy" language in the statute has been defined in HUD's Fair Housing Act regulations as "a building that has never before been used for any purpose." This means buildings that are rehabilitated are not covered by the design and construction requirements even if the rehabilitation occurs after March 13, 1991 and even if it is substantial rehabilitation.

A dwelling unit includes:

- A single-family unit in buildings with four or more units
- An apartment
- A room in which people sleep even if they share kitchens or bathrooms, like transitional housing

The design and construction requirements apply to "covered multifamily dwellings".

Covered multifamily dwellings are:

1. All dwelling units in buildings containing four or more dwelling units if the buildings have one or more elevators AND
2. All ground floor units in other buildings containing four or more units, without an elevator.

This includes housing that is for rental or for sale and applies whether the housing is privately or publicly funded.

Condominiums and apartment buildings are covered by the design and construction requirements. So are time-shares, dormitories, transitional housing, homeless shelters that are used as a residence, student housing, assisted living housing, and others.