

CHFA Capital Needs Assessment and Replacement Reserve Analysis

Prepared for:

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and

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42 Vernon Street
CHFA #91082D
Southside Institutions
Neighborhood Alliance
Hartford, CT

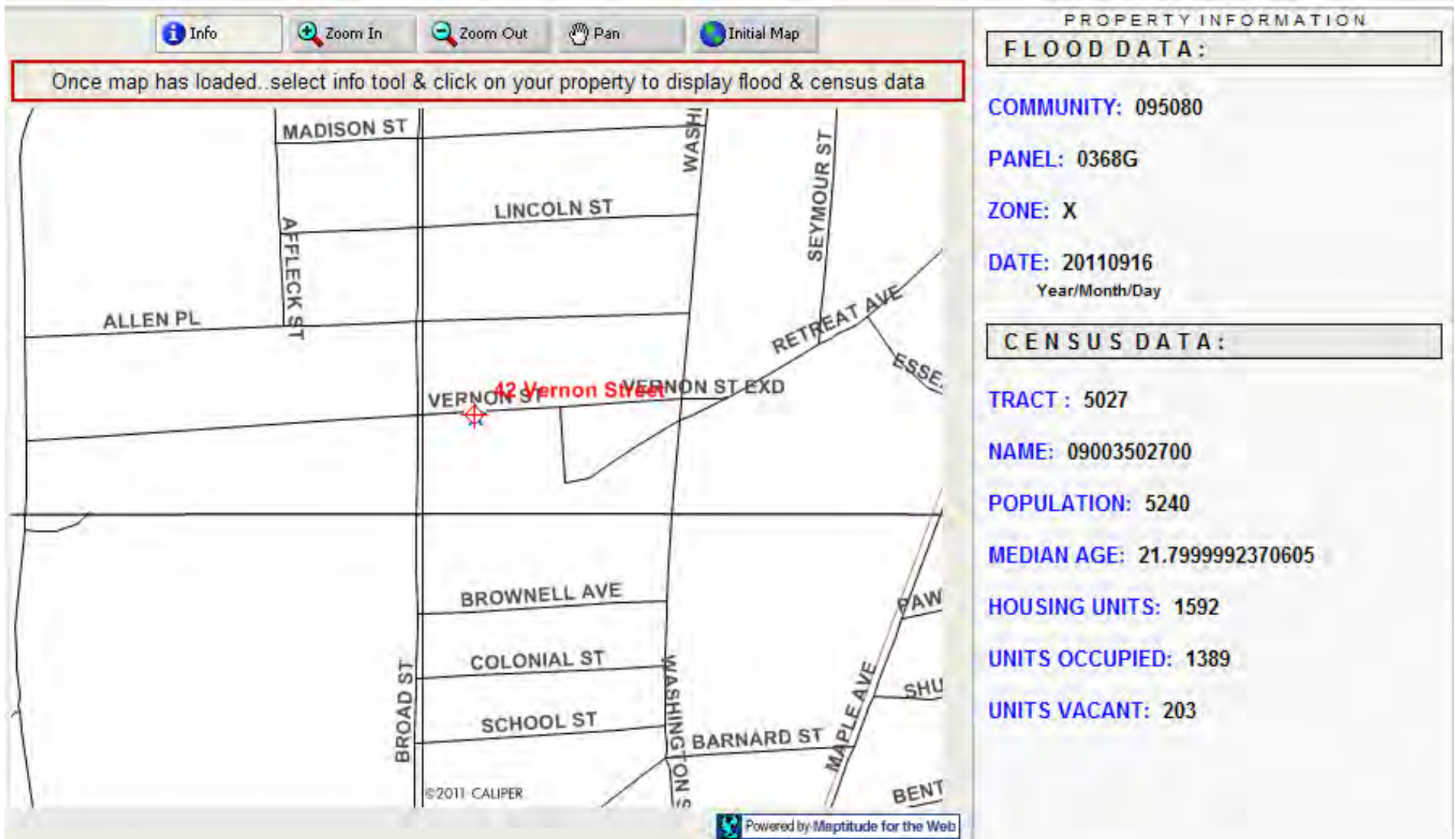
April 17, 2013

Final Report



42 Vernon Street

42 Vernon Street
Hartford, CT 06106



42 Vernon Street

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Hartford, CT 06106

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

Executive Summary

42 Vernon Street

Hartford, CT

42 Vernon Street is a residential development for families that is comprised of a walk-up style building that contains a total of 9 two-bedroom units. Original construction of the development is estimated to date to the 1930s, and it was renovated in 1990.

Overall the development is in fair to good condition. As shown on the attached capital needs worksheets, the development faces significant capital needs in the near-term. Based on these projections, the development is seen as requiring an adjustment to current replacement reserve funding and/or an infusion of additional capital, both of which were understood by On-Site Insight to be nominal or unfunded at the time this report was prepared.

Key findings identified as part of this assessment include the following:

- A gravel-paved parking area is located adjacent to the building; no costs for the parking area are included in the plan. Periodic allowances for sectional repair/replacement of the concrete sidewalk surfaces are included throughout the plan.
- Chain link fencing is present at a majority of the property lines; replacement of the oldest fencing, which is worn and/or damaged, is shown in Year 1. Surface preparation and painting of the wrought iron fencing along the front of the site is shown in Years 3 and 13.
- Exterior masonry wall surfaces exhibit areas of mortar loss and cracks; a pointing and repair allowance is shown in Years 1 and 16.
- Doors and windows are in generally good condition and no significant near-term needs are anticipated.

- A three-level wood-framed exterior staircase is located at one side of the building. Overall, the wood surfaces are in generally good condition; modest annual allowances for as needed component replacements are shown from Year 1 forward.
- The rubber membrane roof covering on the building dates to the rehab; replacement is shown in Year 2.
- The gutter/roof drainage system at the exterior staircase is failing; replacement is shown in Year 1.
- Finishes at the common stairways are in good overall condition; future painting and floor refinishing allowances are shown in Years 8 and 18.
- Hydronic heat for the building is generated via two recently (~2008) replaced boilers; no problems were noted and no near-term needs are anticipated. The indirect-fired domestic hot water tanks that work in concert with the boilers were replaced concurrently, and also should not have any near-term needs.
- An original zone-type fire alarm control panel serves the building; an allowance to replace/upgrade this equipment is shown in Year 1. Replacement of the door buzzer/intercom panels at the common entries to the buildings is also shown in Year 1.
- Annual allowances for replacement of in-unit floor coverings are shown from Year 1 forward.
- One unit bathroom was recently refurbished with a new toilet, vanity and sink; costs to complete similar work in the remaining units are shown in Years 1-4. Future allowances for bathtub, surround, and mixing valve replacement needs are shown in Years 8-10.
- New cabinetry was also recently installed in one unit kitchen; costs to replace the cabinetry in the remaining units are shown in Years 1-4. Appliance replacement allowances are shown based on observed conditions, current ages, and expected useful service lives.
- Annual allowances for the as needed replacement of smoke detectors are shown from Year 1 forward.
- Neither the common areas nor any of the units are handicap accessible at the present time. Costs to install a ramp system to the common entry at the side of the building nearest the parking area are included. Unit-level modifications would require expansion of a bathroom to meet floor area and turning radius requirements, installation of compliant fixtures, and installation of compliant kitchen cabinetry that includes knee clearance space under the sink and at a thirty-inch wide work surface.

Additional Notes:

1. The Physical Assessment of the property was conducted on March 20th, 2013. Additional information was provided to ON-SITE INSIGHT by site staff and others. OSI was represented on this assignment by Bruce Hutchinson. We would like to thank the development's property management staff for their assistance.
2. Cost estimates used in this assessment are based on data from *RS Means Facilities and Construction Cost Data*. These cost estimates have been applied uniformly across the entire study portfolio to help ensure consistency of future projections. Actual owner and/or site pricing could vary significantly.
3. Unless required by fire, safety, or accessibility codes, items are typically shown being replaced in kind and do not include any planned upgrades or potential upgrade opportunities.
4. Regular updates of this plan are recommended to ensure careful monitoring of major building systems and to adjust the program to accommodate unanticipated circumstances surrounding the buildings, operations, and/or occupants.
5. This report is delivered subject to the conditions on Appendix A, *Statement of Delivery*.



Gravel parking area located at side of building



Typical concrete walkway and chain link fencing



Wrought iron fencing along public sidewalk at front of site is in good overall condition



Building architecture as seen at front and side elevations



Right side elevation



Rear elevation



Cracks/mortar loss evident at various locations in masonry exterior wall surfaces



Mortar loss between sections of windowsill is widespread



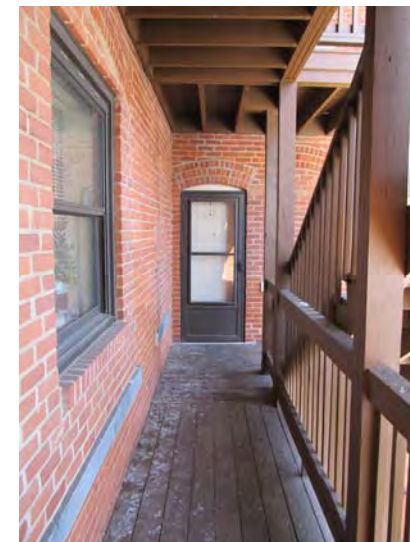
Metal cornicing is in need of surface preparation and painting



Front entry – Door is in generally good condition



Aluminum-framed windows that date to the rehab are typical throughout the building



Wood-framed, multi-level, stair/deck structure at left side of building provides secondary egress for some units



Gutter at stair/deck structure is leaking at the inside corner and needs replacement



Typical finishes at common stairways



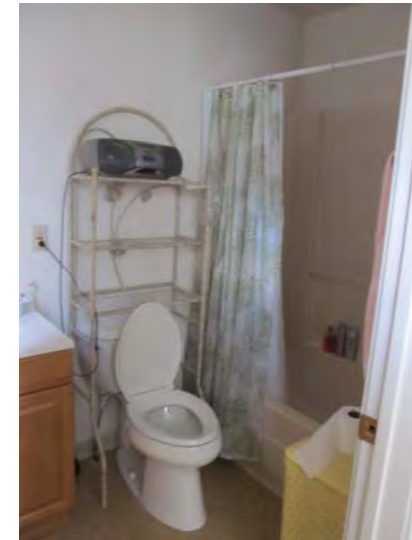
One of two recently installed boilers and indirect-fired domestic hot water tanks – No problems related to equipment observed or reported



Original zone-type fire alarm control panel is serviceable but at or near the end of its expected useful life



Living area in a recently refurbished unit –
Note carpet flooring



Typical finishes and fixtures
in unit bathrooms



Typical unit kitchen – Note 8 of 9 units
have original cabinetry



Cabinetry in kitchen of recently refurbished unit

Comprehensive Capital Needs Assessment Schedule

Summary

Owner Sponsor Name:	Southside Inst. Nghbd Alliance
Project Name:	42 Vernon Street
Project City / Town:	Hartford

Current Year:	2013
Budget Effective Date:	January 1, 2013
Report Date:	March 29, 2013

Number of Units:	9
Total Square Feet:	8,973
Default Inflation Rate:	3.0%

Beginning Replacement Reserve Balance:	\$0
Annual Replacement Reserve Contribution:	\$459
Additional Misc. Contribution:	

	Component	Total Planned Expenditures by Year																						
		Emergency	Deferred	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Revitalization
				2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Site Improvements	0	9,900	5,333	0	1,146	2,808	840	0	0	0	0	974	3,583	0	1,540	0	1,129	8,308	0	0	0	1,309	0
2	Building Exterior	0	0	35,421	1,328	1,368	2,534	3,112	1,495	1,540	1,586	62,248	1,682	1,733	1,785	1,838	1,893	1,950	41,758	2,069	2,131	2,195	4,849	0
3	Roofing	0	0	512	28,154	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Lobby - Mail Area	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Community Room	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Common Hallways	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Common Stairways	0	0	0	0	0	0	0	0	0	4,724	0	0	0	0	0	0	0	0	0	6,349	0	0	0
8	Common Laundry	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Common Area Restrooms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Building Boilers	0	0	0	0	0	0	0	0	0	0	0	0	0	3,737	0	0	0	0	13,480	0	0	0	0
11	Building Mechanical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Building Electrical	0	0	14,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Building Elevator	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Building Structural	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Unit Living	0	0	1,642	1,691	1,742	1,794	1,848	1,903	1,960	2,019	2,080	2,142	2,206	2,273	2,341	2,411	2,483	2,558	2,635	2,714	2,795	2,879	0
16	Unit Kitchens	0	4,106	8,971	9,240	9,517	9,802	2,009	2,069	2,131	2,195	2,261	887	1,818	1,872	1,928	1,986	2,046	3,151	3,246	3,343	3,443	3,547	0
17	Unit Bathrooms	0	7,500	2,735	2,817	2,901	2,988	609	627	646	7,290	7,509	7,734	727	749	771	794	818	843	868	894	921	948	0
18	Unit Electrical	0	0	342	352	363	374	385	396	408	421	433	446	460	473	488	502	517	533	549	565	582	600	0
19	Unit Mechanical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Annual Planned Expenditures	0	21,506	69,754	43,581	17,036	20,301	8,803	6,491	6,685	18,235	74,531	13,866	10,527	10,889	8,906	7,587	8,943	57,150	22,845	15,996	9,936	14,131	0
21	Annual Provision (indexed at 3%)			459	473	487	502	517	532	548	565	581	599	617	635	654	674	694	715	737	759	781	805	
22	Outside Capital			480,000																				
23	Cumulative Reserve Balance	0	(21,506)	389,199	346,090	329,541	309,742	301,456	295,497	289,360	271,690	197,740	184,473	174,564	164,310	156,059	149,146	140,897	84,461	62,353	47,116	37,961	24,635	

Site Improvements

Owner Sponsor Name:	Southside Inst. Nghbd Alliance
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Project City / Town:	Hartford

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Report Date:	March 29, 2013

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Building Exterior

Owner Sponsor Name:	Southside Inst. Nghbd Alliance
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Project City / Town:	Hartford

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[illegible]

Roofing

Number of Units:	9
Total Square Feet:	8,973
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Lobby / Mail Area

Owner Sponsor Name:	Southside Inst. Nghbd Alliance
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Project City / Town:	Hartford

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[illegible]

Comprehensive Capital Needs Assessment Schedule

Community Room

Owner Sponsor Name:	Southside Inst. Nghbd Alliance
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Project City / Town:	Hartford

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	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Planned Expenditures by Year																												
							Code	Emergency	Code	Deferred	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Revitalization				
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032					
1	Floor					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
2	Kitchen Cabinets / Sink					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
3	Kitchen Appliances					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
4	Furnishings					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
5	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
6	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
7	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
8	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
9	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
10	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
11	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
12	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
13	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
14	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
15	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
16	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
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24																																			
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26																																			
27	Annual Planned Expenditures						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
28	Cumulative Reserve Balance						0	(21,506)	389,199	346,090	329,541	309,742	301,456	295,497	289,360	271,690	197,740	184,473	174,564	164,310	156,059	149,146	140,897	84,461	62,353	47,116	37,961	24,635							

Common Hallways

Number of Units:	9
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Common Stairways

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[illegible]

Common Laundry

Number of Units:	9
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Common Area Restrooms

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[illegible]

Building Boilers

Owner Sponsor Name:	Southside Inst. Nghbd Alliance
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[illegible]

Comprehensive Capital Needs Assessment Schedule

Building Mechanical

Owner Sponsor Name:	Southside Inst. Nghbd Alliance
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	Component	Current Total Replacement Cost	Expected Annual Rate of Inflation	Current Age	Total Expected Useful Life	Initial Replacement Year	Planned Expenditures by Year																												
							Code	Emergency	Code	Deferred	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Revitalization				
											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032					
1	Building Fire Suppression					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
2	Building Heating Distribution					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
3	Domestic Hot / Cold Water Dist.					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
4	Building Sanitary Waste & Vent.					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
5	Make-Up Air Unit					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
6	Ventalation & Exhaust					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
7	Air Handling Units					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
8	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
9	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
10	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
11	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
12	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
13	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
14	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
15	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
16	Other					2013				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
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26																																			
27	Annual Planned Expenditures						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
28	Cumulative Reserve Balance						0	(21,506)	389,199	346,090	329,541	309,742	301,456	295,497	289,360	271,690	197,740	184,473	174,564	164,310	156,059	149,146	140,897	84,461	62,353	47,116	37,961	24,635							

Building Electrical

Number of Units:	9
Total Square Feet:	8,973
Default Inflation Rate:	3.0%

42 Vernon Street - SS 3/29/2013

Building Elevator

Owner Sponsor Name:	Southside Inst. Nghbd Alliance
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[illegible]

Building Structural

Number of Units:	9
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Unit Living

Number of Units:	9
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Unit Bathrooms

Owner Sponsor Name:	Southside Inst. Nghbd Alliance
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Comprehensive Capital Needs Assessment Schedule

Unit Kitchens

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											2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032					
1	Walls					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
2	Ceilings					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
3	Floors	680		1	1	2013			680	700	721	743	765	788	812	836	861	887	914	941	970	999	1,029	1,059	1,091	1,124	1,158	1,192							
4	Cabinets					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
5	Countertops					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
6	Sink					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
7	Kitchen Exhaust Fan					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
8	GFI Outlet					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
9	Vent Hood					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
10	Refrigerators					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
11	Stove					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
12	Range					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
13	Dishwasher					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
14	Disposal					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
15	Other					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
16	Other					2013			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
17	Cabinets	26,775		22	20+	2013			6,694	6,895	7,101	7,314	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
18	Countertops	6,053		0	10	2023			0	0	0	0	0	0	0	0	0	0	904	931	959	988	1,017	1,048	1,079	1,112	1,145	1,179							
19	Vent Hood	1,967		22	20+	2013			492	507	522	537	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
20	Range	3,915		varies	20	2013			435	448	461	475	490	504	519	535	551	0	0	0	0	0	0	0	0	0	0	0	0						
21	Refrigerators	6,030		varies	15	2013			670	690	711	732	754	777	800	824	849	0	0	0	0	0	0	1,044	1,075	1,107	1,141	1,175							
22	Accessibility Improvements	4,106		ADD	20	2013		4	4,106	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
23																																			
24																																			
25																																			
26																																			
27	Annual Planned Expenditures							0		4,106	8,971	9,240	9,517	9,802	2,009	2,069	2,131	2,195	2,261	887	1,818	1,872	1,928	1,986	2,046	3,151	3,246	3,343	3,443	3,547	0				
28	Cumulative Reserve Balance							0		(21,506)	389,199	346,090	329,541	309,742	301,456	295,497	289,360	271,690	197,740	184,473	174,564	164,310	156,059	149,146	140,897	84,461	62,353	47,116	37,961	24,635					

Unit Electrical

Number of Units:	9
Total Square Feet:	8,973
Default Inflation Rate:	3.0%

42 Vernon Street - SS 3/29/2013

Appendix A: Statement of Delivery

Our Capital Needs Assessment (the "CNA" or the "Report") on the subject property is delivered subject to the following terms and conditions:

1. This report and analysis are based upon observations for the visible and apparent condition of the building and its major components on the date of the fieldwork. Although care has been taken in the performance of this assessment, ON-SITE INSIGHT, Inc. (and/or its representatives) makes no representations regarding latent or concealed defects that may exist and no warranty or guarantee is expressed or implied. This report is made only in the best exercise of our ability and judgment.
2. We have undertaken no formal evaluation of environmental concerns, including but not limited to asbestos containing materials (ACMs), lead-based paint, chlorofluorocarbons (CFCs), polychlorinated biphenyls (PCBs), and mildew/mold.
3. Conclusions in this report are based on estimates of the age and normal working life of various items of equipment and/or statistical comparisons. Actual conditions can alter the useful life of any item. When an item needs immediate replacement depends on many factors, including previous use/misuse, irregularity of servicing, faulty manufacture, unfavorable conditions, Acts of God and unforeseen circumstances. Certain components that may be working when we made our inspection might deteriorate or break in the future without notice.
4. To prepare this report, we used historic data on capital activities and costs, blueprints (when available), and current prices for capital actions. We have not independently verified this information, have assumed that it is reliable, but assume no responsibility for its accuracy.
5. Unless otherwise noted in the report, we assume that all building components meet code requirements in force when the property was built.
6. If accessibility issues are referenced in the report, the site elements, common areas, and dwelling units at the development were examined for compliance with the requirements of the Uniform Federal Accessibility Standards (UFAS), and for Massachusetts properties, the Massachusetts Architectural Accessibility Board (AAB). The methodology employed in undertaking this examination is adapted from a Technical Assistance Guide (TAG-88-11) titled "Supplemental Information About the Section 504 Transition Plan Requirements" published by the Coordination and Review section of the U.S. Department of Justice Civil Rights Division, and the AAB Rules and Regulations, 521 CMR effective July 10, 1987. The Guide also incorporates the requirements of UFAS, published April 1, 1988 by the General Services Administration, the Department of Defense, the Department of Housing and Urban Development, and the U.S. Postal Service. Changes in legislation and/or regulations may make some observations moot.
7. Response Actions and estimated costs of responses were developed by ON-SITE INSIGHT, Inc. If additional structural work is necessary, costs for some Response Actions may exceed estimates. Whenever the Response Action is to remove, reposition, or modify walls, a competent structural engineer should be retained before any work is done, because such investigation may disclose that a Response Action is either more costly than estimated, or is not possible.
8. Conclusions reached in this report assume current and continuing responsible ownership and competent property management.
9. Regular updates of this plan are recommended to ensure careful monitoring of major building systems and to adjust the program to accommodate unanticipated circumstances surrounding the buildings, operations, and/or occupants.