

CITY OF UNION CITY
AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

APRIL 2017

AMENDED APRIL 2018, JULY 2020

Approved by the Court May 10, 2017, June 20, 2018, ____ 2020

City of Union City
Hudson County, New Jersey

Prepared By:



Heyer, Gruel & Associates

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The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12

A handwritten signature in black ink, appearing to read 'Susan S. Gruel', written over a horizontal line.

Susan S. Gruel, P.P. #1955

A handwritten signature in black ink, appearing to read 'M. McKinley Mertz', written over a horizontal line.

M. McKinley Mertz, AICP, P.P. #6368

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INTRODUCTION

The City of Union City, Hudson County has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301). A development fee ordinance (Ordinance No. 4974) creating a dedicated revenue source for affordable housing was approved by COAH on May 9, 2006 and adopted by the City on June 7, 2006. The development fee ordinance established standards for the collection, maintenance, and expenditure of development fees consistent with COAH rules and P.L.2008, c.46 (C.52:27D-329.1 et al.). The City received approval by COAH on June 16, 2009 for an amended development fee ordinance, and on July 21, 2009 the City adopted the 2009 COAH-approved development fee ordinance (Chapter 40 of the City's Municipal Code). On July 24, 2018, the City once again amended its development fee ordinance (Chapter 40) to update the ordinance to current standards.

The City prepared a Spending Plan in accordance with N.J.A.C. 5:93-5.1, et. seq. in 2017. The 2017 Spending Plan was approved by the Court via an Order dated May 20, 2017 (see Appendix A). The City subsequently amended their Court-approved Spending Plan to include provisions for additional affordable housing projects, specifically two rehabilitation projects for 100% affordable developments managed by the Housing Authority. The amended Spending Plan, dated April 2018, was approved by the Court via Order dated July 20, 2018 (see Appendix B). Since the 2018 Spending Plan was approved, the funds for the rehabilitation projects have been taken from the account and utilized in the manner described in the 2018 Spending Plan.

The City is now amending its Spending Plan again to update the information and include further provisions for new affordable housing projects.

As of March 2, 2020, the Affordable Housing Trust Fund that was established by Union City had a balance of \$1,889,958.13. The account status and transaction history can be found on the following pages. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93 or applicable regulations as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round “substantive certification,” the City of Union City considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers.

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units. No other funds have been or are anticipated to be collected.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

Projected Revenues

Projected Revenues-Housing Trust Fund - 2019 - 2025								
SOURCE OF FUNDS	Trust Fund balance 03/02/2020	2020	2021	2022	2023	2024	2025	Total Revenue
Current Balance	\$1,889,958.13							\$1,889,958.13
(a) Projected Development Fees	-	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$660,000
(d) Interest	-	\$3,025	\$3,025	\$3,025	\$3,025	\$3,025	\$3,025	\$18,150
Total	\$1,889,958.13	\$113,025	\$113,025	\$113,025	\$113,025	\$113,025	\$113,025	\$2,568,108.13

To calculate the projection of revenue anticipated from the general development fees, 12 years (2007 through 2019) of construction data for the City, acquired from the New Jersey Department of Community Affairs, was examined. Additionally, the previous transactions within the Affordable Housing Trust Fund were reviewed.

The City projects a total of \$660,000 will be collected between December 10, 2019 and December 31, 2025. An additional \$18,150 in interest is projected to be earned. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. In conjunction with the existing trust fund balance of \$1,889,958.13 the City projects total trust fund revenues and interest of \$2,568,108.13 through December 31, 2025.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by the City of Union City:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Union City's development fee ordinance for both residential and non-residential developments.

(b) Distribution of development fee revenues:

The Administrative Agent and the Municipal Housing Liaison will manage the projects outlined in this Spending Plan and the Housing Element and Fair Share Plan.

(c) Collection and distribution of barrier free funds:

Collection and distribution of barrier free funds shall be consistent with the City's Affordable Housing Ordinance (Chapter 40 of the Code of Union City) and in accordance with applicable regulations. A process describing the collection and distribution procedures for barrier free escrow is detailed within the City's Affordable Housing Ordinance.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

The following represent anticipated use of monies generated from the City of Union City's Affordable Housing Trust Fund.

(a) Rehabilitation and New Construction Programs and Projects (N.J.A.C. 5:93-8.16)

Cantello Street Properties – Veteran's Housing – Phase 1

The City will dedicate \$953,400 to the Union City Housing Authority properties known as "Cantello Street Veteran's Housing." The properties are of post-WWII construction and consist of 40 two-bedroom apartment units located in four buildings between 110 Cantello Street and 148 Cantello Street. The Union City Housing Authority will utilize the money to rehabilitate the 40 units, all of which are substandard and in need of renovation. Work to be done includes kitchen, bath, and electrical upgrades. Appendix C consists of the Housing Authority report assessing the structures and describing the nature of the work.

General Rehabilitation

The City is an active participant in the Hudson County Consortium, which administers the County's HOME Program, as well as the County's Community Development Block Grant (CDBG) program. Both programs have historically provided funding for rehabilitation projects throughout the City (see the adopted Housing Element and Fair Share Plan for more details). The City and the Union

City Housing Authority have also consistently worked together to provide affordable housing opportunities. Union City will dedicate an additional \$225,654.06 to future rehabilitation projects within the City by supplementing the County programs or through collaboration with the Union City Housing Authority.

Blue Chapel – new construction

Blue Chapel is a former monastery located at 605 14th Street. There is currently a proposal to develop 75 affordable senior rental units at this complex. The City will dedicate \$105,000 to the creation of the 75 affordable senior units.

(b) Affordability Assistance (N.J.A.C. 5:93-8.16)

As per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:93-8.16, the City is required to dedicate at least 30 percent of all development fees collected and interest earned to provide affordability assistance to low-, and moderate-income households. In addition, at least one-third of the affordability assistance shall be used to provide affordability assistance to very-low income households.

Projected minimum affordability assistance requirement:

Affordability Assistance		
Actual Balance through 03/02/2020		\$1,889,958.13
Projected Development fees 2020-2025	+	\$660,000
Projected Trust Fund Interest 2020-2025	+	\$18,150
Total	=	\$2,568,109.13
30 percent requirement	x 0.30 =	\$770,432.44
PROJECTED MINIMUM Affordability Assistance Requirement 12/11/2019 through 03/02/2020	=	\$770,432.44
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 03/02/2020 through 12/31/2025	÷ 3 =	\$256,810.81

The City, therefore, will dedicate at least \$770,432.44 from the affordable housing trust fund to render units more affordable, including \$256,810.81 to render units more affordable to households earning 30 percent or less of median income by region.

(c) Administrative Expenses (N.J.A.C. 5:93-8.16)

No more than 20% of revenues collected from development fees shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop and implement: a rehabilitation program; a new construction program; a housing element; and an affirmative marketing program. Administrative funds may be used for: income qualification of households; monitoring the turnover of sale and rental units; and compliance with monitoring requirements.

Administrative Expenses		
Actual balance through 03/02/2020		\$1,889,958.13
Projected Development fees 2020-2025	+	\$660,000
Projected Trust Fund Interest 2020-2025	+	\$18,150
Total	=	\$2,568,109.13
20 percent cap	x 0.20 =	\$513,621.63

Moving forward, the City projects that \$513,621.13 will be available from the affordable housing trust fund to be used for administrative purposes, including but not limited to:

- Administration and expenses associated with City's affordable housing units.
- Expenses associated with the preparation and implementation of the Housing and Fair Share Plan and monitoring of the current and future housing programs for the City of Union City.

Legal or other fees related to litigation opposing affordable housing sites are not eligible uses of the affordable housing trust fund.

4. EXPENDITURE SCHEDULE

Program	Projected Expenditure Schedule 2019-2025						
	2020	2021	2022	2023	2024	2025	Total
Veterans Housing – Cantello Street Properties Phase I	\$953,400						\$953,400
General Rehabilitation	\$30,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,654.06	\$225,654.06
New Construction: Blue Chapel	\$52,500	\$52,500					\$105,000
Affordability Assistance	\$120,000	\$120,000	\$125,000	\$130,000	\$135,000	\$140,432.44	\$770,432.44
Administration	\$80,000	\$80,000	\$80,000	\$83,000	\$90,000	\$100,621.63	\$513,621.63
Total	\$1,235,900	\$287,500	\$245,000	\$253,000	\$265,000	\$281,708.07	\$2,568,108.07

SUMMARY

The City of Union City intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93 and consistent with the housing programs outlined in its Housing Element and Fair Share Plan, dated June 2017 and adopted by the Planning Board on September 18, 2017.

As of March 2, 2020, the City's Trust Fund has a balance of \$1,889,958.13. Union City anticipates an additional \$687,150.00 in revenues and interest by December 31, 2025. The City will dedicate \$1,284,054.06 towards rehabilitation, veterans housing programs, and new construction, \$770,432.44 to render units more affordable, and \$513,621.63 to administrative costs.

SPENDING PLAN SUMMARY	
Balance as of March 2, 2020	\$1,889,958.13
Projected REVENUE August 5, 2019 to December 31, 2025	
Development fees	+ \$660,000.00
Payments in lieu of construction	+ \$0
Other funds	+ \$0
Interest	+ \$18,150.00
TOTAL REVENUE + CURRENT BALANCE	= \$2,568,108.13
EXPENDITURES	
Funds used for Rehabilitation + New Construction	- \$1,284,054.06
Affordability Assistance	- \$770,432.44
Administration	- \$513,621.63
Excess Funds for Additional Housing Activity	= \$0
TOTAL PROJECTED EXPENDITURES	= \$2,568,108.13
REMAINING BALANCE	= \$0

Appendix A

May 20, 2017 Court Order Approving the Settlement with Fair Share Housing Center, the Housing Element and Fair Share Plan, and the Spending Plan

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Attorneys for: **CITY OF UNION CITY**
Our File No. 102.9110

FILED
MAY 10 2017
MARY K. COSTELLO, P.J. Civil

IN THE MATTER OF THE APPLICATION : SUPERIOR COURT OF NEW JERSEY
OF THE CITY OF UNION CITY, : LAW DIVISION
COUNTY OF HUDSON, : HUDSON COUNTY
: DOCKET NO. HUD-L-2862-15

CIVIL ACTION
ORDER APPROVING HOUSING ELEMENT
AND FAIR SHARE PLAN, SPENDING PLAN
AND SETTLEMENT AGREEMENT
BETWEEN THE CITY OF UNION CITY
AND FAIR SHARE HOUSING CENTER

The above captioned matter having been open to the Court upon the application of Scarinci Hollenbeck, with Patrick J. McNamara appearing on behalf of the declaratory Plaintiffs City of Union City (here and after the “City”) with Joshua Bauers, Esq., appearing on behalf of the Fair Share Housing Center as an “interested party” and not as a formal intervenor, and all parties and counsel listed on the combined general service and notice list pursuant to and in the Matter of Adoption of NJAC 5:96 and 5:97 by the NJ Council on Affordable Housing, 221 NJ 1(2015), commonly referred to as Mount Laurel IV, having been notified of the Fairness Hearing conducted before the Court on April 26, 2017, and whereas at said Hearing, testimony was provided by Susan Gruel, who was sworn and gave testimony as a licensed professional planner, concerning the contents of

the City's proposed Housing Element and Fair Share Plan and Spending Plan that had been presented to the Court previously, and further, that the City engaged in settlement discussions with Fair Share Housing Center, represented before the Court by Joshua Bauers, and the terms and conditions in that proposed settlement agreement having been amicably reached between the City and Fair Share Housing Center,

And the Special Master, Christine Cofone, licensed professional planner, having submitted a report to this Court confirming her acceptance to the terms of both the proposed settlement with the Fair Share Housing Center and the Housing Element and Fair Share Plan and Spending Plan Proposal by the City,

And that at the Fairness Hearing no objectors or other persons came forward to testify or had submitted comments or objections as per the notice previously published by the City in advance of this hearing,

IT IS **ORDERED** on this 10th day of May, 2017

1. The Court finds and determines pursuant to the judicial standards prescribed by the Appellate Division in East/West Venture v. Borough Of Fort Lee, 286 N.J. Super. 311 (App. Div. 1996), and through analysis of the FSHC Agreement and the Court Master's report, and on the basis of the testimony taken during a Fairness Hearing conducted on April 26, 2017; that the settlement between the FSHC and the City is fair, reasonable and adequately protects the interest of low and moderate income households, and the Court hereby approves the FSHC Settlement Agreement.

2. The City of Union City shall proceed to have the Board of Commissioners adopt a resolution authorizing entry into the Settlement Agreement reached with Fair Share Housing Center.

3. The City shall proceed to, by actions of its Planning Board and its Board of Commissioners, adopt the requisite resolutions and/or ordinances as necessary so as to effectuate the adoption of the Housing Element and Fair Share Plan that has been previously presented to this Court and found favorable by the Special Master, and its terms having been agreed to as noted in the aforesaid Settlement Agreement.

4. The temporary immunity previously afforded to the City is hereby extended; such protections shall remain in full force and effect through and including July 31, 2017;

5. A case management conference will be scheduled upon the Court having been advised that the requisite Ordinances and or Resolutions have been adopted by the Planning Board and/ Board of Commissioners of the City

6. A copy of this Order shall be served by the Court upon counsel for the City of Union City by email at pmcnamara@sh-law.com, who shall then serve a copy upon all parties named on the service list within 7 calendar days of receipt.


MARY K. COSTELLO, P.J., Cv.

Appendix B

June 20, 2018 Court Order Approving the April 2018 Spending Plan

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 Attorneys for: **CITY OF UNION CITY**
 Our File No. 102.9110

IN THE MATTER OF THE APPLICATION : OF THE CITY OF UNION CITY, COUNTY OF HUDSON,	: : :	SUPERIOR COURT OF NEW JERSEY LAW DIVISION HUDSON COUNTY DOCKET NO. HUD-L-2862-15
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CIVIL ACTION

**ORDER APPROVING AMENDMENT TO
 THE SPENDING PLAN FOR THE CITY
 OF UNION CITY**

The above captioned matter having been open to the Court upon the application of Scarinci Hollenbeck, with Patrick J. McNamara appearing on behalf of the declaratory Plaintiffs City of Union City (here and after the “City”) with Joshua Bauers, Esq., appearing on behalf of the Fair Share Housing Center (“FSHC”) as an “interested party” and not as a formal intervenor, and Christine N. Cofone, PP, court appointed Special Master, and all parties and counsel listed on the combined general service and notice list pursuant to and in the Matter of Adoption of NJAC 5:96 and 5:97 by the NJ Council on Affordable Housing, 221 NJ 1(2015), commonly referred to as Mount Laurel IV, having been notified of the Motion Hearing conducted before the Court on June 12, 2018; and whereas at said Hearing, the Court reviewed the proposed amendments to the previously approved Spending Plan that had been presented to the Court previously, and further, that the City represented before the

Court that Joshua Bauers, Esq. and the Special Master, Christine Cofone, licensed professional planner, have consented to the proposed amendment to the Spending Plan of the City,

And no objectors or other persons came forward to testify or had submitted comments or objections as per the notice served by the City in advance of this hearing, it is

ORDERED on this 20th day of July, 2018

1. The City shall proceed to, by actions of its Board of Commissioners, take such actions as necessary so as to effectuate the use of funds by the Union City Housing Authority as set out in the Amended Spending Plan that has been presented to this Court and found favorable by the Special Master and counsel for FSHC.

2. The temporary immunity previously afforded to the City is hereby extended; such protections shall remain in full force and effect through and including September 30, 2018.

3. A case management conference will be scheduled by the Court when advised that the requisite Ordinances and/or Resolutions have been adopted by the Planning Board and/ or the Board of Commissioners of the City to effectuate the prior Orders of the Court

4. A copy of this Order shall be served by the Court upon counsel for the City of Union City by email at pmcnamara@sh-law.com, who shall then serve a copy upon all parties named on the service list within 7 calendar days of receipt.

Reasons on record following oral argument on July 20, 2018. Counsel shall agree to a date and time for a Compliance Hearing and send all required notices forthwith.

Mary K. Costello

 MARY K. COSTELLO, P.J., Cv.

Appendix C

The Housing Authority of Union City Veterans Housing Rehabilitation Project Cantello Street Properties

PROPERTY CONDITION ASSESSMENT

for :

*Veteran's Housing / Phase I
Cantello Street Properties in
The City of Union City, NJ*

Prepared for:

The Housing Authority of The City of Union City
*3911 Kennedy Boulevard
Union City, NJ 07087*

Prepared by:

ICONARCHITECTS***LLC***
*258 Newark Street
Hoboken, NJ 07030
tel. 201-659-7980
fax. 201-659-7920*

April 20, 2020

April 20, 2020

Mr. Stanley M. Sanger, Executive Director
Board of Commissioners & Personnel
Housing Authority of the City of Union City
3911 Kennedy Boulevard
Union City, New Jersey 07087

**RE : Property Condition Assessment - Veteran's Housing / Phase I
Cantello Street Properties in The City of Union City NJ**

Dear Mr. Sanger, Ladies & Gentlemen

We are pleased to submit this revised Property Condition Assessment (PCA) for the Cantello Street Veteran's Housing Properties in Union City.

The report was prepared in general accordance with American Society for Testing and Materials (ASTM) Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process E 2018-08 and generally accepted industry standards.

The PCA included visual observation of the site in general, site improvements, amenities, building exteriors, interior common areas and a representative sampling of tenant spaces.

The revised PCA is based upon adjustments to the Scope of Work, recent cost adjustments, information obtained & provided and observations made during our site visits (indicating dates). The estimate is for components and systems that present significant deficiencies. Repairs of a cosmetic nature, voluntary improvements or routine maintenance are generally not included. The Estimate represents the Architect's best judgment as a design professional familiar with the construction industry of current market rates for labor and materials.

Please do not hesitate to contact the undersigned if you have any questions or if we can be of further service.

Sincerely



Ignatius Caramia, RA
ICONARCHITECTS_{LLC}

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1.0 EXECUTIVE SUMMARY

1.1 General Description / Property Overview

ICON Architects LLC (ICON) has prepared a Property Condition Assessment (PCA) of the Union City NJ Housing Authority properties known as the "Cantello Street Veteran's Housing" located in the City of Union City. The Subject properties were constructed after World War II and consist of 40 two-bedroom apartment units.

This Assessment does not include the other Various Veteran's Housing units at other Union City sites consisting of seventy two (72) residential units.

The buildings, generally characterized as Garden Apartments, are two story, wood frame structures with gable roofs and basements. A typical building entry is shared by two units.

The subject properties are serviced by electricity, natural gas, public water and public sewer.

PROPERTY OVERVIEW

Property Name :	"Veteran's Housing"	Type of Property :	Apartments
Property Address :	Cantello Street	Number of Buildings :	4
Reported Age :	± 1950	Number of Stories :	2 & Basements
Site Area :	NA	Number of Units :	40
		Occupied Units Observed :	8
		Vacant Units Observed:	2
PCA Approved by :	Ignatius Caramia, RA	Overall Units Observed :	4
		Site Observation Date(s) :	June 02, 2017, June 16, 2017, , October 01, 2019, October 03, 2019 October 10, 2019 & various informal visits

1.2 General Physical Condition

Based on observation of site conditions, building exteriors and a representative sampling of unit interiors, in general, the Subjects were considered to be in **Fair** condition overall, and exhibited wear and tear normal for their age and usage. The condition of some individual components and systems may differ from the overall condition. The Properties appeared to have been fairly maintained over the years. Items of deferred maintenance were observed.

Refer to individual sections of this report for information regarding observed items of concern. Please note that some of these items may be considered potential life/safety issues affecting persons residing, visiting or performing services at the Properties, and as such should be addressed and corrected on a priority basis. The buildings appear to be structurally adequate with no obvious evidence of major structural failures, differential settlement or significant soil erosion.

- General Condition: **Fair**
- Level of Maintenance: **Fair**

1.3 Capital Improvements

The following capital improvements were reported:

- No capital improvements were reported.
- Repairs and Improvements, it is reported, have, to this date, been made on an as-need basis.

1.4 Recommendations & Discussion

Improvements will require some time as an overwhelming majority of units are occupied. A five year plan is recommended to undertake the Work. A separation of yearly improvements has not yet been recommended by ICON Architects LLC. Factors and concerns to be considered will be reviewed with the Union City Housing Authority.

1.5 Recommended Additional Investigations

Based on conditions observed, ICON Architects LLC recommends the following additional investigations be completed. Costs related to additional investigations are not included in the estimated repair budget shown herein.

Mold

Investigation and sampling by a qualified mold consultant to determine the potential for health and safety risks and associated liability related to continued usage of the Subject by the public. The consultant should also provide recommendations for remediation of microbial growth at the property.

Asbestos Testing

Sampling of the acoustical ceiling treatments, vinyl floor tile, mastics, drywall and drywall compound is recommended in areas requiring demolition and repair, prior to further construction activities.

Significant additional costs are possible depending on the findings of the recommended investigations.

1.6 Compliance Research / Authorities Having Jurisdiction and Records Review

Following is a list of Authorities Having Jurisdiction for the Properties.

AUTHORITIES HAVING JURISDICTION

Category	Agency and Contact	Comments
Building Department		Did not make contact
Zoning Department		Did not make contact
Fire Department		Did not make contact
Flood Zone		Did not make contact

1.7 Sources of Information and Document Review

Following is a list of the additional person(s) interviewed by ICON during the site visits and/or report preparation. Information imparted by these persons concerning conditions and operations has been assumed to be correct.

PERSONS INTERVIEWED

Name	Company / Entity	Title or Responsibility	Telephone
Mr. Stanley Sanger	Union City Housing Authority	Executive Director	
Mr. Waldo Morin	Union City Housing Authority	Deputy Director of Operations	
Mr. Jose Alba	Union City Housing Authority	Modernization Administrator	
Mr. Rudy Rivera	Union City Housing Authority	Facilities Manager	

The following documentation was provided to ICON for review:

- None

ICON inquired at the time of the initial site visit whether construction drawings, specifications or other sources of printed information of the buildings were available. Management reported no construction documents or printed info were readily available. Comments regarding concealed building components are based on standard industry practices and assumptions based on limited observations.

1.8 Estimate of Immediate Needed Improvements

Estimate of Improvement Costs	\$ 794,500.00
<u>& Estimated Soft Costs & Contingencies</u>	<u>x 20 %</u>
Estimate of Immediate Needed Improvements	\$ 953,400.00

2.0 PURPOSE, SCOPE AND LIMITATIONS

2.1 Purpose

ICON Architects LLC was retained to conduct a Property Condition Assessment to provide an objective, independent, professional opinion of the potential repair costs associated with the subject properties.

Specifically, the Report:

- Evaluates the physical condition of the building components and systems.
- Identifies current deficiencies that require remedial work and areas not in compliance with applicable codes or regulations.
- Provides a lump sum estimate of total repair costs to remedy the noted deficiencies.
- Recommends further in-depth studies, probing and testing, as necessary.
- Exhibits photographic illustrations of general building composition, conditions and deficiencies.

2.2 Scope of Work

The assessment was conducted in accordance with American Society for Testing and Materials (ASTM) Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process E 2018-08 and generally accepted industry standards and included, but was not necessarily limited to, the following:

- Requests for documentation pertaining to Subject maintenance and repair history, effected, on-going or planned significant capital improvements, deficiencies known to management, building and fire code violations, budget projections, prior condition assessments, recent building/system evaluations such as annual roof inspections or contractor's proposals, warranties in effect, surveys and construction documents such as site plans and typical floor plans.
- Limited, walk-through visual surveys of the Subject's components and systems, including a representative sampling of common and tenant areas.
- On-site property management interviews regarding maintenance, repair and improvement history as well as known defects and pending repairs.
- Photography of representative building areas and systems and significant deficiencies to document existing conditions.
- Interviews with maintenance personnel and/or service contractors used by Subject's management regarding repair and improvement history, known defects and pending repairs.
- Evaluation of the collected information and the preparation of the property condition report, including cost estimates, for the major deficiencies observed.

The sites were visited on various occasions for the preparation of this report by Ignatius Caramia, Architect, beginning in June of 2017. The site visits consisted of non-intrusive, visual “walk-through” surveys of readily accessible public/common areas and a representative number of residential units.

Mechanical and electrical equipment was neither operated nor tested by the field observer. No exploratory probing or testing was performed to determine component/ system conditions or compliance.

This study does not include in-depth evaluations of as-built drawings, system/component adequacy, code compliance, and does not include the preparation of engineering calculations related to the building(s) and systems to determine adequacy, compliance of the improvements with any drawings that may have been submitted or compliance with commonly accepted design or construction practice. Not all areas of the property have been surveyed, only a representative sampling of areas are included in the survey.

Work completed as part of this analysis does not represent a design effort and does not require engineering education, training, and experience in the application of special knowledge of the mathematical, physical, and engineering sciences; therefore, the work product contained herein is not to be construed as the “Practice of Engineering” as defined by statute.

ICON’s observations and report do not warrant or guarantee the performance of any building components or systems. The information contained in this report received appropriate technical review and approval. The conclusions represent professional judgments and are founded upon the investigations performed and the interpretation of such data based on experience and expertise according to the existing standard of care. No other warranty or limitation exists, either express or implied.

In addition, access was requested to a representative sampling of tenant spaces to assess general composition and typical patterns of physical conditions of interior components. Access to the requested sampling was provided. During the site visit, the field observer did not gain access to all areas of the properties. The representative sampling was used for approximating total required remediation costs.

The specific scope of work included the following:

Walk-Through Survey - The report is based on observations made during the property “walk-through.” Observations were limited to common areas and “representative” residential units. No inspection or investigation behind walls, inside plenums or in any other generally inaccessible areas was performed. No physical tests were made nor were any samples for engineering analysis collected. Reliance was placed on the accuracy and disclosure of property representatives.

A visual survey for mold was conducted. The survey was limited to visual observations in the areas walked and should not be considered a comprehensive survey of the property. No sampling was conducted. No inspection or investigation behind walls or in any other generally inaccessible areas was performed. A conclusion that no mold was observed, therefore, should not be taken as the property is mold free or concerns do not exist in areas that were not inspected.

Property/Site Features - Observations were conducted at the properties as to the type, condition and adequacy of the following items: general topography, storm water drainage, ingress and egress, paving, curbing, landscaping, appurtenances and utilities.

Building Frame and Envelope - Observations were conducted at the properties as to the type, condition and adequacy of the following items: structures, facades/siding, fenestration and roofing.

Interior Elements - Observations were conducted at the properties as to the type, condition and adequacy of interior elements, finishes and fixtures.

Plumbing, Mechanical and Electrical - Observations were conducted at the properties as to the type, condition and adequacy of plumbing, heating, ventilation and air conditioning, electrical, items.

Life Safety/Fire Protection and ADA Requirements - Observations were conducted at the properties as to the type, condition and adequacy of the life safety and fire protection systems. In addition, the Property Condition Assessment included a limited visual assessment of the subject property to assess if it is accessible and useable by individuals with disabilities in accordance with the ADA of 1990. Public accommodations and commercial facilities constructed or renovated after January 1992 must be brought into compliance with ADA guidelines. Public accommodations constructed prior to January 1992 must make affirmative attempts to be in compliance. This screening is not to be considered an in-depth ADA survey or audit. The opinions regarding ADA compliance should be considered preliminary. The purpose of the limited visual survey is to provide a general observation of the level of attention paid to keeping the property ADA compliant.

Opinions of Probable Costs to Remedy Physical Deficiencies - ICON Architects LLC attempted to identify items of deferred maintenance or requiring repair or replacement within a 12-month time period. These items are considered "Immediate Needs." The deficiencies and/or items identified are based on our observations unless otherwise noted. Quantities are estimates and extrapolations from representative areas observed. Unit prices and replacement costs are based on a combination of construction cost guide data, ICON Architects LLC's experience and discussions with property managers, facility engineers and/or individuals who are familiar with the local market. Generally, repair or replacement items that total less than \$1,000 are considered routine maintenance items and are not included in the itemized list of recommended repairs or as immediate needs, unless they are associated with a regulatory compliance, safety issue or, in the opinion of ICON Architects LLC, have the potential to significantly impact the usability of the property by current or prospective tenants.

Assumptions regarding the overall condition of the subject property have been developed based upon inspection of "representative" areas. As such, estimations of mechanical and structural system conditions, remaining useful lives and costs associated with the correction of identified deficiencies are based upon the limited inspection and are also limited with respect to completeness. Where quantities could not be derived from actual takeoffs or measurements, lump sum figures or allowances are used. Estimated costs to correct are based on professional judgment and the probable or actual extent of the observed defect, exclusive of the cost to design, procure, construct and manage the corrections.

Useful life estimates of components are based on published sources including, but not limited to, Life Expectancy Guidelines published by Marshall & Swift, United States Department of Housing and Urban Development guidelines, industry standards and ICON Architects LLC's professional experience in evaluating life and performance of elements, components and systems. Expected remaining useful lives for the building and components assume the current level of maintenance and capital improvements are maintained and the recommendations in this report are implemented.

Quantity estimates are typically based on our field observations or information provided by property management. Replacement costs are based on published sources including, but not limited to, the Means Facility Cost Data, and Means Repair and Remodeling Cost Data, historical costs provided by property management or ownership, ICON Architects LLC's professional experience and contractor cost quotations, when available.

2.3 Evaluation Terminology

The PCA is designed to assess the general condition of building and site improvements and make the client aware of conditions which may have an adverse impact upon the functioning systems and finishes of the property.

Terms used in the PCA to describe the condition of observable components and systems are defined below. It should be noted that a term applied to an overall system does not preclude that a part or section of the system or component may be in a different condition.

Excellent

New or like new. Component or system is operational and soundly performing its function showing no signs of wear.

Good

Component or system is operational and soundly performing its function. It may show signs of wear and tear consistent with its age, and may require routine maintenance and/or minor repair work.

Fair

Serviceable, but showing age and wear, and will require maintenance, repair or replacement. Component or system is performing adequately but exhibited deferred maintenance, indications of previous repairs, workmanship not in compliance with commonly accepted standards, is obsolete and/or approaching the end of its typical expected useful life. Either repair or near future replacement is required to prevent premature failure, or accelerated deterioration, or to extend its expected useful life.

Poor

Requiring action immediately or within 12 months. Component or system is not operational, failed or cannot be relied upon to continue performing its expected function due to excessive deferred maintenance, inherent design or workmanship deficiency and/or could cause or

accelerate deterioration of other related components or systems. Immediate or short term major repair or replacement is required.

2.4 Limitations

ICON Architects LLC has performed the services and prepared this report in accordance with generally accepted consulting practices, and makes no other warranties, either expressed or implied, as to the character and nature of such services or product.

Information in this report, concerning equipment operation, condition of spaces and concealed areas not observed or viewable and for the disclosure of known problems, if any, is from sources deemed to be reliable, including, but not limited to property managers and maintenance personnel, however, no representation or warranty is made as to the accuracy thereof.

No PCA can wholly eliminate the uncertainty regarding the presence of physical deficiencies and the performance of a subject property's building systems. Preparation of a PCA in accordance with the ASTM guide is intended to reduce, but not eliminate, the uncertainty regarding the potential for component or system failure and to reduce the potential that such component or system may not be initially observed. ASTM also recognizes the inherent subjective nature of a consultant's opinions as to such issues as workmanship, quality of original installation, and estimating the Remaining Useful Life (RUL) of any given component or system. ASTM recognizes a consultant's suggested remedy may be determined under time constraints, formed without the aid of engineering calculations, testing, exploratory probing, the removal of materials, or design. Furthermore, there may be other alternate or more appropriate schemes or methods to remedy the physical deficiency.

2.5 Property Access and Non-Access Disclosure

Inspector: Ignatius Caramia, Registered Architect

Date of Site Visits: June 2, 2017 & June 16, 2017
October 01, 2019, October 03, 2019, October 10, 2019,
and additional accompanied & unaccompanied
visits up to preparation of report.

Property Contact: Mr. Stanley Sanger, Executive Director

Property Escorts: Mr. Stanley Sanger, Executive Director (06.02.17 observations)

Mr. Rudy Rivera, Facilities Manager (06.02.17 observations)

Mr. Waldo Morin, Deputy Director of Operations (06.16.17 observations
and additional visits up to preparation of report).

Property Questionnaires : Property Questionnaires were not prepared for this report.

Areas Accessed: ICON Architects LLC accessed vacant & occupied units and common areas for the preparation of this report.

Inaccessible Areas: There were no inaccessible areas during our visit.

2.6 User Reliance

In consideration of the facts recited in the Property Condition Assessment, ICON Architects LLC hereby agrees that The Union City Housing Authority may rely on the Property Condition Assessment and the opinions, conclusions and recommendations presented therein.

2.7 Probable Cost Methodology

Cost estimates included herein are based upon observations made during the site visits and other information provided by the owner and management, which is assumed to be accurate, complete and correct. The estimates are for components and systems that present significant deficiencies. Repairs of a cosmetic nature, voluntary improvements, routine maintenance, or expenses for which the tenants are responsible are generally not included.

Estimated costs are based on consultant experience, information provided by management and/or vendors, and commercially available cost data. These probable costs may differ from actual costs, which are dependent on contractor, field and market conditions, work scheduling, materials availability, labor conditions and bidding procedures. Estimates are limited to construction related material and labor costs only. General contractor overhead and profit, business expenses, design and permit fees, management fees and other project related indirect and soft costs are not included in the cost estimates.

A detailed survey of quantities utilized for cost estimating purposes has not been conducted as part of the approved scope of work. The opinions of probable costs provided in this report reflect approximate quantities and unit costs, and as such are not intended to be based upon exact quantities or to identify exact locations of items or systems requiring repair. Estimated quantities are based on extrapolation from the representative sampling observed during the site visit. The stated costs are, in ICON's opinion, probable for the marketplace. Such statements do not constitute a warranty or the representation that all items that may need repair or other actions are included.

For these reasons, ICON does not guarantee or warrant that actual proposals, bids or construction costs will not vary, possibly significantly, from opinions of probable costs specified in this report.

3.0 CODE COMPLIANCE

3.1 Municipal Departments

Fire Department: North Hudson Regional Fire and Rescue

ICON Architects LLC has not, as of the writing of this report, been given or requested information pertaining to any outstanding fire code violations for the subject properties..

Building Department: Building Department of The City of Union City NJ

ICON Architects LLC has not, as of the writing of this report, been given or requested information pertaining to Certificates of Occupancy and any outstanding code violations for the subject properties from Union City, NJ Building Department.

Zoning Department : Zoning Department of The City of Union City NJ

ICON Architects LLC has not, as of the writing of this report, been given or requested information regarding the current zoning of the properties and whether the properties are a legal conforming use or a legal non-conforming use according to density, parking, and today's codes.

It is noted that the absence of this information is not deemed critical to this report and no further study or action is recommended at this time.

4.0 DESCRIPTION OF PROPERTIES

4.1 Property Details

Site Surveys for the properties were **not** provided for the preparation of this report.

Legal Descriptions of the Properties are therefore not provided herein.

Property Usage: Residential Multi Family

Number of Buildings: 4. Buildings range from 6 Units to 14 Units

Number of Units: 40

Date of Construction: ± 1950

Building Size: ± 662 square feet /unit

4.2 Utilities and Service Providers

Electricity : Provided by PSEG

Gas : Provided by PSEG

Water : Municipal

Sewer : Municipal

Sanitary Service: Municipal

Storm Water : Municipal

Solid Waste : _____

HVAC Maintenance : _____

Pool Maintenance : NA

Pest Control : _____

Landscaping : _____

Fire Extinguishers/Alarms:

Security : Internal

Elevator Maintenance : NA

Roof Maintenance : _____

Electrical Maintenance : _____

Plumbing Maintenance : _____

4.3 Property Addresses

Bldg.	Unit	Address	Fl.	
1	33	110 Cantello	1	
	34		2	
	35	112 Cantello	1	
	36		2	
	37	114 Cantello	1	
	38		2	
	2	39	116 Cantello	1
		40		2
41		118 Cantello	1	
42			2	
43		120 Cantello	1	
44			2	
3	45	122 Cantello	1	
	46		2	
	47	124 Cantello	1	
	48		2	
	49	126 Cantello	1	
	50		2	
	51	128 Cantello	1	
	52		2	
	53	130 Cantello	1	
	54		2	
	55	132 Cantello	1	
	56		2	
4	57	134 Cantello	1	
	28		2	
	59	136 Cantello	1	
	60		2	
	61	138 Cantello	1	
	62		2	
	63	140 Cantello	1	
	64		2	
	65	142 Cantello	1	
	66		2	
	67	144 Cantello	1	
	68		2	
	69	146 Cantello	1	
	70		2	
	71	148 Cantello	1	
	72		2	

5.0 PROPERTY GROUNDS

5.1 Description of Grounds at Properties

General Condition: Poor to Fair

Properties are generally maintained throughout the locations identified but show the effects of the elements and their age. Earnest attempts at planting and exterior decoration by some residents are inspired but often highlight a lack of landscaping in some areas. Concrete walkways on site have, in several instances, heaved and been undermined by erosion. Walkway conditions present tripping hazards on site.

Storm water runoff from roof drains appears to not be an issue though observations were made on dry days. No significant signs of ponding were noted or reported. Runoff may be too rapid or excessive at macadam paved areas for sewer system. Icy conditions in winter weather present hazards, especially with unevenly paved macadam areas.

Brick stoops at entries are generally in good shape. Some repointing and new stone treads will be required.

Poured concrete walkways and curbs are generally in very good shape. Few minor cracks were observed. No significant cracks, heaving or settlement was observed or reported. No Trip hazards or other concerns at concrete walkways were observed or reported.

Fences and Gates are generally in fair shape.

Site lighting is inadequate. Additional lighting is needed in addition to illumination from residences and surrounding street lights.

There are no courts/playgrounds or other amenities associated with the subject properties.

Recommendations:

Concrete Walkways & Curbs on site are generally beyond repair and require replacement.

Installation of site lighting, mounted to buildings is recommended.

Refurbishment of Fences and gates can be deferred.

6.0 BUILDING STRUCTURES AND EXTERIORS

6.1 Building Structures

General Condition: Fair to Good

The subject buildings are two story wood framed structures with basements and gable roofs. Foundations are CMU's and appear to generally be in good shape. Some minor cracks were noted. No significant foundation cracks were observed or reported. No evidence of bowed walls or sagging ceilings or floors, or deteriorated subfloors were noted or reported. No other concerns with building structures were noted or reported. Contingencies should be made, however, for presently unobservable damage.

Recommendations:

Minor cracks in foundations are to be routed and repointed. A contingency for concealed damage to wood structure should be considered.

6.2 Building Facades, Roofing, Fenestration and Entry Doors

General Condition: Poor

Ground floor entry facades are typically brick veneer which appear to generally be in good shape. Some repointing may be necessary. Remainder of building facades are clad in fiber shingles perhaps of an asbestos composition. A relatively small number of shingles have cracked due to their brittle nature. These shingles, if asbestos, must be removed or encapsulated (covered).

Roofing appears, in most buildings, to have been replaced over time. Most roofs appear to still be under warrantee. It is not yet evident how many layers of roofing are presently installed. Two layers of roofing is the maximum allowed.

Most windows throughout are original wood sash units, many with aluminum storms. Several apartments have had windows replaced with vinyl replacements where installation appears adequate while exterior aluminum capping is deficient.

Entry doors to buildings, most original to buildings, are generally in poor to fair shape.

Recommendations:

Brick veneers are to be repointed where necessary. Existing siding is to be covered with rigid foam insulation and vinyl siding providing a remedy for potential exposure to asbestos and a measure of insulation for inadequately insulated apartments.

Roofing to be replaced where not under warrantee. Provide flashing boots at vent penetrations. Roofs with two layers of shingles will require removal prior to new installation. Gutters and leaders to be replaced.

Windows which have yet to be replaced should be replaced with quality vinyl replacement units. Aluminum capping at all window exteriors to be replaced or installed new.

Recommendation to replace Building Entry Doors with insulated units rather than refurbish existing.

7.0 BUILDING INTERIORS

7.1 Kitchens

General Condition: Poor

Kitchen Cabinets, it was observed and reported, are generally in poor condition. Kitchens are typically comprised of a six foot wide array of wall and base cabinets which also includes the sink and 24" or 30" stove/cooktop with overhead recirculating fan. Wall and base cabinets are often water damaged, mold impacted, and do not match.

Recommendations:

Recommendation is to replace existing Kitchen Cabinets.

7.2 Bathrooms

General Condition: Poor

Bathrooms, it was observed and reported, are generally in poor condition. Vanities are often worn and water damaged. Water closets typically require new seats and flushing mechanisms. Tubs/showers require new controls. Ceramic tile, especially at floors, is often worn and stained.

Recommendations:

Recommendation is to renovate Bathrooms in their entirety, replacing existing plumbing fixtures, vanities, water closet seats & flush mechanisms and tub/shower controls. New tile to be installed throughout.

7.3 Finishes

General Condition: Fair to Poor

New finishes are typically required throughout. Floors are generally in fair condition. Walls are typically in poor condition. Patching of walls and ceilings will be required. Stairwells also require new finishes. Closets often require new hang-rods & shelves.

Recommendations:

Recommendation is to provide new vinyl flooring throughout. Provide new vinyl tread covers at stairs. Patch/repair walls, ceilings & trim. All previously painted surfaces, to be repainted, including existing radiator covers to be refurbished. Closets to be provided with new hang-rods & shelves.

7.4 Doors

General Condition: Poor

Interior Doors and hardware, it was noted and reported, are generally in fair condition.

Recommendations:

Replace rather than refurbish existing damaged doors within existing frames/bucks, including hardware.

8.0 PLUMBING, MECHANICAL & ELECTRICAL

8.1 Plumbing & Heating

General Condition: Fair

Plumbing improvements will be necessary for work and adjustments to Kitchens & Bathrooms. Existing Heating Systems to be retained. Shared boilers are located in basements. Hot water heaters are located in basements. Supply piping lines are generally copper. Drainage and ventilation lines are generally cast iron and copper. No major areas of leaks, corrosion or deterioration were noted or reported. No evidence of insufficient water pressure was noted or reported. No evidence of inadequate hot water was noted or reported. No evidence of sewage backup problems was noted or reported. No other concerns relating to the plumbing & heating were noted or reported.

Recommendations:

Test plumbing systems and repair & adjust to suit renovated Kitchens & Baths. Install new fixtures and controls as noted. Test existing hydronic water heating systems and repair & adjust to suit.

Given the age of portions of the systems, including water heaters, costs should be included in as part of a Physical Needs Reserve for ongoing repairs/replacements as the piping ages.

8.3 Electrical

General Condition: Poor

Electrical service within units is inadequate by modern standards. Panels are undersized and distribution is minimal. Kitchens and Baths require GFCI outlets and others are to be arc fault outlets.

Recommendations:

Panels to be replaced with circuit breaker panels. Distribution wiring to be tested and replaced where necessary. Apartments to be provided with GFCI & arc fault outlets per NEC.

9.0 Life Safety-Fire Protection/ADA/Mold

9.1 Smoke Detectors

General Condition: Fair

Smoke Detectors require testing and replacement where necessary.

Recommendations: Test existing smoke detectors and replace / provide where necessary. The fire and life safety systems should be maintained as part of routine maintenance.

9.2 ADA Issues

All places of public accommodation constructed for first occupancy after January 26, 1993 must be constructed to be accessible. Any alteration made to a place of public accommodation or commercial facility after January 26, 1992, must be made so as to ensure that, to the maximum extent feasible, the altered portions of the facility are readily accessible to and useable by individuals with disabilities. Alterations include, but are not limited to, remodeling, renovations, rehabilitation, reconstruction, historic restoration, changes or rearrangement in the plan configuration of walls and full-height partitions. Normal maintenance, re-roofing, painting or wallpapering, asbestos removal, or changes to mechanical and electrical systems are not alterations unless they affect the usability of the building or facility.

A public accommodation is required to remove architectural barriers in existing facilities, prior to the making of any alterations, where such removal is readily achievable, i.e., easily accomplished and able to be carried out without much difficulty or expense. Examples include, but are not limited to, providing designated handicapped parking spaces, adding small ramps and curb cuts, widening doorways, rearranging furniture, installing grab bars and rearranging toilets to increase maneuvering space. If not readily achievable, alternative methods of providing service must be offered. It is the property owner's burden to prove that a modification is not readily achievable, or would pose an undue financial or administrative burden.

The opinions regarding ADA compliance should be considered preliminary. The purpose of the limited visual survey is to provide a general observation of the level of attention paid to making any changes to the properties ADA compliant.

Recommendations: No recommendations are made at this time.

9.3 Microbial Contamination (Mold)

A visual/olfactory survey for mold was conducted. The survey was limited to observations in the areas walked and should not be considered a comprehensive survey of the property. No sampling was conducted. No inspection or investigation behind walls or in any other generally inaccessible areas was performed. In addition, inquiries were made of the owner and/or manager of the Property regarding past and current leaks or any known mold issues, any tenant complaints regarding health problems, musty odors or water leaks. No water damage or mold growth was noted or reported, other than a couple of stained ceiling tiles.

Recommendations: No recommendations are made here.

10.0 Opinion of Construction Costs

Immediate and Short Term Repair Items

The table above includes line item cost estimates for the recommended improvements over a term of five (5) years.

Quantities are indicated only for Work items recommended for immediate improvements.

Note : All costs are preliminary estimates based on approximated quantities, reported information and extrapolation from representative sampling. Further investigation and precise measurements are required to prepare more accurate and detailed cost estimates.

For these reasons, ICON Architects LLC does not guarantee or warrant that actual proposals, bids or construction costs will not vary, from opinions of probable costs stated in this report.

APPENDICES



SITE

BUILDING 1
110 CANTELLO STREET
112 CANTELLO STREET
114 CANTELLO STREET

BUILDING 2
116 CANTELLO STREET
118 CANTELLO STREET
120 CANTELLO STREET

BUILDING 3
122 CANTELLO STREET
124 CANTELLO STREET
126 CANTELLO STREET
128 CANTELLO STREET
130 CANTELLO STREET
132 CANTELLO STREET
134 CANTELLO STREET

BUILDING 4
136 CANTELLO STREET
138 CANTELLO STREET
140 CANTELLO STREET
142 CANTELLO STREET
144 CANTELLO STREET
146 CANTELLO STREET
148 CANTELLO STREET



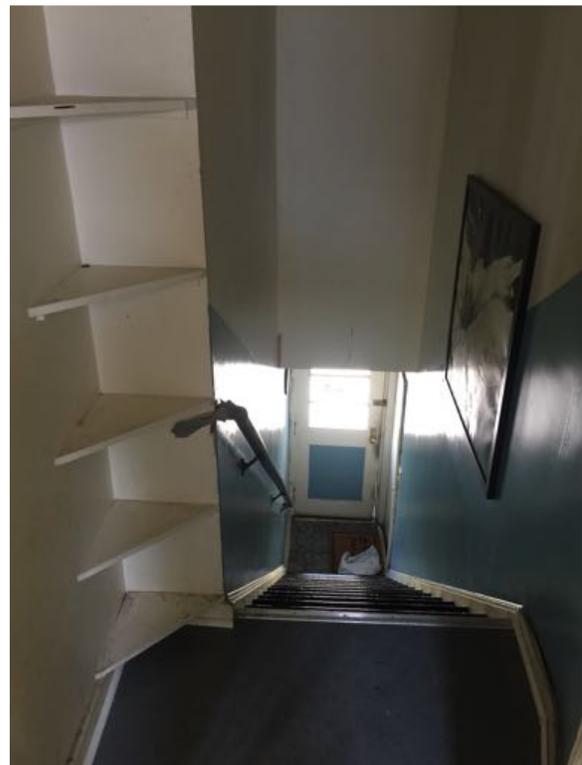
RADIATOR @ WINDOW



CLOSET INTERIOR & DOOR



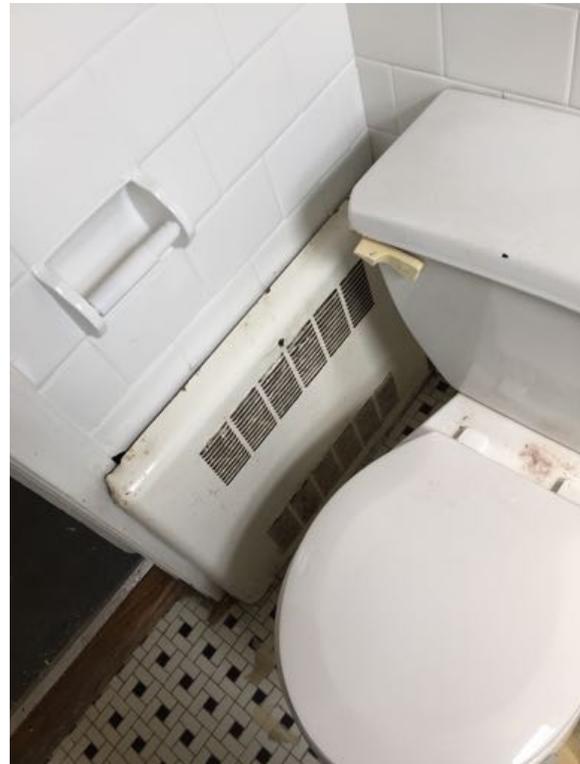
TYPICAL CONDITION @ WALLS



TYPICAL STAIRWELL VIEW



TILE & WALLS @ TUB AREA



RADIATOR COVER @ TOILET



TOILET FIXTURES



VANITY



WINDOW & RADIATOR COVER



STOVE & HOOD



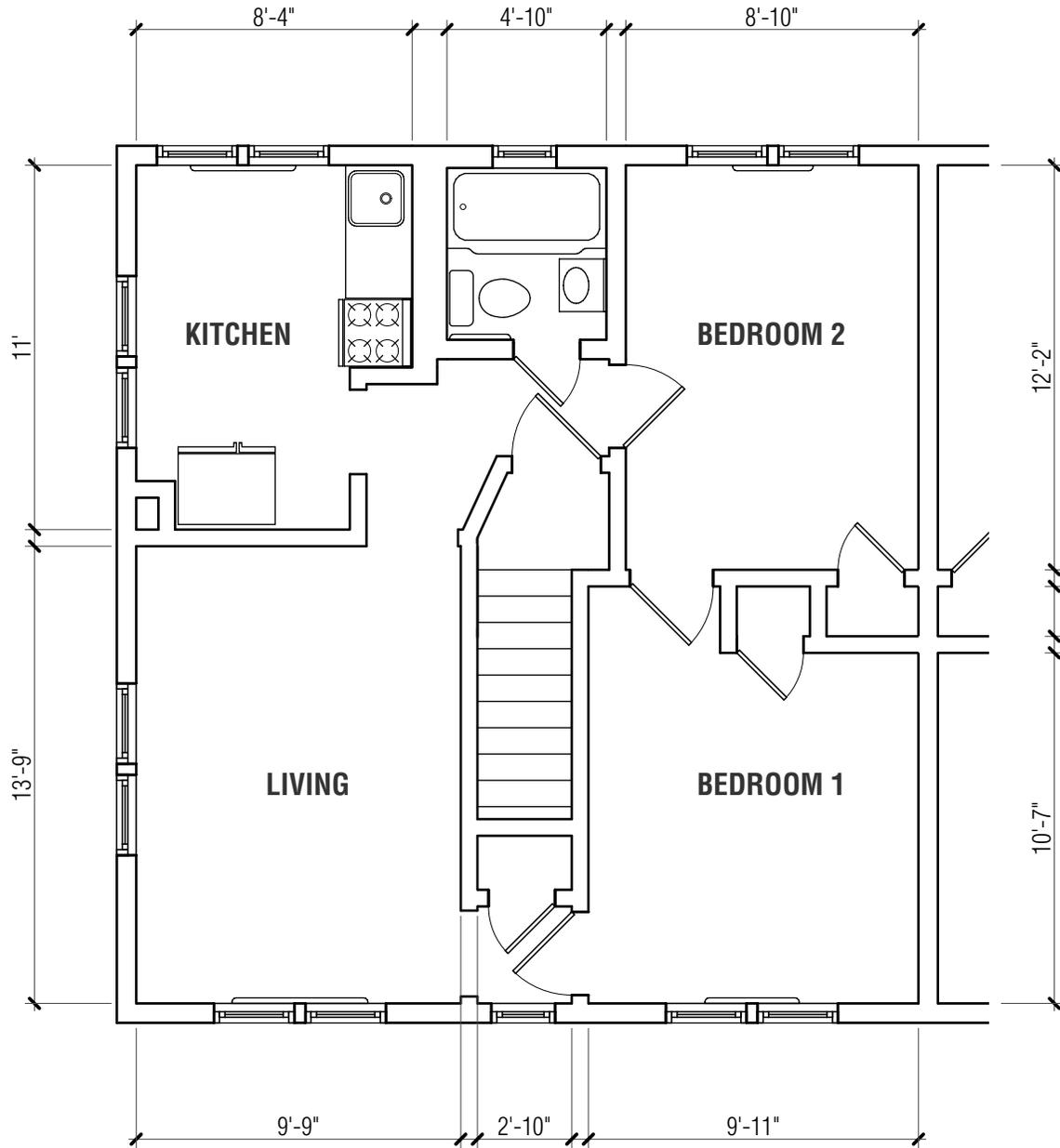
TYPICAL KITCHEN VIEW 2



TYPICAL KITCHEN VIEW 1



TYPICAL EXTERIORS



TYPICAL UNIT FLOOR PLAN

MIDPOINT REVIEW
CITY OF UNION CITY
Hudson County, New Jersey

July 9, 2020

Prepared By:



Heyer, Gruel & Associates

Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

MIDPOINT REVIEW OF THE CITY OF UNION CITY, HUDSON COUNTY

Purpose

Union City's Settlement Agreement with Fair Share Housing Center ("FSHC") requires that Union City complies with the statutory midpoint review requirements of the Fair Housing Act ("FHA") and specifically N.J.S.A. 52:27D-313, which provides in relevant part: "[t]he Council shall establish procedures for a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public." Pursuant to the Settlement Agreement, that review requires the City to post on its website, with a copy to FSHC, a status report regarding its compliance mechanisms and whether or not unbuilt sites/unfulfilled mechanisms continue to present a realistic opportunity. Such posting shall invite any interested party to submit comments to the City, with a copy to FSHC, regarding the implementation of the Plan.

Relevant Background

In response to Mount Laurel IV, Union City filed a Declaratory Judgment action, along with a motion for temporary immunity, on July 6, 2015. The City and the Fair Share Housing Center (FSHC) executed a Settlement Agreement on May 2, 2017. Pursuant to the executed Settlement Agreement, the City has the following obligation:

Rehabilitation Share: 1,442

Prior Round Obligation: 0

Third Round Obligation: 0

As Union City is a State-designated Urban Aid Municipality, the City has Prior Round and Third Round Obligations of 0 units.

In an Order dated October 23, 2018, Union City received its final Judgment of Compliance and Repose ("JOR") to remain in effect until July 1, 2025. There were no conditions attached to the City's JOR. In accordance with the Fair Housing Act and the Municipal Land Use Law (MLUL), the City prepared the Housing Element and Fair Share Plan, which was adopted by the City Planning Board on September 18, 2017. Additionally, the Board of Commissioners has adopted all requisite documents, including:

- An Ordinance amending and replacing Chapter 40, Affordable Housing on July 24, 2017. This Ordinance includes Development Fees, compliance with COAH and UHAC Regulations, the mandatory sliding scale set-aside for inclusionary developments within the City, and a payment in lieu option of \$175,000 per units.
- Endorsement of Housing Element and Fair Share Plan on September 18, 2017
- Resolution 2018-R-339 appointing Erin Knoedler as the Municipal Housing Liaison
- Appointing Administrative Agents for Affordability Controls on September 14, 2018. At its meeting in July 2020, the Board of Commissioners will adopt a new resolution appointing Heyer, Gruel & Associates as its Administrative Agent.

- Resolution adopting Affirmative Marketing Plan on August 8, 2018.
- A Spending Plan was adopted in 2017 and amended in 2018. The 2018 Spending Plan was endorsed by the Board of Commissioners on April 24, 2018. The City is in the process of once again amending its Spending Plan.

Rehabilitation Program(s) Update

Union City has a Rehabilitation/Present Need obligation of 1,442 units.

County Rehabilitation Updates

Union City continues to be part of the Hudson County Consortium (the "Consortium"). Because of the City's continued partnership with the Consortium, the City and its residents are entitled to partake in the Community Development Block Grant ("CDBG") as well as the HOME Investment Partnership Program ("HOME"). The CDBG program provides block grant funds for communities to carry out affordable housing and community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

The HOME program is a housing rehabilitation program for renter or owner-occupied units. Funds from the HOME program are typically issued to nonprofits, individuals, corporations, and other public entities that are in partnership with communities.

For the year July 1, 2017 to June 30, 2018, the City spent its \$2,165,810.27 CDBG allocation on youth centers and services, street improvements, public services, and general program administration. For the year July 1, 2018 to June 30, 2019, Union City spent their \$774,328.53 allocation on youth services, street improvements, health facilities, operating costs for homeless/AIDS patient programs, and general program administration. CDBG money from these two years did not go toward creating new affordable housing units.

Since the adoption of the 2017 Housing Element and Fair Share Plan, two new developments received HOME funds from the Consortium. A two-family structure at 113 37th Street received \$294,505 from HOME to rehabilitate the two units to create rental affordable units. The rehabilitation is currently underway and is expected to be complete and ready for occupancy by the fall of 2020.

The second development is located at 518 10th Street and is a four-family building. That will produce four family rental affordable units. This project received \$147,201 in HOME funds. This project is also under construction and is expected to be completed by the end of the summer.

City Rehabilitation Updates

In 2019, the City utilized funds from its Affordable Housing Trust Fund to rehabilitate 12 units at 519-521 Summit Avenue, a development owned and operated by the Union City Housing Authority. The rehabilitation included bringing the entire building up to code, which consisted of replacing 12

boilers, 12 water heaters, all damaged baseboards throughout the building as well as 13 windows; updates to electrical, plumbing, and the roof; and related activities such as painting and replacement of hardware. 519-521 Summit Avenue continues to be operated by the Union City Housing Authority and its units are available to very low, low, and moderate-income households.

The City is in the beginning stages of rehabilitating 40 units that are operated by the Union City Housing Authority. The 40 units are available to veterans of very low, low, and moderate-income. The units are within four buildings between 110 Cantello Street and 148 Cantello Street. The City is in the process of amending its Spending Plan to identify funds for this project.

Realistic Opportunity Review

The realistic opportunity standard applies to all mechanisms for non-adjustment municipalities and RDP/non-deferred mechanisms for Vacant Land/Durational Adjustment municipalities.

<u>Mechanism</u>	<u>Description</u>	<u>Ordinances Adopted (Yes/No)</u>	<u>Status</u>	<u>Notes/Additional Information</u>
Garden State Episcopal Community Development Corp. (1514-1518 Palisade Avenue)	13 supportive/special needs rental units*	None Required	COMPLETED: Received final CO in May 2020	5 of the units are already leased; remainder of units are actively being marketed
Blue Chapel (604 14 th Street)	75 senior rental units	None Required	PROPOSED: Negotiations are ongoing	-
St. John's (3501-3509 and 3511 Palisade Avenue)	25 family rental units	None Required	PROPOSED: Negotiations are ongoing	-
Block 42, Lot 9 (720 8 th Street)	100 senior rental units	None Required	PROPOSED: Negotiations are ongoing; litigation pending	-

*The 2017 Housing Element and Fair Share Plan provided for 9 units from this development. The project was ultimately developed with 13 units.

There are no complicated or unusual circumstances associated with the above mechanisms.

Very Low-Income Analysis

The City will ensure that 13% of all of the affordable units created under the implementation Plan, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval as of July 1, 2008, will be affordable to very low-income households. Half of the very low-income units will be made available to families.

Conclusion

Union City's plan implementation continues to create a realistic opportunity, and the City maintains sufficient mechanisms for addressing its Rehabilitation/Present Need Obligation.

City of Union City
Affordable Housing Trust Fund Spending Plan
April 2017
Amended April 2018

Endorsed by the Board of Commissioners April 24, 2018

City of Union City
Hudson County, New Jersey

Prepared By:



Heyer, Gruel & Associates

Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12

A handwritten signature in black ink that reads "Susan S. Gruel". The signature is written in a cursive style and is positioned above a horizontal line.

Susan S. Gruel, P.P. #1955

A handwritten signature in black ink that reads "M. McKinley Mertz". The signature is written in a cursive style and is positioned above a horizontal line.

M. McKinley Mertz, AICP, P.P. #6368

INTRODUCTION

The City of Union City, Hudson County has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301). A development fee ordinance (Ordinance No. 4974) creating a dedicated revenue source for affordable housing was approved by COAH on May 9, 2006 and adopted by the City on June 7, 2006. The development fee ordinance established standards for the collection, maintenance, and expenditure of development fees consistent with COAH rules and P.L.2008, c.46 (C.52:27D-329.1 et al.).

The City received approval by COAH on June 16, 2009 for an amended development fee ordinance, and on July 21, 2009 the City adopted its current development fee ordinance, Chapter 40 of the City's Municipal Code. On January 6, 2015, Ordinance Section 40-4.A(2) was again amended. The City is in the process of amending this section of the Ordinance to clarify that the granting of any "d" variance will trigger the payment of development fees.

As of April 6, 2018, the trust fund that was established by Union City had a balance of \$997,827. The account status and transaction history can be found on the following pages. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93 or applicable regulations as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round "substantive certification," the City of Union City considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers.

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units. No other funds have been or are anticipated to be collected.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

Projected Revenues-Housing Trust Fund - 2018 - 2025										
SOURCE OF FUNDS	Trust Fund balance as of 04/06/2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
Historical Balance	\$997,828									
(a) Projected Development fees	-	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$880,000
(d) Interest	-	\$3,025	\$3,025	\$3,025	\$3,025	\$3,025	\$3,025	\$3,025	\$3,025	\$24,200
										\$904,200
Total	\$997,828	\$113,025	\$113,025	\$113,025	\$113,025	\$113,025	\$113,025	\$113,025	\$113,025	\$1,902,027

The City projects a total of \$880,000 in revenue will be collected between April 6, 2018 and December 31, 2025. An additional \$24,200 in interest is projected to be earned. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. In conjunction with the existing trust fund balance of \$997,828, the City projects total trust fund revenues of \$1,902,027 through December 31, 2025.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by the City of Union City:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Union City's development fee ordinance for both residential and non-residential developments.

(b) Distribution of development fee revenues:

The Affordability Housing Administrator and the Municipal Housing Liaison will manage the projects outlined in this spending plan and the Housing Element and Fair Share Plan.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation and new construction programs and projects**

The City will dedicate \$951,013 to rehabilitation or new construction programs.

Blue Chapel

Blue Chapel is a former monastery located at 605 14th Street. There is currently a proposal to develop 75 affordable senior rental units at this complex.

519-521 Summit Avenue

This property consists of a vacant, three-story building containing 12 residential units. The Union City Housing Authority is leasing the property from the current owners, the New Jersey Schools Development Authority (NJSDA), and will rehabilitate the building and bring all 12 units up to all applicable building code standards. The 12 units will be available for rent by qualifying moderate-, low-, and very-low income households. Additional information on this property and project is attached as Appendix A.

122 Cantello Street

This property, also known as the Veterans Housing Project, consists of 112 affordable units, operated by the Union City Housing Authority. The City will utilize trust fund monies to rehabilitate 40 of the units. Additional information on this property and project is attached as Appendix B.

Affordability Assistance (N.J.A.C. 5:93-8.16)

Projected minimum affordability assistance requirement:

Affordability Assistance		
Actual balance through 4/6/2018		\$997,827
Projected Development fees 2018-2025	+	\$880,000
Projected Trust Fund Interest 2018-2025	+	\$24,200
Total	=	\$1,902,027
30 percent requirement	x 0.30 =	\$570,608
PROJECTED MINIMUM Affordability Assistance Requirement 4/6/2018 through 12/31/2025	=	\$570,608
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 4/6/2018 through 12/31/2025	÷ 3 =	\$190,203

As per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:93-8.16, the City is required to dedicate at least 30 percent of all development fees collected and interest earned to provide affordability assistance to low- and moderate-income households. In addition, at least one-third of the affordability assistance shall be used to provide affordability assistance to very-low income households. The City, therefore, will dedicate at least \$507,839 from the affordable housing trust fund to render units more affordable, including \$169,280 to render units more affordable to households earning 30 percent or less of median income by region by converting low income units to very-low income units.

(b) **Administrative Expenses (N.J.A.C. 5:93-8.16)**

Administrative Expenses		
Actual balance through 4/6/2018		\$997,827
Projected Development fees 2018-2025	+	\$880,000
Projected Trust Fund Interest 2018-2025	+	\$24,200
Total	=	\$1,902,027
20 percent cap	x 0.20 =	\$380,405

The City projects that \$380,405 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- Administration and expenses of the rehabilitation program;
- Expenses associated with the preparation and implementation of the Housing and Fair Share Plan and monitoring of the current and future housing programs for the City of Union City.

4. EXPENDITURE SCHEDULE

Program	Projected Expenditure Schedule 2018- 2025								
	2018	2019	2020	2021	2022	2023	2024	2025	Total
<i>519-521 Summit Avenue</i>	\$63,000	\$63,016	-	-	-	-	-	-	\$126,016
<i>122 Cantello Street</i>	\$329,400	\$329,400	-	-	-	-	-	-	\$659,800
<i>New Construction</i>	-	-	\$52,500	\$52,500	-	-	-	-	\$105,000
<i>Rehabilitation</i>	-	-	-	\$10,000	\$10,000	\$10,000	\$10,000	\$21,198	\$61,198
Total Programs	\$392,400	\$392,416	\$52,500	\$62,500	\$10,000	\$10,000	\$10,000	\$21,198	\$951,014
Affordability Assistance	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$80,608	\$570,608
Administration	\$47,500	\$47,500	\$47,500	\$47,500	\$47,500	\$47,500	\$47,500	\$47,500	\$380,405
Total	\$509,900	\$509,916	\$170,000	\$180,000	\$127,500	\$127,500	\$127,500	\$149,711	\$1,902,027

SUMMARY

The City of Union City intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93 and consistent with the housing programs outlined in the Housing Element and Fair Share Plan dated June 2017 and adopted by the Planning Board on September 18, 2017.

The City has a balance of \$997,827 as of April 6, 2018 and anticipates an additional \$904,200 in revenues and interest by December 31, 2025. The City will dedicate \$951,013 towards rehabilitation, new construction, and veterans housing programs, \$570,608 to render units more affordable, and \$380,405 to administrative costs. The City will dedicate any excess funds to further the rehabilitation program and/or create new affordable units (e.g. site acquisition).

SPENDING PLAN SUMMARY	
Balance as of April 6, 2018	\$997,827
Projected REVENUE January 1, 2018 to December 31, 2025	
Development fees	+ \$880,000
Payments in lieu of construction	+ \$0
Other funds	+ \$0
Interest	+ \$24,200
TOTAL REVENUE + CURRENT BALANCE	= \$1,902,027
EXPENDITURES	
Funds used for Rehabilitation	- \$951,014
Affordability Assistance	- \$570,608
Administration	- \$380,405
Excess Funds for Additional Housing Activity	= \$0
TOTAL PROJECTED EXPENDITURES	= \$1,902,027
REMAINING BALANCE	= \$0

Appendix A
519-521 Summit Avenue

OPINION OF ESTIMATED IMPROVEMENT COSTS

519 Summit Avenue
Union City, New Jersey

ICONARCHITECTS,LLC
258 NEWARK ST,
HOBOKEN, NJ 07030
201-659-7980

12/21/17

Category	Quant	Units	Unit Costs	Estimated Costs	Comments
Site Improvements					
No Site Improvements					
Structure & Exteriors					
Roofing (Including Gutters & Leaders)	1	Each	14000.00	\$ 14,000.00	
Windows	12	Each	400.00	\$ 4,800.00	
Entry Doors	1	Each	1200.00	\$ 1,200.00	
Building Interiors					
Kitchen Refurbishment	6	Each	600.00	\$ 3,600.00	
Bathroom Refurbishment	6	Each	40.00	\$ 240.00	
Flooring Refurbishment	6	Apts.	1200.00	\$ 7,200.00	
Patching & Painting	12	Apts.	2000.00	\$ 24,000.00	
Doors	12	Each	360.00	\$ 4,320.00	
Mechanical, Electrical, Life-Safety Systems					
Plumbing & Heating (Including Boilers & HW Heaters)	12	Apts.	3400.00	\$ 40,800.00	
Electrical Repairs	12	Apts.	1200.00	\$ 14,400.00	

Estimated Hard Costs \$114,560.00

Estimated Soft Costs 5% \$ 5,728.00

Contingency 5% \$ 5,728.00

Total Estimated Repair Costs **\$126,016.00**

Note: All costs are preliminary estimates based on approximated quantities, reported information and extrapolation from representative sampling. Further investigation and precise measurements are required to prepare more accurate and detailed cost estimates.

ICON Architects LLC, for these reasons, does not guarantee or warrant that actual proposals, bids or construction costs will not vary, from opinions of probable costs stated in this report.

Housing Authority of the City of Union City
Annual Budget for 519-521 Summit Ave
2018

ANNUAL

REVENUE

Dwelling Rental	77,760	9 1BR units @720 Monthly
Dwelling Rental	28,440	3 2BR units @790 Monthly
Vacancy Allowance	(1,510.00)	1 Month Vacancy Allowance
Total Revenue	104,690	

UTILITY EXPENSE

Water	10,000	Estimated monthly \$70.00 avg per unit -10000 Gal consumption
Electricity	100	Allowance for Vacant apartment(s)
Gas	500	Allowance for Vacant apartment(s)
Sewer	18,000	NHSA Estimate based on comparable Vets Home units(1BR&2BR)
Total Utility Expense	28,600	

PROPERTY MAINTENANCE

Maintenance	9,500	Plumbing, Patch, Door Locks etc includes supplies
Janitorial	3,600	\$300 Monthly Cleaning- Common Areas
Snow Removal	790	Labor and Salt
Total Property Maintenance	13,890	

Total Operating Expenses 42,490.00

Non-Operating Expenses

Legal	5,200	Leases and renewal of Leases/Misc Legal matters/Eviction
Insurance	9,000	As per Beckerman Agency Quote
Management Fee	48,000	\$4000 Monthly payable to UCPHA for Management/Maintenance staff
Total Non Operating Expenses	62,200	

Total Expenses 104,690
Period Income/(Loss)

Appendix B
122 Cantello Street

OPINION OF ESTIMATED IMPROVEMENT COSTS

ICOM ARCHITECTS LLC
 258 NEWARK ST.
 HOBOKEN, NJ 07030
 201-659-7980

**Proposed Improvements to
 Cantello Street Apartments "Veteran's Housing"**

11/21/17

Category	Existing Quant.	Unit of Meas.	Unit Costs	Project Need	Project Quant. %	Estimated Costs	Comments
Building Exterior							
Roofing - New	1,296	Square	\$ 180.00	of 20 Bldg Roofs	0%	\$ 0.00	648 sf/Bldg x 20 Bldgs = 12,960 s.f.
Roofing - Removals/ Disposal	1,296	Square	\$ 35.00		0%	\$ 0.00	
Siding - New	1,880	Square	\$ 290.00		0%	\$ 0.00	720 sf/Bldg x 20 Bldgs = 14,400 sf & 560 sf x 8 Ends = 4,480 s.f. = 18,880 sf
Siding - Removal / Disposal	1,880	Square	\$ 25.00		0%	\$ 0.00	
Siding Repairs / Painting	1,880	Square	\$ 45.00		0%	\$ 0.00	
Brick Facade Repairs	20	Each	\$ 450.00	of 20 Brick Facades	0%	\$ 0.00	312 sf/Bldg x 20 Bldgs = 6,240 SF Total
Sloop Repairs - Brick / Limestone	20	Each	\$ 400.00	of 20 Brick Sloops	0%	\$ 0.00	
Rear Stair Repairs					0%	\$ 0.00	NIC
Roof @ Stoop	20	Each	\$ 200.00		0%	\$ 0.00	To be included in New Roofing Category
Rails @ Sloops	20	Each	\$ 550.00	of 20 Railing Pairs	0%	\$ 0.00	
Exterior Walkways					0%	\$ 0.00	NIC
Fencing					0%	\$ 0.00	NIC
Landscaping					0%	\$ 0.00	NIC
Windows / Doors							
Windows	464	Each	\$ 410.00		20%	\$ 38,048.00	10 Windows/Unit - 10 x 40 Units = 400 & 4 Windows/End Units - 4 x 16 = 64 464 Total Windows
Doors - Exterior Entry	20	Each	\$ 1,100.00		0%	\$ 0.00	Steel Doors w/ Lites & Hardware
Doors - Exterior Rear	20	Each	\$ 900.00		0%	\$ 0.00	Steel Doors, Frames & Hardware
Doors - Apartment Entry	40	Each	\$ 600.00		80%	\$ 19,200.00	
Doors - Interior	280	Each	\$ 320.00		5%	\$ 4,480.00	7 Doors/Apartment = 320 Doors
Doors - Painting / Refurb	320	Each	\$ 100.00		0%	\$ 0.00	7 Doors/Apartment = 320 Doors
Kitchens							
Kitchen Cabinets	40	Each set	\$ 1,400.00	32 of 40 Apartments	80%	\$ 44,800.00	\$1,800 Material, \$500 Install.
Kitchen Sinks / Faucets	40	Each	\$ 220.00	32 of 40 Apartments	80%	\$ 7,040.00	
Stoves	40	Each	\$ 375.00		100%	\$ 15,000.00	NIC
Hood / Microwaves	40	Each			0%	\$ 0.00	NIC
Refrigerators	40	Each			0%	\$ 0.00	NIC
Bathrooms							
Vanities	40	Each	\$ 360.00	32 of 40 Apartments	80%	\$ 11,520.00	
Tub Controls / Diverter / Mixers	40	Each	\$ 450.00	32 of 40 Apartments	80%	\$ 14,400.00	
Trim Kit for Diverter	40	Each	\$ 200.00		100%	\$ 8,000.00	
Toilet Controls & Seats	40	Each	\$ 140.00	32 of 40 Apartments	100%	\$ 5,600.00	
Tile Repairs / Patching	40	Each	\$ 620.00	16 of 40 Apartments	40%	\$ 9,920.00	20 s.f. floor tile & 120 s.f. wall tile per apt. New @ \$2,500 each.
Interior Finishes etc.							
Painting / Patching Occupied Apartment	40	Each	\$ 1,900.00	36 of 40 Apartments	90%	\$ 68,400.00	\$1,900 for Occupied Apartment
Painting / Patching Empty Apartment	40	Each	\$ 1,400.00	0 of 40 Apartments	0%	\$ 0.00	\$1,400 for Empty Apartment
Patching for Electric Install	40	Each	\$ 1,100.00	40 of 40 Apartments	100%	\$ 44,000.00	
Closet Shelving	40	Each	\$ 50.00	30 of 40 Apartments	75%	\$ 1,500.00	
Flooring Occupied Apartment	40	Apt.	\$ 2,500.00	36 of 40 Apartments	90%	\$ 90,000.00	
Flooring Empty Apartment	40	Apt.	\$ 2,000.00	of 40 Apartments	0%	\$ 0.00	
Interior Stairs							
Stair Treads Refurb	20	Each	\$ 420.00	18 of 20 Apartments	90%	\$ 7,560.00	

Carpet @ Stairs	20	Each	\$ 340.00	of 40 Apartments	0%	\$ 0.00	
Stair Handrails	20	Each	\$ 400.00	2 of 20 Apartments	10%	\$ 800.00	
Mechanical / Heating / Plumbing							
Heating Units	20	Each	\$ 4,200.00	8 of 20 Boilers	40%	\$ 33,600.00	
Hot Water Heaters	20	Each	\$ 900.00		50%	\$ 9,000.00	
Plumbing						\$ 0.00	Included within Kitchens & Bathroom Categories
Shut Off Valves	160	Each	\$ 75.00		100%	\$ 12,000.00	4 Per Apartment @ \$75 Each
Electric							
Electric Upgrades	40	Each	\$ 3,200.00	40 of 40 Apartments	100%	\$ 128,000.00	Includes new GFCI for Kitchens & Toilets. Requires patching by GC.
Exterior Lighting					0%	\$ 0.00	NIC
Security System					0%	\$ 0.00	NIC
Estimated Hard Costs							
						\$ 572,868.00	
Estimated Soft Costs 10%							
						\$ 57,286.80	
Contingency 5%							
						\$ 28,643.40	
Total Estimated Improvement Costs							
						\$ 658,798.20	

This Preliminary Estimate represents the Architect's best judgment as a design professional familiar with the construction industry of current market rates for labor, materials and equipment as designed, specified or selected. Costs include an allowance Contractor's overhead and profit and costs for General Conditions. In providing Opinions of Estimated Construction Costs, it is recognized that the Architect has no control over the price of labor, equipment, or materials, or over the Contractor's method of determining bid prices, or over competitive bidding, or market conditions. Accordingly, the Architect makes no warranty, expressed or implied, that bids will not vary from the Owners' Project Budget or bids and actual costs.