

PHYSICAL NEEDS ASSESSMENT

prepared for

Tacoma Housing Authority
902 South L Street
Suite 2A
Tacoma, WA 98405-4307
Ginger Peck



**BUREAU
VERITAS**



North Highland Court Apartments
3105 North Highland Street
Tacoma, WA 98407

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BV PROJECT #:

163865.23000-001.052

DATE OF REPORT:

June 23, 2023

ON SITE DATE:

June 14, 2023

Bureau Veritas

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1. Executive Summary

Property Overview & Assessment Details

General Information	
Main Address	3105 North Highland Street, Tacoma, WA 98407
Site Developed	1968
Site Area	1.7 acres (estimated)
Total Building Floor Area	19,860 SF
Number of Buildings	One
Number of Stories	Two
Number of Apartments	35
Common Areas	Laundry room
Amenities	Picnic areas
Construction Quality	Good
Maintenance Practices	Good
Recent Capital Improvements	The majority of the windows were replaced in 2017/18.
Recommended Additional Studies	Civil Site Drainage study recommended
Documentation Reviewed	Pre-Survey Questionnaire
Date(s) of Visit	June 14, 2023
On-site Point of Contact (POC)	Tacoma Housing Authority Ginger Peck 253.279.7007 gpeck@tacomahousing.org
Assessment & Report Prepared By	Kylan Boyd
Reviewed By	Gregg Young Program Manager gregg.young@bureauveritas.com 800.733.0660 x7296228
AssetCalc Link	Full dataset for this assessment can be found at: https://www.assetcalc.net/

Significant/Systemic Findings and Deficiencies

Historical Summary

The campus was originally constructed in 1968 and has had periodic updates both to the architectural and MEPF items. It appeared that a major remodel was done around four to five years ago.

Architectural

The original buildings have been updated over the years, including interior finishes, the majority of the windows and doors and updated appliances and cabinetry. For all the buildings, only typical lifecycle interior finish, exterior finish, and roof membrane replacements are budgeted and anticipated.

Mechanical, Electrical, Plumbing & Fire (MEPF)

Heating is provided via electric baseboard heaters which are nearing the end of their useful life and should be replaced in the near term. No cooling is provided. Domestic hot water is provided by electric water heaters located in the units utility closets. The electric panels appear to be original and are beginning to fail. They should be replaced soon. The fire alarm system is antiquated and should be modernized in the near term. Overall, the MEPF infrastructure itself is generally in good working condition with no major expenditures anticipated in the short term.

Site

The parking lots and sidewalks have been periodically repaved and sectionally replaced as needed over the years. The playgrounds and sport courts are generally in good condition. For all site components, typical lifecycle replacements are anticipated.

Recommended Additional Studies

There is major water seepage in the parking lot causing damage to the asphalt parking surface. A professional engineer should be brought in to determine the cause of the problem, and to recommend additional corrective action. A cost for the study is included, but no cost for the repairs are included, due to the ambiguity of the repairs.

Immediate Needs

Facility/Building	Total Items	Total Cost
North Highland Court Apartments	2	\$35,300
Total	2	\$35,300

North Highland Court Apartments

ID	Location	Location Description	UF Code	Description	Condition	Plan Type	Cost
6721464	North Highland Court Apartments	Throughout building	D5020	Distribution Panel, 120/240 V, Residential Style, Replace	Poor	Performance/Integrity	\$28,100
6721567	North Highland Court Apartments	Site	P2030	Engineering Study, Civil, Site Drainage, Evaluate/Report	Poor	Performance/Integrity	\$7,200
Total (2 items)							\$35,300

Key Findings



Roofing in Poor condition.

Asphalt Shingle, 30-Year Premium
North Highland Court Apartments Roof

Uniformat Code: B3010
Recommendation: **Replace in 2024**

Priority Score: **89.8**

Plan Type:
Performance/Integrity

Cost Estimate: \$50,600

\$\$\$\$

Past the RUL - AssetCALC ID: 6721445



Electrical System in Poor condition.

Wiring & Switches, Average or Low
Density/Complexity
North Highland Court Apartments Throughout
building

Uniformat Code: D5030
Recommendation: **Replace in 2024**

Priority Score: **84.8**

Plan Type:
Performance/Integrity

Cost Estimate: \$50,800

\$\$\$\$

Update electrical infrastructure. Original to building construction. - AssetCALC ID: 6721452



Distribution Panel in Poor condition.

120/240 V, Residential Style
North Highland Court Apartments Throughout
building

Uniformat Code: D5020
Recommendation: **Replace in 2023**

Priority Score: **81.9**

Plan Type:
Performance/Integrity

Cost Estimate: \$28,100

\$\$\$\$

Original panel, outdated. Phase I - AssetCALC ID: 6721464

No photo

Modernization recommendation
Item does not currently exist at site

Recommended Follow-up Study: Civil, Site Drainage

Civil, Site Drainage
North Highland Court Apartments Site

Uniformat Code: P2030
Recommendation: **Evaluate/Report in 2023**

Priority Score: **81.9**

Plan Type:
Performance/Integrity

Cost Estimate: \$7,200

\$\$\$\$

Sewage and septic and draining pipes: there are water seepage issues in the parking lot and the lawn that flood if not cared for - AssetCALC ID: 6721567



Stair/Ramp Rails in Poor condition.

Metal
North Highland Court Apartments Site

Uniformat Code: B1080
Recommendation: **Refinish in 2024**

Priority Score: **81.8**

Plan Type:
Performance/Integrity

Cost Estimate: \$0

\$\$\$\$

Paint has worn exposing rusted metal - AssetCALC ID: 6721462



Distribution Panel in Poor condition.

120/240 V
North Highland Court Apartments Storage room

Uniformat Code: D5020
Recommendation: **Replace in 2024**

Priority Score: **81.8**

Plan Type:
Performance/Integrity

Cost Estimate: \$2,600

\$\$\$\$

Outdated electrical. Original to building construction - AssetCALC ID: 6721448



Fire Alarm System in Poor condition.

Full System Upgrade, Simple Addressable
North Highland Court Apartments Throughout building

Uniformat Code: D7050
Recommendation: **Upgrade/Install in 2024**

Priority Score: **81.8**

Plan Type:
Performance/Integrity

Cost Estimate: \$28,400

\$\$\$\$

Updates are needed for the fire alarm system. Some components are original to the building. - AssetCALC ID: 6721447



Supplemental Components in Poor condition.

Circuit Breaker/Disconnect
North Highland Court Apartments Electrical room

Uniformat Code: D5020
Recommendation: **Replace in 2024**

Priority Score: **81.8**

Plan Type:
Performance/Integrity

Cost Estimate: \$10,200

\$\$\$

Equipment is outdated. Original to building construction. - AssetCALC ID: 6721466

System Expenditure Forecast

System	Immediate	Short Term (1-2 yr)	Near Term (3-5 yr)	Med Term (6-10 yr)	Long Term (11-20 yr)	TOTAL
Structure	-	\$30	\$274	-	\$5,667	\$5,971
Facade	-	-	\$93,168	-	\$81,701	\$174,869
Roofing	-	\$52,157	-	-	-	\$52,157
Interiors	-	-	\$25,981	\$240,232	\$220,955	\$487,168
Plumbing	-	\$237,094	\$35,212	\$96,649	\$262,348	\$631,303
HVAC	-	-	\$41,583	-	-	\$41,583
Fire Protection	-	-	-	\$1,236	\$1,661	\$2,897
Electrical	\$28,132	\$129,652	\$105,986	\$3,109	-	\$266,879
Fire Alarm & Electronic Systems	-	\$29,292	-	\$72,567	\$30,326	\$132,185
Equipment & Furnishings	-	-	\$23,125	\$108,839	\$295,208	\$427,172
Site Development	-	-	-	\$98,346	\$21,036	\$119,382
Site Pavement	-	\$8,464	-	\$46,178	\$111,748	\$166,390
Site Utilities	-	-	-	\$8,248	-	\$8,248
Follow-up Studies	\$7,161	-	-	-	-	\$7,161
TOTALS (3% inflation)	\$35,300	\$456,700	\$325,400	\$675,500	\$1,030,700	\$2,523,600

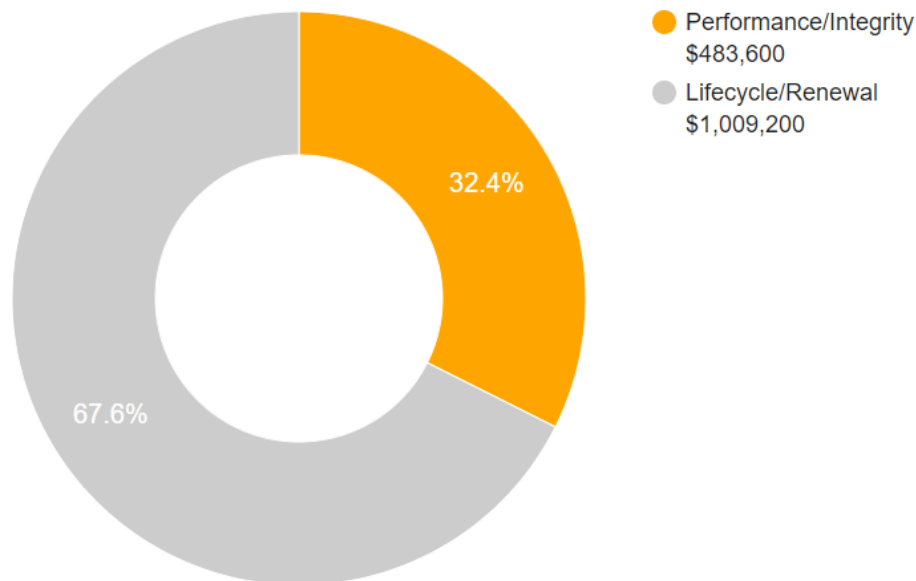
Plan Types

Each line item in the cost database is assigned a Plan Type, which is the primary reason or rationale for the recommended replacement, repair, or other corrective action. This is the “why” part of the equation. A cost or line item may commonly have more than one applicable Plan Type; however, only one Plan Type will be assigned based on the “best” fit, typically the one with the greatest significance.

Plan Type Descriptions

Safety	■	An observed or reported unsafe condition that if left unaddressed could result in injury; a system or component that presents potential liability risk.
Performance/Integrity	■	Component or system has failed, is almost failing, performs unreliably, does not perform as intended, and/or poses risk to overall system stability.
Accessibility	■	Does not meet ADA, UFAS, and/or other handicap accessibility requirements.
Environmental	■	Improvements to air or water quality, including removal of hazardous materials from the building or site.
Retrofit/Adaptation	■	Components, systems, or spaces recommended for upgrades in in order to meet current standards, facility usage, or client/occupant needs.
Lifecycle/Renewal	■	Any component or system that is not currently deficient or problematic but for which future replacement or repair is anticipated and budgeted.

Plan Type Distribution (by Cost)



10-YEAR TOTAL: \$1,492,800

2. North Highland Courts

Building & Common Area Elements



Apartment Building Type 1: Systems Summary

System	Description	Condition
Structure	Conventional wood frame structure on concrete slab/ with raised floor	Good
Facade	Primary Finish: Vinyl siding Secondary Finish: Wood siding Windows: vinyl double-paned Doors: steel	Fair
Roof	Primary: Gable construction with asphalt shingles	Poor
Common Area Finishes	Walls: Painted gypsum board Floors: Sealed concrete Ceilings: Painted gypsum board	Fair
Elevators	None	--
Plumbing & Central Water Heating	Copper supply and cast-iron waste & venting Electric water heaters	Fair
HVAC	Electric baseboard heaters No cooling provided by property	Poor
Fire Suppression	Hydrants, fire extinguishers	Fair
Electrical	Source & Distribution: Main panel with copper wiring Interior Lighting: T-8, and some CFL Emergency: None	Poor

Apartment Building Type 1: Systems Summary

Fire Alarm	Alarm panel, smoke detectors, alarms, pull stations, back-up emergency lights, and exit signs	Poor
Key Issues & Findings	None for the common areas	



Apartment Unit Elements



Apartment Unit Summary

<i>System</i>	<i>Description</i>	<i>Condition</i>
Unit Flooring	Kitchens: Plank vinyl Living Rooms: Carpet Bathrooms: Plank vinyl Hallways: Plank vinyl	Fair
Unit Walls & Ceilings	Walls: Painted gypsum board Ceilings: Painted gypsum board	Fair
Cabinets, Countertops & Vanities	Cabinets: Medium-density fiberboard (MDF) with Laminate countertops Vanities: Particleboard with Solid surface countertops	Fair
Plumbing Fixtures	Kitchen faucet (2.0 GPM), Toilets (2.5 GPF), Lavatory/ integral Sinks (2.5 GPM), Tubs, Showers with surrounds (3.2 GPM) Individual gas water heaters estimated at 40 gallons and 40,000 BTUH	Fair
Unit HVAC	Electric baseboard heaters No cooling provided by property Concealed Individually controlled programmable thermostats	Poor
Electrical	Panel Size: 125 amps GFCI: Present in kitchens; Present in restrooms Interior Lighting: T-8, with some CFL	Poor
Fire Alarm	Fire alarm system with pull stations and smoke detectors in each bedroom	Poor
Appliances	Electric range, ventless range hood, 17 cu.ft. frostless refrigerator, dishwasher Energy Star rated: yes	Fair

Apartment Unit Summary

Suspect Fungal Growth

There are no visual indications of the presence of suspected fungal growth, conditions conducive to such growth, or evidence of moisture or moisture affected material in representative readily accessible areas of the property.

Key Issues & Findings

The roof is in poor condition with leaks reported throughout, the electrical system and panels appear to be original to the 1968 construction, the plumbing sanitary and supply system has frequent clogging, the exterior site stair railing needs to be refinished, the fire alarm system reportedly has frequent failures and some components are out of date.

3. Site Elements



Site Summary

Parking Spaces	59 total spaces all in open lots; Seven of which are accessible	
<i>System</i>	<i>Description</i>	<i>Condition</i>
Pavement/Flatwork	Asphalt lots with areas of concrete and concrete sidewalks, curbs, ramps, and stairs	Fair
Site Development	Property entrance signage, metal fencing Limited park benches, picnic tables, trash receptacles	Fair
Landscaping & Topography	Moderate landscaping features Irrigation not present Low to moderate site slopes throughout	Fair
Utilities	Municipal water and sewer	Good
Site Lighting	Building-mounted: LED	Fair
Ancillary Structures	None	--
Key Issues & Findings	None at this time	

4. Property Space Use & Observed Areas

Apartment Unit Types & Unit Mix		
<i>Quantity</i>	<i>Type</i>	<i>Floor Area</i>
28	1 Bedroom / 1 Bathroom	480 SF
5	2 Bedroom / 1 Bathroom	840 SF
2	2 Bedroom / 2 Bathroom	960 SF
35	TOTALS	19,560 SF

There are currently no vacant units and no down units. A “down unit” is a term used to describe a non-rentable apartment unit due to poor conditions such as fire damage, water damage, missing appliances, damaged floor, wall or ceiling surfaces, or other significant deficiencies.

The units counts and gross areas in the chart above are based on information provided by property management and are not based on actual counts or measurements at the property. Due to the varying methods that could be utilized by others to derive square footage, the area calculations in the chart below do not warrant, represent, or guarantee the accuracy of the measurements.

Areas Observed

Per the POC we were only given access to one unit. Other areas accessed included the exterior of the property. The pitched roofs were observed from ground level. Other areas accessed included the site within the property boundaries, the exterior of the property, and the roofs.

See Property Condition Checklist in the appendix for specific units observed.

Key Spaces Not Observed

All key areas of the property were accessible and observed.

5. ADA Accessibility

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

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

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

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

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

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

- This survey was visual in nature and actual measurements were not taken to verify compliance
- Barriers and potential issues are identified regardless of applicable code/act or construction date of the facility
- Only a representative sample of units was observed
- Costs for non-compliant items are budgeted and included in the dataset
- Two overview photos were taken for each subsection in the checklist regardless of perceived compliance or non-compliance
- A "No" response to any question in the checklist does not alone guarantee full compliance with that guideline; all is subject to the limitations described elsewhere

The site was originally constructed in 1968 and some accessibility improvements appear to have been implemented over the years.

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

No information about complaints or pending litigation associated with potential accessibility issues was provided during the interview process.

No detailed follow-up accessibility study is currently recommended since no complete apartment unit conversions are needed and the budgetary sum of the corrective costs identified at the subject site is less than \$10,000.

6. Flood Zone & Seismic Zone

Natural Hazard Zones	
Flood Zone	According to the Flood Insurance Rate Map, published by the Federal Emergency Management Agency (FEMA) and dated June 14, 2023, the property is located in Zone X (unshaded) - Minimal risk areas outside the one percent and 0.2 percent annual chance floodplains. No base flood elevations or base flood depths are shown within these zones.
Seismic Zone	According to the 1997 Uniform Building Code Seismic Zone Map of the United States, the property is located in Seismic Zone 3, defined as an area of moderate to high probability of damaging ground motion.



7. Purpose and Scope

Purpose

Bureau Veritas was retained by the client to render an opinion as to the Property's current general physical condition on the day of the site visit.

Based on the observations, interviews and document review outlined below, this report identifies significant deferred maintenance issues, existing deficiencies, and material code violations of record, which affect the Property's use. Opinions are rendered as to its structural integrity, building system condition and the Property's overall condition. The report also notes building systems or components that have realized or exceeded their typical expected useful lives.

The physical condition of building systems and related components are typically defined as being in one of five condition ratings. For the purposes of this report, the following definitions are used:

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

Scope

The standard scope of the Physical Needs Assessment includes the following:

- Visit the Property to evaluate the general condition of the building and site improvements, review available construction documents in order to familiarize ourselves with, and be able to comment on, the in-place construction systems, life safety, mechanical, electrical, and plumbing systems, and the general built environment.
- Identify those components that are exhibiting deferred maintenance issues and provide cost estimates for Immediate Costs and Replacement Reserves based on observed conditions, maintenance history and industry standard useful life estimates. This will include the review of documented capital improvements completed within the last five-year period and work currently contracted for, if applicable.
- Provide a full description of the Property with descriptions of in-place systems and commentary on observed conditions.
- Provide a high-level categorical general statement regarding the subject Property's compliance to Title III of the Americans with Disabilities Act. This will not constitute a full ADA survey, but will help identify exposure to issues and the need for further review.
- Obtain background and historical information about the property from a building engineer, property manager, maintenance staff, or other knowledgeable source. The preferred methodology is to have the client representative or building occupant complete a Pre-Survey Questionnaire (PSQ) in advance of the site visit. Common alternatives include a verbal interview just prior to or during the walk-through portion of the assessment.
- Review maintenance records and procedures with the in-place maintenance personnel.
- Observe a representative sample of the interior spaces/units, including vacant spaces/units, to gain a clear understanding of the property's overall condition. Other areas to be observed include the exterior of the property, the roofs, interior common areas, and the significant mechanical, electrical and elevator equipment rooms.
- Provide recommendations for additional studies, if required, with related budgetary information.
- Provide an Executive Summary at the beginning of this report, which highlights key findings and includes a Facility Condition Index as a basis for comparing the relative conditions of the buildings within the portfolio.

8. Opinions of Probable Costs

Cost estimates are attached throughout this report, with the Replacement Reserves in the appendix.

These estimates are based on Invoice or Bid Document/s provided either by the Owner/facility and construction costs developed by construction resources such as *R.S. Means*, *CBRE Whitestone*, and *Marshall & Swift*, Bureau Veritas's experience with past costs for similar properties, city cost indexes, and assumptions regarding future economic conditions.

Opinions of probable costs should only be construed as preliminary, order of magnitude budgets. Actual costs most probably will vary from the consultant's opinions of probable costs depending on such matters as type and design of suggested remedy, quality of materials and installation, manufacturer and type of equipment or system selected, field conditions, whether a physical deficiency is repaired or replaced in whole, phasing or bundling of the work (if applicable), quality of contractor, quality of project management exercised, market conditions, use of subcontractors, and whether competitive pricing is solicited, etc. Certain opinions of probable costs cannot be developed within the scope of this guide without further study. Opinions of probable cost for further study should be included in the PNA.

Methodology

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

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

Immediate Repairs

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

Replacement Reserves

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

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

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

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

Key Findings

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

Exceedingly Aged

A fairly common scenario encountered during the assessment process, and a frequent source of debate, occurs when classifying and describing "very old" systems or components that are still functioning adequately and do not appear nor were reported to be in any way deficient. To help provide some additional intelligence on these items, such components will be tagged in the database as Exceedingly Aged. This designation will be reserved for mechanical or electrical systems or components that have aged well beyond their industry standard lifecycles, typically at least 15 years beyond and/or twice their Estimated Useful Life (EUL). In tandem with this designation, these items will be assigned a Remaining Useful Life (RUL) not less than two years but not greater than 1/3 of their standard EUL. As such the recommended replacement time for these components will reside outside the typical Short Term window but will not be pushed 'irresponsibly' (too far) into the future.

9. Certification

Bureau Veritas has completed a Physical Needs Assessment (PNA) of the subject property, North Highland Court Apartments, located at 3105 North Highland Street in Tacoma, WA 98407. The PNA was performed on June 14, 2023. The PNA was performed at the Housing Authority's request using methods and procedures consistent with good commercial and customary practice conforming to ASTM E2018-15, *Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process*. Within this Physical Needs Assessment Report, Bureau Veritas's follows the ASTM guide's definition of User, that is, the party that retains Bureau Veritas for the preparation of a baseline PNA of the subject property. A User may include, without limitation, a purchaser, potential tenant, owner, existing or potential mortgagee, lender, or property manager of the subject property.

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

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

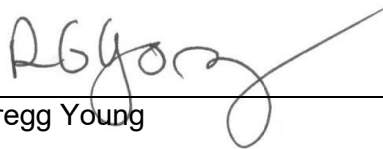
Bureau Veritas certifies that Bureau Veritas has no undisclosed interest in the subject property, Bureau Veritas's relationship with the Client is at arm's-length, and that Bureau Veritas's employment and compensation are not contingent upon the findings or costs to remedy any deficiencies due to deferred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

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

Any questions regarding this report should be directed to Gregg Young at gregg.young@bureauveritas.com or at 800.733.0660.

Prepared by: Kyran Boyd
Project Manager

Reviewed by:



Gregg Young

10. Appendices

- Appendix A: Photographic Record
- Appendix B: Site and Floor Plans
- Appendix C: Component Condition Report
- Appendix D: Replacement Reserves



Appendix A:

Photographic Record

Photographic Overview



1 - FRONT ELEVATION



2 - LEFT ELEVATION



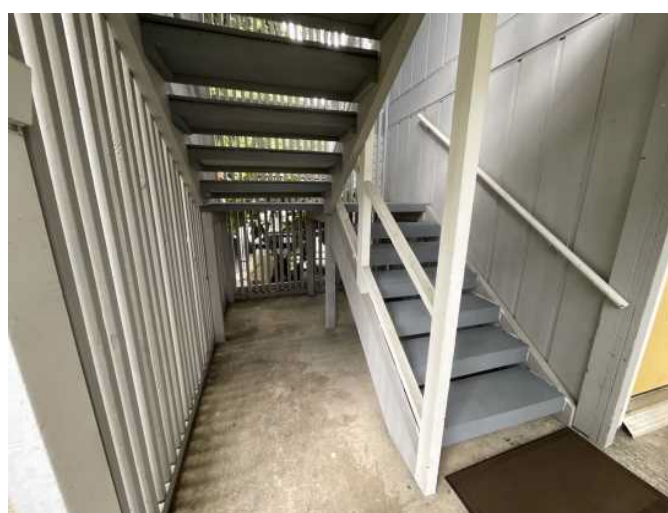
3 - RIGHT ELEVATION



4 - REAR ELEVATION



5 - BUILDING FACADE



6 - STAIR/RAMP RAILS

Photographic Overview



7 - PRIMARY ROOF OVERVIEW



8 - PERIMETER ELEMENTS & DRAINAGE



9 - BEDROOM



10 - RESTROOM



11 - LIVING ROOM



12 - CASEWORK

Photographic Overview



13 - LOCKER STORAGE SPACE



14 - SHOWER



15 - SINK/LAVATORY



16 - BASEBOARD HEATER



17 - MAIN ELECTRICAL ROOM



18 - DISTRIBUTION PANEL

Photographic Overview



19 - FIRE ALARM PANEL



20 - MICROWAVE



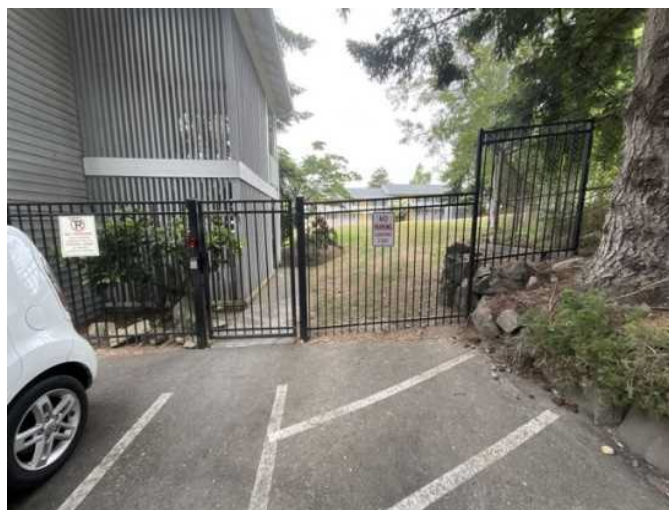
21 - DISHWASHER



22 - SITE FURNISHINGS



23 - MAIN PARKING AREA



24 - FENCES & GATES

Appendix B:

Site and Floor Plans

Site Plan



**BUREAU
VERITAS**

Project Number

163865.23R000-001.052

Source

Google Earth

Project Name

North Highland Court Apartments
Tacoma Housing Authority

On-Site Date

June 14, 2023



Appendix E:

Component Condition Report

Component Condition Report | North Highland Court Apartments

UF L3 Code	Location	Condition	Asset/Component/Repair	Quantity	RUL	ID
Structure						
B1080	Site	Fair	Stairs, Concrete, Exterior	60 SF	15	6721472
B1080	Building exterior	Fair	Stair/Ramp Rails, Wood, Refinish	80 LF	4	6721489
B1080	Building exterior	Fair	Stair/Ramp Rails, Wood, Refinish	80 LF	4	6721568
B1080	Site	Poor	Stair/Ramp Rails, Metal, Refinish	20 LF	1	6721462
Facade						
B2010	Building Exterior	Fair	Exterior Walls, any painted surface, Prep & Paint	17,600 SF	4	6721485
B2020	Building Exterior	Good	Glazing, any type, by SF	2,000 SF	25	6721482
B2050	Building Exterior	Fair	Exterior Door, Wood, Solid-Core	39	5	6721491
Roofing						
B3010	Roof	Poor	Roofing, Asphalt Shingle, 30-Year Premium	9,000 SF	1	6721445
Interiors						
C1030	Throughout building	Good	Interior Door, Wood, Hollow-Core Residential	79	15	6721461
C1030	Throughout building	Good	Interior Door, Wood, Hollow-Core Residential Closet	42	10	6721444
C1030	Storage room	Fair	Interior Door, Wood, Solid-Core	1	5	6721471
C1030	Building Exterior	Fair	Door Hardware, Multi-Family, per Door	39	18	6721449
C2010	Throughout building	Good	Wall Finishes, any surface, Prep & Paint	26,000 SF	7	6721480
C2010	Throughout building	Good	Moldings, Baseboard/Trim, Residential/Basic	7,000 LF	25	6721454
C2030	Throughout building	Good	Flooring, Laminate Faux Wood	10,000 SF	10	6721487
C2030	Throughout building	Fair	Flooring, Carpet, Residential	4,500 SF	3	6721476
C2050	Throughout building	Good	Ceiling Finishes, any flat surface, Prep & Paint	13,900 SF	8	6721459
Plumbing						
D2010	Restrooms	Good	Shower, Ceramic Tile	37	25	6721470
D2010	Restrooms	Good	Toilet, Residential Water Closet	37	25	6721450
D2010	Restrooms	Good	Shower, Valve & Showerhead	37	20	6721486
D2010	Throughout	Fair	Water Heater, Electric, Residential, 30 to 52 GAL	35	3	6723964
D2010	Throughout building	Poor	Plumbing System, Supply & Sanitary, Medium Density (excludes fixtures)	19,860 SF	2	6721463
D2010	Restrooms	Fair	Tub, Fiberglass, w/ Shower Enclosure	37	10	6721477
D2010	Restrooms	Good	Sink/Lavatory, Vanity Top, Solid Surface or Vitreous China	37	20	6721456
D2010	Kitchen	Good	Sink/Lavatory, Vanity Top, Stainless Steel	35	20	6721473
HVAC						
D3020	Throughout building	Fair	Baseboard Heater, Electric, 6 LF	70	3	6721455
D3020	Throughout building	Fair	Baseboard Heater, Electric, 3 LF	100	3	6721467
Fire Protection						
D4030	Throughout building	Excellent	Fire Extinguisher, Type ABC, up to 20 LB	6	10	6721474
Electrical						
D5020	Electrical room	Poor	Supplemental Components, Circuit Breaker/Disconnect	1	1	6721466
D5020	Throughout building	Poor	Distribution Panel, 120/240 V, Residential Style	11	0	6721464
D5020	Storage room	Poor	Distribution Panel, 120/240 V	1	1	6721448

Component Condition Report North Highland Court Apartments						
UF L3 Code	Location	Condition	Asset/Component/Repair	Quantity	RUL	ID
D5020	Throughout building	Poor	Distribution Panel, 120/240 V, Residential Style	12	1	6721565
D5020	Throughout building	Poor	Distribution Panel, 120/240 V, Residential Style	12	2	6721564
D5030	Throughout building	Poor	Electrical System, Wiring & Switches, Average or Low Density/Complexity	19,860 SF	1	6721452
D5040	Building exterior	Fair	Standard Fixture w/ Lamp, LED, Basic, 11 W	12	8	6724126
D5040	Throughout building	Fair	Interior Lighting System, Full Upgrade, Medium Density & Standard Fixtures	19,860 SF	5	6721484
Fire Alarm & Electronic Systems						
D7030	Throughout building	Good	Security/Surveillance System, Full System Upgrade, Average Density	19,860 SF	10	6721465
D7050	Throughout building	Poor	Fire Alarm System, Full System Upgrade, Simple Addressable, Upgrade/Install	13,900 SF	1	6721447
D7050	Throughout building	Good	Fire Alarm Panel, Multiplex [No tag/plate found]	1	14	6721492
D7050	Throughout building	Good	Fire Alarm Devices, Smoke/Carbon Monoxide Detector, by contractor, Replace/Install	77	8	6721478
Equipment & Furnishings						
E1030	Laundry Room	Good	Laundry Equipment, Dryer, Commercial, 51 to 75 LB	3	10	6721460
E1030	Laundry Room	Good	Laundry Equipment, Washer, Commercial, 20 to 30 LB	3	5	6721488
E1060	Kitchen	Good	Residential Appliances, Range, Electric	35	10	6721468
E1060	Kitchen	Good	Residential Appliances, Refrigerator, 14 to 18 CF	35	10	6721453
E1060	Kitchen	Fair	Residential Appliances, Dishwasher	35	6	6721458
E2010	Restrooms	Good	Casework, Bathroom Vanity Cabinet, Wood w/ Cultured Marble Sink Top	37	15	6721479
E2010	Throughout building	Good	Casework, Countertop, Solid Surface	350 LF	30	6721475
E2010	Throughout	Fair	Casework, Cabinetry, Standard	350 LF	12	6723966
Pedestrian Plazas & Walkways						
G2020	Site	Good	Parking Lots, Pavement, Asphalt, Mill & Overlay	15,000 SF	17	6721490
G2020	Site	Fair	Parking Lots, Aggregate/Stone, Surface Gravel, Replenish	750 SF	2	6721483
G2020	Site	Fair	Parking Lots, Pavement, Asphalt, Seal & Stripe	15,000 SF	2	6721481
G2030	Site	Fair	Sidewalk, Concrete, Small Areas/Sections	1,400 SF	8	6721457
Sitework						
G2060	Site	Good	Picnic Table, Wood/Composite/Fiberglass	2	15	6721446
G2060	Site	Fair	Fences & Gates, Fence, Metal Tube 6'	300 LF	15	6721469
G2080	Site	Fair	Irrigation System, Pop-Up Spray Heads, Commercial, Replace/Install	71,534 SF	10	6721451
G4050	Building exterior	Fair	Exterior Fixture w/ Lamp, any type, w/ LED Replacement	10	10	6721493
Follow-up Studies						
P2030	Site	Poor	Engineering Study, Civil, Site Drainage, Evaluate/Report	1	0	6721567

Appendix F: Replacement Reserves
