



venturapartners



ASSET RESERVE ANALYSIS

35 – 45 Onondaga Avenue, San Francisco, CA

September 2016

Ventura Partners has been retained to conduct an Asset Reserve Analysis of 35-45 Onondaga Avenue, San Francisco, CA. The study is to serve several purposes:

- Establish a picture of the condition of the facility
- Provide commentary on upgrades to the building which have been done
- Determine which components require immediate repair and replacement
- Identify areas for preventative maintenance
- Provide a 30-year repair and replacement schedule for all building components
- Determine the rate of reserve fund capitalization required to meet that schedule

Limiting conditions: Plans and specifications are not available for all portions of the building and/or portions of the work completed. Components of the project consist of a variety of material types and quality within different categories and ages.

Scope of Study: The components included in this analysis were identified by age, quantity, and type. The following sources to the extent they were available, were used to gather information for this report:

- Plans
- Operations and Maintenance Manuals
- Discussions with the Director of Operations and the Facilities Maintenance Manager
- Site Inspection
- Online research

List of Attachments

The bulk of the detail of this report is contained in the attachments:

A. Short-Term and Long-Term Capital Improvements

This section identifies areas requiring attention and investment within the next **1-5 years, and 6-10 years** to address safety concerns, potential damage to the property, or priorities established by the client.

B. Inspection

Notes from inspection itemizing condition of components, quantities, and estimated repair/replacement costs per unit.

C. 30 Year Budget – Capital Expenditure and Annual Reserve Contributions

Summary of component quantities, values, estimated life and repair/replacement dates, along with estimated annual capital expenditures, annual reserve fund contributions and reserve fund balance. This is designed to be a “living” document. The report should be updated on a regular basis to reflect the actual date and cost of repairs and replacements so that it will always reflect the best possible predictions of future costs and reserve requirements.

How to Use this Report

This Asset Reserve Analysis has been prepared to provide a snapshot of the property in its current condition, and to anticipate changes to that condition over time. It makes a great many assumptions based on practical experience as well as industry standards. This report is to be used as a tool by the Staff of the organization responsible for maintaining the facilities, and for financing this maintenance.

Your organization can make best use of this report by incorporating it into an ongoing review of your facilities needs in both physical and financial terms:

- 1) Review the narrative descriptions of those items identified for **Short Term Capital Improvements and Preventative Maintenance**. This will give you an indication of current facilities issues and an estimate of the cost of addressing these issues. Those items identified as safety concerns should not be put off. Your organization will need to make a business decision about the work identified as Preventative Maintenance. While these activities can be delayed if resources aren't currently available, such a delay may result in a higher cost of repair in the future because of the facilities degradation caused by the problem over time.
- 2) Review the spreadsheet that provides a line item detail for the timing and cost of replacement of various categories of materials, fixtures and systems. Expenditures are broken down into expected costs for each of the next 30 years. A calculation of the expected remaining life for each item was developed through the use of industry standards and/or observation of the condition of the item and use patterns for your facility. The expected remaining life was then used to determine the schedule for expenditures on repair/replacement. There may be assumptions with which you disagree, and this should be considered in reviewing and modifying the final plan. Actual conditions will vary. This document is to be used as a guide, but must be monitored and updated annually in order to remain valuable.
- 3) Review the spreadsheet to see what the proposed **Annual Reserve Contribution** figure is for the upcoming years. This is the amount of money that you will need to put into a reserve account in order to fund the expected expenditures on capital replacement and repair over the 30-year period.
- 4) Once you have reviewed the spreadsheet, you should assess your organization's capacity to meet the financial requirements of the **Capital Reserve Fund**. This will involve a review of potential funding sources from outside the organization, as well as revenue sources from the project itself if you have rental or other income.

- 5) Establish a system for funding reserves and planning for capital improvements to your facilities. This can be handled in a number of ways. Consult with your financial staff and professionals to determine the most effective structure for establishing the reserve account and the best systems for approving expenditures and drawing funds for this purpose.
- 6) **The schedule of repair and replacement expenditures should be reviewed every year** and evaluated against changing conditions.

SUMMARY CONDITIONS and LIMITATIONS

This document has been prepared to assist 35-45 Onondaga Avenue to anticipate capital needs and costs. It is to be used as a tool for ongoing evaluation, and must be viewed within the scope of its usefulness and its limitations. Please read thoroughly through the Assumptions, Terms and Conditions and Limiting Conditions for more details and information about the study.

- *The Board and staff of 35-45 Onondaga Avenue should use this document to keep focus on the capital needs posed by building ownership. Rather than relying on the numbers verbatim, this report should be used as a method for ongoing review of building operations, maintenance and investment.*
- *The reserve budget does not result in set-aside funds sufficient to cover the cost of all capital replacements and repairs. In some years, the pro-forma fund analysis may show a negative reserve fund balance. This analysis should be used to anticipate potential expenses and structure methods for financing these expenditures, either through reserves, debt or other means.*
- *The cost of capital items has been estimated based on costs for similar projects and on industry standards, and not on actual bids for the work. They are assumed to include labor and materials at prevailing wages. The need for prevailing wages contracts should be evaluated on a case-by-case basis since this will have a significant effect on the costs of the project. Costs may vary from the amount shown, and these costs are to be used as a general guideline.*
- *Escalation in construction costs in the San Francisco Bay area has fluctuated significantly based on economic conditions and the type of materials used. Expectations for costs over time are based on a stable escalation assumption that may not match real cost increases over time.*

General Building Description

Funded by a 1928 public bond measure and built in 1933, the Alemany Emergency Hospital and Health Center was the final piece of the citywide emergency hospital system to be built, extending the City’s emergency hospital system to provide free and efficient emergency health care to the low and middle income residents of the Exelsior District. The emergency hospital and health center were designed by then city architect Charles Sawyer. Inside the former health center are two frescoes by Bernard Zakheim, a notable artist at the time who studied with Diego Rivera and completed additional murals in The City throughout the 1930s, including a fresco in Coit Tower and two murals at the UC San Francisco campus. The former hospital and health center closed in 1978, and the buildings were used as an senior community center for another 30 years, but was decommissioned and have remained vacant since 2010. The two properties are currently being considered for Historic Landmark Designation.



The 35 Onondaga “Hospital” property is a 3,800 square foot, single story wood building. The building has three large activity areas, a lobby/waiting area, five individual office/rooms, a separate shower room, and two multiple occupant restroom areas. There is a small basement that includes space for storage, and a utility room which houses a boiler that provides hydronic heating to both properties. The 45 Onondaga “Health Center” property is a 4,000 square foot, two story wood building. The building has 13 individual rooms, restrooms on both levels and a kitchen area on the 2nd level. There is a small basement area that includes some storage and utility access.

The purpose of this report is to provide an assessment of operation status of existing building systems and interior finishes and provide recommendations for short-term improvements for immediate occupancy. Below is a “Rough Order of Magnitude” (ROM) budget estimate for the construction cost of short-term improvements needed for immediate occupancy. The ARA Summary identifies individual replacement costs.

| | ARA Summary | Add Exist Cond | Total Estimated Direct Costs | General Conditions 25% | 15% OH & P | Total Estimated Cost |
|--------------------|---------------|-------------------|---------------------------------|---------------------------|--------------|-------------------------|
| 35 Onondaga | \$ 190,860.00 | \$ 38,172.00 | \$ 229,032.00 | \$ 57,258.00 | \$ 42,943.50 | \$ 329,233.50 |
| 45 Onondaga | \$ 132,965.00 | \$ 46,537.75 | \$ 179,502.75 | \$ 44,875.69 | \$ 33,656.77 | \$ 258,035.20 |

BUILDING FACILITIES and SYSTEMS DESCRIPTION

Exterior

The condition of the exterior wall covering (facade), exterior doors and windows, steps, decks and porches, sidewalks, driveways and exterior fixtures. Exterior grading, drainage and trees or shrubbery that may influence water flow around the structure or lead to water intrusion or water damage. Observations are as follows:

Both properties are primarily wood-framed buildings with concrete foundation walls. The exterior walls and details at 35 Onondaga are concrete or stucco with brick façade. The exterior walls at 45 Onondaga is primarily painted stucco. The walls show cracks and likely may have experienced some rot in the sheathing and/or framing underneath. Immediate repairs would include patching at the cracks and new paint.

35 Onondaga Avenue

The exterior at 35 Onondaga is a brick façade with marble tile at the entry archways and trim. The windows include one large window and the storefront system on Onondaga, and several windows facing west toward 45 Onondaga. There are some exposed walls at the sides and rear of the building that maybe stucco and should be patched and painted as part of the short-term improvements to the property. The windows are intact and would likely only need some cleaning and painting. The majority of natural lighting are from 24 skylights. We were unable to observe the roof area but it is reported through an architectural survey there are likely damage to the glazing. Repairs to the skylights should be included as part of the immediate improvements prior to any occupancy. There are two entrances on Onondaga. The former emergency entrance is an aluminum storefront, and a pair of metal doors at the main entrance. The doors appear intact and may only require minor maintenance and new hardware in the short term. There appears to be no other immediate needs to be addressed as part of the short-term improvements to the property.



35 Onondaga Exterior



35 Onondaga Exterior

45 Onondaga Avenue

The exterior at 45 Onondaga is a stucco finish on metal lath. There is a large amount of cracking and damage to the stucco, and requires immediate patching and painting at the very minimum prior to any occupation in the building. There is potential for dry rot and mold inside the walls and some destructive surveys behind the stucco is recommended to determine the extent of damage to the framing. The windows include one large window and the storefront system on Onondaga, and several windows facing west toward 45 Onondaga. There are 26 double-hung windows with varying amounts of damage to the glazing and many are boarded up. The windows appear relatively intact and should be repaired and glazing replaced as part of the immediate improvements to the property. There are also 3 skylights of unknown condition. The security bars over the lower level windows should be removed and, if needed replaced with safety gates. There are two forms of egress along Alemany. The rear entrance needs a new door frame, door and hardware, and the front door may require some repairs and new hardware.

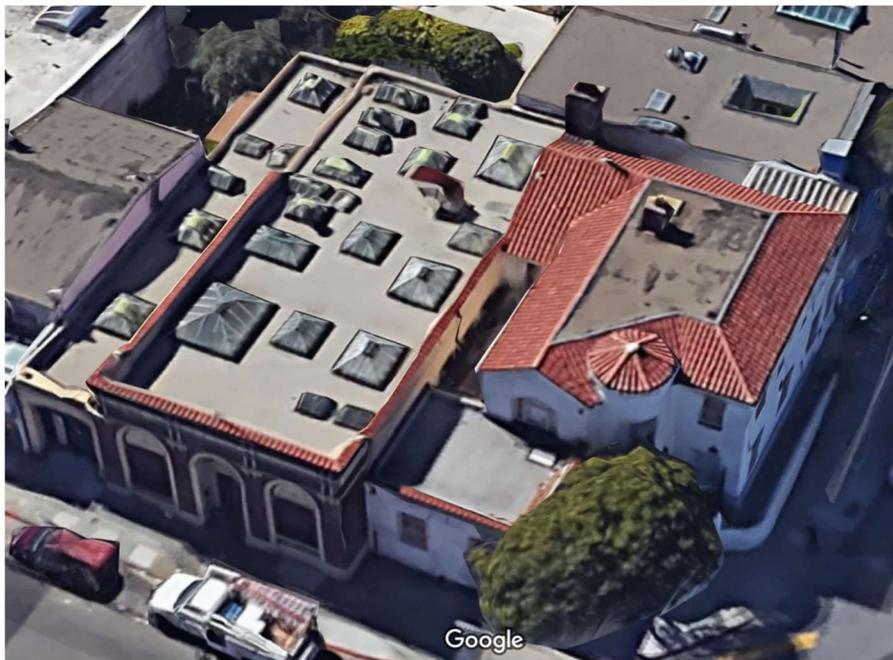


45 Onondaga Exterior

Roofing

The condition of the roof in general, the condition of the roof covering, roof drainage system (gutters, etc.), flashings, chimney and vent penetrations through the roof, the exterior condition of the chimney and its related components such as rainguards, and the eaves, soffit, fascia and frieze boards. Roof structure and attic. This includes all structural members relating to the rafters, trusses, collar ties, support rails and ceiling joists making up the roof structure. Observations of these components are as follows:

We were not able to access the roof for this survey. The roofing appears to primarily a flat roof with clay barrel roof tiles around the perimeter. The roof at 35 Onondaga has 24 skylights of varying sizes, and based on what was observable from the interior of the space, most need extensive cleaning throughout, and likely replacement of the wire glazing in many of the skylights. Additionally, 45 Onondaga has 3 skylights over the low roof section. The roof tiles appear intact and undisturbed. There is evidence of some roof leaks at both properties and the flat roofs should be assessed for replacement as part of the short-term improvements to the property. There is record of a roof replacement in 2006 for 35 Onondaga but an assessment is recommended.



35-45 Onondaga Roof Areas

Interior

Structural components such as floor joists, ceiling joists, wall studs, bearing walls, and partition walls. Flooring, walls, doors, finishes, and air quality. Observations are as follows:

35 Onondaga Avenue

The property interior includes a concrete wall along the west side of the former emergency entrance, the remaining primarily plaster walls, and possibly some gypsum wall where there appears to be some added partition walls. The walls at the open activity areas and hallways appear to have a burlap fabric wainscoting to 5' above the finished floor and trimmed out with a ceramic tile bullnose trim. There are also areas that have ceramic tile wainscoting that varies from 5' to full height walls. The ceilings are mostly open to the deck with some plaster ceiling sections. There is a large amount of peeling of paint at the walls and ceilings but the walls and ceilings all appear generally intact

The flooring is primarily linoleum in the corridors, and activity areas. There are tiled flooring in the restrooms at the emergency side of the building and linoleum in the restrooms on the activity side of the building. There is carpeting in the offices on the emergency entrance side of the building. The flooring overall is generally poor but serviceable in most areas. Carpeting and the restrooms with linoleum should also be replaced in the short-term improvement plan. The remaining linoleum ideally should be replaced, but is serviceable and could potentially be deep cleaned and sealed. Another option that could be explored is that the hospital flooring may have been a terrazzo concrete finish (The mop sink in the other building happened to be terrazzo). If this is the case, pulling off the flooring and polishing the floor could be a possible.

There is a large amount of built-in casework in many of the rooms, and they appear in generally serviceable condition. A minimum of cleaning and minor repairs may only be needed for reuse.



35 Onondaga Interiors



35 Onondaga Interiors



35 Onondaga Restrooms

45 Onondaga Avenue

The property interior is primarily plaster walls, and possibly some gypsum wall where there appears to be some added partition walls, in particular, there are two walls with observation mirrors built in, one on each floor. The ceilings are plaster ceilings. There is a significant amount of peeling of paint at the walls and ceilings but the walls and ceilings all appear generally intact and cleaning, patching, and painting will be needed.

The flooring is primarily carpeting, which will need to be replaced. There are restrooms on the first and second floors, which are not accessible, with tile or terrazzo finishes, and a mop sink on the first floor with terrazzo finish.

The main lobby area with the fireplace and murals are in good condition and require only new flooring and paint.



45 Onondaga Main Lobby Area



45 Onondaga Interiors



45 Onondaga Restrooms

Electrical

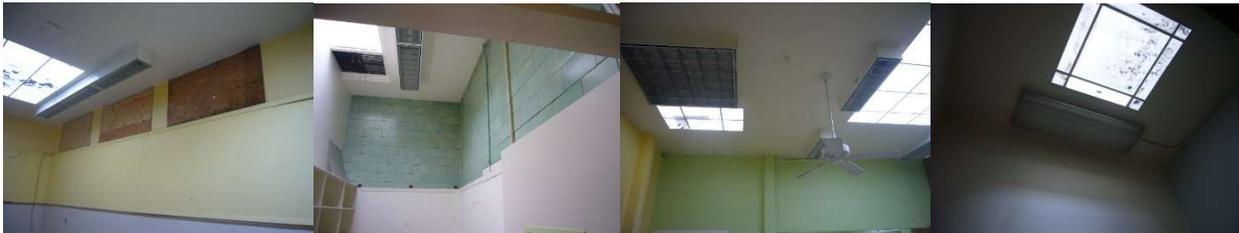
Location, capacity, grounding, components, fixtures, and associated circuitry of distribution panel. Any observed physical damage, evidence of overheating, corrosion, or lack of accessibility or working space that would hamper safe operation, maintenance or inspection. Observations are as follows:

35 Onondaga

The main switchgear panel and meter is located in the basement. A subpanel is located in the rear of the building between the emergency corridor by the kitchen. The lighting is a mixture of ceiling-mounted fluorescent fixtures. There are illuminated exit signage and emergency lights throughout the building. The lighting and electrical appears adequate for immediate occupancy.



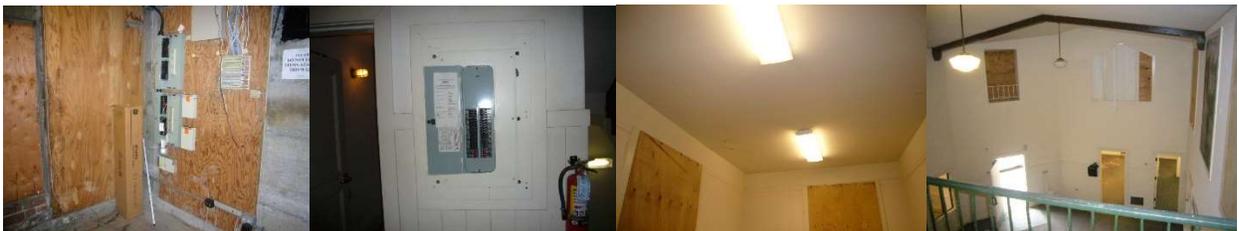
35 Onondaga Electrical Panel, Meter, and Distribution



35 Onondaga Lighting

45 Onondaga

The main panel is located in the basement. A subpanel is located on the first floor by the main stairs. The lighting includes original pendant fixtures in the main lobby, and ceiling-mounted fluorescent fixtures throughout. All appears adequate for immediate occupancy.



45 Onondaga Electrical Panels and Lighting

HVAC

The heating and air conditioning system. This includes the main heating or air source, any supplemental or secondary sources, and their related components, the location of any fuel storage, its main shutoff, and the heating or cooling source itself. Automatic controls, emergency shutoffs, all related duct work and all air handling delivery systems, insulation and ventilation. Observations are as follows:

The HVAC consists a single 850,000 BTU boiler providing hydronic heating throughout both building through radiators. The system was (installed) maintained and repaired by the SFDPW from 2004 through its decommissioning in 2012. Recommissioning would be required for occupancy. There is an existing exhaust fan system at 35 Onondaga but the operational status is unknown. There are ceiling fans in the main activity areas. There are no other existing cooling or ventilation systems.



HVAC at 35 – 45 Onondaga

Plumbing

Included are water supply and drain piping, vent piping, gas and oil piping in buildings, plumbing fixtures, water heaters, water pumps, water pressure, water softeners, water testing, water treatment equipment, water wells, and septic systems. Observations are as follows:

Domestic water is assumed to be through a combination of iron and copper piping throughout based on what limited access allowed. Domestic hot water is provided by separate hot water heaters in each building. It is unknown the condition of the existing water heaters, but should be replaced prior to occupancy. The fixtures in both buildings are relatively intact and require only cleaning and maintenance to bring it up to serviceable levels for immediate occupancy.



35 – 45 Onondaga Plumbing and Fixtures

Fire and Life Safety/Egress

Included are fire sprinkler systems, fire alarm, smoke and CO detectors, fire hose, and fire sprinklers, exit signage, egress compliance. Observations are as follows:

35 Onondaga

The space is non-sprinklered, and a fire alarm was previously installed, which includes emergency alarms/ pull stations. There appears to be no smoke alarms, and no horns/strobes. The system needs to be checked for operational conditions and may not be up to current code. Fire and life safety will need to be determined for compliance.



Per observations by a report by Steiner Architects dated February 22, 2016: *Compliant egress hardware and exit signage and evacuation signage are missing throughout. There are two double-door exits at the front of the building for occupant egress to Onondaga Avenue.*

45 Onondaga

The space is non-sprinklered and there is no fire alarm in the building. The second floor includes a rear exit door to a porch and fire escape. Fire and life safety will need to be determined for compliance.



Per observations by a report by Steiner Architects dated February 22, 2016: *The rear exit door at the first floor (required second means of egress) is non-functional/ secured shut. At the second floor, the rear exit door (to the northwest sun porch) and fire escape (installed in 1993) need further investigation to determine compliance, or corrective measures, to ensure a second means of egress. Egress door swing directions based on current code and occupant loads need to be verified or corrected as required.*

Kitchen

Included are all food service equipment and food service related systems. Observations are as follows:

35 Onondaga

There is a room that was formerly a kitchen but there are no equipment.



45 Onondaga

There is a small kitchen on the 2nd floor. There are cabinets with a gas range, dishwasher, and refrigerator. The operational status is unknown.



Attachment A

SHORT-TERM CAPITAL IMPROVEMENTS (Immediate)

- Recommission Boiler and Heating System
Estimated cost: \$3,500 - \$5,000 Recommission Boiler
Estimated cost: \$2,500 - \$3,000 Inspection and Maintenance of Radiators
- Replace Roofing
Estimated cost: \$35,000 - \$40,000 35 Onondaga
Estimated cost: \$10,000 - \$15,000 45 Onondaga
- Repair, prep, and paint exterior. Includes major stucco repair at 45 Onondaga
Estimated cost: \$10,000 - \$15,000 35 Onondaga (rear and side areas)
Estimated cost: \$35,000 - \$45,000 45 Onondaga
- Prep and paint interior finishes.
Estimated cost: \$20,000 - \$25,000 35 Onondaga
Estimated cost: \$25,000 - \$30,000 45 Onondaga
- Replace flooring
Estimated cost: \$25,000 – \$30,000 35 Onondaga (Linoleum)
Estimated cost: \$1,500 – \$2,000 35 Onondaga (Carpet)
Estimated cost: \$15,000 – \$20,000 45 Onondaga (Carpet)
Estimated cost: \$600 – \$700 45 Onondaga (Kitchen)
- New Fire Alarm System
Estimated cost: \$12,000 - \$15,000 35 Onondaga
Estimated cost: \$12,000 - \$15,000 45 Onondaga
- New Water Heaters, Commercial Grade
Estimated cost: \$3,000 - \$4,000 35 Onondaga
Estimated cost: \$3,000 - \$4,000 45 Onondaga
- Repair/Replace Plumbing Fixtures, Commercial Grade
Estimated cost: \$3,000 - \$4,000 35 Onondaga
Estimated cost: \$3,000 - \$4,000 45 Onondaga
- Allowance for Ingress/Egress ADA compliance
Estimated cost: \$40,000 Hardware Upgrades, Door Swing Changes

LONG-TERM CAPITAL IMPROVEMENTS (6 – 10 YEARS)

None identified at this time

Attachment B

35 ONONDAGA AVENUE

INVENTORY

Notes from inspection itemizing condition of components, quantities, and estimated repair/replacement costs per unit.

Attachment B

45 ONONDAGA AVENUE

INVENTORY

Notes from inspection itemizing condition of components, quantities, and estimated repair/replacement costs per unit.

Attachment C

35 ONONDAGA AVENUE

30 Year Budget – Capital Expenditure and Annual Reserve Contributions

Summary of component quantities, values, estimated life and repair/replacement dates, along with estimated annual capital expenditures, annual reserve fund contributions and reserve fund balance. This is designed to be a “living” document. The report should be updated on a regular basis to reflect the actual date and cost of repairs and replacements so that it will always reflect the best possible predictions of future costs and reserve requirements.

Attachment C

45 ONONDAGA AVENUE

30 Year Budget – Capital Expenditure and Annual Reserve Contributions

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