

ACDS RENTAL HOUSING PRODUCTION PROGRAM GUIDELINES

INTRODUCTION

This Manual contains procedures and policies for selecting, underwriting, processing, and closing loans, and managing the construction of projects funded through the Rental Housing Production Program. This program has been developed under the federal [HOME Investment Partnerships Program, 24 CFR Part 92](#), and is administered by Arundel Community Development Services, Inc. (ACDS) on behalf of Anne Arundel County. Through this federally funded program and additional County resources, Anne Arundel seeks to pursue activities and programs which will create and retain housing for low and moderate income individuals and households.

I. PURPOSE

The objective of the Rental Housing Production Program (RHPP) is to increase and preserve the supply of decent, safe, sanitary and affordable rental units throughout the County affordable to low and very low income families, older adults and persons with disabilities. The program is designed to provide the financial assistance necessary to encourage the creation of new rental housing opportunities, rehabilitation of the existing rental housing stock and replacement of rental housing in areas where rehabilitation is not economically feasible.

II. ELIGIBLE APPLICANTS

Owners of multi-family properties are eligible to apply for funding contingent on their willingness to adhere to the terms and conditions of the program. Owners may include for-profit companies, nonprofit organizations, and the Anne Arundel County Housing Commission. To be considered for funding, eligible applicants must complete the [Pre-Application](#) (Appendix 1) and [submit](#) the Pre-application to ACDS along with all requested attachments in order to be considered for funding.

III. ELIGIBLE PROJECTS

The HOME-funded Rental Housing Production Program provides a financial incentive to owners of multi-family projects for the rehabilitation, reconstruction, or new construction of affordable rental units in Anne Arundel County. Funds for construction of new affordable units will be prioritized for projects located in an Opportunity Area as defined within the [Anne Arundel County Consolidated Plan FY 2021 – FY 2025](#) (“the Consolidated Plan”). If funds are requested for the rehabilitation or reconstruction of an existing multi-family community, the project may be located in Opportunity Areas or Priority Revitalization Communities as defined in the Consolidated Plan.

In accordance with 24 CFR 92.202, site selection and neighborhood standards for proposed sites for new construction must meet the requirements in 24 CFR 983.57(e). Existing and rehabilitated housing must meet the site selection and neighborhood standards described at 24 CFR 983.57 (d)

IV. ELIGIBLE USE OF FUNDS

ACDS Rental Housing Production Program funds may be used to provide a financial incentive to develop and support affordable rental housing through the following activities:

- (1) rehabilitation or reconstruction of existing housing units or the construction of new units including demolition costs, costs for preparing plans and specifications, cost of related permits, architectural and engineering fees, utility connection fees and other related fees.
- (2) Conversion of an existing structure to affordable housing is eligible as rehabilitation unless the conversion entails adding one or more units beyond the existing walls, in which case the project will be considered new construction;
- (3) acquisition of existing rental housing including settlement cost;
- (4) acquisition of land for the construction of new units if a building permit is in hand and construction financing in place;
- (5) costs related to improvements for energy conservation or for repairs related to energy conservation;
- (6) costs related to lead-based paint abatement;
- (7) utility connections;
- (8) site improvements that are in keeping with improvements of surrounding community including roads, sidewalks, sewer and water lines necessary for the development of the project;
- (9) cost of environmental review;
- (10) relocation expenses; and
- (11) management offices, community rooms, laundry rooms, and other such spaces that are for exclusive use of the residents are eligible as common costs provided that they are located in a structure that includes residential units (see §92.206 (a)(4));

V. INELIGIBLE USE OF FUNDS

Generally, ACDS Rental Housing Production funds may not be used for cost associated with:

1. non-ACDS assisted units and their share of the common space;
2. luxury items (e.g. swimming pools), furnishings and commercial and other non-residential spaces in mixed-use projects;
3. management offices, community rooms, laundry rooms, and other such common spaces located in stand-alone structures where use is not limited to use by residents;
4. offsite infrastructure, except for necessary connections to the site (e.g., HOME may pay for a connection to the sewer line in the street but may not be used to extend the sewer line down the street to the site);
5. organizational costs such as partnership formation or syndication costs associated with Low Income Housing Tax Credits (LIHTC) transaction; and
6. capitalized reserves, except for the initial operating deficit or rent-up reserve (not to exceed 18 months) for a rental property (§92.206(d)(5)).

While these costs may be necessary for the completion of the project and may be included in the project budget, they are not eligible to be paid with HOME or ACDS funds.

VI. MINIMUM AND MAXIMUM LOAN LIMIT

1. The minimum loan amount cannot be less than \$1,000 per ACDS assisted unit.
2. The maximum loan amount shall not exceed the federal cost limits by bedroom unit size established by HUD. Also the maximum loan amount shall be the least amount of funds needed to make the project feasible as determined by the underwriting and further defined through the subsidy layering review process.

VII. TERMS AND CONDITIONS

A. Occupancy Restrictions

1. Although funds may be used for mixed income projects, priority will be given to projects where all units are affordable to households with annual household income at or below 60 percent of the Area Median Income (AMI) adjusted for family size as defined by HUD. Highest priority for funding will be given to projects serving households with an annual income at 30 percent and 40 percent of AMI.
2. All of the HOME assisted units must be occupied by households with annual income at or below 50 percent of the AMI. If the tenant's income increases above

50 percent of the AMI, the tenant can continue to reside in the property. However, the next available unit must be rented to a household with an annual income of 50 percent or below of AMI.

B. Rent Restrictions

1. The owner of the project may not refuse to lease any of their units to a holder of a Housing Choice Voucher.
2. The rent for the ACDS assisted units must be set at an amount that is affordable to households earning no more than 60 percent of AMI; prioritization will be given for projects lower income households and rent limits may be determined based on funding source (eg. HOME).
3. If a project is funded with LIHTC funds and the HOME assisted unit is also funded with LIHTC, then the rent for the HOME assisted unit must be the lesser of the low HOME rent or the LIHTC rent limit for that unit. The owner/manager must document that they have determined the maximum allowed rent for each program, and then document that they are using the lower rent.
4. If the tenant of an ACDS/HOME assisted unit receives a project based voucher and the tenant is paying 30 percent of their household income, the maximum rent is the rent allowable under the voucher program.
5. All rent increases for ACDS assisted units must be reviewed for compliance and approved by ACDS prior to the tenant signing a new lease or addendum reflecting the rent increase. Notice of ACDS rent increases should be submitted to ACDS staff for review and approval for the duration of the affordability period.
6. ACDS shall annually review rents and approve the rents for each ACDS assisted rental project to ensure compliance with the ACDS limits and to ensure rent increases do not result in undue increases from the previous year as required by HOME regulations, Section 92.252 (f)(2).

C. Annual Compliance

1. Property managers must submit a compliance report with details on the occupancy and rents of ACDS-assisted units to demonstrate compliance with the requirements of 92.252(f) of the HOME federal regulations.
2. Annual reports of ACDS assisted and non-ACDS assisted units showing compliance with the loan terms and conditions, as well as HOME rents and occupancy regulations, must be submitted annually by the last business day in January of each year. The report must include both beneficiary information of the tenants such as race and ethnicity, household income, and the number of tenants living in female headed households, as well as, rent roll documentation including the units which are classified as other rate units and occupied by non-

ACDS and non-HOME assisted tenants, and Low HOME Rent units occupied by HOME assisted tenants, their name and age, unit number, bedroom size, tenant(s) household income, rent charged, utility allowance, the amount of rent paid by tenant. The report shall also include all vacant units.

3. The "HOME Rental Project Compliance Report" template along with a transmittal letter will be forward to property managers, by the 1st day of January each year (Appendix 2).

D. Periods of Affordability

The project must maintain income and rental restrictions pursuant to the terms and conditions detailed in the loan documents for the term of the loan. Typically, affordability periods will match the loan term of 40 years.

Owners are required to maintain the housing in compliance with the ACDS Property Standards for Multifamily Projects (Appendix 2) for the duration of the affordability period or term of the loan, whichever is greater. Repayment of HOME funds will be required if the housing does not meet the affordability and other loan requirements for the term of the loan.

E. Terms of the Loan

The term of the loan shall be equal to the term of the loan in first position; however, in no event shall the term exceed 40 years. The interest rate of the loan will vary from zero percent up to the current market rate depending on the financial need of the project. The loan will either be an amortized loan requiring monthly or annual payment or a cash flow loan depending on the financial need of the project. If the ACDS loan is in third position behind a loan from the Maryland Department of Housing and Community Development (DHCD), the loan will be structured in a way referred to as "0% Interest Rate Option with Contingent Interest" (Appendix 3).

F. Tenant Lease Requirements and Tenant Selection

The following lease requirements and tenant selection standards set forth at [24 CFR 92.253](#) shall apply to all HOME- and County-funded properties:

(a) **Lease.** There must be a written lease between the tenant and the owner of rental housing assisted with HOME funds that is for a period of not less than 1 year, unless by mutual agreement between the tenant and the owner a shorter period is specified. The lease must incorporate the VAWA lease term/addendum required under [§ 92.359\(e\)](#), except as otherwise provided by [§ 92.359\(b\)](#).

(b) **Prohibited lease terms.** The lease may not contain any of the following provisions:

(1) **Agreement to be sued.** Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;

(2) **Treatment of property.** Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

(3) **Excusing owner from responsibility.** Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

(4) **Waiver of notice.** Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

(5) **Waiver of legal proceedings.** Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(6) **Waiver of a jury trial.** Agreement by the tenant to waive any right to a trial by jury;

(7) **Waiver of right to appeal court decision.** Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;

(8) **Tenant chargeable with cost of legal actions regardless of outcome.** Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and

(9) **Mandatory supportive services.** Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

(c) **Termination of tenancy.** An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds, except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To

terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

(d) **Tenant selection.** An owner of rental housing assisted with HOME funds must comply with the affirmative marketing requirements established by the participating jurisdiction pursuant to [§ 92.351\(a\)](#). The owner must adopt and follow written tenant selection policies and criteria that:

(1) Limit the housing to very low- income and low-income families;

(2) Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing; not to interfere with the rights and quiet enjoyment of other tenants);

(3) Limit eligibility or give a preference to a particular segment of the population if permitted in its written agreement with the participating jurisdiction (and only if the limitation or preference is described in the participating jurisdiction's consolidated plan).

(i) Any limitation or preference must not violate nondiscrimination requirements in [§ 92.350](#). A limitation or preference does not violate nondiscrimination requirements if the housing also receives funding from a Federal program that limits eligibility to a particular segment of the population (e.g., the Housing Opportunity for Persons with AIDS program under [24 CFR part 574](#), the Shelter Plus Care program under [24 CFR part 582](#), the Supportive Housing program under [24 CFR part 583](#), supportive housing for the elderly or persons with disabilities under [24 CFR part 891](#)), and the limit or preference is tailored to serve that segment of the population.

(ii) If a project does not receive funding from a Federal program that limits eligibility to a particular segment of the population, the project may have a limitation or preference for persons with disabilities who need services offered at a project only if:

(A) The limitation or preference is limited to the population of families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain housing;

(B) Such families will not be able to obtain or maintain themselves in housing without appropriate supportive services; and

(C) Such services cannot be provided in a nonsegregated setting. The families must not be required to accept the services offered at the project. In advertising the project, the owner may advertise the project as offering services for a particular type of disability; however, the project

must be open to all otherwise eligible persons with disabilities who may benefit from the services provided in the project.

(4) Do not exclude an applicant with a certificate or voucher under the Section 8 Tenant-Based Assistance: Housing Choice Voucher Program ([24 CFR part 982](#)) or an applicant participating in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

(5) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable;

(6) Give prompt written notification to any rejected applicant of the grounds for any rejection; and

(7) Comply with the VAWA requirements prescribed in [§ 92.359](#).

VIII. PROPERTY STANDARDS

1. Properties must meet ACDS Property Standards.
2. ACDS will review and approve the cost estimates for construction to ensure that costs are reasonable.
3. ACDS will review construction contract(s) and construction documents to ensure the work to be undertaken is properly described and includes adequate details.
4. ACDS will conduct progress and final inspections of construction to ensure the work is done in accordance with applicable codes, the construction contract, and construction documents.
5. For rehabilitation projects with 26 or more units, the applicant must submit a Capital Needs Assessment to ACDS. The Capital Needs Assessment must determine the long term physical needs of the project and ensure the proposed rehabilitation work is addressing all the short and long term physical needs of the project.
6. Housing assisted with ACDS and HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

IX. TENANT SERVICES

All projects must provide services appropriate to the population served by the project. Family projects must deliver or coordinate services that enhance quality of life and self-sufficiency for residents, including children. Elderly projects must deliver or coordinate services that stabilize occupancy by improving residents' ability to live independently, enhance quality of life through improved access to services and benefits, health promotion and socialization.

X. ENVIRONMENTAL REVIEW

All HUD funded Programs are subject to environmental review using the criteria and statutory authorities specified in the HUD regulations 24 CFR Part 58 and for more complex projects, using procedures from the National Environmental Protection Act (NEPA).

HUD's regulations at 24 CFR 58.22 prohibit grant recipients and their partners from committing or spending HUD or non-HUD funds on any activity that could have an adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environment review once a project has become "federal." This prohibition on "choice-limiting actions" prohibits physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions.

The restriction on undertaking or committing funds for choice-limiting actions does not apply to undertakings or commitments of non-federal funds before a project participant has applied for HOME funding. A party may begin a project in good faith as a private project and is not precluded from later deciding to apply for HOME funds. However, when the party applies for HOME funds, it will need to cease further choice-limiting actions on the project until the environmental review process is complete.

ACDS will complete the review based on information submitted by the applicant, including engineering work completed on wetlands and flood plain areas and the Phase One Environmental Site Assistance. The applicant must also complete a noise assessment in accordance with the guidance set forth in HUD's Noise Guidebook.

Even in cases where a project will be fully funded with non-HOME dollars (i.e. County funds), the developer must still provide evidence that the project meets environmental review requirements noted above.

XI. AFFIRMATIVE FAIR HOUSING MARKETING PLAN

In an effort to affirmatively market rental units, all projects receiving RHPP funds must prepare an Affirmative Fair Housing Marketing Plan ("the Plan") for ACDS' approval. The Plan must address outreach and marketing processes and policies governing the wait list for initial lease up, policies and procedures for qualifying and selecting tenants, and policies governing the on-going wait list. The Plan must identify action that will attract to the project those who are identified as "least likely to apply" or are underrepresented in a neighborhood or community. Also, the owner cannot refuse to lease units to a certificate or voucher holder.

XII. MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE PLAN AND SECTION 3 PLAN

The applicant must submit a Minority and Women-Owned Business Enterprise Plan (MBE/WBE Plan) and a Section 3 Plan (see Appendix 6). The purpose of the MBE/WBE Plan is to ensure, to the maximum extent feasible, opportunities for contracting are given to the MBE/WBE firms. The purpose of Section 3 Plan is to ensure employment and other economic

opportunities generated by the investment of HUD funds shall to the greatest extent feasible, be provided to low and very low income persons and businesses.

XIII. LABOR REQUIREMENTS

Every contract for construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality (CFR 92.354), as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276-a-276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332). **This requirement does not apply to projects funded with County funds, however, local labor regulations may apply.**

The contract for construction must contain these wage provisions if HOME funds are used for any project costs in § 92.206, including construction or non-construction costs, of housing with 12 or more HOME assisted units. The wage provisions apply to any construction contract that includes a total of 12 or more HOME assisted units, whether one or more than one project is covered by the construction contract. Once they are determined to be applicable, the wage provisions must be contained in the construction contract so as to cover all laborers and mechanics employed in the development of the entire project, including portions other than the assisted units. Arranging multiple construction contracts within a single project for the purpose of avoiding the wage provisions is not permitted.

Participating jurisdictions, contractors, subcontractors, and other participants must comply with regulations issued under these acts and with other Federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. Participating jurisdictions must require certification as to compliance with the provisions of this section before making any payment under such contract.

Volunteers. The prevailing wage provisions of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.

Sweat equity. The prevailing wage provisions of this section do not apply to members of an eligible family, who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

XIV. MARKET ASSESSMENT

Eligible applicants are required to submit a market study and a market analysis completed by a third party that addresses pricing and absorption. The market review must document the demand for the type and number of all housing units being developed, not just those designated as HOME assisted.

XV. DEVELOPER CAPACITY

The experience of the developer and their team will be evaluated to determine if the team has the technical and managerial experience, knowledge and skills to successfully complete the development. The developer's team must have the specific skills and capacity for the project including the skills required for property management, asset management, service provisions, and financing skills. The developer must demonstrate the financial capacity necessary to complete the proposed project.

XVI. PROJECTS SOLICITING PROCESS

Funding for the RHPP for the next fiscal year is solicited during the fall of each year from the community at large. At the first of two annual public hearings held by ACDS, the public is asked to comment on the needs of low and moderate income County residents. At the hearing, staff describes the amount and nature of federal funds expected to be available, solicits proposals for the use of these funds, and explains the criteria for project selection.

RHPP is marketed to the public through public hearings, the ACDS website, special outreach events, and through ACDS' participation in County and State affordable housing coalitions where ACDS staff builds relationships with developers and other industry professionals.

XVII. LOW INCOME HOUSING TAX CREDITS APPLICATION SUPPORT

Applicants applying for Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development who are interested in applying for financial support should contact the ACDS Executive Director or planning staff to schedule a meeting to discuss the proposed project. Prior to the meeting, the applicant should submit a Pre-Application which includes a description of the project along with an identification of the resources needed from the County and ACDS.

Staff will meet with the developer to review the proposed project. Staff will review the proposed project to ensure it meets the goals of the Anne Arundel County Consolidated Plan and that it is eligible based on the requirements of the policies outlined in this manual. Staff will review the project proposal with the ACDS Development Committee and if approved, the project will be invited to submit a full application for review.

XVIII. CONFLICT OF INTEREST POLICY

No person who is an employee, agent, consultant, officer, elected official, or appointed official of Anne Arundel County or Arundel Community Development Services, Inc. who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds – or who are in a position to participate in a decision making process or gain inside information with regard to these activities – may obtain a financial interest or benefit from a HOME assisted activity or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or

business ties, during their tenure.

XIX. NON-DISCRIMINATION

The application shall comply with the provision of federal and State laws prohibiting discrimination on the grounds of race, religion, color, national origin, sex, age, physical or mental handicap or disability, and any other characteristics or class protected by law. The applicant shall not refuse the leasing of a unit on the basis of the prospective tenant status as a holder of a Housing Choice Voucher or to a holder of a comparable document evidencing participation in a tenant based rental assistance program. This requirement will be enforced through a Declaration of Covenants.

XX. DISPLACEMENT, RELOCATION AND ACQUISITION

The applicant must meet the requirement of CFR 92.353 in that they must take all actions required to minimize displacement. If tenants are being relocated temporarily, the applicant must provide a plan for temporary relocating. If a person is being displaced as defined within CFR 92.353, then the application must submit a relocation plan that meets the requirement of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1976 (URA)(42 U.S.C.4201-4655 and 49CFR Part 24).

XXI. FEES

Legal fees in the range of \$2,000 - \$5,000, payable at initial closing, may be charged as needed.

An annual monitoring fee will be charged by ACDS to cover the cost of the ongoing monitoring and physical inspections of the project during the affordability period and the extended affordability period. The fee is calculated in the year the projects settles and the fee will escalate by 3% each year.

APPENDIX I

[Pre-Application for Financing from ACDS for Rental Housing Projects](#)

APPENDIX II

ACDS Property Standards for Multifamily Projects

MULTIFAMILY REHABILITATION AND NEW CONSTRUCTION STANDARDS

INTRODUCTION

These minimum property standards apply to various multifamily new construction and rehabilitation projects when federal Community Development Block Grant (CDBG) and/or Home Investment Partnerships (HOME) funds are utilized through the Rental Housing Production Program. These standards ensure the rehabilitated and new construction units meet the federal standard for decent, safe and sanitary housing and all applicable local, State and federal building and energy codes. The condition of units must meet or exceed the following property standards to ensure the built and natural project environment provides for economic prosperity, social stability and a high quality of life.

PROPERTY STANDARDS

1. Multifamily rehabilitation projects must be located in areas that are appropriate for residential housing and in suitable residential areas that are supported by adequate infrastructure, shopping and medical services, and are free from conditions undesirable for a residential environment. The key considerations in project planning and decision making must include how the construction of new units or the rehabilitation of existing units will enhance the well-being of future residents and the surrounding neighborhood through the development of healthy, safe, and walkable neighborhoods.
2. Project density must be compatible and consistent with the neighborhood and sized sufficiently to accommodate necessary site features and amenities.
3. The site must include suitable topography and terrain, soils, size and shape, adjacent land use, local economy, aesthetics, and suitable traffic patterns.
4. The project must be located where coordinated transportation, housing, and commercial development gives residents access to transportation choices, including access to public transportation to nearby employment centers, educational opportunities and services to lower the combined cost of housing and transportation.
5. Where relevant, the new construction projects must be constructed to mitigate the impact of potential disasters (e.g. earthquakes, hurricanes, flooding, and wildfires), in accordance

with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

6. Early on in the planning and decision making process, an environmental assessment must be completed to identify any potential environmental impacts of the project and to determine whether it meets federal, state, and local environmental standards. Every project must be examined to ensure that it does not negatively impact the surrounding environment and that the site itself will not have adverse effect on end users. Each new construction or rehabilitation projects must demonstrate compliance with the following environmental assessment.
 - *Site Contamination* – A Phase I Environmental Site Assessment is required for all multifamily projects to identify the possible existence of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property. Any identified possible site contamination hazards must be analyzed using current techniques by qualified professionals.
 - *Floodplain* – All work must avoid direct or indirect impacts to the 100 and 500 year floodplain, as designated by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), to the extent practicable.
 - *Wetlands* – Where practical, all work must avoid adverse impacts to wetlands as may be identified on the National Wetlands Inventory or else by the Department of Interior-Fish and Wildlife Service staff, USDA/NRCS National Soils Survey or the U.S. Army Corp of Engineers.
 - *Noise* – Prior to the commencement of work, all sites must be assessed for environmental or community noise exposure by a qualified noise level testing firm. If the noise level exceeds the day night average sound level (DNL) of 65 decibels (dB) is considered a noise-impacted area and noise attenuation features must be incorporated in the project to bring interior noise levels below 45dB.
 - *Radon* – All projects must be tested for the existence of radon before occupancy. If radon levels inside a unit are above 4 pCi/L, action must be taken to reduce the level.
 - *Historic Preservation* – All work must avoid direct or indirect impact on historic buildings or irreplaceable resources like archeological sites. All historic properties are to be protected to avoid, minimize, or mitigate possible harm that may result from the project. A Section 106 review process must be completed in the planning process and full consultation with the Maryland Historical Trust (MHT) State Historic Preservation Officer (SHPO). If adverse effect is noted by MHT, all required mitigation measures must be incorporated in the project.
 - *Additional Environmental Assessments* – All work must avoid direct or indirect impacts on Coastal Barrier Resources, Air Quality, Coastal Zone Management, Endangered

Species, Environmental Justice, Farmland Protection, and Sole Source Aquifers. Any identified adverse impact must be mitigated in compliance with applicable federal, State and local regulations.

7. For multifamily rental housing projects of 26 or more total units, the developer must determine all work that will be performed in the rehabilitation of housing through the preparation of a long-term Capital Needs Assessment (also known as a Physical Needs Assessment) of the property. The Assessment must include plan to address existing deferred maintenance, a plan to modernize and rehabilitate, and a plan to confirm all the needs of the property are addressed to ensure the long-term success of the multifamily property. At completion of rehabilitation work, all major systems of the dwelling unit shall have a remaining useful life of at least a minimum of five years. Major systems include structural supports; roofing, cladding and weatherproofing (e.g. windows, doors, siding gutters); plumbing; electrical; and heating, ventilation and air conditioning. The developer must estimate - based on age and condition - the remaining useful life of these systems upon project completion. If the remaining useful life of one or more of these major systems is less than the applicable period of affordability, the developer must establish an adequate replacement reserve account and ensure monthly payments are made to the reserve to repair or replace the systems as needed.
8. All life threatening deficiencies at projects to be rehabilitated must be addressed immediately if the housing is occupied.
9. The properties current and intended future use must be in compliance with all current Anne Arundel County zoning ordinances.
10. New construction and rehabilitation contracts and construction documents must be written in sufficient detail to ensure the work to be undertaken can be inspected to ensure it meets the requirements of the construction contract and construction documents. Construction progress inspections will be performed by ACDS to ensure the work is completed in accordance with the applicable codes, the construction contract, and construction documents. In addition, the written cost estimates for the project must be prepared in sufficient detail to enable an adequate review to ensure the costs are reasonable. For rehabilitation work, ACDS shall conduct an initial property inspection to identify deficiencies that must be addressed.
11. All rehabilitation and new construction work must be in compliance with the International Building Code, International Energy Conservation Code, NFPA 101 Life Safety Code, National Electric Code, National Standard Plumbing Code, International Mechanical Code, and all other applicable codes adopted by Anne Arundel County and as demonstrated by the County issuance of required permits. Completed work must pass all applicable County inspections. Work that has been completed and passed inspection in accordance with Anne Arundel County code demonstrates the work meets or exceeds all standards and codes as adopted by the County.

12. All work must be designed and constructed to meet the ACDS Detailed Rehabilitation Standards for Multifamily Units, included herein.
13. All rehabilitated multifamily units shall receive issuance of a County Use and Occupancy Permit to verify the work has been inspected and the work meets all codes, as adopted by the County. As the County codes meets or exceeds the standards as established by the federal Model Energy Code and Maryland Building Performance Standards, the County's issuance of a Use and Occupancy Permit verifies the new construction meets applicable federal and State building standards.
14. All rehabilitation and new construction work must be in compliance with federal Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C 3601-3619). In addition, the work must meet the Maryland Accessibility Code and the Uniform Federal Accessibility Standards. Rehabilitation may include improvements that are not required by regulation or statute that permits use by a person with disabilities.
15. All rehabilitation and new construction work must support and promote an energy-efficient, green, and healthy housing by utilizing ENERGY STAR rated equipment and appliances to the maximum extent feasible.
16. For new construction and rehabilitation projects, the work must include installation of broadband infrastructure, as defined at 24 CFR 5.100, except where ACDS determines in accordance with Paragraph 92.508(a)(3)(iv), that the location of the new construction makes installation infeasible, the structure of the housing to be constructed or rehabilitated makes the installation of broadband infrastructure infeasible, or the cost of installing the infrastructure would result in a fundamental alteration in the nature of the project or be an undue financial burden.
17. To ensure the durability of the project, the project design must provide a continuing market appeal. Amenities, space and aesthetics must be competitive with other rental properties in the vicinity. The project must be visually pleasing, well suited to the needs of the occupants, and of good design reflecting the architectural standards of the neighborhood and of the community in which it is situated. Site, building and dwelling unit designs must be practical and use space effectively. The design should incorporate proven construction cost-saving techniques, durable and quality materials suitable for the intended use, energy saving features, and high efficiency mechanical systems.
18. At all applicable rehabilitation projects, lead-based paint remediation work shall be in compliance with the requirements of HUD's consolidated lead-based paint regulations, 24 CFR 35.

19. At completion of work and throughout the affordability period, the residence shall be structurally sound, weather tight, in good condition and repair, free and clear of debris, in safe, decent and sanitary condition and in compliance with the Anne Arundel County Department of Health regulations and the Construction and Property Maintenance Code.

DETAILED STANDARDS FOR MULTIFAMILY UNITS

These detailed rehabilitation standards are to be followed when rehabilitating or constructing multifamily dwelling units to ensure compliance with applicable federal property standards at the completion of work. These detailed standards prescribe the methods and materials to be used in construction activities. All work must be completed in accordance with these detailed standards to ensure that completed housing units are decent, safe and sanitary, as described in 24 CFR 5.703. All deficiencies must be corrected to meet these standards and inspected by ACDS in accordance with prescribed physical inspection procedures pursuant to the Uniform Physical Conditions Standards at 24 CFR 5.705.

General Requirements

Engineer's Certification

An engineer or architect seal is required for major structural alterations and new construction.

Permits

The contractor and all subcontractors must obtain and pay for all permits and licenses, as may be required by Anne Arundel County and the State of Maryland, necessary for the completion and execution of the work to be performed.

Regulatory Requirements

All sales, consumer, use and other taxes required by law must be paid for work undertaken. All laws, ordinances, rules, regulation and order of any public authority bearing on the work must be complied with by contractor.

Licenses

As required by law, the contractor and all subcontractors must be licensed by the Maryland Home Improvement Commission (MHIC) and all other applicable regulatory agencies for the nature of work being performed.

Inspections

Periodic inspection during construction shall be performed by the applicable governmental inspectors. The governmental inspectors shall perform all required inspections for building work permits. Inspections are required for footing trenches, foundations (waterproofing, drain tile, backfill), framing, insulation and final inspections. Separate inspections are required for trade permits.

Demolition

The contractor shall ensure that all personnel involved in handling and packaging waste will be trained for the level of expertise required for the proper performance of the task. All

construction debris shall be disposed of at a licensed landfill/recycling facility, as regulated by the Maryland Department of the Environment.

Energy Star Requirements

A product or installation shall only be accepted as *Energy Star* rated when it meets all applicable *Energy Star* requirements. These include geographical, environmental, and installation requirements.

Hazardous Material

The contractor and all subcontractors shall perform all hazardous and non-hazardous waste handling and disposal operations in a prudent, conscientious, safe and professional manner. At a minimum, the contractor shall comply with all applicable federal and Maryland Department of the Environment and local laws, regulations and procedures.

Federal Contract Requirements

If applicable, the contractor and all subcontractors employed by the contractor will be required to comply with the applicable federal contract requirements for construction contracts. Prior to the execution of the contract, the contractor will be required to complete and submit all applicable statements, tables and certifications included in the federal contract requirements for construction contracts as well as certifying, if applicable, that the contractor is a minority or woman owned business enterprise (MBE/WBE).

Lead-Based Paint

In accordance with the Lead-Based Paint Hazard Reduction Act of 1992 and Title X regulations, all multifamily units built prior to 1978, which are being rehabilitated with federal and/or State funds, are to be tested for the existence of lead-based paint. The developer is responsible for preparing a Capital Needs Assessment (also known as a Physical Needs Assessment) of the property which shall include lead-based paint testing and the preparation of a Risk Assessment Report for each unit, as prepared by a qualified Risk Assessor. The Risk Assessment Report shall dictate the required methods for the abatement or reduction of any identified lead-based paint hazard which must be incorporated in the plans and specifications for the project

All lead-based paint hazard reduction work may only be performed by qualified workers who are supervised by a certified State of Maryland accredited Paint Removal and Demolition Supervisor. The workers performing the work must have completed a Lead Paint Abatement Worker Safety Training Course. The contractor must also have at least one EPA certified renovator on the job or available when lead based paint work is in progress and all persons performing the work are required to receive on the job training from the certified renovator. All lead-based paint operations are to be performed in accordance with the Code of Maryland Regulations. Workers performing lead hazard control shall be properly protected in accordance with the Code of Federal Regulations, Title 29 Labor, Part 1926.62 (Lead Exposure in Construction with Maryland Amendments).

Throughout the rehabilitation process the contractor must be responsible for ensuring proper work practices for the removal of the lead-based paint hazards, including: (1) the provision of safe egress for the occupants, as applicable; (2) the application of proper dust containment barriers; (3) keeping the work areas clean; (4) properly wrapping and disposing of debris; and (5) providing a final cleaning. Once the lead-based paint work is complete, the property must be determined clear of lead paint dust by the Risk Assessor.

Each occupant is to be provided a copy of the EPA "Protect Your Family From Lead In Your Home" pamphlet.

Demolition

When demolishing a building, all work shall comply with all applicable federal, State and local laws, ordinances and regulatory requirements, including

- (a) United States Environmental Protection Agency (EPA), 40 CFR Part 61, Subpart M, National Emission Standards for Hazardous Air Pollutants
- (b) United States Occupational Safety and Health Administration (OSHA), 29 CFR Part 1926.1101, Asbestos in Construction
- (c) United States Occupational Safety and Health Administration (OSHA), 29 CFR Part 1910.134, Respiratory Protection
- (d) Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq.
- (e) Federal Water Pollution Control Act, 33 U.S.C. Sec. 1257 et seq.
- (f) Clean Air Act, 42 U.S.C. Sec. 2001 et seq.
- (g) Comprehensive Environmental Response Compensation and Liability Act of 2080, 42 U.S.C. Sec. 9601 et seq.
- (h) Hazardous Waste Cleanup-Model Toxics Control Act, RCW 70.105D

The contractor must locate, identify, disconnect and seal/cap off utilities serving structures to be demolished. Underground utilities are to be removed/capped/sealed. The contractor shall schedule and coordinate disconnection with the utility companies, as may be required. Contractor is to conduct building demolition and debris removal operations to ensure minimum interference with roads, streets, walkways and adjacent occupied facilities. Provide shoring, bracing or structural support during demolition to prevent unexpected movement or collapse as needed during demolition. Any building built before 1978 is presumed to contain lead based paint; therefore, contractor is responsible for wetting structure using water mist or other suitable methods to limit dust and dirt before and during the demolition process. Removed demolished materials (except of recycled materials) shall be legally disposed of in an EPA/DEP approved land fill. Do not use cutting torches unless area is cleared of flammable materials.

If additional unforeseen asbestos insulation, any other asbestos, and any suspected lead paint materials are uncovered, demolition work is to be halted immediately.

Site Work

Tree Removal

Tree removal for rehabilitation projects is permitted when it is considered a hazardous condition to structures.

Driveway, Asphalt

Driveways are to be in good condition and free of severe cracks or trip hazards. Prior to installing a new driveway, level the surface with compacted 4 inch CR-6 base. Form, spread and roll 4 inches of bituminous to create driveway. Pitch water from building with a 1/8" per foot slope.

Landscaping

All overgrown tree branches encroaching at or near dwelling unit must be cut and pruned by a qualified landscape contractor or a specialty tree expert.

Shrubs are to be planted with topsoil. Planting bed must be edged and tilled. Weed block, shredded hardwood mulch layer throughout bed is also permitted.

If seeding is required, it shall not be undertaken when the ground is frozen or in freezing weather. The area to be seeded shall be prepared prior to seeding. Areas of existing lawn that are to be over seeded shall be raked to loosen top surface of soil and to remove debris. Grass seed shall be a certified mix formulated for the Mid-Atlantic region. Seed shall be broadcast evenly at rate specified by seed mix used, minimum of two pounds per 1,000 square feet. Mulch of straw or wood cellulose shall be spread evenly.

On slopes greater than 33 percent, mulch netting or equivalent shall be used. Seeded area shall be watered immediately after seeding is completed and kept moist at all times for the first two to three weeks. The contractor shall be responsible for establishing vegetation.

Retaining Walls

All retaining wall work must conform to all applicable building codes. Any lumber used in retaining walls must be designed for exterior use.

Blighted or Substandard Conditions

Any blighted or substandard building or site conditions must be removed, repaired or replaced.

Fence

New or repaired fences are to be true, straight line and plumb. Wood fences are to include preservative treated lumber; 4 inch by 4 inch ground contact rated posts with caps and are to be set at least 30 inches deep in 9 inch diameter concrete sleeves at 8 feet on center.

Foundation

Foundation

All exposed masonry foundations at basement walls must be free of cracks and missing parging. All deteriorated or missing parging is to be cleaned and repaired and painted, as may be required. Foundations can be stone, brick, or concrete block and must be structurally sound. Foundations should be continuous; however, piers are permitted for one story structures or as determined by a structural engineer or architect. New footings must be placed not be less than 30 inches (bottom of footing) deep and all joints must be securely cemented together. Subsoil drains are required for all dwellings with basements, cellars, crawl spaces, or floors below grade and must be located inside and outside of the foundation. When setting block, use type "S mortar" and tooth block, forming a stable and plumb wall section.

Foundation, Vent

All crawl space foundations must be adequately vented to meet code requirements. Foundation vents to be screened, louvered and operational.

Foundation, French Drain System

The installation of a french drain system in the basement floor is to include breaking up concrete slab section at the entire perimeter of the basement and installing a 4 inch perforated drain pipe, set in gravel, to a sump pump pit. Weep holes are to be installed in the foundation walls, as required.

Areaway

Areaways must have a functional drain and be set a minimum of 4 inches below basement entry door. Areaway drains are to be connected to perimeter drain system whenever possible.

Concrete

Concrete, Steps and Landings

Concrete steps and landings to be continuous and free of severe cracks, spalling and trip hazards. All concrete steps and landings are to be level and compacted to 85 percent well drained subgrade. Reinforce with 6x6 welded wire fabric. Form and pour with 4000 psi and 3 percent air entrained. Steps shall be uniform and even, with maximum 7 inch rise and 11 inch run. All concrete shall be broom finished, free of voids and cavities, treated with a liquid curing compound and protected from the weather while curing. Surface shall direct water away from the building.

Concrete, Sidewalks

Concrete sidewalks are to be continuous and free of severe cracks, spalling and trip hazards. All concrete sidewalks shall be 3% air entrained, ready mix, form and pour with 3000 psi with maximum 4 inch slump. Concrete to be set on original soil or wet fill compacted to 90% against straight, solid, forms between temperatures of 40 – 100 degrees Fahrenheit. Reinforce with 6 inch by 6 inch welded wire fabric. All concrete shall be: free of voids and cavities; treated with a liquid curing compound; protected from the weather while curing; and have a broom finish.

The concrete surface shall direct water away from the building. All joints are to be scored at four foot intervals.

Siding

Siding, Brick

Damaged or missing brick and mortar are to be repaired or replaced to give a continuous appearance. Repoint (tuck pointed) with flexible lime mortar must match the existing mortar joints in color, consistency and tooling.

Siding, Brick Cleaning

Exterior brick facades to be cleaned as required with low pressure water (300-500 psi) with non-ionic detergent for dirt. Sand blasting is strictly prohibited; however, chemicals may be utilized for stain or graffiti removal only after application of a test area has been approved.

Siding, Brick Mortar

Mortar is to be mixed not weaker than 1-2-3 ½ and all mixture wet, but not more than 6-3/4 gallons of water to one bag of cement of 94 pounds. When repointing the brick, tooth-in and attempt to match existing color.

Siding, Vinyl

All siding must be weather tight and in good condition. The replacement of siding, at or near the expectant life cycle, is permitted. Deteriorated siding is to be removed whenever practical and new siding, preferably vinyl, is to be installed in accordance with manufacturer's recommendations. The contractor must break seams over studs with a minimum of seams. Prior to siding application any framing, shims or furring strips are to be installed to create a level surface. Air sealing or equal wrap or 1/4" fan fold foam core insulation board is required using manufacturer's approved tape on all seams. Vinyl siding to be virgin vinyl, a minimum .044 thick.

Siding, Accessories/Mailbox

Replacement of missing or unsightly building identification numbers is required. All mailboxes in deteriorated or unsightly condition may be replaced. The new building numbers style and color must be coordinated with mail box and light fixtures.

Siding, House Sealing

All exterior joints and penetrations shall be caulked with a solvent based siding and window caulk. Color to match adjacent surfaces.

Siding, Power Wash

Power washing is permitted for cleaning siding, concrete, decks, and walkways. Use low pressure water (300-500 p.s.i.) with non-ionic detergent for dirt; use water in conjunction with chemicals for other stains; follow manufacturers specifications and recommendations when using chemical cleansers and paint strippers.

Exterior

Carpentry, General

Ceiling heights in habitable rooms must be at least 7 feet. Habitable rooms must be a minimum 70 square feet. Garages must be separated from residence and attic with minimum ½ inch gypsum. All framing within 18 inches of the ground must be pressure treated. A 12 inch heel is required at roof truss bearings for R-38 insulation installation and collar ties or structural ridge at framed roofs less than 3 ½ in 12 pitch.

Carpentry, Wood

Wood shall not rest upon masonry within 8 inches of the ground. There shall interpose between the wood and the masonry a solid continuous layer of solid block or cement mortar at least 4 inches thick, or a hood along the edges of the masonry.

Stoops and Steps

Porches and stoops must be in good condition and structurally sound and include a guardrail when more than 30 inches above grade. Porches can be masonry, concrete or wood frame. Guardrails to be a minimum 36 inches in height and include molded top rail, 4 inch by 4 inch posts and pickets spaced no greater than 4 inches apart. Steps shall be uniform and even and include a separate round white vinyl grip rail. All wood is to be pressure treated and fasteners are to be non-corrosive/galvanized type.

Guardrails and Handrails

Deteriorated or unsightly guardrails and handrails must be repaired or replaced. Install guardrail and handrail wherever floor elevation is 30 inches above grade. Areaways are to have guardrail and handrails installed to meet code.

Exterior Pressure Treated Ramp

Ramps are to be design to be minimally intrusive on the site and placed at side and rear elevations, if possible. The placement of a ramp at the front elevation is to be undertaken only as a last resort and with adequate landscaping/screening to minimize the impact from the street view. Ramps are to be constructed in accordance with ADA and Anne Arundel County code requirements. The structural members are to be pressure treated lumber. Decking is to be 5/4 inch TREX or comparable wood polymer product. Joists are not to exceed 16 inches on center. The deck surface at the door cannot be more than ½ inch below the threshold. Guardrails are to be pre-formed vinyl systems with separate round white vinyl grip rail. Clear inside dimension of ramp must be 40 inches. A level 5 foot by 5 foot clear dimension platform is to be constructed at any point where there is a change in direction and the inclined portion of the ramp cannot exceed a 1:12 pitch.

Windows and Doors

Window, General

All windows must be weather tight and in good condition. Existing single glazed windows at heated finished space should be replaced, whenever possible. If new windows are required, *Energy Star* dual glazed vinyl replacement windows must be installed in existing openings

and/or meet all egress code requirements. Integral grids are permitted to match original window appearance. All operable window openings must have screens. All new windows to include: operable sashes with “welded” seems, insulated glass with a minimum 20 year manufacturer’s labor and material replacement warranty, and a lifetime manufacturer’s warranty on all vinyl, hardware and other parts. All windows are to be caulked at head and jambs and sills checked for positive drainage. All operable windows are to have sash locks and screens. Whenever possible, wrap exterior wood trim with aluminum coil stock back caulk all seams with siliconized acrylic to create an air tight installation.

Window, Egress

Any basement bedroom must have a code compliant basement egress window system. When sizing the window, window well, and the new opening, the contractor shall adhere to the following minimums: no more than 44 inches sill height above finished floor, minimum clear opening of 5.7 square feet, minimum clear opening height to be 24 inches and width to be 20 inches, minimum horizontal area of the window well to be 9 square feet with a minimum horizontal projection of 36 inches. If the vertical depth is greater than 44 inches, a ladder or steps must be installed that is usable when the window is fully open. At window wells, the contractor must excavate at least 12 inches below the level of the window and provide 12 inches of gravel. Sides of the window well shall be concrete or metal. A clear cover is to be provided that can be opened from the inside with the use of a key, tool or force that is not greater than that which is required for normal operation of the window.

Window, Bedroom

Each bedroom must have a window. A new bedroom window must have a minimum clear opening of 5.7 square feet (minimum 24 inch width, maximum sill height of 44 inches). The Construction Specialist should match the existing window in terms of light configuration and include a screen. Interior sills and trim are to be replaced, as required.

Window, Hopper/Basement

Replacement of deteriorated or single glaze hopper/basement windows is permitted. New replacement windows are to be *Energy Star* vinyl, hopper, dual glazed replacement window units. Include screen, sash lock, and wrap exterior trim with aluminum coil stock. New window unit to be sized to existing opening and include a new pressure treated frame, if required.

Window, Glass Block

The installation of 4inch thick glass block is permitted. Properly strick-up and sealed both sides. Install have built in operable vent with screen when required for ventilation.

Window, Screen

At least one window in each finished room must have a removable screen.

Window, Shutters

Any deteriorated or unsightly shutters may be removed and replaced with new shutters at the front and side elevations. Shutters may be vinyl type with stationary slats and are to be correctly sized to the window openings.

Door, Entry

Entry doors are to be in good condition and weather tight. Replacement door and jamb is to be insulated *Energy Star* rated pre-hung metal/fiberglass with exterior brick molding and interior casing trim. Rear door should be 9 lite two panel type or approved equal. Basement door should be six-panel or approved equal. Wood flat or panel or wood paneled entry doors are not permitted unless existing door opening size does not permit pre-hung metal door. Installation shall include all weather-stripping, thresholds, lockset, deadbolt, door stop hardware and interior/exterior trim. All new door hardware must be medium grade Kwikset/Schlage or approved equal and keyed alike.

Door, Storm

All existing storm doors must be operational. All hardware must be safe and operate properly.

Door, Interior

Interior doors to be pre-hung split jambs Masonite or equal panel doors with lockset, handle and new casing trim. Doors and trim shall be painted or stained.

Roof

Roof, General

All roofs are to be leak free and in good condition. The base sheet, drip edge and flashing must all be applied in accordance with manufacturer's recommendation. Roof replacement is to be performed by a manufacturer certified firm. Roof covering replacement shall include the removal of existing roof layers down to the sheathing.

Roof Flashing

Flashing is to be aluminum. Counter flashing must be toothed into mortar joints and sealed for a weather tight application. Self-sealing flashing collars are to be installed at all vent pipes penetrating thru roof. Flashing at dormers is to be "stepped." All roof valleys to receive metal flashing. **Roof weave valleys are not permitted.** Contractor is to seal all exposed nails with roofing cement.

Roof Shingles (3:12 or greater pitch)

New roof covering to include aluminum drip edge at roof perimeter and 15 lb. felt. At minimum roof material to be 225 lb., self-sealing fiberglass/asphalt strip 3-tab butt shingles. Existing flashing is to be replaced with .019 aluminum, including valleys. A 25 year minimum manufacturer's warranty must be specified. At roofs with less than 4:12 pitch, install shingles with 4 inch reveal. Roof replacement is to be performed by a qualified roof contractor.

Roof EPDM-Fully Adheared (less than 3:12 pitch)

Roof surfaces with less than 3:12 pitch shall receive 40/45 mil EPDM Energy Star rated reflective type, single ply roof, fully adhered with adhesive per manufacturer's specifications. Granular finished modified APP bitumen membrane reinforced with non-woven polyester fabric is also acceptable. The method of application is to be torch applied with mechanical fasteners beginning at the low point of the roof. A 10 year minimum manufacturer's warranty is required. Roof replacement is to be performed by a qualified roof contractor.

Roof Ridge Vent

All roofs are to be properly ventilated. The preferred method of ventilation is to cut vent slot into roof deck and install, per manufacturer's specifications, a shingle-over ridge vent.

Roof Sheathing

Roof sheathing is to be in structurally sound condition with CDX plywood sheathing or planking installed as required for a smooth roof deck surface. Use plywood clips where rafters are greater than 16 inches on center.

Roof Repair/Asphalt

Roof repair is to be performed by a qualified roof contractor. Repairs shall include tacking of loose roof coverings, cutting out and repairing all bubbles and the replacing and securing of all loose or missing flashing. The roof shall be hot mopped with 1 ½ pounds of asphalt per square foot to provide a leak free installation for two years.

Chimney Cap

Chimney caps are to be installed to prevent the infiltration of rain water. Metal chimney caps to be galvanized.

Gutter/Downspout

Gutters and downspouts must be in good condition. Gutters and downspouts are to be installed to direct storm water from the residence. All standard gutters to be .027 gauge thicknesses, 5 inch "K" style seamless. Downspouts and elbows are to match gutters and be properly fastened with preformed straps and pop rivets. Properly angled splash blocks or extensions are to be installed at the end of each downspout. Each gutter run of 30 linear feet must have a downspout.

Facia and Rake

All fascia and rake must be in good condition and free of missing, peeling or flaking paint. Deteriorated rear fascia boards are to be repaired or replaced, as required. Aluminum trim is to be .027 white aluminum breaker stock. Contractor shall be required to back caulk all seams with multi-polymer siding and window caulk to create an air tight installation.

Soffit

Soffit must be in good condition. Wrap deteriorated soffit with pre-formed vinyl soffit. Seal all seams with siliconized acrylic caulk to create an air tight installation. Install .040" thick vinyl dent resistant soffit. Specify perforated vinyl soffit in conjunction with ridge vents.

Energy Efficiency Improvements

Energy efficiency measures include air sealing (weather-stripping, caulking), wall and ceiling insulation, heating system improvements or replacement, efficiency improvements in lighting, hot water tank and pipe insulation, and refrigerator replacements with highly efficient *Energy Star* rated units.

Insulation

All batt and roll insulation shall be Owens Corning or equal with Kraft paper facing installed per manufacturer's direction. Minimum R values are listed below:

- exterior walls: R-20;
- floors and crawl spaces: R-19
- attic or ceiling: R-49
- crawl space walls: R-13
- sill plate insulation shall be installed per best industry practice
- basement walls: R-10/13

Air Sealing

Whole house air seal is to be provided by seal draft stopping all penetrations made for windows, doors, wiring, plumbing, HVAC, or any other reason from floor to floor, and floor to attic including any framing plates and chases. Outlet and switch cover plates mounted on exterior walls may be fitted with draft protector gaskets.

Attic Access

A readily accessible attic access opening of not less than 22 inches by 30 inches shall be provided to any attic area having a clear height of over 30 inches. The installation of a pull-down wood insulated attic stairs with manufacturer's weather stripping is permitted.

Carpentry/Finishes

Window and Door Framing

Double studs and headers are required at all new windows and doors. All window and door headers must be set on top of the studs, and set on edge. For all single window and door openings, not exceeding 48 inches, the headers shall not be less than double 2 by 4 supporting one floor or roof. For all twin openings not exceeding 72 inches, the headers shall not be less than double 2 by 6 supporting one floor or roof. All headers must be braced at the top.

Interior Wall Framing

All new interior wall framing shall have single two inch by four inch studs 16 inches on center, with top and bottom plates, blocking, nailers and headers installed to code. All new bearing walls must have double top plates.

Interior Floor Framing and Subfloor

Deteriorated floor framing and subfloor is to be replaced in accordance with building code standards.

Closet Shelf/Pole

All closets shall have either a metal vinyl coated shelf/pole hanger system or a traditional wood shelf and pole. If the closet has more than a four foot span, then there shall be a center support bracket. All mounting brackets must be properly screwed into the wall framing.

Finishing

All interior joints in wood trim, wood trim to drywall seams, door jambs to vinyl or ceramic floor, and all counter/vanity tops to drywall shall be caulked prior to painting with an acrylic latex with silicone caulk, as manufactured by DAP or approved equal.

Kitchen and Bathroom Cabinetry

New kitchen and bathroom cabinets shall (i) have frames, rails, stiles, and drawer fronts of solid wood; (ii) door panels of solid wood or engineered wood product with wood veneer covering, or approved equal; and (iii) have a cabinet box with $\frac{3}{8}$ inch engineered wood sides and metal or plastic corner bracing, or approved equal. Drawers shall be made of plywood or engineered wood material with water resistant covering on interior surfaces, or approved equal.

Counter Top

New counter tops shall include back splash and finished ends. The counters shall be properly secured to the base cabinets with screws. Granite, corion, silestone or tile counter tops are permitted. All counter top and backsplash joints shall be caulked with a 100% mildew resistant silicone caulk of matching color.

Drywall

New wall and ceiling coverings shall be minimum $\frac{1}{2}$ inch gypsum wall board, except where a fire rating is required. Where a fire rating is required, all applicable fire blocks and $\frac{5}{8}$ inch fire rated drywall must be installed per the NFPA code. Drywall shall be installed with construction adhesive and screw fasteners and finished with tape and three coats joint compound with sanding. Corners shall be metal corner bead finished with three coats joint compound.

Interior Stairways

Original non-code compliant stairways do not need to be replaced if they are level, and uniform. New stairways must be a minimum of 3 feet wide, provide minimum headroom of 6 feet and 8 inches, have a minimum tread of 9 inches and a maximum riser of 8 $\frac{1}{4}$ inches. Install guardrails and handrails at all stairways over 30 inches in height.

Floor Coverings

Carpet and Pad

New carpet and padding shall be FHA approved nylon carpet factory applied stain resistant treatment, pile yarn weight of at least 40 ounce, on a $\frac{1}{8}$ inch machine gauge. The pad shall be at least $\frac{1}{2}$ inch to $\frac{3}{4}$ inch medium density (six pound minimum) rebound polyurethane with minimum seams. The installation will include stretching the carpet to eliminate puckers, scallops and ripples, and shall include tack strips, metal edge strips, and mending tape. Carpet shall cover the entire floor including closets.

Ceramic Floor Tile

Floor tile shall be rated for floor use, including preformed threshold. Tile shall be adhered solidly to a cement backer board installed over a sound sub-floor and completely grouted. When replacing the tile, it shall be installed over $\frac{1}{2}$ inch concrete backer board underlayment

screwed down with galvanized screws. Tile shall be set into a flex-bond mortar. All installation shall include preformed base, cap, stop, return and trimmer pieces.

Vinyl Sheet Goods

Vinyl sheet flooring shall be installed with a minimum of seams, and per manufacturer's recommendations. Installation shall include metal edge strips in openings and finished shoe molding at perimeter. Vinyl flooring must be warranted by manufacturer for at least 15 years. Comparable vinyl composition tile is acceptable. Underlayment shall be underlayment grade lauan plywood, installed with construction adhesive, screws eight inch on center in all directions. All seams shall be flash patched to a smooth, even surface. Underlayment shall be prepared for resilient flooring per manufacturer's specifications.

NOTE: Green linoleum flooring is a permitted substitute for vinyl sheet goods. Install all flooring with adhesives that are 100 percent solvent free and meet all low VOC requirements.

Composite / Wood Flooring

Prefinished pre-engineered wood, laminate, floating style including bamboo flooring must be installed according to manufacturer's specifications including the installation of underlayment if required. Laminate, floating style and prefinished will be limited to medium grade selections.

Paint Requirements

Surfaces are to be painted only when they are free from moisture. No painting on exterior surfaces shall be done less than 72 hours of actual drying weather after a rain, nor during periods of dew or fog. No painting shall be done when temperature is below 50 degrees. No show-through, runs, sags or brush marks.

All surfaces shall be sanded, filled, caulked or otherwise prepared to provide a seamless, smooth, finished appearance.

Paint shall be applied according to best practice for coverage and appearance. Contractor shall clean and retouch work as necessary.

Electrical

A minimum of 30 inches width and 36 inches front working space is required around all electrical equipment. All wires shall be fished. Exposed wire or conduit shall not be permitted.

Electrical Service

Replacement of existing substandard electrical services shall be 150 or 200 amp with main disconnect, 110/220 volt, panel board with all circuits according to code. Installation shall include weathercap, entrance cable, EMT, meter socket, ground rod and ground cable for complete installation. The placement of an electric service panel in a closet is prohibited. Masts must be properly secured and at a height to meet code.

Safety Inspection

If there have been apparent alterations or deterioration noted to the original wiring, a safety inspection of the visible electrical system must be completed by a licensed electrician.

Exterior Light Fixtures

All exterior light fixtures are to be in good condition. As required by the building code, all exterior entry doors must have a light fixture in good condition. If a new light fixture is to be installed, then the new light fixtures styles must be coordinated with house numbers and mailboxes. All other exterior light fixtures must be in good condition. All new fixtures must include *Energy Star* compact fluorescent bulbs. Replacement light fixtures shall be UL listed.

Exterior Receptacles

Exterior, bathroom and kitchen receptacles should be GFCI protected as required by code. Any new bedroom receptacle circuits shall have arc protection circuit interruption protection.

Photocell Security Light

The installation of a dusk to dawn photo cell exterior light fixture is recommended.

Receptacles

All bathroom and kitchen receptacles must be GFCI protected as required by code. Any new bedroom receptacle circuits shall have ARC protection circuit interruption protection.

Light Fixtures

All wires shall be concealed wherever possible. *Energy Star* compact fluorescent bulbs shall be installed in new interior fixtures. Replacement light fixtures shall be UL listed. Recessed lights coming into contact with insulation must be IC rated.

Bathroom Fans

Bathrooms without a window must have exhaust fans vented to the exterior and may be switched separately. In addition, switch controlled, *Energy Star* Rated FV-08VKML2 fan/light combo by Panasonic exterior ducted/vented, with damper, and plastic/chrome faceplate, or approved equal are also permitted.

Interior Light Bulbs

Energy Star compact fluorescent or LED bulbs shall be installed in new fixtures, unless the fixture is on a dimmable switch.

Smoke Detector

Every dwelling unit must have interconnected smoke alarms in each bedroom, at the entrance to each sleeping area and at each house level. If there is an attic, crawl space, or basement available which provides access for hardwiring and interconnection without the removal of interior finishes, the required smoke alarms shall receive their primary power from the building wiring when such wiring is served from a commercial source, and when primary power is interrupted, shall receive power from a battery. Wiring shall be permanent and without a disconnecting switch other than those required for overcurrent protection.

Carbon Monoxide Detector

A carbon monoxide detector is to be installed in any unit heated by the burning of a fossil fuel.

Separate Circuits

Dryers, washing machines, range, appliances, water heaters, hvac equipment and sump pump must have separate circuits and receptacles.

Vanity Light Fixture

A separate vanity light fixture with a separate switch is recommended.

Crawl Space and Attic Light Fixture and Switch

Each crawl space and attic area should have a switch controlled light installed.

Plumbing/Mechanical

Replacement of Public Water and Sewer Line

The new water line shall be laid without joints from meter hub to main shut off valve inside structure. The utility trench is to be filled and mounded in anticipation of future earth settlement. The contractor is to be responsible for any required regrading within the one year warranty period. All galvanized lines should be replaced.

Supply Pipe

If needed, new hot and cold water supply pipes shall be either PVC cold, CPVC hot water supply lines, or type M rigid copper supply lines with silver/tin solder. Solder shall not contain lead. All fixtures shall have PVC or brass shut off valves.

Waste Pipe

New waste pipes shall be schedule 40 PVC pipe and fittings, solvent welded after with dyed cleaning solution. Waste pipes are to be installed with hangers three feet on center without critical damage to structural members.

Bathroom Sinks and Vanity

Replacement of defective or worn existing bathroom vanities is permitted and shall follow the cabinet standards as stated herein and may include a cultured marble or similar quality top. All bathroom sinks shall include brass bodied, single lever faucet, Moen or an approved equal.

Commode

Commodes to be water saving styles with a pressed wood or better seat. Installation shall include plastic supply pipe, shut-off valve, flap valve, wax seal, and all other fittings and accessories, for a complete installation. Dual flush commodes are permitted. Accessible commodes with elevated seat and elongated bowls are also permitted.

Kitchen Sink

Kitchen sink to be either a single or double bowl, stainless steel, molded composite, or self-rimming sink.

Laundry Tubs

Basement laundry tubs to be Swan Swanstone Laundry Tub, Veritek, Model MF-1F or comparable with 22 gallon capacity, molded-in wash board style or equal.

Faucet

All new faucets shall be brass bodied, Moen or equal and include a five to ten year drip-free warranty.

Sump Pump

New sump pumps shall be $\frac{1}{3}$ - $\frac{1}{2}$ horse power submersible sump pump and may include new plastic pit liner. The new sump pump assemblies shall include discharge piping to exterior and splash block, on an independent appliance receptacle. The discharge pipe shall have check valve. Associated electrical wiring is to meet code.

Tub/Shower

Bathtub/shower to be gel coated fiberglass complete with lever operated pop up drain and overflow assembly, single lever scald-proof shower diverter (Moen or equal), and shower rod or sliding glass door. Tub surrounds shall be ceramic or three to five piece fiberglass kit with a built in soap dish, or an approved equal. Ceramic wall tiles shall be installed over $\frac{1}{2}$ inch concrete backer board, or approved equal, or per manufacturer's installation instructions. All tub to surround, wall and floor abutments shall be caulked with a 100% mildew resistant silicone caulk of matching color, as manufactured by DAP or approved equal. Plastic tubs are not to be accepted.

Dryer Vent

Installation of new or replacement dryer exhaust to include a weather head and air backflow preventer.

Washer Hook Up

Installation of washer hook-up to include PVC grey box, with hot and cold hose faucets, two inch drain waste vent and connection to water supply and sewer line.

Water Heater

New water heater shall be 30 to 50 gallon, glass lined, high recovery, units with a 10 year warranty, installed using existing power supply. A replacement water heater shall include pressure and temperature relief valves, discharge tubes to within six inches of floor or to outside of structure, thermal expansion protection device sized to water heater and other items as may be required to meet the plumbing code.

Solar Hot Water

Solar hot water systems must be sized to accommodate the current size of the residence. System shall be rated OG 100 by the Solar Rating and Certification Corporation. The collector component(s) shall be tested in accordance with either SRCC standard 100, "Test methods and minimum standards for certifying solar collectors," SRCC TM-1, "SDHW system and component test protocols," or a similar test procedure approved by SRCC provided that the alternate test procedure includes the durability tests specified in section IV of SRCC Standard 100 and the

collector component of the system meets the collector standards specified in section VI of SRCC Standard 100. The collectors must be authorized for use on SRCC certified systems and have been tested by an SRCC certified testing laboratory and in turn certified and rated by SRCC. Systems shall be a closed loop, pressurized, no-bleed, and freeze proof type with propylene glycol heat transfer medium. The system must include pump, valves, temperature gauges, flow meter, safety pressure relief valve air separator and controller. Tank shall be sized to the system electric element back-up. Insulate all new interior piping. The system must also be equipped a mixing or anti-scald valve with a means for automatically limiting the temperature of the hot water at the fixtures to a selectable temperature. Solar shading analysis and recommendations for tilting are required.

Tankless Water Heater

A tankless water heater may be installed. Install Bosch PowerStar or equal tankless water heater sized to the residence requirements and able to provide 3.7 gallons per minute for water usage at 105 degrees.

HVAC

New hvac equipment shall be *Energy Star* rated and made to operate safely without leakage, noise, or vibration. All penetration of building components shall be neat, sleeved and fire stopped and shall not compromise structural integrity. Replacement heating units shall be sized by use of Manual J. Adequate outside combustion air shall be provided as required for unit. Thermostat shall be basic manual (digital programmable) and centrally installed.

Air Conditioner

New central air conditioning system shall be 16 SEER *Energy Star* compressor with fan coil sized to meet code. Refrigerant lines shall be copper tubing. Suction lines shall be insulated with appropriate polymeric insulation. New compressors shall be placed on a suitable concrete or pre-manufactured pad. Installation shall include condensate lines, drip pan and electrical connection for complete installation. NOTE: Installation of new Goodman equipment is not acceptable under any circumstances.

Duct Work

Duct work installation is to include; plenums, galvanized main supply ducts, flexible supply ducts no longer than 12 linear feet, galvanized returns, vents and register covers. Return grills and supply registers are to be installed in a high and low configuration. Registers shall be double deflecting type with opposed blade dampers or approved equals for ceiling mount. Mastic is to be used to seal duct seams. Contractor must also obtain all necessary permits and complete inspections to current AACO code. All new central air hvac systems to have exterior filter slot in return air duct or at return register at a location that is easy to access.

Heat Recovery Ventilators

The installation of heat recovery ventilation is permitted along with the sealing of air leaks.

Appliances

Range Hood

New range hood shall include *Energy Star* rating and integral controls capable of 100 to 200 CFMs with enameled or stainless, lighted range hood, exterior venting is preferred but not required.

Refrigerator

A new refrigerator shall be *Energy Star* rated, two door, top freezer, side by side, or bottom freezer frost free refrigerator with 18 to 22 cubic feet, and may include ice maker.

Dishwasher

The installation of a new dishwasher may also be incorporated with new kitchen cabinets. A new dishwasher shall be built-in *Energy Star* rated and installed per manufacturer's recommendations.

Microwave

An installed rated microwave is allowed with either recirculating or exterior venting.

Garbage Disposal

An existing defective garbage disposal may be replaced with new ½ HP garbage disposal, using existing wiring. New switch and cover at counter may also be installed.

The effective date of these Multifamily Rehabilitation and New Construction Standards is July 2018.

Kathleen M. Koch, Executive Director

Date

APPENDIX III

0% Interest Rate Option with Contingent Interest

(Note: Please email ACDS at lbanks@acdsinc.org for an excel version)

#VALUE!

0% Interest Rate OPTION with "Contingent Interest"
 (enter amounts in the yellow-shaded, blue-font cells only)

A. Surplus Cash Split Calculator

ALL State Soft Debt*	Local Government Soft Debt	DHCD %	Local Government %	Developer %	Total %	Comments	% Splits w/ Deferred Dev Fees		
							DHCD	LG	Dev

* Soft Debt includes any DHCD loan source, whether cash flow or alternative terms

B. Allocation of Total Project Costs for Sharing in Contingent Interest Obligation

	ALL State Soft Debt*	Local Government Soft Debt	Total Project Costs	Comments
Dollar Amount	\$0	\$0		
% of Total Project Costs	0.00%	#DIV/0!		

* Soft Debt includes any DHCD loan source, whether cash flow or alternative terms

NOTE OF KEY SURPLUS CASH PROVISIONS UNDER THIS OPTION

- 1) DHCD will generally receive at least a 50% Base Percentage of Surplus Cash (never to exceed 75%)
- 2) DHCD will receive no more than 50% of Surplus Cash until Developer Deferred Fees are Paid with Developer Share of Surplus Cash at least 25%
- 3) Prorated DHCD and Local Government Surplus Cash Split, with the following parameters:
 - a) Soft Debt Contribution from Local Government must be a minimum of \$250,000 and loan terms are the same as the RHP Soft Debt
 - b) The maximum Surplus Cash Split to Local Government is 25.00% unless the Local provides over 60.00% of the total Soft Debt
 - c) An equal split between DHCD and Local (37.50% each) when Local Government's Soft Debt is over 60.00% of the total Soft Debt
- 4) Soft Loan Interest Rate of 0% (Local Government terms are the same as DHCD's terms)
- 5) DHCD and Local Government Share of Surplus Cash is Uncapped by the Annual Debt Service Amount Due
- 6) DHCD and Local Government Share in Contingent Interest at Capital Event

1. Hypothetical Annual Surplus Cash Calculator						2. Hypothetical Contingent Interest Payment			
Annual Cash Flow	Unpaid Deferred Developer Fee	Paid towards DHCD Soft Debt	Paid towards Loc Gov Soft Debt	Retained by Developer	Total Cash Flow	Available Cash Flow to Pay Contingent Interest	Paid to DHCD	Paid to Local Government	Retained by Dev/Partnership
		#VALUE!	#VALUE!	#VALUE!	#VALUE!		\$0	#DIV/0!	#DIV/0!