



Appendix E

Section Contents...

- Housing Trust Fund Action Plan

**National Housing Trust Fund (HTF) Program
Annual Action Plan
Program Year 2017**

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Table of contents:

HTF Program: One-Year Action Plan - 3 -

1. HTF Eligible Entities..... - 3 -

2. HTF Funding Activities - 3 -

 Rental Housing..... - 3 -

3. HTF Program Funds Allocation..... - 3 -

4. Administrative funds..... - 4 -

5. Mode of HTF investment..... - 4 -

6. HTF Written Agreement Award Instrument - 4 -

7. HTF Written Agreement Performance..... - 5 -

8. Compliance Monitoring..... - 5 -

9. Affirmative Marketing, Minority Outreach, and Fair Housing - 6 -

10. Language Access - 8 -

11. HTF Subsidy limits..... - 9 -

12. Period of Affordability - 9 -

13. Resale and Recapture Options..... - 9 -

14. Leverage - 9 -

15. Troubled Public Housing Authorities..... - 10 -

16. Projected Production - 10 -

17. Application Process - 10 -

18. Written Agreement Performance Measurement..... - 11 -

HTF Program: One-Year Action Plan

Introduction: The State of Oklahoma's allocation of HTF funds for Program Year 2017 has not been established yet. It is estimated that it will be approximately the same as the \$3,000,000 allocated for the 2016 Program Year. The range of proposed activities planned for 2017 is the same as Program Year 2016.

Title 24 Code of Federal Regulations, Part 93, governs this program. Those regulations are incorporated by reference in this Action Plan. The primary goal of the OHFA HTF Program is to retain and increase the supply of decent, safe, and sanitary affordable housing for individuals or households with incomes of no more than 30% of Area Median Income (AMI), or the Poverty Level, whichever is greater.

Service Area

Applications for HTF funds will be accepted from all parts of the State of Oklahoma. HTF funds go only to states, and therefore OHFA, as the designated allocating agency for the State of Oklahoma, will be the only source of HTF funding for the State.

1. HTF Eligible Entities

OHFA plans to partner with the following entities. Only these entities are eligible to receive HTF funds from OHFA.

State Recipients: Units of general local government, including cities, towns, counties and Indian tribes.

Nonprofit Developers: Private, nonprofit housing development organizations may receive an award of HTF funds. Nonprofit developers may undertake individual projects that comply with the HTF Program requirements.

Private, for-profit Developers: Private, for-profit developers are eligible to apply for HTF funds for eligible projects in the same manner as nonprofit developers.

2. HTF Funding Activities

Rental Housing

HTF funds may be used by eligible applicants for acquisition, rehabilitation, acquisition and rehabilitation, or new construction of affordable rental housing.

3. HTF Program Funds Allocation

OHFA will use the funds allocated for Program Year 2017 in accordance with the percentages listed below. The percentages identified below will be used to calculate the final dollar amounts.

Administrative Funds

Ten percent (10%), of the annual allocation will be used for administration. These funds will be used by OHFA to support its overall program delivery and monitoring.

Rental

Ninety percent (90%) of the annual allocation shall be used for Rental projects serving individuals and households at 30% of AMI or less, or at or below the Poverty Level, whichever is greater. .

General Information on Funds Allocation:

All amounts set forth in this Action Plan may be changed at the discretion of OHFA, except where mandated by HTF Program rules. Such decisions shall be based upon demand, need, efficient resource use, and other Program-relevant considerations. Funding awards are subject to the availability of HTF funds and the timing needs of individual Projects.

Recaptured Funds

If OHFA recaptures any HTF funds, they will be allocated by OHFA to eligible activities. In the event a significant amount of funding becomes available, a public announcement of the availability of funds may be made.

4. Administrative funds

OHFA will use all of the administrative funds for its costs of administering the HTF Program for the State of Oklahoma. OHFA will not accept Applications for administrative funds.

5. Mode of HTF investment

OHFA shall award HTF funds in the form of deferred, forgivable loans. For certain eligible entities, OHFA may consider awarding grants

6. HTF Written Agreement Award Instrument

Written Agreements will be used to contract with funded Applicants in order to implement proposed HTF activities and govern project execution. **All Written Agreements will provide for protection of the Period of Affordability throughout its entire term.**

At OHFA's discretion, a pre-agreement meeting between OHFA, the HTF Awardee, and any Project partners may be required prior to execution of Written Agreements.

Activity and design modifications to funded projects are strongly discouraged. **Activity and design modifications cannot be made to funded Projects without the prior written approval of OHFA.**

Extensions of Written Agreement periods may, at OHFA's discretion, be permitted for any HTF Awardee that can demonstrate that the Project is proceeding in a manner such that completion of the Project is certain in the time identified. **However, Written Agreements cannot be extended beyond the Project completion deadlines set forth in the HTF Interim Rule.**

Funded Applications are subsequently made a part of all Written Agreements between OHFA and the HTF Awardee. Unapproved variations to funded Project designs are considered

violations of contractual agreements and may result in disallowed costs, the repayment of HTF funds, or possible suspension from future Program participation.

Projects selected for funding in conjunction with Applications for Affordable Housing Tax Credits (AHTC) may receive a contingent HTF commitment, since they may be considered prior to a reservation of Tax Credits. Contingent commitments will be withdrawn should an Applicant be unable to obtain a reservation of Tax Credits within the time period specified by OHFA.

Projects selected for funding that involve the acquisition and rehabilitation of existing housing, and the specific address or addresses of the housing unit(s) cannot be identified at the time of application, will also receive a contingent HTF commitment. **No Written Agreement can be executed without a specific address or legal description.** Therefore, for these projects, the Written Agreement will be executed once the legal description, address or addresses have been determined.

Other contingent HTF commitments may be permitted due to the timing of other funding sources. Such contingent commitments will be at OHFA's discretion.

Contingent commitment amounts are good faith estimates by OHFA and may be adjusted based on the actual award of other funds, or the work write-ups and cost estimates of acquisition/rehabilitation Projects. OHFA may reduce the amount of the contingent award, but **under no circumstances will OHFA increase the amount of a contingent award.**

7. HTF Written Agreement Performance

OHFA regularly assesses the performance of its HTF partners. Based on the performance pursuant to the requirements contained in its Written Agreements and the Program regulations, OHFA may withdraw funding due to non-performance, poor performance, and/or untimely performance. In addition, OHFA may, at its discretion and within its regulatory authority pursuant to 24 CFR Part 93, reassign untimely Written Agreement funding in order to affect timely expenditure, performance, and Project completion.

Satisfactory performance in regard to HTF Written Agreements is a threshold requirement for all Applications for new awards of HTF funds. The 2017 HTF Application will set forth specific performance standards. Failure to meet these performance standards will be grounds for denial of any new Application for HTF funds. **Some information on how Written Agreement performance will be measured can be found in Section 18 of this Action Plan, "Written Agreement Performance Measurement".**

8. Compliance Monitoring

These compliance monitoring procedures apply to all buildings placed in service in Oklahoma, which have received allocations of HTF funds determined under the HTF Regulations. The compliance monitoring procedures and requirements are as follows:

- A. OHFA will verify that the Awardee of a low-income housing Project is maintaining records for each qualified low-income unit in the Project. These records must show, for

each year in the compliance period, the information required by the record-keeping provisions contained in the HTF Regulations, incorporated herein by reference.

- B. OHFA will verify that the records documenting compliance with the HTF Regulations for each year as described in Paragraph A above are retained for the entire affordability period.
- C. **OHFA will conduct construction inspections** in order to ensure that HTF funds are not being drawn down for work that has not been completed, work that has not been done according to the specifications of the Written Agreement, or costs that are ineligible for HTF funding.
- D. OHFA will inspect one hundred percent (100%) of the HTF Written Agreements as prescribed by HUD regulations and will inspect the income certification, the documentation the Awardee has received to support that certification, and the rent records for Rental Projects.
- E. OHFA will perform on-site inspections at the time of property completion and, at a minimum, every three years thereafter, in order to determine compliance with construction standards and physical condition standards. **All HTF-assisted Rental housing must meet the Uniform Physical Condition Standards, or UPCS.** HTF Compliance monitors will not conduct a REAC inspection, but will monitor for any violations. OHFA may perform more frequent on-site inspections based upon a risk assessment of all projects.
- F. The Awardee must allow OHFA to perform an on-site inspection of any low-income unit and/or building in the Project through the end of the Period of Affordability. This inspection may be separate or in conjunction with any review of tenant files, and will include habitability requirements.
- G. During programmatic monitoring activities, OHFA shall review Program Awardees' affirmative marketing, minority outreach, and fair housing activities to ascertain compliance with standards established by HUD's Fair Housing Office.
- H. OHFA will promptly notify the Awardee in writing if OHFA is not permitted to inspect and review as described in Paragraphs C, D, E, F and G, or otherwise discovers that the Project does not comply with the HTF Regulations. In such event, the Awardee will be allowed a correction period to supply missing documentation or to correct noncompliance.
- I. OHFA will notify HUD of an Awardee's noncompliance or failure to certify no later than forty-five 45 days after the end of the time allowed for correction and no earlier than the end of the correction period.
- J. Compliance with requirements of the HTF Regulations is the responsibility of the Awardee and the owner of the building for which HTF funds are loaned or granted. OHFA's obligation to monitor for compliance with the requirements of the HTF Regulations does not make OHFA or the State of Oklahoma liable to any owner or to any shareholder, officer, director, partner, member or manager of any owner or of any entity comprising any owner for an owner's non-compliance therewith.

9. Affirmative Marketing, Minority Outreach, and Fair Housing

All Applicants for HTF Program funds for projects of (5) or more units must adopt affirmative marketing procedures and follow all affirmative marketing requirements for all HTF-assisted housing. Affirmative marketing requirements and procedures must include:

- methods for informing the public, owners and potential tenants about fair housing laws and the policies of the local program;
- a description of what owners and/or the program administrator will do to affirmatively market housing assisted with HTF Program funds;
- a description of what owners and/or the program administrator will do to inform persons not likely to apply for housing without special outreach;
- maintenance of records to document actions taken to affirmatively market HTF-assisted units and to assess marketing effectiveness; and
- a description of how efforts will be assessed and what corrective actions will be taken when requirements are not met.

In order to achieve compliance with the Affirmative Marketing, Minority Outreach, and Fair Housing requirements, Written Agreements shall be executed between OHFA and all Program Awardees. Written Agreements shall prohibit discrimination on the basis of race, color, national origin, religion, sex, age, handicap, or familial status in connection with any activities funded with HTF Investment Partnerships Program assistance.

Implementation manuals shall be provided to Awardees and shall contain information regarding Affirmative Marketing, Minority Outreach, and Fair Housing Standards and Procedures. At a minimum, Written Agreements shall require all contractors and subcontractors to comply with equal opportunity requirements, procurement efforts to solicit the use of minority and women's business enterprises, undertake activities to further fair housing, and, where five (5) or more units are HTF- assisted, implement Affirmative Marketing procedures.

OHFA is required to prescribe procedures acceptable to the Secretary of HUD to establish and oversee a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and legal firms, in all Written Agreements, entered into by the Participating Jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the Participating Jurisdiction to provide affordable housing authorized under the Act or any other federal housing law applicable to such jurisdiction.

Minority Business Enterprises/Women Business Enterprises

Applicants will be required to solicit and encourage the participation of Minority Business Enterprises/Women Business Enterprises (M/WBEs) in connection with their Project. **Applicants must affirm and certify to the same in their Applications or they will not be eligible to receive an award of HTF funds.**

Recommended Methods for the Encouragement of M/WBEs:

The following methods are recommended for Applicants who wish to encourage the participation of M/WBEs on HTF-assisted contracts:

- (i) Actively and affirmatively solicit bids for contracts and subcontracts from qualified M/WBEs, including solicitations to minority and women contractor associations;
- (ii) Ensure that plan specifications, request for proposals and other documents used to secure proposals for the performance of work or supply of materials will be made available in sufficient time for review by prospective M/WBEs;

- (iii) Divide, where economically and technically feasible, the work into smaller portions to enhance participation by M/WBEs;
- (iv) Encourage, where economically and technically feasible, the formation of joint ventures, partnerships or other arrangements among contractors to enhance participation by M/WBEs;
- (v) Consult with and use the services of governmental agencies, their consultants and contractor associations to further the participation of M/WBEs;
- (vi) Ensure that progress payments to M/WBEs are made on a timely basis and with such frequency that undue financial hardship is avoided and other credit requirements are waived or appropriate alternatives developed to encourage M/WBE participation;
- (vii) Make written solicitations in a timely fashion of M/WBEs listed in the Minority and Women-Owned Business Directory; and
- (viii) Make timely responses to any advertisements and solicitations provided by M/WBEs.

Reporting

All applicants must submit M/WBE Utilization reports, which will include, but are not limited to the following:

- (i) The name, address and telephone number of each M/WBE the Applicant intends to use;
- (ii) A brief description of the contract scope of work to be performed for the Applicant by each M/WBE and the scheduled dates for performance;
- (iii) A statement of whether the Applicant has a written agreement with each M/WBE, and if requested, copies of the agreements the applicant is using or intends to use;
- (iv) The actual total cost of the contract, the work performed and the materials provided, scope of work to be performed by each M/WBE for each contract;
- (v) The actual amounts of any payments made by the Applicant to each M/WBE as of the date the compliance report was submitted; and
- (vi) The percentage of total contractors, subcontractors, vendors and suppliers utilized for the project and the total prices for each.

10. Language Access

Recipients of federal financial assistance, including HTF funds, are required to provide meaningful access to their programs and services for persons with limited English proficiency (LEP). The U.S. Supreme Court has held that failing to take reasonable steps to ensure meaningful access for LEP persons is a form of national origin discrimination prohibited by Title VI of the Civil Rights Act of 1964.

The requirement to provide language assistance to LEP individuals applies to all recipients of federal financial assistance, including HTF funds, regardless of conflicting state or local laws. When meaningful access requires interpretation, interpreters should be provided at no cost to the persons involved. Budgeting adequate funds to ensure language access is essential. While costs are a consideration in determining what language assistance is reasonably required, fiscal pressures do not provide an exemption from civil rights requirements.

Recipients of HTF funds should develop, and periodically update, a written LEP plan that describes their language assistance services and explains how staff and LEP persons can access those services. Recipients who are not fully compliant with the LEP guidance issued by the federal government should be making steady progress toward becoming fully compliant. Guidance regarding LEP compliance can be accessed on the HUD website at www.hud.gov.

11. HTF Subsidy limits

Maximum HTF investment: There are three limiting factors that must be taken into account when determining the maximum HTF investment:

1. An award of HTF funds cannot exceed the HOME Program Maximum per Unit Subsidy Limits as established by HUD. The limits are based on the Section 234 Mortgage Limits and are determined by number of bedrooms.
2. The maximum HTF investment is limited to the minimum amount required to cover the project's financial gap, as determined by subsidy layering analysis.
3. The maximum HTF investment is limited to the pro-rata share of HTF-eligible project costs, as determined by multiplying the total HTF-eligible project costs multiplied by the percentage of HTF units to total units or the percentage of HTF unit square footage to total unit square footage (whichever percentage is less).

The maximum HTF investment, therefore, is limited to the LOWEST of the pro-rata share of eligible costs, the HOME Program Maximum per Unit Subsidy Limit, or the financial gap as determined by a subsidy layering analysis.

Maximum Awards for Activities

The maximum amount of HTF funds that will be awarded to a Rental project is **\$1,000,000**. **Awardees are also eligible to receive an award of funds to establish an operating reserve account.** The maximum amount of HTF funds for an operating reserve account will be **\$350,000**.

12. Period of Affordability

The minimum period of affordability for all HTF Projects is thirty (30) years.

13. Resale and Recapture Options

No HTF funds for Program Year 2017 will be used for Homeownership Projects, and therefore there are no Resale or Recapture options.

14. Leverage

Applicants must fully describe all development leverage resources, inducements and incentives that are present in the proposed Application. All sources of financing, except HTF, paying development budget costs are potentially eligible for leverage. Assistance for HTFbuyers, such as a first mortgage, is not considered leverage.

Any leveraged funds will require a commitment letter to be attached to the application.

15. Troubled Public Housing Authorities

HUD has advised OHFA that the following public housing authorities are considered troubled at this time.

- Choctaw Electric Cooperative Housing Authority
- Housing Authority of the Town of Hailey

OHFA will work closely with HUD to provide technical assistance and oversight where necessary. **It is not anticipated that any HTF funds will be used to help troubled public housing authorities. The State of Oklahoma has not appropriated funds for this purpose, nor has it authorized OHFA to assume the federal government's role of subsidizing the operations of public housing agencies.**

16. Projected Production

The following chart details the units the OHFA is projecting will be produced with the 2017 HTF allocation. The projection includes only HTF units and not any other units in the HTF-assisted projects:

<u>Activity</u>	<u>HTF</u>	<u>Leveraged</u>
Rental	20	20

17. Application Process

The HTF program operates on a continuous Application basis.

In spite of the fact that Applications for most activities are continuously accepted, it may become necessary to cease accepting Applications before the end of the Program Year because funds are no longer available.

The Program Year 2017 Application Packet will be drafted, and will be made available for public input. The Application Packet contains the Application submission requirements, threshold factors, and the evaluation criteria for all HTF Program Applications.

Applications that meet all threshold requirements will be funded in rank order by score, from highest to lowest. Tie-breakers as set forth in the 2017 Application Packet will be used in the event that there are sufficient funds remaining for only one application, and the next two or more applications in rank order have achieved an equal score.

Applications to be considered at the next OHFA Board of Trustees meeting must be submitted by the deadlines listed in OHFA's 2017 Application Packet. Applicants are encouraged to access the 2017 HTF Program Application Packet available on OHFA's web-site at www.ohfa.org to verify submission deadlines and ensure timely filing of their applications.

Awards of HTF funds are subject to the availability of funds and the satisfaction of all threshold

factors. **Applications that do not satisfy these criteria are ineligible for funding.**

18. Written Agreement Performance Measurement

Meeting affordable housing objectives and obtaining satisfactory outcomes is important, but proper performance goes beyond housing production. Administration of the HTF Written Agreement is also important. The OHFA HTF Finance Staff has developed the following chart outlining how contract progress will be monitored. **All time periods are from the date of the execution of the Written Agreement unless otherwise specified by OHFA.**

Written Agreement Performance Measurement

<i>Time Period</i>	<i>% Expended</i>	<i>Action</i>	<i>Performance</i>
12 months from WA begin date	If 0% expended	send letter	Concern
18 months from WA begin date	0% expended	Determine contract feasibility	
18 months from WA begin date	< 25% expended and no explanation	send letter	Finding
24 months from WA begin date	< 50% expended	send letter	Concern
36 months from WA begin date	<100%	send letter	Concern
	There must be a plan in place to complete by 4-yr deadline If not, it will be a finding and awardee may have to pay back HTF funds (Plan must be approved by OHFA)		
0 – 60 days after WA end date	Need closeout documents; Will send a letter 1-month before WA end date to request closeout documents; If documents are not received within 60-day closeout period, a compliance visit will be scheduled and this will be a Finding		

IDIS Expenditure Measurement per Activity

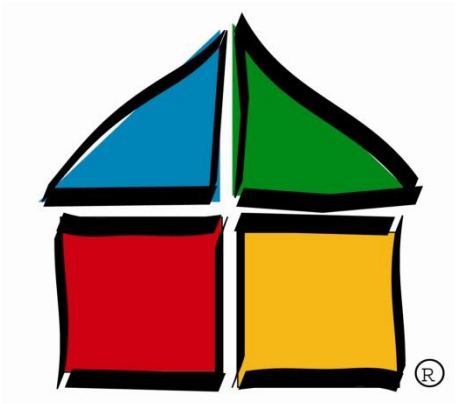
<i>Time Period</i>	<i>% Expended</i>	<i>Action</i>	<i>Performance</i>
9 months after IDIS setup	0%	Send letter to request reimbursement request	Concern
12 months after IDIS setup	0%	Activity flagged and cancelled in IDIS	Concern
12 months between drawdowns		Activity flagged; need explanation from Awardee	Concern

		to continue	
90 days from last drawdown	100%	Send letter if no activity completion report received	Concern
120 days from last drawdown drawdowns	100%	Activity flagged; Need completion report to continue processing drawdown requests	Finding

Written Agreement Extensions

Written Agreements will be for three year periods. However, Written Agreements will contain specific performance benchmarks, and except in very unusual circumstances, project completion will be required well in advance of the three year term. If an extension beyond the three year period is required, it will be a **Finding**.

Additional performance benchmarks will be set forth in Written Agreements and the failure to meet a performance benchmark could result in a concern, a finding or cancellation of the agreement, depending on the severity.



OKLAHOMA HOUSING FINANCE AGENCY
2017 HOUSING TRUST FUND
Allocation Plan

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Introduction

This 2017 Allocation Plan is necessary to implement the federal government's National Housing Trust Fund (HTF). The Oklahoma Housing Finance Agency (OHFA) has been designated by the Governor of the State of Oklahoma to administer the HTF for the State. HTF funding is provided through the U.S. Department of Housing and Urban Development (HUD). Oklahoma expects to receive the minimum state grant amount of \$3,000,000 in 2017.

All HTF funds that OHFA receives in 2017 will be used to provide housing for Extremely Low-Income families or families at or below the Poverty Line, whichever is greater. In accordance with 24 CFR Part 93, OHFA will allocate 10% of its grant to program planning and administration costs (\$300,000); up to one-third for funding operating cost reserves; the balance of the grant will provide capital funding for new construction or rehabilitation of housing units.

1. National Housing Trust Fund Strategic Plan §91.315(b)(2)

Geographic Priorities

The HTF funds will be targeted to address specific and critical needs in rental housing markets, including multiple geographic areas if at all possible.

Goals

Because this is the last year of the 5-year strategic plan and the second year for HTF, the goals are the same as the 2016 Allocation Plan.

- Number of HTF units constructed or rehabilitated in 2017: 20
- Number of HTF units receiving operating subsidies in the form of operating reserves: up to 20

2. National Housing Trust Fund Action Plan §91.320(k)(5)

Distribution of HTF funds

OHFA for 2017 will not allocate funds to sub-grantees for their distribution to owners/developers. Instead, HTF funds will be distributed directly to owner/developers of affordable housing via OHFA's 2017 HTF Application, a competitive process of selecting the best possible Projects for an award of HTF funds.

Application Requirements and Selection Criteria

Developers, owners, and the entire development team are required to meet the same threshold eligibility criteria as for other OHFA programs, as specified in the 2017 HTF Application Packet.

In addition, points will be awarded for certain other priorities, including those set forth in 24 CFR Part 91.320. **These are highlighted to distinguish them from OHFA's own requirements.** They may include, but are not limited to:

Threshold Requirements:

- Affirmatively Furthering Fair Housing Marketing Plan
- Audit
- Program and Financial Monitoring

- Market Analysis
- Description of the Project
- Financing, Underwriting and Subsidy Layering
- **Applicant Organizational Structure, Capacity and Experience**
- Capital Needs Assessment (for acquisition/rehabilitation projects only)
- **Affordable Rents**

Priority (Points) for Awarding Funding to Eligible Applicants

Geographic Diversity

OHFA will give bonus points to the highest scoring applications from the two main areas of the State, the counties grouped with the Oklahoma City MSA for establishing the HOME Program Maximum Per-Unit Subsidy Limits, and the counties grouped with the Tulsa MSA for the same purpose. Due to the limited funding for 2017, OHFA believes that this is the most that can be done to encourage Geographic Diversity. Tiebreakers will be used if two or more applications achieve the same score.

Project-based Rental Assistance

OHFA will award points for the preservation of rent-assisted projects; and for projects with binding commitments for project-based vouchers.

Duration of Affordability Period

New Construction, rehabilitation, and rehabilitation and acquisition rental projects have an affordability period of thirty (30) years. OHFA will award points for Projects promising an additional ten (10) years of affordability.

Priority housing needs

Oklahoma's most current Consolidated Plan (2013-2017) identifies priority housing needs among ELI renters for all renter household types from small and large families to elderly households. OHFA will award points for **the merits of the Application in meeting the State's priority housing needs** as set forth in the Consolidated Plan.

Leveraging

OHFA will award points for leveraging the HTF funds with other funding sources, including **the extent to which an Application makes use of non-federal funding sources**, such as State and local funding sources and private funding. Points will not be awarded for funding from the developer or the ownership entity.

Readiness to Proceed

Points will be awarded for the Applicant's **ability to undertake eligible activities in a timely manner**.

Special Populations

Points will be awarded for Projects that propose to serve special populations. The special populations for 2017 will be the homeless, families or individuals dealing with mental and

physical disabilities, veterans, youth aging out of foster care, and individuals transitioning out of incarceration and their families.

Services for Special Populations

OHFA will award points for access to high quality supportive services focused on staying housed, improving physical and mental health, increasing income and employment, and developing social and community connections. Applications for NHTF funding should be tied to funding for services that are appropriate to the population to be served.

Cross-agency collaboration is particularly important when serving an ELI population because they may be frequent users of other public services, and providing affordable, service enriched housing may represent cost savings that could be reinvested in services funding)

In addition, many ELI populations want to work but have experienced barriers related to health, disability, criminal justice background, access to child care, or lack of skills that could put them on a path to family-sustaining work. NHTF developers are encouraged to show evidence of partnerships with workforce development agencies.

Roles, responsibilities and communication strategies should be clearly established among the supportive housing partners, codified in written agreements (MOUs, MOAs, contractual or grant agreements) and revisited regularly.

Relative Importance of Scoring Criteria

OHFA will award the above described points using the following scoring system, in order to ensure that the best projects are awarded funds.

Application responses are to be structured and information presented in such a way as to fully address each scoring criterion. The information, data, and statements provided in response to each criterion will be the basis for evaluating each Application. Failure to submit or properly address evaluation criteria items will disqualify the Application from receiving points for those items. Some criteria may not apply to all Applications. Some requirements under a particular criterion may not apply to all Applications.

The scores for all Applications will be totaled, and the Application scores will be used to determine the order of funding if there are insufficient funds available to fund all of the Applications for HTF funds. The highest scoring Application will receive an award of funds. In the event of a tie on scores between Applications, tiebreakers shall be used. The tiebreakers are set forth in the Tiebreakers criterion at the end of this section.

Leveraging - 10 Points

Applicants must fully describe all development leverage resources, inducements and incentives that are present in the proposed Application. All sources of construction or permanent financing, except HTF, paying development budget costs are eligible for leverage points. **If any source of funding provides both construction and permanent financing, it will not be counted twice.**

Public and private resources, such as Rural Housing Incentive Districts, CDBG, AHP, AHTC equity, Historic Tax Credit equity, USDA-RHS, HUD, foundation funds, and private capital will be considered in the leverage analysis.

Leverage points to be awarded:

At least 10% up to 50% of the HTF funds requested	2 points
At least 51% up to 100% of the HTF funds requested	4 points
At least 101% up to 200% of the HTF funds requested	6 points
At least 201% up to 300% of the HTF funds requested	8 points
301% or more of the HTF funds requested	10 points

When determining the leverage percentage, **normal rounding shall apply**. Thus, for example, 50.5% will be rounded up to 51%. 50.4% will be rounded down to 50%.

Duration of Affordability - 5 Points

Five (5) points will be awarded for Applicants who promise to extend the affordability period from thirty (30) to forty (40) years.

Readiness to Proceed – 10 Points

Points will be awarded for the Applicant’s ability to undertake eligible activities in a timely manner, as evidenced by the following documentation:

- A. Proof of acceptable form of ownership/site control-ownership, purchase contract or purchase option. For Acquisition and Acquisition/Rehabilitation, explain plan to obtain.
- B. Production and implementation schedule, of no more than twenty-four (24) months, which clearly identifies all major phases of the proposed Project, **including close-out**. This schedule should be thorough and detailed, and should begin on the anticipated date of award. If the Applicant is awarded funds for the Application, this schedule will be incorporated into the Special Conditions of the Written Agreement between OHFA and the Recipient. This schedule will be used for monitoring the progress of all phases of the Project prior to completion. Funded Applicants will be required to provide progress reports at least quarterly. OHFA will utilize these progress reports in order to determine if the Project is proceeding on schedule.
- C. Include preliminary plans and specifications. This documentation is not required for Acquisition/Rehabilitation activities and the property has not been identified.
- D. Document that the zoning required for the Project is in place. This documentation is not required for Acquisition/Rehabilitation activities and the property has not been identified.

Energy Efficient Building Materials – 7 Points

The following is an exclusive list of amenities for which OHFA may award points. One point shall be awarded for each item below, up to a maximum of 7 points.

- Shower heads with a maximum of 2.5 gallons per minute flow rate
- Low-flow kitchen faucets
- Low-flow toilets (must be all toilets in every unit)
- The use of **better than** R-2 insulation on exposed hot water pipes
- Installation of Energy Star qualified appliances
- Energy Star qualified windows with Low E glass

- Energy Star qualified HVAC
- Energy Star qualified Efficiency Water Heaters
- Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (**may not be combined with spray foam insulation**)
- Low or no VOC paint
- Programmable thermostats
- Insulation: R-3 or better insulation installed around the exterior foundation of every Building
- **Applicants may select one (1) of the following:**
- Insulation: Attic insulation **better than** R- 38, wall insulation **better than** R – 13, and floor insulation (if applicable) **better than** R-19
 - **OR**
- Spray foam insulation exceeding code requirements

Priority Housing Needs – 5 Points

Points will be awarded for addressing any of the following priority housing needs as identified in the Consolidated Plan. (Serving Extremely Low Income individuals and families was identified as the highest priority, but that is already a requirement of the HTF for 2017.)

- Families with Children
- Elderly
- Public Housing Residents
- Rural
- Chronic Homelessness
- Mentally Ill
- Chronic Substance Abuse
- Veterans
- Victims of Domestic Violence
- Persons with Mental Disabilities
- Persons with Physical Disabilities
- Persons with Developmental Disabilities
- Persons with Alcohol or Other Addictions
- Victims of Domestic Violence

Project Based Rental Assistance – 5 Points

Points will be awarded to a Project that will preserve project-based rental assistance from any federal, State or local program, or for Projects with a binding commitment for project-based vouchers.

The Applicant must provide an executed agreement with the entity providing the project-based rental assistance, or a signed letter promising to provide such assistance. The commitment to provide project-based rental assistance must be a firm commitment.

Tenant Special Needs Populations – 10 Points

Points will be awarded to a Project that commits to dedicate at least ten percent (10%) of the total residential units to serve a Special Needs Population, or multiple Special Needs Populations. A minimum of one (1) unit dedicated to a Special Needs Population is required in order to receive the points, regardless of the percentage. Points will be awarded for the following Special Needs Populations. This is an exclusive list:

- Homeless
- Persons with mental or physical disabilities
- Military veterans
- Youth aging out of foster care
- Formerly incarcerated individuals transitioning into society

Services for Special Populations – 5 Points

OHFA will award points for Applications promising access to high quality supportive services focused on the ELI beneficiaries remaining housed, improving physical and/or mental condition, increasing income and employment, and developing social and community connections. To receive the points, Applications for HTF funding must be tied to funding for services that are appropriate for the population to be served.

The Applicant must provide an executed agreement with the entity providing the services, or a signed letter promising to provide such services. OHFA must be able to determine that the commitment to provide the services is a firm commitment. OHFA may request additional documentation if necessary to make such a determination.

Geographic Diversity – 5 Points

OHFA will give bonus points to the highest scoring Application from each of the two main areas of the State, the counties grouped with the Oklahoma City MSA for establishing the HOME Program Maximum Per-Unit Subsidy Limits, and the counties grouped with the Tulsa MSA for the same purpose. Due to the limited funding available for 2017, OHFA believes that this is the most that can be done to encourage Geographic Diversity. Tiebreakers, as set forth below, will be used if two or more Applications achieve the same score.

Tiebreakers

Applications compete only against other Applications for funding being considered at the same Board meeting. If there are sufficient funds to fund all Applications that meet all threshold requirements, then all of the Applications will be funded. If not, Applications will be funded in rank order by score, from highest to lowest. Tie-breakers will be used in the event that there are sufficient funds remaining for only one Application, and the next two or more Applications in rank order have achieved an equal score.

1. First, the Application proposing the most HTF units will be awarded ahead of the others. If there is still a tie;
2. Second, the Application utilizing the least amount of HTF funding per HTF-assisted unit will be awarded ahead of the others. If there is still a tie;
3. The third and final tiebreaker will be a random drawing.

3. Eligible Activities

Activities to be undertaken include rehabilitation (including acquisition), preservation, and new construction of rental housing, including operating reserves if necessary to ensure the financial feasibility of the Project.

All Applications must include descriptions of the Eligible Activities that include, at a minimum, all of the following:

- A. Describe the location of the Project (e.g. county, city or town, street address if known, general location, or service area).
- B. Define the number and type of units. This should include bedroom mix. Specify if the units are fixed or floating units.
- C. The Applicant must show the calculation of the number of HTF-assisted units at the HTF Rents established by HUD as set forth in 24 CFR Part 93.302. The number of HTF-assisted units must be equal or greater than a pro rata share of the total units according to the percentage of HTF monies in the Project, compared to the total Project costs.
- D. Describe how the Period of Affordability will be implemented. Include drafts or templates of all documents that will be used for this purpose.
- E. Depict the type of construction codes or standards to be used. Applicants should note that they must follow OHFA's Written Rehabilitation Standards or Written New Construction Standards, as applicable, as well as all State and local codes and the most recent version of the International Residential Code.
- F. Address the relocation of tenants or residents if applicable.
- G. For Rental New Construction only, Applicants must provide sufficient documentation to allow OHFA to make the determination that proposed sites for new construction meet the requirements in 24 CFR Part 983.57(e)(2) and (3) (Site and Neighborhood Standards). Applicants for Rental New Construction activities should carefully review the Site and Neighborhood Standards section of the 2017 HOME Program Processes, Procedures and Topical Guidance. **All documentation utilized in making the determination must be included with the Application. OHFA is responsible to maintain records that document the results of the site and neighborhood standards review. If the documentation does not support the conclusion that a site meets the requirements, additional documentation will be requested.**

4. Eligible Recipients

- **Nonprofit developers:** A nonprofit developer is a nonprofit housing development organization selected by OHFA, through the competitive Application process described herein, to develop a single HTF Program Project.
- **For-profit developers:** A for-profit developer is a for-profit housing development organization or individual selected by OHFA, through the competitive Application process described herein, to develop a single HTF Program Project.

- **State Recipients:** A State Recipient is a governmental entity within the State of Oklahoma selected by OHFA, through the competitive Application process described herein, to develop a single HTF Program Project. This includes cities, towns, counties and Indian tribes.

Eligible Recipients must certify that housing assisted with HTF funds comply with all HTF regulations. OHFA will provide an Application Certification Form with the Application Packet.

5. Performance Goals and Benchmarks

Oklahoma expects to receive the minimum state grant amount of \$3,000,000 in 2017. All HTF funds received in 2017 will be used to house Extremely Low-Income families, or families at or below the Poverty Line.

OHFA will execute Written Agreements with all eligible recipients that receive an award of HTF funds. Such Written Agreements will contain multiple performance goals and benchmarks, allowing OHFA to ensure that the Projects will be completed successfully and in a timely manner, and that all the requirements of OHFA and the HTF will be met.

These goals and benchmarks include, but are not limited to:

- Quarterly reports during construction, until the Projects have placed in service
- Deadlines for construction commencement and construction completion
- Regular construction inspections by OHFA's inspector
- Deadlines for the submission of required documentation
- Written New Construction Standards or Written Rehabilitation Standards, as applicable
- Documentation of Environment Review
- Performance reports

7. Maximum Per-unit Development Subsidy Limits

For 2017, OHFA will use the 2017 HOME Program Maximum Per-Unit Subsidy Limits for the HTF. In future years OHFA may develop separate per-unit subsidy limits for the HTF when historical data is available.

OHFA already uses the 2017 HOME Program Maximum Per-Unit Subsidy Limits not only for the HOME Program but also for the federal Low Income Housing Tax Credit Program (Also known as the Affordable Housing Tax Credit Program), which OHFA also administers. OHFA has found these limits to be appropriate for both programs.

HUD's experts have calculated these limits. Due to the fact that OHFA is not a direct lender, OHFA does not maintain staff to closely monitor development costs, other than through its historical records of the federal programs it administers. Based both on the HOME Program and the LIHTC Program results over the last several years, these limits have allowed sufficient funding to create long-term sustainability, while not allowing excessive per-unit subsidies.

OHFA believes there will be a need to partner the HTF funding with other federal, State and local funds, due to the limitation on the amount of HTF funds available to the State, and in order to create sustainable projects by blending funding for ELI households with funding for households at 50 to 80% of Area Median Income, allowing for higher rents for those units. The use of a single per-unit subsidy limit would reduce the administrative burden for both OHFA and the Recipients of the HTF funds.

A single limit for the entire State is appropriate because OHFA's records indicate that costs across the State of Oklahoma are fairly consistent. Oklahoma is a rural state with only two metropolitan areas of even moderate size. Development costs in those metro areas are relatively low compared to some major metro areas around the United States, where housing prices and related costs, especially land costs, are extremely high.

8. Rehabilitation Standards

Projects awarded HTF funds must comply with all applicable State and local codes, standards and ordinances by project completion. In cases where standards differ, the most restrictive standard will apply. In the absence of a State or local building code, the latest version of the International Residential Code will apply. In addition, all Projects must meet or exceed OHFA's Written New Construction Standards or OHFA's Written Rehabilitation Standards, whichever applicable.

Projects must meet local housing habitability or quality standards throughout the affordability period. Projects must also meet HUD's Uniform Physical Conditions Standards (UPCS), as set forth in 24 CFR 5.705. In addition, Projects proposing rehabilitation of rental housing must follow the federal Lead-Based Paint requirements.

A copy of OHFA's Written Rehabilitation Standards for the HTF Program is attached and marked as "Attachment A."

9. Resale and Recapture Provisions

OHFA will not undertake any Homeownership activities with the HTF for 2017, and therefore no Resale and Recapture provisions would apply.

10. Affordable Homeownership Limits

OHFA will not undertake any Homeownership activities with the HTF for 2017, and therefore no Affordable Homeownership Limits would apply.

11. Limitation on Beneficiaries or Preferences

OHFA does not plan to limit the HTF funding to certain beneficiaries. However, preference will be given to certain special populations by way of extra points in the 2017 HTF Application Packet.

15. Refinancing Existing Debt

OHFA will not use HTF to refinance existing debt.

ATTACHMENT A – WRITTEN REHABILITATION STANDARDS

MINIMUM STANDARDS FOR REHABILITATION Oklahoma Housing Finance Agency

Please note: Regardless of the standards set forth herein, all housing assisted by HOME or Housing Trust Fund monies must meet all applicable State and local codes, ordinances and requirements, as well as such other requirements HUD may establish. In the absence of State or local building codes, the housing must meet the International Existing Building Code or the International Code Council.

For Rental housing, Awardees must produce an estimate, based on age and condition, of the remaining useful life of all major systems, including structural support, roofing, cladding and weatherproofing, plumbing, electrical, and HVAC.

Projects of 26 or more units of multi-family rental housing must produce a Capital Needs Assessment as outlined in the current HOME Program Application. If the remaining useful life of one or more major systems is less than the Period of Affordability, the Awardee must establish and maintain a replacement reserve and make adequate monthly payments thereto, such that there are sufficient funds to repair or replace systems as needed.

For Homebuyer housing, upon completion each of the major systems must have a minimum useful life of five years, or the major systems must be rehabilitated or replaced as a part of the rehabilitation work.

If the housing is occupied at the time of rehabilitation, Awardees must identify any life-threatening deficiencies and must address them immediately before any further work is undertaken.

A. MINIMUM STANDARDS FOR BASIC EQUIPMENT AND FACILITIES

1. KITCHENS – Every dwelling shall have a kitchen room or kitchenette equipped with a kitchen sink, properly connected to both hot and cold running water lines, under pressure, and in working order.
2. TOILET ROOM REQUIRED – Every dwelling unit, except as otherwise permitted for rooming houses, shall contain a room that is equipped with a flush water closet and properly installed lavatory. Said lavatory shall be properly connected to both hot and cold running water, under pressure, and shall be in working order. Fixtures shall be properly installed, free of hazards, leaks and defects, and in functional and sanitary order.

Said flush water closet shall be properly connected to the water supply, under pressure, and shall be in working order.

3. SHARED TOILET FACILITIES – Shared toilet rooms shall be equipped with a flush water closet and lavatory basin, and shall be connected as provided in Section 2 above. In rooming house type structures, at least 1 toilet and 1 lavatory basin, properly connected as set forth above, shall be supplied for each 8 persons or fractions thereof residing within a rooming house, including members of the operator's family whenever they share the use of said facilities, provided that in rooming

houses where rooms are let only to males, flush urinals may be substituted for not more than ½ of the required number of toilets.

4. BATH REQUIRED – Every dwelling unit shall contain a bathtub and/or shower. Fixtures shall be properly installed, free of hazards, leaks and defects, and shall be in functional and sanitary order.

Potable water supply piping, water discharge outlets, backflow prevention devices or similar equipment shall not be so located as to make possible their submergence in any contaminated or polluted liquid or substance.

Said bathtub and/or shower may be in the same room as the flush water closet and lavatory, or said bathtub and/or shower may be in a separate room. In all cases, these facilities shall be properly connected to both hot and cold running water lines, under pressure, and shall be in working order.

In rooming house type structures, at least 1 bathtub and/or shower, properly connected as set forth above, shall be supplied for each 8 persons or fractions thereof, residing within a rooming house, including members of the operator’s family whenever they share the use of said facilities.

5. PRIVACY IN ROOM CONTAINING TOILET AND BATH – Every toilet and every bath shall be contained in a room or within separate rooms which affords privacy to a person within said room or rooms. Said rooms shall not be the only passageway to the exterior.

Toilets and bathrooms shall have doors with a privacy type lock and such doors, locks and hardware shall be in working order.

6. LOCATION OF COMMUNAL TOILETS AND BATHS – Every communal bath required to be provided in accordance with other provisions, shall be located within a room or rooms accessible to the occupants of each dwelling unit sharing such facilities, without going through a dwelling unit of another occupant and without going outside of the dwelling.

In rooming houses, said room or rooms shall be located on the same floor of the dwelling as, or on the floor immediately above or below, the dwelling unit whose occupants share the use of such facilities.

7. WATER SUPPLY – All fixture water supplies shall be properly connected to public or private water system.

All water supply inlet orifices (mouth of an opening from any pipe or faucet supplying water) shall have an air gap (The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing fixture or other device and the floor level rim of the receptacle.) or shall be protected by vacuum breakers (also known as backflow preventers).

8. HOT AND COLD WATER LINES TO BATH AND KITCHEN – Every dwelling shall have supplied water-heating facilities which are properly installed; in working condition and free of leaks; properly connected to hot water lines required; and are capable of supplying hot or tempered water at not less than 110°F to be drawn for every bath, as well as general usage.

Hot water storage associated with water heating facilities shall not be less than the following minimum capacities:

- | | | |
|----|--------------------------|--------------------|
| a. | 1 dwelling unit | 30 gallons |
| b. | 2 dwelling units | 40 gallons |
| c. | 3 or more dwelling units | 50 gallons or more |

Sizes and/or number of water heaters are to be based upon the number of units served. No water heaters shall be allowed in bathrooms (unless in closet) or bedrooms. All hot water heaters shall be properly vented and sealed and equipped with a pressure relief valve and drip leg a maximum of 6" above the floor.

The local rehabilitation division and/or building inspection division may adjust the above-required capacities upward or downward based on the type and recovery time of the hot water system.

9. CONNECTION OF SANITARY FACILITIES TO SEWAGE SYSTEM – Every kitchen sink, toilet, lavatory basin and bathtub/shower shall be in working condition and properly connected to an approved public or private sewage system.

All sewers and vents shall function properly and be free of leaks and blockages.

10. EXITS – Every exit from every dwelling and/or dwelling unit shall comply with the following requirements:

- a. It shall be functional;
- b. It shall be unobstructed;
- c. All stairways and steps of 4 or more risers shall have at least 1 handrail, and all stairways and steps that are 5 feet or more in width or open on both sides shall have a handrail on each side where possible;
- d. Every dwelling unit shall have 2 independent ways of egress;
- e. All handrails shall be not less than 30" or more than 42" vertically above the nose of the stair treads and not less than 36" above the stairway platform;
- f. All balconies and platforms that are 30" or more above grade, shall have protective guards not less than 30" in height above the balcony or platform level;
- g. All multiple dwellings (1 & 2 family residences exempted) shall have a second exit stairway or approved fire escape available to all occupants of units located on second or higher stories;
- h. All stairs and steps shall have a riser height of no more than 8" and a tread depth of no less than 9". This requirement may be waived on the programmatic level if in an existing structure, it would be impossible or cost prohibitive to meet this requirement. In such cases, new stairs could be put in having the same rise and run as the old;
- i. In basement units where one means of an exit shall be a window, it shall comply with the International Residential Code, Section 310 Emergency Escape and Rescue Openings.

11. FIRE PROTECTION AND SMOKE ALARMS – All fire protection systems and devices shall be in operable condition. When a dwelling is occupied by any hearing impaired person, smoke alarms shall have an alarm system designed for hearing impaired persons in accordance with NFPA 74 (or successor standards).

Smoke alarms shall be installed:

- On each story, including basement and cellar (Alarms are not required in unfinished attics and crawl spaces)
- Outside of each bedroom OR in each bedroom

B. MINIMUM STANDARDS FOR LIGHT, VENTILATION AND HEATING

1. REQUIRED WINDOW AREA – Every habitable room, provided such rooms are adequately lighted, shall have at least one open air space. The minimum total window area, measured between stops, for every habitable room shall be as follows:
 - a. 1/12 of the floor area if two or more separate windows exist or
 - b. 1/10 of the floor area if only one window exists;
 - c. a minimum of 12 square feet of window area is required in habitable rooms other than kitchens;
 - d. a kitchen may pass without a window area, provided there is a mechanical means of ventilation in working order.

Whenever the only window in a room is a skylight type window, the total window area of such skylight shall be equal to at least 15% of the total floor area of such room. Skylight type windows, if less than 15% of the total floor area shall be increased to 15% of the total floor area, unless another window is to be installed to provide adequate light and ventilation.

2. ADEQUATE VENTILATION REQUIRED - Every habitable room shall have at least one window or skylight which can easily be opened, or other such device as will adequately ventilate the room.
3. LIGHT AND VENTILATION REQUIREMENTS FOR BATHROOMS, TOILET ROOMS AND KITCHENS
Every bathroom, toilet room, and kitchen shall comply with the light and ventilation requirements for habitable rooms contained above, except that no window shall be required in adequately ventilated bathrooms, toilet rooms, or kitchens equipped with a ventilation system that filters or exhausts to the exterior.
4. ALTERNATIVE LIGHT AND VENTILATION – Artificial light or mechanical ventilation complying with the International Building Code shall be permitted.
5. CLOTHES DRYER VENTING – Clothes dryer exhaust vent shall be a single purpose vent in compliance with the manufacturer’s instructions and vent to the exterior.
6. ELECTRIC OUTLETS AND SERVICE REQUIRED - Where there is suitable electricity available from supply lines no more than 300 feet away from a dwelling, including all existing dwellings now supplied with electrical services, every habitable room within such dwelling shall contain a minimum of two separate and remote wall type electric convenience outlets. Habitable rooms measuring more than 120 square feet shall contain a minimum of three separate and remote wall type electric convenience outlets. Temporary wiring, extension, or zip cords shall not be used as permanent wiring.

Every habitable room shall have at least one ceiling or wall type electric light fixture, controlled by a wall switch, or a wall type grounded electric convenience outlet controlled by a remote switch. Every toilet room, bathroom, laundry room, furnace room, and hallway (hallway where applicable) shall contain at least 1 supplied ceiling or wall type electric light fixture, controlled by a wall switch, and at least one wall type grounded electric convenience outlet. Convenience outlets used in bathrooms shall be the GFI type.

Each individual kitchen based on its size and layout shall be wired to meet the requirements of the National Electric Code (N.E.C.).

Receptacle convenience outlets in or on open porches, breezeways or garages shall be of the GFI type with a weather proof receptacle box.

All wall and/or ceiling type lighting fixtures shall be controlled by a wall switch, except porcelain type fixtures used in cellars and/or attics, which may be controlled with a proper pull chain.

All electrical equipment, appliances and wiring shall be properly installed and in safe condition.

All broken and/or missing switch and receptacle plates shall be replaced.

All outlets and fixtures shall be properly installed, shall be in working condition and shall be connected to the source of electric power in a proper manner and in accordance with the electrical code of the city and/or the N.E.C., as applicable.

Minimum electrical service for each dwelling and/or dwelling unit's circuit breaker box shall be by a three wire 120/240 volt single phase service rated no less than 100 amps, or as adjusted for size and usage of equipment and appliances in accordance with the ICC Electrical Code and approved, in writing, by the electrical inspector of the local jurisdiction or program.

7. **HAZARDOUS ELECTRICAL CONDITIONS** – Where any condition of the electrical system in the dwelling or structure is identified as, and constitutes a hazard, the hazardous conditions shall be corrected.
8. HEATING FACILITIES – Heating facilities shall be properly installed, be in working condition and be capable of adequately heating all habitable rooms, and toilet rooms contained therein, or intended for use by the occupants capable of maintaining a room temperature of 68°F (20°C) when the outdoor temperature is within the winter outdoor design temperature for the locality as cited in Appendix D of the International Plumbing Code. Space heaters shall not substitute for a central heating unit.

Every installed central heating system shall comply with the following requirements:

- a. The central heating unit shall be safe and in good working condition;
- b. Every heat duct, steam pipe and hot water pipe shall be free of leaks and obstructions and deliver an adequate amount of heat where intended;
- c. Every seal between any and all sections of a hot air furnace shall be air-tight so noxious gases and fumes will not escape into the heat ducts;
- d. Required clearance from combustible materials shall be maintained;

- e. All chimneys and vents shall have a flue liner intact and in safe working condition.

Every existing space heater shall comply with the following requirements:

- a. No space heater burning solid, liquid or gaseous fuels shall be of a portable type;
- b. Every space heater burning solid, liquid or gaseous fuels shall be properly vented to a chimney or duct leading to outdoor space and be installed to provide proper draft;
- c. Every fuel burning space heater shall have a fire-resistant panel between it and the floor or floor covering as required by the unit's manufacturer;
- d. Whenever a space heater is located within 2 feet of a wall, said wall shall be protected with insulation sufficient to prevent overheating of the wall as required by the unit's manufacturer; OR if a Rinnai space heater is used, these heaters are vented thru the wall and are cool to the touch. No protection is needed.
- e. Every space heater smoke pipe shall be equipped with approved thimbles or guards, properly constructed of non-flammable material, at the point where the pipe goes through any wall, ceiling or partition;
- f. Each dwelling and/or dwelling unit shall be supplied with its own heating systems. Local option may provide for one central forced air system to serve no more than two separate dwelling units.

9. LIGHTING OF PUBLIC HALLS AND STAIRWAYS

- a. Public halls and stairways in every dwelling containing 2 to 4 dwelling units shall be provided with convenient wall-mounted light switches controlling an adequate lighting system that will provide at least 2 foot candles of illumination on all parts thereof and be turned on when needed. An emergency circuit is not required for this lighting;
 - b. Public halls and stairways in every dwelling containing 5 or more dwelling units shall be lighted at all times with an artificial lighting system. Said system shall provide at least 2 foot candles of illumination on all parts thereof at all times by means of properly located electric light fixtures, provided that such artificial lighting may be omitted from sunrise to sunset where an adequate natural lighting system is provided;
 - c. Wherever the occupancy of the building exceeds 100 persons, the artificial lighting system as required herein, shall be on an emergency circuit;
 - d. All basements and cellars shall be provided with a lighting system that permits safe occupancy and use of the space and contained equipment as intended, and which may be turned on when needed;
 - e. The required intensity of illumination shall apply to both natural and artificial lighting.
- a. SCREENS REQUIRED - For protection against flies, mosquitoes and other insects, every door opening directly from a dwelling unit or rooming unit, to the outdoor space where feasible, shall be supplied with a screen covering at least 50% of the window area of the door, and said door shall be equipped with a self-closing device.

Every window or other opening to outdoor space used or intended to be used for ventilation shall likewise be supplied with screens covering the entire window areas required for ventilation. The material used for all such screens shall be no less than 16 mesh per inch, properly installed, and repaired when necessary to prevent the entrance of flies, mosquitoes and other insects.

Half-screens on windows may be allowed, provided they are properly installed and are bug and insect proof.

11. SCREENS FOR BASEMENT AND CELLAR WINDOWS - Every dwelling unit having operable basement or cellar windows shall be screened to prevent the entry of insects and rodents.
12. EXISTING HEATING TO DWELLINGS OR PARTS THEREOF - Every dwelling owner or operator who rents, leases or lets for human habitation any unit contained within such dwelling, on terms either expressed or implied, shall supply or furnish heat to the occupants.

Whenever a dwelling is heated by means of a furnace, boiler or other heating apparatus under the control of the owner or operator, in the absence of a written contract or agreement to the contrary, said owner and/or operator shall be deemed to have contracted, undertaken, or bound to furnish heat in accordance with the provisions of this section to every unit that contains radiators, furnace heat duct outlets, or other heating apparatus outlets, and to every communal bathroom and communal toilet room located within such unit.

- a. Every central heating unit, space heater, water heater and cooking appliance shall be located and installed in a safe working manner to protect against involvement of egress facilities or egress routes in the event of uncontrolled fires in the structure;
- b. Every fuel burning heating unit or water heater shall be effectively vented in a safe manner to a chimney or duct leading to the exterior of the building. The chimney duct and vents shall be designed to assure proper draft, shall be adequately supported, and shall be clean;
- c. No fuel-burning furnace shall be located in any sleeping room or bathroom unless provided with adequate ducting for air supply from the exterior, and the combustion chamber for such heating unit is sealed from the room in an airtight manner. Water heaters are prohibited in bathrooms and sleeping rooms.
- d. Every steam or hot water boiler and every water heater shall be protected against overheating by appropriate temperature and pressure limit controls;
- e. Every gaseous or liquid fuel burning heating unit and water heater shall be equipped with electronic ignition or with a pilot light and an automatic control to interrupt the flow of fuel to the unit in the event of failure of the ignition device. All such heating units with plenum have a limit control to prevent overheating.

C. MINIMUM STRUCTURAL STANDARDS

1. SIDEWALKS AND DRIVEWAYS – All sidewalks, driveways, stairs and similar areas shall be free of hazardous conditions and in proper repair.
2. PREMISE IDENTIFICATION NUMBERS – Address numbers easily visible and legible from the street or road shall be installed. Numbers shall contrast in color with their background and be at least 4 inches high with a minimum stroke width of one half inch.

3. FOUNDATIONS, EXTERIOR WALLS, ROOFS, SOFFITS AND FASCIA - Every foundation, exterior wall, roof, soffit, and fascia shall be structurally sound, weather-tight, and rodent/insect-proof.

All exterior surface materials shall be protected by lead-free paint or other protective coating in accordance with acceptable standards. The exception is all types of exterior materials acceptable to weatherizing without deterioration.

4. INTERIOR WALLS, FLOORS, CEILINGS, DOORS, AND WINDOWS – Every interior partition, wall floor, ceiling, door and window shall be structurally sound.

Holes in walls should be replastered before new paint is applied.

All interior doors shall be capable of affording privacy for which they were intended.

5. GRADING AND RAINWATER DRAINAGE FROM ROOF - All rainwater shall be drained and conveyed from every roof so as not to cause dampness within the dwelling. All rainwater drainage devices, such as gutters, downspouts, leaders and splash blocks shall be in safe working order. Ground areas around the habitable unit shall be sloped or drain away from foundation walls to prevent standing water.

6. WINDOWS, EXTERIOR DOORS AND BASEMENT OR CELLAR HATCHWAYS - Every front, rear, side and basement or cellar door shall be no less than 2'4" in width and no less than 6' 6" in height. In existing structures, if replacement to meet these requirements would be impossible or cost-prohibitive, said requirement may be waived by the grantee.

Every window, exterior door and basement or cellar hatchway shall be substantially tight and rodent-proof. In addition, the following requirements shall be met:

- a. All exterior doors to the outside or to a common public hall shall be equipped with adequate security locks. Means of egress door locks shall be easily opened from the egress side without a key or special knowledge. All windows accessible from ground level without the aid of mechanical devices shall have a security device. Emergency escape windows shall be operable from the inside without the use of a key, code or tool;
- b. Every window sash shall be fully equipped with windowpane glazing materials free of cracks or holes, and all panes shall be secured with retaining devices or an adequate amount of putty. Said putty shall not be cracked, broken or missing;
- c. Every window sash shall be in good condition and fit tightly within its frame;
- d. Every window, other than a fixed window, shall be easily opened and held in position by window hardware;
- e. Every exterior and interior door, door hinge, door latch, and/or lock shall be in good working condition;
- f. Every exterior and interior door, when closed, shall fit well within its frame;

- f. Every window, door and frame shall be constructed in relation to the adjacent wall construction, to exclude rain and wind as completely as possible from entering the dwelling or structure;
- 7. STAIRWAYS, DECKS, BALCONIES AND PORCHES - Every interior and exterior stairway, porch, deck, balcony and appurtenance thereto, including hand and guard rails, shall be constructed to be sound and safe to use and capable of supporting the load that normal use may place upon it.
- 8. SUPPLIED PLUMBING FIXTURES - Every plumbing fixture and water and waste pipe shall be properly installed in safe, sanitary working condition, free from leaks, defects, and obstructions.
- 9. BATHROOM, TOILET ROOM, KITCHEN AND UTILITY ROOM FLOORS - Every bathroom, toilet room, kitchen, and utility room floor surface shall be constructed to be impervious to water and to permit such floors to be easily kept clean and sanitary.

Indoor-outdoor type carpeting, when properly installed, shall be allowed in bathrooms, toilet rooms, kitchens and utility rooms except when in conflict with required interim controls or standard treatments required to comply with the lead-based paint regulation.

- 10. CHIMNEYS AND SMOKE PIPES - Every chimney and smoke pipe shall be adequately supported, structurally sound, and clean.
- 11. TREES AND VEGETATION – Trees and vegetation endangering the unit and/or its occupants shall be eliminated.
- 12. INTERNATIONAL RESIDENTIAL CODE FOR ONE AND TWO-FAMILY DWELLINGS – All rehabilitation work must meet or exceed the requirements of the International Residential Code as promulgated by the International Code Council in its current edition or as adopted in ordinance by the local jurisdiction.
 - a. Work must comply with the permitting and inspection requirements of the local jurisdiction.
 - b. In the absence of local permitting and inspection services, the local recipient program shall engage qualified inspectors and document code inspection and compliance.
- 13. LEAD-BASED PAINT – As required under 24 CFR Part 35, the Final HUD Regulation on Lead-Based Paint Hazards in Federally Owned Housing and Housing Receiving Federal Assistance, all assisted dwelling units constructed before January 1, 1978, will be evaluated for lead-based paint hazards or presumed to have lead-based paint present throughout the unit when paint is disturbed.
 - a. Evaluation will be done by a qualified, certified or licensed person as required under the regulation.
 - b. All lead-based paint hazards will be identified and reduced or eliminated through paint stabilization, interim controls or abatement with work being done by supervised, trained, qualified, certified or licensed persons as required under the regulation.
 - c. Safe work practices will be followed at all times.
 - d. Occupants shall be protected or temporarily relocated as required by the regulation. With some exceptions, as listed at 24 CFR 35.1345, occupants shall be temporarily relocated before and

during hazard reduction activities to a suitable, decent, safe and similarly accessible dwelling unit that does not have lead hazards.

- e. The dwelling unit and worksite shall be secured. The worksite shall be prepared and warning signs shall be posted as required by the regulation.
- f. Clearance examinations will be performed by qualified personnel and final clearance shall be cleared by DEQ certified personnel.

14. ENERGY CONSERVATION –

- a. Equipment, appliances, windows, doors and appurtenances replaced during rehabilitation shall be replaced with Energy Star qualified products.
- b. If feasible, attics should be insulated to R38 and walls to a minimum of R11.
- c. Replacement heating and/or cooling systems shall be properly sized as evidenced by completion of ACCA/ANSI Manual J® or an equivalent sizing calculation tool.
- d. All accessible air ducts shall be tightly sealed.
- e. Heating or cooling supply running through unconditioned space should be avoided or rerouted if possible, but when present and accessible, shall be insulated.

15. INDOOR AIR QUALITY – The scope and conduct of rehabilitation of each dwelling unit shall take into consideration the improvement and maintenance of satisfactory and healthy air quality within the unit.

- a. A carbon monoxide detector installed per manufacturers' recommendations shall be present in each unit, and receive primary power from the building wiring. If the house is all electric a carbon monoxide detector is not required.
- b. Devices and appurtenances identified to contain mercury shall be removed or replaced excluding CFL bulbs.
- c. Materials and methods used in carrying out rehabilitation, shall to the extent feasible, minimize and prevent dust, outgassing, volatile organic compounds and other contaminants within the dwelling unit.

16. UNIVERSAL DESIGN AND ACCESSIBILITY – Rehabilitation of each unit shall be carried out with consideration for the needs of its occupants and to the maximum practical extent in accordance with the principles of universal design. For guidance in implementing universal design features, visit www.AccessEA.com. In all cases, the rehabilitated units must meet all accessibility requirements at 24 CFR part 8 (implementing section 504 of the Rehabilitation Act of 1973) and Titles II and III of the Americans with Disabilities Act implemented at 28 CFR parts 35 and 36.

17. DISASTER MITIGATION - The housing must be rehabilitated to the extent that the work will mitigate the potential impact of unanticipated disasters, including but not limited to tornadoes, earthquakes and floods, in accordance with all State or local codes, ordinances, and requirements, or in accordance with any requirements established by HUD.

18. Uniform Physical Condition Standards (UPCS) – The housing must be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. The rehabilitated property must meet the UPCS Standards established by HUD’s Real Estate Assessment Center’s (REAC) scoring protocol. All observed deficiencies must be appropriately addressed and corrected.

D. MINIMUM SPACE, USE AND LOCATION REQUIREMENTS

1. CEILING HEIGHT - Wherever possible, no habitable room in a dwelling or dwelling unit shall have a ceiling height of less than 7' 6". At least 1/2 of the floor area of every habitable room located above the first floor shall have a ceiling height of 7' 6", and the floor area of that part of any room where the ceiling height is less than 5' shall be considered as part of the floor area in computing the total floor area of the room for the purpose of determining maximum floor area.
2. ROOM WIDTH - All rooms, except kitchens and/or kitchenettes and baths, shall have a minimum width of 7'. Kitchens shall have a clear passage dimension of no less than 3 feet between walls, appliances and cabinets.
3. CELLAR SPACE NOT HABITABLE - No cellar space shall be converted or rehabilitated as habitable room or dwelling unit.
4. REQUIREMENTS FOR HABITABLE BASEMENT SPACE - No basement space shall be used as a habitable room or dwelling unit unless all of the following requirements are met:
 - a. Such required minimum window area is located entirely above the grade of ground adjoining such window area, or an adequate window well of sufficient size as to allow escape of inhabitants residing within such basement apartment, has been constructed;
 - b. Such basement dwelling unit or rooming unit shall be entirely sealed off from the central heating plant with a one hour fire separation. To assist grantees in evaluating existing building components, HUD has published the “Guideline on Fire Ratings of Archaic Materials and Assemblies”, February 2000, available at <http://www.huduser.org/publications/destech/fire.html>;
 - c. Such basement dwelling unit or rooming unit provides two means of exit, with at least one means of opening directly to the outside;
5. MINIMUM STORAGE AREAS - Each dwelling unit shall have at least one closet with a minimum of 6 square feet of floor area and a minimum height of 6', located within the dwelling unit. Dwelling units with 2 or more bedrooms shall have a storage floor area of at least 4 square feet per bedroom. This storage requirement does not necessarily have to be located in the bedrooms.

E. MINIMUM STANDARDS FOR GARAGES, FENCES AND PREMISES

1. PROTECTION OF EXTERIOR WOOD SURFACES - All exterior wood surfaces shall be properly protected from the elements against decay and rot by lead-free paint, or other approved protective coating.
2. FENCES - If a fence is removed and replaced, said installation shall conform to all local requirements.
3. CONDITION OF PREMISES - All areas and all parts of the premises upon which any dwelling or dwelling units are located and all areas adjacent thereto and a part of the premises shall be in a clean and sanitary condition. This shall include, but not be limited to, removal of abandoned and junked automobiles, automobile bodies, chassis, parts, and trailers; inoperable machines and

appliances; lumber piles and building materials not used in actual construction; tin cans, broken glass, broken furniture, boxes, crates, and other debris, rubbish, junk and garbage.

4. WATER SUPPLY - CONNECT TO WATER MAIN - Every owner of a dwelling situated on property that abuts any street or alley in which a water main is laid, shall be connected to such main to provide water service.
5. ABANDONED WELLS AND CISTERNS - Every owner of a dwelling that contains an abandoned well or cistern on the premises shall permanently seal or fill it in a proper manner.
6. INFESTATION AND EXTERMINATION – Structures shall be free from rodent and insect infestation.
7. GAS LINES/PIPING – International 2009 Residential Fuel Gas Code (Contact the Construction Industries Board for guidance and/or oversight).