

HOME Program

The state's HOME program awards funding for the purpose of acquisition, rehabilitation and new construction of affordable housing. There is a cap of 10% of the HOME award plus program income to use on administration of the program. This amounts to \$301,697 as the cap on administration. Additionally, in line with federal regulations (24 CFR 92.300), at least 15% of the total HOME allocation is set aside for investment in housing developed, sponsored, or owned by eligible Community Housing Development Organizations (CHDO). Finally, there is a cap of 5% of the HOME award that can be allocated toward CHDO operating assistance.

NOTE: See the full PY18 HOME Annual Action Allocation Plan in the Grantee Unique Appendix

Selection criteria and relative importance:

Direct homeownership assistance, down payment and closing cost assistance, which do not include housing development, are not among priorities of the HOME Program.

Due to program requirements, eligible CHDO applicants will receive preference in funding rounds to assist RIHousing in meeting its annual set-aside goals.

Rhode Island priorities include three Tiers found below.

1) Tier 1 / High Priorities:

- a) Substantial rehabilitation and/or new construction to provide new rental units for low and very low-income families;
- b) Substantial rehabilitation and/or new construction to provide new homeownership opportunities for low-income families;
- c) Substantial rehabilitation and/or new construction of new housing units for homeless and special needs populations (as defined in the Consolidated Plan), in conjunction with supportive services.

2) Tier 2 / Medium Priorities:

- a) New construction to provide new rental units for low and very-low income one and two-person households;
- b) Preservation of the existing affordable housing stock through rehabilitation. (Properties eligible for assistance under 24 CFR 248 "Prepayment of Low Income Housing Mortgages" are ineligible for HOME funds)

3) Tier 3 / Low Priorities:

- a) Moderate rehabilitation of rental units for low and very low-income households throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of units occupied by lower income families;
- b) Acquisition only for the purposes of any of the above-mentioned activities.

Selection Criteria and Relative Importance:

Scoring of applications is based on the following factors:

Scoring Factor	Total Possible Points
<u>Meeting Program Priorities</u> : The extent to which the proposal addresses one or more of the HOME Program Priorities outlined below (Tier 1 priorities=30 points; Tier 2 priorities=25 points; Tier 3 priorities=20 points)	30
<u>Applicant Ability to Obligate and Undertake Eligible Activities</u> : Capacity of the applicant to undertake the proposed activity (past project performance- up to 7 points, development and management team- up to 7 points, financial feasibility- up to 6 points, deduction of up to 9 points for HOME findings in monitoring- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests for required information - 3 points)	20
<u>Leverage and Match</u> : Commitment of and amount of leveraged resources and available match (non-federal match will be scored more highly)	15
<u>Demonstrated demand</u> : Market study or waitlist (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand)	10
<u>Financial feasibility of Project</u> : Committed or projected operating subsidy=up to 5 points; Pro forma performance through affordability period=up to 5 points	10
<u>Design and Construction Standards</u> : Meets or exceeds RIHousing Design and Construction Standards	10
<u>Community Participation</u> : Evidence of community engagement, public solicitation of feedback, and/or resident participation in project planning or execution	5
<u>Geographic Diversity</u> : HOME funding is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket (entitlement communities), which receive HOME allocations directly from HUD. Entitlement communities may be eligible for State HOME funding if the entitlement entities do not have funds available for a specific activity. Priority will be given to non-entitlement communities who have yet to meet or exceed State requirements that at least 10% of housing stock is affordable (1 point). Additional points will be given for each of the following: <ul style="list-style-type: none"> •accessibility to transit (1 point); •accessibility to employment centers (1point); • accessibility to high performing schools (1 point); • accessibility of community services (1 point) 	5
<u>Duration of Affordability</u> : Term of Affordability exceeds minimum requirements for type of unit and amount of funding requested. HOME affordability varies dependent on project type and level of HOME investment. (meets affordability - 2 points, +1-10 years – 3 points, +11-20 years – 4 points, +21 years or more – 5 points)	5
<u>Priority Housing Needs of the State</u> : Connectedness to State Consolidated Plan priority needs	5
<u>Additional Merits</u> : Preference for underserved segments of the population as defined in the State's Consolidated Plan	5
<u>Additional Merits</u> : Project provides access to resident services and supports (maximum point allocation to those applications which include executed MOUs with service partners)	5

Additional Merits: Project integrates green design elements, universal design, energy and water conservation, etc. technologies above and beyond the Design & Construction standards.	5
TOTAL	130

Resource allocation by funding category

Of the total grant award for PY17, 10% will go to project administration and a maximum of 5% will be held to support Community Housing Development Organizations (CHDO) operating expenses.

Of the balance, we estimate that 80% will go to rental housing production or rehabilitation with the remaining 20% going to homeownership projects, though the distribution between rental and homeownership is a projection based on prior applications and awards. There is no set-aside for either rental or homeownership.

Funding will be allocated in a competitive application process open to all eligible entities, including cities and towns, nonprofit housing organizations, and for-profit developers. It is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket, which receive HOME allocations directly from HUD. Rhode Island Housing staff review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility. Applications are scored based upon the criteria shown later in this section. Rhode Island Housing staff reviews each proposal and recommends funding of specific activities to the Board of Commissioners. Contracts are then awarded by Rhode Island Housing to HOME sponsors. Since funds are awarded on the basis of competitive applications, it is not yet possible to identify which specific groups will be assisted during the upcoming 2017 program year.

In line with federal regulations (24 CFR 92.300), at least 15% of the total HOME allocation is set aside for investment in housing developed, sponsored, or owned by eligible Community Housing Development Organizations (CHDO). These organizations will receive preference in the application process.

Funding Categories:

- HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent (20%) of the units must be rented to very low-income families.
- HOME-assisted homebuyer and rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. An additional extended use restriction may also be added, at the discretion of the PJ. HOME-assisted homebuyer housing is also subject to Rhode Island Housing Resale and Recapture Policies.

Threshold factors and grant size limits

For an application to be moved forward through the scoring process it must meet and/or exceed the following requirements:

- A complete application including all attachments submitted on or before the application deadline;
- Application contains a description of eligible activities to be conducted with HOME funds and applicant is an eligible entity meeting all HUD regulations for the HOME program as published in the Federal Register at 24 CFR Part 92.205;
- Proposed assistance amounts to a minimum of \$1,000 per unit
- Project must meet at least one program priority, as described in the section titled “Rhode Island Program Priorities”
- Project is consistent with the HOME income targeting rule at §92.216-217);
- The development team must have experience in the successful development and operation of affordable housing of similar scope and complexity;
- The development must demonstrate financial feasibility for the duration of the affordability period and have a reasonable likelihood of feasibility for the entire term of financing;
- The development must have a demonstrated probability of achieving sustainable occupancy of 95% within six months of construction completion and 100% occupancy within eighteen months of project completion;
- Construction must demonstrate a probability that it will commence within six months of firm reservation of funding and be completed within twenty-four months of commitment/closing

Pursuant to 24 CFR 92.250, all HOME grantees must establish maximum limitations on the total amount of HOME funds that the grantee may invest per-unit for development of non-luxury housing. The limits must be “reasonable” and based on actual costs of developing non-luxury housing in any given geographical area. Each grantee must submit maximum per-unit development subsidy amounts and accompanying justification with its HOME Allocation Plan on an annual basis.

Maximum HOME investment: Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking. Until a new rule can be published, HUD published a Notice (CPD-15-003) establishing an interim policy directing participation jurisdictions (“PJs”) to use the Section 234 Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).

To ensure consistency with the provisions of section 212(e)(1) of NAHA and 24 CFR 92.250(a), the HOME maximum per-unit subsidy limit that HUD can approve for a PJ cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas). For a PJ whose high cost percentage has been increased above the 240 percent, the CPD Division must cap the HOME per-unit subsidy limit at 240 percent of the Section 234 basic mortgage limit.

What are the outcome measures expected as a result of the method of distribution?

Estimated goal outcome indicators include: Rental units constructed 20, rental units rehabilitated 20, homeownership units constructed 4, homebuyers assisted in the purchase of HOME-assisted housing 4.

Performance measures information: In accordance with the Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs dated March 7, 2006, Rhode Island Housing evaluates HOME Program investment using the IDIS Outcome Performance Measurement System.

The HOME Program objective is Providing Decent Affordable Housing through acquisition, rehabilitation and new construction of rental units and homeownership opportunities. The HOME Program outcome is Affordability.

Rhode Island State HOME Program PY2018 Action Plan ***(Effective 7/1/2018 thru 6/30/2019)***

Program Administration

The HOME Investment Partnerships Program (HOME) is provided as a formula grant to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households¹.

Administrative expenditures for the HOME program are capped at 10% of the total fiscal year HOME award. Rhode Island Housing incurs administrative costs at the minimum necessary to cover overall program administration as well as those of eligible sub-recipients. In addition, up to 5% of the fiscal year HOME award can be expended to pay reasonable operating expenses of eligible Community Housing Development Organizations (CHDO), subject to further regulatory limitations.

Funding will be allocated in a competitive application process open to all eligible entities, including cities and towns, nonprofit housing organizations, and for-profit developers. It is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket, which receive HOME allocations directly from HUD. Rhode Island Housing staff review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility. Applications are scored based upon the criteria shown later in this section. Rhode Island Housing staff reviews each proposal and recommends funding of specific activities to the Board of Commissioners. Contracts are then awarded by Rhode Island Housing to HOME sponsors. Since funds are awarded on the basis of competitive applications, it is not yet possible to identify which specific groups will be assisted during the 2018 program year.

The state does not plan to limit the beneficiaries of HOME funding to a particular segment of the low-income population. A preference is given to families over non-family households in that housing that would assist families over non-families receive a minor scoring factor preference, per the first scoring

¹ To learn more about the HOME program and the 2013 Final Rule, visit the HUD Exchange at:
<https://www.hudexchange.info/programs/home/>.

factor. Family housing is a high priority while housing for a one or two-person household is a medium priority. Additionally, preference is given to special needs groups, as defined in the Consolidated Plan.

Funding Categories:

At least 15% of all non-administrative or CHDO operating related expenses will be awarded to eligible CHDO sponsored, developed, or owned projects.

- HOME-assisted rental projects.
 - HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent (20%) of the units must be rented to very low-income families.
 - HOME-assisted rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. Additional restricted use periods may be included at the discretion of Rhode Island Housing.
 - HOME-assisted homebuyer housing is also subject to Rhode Island Housing Resale and Recapture Policies.
- HOME-assisted homeownership projects.
 - HOME-assisted ownership units must have a sales price that does not exceed the applicable HOME sales price limits. Each year, HUD publishes the applicable HOME sales price limits by area, adjusted for number of units and if it is a rehabilitated or new construction unit. All projects must be affordable to households earning between 70-80% AMI and should be priced accordingly using Rhode Island Housing's Purchase Price Calculator.
 - HOME-assisted ownership units must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. Additional restricted use periods may be included at the discretion of Rhode Island Housing.
 - HOME-assisted homeownership units are subject to Rhode Island Housing Resale and Recapture Policies.
- HOME Homebuyer Assistance.
 - If a HOME-assisted unit is resold to an income-eligible buyer, Rhode Island Housing may subsidize that buyer to make the unit affordable under the Rhode Island Housing Resale and Recapture Policy
 - HOME funds invested in homebuyer assistance are subject to existing subsidy limits and include the current investment and any previously made HOME-investments in the development of the unit.
 - Applications for this type of assistance are accepted on a rolling basis.
- CHDO Operating Assistance
 - No more than the greater of \$50,000 or 50% of an organization's operating budget may be awarded to the organization in any given year.
 - The organization must be CHDO certified to receive operating funds and either be 1/developing, sponsoring, or owning a CHDO-reserve funded project or 2/ apply for HOME funds to develop, sponsor, or own a CHDO-reserve funded project within 24 months of receiving operating assistance.
 - Applications for this type of assistance are accepted on a competitive basis with each funding round.

- HOME Program Administration
 - To be used for eligible administrative expenses for Rhode Island Housing's operating of the HOME Program.
 - Funding will not exceed 10% of the annual allocation and 10% of any eligible Program Income.

Total Allocated 2018 Grant	\$3,723,228
Administration (10%)	\$ 372,323
CHDO Operating Expenses (maximum of 5%)	\$ 186,161
CHDO Reserve Funding	\$558,484

Estimated Project Funds Available **\$3,164,744**

A total of just over \$3 million will be available for project funding. We estimate that 80% will go to rental housing production or rehabilitation with the remaining 20% going to homeownership projects and homebuyer assistance, though the distribution between rental and homeownership is a projection based on prior applications and awards. There is no set-aside for either rental or homeownership. At least \$558,484 will be reserved for projects owned, sponsored, or developed by CHDOs.

Geographic Distribution of Funds

Funding is available to all communities in the State, with the general exception of Providence, Pawtucket and Woonsocket, which receive HOME allocations directly from HUD. However, applicants from these three communities may be eligible for State HOME funding if the entitlement entities do not have funds available for a specific activity and the City can document that it has obligated all the funds it had previously budgeted for that activity. The geographic areas of the State where 2017 funds will actually be expended have not yet been identified. However, Rhode Island Housing has made rehabilitation of foreclosed and abandoned properties a priority which tends to concentrate funding in the larger, older core cities. On the other hand, the scoring system favors communities with the lowest percentage of affordable housing units to encourage a more equitable distribution of affordable housing throughout the State.

Application Process

Rhode Island Housing staff review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility.

All applicants must submit sources and uses, operating budgets (if rental), a trending pro forma matching the corresponding affordability period in addition to their own financial audit, evidence of site control, detailed construction/rehabilitation budget, flood zone maps, evidence of market demand, tenant/buyer selection policies and affirmative marketing plans. Incomplete applications will not be considered for funding. Applications, Requests for Proposals, Informational Documents and Developer Resources for the HOME Program are available online at <http://www.rhodeislandhousing.org/sp.cfm?pageid=570>

Applications are scored based upon the criteria shown in the section below. Rhode Island Housing staff recommends funding of specific activities to the Board of Commissioners. Upon preliminary commitment by the Board of Commissioners, Rhode Island Housing staff will assess program readiness to proceed, complete underwriting and cost reasonableness analysis and submit the project back to the

Board of Commissioners for final commitment. HOME Commitments will then be formally awarded by Rhode Island Housing to HOME sponsors in the form of an executed HOME Agreement.

We will host two (2) competitive rounds per program year – one as part of the Low Income Housing Tax Credit application process and an additional one as part of a joint application with other Ancillary Funding programs (such as National Housing Trust Fund, Thresholds, etc.). Additional rounds may be held if there are remaining project funds not yet committed. Applicants not funded in one round are encouraged to re-apply in subsequent rounds.

Funds will only be committed to proposals ready for construction or implementation within six (6) months of project closing.

Rhode Island Housing will make available notices of funding availability and requests for proposals on its website on the homepage of <http://www.rhodeislandhousing.org/> and through its requests for proposals page at <http://www.rhodeislandhousing.org/sp.cfm?pageid=442>. Rhode Island Housing will also directly contact developers via email about of availability and requests for proposals.

Evaluation Criteria and Scoring System

Minimum Requirement Thresholds

For an application to be moved forward through the scoring process it must meet and/or exceed the following requirements:

- A complete application including all attachments submitted on or before the application deadline;
- Eligible activities are proposed by an eligible entity meeting all HUD regulations for the HOME program as published in the Federal Register at 24 CFR Part 93.200-93.205;
- Any project proposing to use HOME funds to acquire property from the RIHousing Land Bank will not move forward to the scoring process, as this is not an eligible use of RI HOME funds.
- Proposed assistance amounts to a minimum of \$1,000 per unit
- Project is deemed feasible as presented;
- Cities and towns applying for funding must demonstrate a commitment to the creation and preservation of affordable housing, evidenced by Community Development Block Grant (CDBG) Budget proposed or committed over the span of three years;
- The project submission meets all Construction and Rehabilitation Guidelines (see description below); and
- Project will begin within six (6) months of Commitment.

Rhode Island Program Priorities

Select which program priority category your project falls under. Direct homeownership assistance, down payment and closing cost assistance, which do not include housing development, are not among priorities of the HOME Program.

1) High Priorities:

- a) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for very low-income families;
- b) Acquisition and/or substantial rehabilitation and/or new construction to provide homeownership opportunities for low-income families;
- c) Acquisition and/or rehabilitation and/or new construction of housing units for homeless and special needs populations in conjunction with supportive services.

- 2) Medium Priorities:
 - a) Preservation of the existing affordable housing stock through rehabilitation, acquisition, or other eligible assistance. (Properties eligible for assistance under 24 CFR part 248, "Prepayment of Low Income Housing Mortgages" are ineligible for HOME Program assistance);
 - b) Acquisition and/or rehabilitation and/or new construction to provide units for low and very-low income one and two-person households;
 - c) Acquisition, and/or rehabilitation and/or new construction to provide rental units for low and very low-income elderly residents.
- 3) Low Priorities:
 - a) Moderate rehabilitation of rental units for low and very low-income families (as defined by HUD) throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of units occupied by lower income families;
 - b) Funds used to create additional affordable housing units to assure no net loss of units as a result of demolition, conversions to homeownership, prepayment or voluntary termination of State or federally assisted mortgages.

Selection Criteria and Relative Importance:

Scoring of applications is based on the following factors:

Scoring Factor	Total Possible Points
<u>Meeting Program Priorities:</u> The extent to which the proposal addresses one or more of the HTF Program Priorities outlined below (High priorities=30 points; Medium priorities=25 points; Low priorities=20 points;	30
<u>Applicant Ability to Obligate and Undertake Eligible Activities:</u> Capacity of the applicant to undertake the proposed activity (past project performance- up to 7 points, development and management team- up to 7 points, financial feasibility- up to 6 points, deduction of up to 9 points for HOME findings in monitoring- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests for required information - 3 points)	20
<u>Leverage and Match:</u> Commitment of and amount of leveraged resources and available match (non-federal match will be scored more highly)	15
<u>Demonstrated demand:</u> Market study or waitlist (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand)	10
<u>Financial feasibility of Project:</u> Committed or projected operating subsidy=up to 5 points; Pro forma performance through affordability period=up to 5 points	10
<u>Design and Construction Standards:</u> Meets or exceeds RIHousing Design and Construction Standards	10
<u>Community Participation:</u> Evidence of community engagement, public solicitation of feedback, and/or resident participation in project planning or execution	5
<u>Geographic Diversity:</u> HOME funding is available to all communities in the State. Priority will be given to communities that have yet to meet or exceed State goal that at least 10% of housing stock is affordable (1 point). Additional points will be given for each of the following: <ul style="list-style-type: none"> •accessibility to transit (1 point); •accessibility to employment centers (1point); • accessibility to high performing schools (1 point); 	5

• accessibility of community services (1 point)	
<u>Duration of Affordability:</u> Term of Affordability exceeds minimum requirements for type of unit and amount of funding requested. HOME affordability is 30 years. (meets affordability - 2 points, +1-10 years – 3 points, +11-20 years – 4 points, +21 years or more – 5 points)	5
<u>Priority Housing Needs of the State:</u> Connectedness to State Consolidated Plan priority needs	5
<u>Additional Merits:</u> Preference for underserved segments of the extremely-low income population as defined in the state's Consolidated Plan	5
<u>Additional Merits:</u> Project provides access to resident services and supports (maximum point allocation to those applications which include executed MOUs with service partners)	5
<u>Additional Merits:</u> Project integrates green design elements, universal design, energy and water conservation, etc. technologies above and beyond the Design & Construction standards.	5
TOTAL	130

Performance Measures

In accordance with the Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs dated March 7, 2006, Rhode Island Housing evaluates HOME Program investment using the IDIS Outcome Performance Measurement System.

The HOME Program objective is Providing Decent Affordable Housing through acquisition, rehabilitation and new construction of rental units and homeownership opportunities. The HOME Program outcome is Affordability.

Community Housing Development Organizations (CHDOs):

Definition: A Community Housing Development Organization is a nonprofit housing organization that meets the definition at 24 CFR 92.2. In summary, it must meet the following requirements:

- A tax exempt ruling from the IRS under 501(c).
- Does not include a public body.
- Is not sponsored by a for-profit entity whose primary purpose is the development or management of housing.
- Meets standards of financial accountability.
- Includes as one of its objectives the goal of providing affordable housing.
- Accountability to the lower income community with one-third of its board members representing low-income neighborhood organizations, or who are residents of low-income neighborhoods.
- Demonstrated capacity to develop housing.
- History of serving the community for at least one year.

Funding: In line with federal regulations (24 CFR 92.300), at least 15% of the total HOME allocation is set aside for investment in housing developed, sponsored, or owned by eligible Community Housing Development Organizations (CHDO)².

² For more information on becoming or recertifying as a CHDO in Rhode Island, please utilize the checklist found here: <http://www.hud.gov/offices/cpd/affordablehousing/training/web/chdo/characteristics/chdochec.pdf>.

This amount is commonly referred to as the “CHDO set-aside.” Although 15% of the grant will be reserved for activities proposed by CHDOs, a substantially greater portion of the funding has historically been committed for projects developed by CHDOs.

Rhode Island Housing requires documentation of CHDO development staff capacity. Capacity must reside within the paid staff of the CHDO and not with consultants, volunteers or board members. Rhode Island Housing has a stable cadre of CHDOs that has developed the majority of affordable housing in the state over the past twenty years.

Based upon unit production, up to five percent (5%) of the HOME allocation may be awarded to CHDOs to assist with their organizational operating expenses.

Coordination:

Rhode Island Housing maintains a database of all nonprofit housing organizations, social services agencies and many for-profit developers and provides notice of the availability of funds under the HOME program. Technical assistance and predevelopment funding will be available to organizations that meet the CHDO definition. Rhode Island Housing will encourage their participation and will work with CHDOs to help them understand the regulations and submit competitive applications. CHDOs apply for funds in the general competition and may apply for any eligible activity. Although 15% of the funding has been reserved for activities proposed by CHDOs, it is possible that they could receive a substantially greater portion of the funding depending on the competition.

Maximum per-unit development subsidy amounts for HOME projects

Pursuant to [24 CFR 93.300\(a\)](#), all HOME grantees must establish maximum limitations on the total amount of HOME funds that the grantee may invest per-unit for development of non-luxury housing. The limits must be “reasonable” and based on actual costs of developing non-luxury housing in any given geographical area. Each grantee must submit maximum per-unit development subsidy amounts and accompanying justification with its HOME Allocation Plan on an annual basis.

Maximum HOME investment: Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking. Until a new rule can be published, HUD published a Notice (CPD-15-003) establishing an interim policy directing PJs to use the Section 234 Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).

To ensure consistency with the provisions of section 212(e)(1) of NAHA and [24 CFR 92.250\(a\)](#), the HOME maximum per-unit subsidy limit that HUD can approve for a PJ cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas). For a PJ whose high cost percentage (HCP) has been increased above the 240 percent, the CPD Division must cap the HOME per-unit subsidy limit at 240 percent of the Section 234 basic mortgage limit.

Resale/Recapture

The State may make HOME funds directly available for first-time homebuyers (see program priorities) to assist in making an existing HOME-assisted homeownership unit affordable to an income-eligible buyer

between 70-80% AMI. Any project that develops homeownership housing will include the current Rhode Island Housing HOME Investments Partnership Program Resale and Recapture Policy (see Grantee Unique Appendix) in the deed restriction that accompanies the income restriction and affordability period required in purchasing the home.

Construction/Rehabilitation Guidelines

It is Rhode Island Housing's expectation that all project sponsors will retain an architect/engineer and/or cost estimator to prepare architectural plans and estimated project costs. Rhode Island Housing's reviewing construction staff will evaluate all design and scope documentation to determine whether the proposed project will meet various program requirements as well as all applicable local, state, and federal regulations. RIH's construction staff also will review the documentation to ensure that the project conforms to these construction and rehabilitation guidelines.

One of the objectives in making HOME subsidy awards available is to produce developments of quality construction and livable design that will enhance the communities in which they are built. All developments to be financed through Rhode Island Housing's HOME program must meet the requirements set forth in Rhode Island Housing's Design and Construction Guidelines, and shall be consistent with the design elements and philosophy of Rhode Island Housing's Comprehensive Community Design Initiative.

All Rhode Island Housing developments funded through the State Home Investment Partnerships ("HOME") Program, State Housing Trust Fund ("HTF") Program and Rental Housing Production Program must adhere to these Standards. See Attachment B: Design and Construction Guidelines.

In both rehabilitation and new construction, the completed housing must meet all applicable state and local codes, ordinances, and requirements. In addition, the completed housing must meet Uniform Physical Condition Standards (UPCS) for the site, building exterior, building systems and common areas, and must comply with HUD 24 CFR Part 35 with respect to lead-based paint hazards.

Homeownership Value Limits

Because direct homeownership assistance, such as down payment and closing costs assistance, is not a priority of the Rhode Island HOME Program, the Corporation anticipates funding homeownership only by funding developers to produce and sell homes to qualified buyers.

Rhode Island Housing provides HOME funds to developers of for-sale homeownership properties. After resale value (ARV) is established using comparable sales to provide an estimate of value. Rhode Island Housing ensures that the purchase price of properties developed with HOME funds does not exceed 95 percent of the median purchase price for the area as established by HUD.

In Section 92.254(a)(2)(iii) of the Final Rule published on July 24, 2013, HUD established new homeownership value limits for HOME Participating Jurisdictions (PJs). This new Rule was effective August 23, 2013.

The initial maximum sale price and any subsequent sales of the property during the Affordability Period shall be as directed by HUD at 24 CFR 92.254 and reflected in the Corporation's most recent Annual Action Plan, HOME Agreement, Resale and Recapture Policies, and HOME Homebuyer Agreement approved by HUD.

American Dream Down Payment Initiative (ADDI):

No ADDI loans were made in PY 2017 and no ADDI loans will be made in PY2018, as Rhode Island Housing no longer has remaining ADDI funds. Rhode Island Housing had established a low-income, first-time homebuyers program that utilizes ADDI funds as well as Corporation funds. ADDI and Corporation funds are used to provide down payment and closing cost assistance and, beginning with FY 2004 ADDI funds, home repair costs for qualifying homebuyers. ADDI funds assist homebuyers whose incomes do not exceed 80% of area median, Corporation funds assist those homebuyers whose incomes exceed 80% of area median but do not exceed 115%. ADDI and Corporation funds assist only those homebuyers purchasing homes from nonprofit affordable housing developers.

Forms of Investment

HOME funds may be awarded in the form of equity investments, interest bearing loans or advances, non-interest bearing loans or advances, interest subsidies, deferred payment loans and grants. Funds awarded to CHDOs for technical assistance or seed money will be in the form of a zero interest loan repayable upon receipt of construction or permanent financing. Applications for loans will receive extra credit in the rating system as indicated above.

Affirmative Marketing

The HOME Program will be administered by Rhode Island Housing in accordance with the requirements of regulations at 24 CFR Part 92.351 and 92.350 with regard to the affirmative marketing requirements and the use of Minority Business Enterprises and Women's Business Enterprises. Cities and Towns awarded funds as sub-recipients will be obligated to comply with these procedures and will be responsible for enforcing compliance with regard to participants in their programs. Rhode Island Housing will monitor local programs to ensure the implementation of program requirements.

All other agencies funded under the HOME program, except Public Housing Authorities, must agree to comply with the procedures required by the regulations. Owners of properties with 5 or more housing units must take actions to attract eligible persons from all racial, ethnic and gender groups and must comply with the following affirmative marketing procedures. Rhode Island Housing will provide all sub-recipients and grantees with a copy of its written affirmative marketing policy and information with regard to fair housing law.

- All owners must make every effort to reach "those least likely to apply" for housing vacancies. A list of minority media outlets is provided to owners who also advertise in schools, churches, community centers, and directly to other nonprofit agencies, particularly shelters and transitional housing groups.
- All outreach efforts will be language-appropriate and every effort will be made by agencies to be physically accessible to all groups. All notices, advertisements, and communications shall contain equal housing and handicapped accessibility logos. To solicit applications from those least likely to apply, owners will be required to send a letter to organizations on an outreach list prepared by Rhode Island Housing. The letter shall state the owner's fair housing policy and encourage minority households to apply. If there is an inadequate response, vacancies may be made available through radio announcements or by speaking to community groups. To notify handicapped persons of the availability of units, a letter must be mailed to organizations that serve the handicapped.

Monitoring and Record Keeping

Upon approval of an application, the applicant shall enter into, execute, deliver and provide RIH with such documents, instruments, and further assurances, as RIH deems necessary to assure compliance with the HUD regulations. The Agreement shall remain in effect for the period of affordability or, if the applicant is a "Sub-recipient", during any period of that the applicant has control over HOME program Funds. At a minimum, the Agreement shall contain provisions concerning items concerning all items in accordance with the requirements of HUD regulations together with such other requirements as Rhode Island Housing may require. The Agreement will include the method of enforcement by Rhode Island Housing or the intended beneficiaries. The Agreement will specify remedies for breach of the provisions of the Agreement.

To insure compliance with the requirements of HUD and Corporation Regulations, Rhode Island Housing will conduct on-site inspections and financial oversight in accordance with 92.504. The Loan Servicing and Asset Management Department will conduct annual file reviews and on-site property inspections. The assigned sends each HOME unit sponsor a request letter for copies of files for the file review and to arrange an appointment to conduct the inspection. If the unit fails on-site inspection, then a discussion with the owner takes place to address repairs noted that would be necessary to bring the unit up to the standard, and these deficiencies and corrections are included in each year's CAPER. The on-site property inspections measure compliance with state and local building codes, accessibility, disaster mitigation, health and safety, lead-based paint, and all other standards listed under 24 CFR 982.401.

It should be further noted that per the 2013 HOME Final Rule, all HOME units committed funding after 1/24/15 will be required to be reviewed under the new Uniform Physical Condition Standards (UPCS) on an ongoing basis; however, as of July 2016, guidance from HUD has not yet provided additional guidance on these standards. After the review and the inspection take place, and the Support Specialist then sends the sponsor a follow up letter regarding findings of the reviews and necessary actions that must be taken. Tenants agree in their leases to provide information to the landlord on rents to complete occupancy reports. Each unit is assessed for compliance using information in the file reviews, such as the occupancy information, utility allowances and the level of rent being charged.

MBE / WBE

Minority Business Enterprise / Women's Business Enterprise: RIH will continue its present efforts to utilize minority and women's business enterprises (MBE/WBE). The outreach efforts will be implemented by HOME Program staff with the oversight of the Director of Development. All contracts for the procurement of property and services awarded under the HOME Program and all such contracts awarded by state recipients and other entities, funded under the HOME Program shall to the maximum extent possible be awarded to businesses owned by minorities and women.

HOME awardees, with projects under development, are required to report all awarded contracts related to the project upon its completion. Information reported includes the dollar value of the contract, contractor name, gender, ethnicity and race. Information is maintained in the program files related to each project.

Rhode Island Housing HOME Investments Partnership Program Resale Policy

The HOME rule at Section 92.254(a)(5) requires that all HOME-assisted homebuyer housing be acquired by an eligible low-income family, and the housing must be the principal residence of the family throughout the affordability period. If the home is transferred, voluntarily or otherwise, during the

period of affordability, it must be made available for subsequent purchase only to a buyer whose family qualifies as low-income, and will use the property as its principal residence. The HOME resale provision must enforce these requirements as any housing assisted with HOME funds must remain affordable for the duration of the period of affordability.

Enforcement of Resale Provisions

The Rhode Island resale policy is enforced through the use of a Deed Restriction signed by the homebuyer at closing. The Deed Restriction will specify:

1. The length of the affordability period (30 years or more in all cases)
2. That the home remains the Buyer's principal residence throughout the affordability period
3. The Owner must contact Rhode Island Housing in writing if intending to sell the home prior to the end of the affordability period;

Definition of Fair Return on Investment

Rhode Island Housing defines the homeowner's investment as the total of

1. The down-payment, if any, from the homeowner's own funds applied to the purchase price of the property, and
2. The actual, documented expenditures of the homeowner for approved capital improvements to the property. Improvements shall not include landscaping or other yard improvements of interior or exterior painting or other repairs due to normal wear and tear on the property. Approved capital improvements include, but are not limited to: (a) Renovations to the property's living space and (b) The addition of a deck, porch or car garage.

Calculation of Appreciation Standard

Rhode Island Housing defines a "fair return" to include the full value of the capital investments of the original homebuyer (down-payment and improvements as defined in the previous section) as well as the market appreciation of those investments. Market appreciation shall be based on percentage changes calculated by the using the federal Housing Price Index (available at <http://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index-Datasets.aspx>).

The down-payment relevant base month will be the month of the original purchase while the relevant base month for any and all capital improvements will be the month in which the improvements were paid for by the current owner. The percentage change in the HPI from the month of the investment to the month of the intention to sell shall be used as the appreciation percentage on the original investment.

Example

A home with a 30-year affordability period was purchased in May of 2012 for \$166,500, with the homeowner supplying a down payment of \$3,480. The owner incurred verified and approved capital improvement expenses of \$5,000 in June of 2013. The original buyer intends to put the house on the market in March of 2014.

The relevant active month Housing Price Index (HPI) level is 189.32, with the relevant HPI of the original purchase being 176.75, producing a percentage change of 7.112%. The appreciation on the down-payment is thus 7.112% of the original down-payment itself (\$3,480), or \$247.49. The relevant HPI of the original construction investment is 182.83. The percentage change from that month to the relevant active month is 3.550%. The appreciation on the construction investment is thus 3.550% of the \$5,000 invested, or \$177.49. The total appreciation on the owner's investments is summed to be \$424.98. Added to the original combined investments of \$8,480, the fair return on investment to the homeowner upon resale is thus \$8,904.98.

Resale

The price at resale must provide the original HOME-assisted owner a fair return on investment and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers:

- Affordable to a reasonable range of low-income buyers shall mean that the principal, interest, taxes and insurance (PITI) shall not exceed 30% gross monthly income for buyers between 70% and 80% of area median income. In no circumstance can the sale price of the home exceed the maximum of that range, which is the 80% AMI sales price.
- If the fair market value of the home falls within the reasonable price range to remain affordable to low-income homebuyers, as defined in the previous paragraph, and the subsequent homeowner's income falls within this range, additional assistance may be provided to the subsequent homeowner in the form of down-payment assistance. The source of this assistance will be non-federal funds that are applicable for this use.
- It is important to note that in certain circumstances, such as a declining housing market where home values are depreciating or are stagnant, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price.
- If equity exceeds the fair return on investment owed to the original homebuyer, then the original homebuyer shall be obligated the entirety of their fair return on investment amount and 100% of the remaining equity.

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. **A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

HOME funds will not be used for purposes beyond those identified in Section 92.205.

2. **A description of the guidelines that will be used for resale funds when used for homebuyer activities as required in 92.254, is as follows:**

The Rhode Island HOME Resale Provision is added at the end of this section.

3. **A description of the guidelines for resale that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

The Rhode Island HOME Resale Provision is added at the end of this section.

4. **Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

HOME funds will not be used for this purpose.

Rhode Island Housing HOME Investments Partnership Program Resale Policy

Introduction

The State of Rhode Island utilizes HOME Program funds for new construction and rehabilitation of homeownership housing, as projects arise. When HOME Program funds assist homeownership housing, the State uses a resale provision to comply with 24 CFR 92.254(a)(5)(i), which requires that the State:

- a. must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as the family's principal residence.
- b. must also ensure that the price at resale provides the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement)
- c. and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers; affordable is defined by the State as limiting the Principal, Interest, Taxes and Insurance (PITI) amount to no more than 30% of the gross monthly income for a household earning 80% of Area Median Income (as defined by HUD).

The State projects the use of HOME funds for the development of HOME-assisted homeownership opportunities and has also reserved funds for homebuyer assistance for eligible buyers, subject to relevant subsidy limits on the HOME unit they are purchasing. Homebuyer assistance may include, but is not limited to, down payment assistance to the buyer; mortgage interest write-down; second mortgage assistance; and write down value of the property.

Part I

Qualifying the New Buyer

All HOME-assisted units must be sold only to a buyer whose family qualifies as a low-income family earning up to 80 percent of the Area Median Income (AMI), as published by the U.S. Department of Housing and Urban Development annually, for the duration of the HOME Period of Affordability. However, the applicable AMI may be set at a level below 80%, and in such cases, the new buyer must qualify per the level indicated in the respective legal documents. Income qualification and documentation must occur as prescribed in 24 CFR 92.203 (see Attachment for checklist of required documents), and all buyer income and demographic information and documentation must be submitted to the HOME Program Staff in Rhode Island Housing's Development Division for approval prior to the transfer of the property. The initial purchaser, and all subsequent buyers of a HOME-assisted unit, must use the property as his/her/their principal residence during the HOME Period of Affordability. The State conducts annual monitoring to ensure this requirement is met.

HOME Period of Affordability	
HOME Investment	Length of the Affordability Period
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years

Part II

a. Fair Return on Investment and Resale Price

Per 24 CFR 92.254(a)(5)(i), the HOME resale provision must ensure that the price at resale provides the owner a fair return on his or her investment on the HOME-assisted property. However, CPD Notice 12-003 (Subject: Guidance on Resale and Recapture Provision Requirements under the HOME Program) states that “in certain circumstances, such as a declining housing market where home values are depreciating, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price”.

While Rhode Island’s provision includes a formula on what constitutes a fair return on investment, it is important to note that this provision does not guarantee a return to the homeowner.

“Fair Return on Investment” shall be equal to the change in Area Median Income over the original homebuyer’s period of ownership to the time of resale (Fair Return Rate for Investment) times the homebuyer’s original investment (Investment), plus the change in Area Median Income between the time the improvement was completed to the time of resale (Fair Return Rate for Improvement) times the value of the documented cost of unsubsidized capital improvements (Improvements). Multiple Improvements can be included, and for each eligible Improvement, a specific Fair Return Rate for Improvement will be calculated.

The “Rate(s)” will be calculated as a fraction, the numerator of which is 80 percent (80%) of the AMI for a family of four as published by HUD as of the date of receipt of the owner’s notice to sell the affordable unit and the denominator of which is 80 percent (80%) of the AMI for a family of four as published by HUD as of the date of the initial closing (for any original investment) or as of the date of the completed improvements (all that are applicable). All calculations shall be performed by Rhode Island Housing.

Homeowner’s original investments shall include any down payment made from the homeowner’s own funds applied to the purchase price of the property.

“Capital Improvements” are elements that may add to the value of the unit or prolong its useful life, are of function and quality consistent with comparable affordable housing units, and are owned solely by the owner (not part of any common areas). Maintenance is not considered a capital improvement. Improvements that are funded by federal, state or local grant programs are not eligible. Some examples of capital improvements include the replacement of non-operational heating or hot water systems, installation of energy-efficient windows, adding insulation to the home, additions such as a bedroom, bathroom or garage, accessibility improvements such as bathroom modifications or wheelchair ramps, and outdoor improvements such as a paved driveway, retaining wall or fence. The value of the capital

improvement for the fair return on investment formula will be the actual costs of the improvements as documented by the homeowner's receipts. Determination of eligible capital improvements to be included in the fair return on investment formula will be at the discretion of Rhode Island Housing.

Where applicable, all improvements must have been installed and inspected in compliance with building code standards. All improvements and costs must be documented to the satisfaction of Rhode Island Housing, and may be subject to onsite verification by Rhode Island Housing.

An example of the fair return on investment formula is included in the Attachment to this Resale Provision. The Attachment also describes the various actions that the State will take upon resale, relating to the resale price, equity from the sale of the home, and the fair return on investment formula values. **In all instances, the original owner will retain all equity upon resale to a qualified buyer.**

b. Resale Price

Where possible, the resale price should reflect the fair market value of the home. The State will consider the appraised value of a home as the Resale Price, if that appraisal is no older than six months as of the State's receipt of the owner's notice of intention to sell. The cost of the appraisal is the responsibility of the owner intending to sell.

The State will inform the seller of the approved Resale Price in a timely manner, generally no more than five (5) business days after the receipt of the owner's intention to sell, or after receipt of the appraisal that the owner has commissioned, whichever is later.

The Resale Price, once determined by the State, is valid for six months after the communication of the Price to the owner. After six months, the Resale Price will be continued or updated per review by the State, with the results of that review being communicated to the owner in a timely manner.

It is important to note that this policy does not guarantee a return to the homeowner. Under certain market circumstances the owner may not be able to receive a full return on his or her investment.

Part III

Continued Affordability

The State is obligated to ensure that the owners of HOME-assisted units receive a Fair Return on Investment and that the unit(s) remain affordable to a range of income eligible households upon resale. To maintain continued affordability, the State will target subsequent purchase to households earning 70- 80% of the Area Median Income, spending no more than 30 percent (30%) of gross household income on fixed housing costs (principal, interest, property taxes, condominium fees, if applicable, and insurance), assuming current interest rates offered for a

30-year, fixed rate loan and a down payment of 3.5%. Rhode Island Housing maintains a purchase price calculator (<https://www.rihousing.com/sp.cfm?pageid=571>) that will be used to determine the home's affordability to households earning between 70-80% AMI.

If the Resale Price (as determined in Part II, Section b) of the home exceeds the maximum affordable sales price indicated by the purchase price calculator (described in this Part), to provide a fair return to the original buyer while ensuring that the property is affordable to households earning between 70-80% of AMI, additional assistance will be provided to the subsequent homebuyer. Assistance may include, but is not limited to: down payment assistance to the buyer; mortgage interest write-down; second mortgage assistance; and write down value of the property.

Part IV

a. Disclosure of Resale Provisions

The HOME Resale Policy is provided to the homebuyer through the execution of legal documents, which at minimum will specify:

- i. The length of the Period of Affordability;
- ii. That the home must be the Buyer's principal residence throughout the Period of Affordability;
- iii. That the Owner must contact Rhode Island Housing in writing if intending to sell the home prior to the end of the Period of Affordability or in the case of foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD; and
- iv. The basis for calculating the maximum resale price and fair return as described above.

Any subsequent buyer within the Period of Affordability specified in the legal documents will be subject to all remaining requirements.

b. Enforcement of Non-Compliance

If, at some point, the housing is no longer the principal residence of the homeowner during the Period of Affordability, and the housing has not been sold to another income-eligible party, Rhode Island Housing will attempt to bring the unit into compliance and enforce the terms outlined in the HOME legal documents. If the HOME-assisted homeowner fails to remedy noncompliance issues, the homeowner will be required to make full repayment of the HOME-assistance. Repayment of the HOME-assistance will release the property from the HOME affordability restriction.

c. Foreclosure, Transfer in Lieu of Foreclosure, or Assignment

In HOME-assisted homebuyer projects, the affordability restrictions imposed may be suspended upon foreclosure, transfer in lieu of foreclosure, or assignment of an FHA mortgage to HUD. The Period of Affordability will be reinstated if, during the original Period of Affordability, the owner of record prior to the termination event, obtains an ownership interest in the housing. To preserve affordability, Rhode Island Housing will attempt to prevent foreclosure or utilize its

rights to identify an eligible buyer to purchase the housing and assume the existing HOME responsibilities. Affordability must be preserved by a subsequent purchase at a reasonable price by a qualified low-income homebuyer who will use the property as their principal residence and who agrees to the remainder of the Period of Affordability. If this does not occur, repayment of the entire HOME investment by Rhode Island Housing is required.

d. Subordination

Rhode Island Housing will only allow subordination of the recorded HOME documents to proposed senior debt refinancing for a better rate and term.

The Owner should contact the Rhode Island Housing HOME staff to notify them of their desire to subordinate the original recorded HOME legal documents. In the event of subordination, the Period of Affordability will continue through the full term, as outlined in legal documents.

Rhode Island Housing will consider exceptions to this policy on a case-by-case basis based on circumstances of family hardship and the need to permit refinancing to prevent the loss of the unit(s).

Example of Calculating Fair Return on Investment

A HOME-assisted homeownership property in Cumberland, RI is sold to an income-qualified buyer in October of 2013. This owner included a down payment of \$6,000 of their own funds. Further, the owner incurred verified and approved capital improvement expenses of \$5,000 in 2015. The original buyer sent notice to the State in October of 2017 of their intent to sell the affordable unit.

INVESTMENT: The owner used \$6,000 of their own funds as a down payment to purchase the home.	INVESTMENT: \$6,000
IMPROVEMENTS: The owner incurred \$5,000 in approved capital improvements over the course of owning the home.	IMPROVEMENTS: \$5,000
FAIR RETURN RATE OF INVESTMENT: The 80% AMI for a family of four in 2013 as provided by HUD was \$57,500 while for 2017 it was \$57,700. The "Rate" for the down payment is therefore calculated with \$57,700 as the numerator and \$57,500 as the denominator, or $\$57,700 / \$57,500$, which in this example is equal to 1.0035.	RATE FOR RETURN ON INVESTMENT: $\$57,700 / \$57,500 = 1.0035$
FAIR RETURN RATE OF IMPROVEMENT: The 80% AMI for a family of four in 2015 as provided by HUD was \$57,600 while for 2017 it was \$57,700. The "Rate" for the down payment is therefore calculated with \$57,700 as the numerator and \$57,600 as the denominator, or $\$57,700 / \$57,600$, which in this example is equal to 1.0017.	RATE FOR RETURN ON IMPROVEMENT: $\$57,700 / \$57,600 = 1.0017$
FAIR RETURN ON INVESTMENT FORMULA: (Rate 1 [1.0035] X Investment [\$6,000]) + (Rate 2 [1.0017] X Improvements [\$5,000]) = Total Return to the Original Homebuyer at Sale [\$11,029.50].	FAIR RETURN ON INVESTMENT: $1.0035 \times \$6,000 = \$6,021$ + $1.0017 \times \$5,000 = \$5,008.50$ $\$11,029.50$ (rounded to \$11,030)

Various Equity Scenarios, Explanations

Scenario 1 – Equity from sale of home **exceed** total return to original homebuyer as per the fair return on investment formula

In accordance with the HOME regulations, the State is obligated to ensure that the owners of a HOME-assisted units receive a Fair Return on Investment. However, in some cases, equity from a sale of a HOME-assisted unit yields returns above and beyond the fair return on investment formula. Equity from the sale of a HOME-assisted unit are determined by total proceeds at sale minus repayment of senior debt and sale-related closings costs. In a scenario in which the equity from the sale exceeds the fair return on investment obligated to the homeowner, the owner will nonetheless retain the entirety of the equity. For example, if the equity of a HOME-assisted unit are \$20,000, and the fair return on investment calculation yields \$11,030 (like in the example) the owner would retain the fair return on investment (\$11,030) as well as the equity above and beyond the fair return (\$8,970 above and beyond), otherwise described as receiving the total equity of \$20,000.

Scenario 2 – Resale of home yields Equity below the fair return on investment

While the State is obligated to ensure that the owner of a HOME-assisted unit receives a Fair Return on Investment where there are positive returns on the sale, there are scenarios in which a depressed or declining market exists and a loss on investment can occur. If the Equity of the sale (total proceeds from sale at resale price minus loan repayment of senior debt and sale-related closing costs) do not exceed the fair return on investment calculation, the owner in this scenario would not receive a full return. The owner will still retain Equity, if any. For example, if the Equity of the sale of a HOME-assisted unit are \$5,000, and the fair return on investment calculation yields \$11,030 (as in the example in Scenario 1), the owner would retain the full Equity of \$5,000 but would not attain the full value of their investment and fair return.

Scenario 3 – Resale of home yields no Equity

While the State is obligated to ensure that the owner of a HOME-assisted unit receives a Fair Return on Investment where there are positive returns on the sale, there are scenarios in which a depressed or declining market yields no Equity. In this case, the owner receives no Equity and will recoup none of its investments, improvements, or fair return. For example, if a home sells for less than what is still owed on loan repayment and sale-related closing costs, then there are no Equity and therefore the original homeowner will not receive the Total Return to the Original Homebuyer at Sale amount as described in the example earlier in this attachment.

Scenario in which Resale Price is above what is affordable to low-income homebuyers

In accordance with the HOME regulations, the State is obligated to ensure that the owners of a HOME-assisted units receive a Fair Return on Investment and that the unit remains affordable to a range of income eligible households upon resale. To maintain continued affordability, the State will target subsequent purchase to appropriately-sized households earning 70- 80% of the area median income, spending no more than 30 percent (30%) the gross household income for an 80%

AMI family (level determined annually by HUD) on fixed housing costs (principal, interest, property taxes, condominium fees, if applicable, and insurance), assuming current interest rates offered for a 30-year, fixed rate loan and a down payment of 3.5%. For example, an owner in Burrillville sells his or her home at the RIHousing-approved resale price for \$198,000. However, a household at 80% AMI for this area would have to pay no more than \$196,000 to afford to purchase this home (this determination would be made by RIHousing using the mortgage and AMI inputs described above). In such a situation, the State will subsidize the new buyer. This subsidy would come in a form described in Part III of this Resale Policy. In no circumstance does the ability of a low-income buyer to afford a home affect the resale price or the fair return on investment obligated to the seller.



Rhode Island Housing
working together to bring you home

HOME & HTF Homeownership Sales Price Limits - FY 2018*

Prior to selling a HOME- or Housing Trust Fund-assisted home, please contact our staff to determine the approved sales price (based on the Rhode Island Housing policy and applicable federal regulations). Please have your Homebuyer Agreement and/or Deed Restriction available at the time of contact as well as a copy of your property taxes, insurance, and homeowner/condominium fees (if applicable).

In addition, our staff will determine the eligibility of the buyer based on the income limits set forth in the Homebuyer Agreement and/or Deed Restriction. Our team will require documentation to verify household income, assets, and employment of the buyer. A complete list of documents will be sent at the time of inquiry.

County	Metropolitan/FMR Area Name	Existing Homes HOME/HTF Purchase Price Limit					New Homes HOME/HTF Purchase Price Limit				
		1-Unit	2-unit	3-unit	4-unit	Geographic Area Used	1-Unit	2-unit	3-unit	4-unit	Geographic Area Used
Bristol	Providence-Fall River, RI-MA HUD Metro FMR Area	\$293,000	\$375,000	\$454,000	\$562,000	County	\$293,000	\$375,000	\$454,000	\$562,000	Existing Limit
Kent	Providence-Fall River, RI-MA HUD Metro FMR Area	\$204,000	\$261,000	\$317,000	\$392,000	County	\$260,000	\$333,000	\$403,000	\$500,000	Metro
Newport	Providence-Fall River, RI-MA HUD Metro FMR Area	\$312,000	\$399,000	\$483,000	\$598,000	County	\$312,000	\$399,000	\$483,000	\$598,000	Existing Limit
Providence	Providence-Fall River, RI-MA HUD Metro FMR Area	\$204,000	\$261,000	\$317,000	\$392,000	Metro	\$260,000	\$333,000	\$403,000	\$500,000	Metro
Washington	Providence-Fall River, RI-MA HUD Metro FMR Area	\$295,000	\$377,000	\$456,000	\$565,000	County	\$295,000	\$377,000	\$456,000	\$565,000	Existing Limit
Washington	Westerly-Hopkinton-New Shoreham, RI HUD Metro FMR Area	\$295,000	\$377,000	\$456,000	\$565,000	County	\$295,000	\$377,000	\$456,000	\$565,000	Existing Limit
Newport	Newport-Middleton-Portsmouth, RI HUD Metro FMR Area	\$312,000	\$399,000	\$483,000	\$598,000	County	\$312,000	\$399,000	\$483,000	\$598,000	Existing Limit

<https://www.budexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value>

*Homeownership Value Limits effective as of April 1, 2018; New limits posted March 2018.

To verify current HOME limits or to receive your approved sale or re-sale price, please contact the HOME Program Coordinator, Ainsley Cantoral, at ACantoral@rihousing.com or call 401-429-1449.

State of Rhode Island
National Housing Trust Fund (HTF) – Allocation Plan 2018

June 29, 2018

Background and Purpose of HTF Program

The National Housing Trust Fund (HTF) is a federal program to support the development of affordable housing for low-income individuals and households. It is a newly funded federal affordable housing program that will complement existing federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for families and other households in Rhode Island, including homeless families.

The HTF will be funded annually with certain proceeds available from two government-sponsored entities – the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The U.S. Department of Housing and Urban Development (HUD) will administer the HTF at the federal level and will distribute trust funds to participating states in accordance with an established formula.

Each participating state must identify one qualified housing agency to allocate the funds made available through HTF. In addition, each state must prepare and submit for HUD approval an allocation plan outlining the process it intends to follow to distribute the HTF monies. The National Housing Trust Fund Interim Rule can be found at 24 CFR Parts 91 and 93.

In the State of Rhode Island, the Governor has identified Rhode Island Housing Mortgage and Finance Corporation (RIHousing) as the allocating agency for the HTF. Rhode Island does not intend to appoint subgrantees for HTF and will distribute funds directly to recipients, defined as “organizations, agencies, or other entities that receive HTF funds to undertake an eligible project.” It is RIHousing’s intent to award HTF funds as rapidly and efficiently as possible.

In any fiscal year in which the total amount available for allocation of HTF funds is less than \$1 billion, RIHousing must use one hundred percent (100%) of its HTF grant for the benefit of extremely low-income families or families with incomes at or below the poverty line (whichever is greater). In any fiscal year in which the total amount available for allocation of HTF funds is greater than \$1 billion, the grantee must use at least seventy-five percent (75%) of its grant for the benefit of extremely low-income families or families with incomes at or below the poverty line.

Eligibility Requirements

Funding will be allocated in a competitive application process open to all eligible entities, including cities and towns, nonprofit housing organizations, and for-profit developers. It is available to all communities in the State, with priority given based on specific factors listed in the Selection Criteria section below. Cities and towns are encouraged to apply to receive funding for projects. To be

considered eligible for program funds, Rhode Island requires that recipients of HTF funds per §93.2, at minimum:

- a) Make acceptable assurances to the grantee (RIHousing) that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities.
- b) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity
- c) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs
- d) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.

RI Housing will generally award HTF as subordinate debt and will close all HTF assistance through its approved closing policies and procedures.

Application Requirements

RIHousing will conduct up to four (4) competitive rounds per program year – one as part of the Low-Income Housing Tax Credit application process and up to three additional rounds as part of a joint application with other ancillary funding programs (such as HOME, BHRI, Thresholds, etc.). Additional rounds may be held if there are remaining project funds not yet committed. Incomplete applications will not be considered for funding. Applicants not funded in one round are encouraged to re-apply in subsequent rounds.

RIHousing staff will review project applications to ensure their compliance with all federal and state regulations and to assess overall project feasibility and if they meet threshold criteria as outlined below.

Upon review and scoring of those applications meeting the Minimum Requirement Threshold, found below in a subsection of “Selection Criteria”, RIHousing staff and the will recommend funding of specific activities to its Board of Commissioners. Upon preliminary reservation by the Board of Commissioners, RIHousing staff will complete underwriting and cost reasonableness analysis and resubmit the project to the Board of Commissioners for final reservation. HTF Commitments will then be formally awarded by RIHousing to HTF recipients in the form of an executed HTF Agreement (“Commitment”). Both the application and the HTF Agreement will require recipients to affirmatively certify that housing assisted with HTF funds will comply with all HTF requirements.

Selection Criteria

Minimum Requirement Threshold

Before an application can be considered for a reservation of funds it must meet or exceed the following:

- A complete application including all attachments submitted on or before the application deadline;
- Application contains a description of eligible activities to be conducted with HTF funds and applicant is an eligible entity meeting all HUD regulations for the HTF program as published in the Federal Register at 24 CFR Part 93.200-93.204;
- Proposed assistance amounts to a minimum of \$1,000 per unit;
- Project must meet at least one program priority, as described in the section titled “Rhode Island Program Priorities”;
- Project is consistent with the HTF income targeting rule at §93.250
- The development team must have experience in the successful development and operation of affordable housing of similar scope and complexity;
- The development must demonstrate financial feasibility for the duration of the affordability period and have a reasonable likelihood of feasibility for the entire term of financing;
- The development must have a demonstrated probability of achieving sustainable occupancy of 95% within six months of construction completion and 100% occupancy within eighteen months of project completion; and
- Construction must demonstrate a probability that it will commence within six months of firm reservation of funding and be completed within twenty-four months of commitment/closing

Scoring of applications is based on the following factors:

Scoring Factor	Total Possible Points
<u>Meeting Program Priorities:</u> The extent to which the proposal addresses one or more of the HTF Program Priorities outlined below (High priorities=30 points; Medium priorities=25 points; Low priorities=20 points;	30
<u>Applicant Ability to Obligate and Undertake Eligible Activities:</u> Capacity of the applicant to undertake the proposed activity (past project performance- up to 7 points, development and management team- up to 7 points, financial feasibility- up to 6 points, deduction of up to 9 points for HOME findings in monitoring- 3 points, past compliance concerns- 3 points, and/or lack of responsiveness to past requests for required information - 3 points)	20
<u>Leverage and Match:</u> Commitment of and amount of leveraged resources and available match (non-federal match will be scored more highly)	15
<u>Demonstrated demand:</u> Market study or waitlist (full points allocated if waiting lists are provided, 5 points for demonstration of need but not demand)	10
<u>Financial feasibility of Project:</u> Committed or projected operating subsidy=up to 5 points; Pro forma performance through affordability period=up to 5 points	10

<u>Design and Construction Standards:</u> Meets or exceeds RIHousing Design and Construction Standards	10
<u>Community Participation:</u> Evidence of community engagement, public solicitation of feedback, and/or resident participation in project planning or execution	5
<u>Geographic Diversity:</u> HTF funding is available to all communities in the State. Priority will be given to communities that have yet to meet or exceed State goal that at least 10% of housing stock is affordable (1 point). Additional points will be given for each of the following: <ul style="list-style-type: none"> •accessibility to transit (1 point); •accessibility to employment centers (1point); • accessibility to high performing schools (1 point); • accessibility of community services (1 point) 	5
<u>Duration of Affordability:</u> Term of Affordability exceeds minimum requirements for type of unit and amount of funding requested. HTF affordability is 30 years. (meets affordability - 2 points, +1-10 years – 3 points, +11-20 years – 4 points, +21 years or more – 5 points)	5
<u>Priority Housing Needs of the State:</u> Connectedness to State Consolidated Plan priority needs	5
<u>Additional Merits:</u> Preference for underserved segments of the extremely-low income population as defined in the state’s Consolidated Plan	5
<u>Additional Merits:</u> Project provides access to resident services and supports (maximum point allocation to those applications which include executed MOUs with service partners)	5
<u>Additional Merits:</u> Project integrates green design elements, universal design, energy and water conservation, etc. technologies above and beyond the Design & Construction standards.	5
TOTAL	130

Rhode Island Program Priorities

Rhode Island priorities include three Tiers found below.

1) Tier 1:

- Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for extremely low-income (ELI) families;
- Acquisition and/or rehabilitation and/or new construction of rental housing units for homeless and special needs populations in conjunction with supportive services;
- Acquisition and/or rehabilitation and/or new construction of rental housing units that provides or will provide project-based rental assistance to eligible tenants.

2) Tier 2:

- Preservation of existing affordable rental housing stock through rehabilitation, acquisition, or other eligible assistance;
- Acquisition and/or rehabilitation and/or new construction to provide rental units for one and two-person households;

- c) Acquisition, and/or rehabilitation and/or new construction to provide rental units for elderly residents
- 3) Tier 3:
 - a) Moderate rehabilitation of rental units for families throughout the State including the elimination of lead based paint hazards, correction of code violations, the provision of handicapped access for persons with disabilities and for the elderly, and to increase the energy efficiency of family units ;
 - b) Acquisition and/or substantial rehabilitation and/or new construction to provide rental units for very low-income (VLI) families, as permitted by the regulations

Geographic Diversity

As described in the scoring factor matrix for the HTF, HTF funding is available to all communities in the state. However, priority will be given to communities who have yet to meet or exceed the state's Low and Moderate Income Housing Act requirements. Geographically-based distribution criteria for HTF funds also include factors that contribute to improving or sustaining economic opportunity for the future tenants or owners of the homes developed. These criteria include additional points for accessibility to transit, accessibility to employment centers, accessibility to high performing schools and accessibility to community services.

Applicant Capacity

A threshold for an application to move to scoring requires that the development team must have experience in the successful development and operation of affordable housing of similar scope and complexity. Scoring of an application includes higher points for proven capacity (i.e. strong project performance in past, experienced development and management teams associated with proposed project, financial soundness) and deductions of points for poor prior performance (i.e. monitoring findings among comparable projects, lack of responsiveness, compliance concerns, etc.).

Project-based Rental Assistance

Providing project-based rental assistance to eligible tenants is a high and Tier 1 priority for the HTF program (see program priorities). Applicants with existing or committed project-based rental assistance will receive preference.

Duration of Affordability Period

All HTF applicants must propose a minimum of a 30-year affordability period beginning after project completion per § 93.302(d). Operating pro forma reviewed by program underwriters is reasonably projected to meet or exceed minimum affordability period. Financial feasibility of the project and length of affordability are scoring factors.

Priority Housing Needs in the State

Rhode Island's HTF program bases awards on the merits of a project's application in meeting the priority housing needs established by the State. Priority housing needs refers to both the program's development priorities and the statewide housing needs as determined in the State's most recently

approved five-year Consolidated Plan. The program priorities are listed above, with descriptions provided for Tier 1, Tier 2 and Tier 3 housing development priorities. The priority needs established in the most recent ConPlan include: increased housing opportunities; preserved affordability of current affordable housing stock, rehabilitation of foreclosed homes and properties; decreased homelessness; permanent supportive housing; housing that is fitted to the needs of its residents; elimination of lead-based paint hazards in households with children under 6 years of age; investments and improvements in public infrastructure, public services and public facilities; and removed barriers to fair and affordable housing. Further, it is a priority of the state's HTF-administering agent, RIHousing, that housing is developed where there is proven demand (as shown in a market study or a relevant waitlist) for that housing type.

Leveraging

As described in the scoring factor matrix, Rhode Island's HTF Program utilizes ratios of committed funds to non-committed, federal versus non-federal match, and HTF funds versus other sources to determine scoring. Committed funds receive more weight than non-committed sources. Similarly, non-federal match will be given more weight than federal funds leveraged into a project.

Eligible Activities and Certification

In accordance with HUD guidance, the funds available through HTF can only be used to directly support housing units for the target income group (ELI individuals or households). HTF units can be included in projects that also serve higher income level tenants, but the HTF monies can only support the HTF-designated units. All HTF-assisted rental housing must meet a 30-year affordability period. Per § 93.200, HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction and/or rehabilitation of non-luxury rental housing with suitable amenities. All HTF applications must include a description of the eligible activities to be conducted with HTF funds. Funds may be used to support:

- Real property acquisition
- Site improvements and development hard costs
- Conversion
- Related soft costs
- Demolition
- Financing costs
- Relocation assistance
- For operating costs of HTF-assisted rental housing
- Reasonable administrative and planning costs

HUD requires that each recipient of an HTF award certify the number of HTF units by income group. In addition, recipients must certify that:

- All tenants in HTF-assisted units meet the income limits as required by program guidelines

- The recipient will comply with rent limits, determined to be no more than 30% of area median income.

Performance Goals and Benchmarks

- It is expected that the HTF will contribute to the development or preservation of 50 units of housing per year. This estimate is based on analysis of previous funding rounds of a similar program (HOME Program). If less units of housing are assisted with HTF funds than this expectation, then allocation priorities will be reconsidered in future program years.
- In accordance with the Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs dated March 7, 2006, RIHousing will evaluate the HTF Program using the IDIS Outcome Performance Measurement System.
- The HTF Program objective is Providing Decent Affordable Housing through acquisition, rehabilitation and new construction of rental units. The HTF Program outcome is Affordability.

Maximum per-unit development subsidy amounts for HTF projects

Pursuant to [24 CFR 93.300\(a\)](#), RIHousing must establish maximum limitations on the total amount of HTF funds that the grantee may invest per-unit for development of non-luxury housing. To maintain maximum consistency across programs, and to provide predictability and efficiency in program administration and compliance, the State has adopted the HOME program maximum per-unit development subsidy limits for the Housing Trust Fund program.

The Housing Trust Fund Program will use the same standards as published for the HOME Program for Program Year 2017, and outlined as follows:

Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME Program. HUD is required to undertake rulemaking. Until a new rule can be published, HUD published a Notice (CPD-15-003) establishing an interim policy directing PJs to use the Section 234 Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).

To ensure consistency with the provisions of section 212(e)(1) of NAHA and [24 CFR 92.250\(a\)](#), the HOME maximum per-unit subsidy limit that HUD can approve for a HTF grantee cannot exceed 240 percent of the Section 234 basic mortgage limit (i.e. 100 percent of the basic mortgage limit plus up to 140 percent in high cost areas).

Construction/Rehabilitation Standards

RIHousing will require that all recipients retain an architect/engineer to prepare architectural plans and to estimate project costs. RIHousing's construction staff will evaluate all design and scope documentation to determine whether the proposed project will meet various program requirements as well as all applicable local, state, and federal regulations. RIHousing's construction staff will also review the documentation to ensure that the project conforms to RIHousing's construction and rehabilitation guidelines.

One of the objectives in making HTF subsidy awards available is to produce developments of quality construction and livable design that will enhance the communities in which they are built. All developments to be financed through RIHousing's HTF program must meet the requirements set forth in RIHousing's Housing Trust Fund Rehabilitation Standards.

In both rehabilitation and new construction, the completed housing must meet all applicable state and local codes, ordinances, and requirements. In addition, the completed housing must meet Uniform Physical Condition Standards (UPCS) for the site, building exterior, building systems and common areas, and must comply with HUD 24 CFR Part 35 with respect to lead-based paint hazards.

Resale and/or Recapture Provisions

The State will not make HTF funds directly available for first-time homebuyers (see program priorities), thus, the State of Rhode Island Housing Trust Fund program will not fund projects for the development of homeownership opportunities.

HTF Affordable Homeownership Limits

HTF Affordable Homeownership Limits are not applicable. The State of Rhode Island Housing Trust Fund program will not fund projects for the development of homeownership opportunities.

State Limited Beneficiaries or Preferences

The State will give preferences to select segments of the extremely low-income population, including those experiencing high unmet need as found in the State's Consolidated Plan. Preference for these populations is a scoring factor.

Refinancing of Existing Debt

The State will not permit the refinancing of existing debt secured by rental housing units that are being rehabilitated with HTF funds.

Notes to HTF Recipients on the Requirements/Directions in Using this Form:

1. Inspections using this form are required to be conducted on 10% of units (if development is in one building) or in at least 1-unit per building (if development includes multiple buildings).
2. HTF recipients are required to address Level 1, Level 2, or Level 3 Non Life Threatening deficiencies in the scope of work approved by Rhode Island Housing staff between preliminary award and commitment of funds (See Section V. Scope of Work Determination in HTF Rehab Standards document).
3. "NOD" means No Observed Deficiency and "NA" means that the inspectable item is not present in that unit/building. If there is no observed deficiency for that item, check mark the "NOD" box; if the inspectable item listed is not present at that site then check-mark "NA".
4. One box must be checked for each observable deficiency row in this Form.
5. If there is a deficiency found at any level and the H&S (Health and Safety) column is grayed-out, then the deficiency is not considered a health and safety hazard. If the H&S column contains an "NLT", then a marked deficiency is non-life threatening and correction of that deficiency can be included in the scope of work.
6. **Level 3 Deficiencies noted as Life Threatening (LT) Hazards in the H&S column of this report must be corrected immediately within 12 hours, if the housing is occupied. RIH requires a written response and completed work orders within 24 hours of repairs.**
7. In instances in which the Level 1, 2 or 3 deficiency is grayed-out, then this level of deficiency is not applicable for that inspectable item for the Final Dictionary of Deficiency Definitions (link in footer, below table).
8. In order to accurately categorize a deficiency as a "Level 1", "Level 2" or "Level 3" (including independent Health & Safety items), you must refer to the Final Dictionary of Deficiency Definitions (PASS) Version 2.3, dated 03/08/2000. This document can be found at http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf (325 Pages, 343 KB)
9. Additional clarification to these definitions is contained in the REAC PASS Compilation Bulletin which can be found at https://portal.hud.gov/hudportal/documents/huddoc?id=CompBullet4Ver2_31515.pdf (40 Pages, 459 KB)

PLEASE NOTE: Rhode Island Housing will conduct an initial inspection to confirm the deficiencies that must be addressed, and will conduct progress and final inspections to determine that work was done in accordance with work write-ups.

Uniform Physical Condition Standards – Comprehensive Listing

Page: _____ of _____

Inspectable Area: Site

Property ID / Name: _____

Inspection Date: _____

Building Number: _____

Inspectable Item	Observable Deficiency	NOD	Level			NA	H&S
			1	2	3		
Fencing and Gates	Damaged/Falling/Leaning						NLT
	Holes						NLT
	Missing Sections						NLT
Grounds	Erosion/Rutting Areas						NLT
	Overgrown/Penetrating Vegetation						
	Ponding/Site Drainage						
Health & Safety	Air Quality - Sewer Odor Detected						NLT
	Air Quality - Propane/Natural Gas/Methane Gas Detected						LT
	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Flammable Materials - Improperly Stored						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
Mailboxes/Project Signs	Infestation - Rats/Mice/Vermin						NLT
	Mailbox Missing/Damaged						
	Signs Damaged						
Market Appeal	Graffiti						
	Litter						
Parking Lots/Driveways/Roads	Cracks						
	Ponding						
	Potholes/Loose Material						
	Settlement/Heaving						
	Motor Vehicles - inoperative/unregistered/unlicensed/abandoned/ parked/left on the premises						NLT
Play Areas and Equipment							
	Damaged/Broken Equipment						NLT
	Deteriorated Play Area Surface						
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space						
Retaining Walls	Damaged/Falling/Leaning						NLT
Storm Drainage	Damaged/Obstructed						
Walkways/Steps	Broken/Missing Hand Railing						NLT
	Cracks/Settlement/Heaving						
	Spalling						

Uniform Physical Condition Standards - Comprehensive Listing

Page: _____ of _____

Inspectable Area: **Building Exterior**

Property ID / Name: _____

Inspection Date: _____

Building Number: _____

Inspectable Item	Observable Deficiency	NOD	Level			NA	H&S
			1	2	3		
Doors	Damaged Frames/Threshold/Lintels/Trim						NLT
	Damaged Hardware/Locks						
	Damaged Surface (Holes/Paint/Rusting/Glass)						
	Damaged/Missing Screen/Storm/Security Door						NLT
	Deteriorated/Missing Caulking/Seals						
	Missing Door						
Fire Escapes	Blocked Egress/Ladders						LT
	Visibly Missing Components						LT
Foundations	Cracks/Gaps						
	Spalling/Exposed Rebar						
Health and Safety	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable						LT
	Emergency Fire Exits - Missing Exit Signs						NLT
	Flammable/Combustible Materials - Improperly Stored						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
	Infestation - Rats/Mice/Vermin						NLT
Lighting	Broken Fixtures/Bulbs						
Roofs	Damaged Soffits/Fascia						
	Damaged Vents						
	Damaged/Clogged Drains						
	Damaged/Torn Membrane/Missing Ballast						
	Missing/Damaged Components from Downspout/Gutter						
	Missing/Damaged Shingles						
	Ponding						
Walls	Cracks/Gaps						
	Damaged Chimneys						NLT
	Missing/Damaged Caulking/Mortar						
	Missing Pieces/Holes/Spalling						
	Stained/Peeling/Needs Paint						
Windows	Broken/Missing/Cracked Panes						NLT
	Damaged Sills/Frames/Lintels/Trim						
	Damaged/Missing Screens						
	Missing/Deteriorated Caulking/Seals/Glazing Compound						
	Peeling/Needs Paint						
	Inoperable/Not Lockable						
	Security Bars Prevent Egress						LT

Uniform Physical Condition Standards - Comprehensive Listing

Page: _____ of _____

Inspectable Area: **Building Systems**

Property ID / Name: _____

Inspection Date: _____

Building Number: _____

Inspectable Item	Observable Deficiency	NOD	Level			NA	H&S
			1	2	3		
Domestic Water	Leaking Central Water Supply						
	Misaligned Chimney/Ventilation System						LT
	Missing Pressure Relief Valve						NLT
	Rust/Corrosion on Heater Chimney						NLT
	Water Supply Inoperable						NLT
Electrical System	Blocked Access/Improper Storage						NLT
	Burnt Breakers						NLT
	Evidence of Leaks/Corrosion						NLT
	Frayed Wiring						
	Missing Breakers/Fuses						LT
	Missing Covers						LT
Elevators	Not Operable						NLT
Emergency Power	Auxiliary Lighting Inoperable						
	Run-Up Records/Documentation Not Available						
Fire Protection	Missing Sprinkler Head						NLT
	Missing/Damaged/Expired Extinguishers						LT
Health & Safety	Air Quality - Mold and/or Mildew Observed						NLT
	Air Quality - Propane/Natural Gas/Methane Gas Detected						LT
	Air Quality - Sewer Odor Detected						NLT
	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Elevator - Tripping						NLT
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable						LT
	Emergency Fire Exits - Missing Exit Signs						NLT
	Flammable Materials - Improperly Stored						NLT
	Garbage and Debris - Indoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
	Infestation - Rats/Mice/Vermin						NLT
HVAC	Boiler/Pump Leaks						
	Fuel Supply Leaks						NLT
	General Rust/Corrosion						NLT
	Misaligned Chimney/Ventilation System						LT
Roof Exhaust System	Roof Exhaust Fan(s) Inoperable						
Sanitary System	Broken/Leaking/Clogged Pipes or Drains						NLT
	Missing Drain/Cleanout/Manhole Covers						

Inspectable Item	Observable Deficiency	NOD	Level			NA	H&S
			1	2	3		
Health & Safety	Air Quality - Mold and/or Mildew Observed						NLT
	Air Quality - Propane/Natural Gas/Methane Gas Detected						LT
	Air Quality - Sewer Odor Detected						NLT
	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical Equipment						LT
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable						LT
	Emergency Fire Exits - Missing Exit Signs						NLT
	Flammable/Combustible Materials - Improperly Stored						NLT
	Garbage and Debris - Indoors						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
	Infestation - Rats/Mice/Vermin						NLT
Pools and Related Structures	Fencing - Damaged/Not Intact						
	Pool - Not Operational						
Trash Collection Areas	Chutes - Damaged/Missing Components						

Uniform Physical Condition Standards - Comprehensive Listing

Page: _____ of _____

Inspectable Area: Community/Public Spaces

Property ID / Name: _____

Inspection Date: _____

Building Number: _____

Please complete these two pages for each community/public space in the proposed project. Check location below.

X	Inspectable Item Location	Observable Deficiency	NOD	1	2	3	NA	H&S
		Baluster/Side Railings - Damaged						
		Cabinets - Missing/Damaged						
		Call for Aid - Inoperable						NLT
		Ceiling - Bulging/Buckling						
		Ceiling - Holes/Missing Tiles/Panels/Cracks						
		Ceiling - Peeling/Needs Paint						
		Ceiling - Water Stains/Water Damage/Mold/Mildew						
		Countertops - Missing/Damaged						
		Dishwasher/Garbage Disposal - Inoperable						
		Doors - Damaged Frames/Threshold/Lintels/Trim						NLT
		Doors - Damaged Hardware/Locks						
		Doors - Damaged Surface (Holes/Paint/Rust/Glass)						
		Doors - Damaged/Missing Screen/Storm/Security Door						NLT
		Doors - Deteriorated/Missing Seals (Entry Only)						
	Basement/Garage/Carport	Doors - Missing Door						
		Dryer Vent -Missing/Damaged/Inoperable						
	Closet/Utility/Mechanical	Electrical - Blocked Access to Electrical Panel						NLT
		Electrical - Burnt Breakers						NLT
	Community Room	Electrical - Evidence of Leaks/Corrosion						NLT
		Electrical - Frayed Wiring						
	Day Care	Electrical - Missing Breakers						LT
		Electrical - Missing Covers						LT
	Halls/Corridors/Stairs	Floors - Bulging/Buckling						
		Floors - Floor Covering Damaged						
	Kitchen	Floors - Missing Floor/Tiles						
		Floors - Peeling/Needs Paint						
	Laundry Room	Floors - Rot/Deteriorated Subfloor						
		Floors - Water Stains/Water Damage/Mold/Mildew						
	Lobby	GFI - Inoperable						NLT
		Graffiti						

Office	HVAC - Convection/Radiant Heat System Covers Missing/Damaged						
	HVAC - General Rust/Corrosion						
Other Community Spaces	HVAC - Inoperable						
	HVAC - Misaligned Chimney/Ventilation System						LT
Patio/Porch/Balcony	HVAC - Noisy/Vibrating/Leaking						
	Lavatory Sink - Damaged/Missing						NLT
Restrooms/Pool Structures	Lighting - Missing/Damaged/Inoperable Fixture						
	Mailbox - Missing/Damaged						
Storage	Outlets/Switches/Cover Plates - Missing/Broken						LT
	Pedestrian/Wheelchair Ramp						
	Plumbing - Clogged Drains						NLT
	Plumbing - Leaking Faucet/Pipes						NLT
	Range Hood /Exhaust Fans - Excessive Grease/Inoperable						
	Range/Stove - Missing/Damaged/Inoperable						
	Refrigerator - Damaged/Inoperable						
	Restroom Cabinet - Damaged/Missing						
	Shower/Tub - Damaged/Missing						
	Sink - Missing/Damaged						NLT
	Smoke Detector - Missing/Inoperable						LT
	Stairs - Broken/Damaged/Missing Steps						NLT
	Stairs - Broken/Missing Hand Railing						NLT
	Ventilation/Exhaust System - Inoperable						
	Walls - Bulging/Buckling						
	Walls - Damaged						
	Walls - Damaged/Deteriorated Trim						
	Walls - Peeling/Needs Paint						
	Walls - Water Stains/Water Damage/Mold/Mildew						
	Water Closet/Toilet - Damaged/Clogged/Missing						
	Windows - Cracked/Broken/Missing Panes						NLT
	Windows - Damaged Window Sill						
	Windows - Damaged/Missing Screens						
	Windows - Inoperable/Not Lockable						NLT
	Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound						
	Windows - Peeling/Needs Paint						
	Windows - Security Bars Prevent Egress						LT

Uniform Physical Condition Standards - Comprehensive Listing

Page: _____ of _____

Inspectable Area: Unit

Property ID / Name: _____

Inspection Date: _____

Building/Unit Nmbr: _____

Inspectable Item	Observable Deficiency	NOD	Level				H&S
			1	2	3	NA	
Bathroom	Bathroom Cabinets - Damaged/Missing						
	Lavatory Sink - Damaged/Missing						NLT
	Plumbing - Clogged Drains						NLT
	Plumbing - Leaking Faucet/Pipes						NLT
	Shower/Tub - Damaged/Missing						NLT
	Ventilation/Exhaust System - Inoperable						
	Water Closet/Toilet - Damaged/Clogged/Missing						NLT
Call-for-Aid	Inoperable						NLT
Ceiling	Bulging/Buckling						
	Holes/Missing Tiles/Panels/Cracks						
	Peeling/Needs Paint						
	Water Stains/Water Damage/Mold/Mildew						
Doors	Damaged Frames/Threshold/Lintels/Trim						NLT
	Damaged Hardware/Locks						
	Damaged/Missing Screen/Storm/Security Door						NLT
	Damaged Surface - Holes/Paint/Rusting/Glass						
	Deteriorated/Missing Seals (Entry Only)						
	Missing Door						NLT
Electrical System	Blocked Access to Electrical Panel						NLT
	Burnt Breakers						NLT
	Evidence of Leaks/Corrosion						NLT
	Frayed Wiring						
	GFI - Inoperable						NLT
	Missing Breakers/Fuses						LT
	Missing Covers						LT
Floors	Bulging/Buckling						
	Floor Covering Damage						
	Missing Flooring Tiles						
	Peeling/Needs Paint						
	Rot/Deteriorated Subfloor						
	Water Stains/Water Damage/Mold/Mildew						
Health & Safety	Air Quality - Mold and/or Mildew Observed						NLT
	Air Quality - Sewer Odor Detected						NLT
	Air Quality - Propane/Natural Gas/Methane Gas Detected						LT
	Electrical Hazards - Exposed Wires/Open Panels						LT
	Electrical Hazards - Water Leaks on/near Electrical						LT
	Emergency Fire Exits - Emergency/Fire Exits						LT
	Emergency Fire Exits - Missing Exit Signs						NLT
	Flammable Materials - Improperly Stored						NLT
	Garbage and Debris - Indoors						NLT
	Garbage and Debris - Outdoors						NLT
	Hazards - Other						NLT
	Hazards - Sharp Edges						NLT
	Hazards - Tripping						NLT
	Infestation - Insects						NLT
	Infestation - Rats/Mice/Vermin						NLT
Hot Water Heater	Misaligned Chimney/Ventilation System						LT
	Inoperable Unit/Components						NLT
	Leaking Valves/Tanks/Pipes						
	Pressure Relief Valve Missing						NLT
	Rust/Corrosion						NLT
HVAC System	Convection/Radiant Heat System Covers Missing/Damaged						
	Inoperable						
	Misaligned Chimney/Ventilation System						LT

	Noisy/Vibrating/Leaking						
	Rust/Corrosion						
Kitchen	Cabinets - Missing/Damaged						NLT
	Countertops - Missing/Damaged						NLT
	Dishwasher/Garbage Disposal - Inoperable						
	Plumbing - Clogged Drains						NLT
	Plumbing - Leaking Faucet/Pipes						NLT
	Range Hood/Exhaust Fans - Excessive Grease/Inoperable						
	Range/Stove - Missing/Damaged/Inoperable						
	Refrigerator-Missing/Damaged/Inoperable						NLT
	Sink - Damaged/Missing						NLT
Laundry Area (Room)	Dryer Vent - Missing/Damaged/Inoperable						
Lighting	Missing/Inoperable Fixture						NLT
Outlets/Switches	Missing						LT
	Missing/Broken Cover Plates						LT
Patio/Porch/Balcony	Baluster/Side Railings Damaged						
Smoke Detector	Missing/Inoperable						LT
Stairs	Broken/Damaged/Missing Steps						NLT
	Broken/Missing Hand Railing						NLT
Walls	Bulging/Buckling						
	Damaged						
	Damaged/Deteriorated Trim						
	Peeling/Needs Paint						
	Water Stains/Water Damage/Mold/Mildew						
Windows	Cracked/Broken/Missing Panes						NLT
	Damaged Window Sill						
	Damaged/Missing Screens						
	Missing/Deteriorated Caulking/Seals/Glazing Compound						
	Inoperable/Not Lockable						NLT
	Peeling/Needs Paint						
	Security Bars Prevent Egress						LT

RHODE ISLAND HOUSING

EXHIBIT B – Housing Trust Fund Program Capital Needs Assessment (CNA) Guidance

February 2017

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This joint document has been developed by the Rhode Island Housing Finance Agency (RHODE ISLAND HOUSING) as guidance for housing developers, asset managers and property managers that receive funding through the National Housing Trust Fund Program (and thus serve as HTF recipients). HTF recipients are required to conduct capital needs assessments as a tool for the long term physical health of affordable housing properties.

For the purpose of this document, capital expenses (also referred to as Physical Condition Assessments – PCAs) are considered expenses involving the replacement of building components over time. They are not annually recurring expenses and differ from routine building maintenance expenses in this way.

Definition of Capital vs. Maintenance Operating Expense

Capital Expense – Major capital improvements to maintain the physical integrity and upkeep of a property are usually funded from the Replacement Reserve account. Funds from this account should be restricted for uses consistent with the CNA unless otherwise approved by the funding agencies. Typical uses include: new appliances, heating equipment, hot water heaters, re-shingling roofs, exterior painting and repair, kitchen and bathroom fixtures, doors and windows, flooring, plumbing equipment, kitchen cabinetry, elevators, grounds maintenance equipment, major site-work modifications, septic/sewer line repair, sprinkler and alarm systems, electrical equipment, and similar improvements or replacements.

Maintenance Expense – any and all regular and recurring expenses associated with maintaining the physical integrity and upkeep of a property not otherwise considered a capital expense.

Turnover Expense – the costs of interior painting, cleaning and unit prep (exclusive of carpet, appliance and cabinetry replacement) should be maintenance expenses and not capital expenses.

Capital Needs Issues to Consider During the Development Process

Several critical areas play an important role in assuring both new and existing properties are able to meet future capital replacement costs. They include:

- ☐ When acquiring and/or rehabbing an existing building, the scope of rehabilitation work and CNA must be in sync so that the CNA for a rehabbed property reflects the new infrastructure and systems. This will also result in establishing accurate replacement reserve deposit levels so reserves can accumulate prior to the need for replacement of building components.
- ☐ Funds for completing the first post-construction or rehabilitation CNA should be included in the development budget.
- ☐ Accurate assumptions in the development and underwriting phase are critical to a property's ability to fund reserves in the required amount. Income, expense and trending estimates must be realistic and based on experience of asset management staff using the most similar properties' actual history.

Pre-Capitalized Reserves and Completion of Initial CNA

- ☐ The funding agencies strongly encourage and in some cases may require the capitalization of a replacement reserve account initially during the development stage in combination with required ongoing deposits in order to help match the future funds needed with actual replacement costs.
- ☐ New loan/grant applications for existing buildings not undergoing substantial rehabilitation must include a CNA to support the budgeted reserve deposit levels. For the purpose of this document, substantial rehabilitation is defined as rehabilitation that involves the upgrading or replacement of the majority of

building components to achieve a “like new” condition. Moderate rehabilitation is defined as selective replacement of building components that have come to the end of their useful life or are within five years of coming to the end of their useful life, or need to be upgraded to meet current building code requirements. In general, the cost of construction in a building undergoing moderate rehabilitation is less than 25% of the total development cost (consult with funders’ staff on a case by case basis).

- New construction and/or substantial rehab properties must also complete a Capital Needs Assessment as part of Rhode Island Housing’s firm commitment due diligence process. If the CNA is provided prior to loan closing, the replacement reserve deposit levels in the operating budget should reflect the amount indicated in the CNA.

General CNA Report Requirements

- Initial CNAs on all projects must be completed by an approved third party who does not have an identity of interest relationship with the HTF recipient.
- Initial CNAs on projects that are not new construction or substantial rehab must not be older than two years of the loan application date. Site inspection must confirm that project’s physical condition is consistent with the findings of the CNA.
- Each CNA report must cover a period of 20 years for both existing (rehab.) projects and new construction.
- Each CNA report must include a cash flow model, in spreadsheet format, providing an analysis of existing capital reserves and a detailed year by year schedule of expected repairs and replacement costs incurred. An inflation factor that is consistent with actual experience and historical data shall also be built into future replacement cost projections. It is recommended that an electronic copy of the spreadsheet be provided to the HTF recipient so that it can be used as an interactive record of capital costs and reserve balances moving forward.

CNA Updates

Each CNA must be updated every five years for the life of the project. Updated CNAs should be incorporated into the yearly annual budget process as an integral part of capital planning and should reflect any changes in federal, state or local codes which may impact on future capital needs.

HTF recipients will have two options for fulfilling the requirement for five year CNA updates:

Option one: HTF recipients will hire a third party approved CNA provider to provide a new/updated CNA every five years.

Option two: HTF recipients who show the interest and capacity (in the opinion of funders) to perform an “in house” CNA review and update will be permitted to do so at the 5, 15, 25, etc. year review period. The requirement for a formal third party CNA will be for years 1, 10, 20, etc. HTF recipients wishing to pursue Option two shall perform the following:

- 1) Submit a letter of intent to the Asset Management Staff of your funding agency outlining the property to be reviewed, the name(s) of the in house staff tasked with performing the review, the qualifications of this/these staff member/s to perform a CNA review, and the current reserve balance surplus/shortfall projection based on the previous formal third party CNA which is to be reviewed and updated.

- 2) In house staff in performing the CNA review/update shall assess all appropriate building systems. Estimated Useful Life (EUL) estimates provided with these guidelines together with on-site experience and other sources shall be utilized to extend the review period an additional five (5) years maintaining a 20 year projection time horizon.
- 3) Upon completion of the update/review process a report shall be submitted to RHODE ISLAND Housing Development staff outlining the findings of the CNA update/review together with a projection spreadsheet reflecting the new extended 20 year time horizon. This report shall be reviewed and signed by the HTF recipient's Director of Asset Management (or equivalent) as well as by the HTF recipient's Executive Director.

Required Components of a Capital Needs Assessment (CNA)

An effective CNA is composed of the following elements:

The inventory component must include all of the building systems, not just those that may require attention during the 20 year report period. Any item that has recently been replaced, and may not be expected to need attention again for the next 20 years or more, should still be listed for reference. If the assessor has made an assumption that a particular item represents an operating cost concern, the analysis should be shown to facilitate discussion and remediation.

Each system or item included must have its age identified. In older properties, ages of components may not coincide with the development's age. Ages may vary widely between items and even across a single item. i.e., Unit flooring may have been installed over a five-year period, which began eight years ago.

Expected useful life (EUL) estimates are the key to replacement timing. Capital planning is built on the idea that even systems that operate properly now will eventually fail. EULs should be adjusted from the norms found in various tables to the actual conditions at each development. EULs should be adjusted for climate, original materials and installation, maintenance practices, and resident demographic profiles. For example, elderly and family occupancy present different issues. Tables for typical estimated useful life cycles may be found on the Fannie Mae website and are attached as Appendix II of this document.

Cost estimating is a critical part of capital planning and the CNA consultant should take into account replacement costs adjusted for the local area. The ability to adjust costs for individual building circumstances and the relative purchasing power of the HTF recipient are equally important. [RS Means](#) and [Marshall and Swift](#) are reliable resources for this information.

A detailed year-by-year cost summary of all of the anticipated capital needs should list not only how much needs to be spent but when. While a steady level may be desirable from a financial viewpoint, peaks and valleys will more accurately describe the real needs of the property, especially at single-building developments.

Narrative presentations should describe the current condition, maintenance history, and the rationale behind the consultant's cost and timing decisions, therefore, an Executive Summary is especially helpful. Narratives allow for a description of the cause of current problems, details on location of problems, or discussion of alternatives like rebuilding a pump motor instead of replacing the whole pump.

Photographs are required and are an invaluable tool when the report has a non- technical audience or is shared with a third party. These readers may never have been in a boiler room or crawl space and may be unfamiliar with technical terms. Photographs can also support the findings and recommendations of the consultant. Showing the extent of the siding damage or the width of the foundation cracks can overcome a lot of resistance.

Capital Need Assessments must incorporate plans to install or maintain required building code requirements and improvements required under ADA, Section 504 and/or Fair Housing Guidelines.

Optimum Energy Efficiency is critical. In today's escalating and volatile utility markets, properties must be as energy efficient as possible and meet the highest standards possible to assure long-term operating sustainability. Recommendations on energy and utility efficiency improvements must be included as an essential part of the CNA. RHODE ISLAND Energy Conservation Code SBC-8-2013 and Rhode Island Housing Sustainability Standards and Water Conservation Standards, which can be found in Rhode Island Housing HTF Rehabilitation Standards, Section VII-C should be used as a frame of reference in achieving optimum energy efficiency.

RHODE ISLAND HOUSING shall evaluate past and current operating and maintenance practices for consistency with the project's operating pro forma and most recent CNA, and to ensure practices are consistent with the findings of the most recent physical inspection.

Life Safety Issues. The CNA must report the presence of potentially hazardous materials, waste or toxic substances including but not limited to the presence of mold, asbestos, lead, urea formaldehyde, etc. if observed.

Most importantly, the CNA must evaluate existing capital reserves and annual contributions to reserves against the long-term spending plan. This analysis, presented as a spreadsheet cash flow analysis, will indicate the optimum annual contribution to reserves in a way that can be convincingly presented to funding agencies. The reserve plan should reflect real life constraints that are at odds with making the "optimum" contribution. Please go to www.on-site-insight.com, or www.efanniemae.com/mf/guidesforms/pdf/forms/III-12.PDF for detailed information and an example of acceptable CNA formatting.

Requirements of a Capital Needs Assessment Consultant

The CNA Consultant must meet minimum qualifications, professional education, training and experience to perform site visits and prepare CNA reports.

Professional Experience

- ☐ CNA Consultant, its personnel and subcontractors must be independent third-parties, unrelated to, and not have any financial or economic interest in the property; or
- ☐ CNA Consultant must not be an affiliated entity of the HTF recipient unless previously approved by RHODE ISLAND HOUSING.
- ☐ CNA Consultant must not be under suspension or debarment by HUD or Fannie Mae, involved as a defendant in criminal or civic action with HUD or Fannie Mae, and not be an Federal Housing Finance Agency (FHFA) prohibited party.
- ☐ Five years of professional experience in one or more of the following disciplines:
 - architecture;
 - engineering (structural, mechanical or civil); or
 - Construction management and cost estimating (which may include cost estimating experience associated with the preparation of a CNA Report). Three years of experience performing multifamily property condition physical needs assessments, completed a minimum of five property inspections, and reporting of property condition assessment findings in a

manner consistent with these Instructions or ASTM E2018-08 “Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process”; or

- Knowledge and experience with ASTM E2018-08; or
 - Minimum of three years history providing CNA reports acceptable to RHODE ISLAND HOUSING either directly or through a RHODE ISLAND approved CNA Consultant.
- ☐ RHODE ISLAND HOUSING may approve new CNA Consultants based on a review of a resume, sample reports and references.

Education Requirements

CNA Consultants must possess or have completed one of the following programs:

- ☐ Bachelor of Science degree in engineering, architecture, construction management, historic preservation, construction/building science or building facilities management.
- ☐ Property Inspection Risk Management course offered by the MBA;
- ☐ Real Estate Assessment Center (“REAC”) for the Department of Housing and Urban Development (“HUD”) as a Certified Home Inspector;
- ☐ Building Performance Institute (BPI);
- ☐ American Society of Home Inspectors (“ASHI”);
- ☐ National Association of Home Inspectors (“NAHI”);
- ☐ At least five years assessing multifamily properties and preparation of ASTM E2018-08 compliant reports; or
- ☐ Other approved professional certifications, registrations, or training recognized by a Government Sponsored Enterprise (GSE) or HUD.

Insurance Requirements

The CNA Consultant must provide evidence of the following insurance coverage to RHODE ISLAND as an exhibit to the CNA report:

- ☐ Commercial General Liability Insurance with limits of at least \$1 million per occurrence and \$2 million aggregate with a maximum deductible amount of \$35,000.
- ☐ Professional Liability Insurance with limits of \$1 million per claim and \$2 million aggregate with a maximum deductible amount of \$100,000;
- ☐ Worker’s Compensation insurance; and
- ☐ Automobile Liability Insurance for all owned (if any), non-owned and hired vehicles of \$1 million per accident.

The CNA Consultant should have appropriate insurance coverage in place for traveling to and from the Property and conducting work at the Property.

Appendix I – Approved Independent CNA Consultants

CNA Realty Advisors

165 Pine Street
Rehoboth, MA 02769
508-252-4638
info@cnarealtyadvisors.com

Criterion Engineering

22 Monument Square, Suite 600
Portland, ME 04101
800-242-1969
Peter Holland

Dominion Due Diligence Group

4121 Cox Road, Suite 200
Glen Allen, VA 23060
804-358-2020

Environmental Management Group

222 Schilling Circle, Suite 275
Hunt Valley, Maryland 21031
888-364-8258

On-site Insight

38 Chauncy Street, Suite 600
Boston, MA 02111
617-502-5985

Appendix II - Estimated Useful Life (EUL) Tables

These Estimated Useful Life Tables for multifamily property systems and components are intended to represent standardized average estimated useful life (“EUL”) values and are not intended to replace the professional judgment of the CNA Consultant in determining the Effective Age and Remaining Useful Life of the systems and components at the Property. The CNA Consultant should consider preventive maintenance practices, as well as environment, geographic, resident, and other factors when determining Effective Age and Remaining Useful Life of the systems and components of a multifamily Property. In addition to providing guidance on EUL values typically considered capital expenditure items, the EUL tables may include items that are typically considered general maintenance and repair items to be handled by in-house maintenance staff.

FLATWORK, PARKING AREAS AND WALKWAYS	Multifamily / Coop	Seniors	Students
Asphalt pavement	25	25	25
Asphalt seal coat	5	5	5
Concrete pavement	50	50	50
Curbing, asphalt	25	25	25
Curbing, concrete	50	50	50
Parking, stall striping	5	5	5
Parking, gravel surfaced	15	15	15
Security gate (site ingress/egress) - rolling gate / lift arm	10	10	10
Sidewalk, asphalt	25	25	25
Sidewalk, brick paver	30	30	30
Sidewalk, concrete	50	50	50

SITE LIGHTING	Multifamily / Coop	Seniors	Student
Building mounted exterior lighting	10	10	10
Building mounted High Intensity Discharge (HID) lighting	10	20	10
Lighting (pole mounted)	25	25	25

SITE FENCING AND RETAINING WALLS	Multifamily / Coop	Seniors	Students
Bulkhead (barrier) / partition wall / embankment	10	20	10
Fencing, chain-link (4' height)	40	40	40
Fencing, concrete masonry unit (CMU)	30	30	30
Fencing, dumpster enclosure (wood)	12	15	10
Fencing, PVC (6' height)	25	25	25
Fencing, Tennis Court (10' height)-Chain link	40	40	40
Fencing, wood privacy (6' height)	15	20	10
Fencing, wrought iron (4-6' height and decorative)	50	50	50
Retaining walls, 80 lb block type	50	50	50
Retaining walls, concrete masonry unit (CMU) with brick face	40	40	40
Retaining walls, timber (railroad tie)	25	25	25

STRUCTURAL FRAME AND BUILDING ENVELOPE			
BUILDING STRUCTURES	Multifamily / Coop	Seniors	Students
Carports	40	40	40
Canopy, concrete	50	50	50
Canopy, wood / metal	40	40	40
Garages	50	50	50
Storage Sheds	30	30	30
Penthouse (mechanical room)	50	50	50

FOUNDATIONS	Multifamily / Coop	Seniors	Students
Foundations	50+	50+	50+
Waterproofing (foundations)	50+	50+	50+

FRAMING	Multifamily / Coop	Seniors	Students
Brick or block	40	40	40
Precast concrete panel (tilt-up)	40	40	40
Wood floor frame	50+	50+	50+

BUILDING ENVELOPE / CLADDING / EXTERIOR WALL FINISHES	Multifamily / Coop	Seniors	Students
Aluminum Siding	40	40	40
Brownstone	40	40	40
Brick or Stone Veneer	50+	50+	50+
Cement-board siding (Hardi-plank)/ Cementitious (mfr) siding	45	45	45
Exterior Insulation Finishing Systems (EIFS)	20	20	20
Glass block	40	40	40
Granite block	40	40	40
Insulation, wall	50+	50+	50+
Metal/ glass curtain wall	30	30	30
Painting, Exterior	5-10	5-10	5-10
Pre-cast concrete panel	45	45	45
Stucco systems	50+	50+	50+
Vinyl siding	25	25	25
Wood shingle/ clapboard/ plywood, stucco, composite wood	20	20	20

ROOF SYSTEMS	Multifamily / Coop	Seniors	Students
Asphalt shingle (3-tab)	20	20	20
Built-up roof - Ethylene Propylene Diene Monomer (EPDM) / Thermoplastic Polyolefin (TPO)	20	20	20
Metal	40	40	40
Parapet wall	50+	50+	50+
Caps, copings (aluminum/ terra-cotta) - Parapet	25	25	25
Roof drainage exterior (gutter/ downspout)	10	10	10
Roof drainage interior (drain covers)	30	30	30
Roof railing	25	25	25
Roof structure	50+	50+	50+
Roof hatch	30	30	30
Roof skylight	30	30	30
Slab	50+	50+	50+
Slate, clay, concrete tile	40	40	40
Soffits (wood/ stucco)	20	20	20
Soffits (aluminum or vinyl)	25	25	25
Wood shingles (cedar shake)	25	25	25

DOORS AND WINDOWS	Multifamily / Coop	Seniors	Students
Exterior common door, aluminum and glass	30	30	30
Exterior common door, solid core wood or metal clad	25	25	25
Exterior unit door, solid wood/ metal clad	25	30	20
Residential Sliding Glass Doors	25	30	20
Residential French Glass Doors	25	30	20
Ceilings, open or exterior	30	30	30
Service door (roof)	25	30	20
Storm/ screen doors	7	10	5
Storm/ screen windows	10	15	7
Windows (frames and glazing), vinyl or aluminum	30	30	30

APPURTENANCES:	Multifamily / Coop	Seniors	Students
Chimney	40	40	40
Exterior stairs, wood	15	20	15
Exterior stairs, metal pan- concrete filled	30	30	30
Exterior stairs, concrete	50	50	50
Fire Escapes	40	40	40
Porches, concrete	50	50	50
Wood Decks	20	20	20

AMENITIES	Multifamily / Coop	Senior	Student
Basketball court	25	25	25
Mail kiosk	10	15	10
Mail facility, interior	20	25	20
Pool deck	15	15	15
Pool/ spa plaster liner	8	8	8
Tennis court / basketball court surface (paint markings)	5	7	5
Tennis court Surface (acrylic emulsion)	10	12	10
Tot-lot (playground equipment)	10	15	10
Tot-lot, uncompressed ground cover	2+	3+	2+

MECHANICAL/ELECTRIC/ PLUMBING SYSTEMS

WATER DISTRIBUTION AND DOMESTIC HOT WATER SYSTEMS	Multifamily / Coop	Seniors	Students
Feedwater only (hydronic)	10	10	10
Condensate and feedwater (steam)	Included in boiler	Included in boiler	Included in
Cooling Tower	25	25	25
DHW Circulating Pumps	by size	by size	by size
Domestic Hot Water (DHW) - supply / return	30	30	30
Tank only, dedicated fuel	10	10	10
Exchanger in storage tank	15	15	15
Exchanger in boiler	15	15	15
External tankless	15	15	15
Instantaneous (tankless type)	10	10	10
Domestic Hot Water Storage Tanks, Small (up to 150 gallons)	15	15	15
Domestic Hot Water Storage Tanks, Large (over 150 gallons)	15	15	15
Domestic Cold Water Pumps	15	15	15
Heating Water Circulating Pumps	by size	by size	by size
Heating Water Controller	15	15	15
Hot and Cold Water Distribution	50	50	50
Solar Hot Water	20	20	20
Water Softening and Filtration	15	15	15

SANITARY WASTE AND VENT	Multifamily / Coop	Seniors	Students
Purchased Steam Supply Station	50	50+	50+
Sanitary Waste and Vent System	50	50+	50+
Sewage Ejectors	50	50	50

SUMP PUMP	Multifamily / Coop	Seniors	Students
Residential Sump Pump	7	7	7
Commercial Sump Pump	15	15	15

HEATING/COOLING SYSTEM AND CONTROLS	Multifamily / Coop	Senior	Student
Pad/ roof condenser	20	20	20
A/C window unit or through wall	10	10	10
Evaporative Cooler	15	15	15
Fan coil unit, electric	20	20	20
Fan coil unit, hydronic	30	30	30
Furnace (electric heat with A/C)	20	20	20
Furnace (electric heat with A/C)	20	20	20
Furnace (gas heat with A/C)	20	20	20
Packaged terminal air conditioner (PTAC)	15	15	15
Packaged HVAC (roof top units)	20	20	20
Heat pump condensing component	20	20	20
Heater, electric baseboard	25	25	25
Heater, wall mounted electric or gas	20	20	20
Hydronic heat/ electric A/C	20	20	20
Line Dryers	15	15	15
Master TV System	10	10	10
Motorized Valves	12	12	12
Outdoor Temperature Sensor	10	10	10
Pneumatic lines and Controls	30	30	30

BUILDING HEATING WATER TEMPERATURE CONTROLS	Multifamily / Coop	Seniors	Students
Chilled Water Distribution	50+	50+	50+
Chilling Plant	15	15	15
Cooling Tower	25	25	25
Fuel Oil Storage	25	25	25
Fuel Transfer System	25	25	25
Gas Distribution	50+	50+	50+
Heat Sensors	15	15	15
Heat Exchanger	35	35	35
Heating Risers and Distribution	50+	50+	50+

VENTILATION SYSTEMS	Multifamily / Coop	Seniors	Students
Combustion Air, Duct with fixed louvers	30	30	30
Combustion Air, Motor louver and duct	25	25	25
Flue Exhaust	w/boiler	w/boiler	w/boiler
Free Standing Chimney	50+	50+	50+

ELECTRICAL SYSTEMS	Multifa	Seniors	Student
Common area	15	15	15
Buzzer/Intercom, central panel	20	20	20
Central Unit Exhaust, roof mounted	15	15	15
Compactors	15	15	15
Dumpsters	10	10	10
Electrical distribution center	40	40	40
Electric main	40	40	40
Emergency Generator	25	25	25
Gas lines	40	40	40
Gas main	40	40	40
Heating supply/ return	40	40	40
Power distribution	40	40	40
Transformer	30	30	30

BOILER ROOM EQUIPMENT	Multifamily / Coop	Seniors	Students
Blowdown and Water Treatment	25	25	25
Boiler Room Pipe Insulation	Included in boiler	Included in boiler	Included in boiler
Boiler Room Piping	Included in boiler	Included in boiler	Included in boiler
Boiler Room Valves	15	15	15
Boiler Temperature Controls	Included in boiler	Included in boiler	Included in boiler

VERTICAL TRANSPORTATION - ELEVATORS	Multifamily / Coop	Senior	Student
Electrical Switchgear	50+	50+	50+
Electrical Wiring	30	30	30
Elevator, Controller, dispatcher	15	20	10
Elevator, Cab	15	20	10
Elevator, Machinery	30	30	30
Elevator, Shaft-way Doors	20	20	20
Elevator, Shaft-way Hoist rails, cables, traveling	25	25	25
Elevator, Shaft-way Hydraulic piston and leveling	25	25	25

BOILERS	Multifamily / Coop	Seniors	Students
Oil-fired, sectional	22	22	22
Gas/ dual fuel, sectional	25	25	25
Oil/ gas/ dual fired, low MBH	30	30	30
Oil/ gas/ dual fired, high MBH	40	40	40
Gas fired atmospheric	25	25	25
Electric	20	20	20

FIRE SAFETY AND FIRE PROTECTION SYSTEMS	Multifamily / Coop	Senior	Student
Call station	10	15	10
Emergency Generator	25	25	25
Emergency Lights	8	10	5
Fire Extinguisher	10	15	5
Fire Pumps	20	20	20
Fire Suppression	50+	50+	50+
Smoke and Fire Detection System, central panel	15	15	15

INTERIOR ELEMENTS (COMMON AREA / DWELLING UNIT)			
INTERIOR / COMMON AREA FINISHES	Multifamily / Coop	Seniors	Students
Common area doors, interior (solid wood/ metal clad)	20	20	20
Common area floors, ceramic / quarry tile, terrazzo	50+	50+	50+
Common area floors, wood (strip or parquet)	30	30	30
Common area floors, resilient tile or sheet	15	15	15
Common area floors, carpet	5	5	5
Common area floors, concrete	50+	50+	50+
Common area railing	20	20	20
Common area ceiling, concrete	50+	50+	50+
Common area ceiling, acoustic tile (drop ceiling), drywall /	10	10	10
Common area countertop and sink	20	20	20
Common area, refrigerator	10	10	10
Common area dishwasher	15	15	10
Common area disposal	5	7	3
Common area kitchen cabinets, wood	15	20	10
Common area walls	15	25	10
Interior railings	20	25	15
Interior lighting	15	20	10
Public bathroom accessories	7	12	5
Public bathroom fixtures	15	20	10

DWELLING FIRE, SAFETY AND SECURITY	Multifamily / Coop	Seniors	Students
Unit Smoke/Fire Detectors *	5	5	5
Unit Carbon Monoxide Detectors *	5	5	5
Unit Buzzer/Intercom	20	20	20

*Tested annually, batteries changed annually.

DWELLING UNIT CEILINGS	Multifamily / Coop	Seniors	Students
Concrete	50	50+	50+
Acoustic Tile / Drywall / Plaster	10	15	10

DWELLING UNIT FIXTURES	Multifamily / Coop	Senior	Student
Bathroom: Vanity	10	15	10
Bathroom: Fixtures / Faucets	15-	20+	15-20
Bathroom: Fiberglass Bath / Shower	20	25	18
Bathroom: Toilet	50+	50+	40
Bathroom: Toilet Tank Components	5	5	5
Bathroom: Vent / Exhaust	10	10	10
Interior Doors	15	30	10
Kitchen: Cabinets (wood construction)	20	25	15
Kitchen: Cabinets (particle board)	15	20+	13
Kitchen: Dishwasher	5-10	10-12	5-8
Kitchen: Microwave	10	12	8
Kitchen: Range	15	25	15
Kitchen: Range-hood	10	20	10
Kitchen: Refrigerator	10	20	10
Window covering	3	5	1+

DWELLING UNIT FLOORS	Multifamily / Coop	Senior	Student
Ceramic / Tile / Terrazzo	20	25	20
Wood (strip/ parquet)	15	20	20
Resilient Flooring	10	15	7
Carpet	7	10	3+
Concrete	50+	50+	50+

DWELLING UNIT HVAC AND MECHANICAL EQUIPMENT	Multifamily / Coop	Senior	Student
A/C window unit or through wall	10	10	10
Evaporative cooler	15	15	15

Rhode Island Housing
National Housing Trust Fund Rehabilitation Standards

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I. PURPOSE OF STANDARDS

- A. The National Housing Trust Fund Rehabilitation Standards (known herein as the “HTF Standards”) are designed to outline the requirements for building rehabilitation for all RHODE ISLAND HOUSING National Housing Trust Fund (HTF) funded multi-family housing projects. The HTF Standards are applicable to all RHODE ISLAND HOUSING HTF-funded rehabilitation projects. The HTF Standards, though a requirement specifically to the development entity in direct receipt of RHODE ISLAND HOUSING HTF funding, are written to provide guidance to all relevant members of a project development team.
- B. The goal of the RHODE ISLAND HOUSING HTF program is to provide functional, safe, affordable and durable housing that meets the needs of the tenants and communities in which the housing is located. The purpose of the HTF Standards is to ensure that property rehabilitation puts each building in the best possible position to meet this goal over its extended life and that, at a minimum, all health and safety deficiencies are addressed.
- C. If a project is out of compliance with the HTF Standards, the recipient shall bring to the attention of RHODE ISLAND HOUSING staff the specific portion of the project that does not comply, stating the reasons for non-compliance. RHODE ISLAND HOUSING staff will make a determination as to whether an exception to the HTF Standards shall be granted.

Note: At the time of publication and adoption of the HTF Standards, the adopted codes referenced are those currently in force. As standards and codes change and are put into effect by the governing authorities having jurisdiction, the new standards and codes will apply in lieu of those referenced.

II. ADDITIONAL STANDARDS

- A. Standards: In addition to the requirement that recipients of National Housing Trust Fund funding must conform to these HTF Standards, developments must also conform to Rhode Island Housing’s Guidelines for Development (“RIH Guidelines”). **Where conflicts exist between these HTF standards and the RIH Guidelines, the most stringent standards shall apply.** The HTF Standards and the RIH Guidelines include the following:
 - 1. The Housing Trust Fund Standards (HTF Standards) include three guidance documents:
 - a. **These HTF Standards**
 - b. **Exhibit A:** The Property Maintenance Code Inspection Form, also known as the “Inspectable Items and Observable Deficiencies form”.
 - i. Exhibit A is designed to exceed the Rhode Island Property Maintenance Code SBC-8-2013 and the Uniform Physical Condition Standards (UPCS). The form, also called the “Inspectable Items and Observable Deficiencies form”, includes descriptions of the types and degrees of deficiency for each item that any HTF-assisted project must address, at a minimum. Deficiency categories are: minor (Level 1), major (Level 2) or severe (Level 3). If the housing is occupied at the time of construction or rehabilitation, any life-threatening deficiencies must be identified and addressed immediately, per the instructions noted in Exhibit A. All other deficiencies found using Exhibit A will need to be addressed in the project’s scope of work per coordinated review with Rhode Island Housing staff.

- c. **Exhibit B:** The Capital Needs Assessment (CNA) Guidance.
 - i. Exhibit B is a tool for HTF recipients to plan for the long-term physical health of the affordable housing properties constructed or rehabilitated using HTF funding. The completion of a Capital Needs Assessment is critical to determining the scope of work, and thus in determining the project's capital expenses (Section V of these Standards). Further, the CNA is critical to determining the expected useful life of all building systems, and thus in determining the needed replacement reserves for maintenance expenses (Section VI of these Standards).
- 2. The Rhode Island Housing Guidelines for Development (RIH Guidelines) documentation is available online at <http://www.rhodeislandhousing.org/sp.cfm?pageid=570#anchor1>.
 - a. Link note: Select Section 3: Guidelines for Development (PDF) on the webpage referenced above.
 - b. The remaining sections of the HTF Standards will reference the parts and page numbers of the Guidelines for Development (**see red text throughout this document on cross-referencing directions**). **Please note** that the RIH Guidelines are updated annually and page number references are representative only of the Guidelines in effect for the current year. For this version of the HTF Rehab Standards, the **2017 Guidelines for Development** are in effect, available on the Rhode Island Housing website, see link above.
- B. The implementation of the most stringent standards to the design and construction of the housing rehabilitation (Section II.A above) is the responsibility of both the HTF recipient and Rhode Island Housing:
 - 1. HTF recipients are required to use both these HTF Standards, Exhibit A and Exhibit B of these HTF Standards, and the RIH Guidelines, as guides in developing construction documentation (in coordination with architects and engineers) to be included in project applications.
 - 2. Rhode Island Housing Design and Construction staff will review construction documents (required per § 93.301(a)(2)(iv) and § 93.301(b)(2) of HTF Regulations) to make sure that the most stringent standards have been applied to all design, construction and health & safety components of the project. The Design and Construction staff will use these HTF Standards to check the standards against the referenced sections of the RIH Guidelines. The analysis of most stringent standards application will occur at the following project timeframe milestones:
 - a. The Scope and Cost Review process during the application review period;
 - b. Construction contract documents review process between preliminary award and funding commitment;
 - c. And all phases of inspection (required prior to processing funding requisitions, upon unit occupancy, etc.)

III. QUALITY OF WORK

- A. HTF recipients shall ensure that all rehabilitation work is completed in a thorough and workmanlike manner in accordance with:

1. Industry practice and contractually agreed upon plans and specifications (**cross-reference with Part 2, Section 2 of RIH Guidelines, page 14 to 20**) and
 2. Mutually agreed upon change orders during the construction process (**cross-reference with Part 2, Section 5 of RIH Guidelines, parts A.B and A.I, pages 53 & 54**). HTF recipients will employ best practice industry standards relating to quality assurance to verify all work completed.
- B. Project Design Professionals
1. Projects will be designed by licensed professional per the Rhode Island Rules and Regulations for Design Professionals (<http://www.bdp.state.ri.us/>). All architects, engineers and design professionals shall be registered and/or licensed in the State of Rhode Island.
 2. It is the responsibility of each licensed professional to ensure that the scope of work is completed in accordance with the generally accepted practices in their discipline, as well as designing the project to be in full conformance with all the applicable Federal, State and local codes. (See Section IV below for Code Compliance and Section V below for Scope of Work determination.)
 3. In addition, the architect or engineer will provide contract specifications that stipulate quality standards, materials choices and installation methods and standards. Such specifications may reference other appropriate standards set by different trades associations and testing agencies such as ASTM, Underwriters Laboratory (U/L), Tile Council of America, Gypsum National Roofing Contractors Association (NRCA) Architectural Woodwork Institute, SMACNA, AFME, etc.
- C. By meeting the various code requirements as a minimum standard (see Section IV below), together with the other standards herein or in attendant RHODE ISLAND HOUSING policies, each building rehabilitation project is assured to be brought up to an acceptable level of rehabilitation.
- D. Warranties shall be required per the standard construction contracts on all materials, equipment and workmanship.

IV. CODE COMPLIANCE & HEALTH AND SAFETY

- A. All work shall comply with all applicable Rhode Island State and local codes, ordinances, and zoning requirements (**cross-referenced in introduction to Part II of RIH Guidelines, page 11**). Key currently updated Rhode Island State Building & Fire Code Regulations are located at: <http://sos.ri.gov/divisions/Open-Government/State/building-and-fire-codes>.
- Applicable state codes include but are not limited to:
1. Rhode Island Building Code SBC-1-2013
 2. Rhode Island One and Two Family Dwelling Code SBC-2-2013
 3. Rhode Island Plumbing Code SBC 3-2013
 4. Rhode Island Mechanical Code SBC-4-2013
 5. Rhode Island Electrical Code SBC-5-2013
 6. Rhode Island Property Maintenance Code SBC-6-2013
 7. Rhode Island Energy Conservation Code SBC-8-2013

8. Enforcement and Implementation Procedures for Projects Under the Jurisdiction of the State of Rhode Island SBC-9
 9. Code Interpretations SBC-10
 10. Public Building Accessibility Meeting Standards SBC-17
 11. Fuel Gas Code SBC-19-2013
 12. Rhode Island Rehabilitation Building and Fire Code for Existing Buildings and Structures SRC-1-202
 13. Rhode Island Fire Safety Code, 2013
 14. NFPA 1, Fire Code, 2012
 15. NFPA 101, Life Safety Code, 2012
 16. NFPA 72, National Fire Alarm and Signaling Code, 2010 edition
 17. NFPA 13, Installation of Sprinkler Systems, 2010 edition
 18. NFPA 720, Installation of Carbon Monoxide Detection and Warning Equipment, 2012 edition
- B. Please note that the HTF recipient must demonstrate compliance with all state and local codes through project affiliation with professional design team drawing certifications (e.g. architectural design stamp) and/or other approved methods such as state inspector certification.
- C. A code review analysis will be produced by the project's design professionals itemizing the applicable codes for each area of discipline.

V. SCOPE OF WORK DETERMINATION

- A. In developing scopes of work, HTF recipients will work with RHODE ISLAND HOUSING to ensure that all requirements are satisfied under these HTF Standards (and its exhibits) and RIH Guidelines, and that the proposed scope of work meets the goals of Part I above.
- B. RHODE ISLAND HOUSING approval of all scopes of work is required in accordance with RHODE ISLAND HOUSING standard practice as outlined in RHODE ISLAND HOUSING Policy & Procedures for Project Underwriting (see pages 2 thru 10 of RIH Guidelines).
- C. While it is required that a project application include a preliminary scope of work, Rhode Island Housing staff will review and propose revisions to the scope of work between the preliminary award of HTF funds and the commitment of HTF funds to a project.

VI. EXPECTED USEFUL LIFE / REHABILITATION SCOPE & CAPITAL PLANNING

- A. In developing scopes of work on housing rehabilitation projects, HTF recipients will consider the remaining expected useful life of all building components with regards to building long-term sustainability and performance. Specifically, each building component with a remaining expected useful life of less than the applicable HTF period of affordability (30 years) shall be considered for replacement, repair or otherwise updated. Additionally, new building components with an expected useful life of less than 30 years shall be considered for future replacement (for entire expected useful life requirements, see Exhibit B, Appendix II).

- B. The industry standard period for CNAs is 20 years; however, project CNAs must be updated every five years during the life of the project to ensure projected capital needs through the 30-year HTF affordability period are anticipated and planned for. The initial CNA will cover years 1-20. The first 5-year update will be done in year 5 and cover years 6-25. The second 5-year update will be done in year 10 and will cover years 11-30.
- C. Once a scope of work has been developed by the HTF recipients and their development team, the HTF recipient must also develop a capital plan in compliance with RHODE ISLAND HOUSING policy on Capital Needs Assessments. Whether or not a particular building component has been replaced, repaired or otherwise updated as part of the rehabilitation scope of work, all building components and major systems must demonstrate adequate replacement reserves funding to be viable for at least 20 years (the length of the capital plan), with subsequent updates every five years during the 30-year affordability period.
- Example #1: Kitchen cabinets with a remaining useful life of 8 years may be permitted to remain in place and not included in the rehabilitation scope. However, adequate funding shall be demonstrated in the building capital plan to replace those cabinets in year 8 of the post-rehabilitation capital plan.
 - Example #2: If a building component such as a new roof is installed during the rehabilitation and this roof has an expected useful life of 25 years, it will not show up on the initial CNA as needing replacement during that 20-year period. However, since RHODE ISLAND HOUSING requires updates of CNA's to be performed every 5 years, it will show up on the next 20-year CNA which will be performed in year 5 of the project and cover years 6-25. During these 5-year CNA updates, the project reserve contributions will be reviewed to ensure all future capital expenditures articulated in the CNA are adequately funded through the 30-year affordability period.
- D. Monthly replacement reserves contributions of at least \$25 per unit per month (pum) are required through the 30-year affordability period. If the initial 20-year CNA and capital plan (and/or any subsequent 5-year updates) indicate that replacement costs for the period exceed the amount generated by a \$25 pum contribution, a higher pum contribution will be required.
- E. HTF recipients and their development teams should ensure that all building components are analyzed as part of a comprehensive effort to balance rehabilitation scope and capital planning in a way that maximizes long-term building performance as much as possible within the parameters of both development and projected operational funding available.

VII. ENERGY EFFICIENCY

- A. All RHODE ISLAND HOUSING HTF-funded projects shall be subject to the RHODE ISLAND HOUSING "Policy on Sustainability and Water Conservation in Multifamily Residential Properties." Contained within this policy are as follows and can be found in detail in Section VII-C below. As outlined in those standards, all projects will either achieve the target energy efficiency objectives of the standard or present RHODE ISLAND HOUSING with an operational case for project sustainability pursuant to the financial structure of the project (cross-reference with RIH Guidelines, Division 1, General Requirements, Part B., page 23).

- B. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes ([cross-reference with RIH Guidelines page 23](#)).
- C. **Sustainability and Water Conservation Standards:** Building healthy buildings requires a systematic approach to building planning. All the choices we make in our designs and specifications affect other choices in the system. Rhode Island Housing cannot list all the factors in building healthy homes in one place in a specification. Each application will be assessed according to the degree to which each development team succeeds in designing healthier and more sustainable developments ([cross-reference with RIH Guidelines for Development, Division 1, General Requirements, Part B. on page 23](#)).
- All buildings must be designed to meet RI Energy Conservation Code SBC-8-2013.
 - New construction multi-family homes financed through Rhode Island Housing are encouraged to achieve Energy Star Certification under the last iteration of the guidelines, Version 3.1 revision 8. At a minimum, all new construction homes are required to meet National Grid's Rhode Island Residential New Construction Tier 2 Program Requirements.
 - All completely rehabilitated buildings must be compliant with National Grid's Rhode Island Residential New Construction Code Plus, Tier 1 or Tier 2 Requirements. Rhode Island housing strongly encourages all developments to meet the highest energy retrofit program requirements that their financing will allow.
 - Energy Star Program Rebates at development completion for building, lighting and appliances are required. Anticipated Energy Star Rebates and NGRID rebates are to be included as a capital source in the development budget.
 - All Moderate Rehabilitated Buildings are encouraged to seek energy efficiency program incentives and rebates from N-Grid when upgrading boilers, lighting, insulation, air sealing and appliances.
 - Promote Healthy Home / Asthma free design by thoroughly ventilating a building prior to occupancy.
 - Owners that intend to design their developments to LEED or similar sustainable standards must demonstrate that their projects are cost effective and must seek non-federal or state funding for all third party verifications and commissioning.
 - Building team approach. (Partnering with the owner, architect, contractor and Rhode Island Housing throughout the design phase)
 - Design basement spaces to be dry and conditioned to minimize mold and mildew. Discourage the use of unnecessary drywall in basement areas.
 - Building design to meet Rhode Island climate.
 - Provide adequate space for comprehensive trash recycling.
 - All newly installed plumbing fixtures shall meet the current published EPA Water Sense standards.
 - Properties with site irrigation systems shall be equipped with time clocks, rain sensors, abatement meters and drip systems at plantings.

VIII. DISASTER MITIGATION ([No Cross-Reference in RIH Guidelines](#))

- A. To the extent applicable/relevant, the housing must be improved to mitigate the potential impact of potential disasters (e.g. earthquakes, hurricanes, floods, wildfires) in accordance with state or local codes, ordinances, and requirements, or such other requirements that HUD may establish.
- B. Specifically regarding flood hazards, the most relevant potential natural disaster for the State of Rhode Island:
 - 1. Projects shall meet FEMA federal regulation, and HUDs' floodplain management requirements at 24 CFR 55, including the 8-Step Floodplain Management Process (when applicable) at 24 CFR 55.20.
 - 2. Projects shall meet fluvial erosion prevention requirements per local municipality regulations.

IX. BIDDING AND PROJECT MANAGEMENT (Cross-Reference with RIH Guidelines, Section 1. Design and Construction, Underwriting Guidelines and Timeframe, pages 3 & 14).

All projects will be bid in accordance with the RHODE ISLAND HOUSING procurement policy, which applies to all RHODE ISLAND HOUSING HTF-funded projects. HTF recipients will submit a project management plan with their application that will outline how the project will be managed (e.g. General Contractor (GC) competitive bid process using an AIA A101 Stipulated Sum Agreement or General Contractor (GC) open book, negotiated bid process using AIA A102 COST PLUS FEE with GMP agreement). Any changes to project management operational structure that substantially varies from the plan provided to RHODE ISLAND HOUSING at the time the HTF funding is awarded requires prior notification to RHODE ISLAND HOUSING HTF staff.

X. PROJECT ARCHITECTURAL REHABILITATION DESIGN STANDARDS

- A. **BUILDING OCCUPANCY & CONSTRUCTION TYPE** (No Cross-Reference in RIH Guidelines)
 - 1. Fire resistance rating separation requirements per code
 - 2. Shall comply with Rhode Island Fire Safety Code, 2013, NFPA 1, 2012 and NFPA 1012012
- B. **HISTORIC BUILDINGS** (No Cross-Reference in RIH Guidelines)
 - 1. Shall comply with NFPA 1012012
 - 2. Shall comply with RI SBC -1-2013 & SBC-2-2013
 - 3. Historic buildings shall be rehabilitated in a manner consistent with the requirements of Section 106 of the National Historic Preservation Act and the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings. In addition, all scopes of work shall be reviewed and approved by the Rhode Island Preservation & Heritage Commission Office.
- C. **ACCESSIBILITY REQUIREMENTS** (Cross-Reference with standards found at RIH Guidelines, Section 1, Part F, pages 25 and 26).
 - 1. Housing that is rehabilitated with HTF funds must meet all applicable federal and state regulations regarding accessibility for persons with disabilities. An overview of these requirements is provided below; however, the applicability of these rules is complex and therefore it is recommended that developers seeking HTF funds consult with a qualified design professional.
 - 2. General Requirements:

- a. Projects shall meet applicable Federal and State Regulations and Rules
 - b. The number of accessible apartment units shall be determined by the code requirements
 - c. Projects shall comply with the American's with Disabilities Act (ADA), Title II (for public entities) and Title III (for places of public accommodations) implemented at 24 CFR parts 35 and 36, and 2010 ADA Standard for Accessible Design and attendant Design Guide (DOJ), as applicable
 - d. Projects, if applicable, shall comply with the Fair Housing Act, which states in part that covered multifamily dwellings as defined by HUD's implementing regulations at 24 CFR 100.201 must meet the design requirements at 24 CFR 100.205
 - e. Projects shall comply with the accessibility standards in the Rhode Island State Building Code SBC-1-2013.
 - f. Projects shall comply with the Rhode Island Public Buildings Accessibility Meeting Standards SBC-17.
 3. Projects shall comply with other standards as may apply or be required by funding sources
 4. Projects, if applicable, shall comply with Section 504 of the Rehabilitation Act of 1973 implemented at 24 CFR Part 8
 - a. For "substantial" rehabilitation (projects with 15 or more total units and the cost of rehabilitation is 75% or more of the replacement cost):
 - i. At least 5% of the units (1 minimum) must be made fully accessible for persons with mobility impairments based on the Uniform Federal Accessibility Standards (UFAS)
 - ii. In addition, at least 2% of the units (1 additional unit minimum) must be made accessible for persons with sensory impairments.
 - iii. Common spaces must be made accessible to the greatest extent feasible
 - b. For projects with "less-than-substantial" rehabilitation (anything less than "substantial"), the project must be made accessible to the greatest extent feasible until 5% of the units are physically accessible, and common spaces should be made accessible as much as possible.
- D. BUILDING DESIGN** (Cross-reference with RIH Guidelines Section 3, Division 1 General Requirements [pages 22 thru 27] and Section 6 Additional Recommended Practices [pages 64 thru 66])
1. HTF recipients are encouraged to draft an architectural program document outlining the goals for the project.
 2. Building access – in general the access to a building shall be safe, logical, readily identifiable, sheltered from the weather, and meeting the exit requirements to a public way. Pathways of circulation within a building shall also be safe and logical.
 3. Means of egress components shall be in conformance with Rhode Island Fire Safety Code, 2013 and NFPA 101, 2012 including complete layout of the exits, corridor and stair dimensional requirements and arrangement, doors sizes and swings, door hardware, panic exit devices, door self-closers, interior finishes, walking surfaces, fire separations, stair enclosures, guards and railings, ramps, occupant load calculations, illumination, and signage.
 4. Apartment layout:
 - a. Room sizes –minimum in accordance with RI SBC-1-2013 & RI SBC-2-2013.

- b. Interior environment shall comply with RI SBC-1-2013 & RI SBC-2-2013. Note: Sections of IBC Chapter 12 not specifically adopted by State of Rhode Island are to be used as a design guideline parameter.
- c. Kitchens – in general, for apartment buildings – each unit will have a functional and code-compliant kitchen
 - i. SRO's and other special housing types may be an exception
- d. Baths – in general, for apartment buildings – each unit will have a functional and code compliant bath in accordance with RI SBC-1-2013 & RI SBC-2-2013
 - i. SRO's and other special housing types may be an exception
- 5. Storage – adequate clothes closets, pantry and general storage shall be provided.
- 6. Amenity Spaces - provision for laundry facilities, bike storage, trash & recycling, and other utility or common spaces may be made in accordance with the goals of the project program. HTF recipients are encouraged to consider adding such amenities as may be appropriate to enhance the livability of the housing for the tenants.
- 7. Solid Waste Disposal – provision shall be made to enable the tenants and property management staff to handle and store solid waste and recycling plan approved by Rhode Island Housing.
- 8. Existing outbuildings and utility structures which are being retained, shall be in sound and serviceable condition, and not create health, safety, or undue maintenance issues for the project.

XI. REHABILITATION CONSTRUCTION STANDARDS

A. SITE (Cross-reference with RIH Guidelines Section 3, Division 2 [pages 27 thru 29])

- 1. General:
 - a. Assure that the site is safe, clean and usable, and designed with details, assemblies and materials to provide ongoing durability without undue future maintenance.
 - b. Site design and engineering shall be by a licensed professional civil engineer, or other qualified professional.
 - c. Design and systems shall conform to all applicable codes, rules and regulations:
 - i. Local and municipal zoning
 - ii. 2013 Rhode Island Fire and Building Code or current adopted
 - d. A Project Review Sheet shall be submitted to the Rhode Island Department of Environmental Management (RIDEM) to determine other permit requirements related to site design and construction:
 - i. Sewer and Septic – Rhode Island Waste Water System and Potable Water Supply Rules – RIDEM permit
 - ii. Domestic Water - Rhode Island Waste Water System and Potable Water Supply Rules - RIDEM permit.
 - iii. Storm Water Permits relating to erosion control and storm water management and discharge RIDEM permit.
 - iv. Hazardous Waste Site Remediation RIDEM permits.
 - v. Access to State Highways – RI Department of Transportation (RIDOT) rules and regulations as may be required

- vi. RIDOT Physical Alteration permits.
 - vii. Wetlands – Review with State Water Quality Division permit.
 - viii. RI Coastal Resources permits
2. Sprinkler water service – Underground water service as required for building sprinkler system shall be in accordance with NFPA 24.
 3. Drainage – assure that the grading surrounding the building will slope away from the building and drain properly, without ponding or erosion.
 4. Sewer connections to municipal sewage systems and on-site waste water treatment system:
 - a. Existing sewer laterals that are to be reused should be evaluated to assure that they are serviceable and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5- year updates during the 30-year affordability period.
 - b. New systems designed to conform to the State “Wastewater System & Potable Water Supply Rules” RIDEM permit) regulations.
 5. Water service:
 - a. Existing municipal water supplies to buildings shall be evaluated to assure that they are serviceable, of adequate capacity and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
 - b. Required new systems shall be designed to conform to the State “Wastewater System & Potable Water Supply Rules” RIDEM permit) regulations, and the American Waterworks Association (AWWA) guidelines.
 6. Vehicular access to public way – site design shall conform to local zoning and RI Department of Transportation regulations, as well as be sensible in its layout to maximize vehicular and pedestrian safety.
 7. On-site Parking – parking shall be adequate for project type, meet local codes, and be designed to drain well, with a durable appropriate surface material. Handicapped parking shall be provided as required. Designers may utilize Institute of Transportation Engineers (ITE) guidelines in the design.
 8. Pedestrian access and hardscape – In general, paved walkways within the site will be designed to provide sensible pedestrian access from the public way into the site, from parking areas, and provide access to buildings. All walkways should generally conform to applicable codes for width and slopes, and fall protection. Site stairs shall be safe and sound, constructed of durable materials, with proper rise and run, and with code approved railings as required. Accessible routes into buildings shall be provided as required by code.
 9. Site amenities – site amenities may be provided which enhance the livability of the project including playground areas, seating, benches, patio areas, picnic tables, bike racks, grills, and fencing, etc.
 10. Mailboxes - Provision will be made for USPS-approved cluster mailbox units if required by the USPS.

11. Landscaping – lawns, ground cover, planting beds, perennial plants, shrubs and trees may be provided to enhance the livability, and to provide a positive aesthetic sense.
 - a. Planting choices specified should be low maintenance, non-invasive species, of an appropriate size and scale and located, when adjacent to building structures, with regard to their size at maturity.
 12. Solid waste collection & storage –Provision shall be made for the outdoor storage and collection of solid waste and recycling materials in receptacles (dumpsters, wheeled trash cans, totes). Enclosures with gates shall be provided and must be accessible as required by code.
 13. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
 - a. Energy efficient lighting shall conform to current Energy Star Standards and the RHODE ISLAND HOUSING “Policy on Energy Efficiency & Water Conservation in Multi-family Residential Properties” (see section VII-C of these standards).
 14. Fuel Storage – On site outdoor placement and storage of fuels per applicable regulations and utility requirements.
 15. Underground or overhead utilities – as regulated by code and utility rules.
- B. FOUNDATIONS** (Cross-Reference with RIH Guidelines Section 3, Division 3 [page 29])
1. Existing foundations shall be examined by qualified professionals
 - a. Foundations to be adequately sized, free of broken components or deterioration which may compromise the load bearing structural integrity.
 - b. Design and implement structural reinforcements or reconstruction as necessary.
 2. Above-grade masonry unit block or brick shall be reasonably stable, plumb and sound with no missing units or voids.
 3. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly.
 4. New below-grade structures to conform to RI SBC-1-2013 & RI SBC-2-2013 as appropriate.
 5. Basement floors:
 - a. Mechanical rooms - Provide sound concrete floors with raised housekeeping pads for equipment.
 - b. Tenant accessed utility spaces (storage, laundry rooms, etc.) – provide sound concrete floors.
 - c. Dead spaces
 - i. provide concrete rat slabs,
 - ii. where earthen floors are to remain, provide wear layer of peastone (or similar suitable material) over vapor barriers.
 6. Moisture mitigation
 - a. Water and damproofing – where possible and as may be required by existing conditions of groundwater and storm-water intrusion into subsurface portions of buildings, provide waterproofing or damp proofing as appropriate.

- b. Provide vapor barriers covered with a wear layer of pea-stone over earthen basement or crawl space floors to remain.
 - c. Ventilation of basements and crawl spaces per RI SBC-1-2013 & RI SBC-2-2013.
- C. **MASONRY COMPONENTS** (Cross-Reference with RIH Guidelines Section 3, Division 4 [pages 29 & 30])
 - 1. Buildings with masonry bearing walls shall be examined for their structural integrity. Existing masonry building components shall be examined to assure sound condition, and repaired as necessary to provide the load-bearing capacity, resistance to water penetration, and aesthetic quality to assure the assemblies will perform for the purpose intended. Masonry shall be plumb, and structurally sound.
 - 2. Repair or replace deteriorated portions or missing units. Brick veneer shall be sound, or repaired to be sound.
 - 3. Masonry mortar joints shall be sound, and free of loose or deteriorated mortar, with no voids. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly, and prevent water intrusion.
 - 4. Historic masonry designated to remain shall be restored to sound serviceable condition, and in accordance with Section 106 of National Historic Preservation Act. Where masonry is considered historic, repairs will be carried out utilizing the Secretary of the Interior's "Standards of Rehabilitation" (<https://www.nps.gov/tps/standards/rehabilitation.htm>) and related NPS Preservation Briefs for "Repointing Mortar Joints on Historic Masonry Buildings"
 - 5. Chimneys
 - a. Assure structural integrity, reconstruct, and point as necessary
 - b. If used for fuel heating appliances – provide lining as may be required by code and as prescribed by the heating appliance manufacturer.
- D. **STRUCTURE** (Cross-Reference with RIH Guidelines Section 3, Division 1, Part G [page 26])
 - 1. A qualified professional shall examine each building's load-bearing structure, and assess its existing condition to determine suitability of continued use.
 - 2. In general, structure evaluation and design shall be in conformance with RI Building and Fire Code, current edition.
 - a. In most residential rehab projects where there is no change in use, it is not expected that the structure will be brought up to new construction standards.
 - b. Consideration shall be given if there are any proposed changes in use which would impact the historical loading.
 - 3. Deficiencies identified shall be addressed and repairs designed and specified as necessary to correct such conditions:
 - a. Repairs shall be made to any deteriorated load-bearing structural elements.
 - b. Reinforce, install supplemental or replace structural members determined not to be adequate for use.
- E. **ENCLOSURE - SHELL** (Cross-reference with RIH Guidelines Section 3, Division 7, Parts B and C [pages 31 & 32])
 - 1. Roofing

- a. Existing
 - i. Examine existing roofing and flashing systems to determine suitability for continued use. Continued life expectancy of existing roofing should be a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
 - ii. Repair existing roofing as required.
 - iii. Existing historical slate roofs shall be repaired in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements if applicable (<https://www.nps.gov/tps/standards/rehabilitation.htm>).
 - b. New Roofing
 - i. New roofing shall be installed where existing roofing does not meet requirements for continued use.
 - ii. New roofing system components shall be compatible, and include - the nail base, the underlayment layer, ice & water shield self-adhesive membrane flashings, metal flashings and roofing.
 - Strip existing roofing and dispose of properly.
 - Examine exposed existing substrate for structural soundness
 - Install new roofing system per code and per NCRA trade practices, and manufacturer specifications.
 - Flashings – deteriorated flashings shall be replaced, and the weather proof integrity of the roof system shall be assured.
 - c. Ventilation
 - i. Roof assemblies shall be properly ventilated in accordance with applicable code requirements, and appropriate building science detailing.
2. Exterior Finishes
- a. Cladding
 - i. Wood Siding –
 - Examine existing siding for soundness – shall be free of major cracks, rot, and other deterioration which may compromise its useful life and be suitable to hold exterior paint.
 - Siding shall be free of gaps and holes and provide continuous weatherproof system.
 - Repair or re-side as necessary to provide a weather resistant enclosure.
 - Replace existing wood siding on historic buildings as necessary in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
 - ii. Masonry
 - Masonry bearing walls and veneers shall be restored as necessary
 1. Refer to Section XI C – Masonry
 2. Refer also to Section XI F.2.b for insulation requirements
 3. All work on historic masonry shall be done in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.

- iii. Other existing cladding system types and materials shall be repaired and/or restored in-kind with matching or similar materials to provide a durable weather resistant enclosure.
3. Trim – Exterior trim and architectural woodwork.
- a. Existing wood trim:
 - i. Existing trim to remain must be sound, free of defects and deterioration which compromises its use.
 - ii. Repair and restore trim to usable condition. Patch or replace in kind any deteriorated wood trim components.
 - iii. Repair of historic woodwork and trims shall be in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
 - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to Architectural Woodwork Institute (AWI) standards.
 - c. Other trim materials (PVC, cementitious, etc.) which are suitable may be used as appropriate and shall be installed per manufacturer’s recommendations.
 - d. Trim which is part of the weather tight enclosure shall be flashed or caulked with joint sealers as necessary to prevent water intrusion.
4. Paint
- a. In general, all existing exterior wood surfaces shall receive new paint coatings, except as appropriate due to the recent application of paint and/or the sound condition of existing coatings
 - b. Examine surfaces and apply paint only to sound acceptable materials / surfaces.
 - i. Prepare surfaces properly, removing loose or peeling previous paint.
 - ii. Paint prep shall be done in accordance with applicable lead safe standards. (See Section XI N.1.b of these HTF Standards.)
 - c. Before painting, assure that any moisture issues which may compromise the life expectancy of the paint system are remedied.
 - d. Exterior paint systems shall be compatible, and installed in accordance with manufacturers’ specifications.
5. Porches, decks and steps
- a. Existing porches, decks, steps and railings proposed to remain shall be examined and repaired as necessary. Repair and reconstruction shall be carried out to assure that they will have a continued useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
 - i. Inspect structure for soundness and reconstruct any deteriorated members as required.
 - ii. Install new support piers as may be required.
 - iii. Patch existing decking with matching materials, or install new durable decking.
 - b. Railings
 - i. shall be sound and adequately fastened to meet code requirements for structural loading. Repair or replace in-kind as appropriate.
 - ii. Shall meet code requirements for height of protective guards, or have supplemental guards installed.

- c. Steps shall be safe and sound and meet applicable codes, with railings as necessary.
 - d. Historic porches designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
 - e. All porch elements shall be able to withstand the weather elements to prevent premature deterioration.
- F. **ENCLOSURE – THERMAL** (Cross-Reference with RIH Guidelines Section 3, Division 7, Part A [page 31] & Part D.2 [pages 33 & 34])
- 1. Energy Efficiency - In general, most buildings will be rehabbed with a goal of increasing the thermal shell efficiency.
 - a. All RHODE ISLAND HOUSING HTF funded projects shall be subject to the RHODE ISLAND HOUSING "Policy on Sustainability and Water Conservation in Multifamily Residential Properties." Contained within this policy are as follows and can be found in detail in Section VII-C. As outlined in those standards all projects will either achieve the target energy efficiency objectives of the standards or present RHODE ISLAND HOUSING with an operational case for project sustainability pursuant to the financial structure of the project.
 - b. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
 - 2. Insulation
 - a. Insulation levels shall conform to the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties" Contained within this policy are as follows and can be found in detail in section VII-C.
 - b. Masonry walls shall be insulated utilizing current building science detailing to ensure ongoing integrity of masonry systems.
 - 3. Air sealing – comply with the Rhode Island Multifamily Air Sealing Protocol (MASP) per the "RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
 - a. Attention must be paid to the air barrier of each building and should be well thought out, detailed, and carefully executed.
 - b. Blower door testing shall be performed to verify compliance and successful execution.
 - 4. Indoor air quality
 - a. In general, all thermal upgrades to a building will take into consideration indoor air quality and moisture control/mitigation, and apply the current state of the art building science in this regard. Treatment of existing stone, concrete or masonry basement walls and of existing basement earthen floors or uninsulated basement slabs will be taken into consideration with regard to the need for moisture mitigation.
 - 5. Ventilation
 - a. Venting of crawl spaces, attics and sloped ceilings shall be per code.
 - b. See Section XI E.1.c of these HTF Standards for roof assembly ventilation.

G. ACOUSTICAL TREATMENTS (Cross-Reference with RIH Guidelines Section 3, Division 7, Part D. Sound Insulation [pages 33 & 34])

Dwelling units separated acoustically per RI SBC-1-2013 & RI SBC-2-2013 as a guideline minimum standard.

H. DOORS (Cross-Reference with RIH Guidelines Section 3, Division 8, Part B [pages 36 & 37])

1. General

- a. Doors to meet code requirements of Rhode Island Fire Safety Code, 2013 and NFPA 101, 2012
- b. Meet egress requirements for dimensions, swing and clearances, and be accessibility compliant as required.
- c. Be sound and secure.
- d. New doors shall be installed per manufacturers' recommendations and standard trade practice standards.
- e. Flash properly, and have shim spaces insulated.
- f. Existing doors to remain should be examined and determined to be suitable for reuse with a remaining life after restoration of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
 - i. Restore as required to provide useful life.
 - ii. Shall be tested and modified as necessary to operate properly.
 - iii. Install new weather stripping and sweeps to provide seal against weather elements and air infiltration.
 - iv. Historic doors designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.

2. Apartment doors

Apartment unit entry doors shall be fire rated as required.

3. Other doors – Access doors shall meet code requirements for fire rating.

4. Door hardware shall operate properly, be secure and shall meet accessibility standards Rhode Island Fire Safety Code, 2013 and NFPA 101, 2012.

I. WINDOWS (Cross-Reference with RIH Guidelines Section 3, Division 8, Part A [pages 35 & 36])

1. Windows shall be of legal egress size when required by code. In townhouse apartments, existing windows which are non-conforming egress size shall be reviewed and meet the RI SBC-1-2013, SBC-2-2013, Rhode Island Fire Safety Code, 2013 and NFPA 101, 2012

2. Existing windows:

- a. Existing windows to remain should be examined and determined to be suitable for reuse with a reasonable remaining life after restoration of 30 years without undue future maintenance, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
- b. Capable of providing adequate seal against air infiltration, weather elements, and be determined to be appropriately energy efficient in keeping with the overall energy efficiency strategy of the project.

- c. Install new weather stripping to provide seal against weather elements and air infiltration.
 - d. Air seal shim spaces and window weight pockets if possible.
 - e. Restore and modify as required to provide useful life.
 - f. Shall be tested and modified as necessary to operate smoothly and properly per code.
 - g. Historic windows designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
 - h. Hardware shall be intact and operational, or be replaced with new hardware as required
3. New Windows:
- a. Where existing windows do not meet the standards for egress, condition, and/or energy efficiency deemed appropriate to the project, they shall be replaced by new windows.
 - b. New windows shall be code compliant, and conform with the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
 - c. Additionally, new window units should be tested assemblies meeting ASTM standards for water penetration & air leakage.
 - d. All windows shall be installed per manufacturer's installation guidelines and specifications, and shall incorporate appropriate detail, flashings, joint sealers, and air sealing techniques.
- J. **INTERIOR FINISHES** (Cross-reference with RIH Guidelines Section 3, Division 9, Parts A & B[pages 37 & 38])
- 1. In general, all interior finishes will be new and installed per manufacturer's recommendations and the standards of quality construction per trade practices and associations related to the particular product or trade.
 - 2. Rhode Island Fire Safety Code 2013, NFPA 101, 2012 (Reference also Chapter 8 of the RI SBC-1-2013).
 - 3. Walls & ceilings
 - a. Where existing finishes are proposed to remain, they will be determined to meet the standard of being sound, durable, lead-safe, and have a remaining useful life of no less than 30 years, or covered by the 20- year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
 - b. Where existing finishes are proposed to remain as part of a fire rated assembly, the State Preservation & Heritage Commission Office shall assist in making a determination as to the suitability. Refer to codes as they pertain to archaic materials, and relevant NPS Preservation Briefs.
 - 4. Flooring
 - a. Existing wood flooring in good condition should be repaired, sanded and refinished.
 - b. All new flooring materials (resilient flooring, wood flooring, laminate flooring, carpet, and/or ceramic tile) shall be installed over suitable substrates per manufacturer's specs and the trade association practices.
 - 5. Trim - Wood trim and architectural woodwork

- a. Existing trim shall be repaired and restored to usable condition, free of deterioration which compromises its use. Repair of historic woodwork & trims shall be in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements (<https://www.nps.gov/tps/standards/rehabilitation.htm>).
 - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to AWI standards.
6. Paint - In general, all interior ceiling, wall, and trim surfaces shall receive renewed coatings of paint (or other clear/stain) finishes. Painting shall be done in a workmanlike manner, and in accordance with the manufacturer's recommendations. All painting including preparation of existing surfaces shall be done in a lead-safe manner (See Section XI N.1.b).
- K. **SPECIALTIES** (Cross-Reference with RIH Guidelines Section 3, Division 10, [page 39])
 1. Toilet accessories – each bath will have appropriate accessories such as towel bars, robe hooks, bath tissue holders, etc., installed and securely fastened in place. Accessories shall be located per accessibility requirements where necessary.
 2. Medicine cabinets and mirrors – install in each apartment bath as appropriate.
 3. Signage and identification – building signage shall be provided as appropriate:
 - a. Including building address 911 #'s, apartments' identification, building directory, exits, stairways, common and utility spaces, etc. shall be in conformance with Rhode Island Fire Safety Code, 2013, NFPA 101, 2012 Life Safety Code, and be accessibility compliant and 911 approved.
 4. Exit signage will be provided as required by code and be accessibility compliant as required.
 5. Fire protection specialties – provide fire extinguishers in buildings, and in apartments as required by code and/or by state or local fire marshal "AHJ". Locate as directed by AHJ.
 6. Shelving – provide durable, cleanable shelving for pantries, linen closets, clothes closets and other storage as appropriate, securely fastened in place.
- L. **EQUIPMENT** (Cross-Reference with RIH Guidelines Section 3, Division 11 [pages 39 & 40])
 1. All new equipment to be ENERGY STAR® rated. Existing equipment to be retained and continued to be used shall be in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30- year affordability period.
 2. Equipment shall conform to the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
 3. Kitchen appliances –
 - a. provide new, full-size (30", 4 burner) stove and refrigerator in each apartment.
 - b. Existing appliances to be reused shall be in good and serviceable condition.
 - c. Provide other appliances (such as microwaves) as may be appropriate to the project.
 - d. All appliances in accessible apartment units shall be accessibility compliant, and located in an arrangement providing required clear floor spaces.

4. Laundries –where adequate space is available and when appropriate to meet the project goals, washers and dryers may be provided in laundry rooms or in apartments.
 - a. Heat pump dryers are encouraged where appropriate and readily available.
 - b. Where a project is served by natural gas, consideration of the use of natural gas dryers is encouraged. In projects not served by natural gas, propane fired dryers should be considered for cost of operation reasons where feasible and appropriate.
5. Solid waste handling – Provide trash and recycling receptacles as appropriate to enable the tenants and property management staff to handle and store solid waste in compliance with Rhode Island Resource Recovery Corporation's Rules and Regulations.

Playground: For all family oriented developments, HTF recipients shall demonstrate that playground facilities are in reasonable proximity or shall incorporate a playground as part of the development.

M. FURNISHINGS - CASEWORK (Cross-Reference with RIH Guidelines Section 3, Division 12 [pages 40 & 41])

1. Kitchen cabinetry and counters
 - a. Existing cabinetry and/or countertops proposed to remain shall be in good condition with a remaining useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
 - b. New cabinetry
 - i. High-pressure plastic laminate and/or wood exterior surfaces. Minimum ¾" thickness of face frames and 5/8" thickness for doors, drawer faces and end panels. ½" thick shelves. Solid wood doors preferred.
 - ii. All cabinets shall meet requirements for HUD severe use. Cabinet doors will be equipped with raised or recessed panels and door knobs. The use of flat panel cabinet doors shall be reviewed on a case-by-case basis. Door pulls shall be installed at handi-capped units. Shall be of good quality, meeting ANSI/KCMA A161.1-2012 "Performance & Construction Standards for Kitchen Cabinetry and Bath Vanities" standards. Other industry standards for cabinetry may be used as guidelines, such as the Kitchen Cabinet Manufacturer's Association (KCMA) "Severe Use Specification – 2014," the Architectural Woodwork Institute's (AWI) Woodwork Standards and Cabinet Fabrication Handbook.
 - iii. Counter Tops: Materials - laminate with rolled front edge and backsplash.
 - Shop fabricated as one piece assembly where possible. Seal field joints.
 - Installed level and securely fastened to cabinetry
2. Bath cabinetry and counters – vanity lavatory tops, when used, should be one piece integral bowl with integral backsplash

N. SPECIAL CONSTRUCTION (Cross-Reference with RIH Guidelines Section 3, Division 13 [page 41])

1. Hazardous materials and remediation – see "RHODE ISLAND HOUSING Guidelines for Development Section 3.3 (Environmental Guidelines including HUD's Lead Safe Housing Rule, see page 67 of RIH Guidelines).
 - a. Asbestos – project will be assessed for the existence of asbestos-containing building materials by qualified professionals:

- i. National Emission Standards for Hazardous Air Pollutants (NESHAP) apply.
 - ii. Removal of asbestos shall be carried out per Federal EPA and State regulations and rules.
- b. Lead - Health and Safety and Lead Safe Housing
- i. All scopes of work performed pursuant to this rehabilitation standard shall support the maintenance of project compliance with the Rhode Island Department of Health Rules and Regulations for Lead Poisoning Prevention R23-24.6PB and Rhode Island Department of Environmental Management Regulations 9 & 24.
 - ii. Lead-Based Paint
 - Federal and state regulations related to lead-based paint apply to target housing, which is defined as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless a child of less than 6 years of age resides or is expected to reside in such housing for the elderly or persons with disabilities). Rehabilitation of target housing must be completed in a manner which insures the health and safety of workers and residents, especially children. A number of regulations apply when lead painted surfaces are disturbed in residential properties, primarily requiring the appropriate training of workers and the use of safe work practices. In some cases, use of federal funds for rehabilitation will trigger a higher level of lead paint treatments based on the amount of federal money being used. The following regulations must be adhered to during all rehabilitation of target housing:

Federal Regulations:

- HUD Lead Safe Housing Rule (24 CFR, Part 35) requires various levels of evaluation and treatment of lead paint hazards when federal money is used for rehabilitation of target housing.
- EPA Renovation Repair and Painting Rule (40 CFR Part 745) – Requires contractors conducting renovation, repair or maintenance that disturbs paint in target housing or child-occupied facilities to be licensed by EPA and use lead-safe work practices to complete the work. HTF recipients must ensure contractors are properly trained and licensed. More information is available at: <http://www2.epa.gov/lead>
- HUD/EPA Disclosure Regulations (24 CFR, Part 35, Subpart A) – Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants. More information is available at: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12347.pdf
- OSHA Lead in Construction Rule (29 CFR Part 1926.62) - Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects. More information is available at: https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARD&p_id=10641
- Rhode Island Rules and Regulations for Lead Poisoning Prevention, R23-24.6-PB, April 2014 (T) Title 18, Chapter 38:
 - Rhode Island law requires all work that disturbs paint in target housing and child care facilities to be completed using lead safe work practices.

Rehabilitation completed according to the federal regulations described above will generally fulfill this requirement. Rhode Island does ban certain unsafe practices that are allowed under some of the federal regulations, including power sanding and grinding, dry scraping, and use of certain kinds of paint strippers.

O. CONVEYANCE SYSTEMS (Cross-Reference with RIH Guidelines Section 3, Division 14 [page 41])

1. Elevators may be installed when appropriate and possible, when such elevator is part of the project's program goals, or as required by code, as follows:
 - a. Installed per code NFPA 101,
 - b. Rhode Island Fire Safety Code, 2013
 - c. ASME 17.1-17.3 Safety Code for Elevators - 2013
 - d. State of Rhode Island Elevator Safety Code, 2012
2. Existing elevators and lifts may be retained if they are appropriate to the use of the building and in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5- year updates during the 30-year affordability period, and approved by agencies having jurisdiction.

P. MECHANICAL (Cross-Reference with RIH Guidelines Section 3, Division 15 [pages 41 thru 45])

1. General:
 - a. All mechanical systems shall be designed by a mechanical engineer or other qualified professional.
 - b. Energy efficiency:
 - i. All RHODE ISLAND HOUSING HTF funded projects shall conform to the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
 - ii. As outlined in the HTF Standards, all projects will either achieve the target energy efficiency objectives of the standard or present RHODE ISLAND HOUSING with an operational case for project sustainability pursuant to the financial structure of the project.
 - iii. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
 - c. All mechanical systems shall meet all applicable codes:
 - i. Rhode Island 2013 Fire & Building Code & NFPA 101 Life Safety Code, 2012 Edition
 - ii. Rhode Island Mechanical Code, RI SBC-4-2013.
 - iii. Rhode Island Fuel Gas Code, RI SBC-19-2013
 - iv. Rhode Island Plumbing Code, RI SBC-3-2013. 2012 Rhode Island Fire & Building Code
 - v. Rhode Island Energy Conservation Code, RI SBC-8-2013 as they may apply:
 - vi. Plumbing fixtures will be accessibility compliant as required.
 - vii. Rhode Island Rules & Regulations for Boiler and Pressure Vessels (R.I.G.L -28-25) effective 12/12/2011 as it pertains to boilers and pressure vessels

(<http://sos.ri.gov/documents/archives/regdocs/released/pdf/3b493e49b0a2a162589891f1e4b0f9c3/4721.pdf> Page 16).

2. Fire protection

- a. In general, all buildings assisted with HTF funds shall have fire suppression as required by applicable codes with approved sprinkler systems installed as required by Rhode Island Fire Safety Code, 2013, NFPA 101, 2012 and NFPA 1, 2012:
 - i. System design to conform to applicable NFPA standard 13, 2013.
 - ii. System installed by State approved persons holding appropriate licenses..
- b. Where possible, piping for the sprinkler system shall be concealed.

3. Plumbing

- a. Where existing components of a system are to be reused, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. Substandard or critical non-code compliant components shall be replaced.
- b. Use water-saving shower heads and faucet aerators as required by the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
- c. All fixtures, piping fittings and equipment shall be lead-free in accordance with the Rhode Island Plumbing Rules.
- d. Kitchen fixtures – When existing kitchen fixtures are not reused in accordance with a. above, new sinks and faucets, and associated plumbing shall be installed in each apartment.
- e. Bath fixtures – When existing bath fixtures are not reused in accordance with a. above, new water saving toilets, tubs and tub surrounds, lavatory sinks, and faucets shall be installed in each apartment.
 - i. Three and four-bedroom apartments are encouraged to be designed to include 1½ baths minimum where adequate space is available.
- f. Provision for laundry rooms or laundry hook-ups may be made per project's program requirements.
- g. Provision for other utility plumbing for janitor sinks, floor drains, outdoor faucets, drains for dehumidification systems, etc., may be made as desired or required.

4. Heating

- a. System design:
 - i. Designed and constructed to conform to the RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
 - ii. Where existing components of a system are proposed to be reused, they will be examined and determined to be in good and serviceable condition, code compliant and

- have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
 - b. Temperature control - The temperature in each apartment shall be individually thermostatically controlled.
 - c. Provide adequate heat in common spaces.
5. Pipe Insulation:
- a. Insulate all hot and cold water pipes for both domestic and mechanical use to conserve heat and minimize condensation. Large buildings require insulation on all domestic and mechanical hot and cold water piping throughout the building. In handicapped units all exposed pipes shall be insulated with a protective insulated jacket.
 - b. Insulate interior rainwater conductors.
 - c. For hot and cold water and mechanical pipes up to 2", insulation shall be 1" thick. For larger pipes, insulation shall be 1.5" thick. For runouts insulation thickness shall be ½".
6. Avoid installing plumbing piping in exterior walls.
- a. Minimum equipment efficiencies per Efficiency Rhode Island's Energy Conservation Code RI SBC-8-2013.
 - b. Motors and pumps – high efficiency Brushless Permanent Magnet Pumps (BLPM) with variable frequency drives (VFD).
 - c. Control wiring and control strategies with outdoor temperature reset.
 - d. Finned Tube Radiation – where used - high output heavy gauge enclosure baseboard finned tube radiation is recommended to provide a more durable product with a longer expected useful life. Replace existing as appropriate.
7. Ventilation
- a. Code-compliant indoor air quality will be addressed by the installation of either exhaust only or balanced (heat recovery) ventilation systems as required by:
 - i. Fire protection of system ducts per NFPA 101, 2012
 - ii. ASHRAE 62.2
 - b. RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C. Balanced mechanical ventilation systems are encouraged.
 - c. Ventilation controls shall be per applicable codes
8. Domestic Hot Water:
- a. System shall be designed RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C.
 - b. Install pipe insulation per code.
- Q. **ELECTRICAL** (Cross-Reference with RIH Guidelines Section 3, Division 16 [pages 45 thru 47])
- 1. Project electrical design should be done by a licensed electrical engineer, or other qualified professional.

2. Project electrical must be installed by a licensed electrician
3. Energy efficiency:
 - a. RHODE ISLAND HOUSING "Policy on Sustainability & Water Conservation in Multi-family Residential Properties". Contained within this policy are as follows and can be found in detail in section VII-C. Design shall be comply with all the applicable codes:
 - Rhode Island State Fire & Building Code, 2013
 - NFPA 101, 2012 Life Safety Code
 - NFPA 72, National Fire Alarm and Signaling Code, 2010
 - NFPA 720, Standard for the Installation of Carbon Monoxide Detection and Warning Equipment, 2012 edition.
4. In general, the electrical system should be new throughout a building:
 - a. Where existing service entrances, disconnects, meters, distribution wiring, panels, and devices are proposed to remain, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. The designer, in concert with the State electrical inspector, shall examine the system and equipment. Existing components of the electrical system may be reused as appropriate. Substandard or critical non-code compliant components shall be replaced.
5. Utility connections shall be installed per the rules and regulations of the electrical utility.
6. Electrical service and metering:
 - a. The service entrance size shall be calculated to handle the proposed electrical loads.
 - b. Metering and disconnects shall be per code and mounted at approved locations.
7. Elevator wiring shall conform to the ANSI 17.1 as modified by the Rhode Island Elevator Safety Code, 2012.
8. Electrical distribution system:
 - a. Lighting and receptacle circuits shall be designed per code.
 - b. Locations and layout of devices and lighting to be logical and accessibility compliant where required.
 - c. Provision shall be made for the wiring of dedicated equipment circuits and connections for heating, ventilation equipment/exhaust fans, pumps, appliances, etc.
9. Artificial Lighting shall be provided using Rhode Island Energy Conservation Code, RI SBC-8-2013.
 - a. HTF recipients are required to upgrade to Energy Star® Category.
10. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
 - a. Energy Star compliant site lighting fixtures are required.
11. Emergency and exit lighting/illuminated signage shall be per the Rhode Fire Safety Code, 2013, NFPA 101, 2012, Life Safety Code.
12. Fire detection and alarms:

- a. Shall be installed as required by code: NFPA 101, and comply with NFPA 72, 2010 and NFPA 1, 2012.
 - b. Smoke detectors shall be installed per Rhode Island Fire Safety Code, 2013.
 - c. CO detectors shall be installed per 2013 Rhode Island State Fire and NFPA 720, 2012.d. Where required – system annunciation shall be in accordance with NFPA 1, 2012.
13. Communication low-voltage wiring – provisions for TV, telephone, internet data, security, and intercoms should be considered and installed as appropriate to the project's use and livability.
14. PV Solar – an optional solar-powered photovoltaic panel system may be installed in accordance with the National Electrical code, RI SBC-5-2013, State energy code, and the regulations of the governing utility.

These Housing Trust Fund Standards include two additional guiding documents:

Exhibit A: The Property Maintenance Code Inspection Form,

also known as the “Inspectable Items and Observable Deficiencies form”

Exhibit B: Capital Needs Assessment (CNA) Guidance