

Draft 2018 AHFA National Housing Trust Fund Allocation Plan

*The HTF Plan will be included as part of the State of Alabama's Consolidated Plan to be submitted to the U.S. Department of Housing and Urban Development ("HUD") for its approval. **Until approved by HUD, the HTF Plan is available for information purposes only and is subject to change in whole or in part.***

PREPARED BY ALABAMA HOUSING FINANCE AUTHORITY ACTING SOLELY IN ITS CAPACITY
AS THE ADMINISTRATOR OF THE STATE OF ALABAMA'S NATIONAL HOUSING TRUST FUND

Alabama Housing Finance Authority (AHFA)
National Housing Trust Fund Allocation Plan

A. The National Housing Trust Fund

The National Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing federal, state, and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income households (VLI). HTF funds will be distributed by formula. As specified in the enabling legislation, Grantees, like AHFA in its role as the designated administrator of HTF for the State of Alabama, are required to use at least 80 percent of each annual grant for rental housing; may use up to 10 percent for homeownership housing and up to 10 percent for the grantee's reasonable administrative and planning costs. 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 housing with suitable amenities. All HTF-assisted rental housing must meet a minimum affordability period of 30 years. All HTF-assisted homeownership housing must meet the minimum affordability period of 10, 20 or 30 years, based on the amount of HTF investment in the unit.

B. Development of AHFA's Use and Allocation of Housing Trust Funds

AHFA has been responsible for preparing a housing needs assessment and strategy for the State of Alabama since the HOME Investment Partnerships Program began in 1992. AHFA prepared the first Comprehensive Housing Affordability Strategy (CHAS) as a prerequisite for Alabama to receive federal dollars for housing. Beginning in 1995, HUD abandoned the CHAS and created the Consolidated Plan in an effort to blend the four Community Planning and Development (CPD) programs - Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) - into a single submission process for the purposes of the Consolidated Plan. AHFA, as administrator of the HOME program, was deemed responsible for writing the housing portion of the new document. The Consolidated Plan provided a detailed overview of how the state planned to utilize its annual Community Planning and Development funding to meet economic development objectives, provide affordable housing, and address other special needs. As a contributor, AHFA offered a detailed analysis of the current status of housing in Alabama with special attention devoted to the condition of housing and housing affordability. Our state is poor and thousands of Alabama families and households need a safe and affordable place to live. A great many unmet needs still exist, and AHFA will use the limited resources available to address as many unmet needs as feasible across the state. The Consolidated Plan, in addition to providing an overall assessment of housing needs for the state, identifies the housing needs associated with special needs groups (minorities, single-parent families, the elderly, people with disabilities, mental illness, or AIDS/HIV and homeless persons).

A demographic analysis performed for the first Consolidated Plan (and still true today) concluded, "that a significant number of individuals in all parts of the state are in need of housing assistance. Those with the greatest needs are, predictably, concentrated at the lowest levels of the income hierarchy, wherein the housing cost burden is also the most severe. The largest numbers relative to housing needs are found in the state's most populous urban and metropolitan counties, but the greatest concentration of need is observed in the rural counties located in the southern portion of the state, the Black Belt in particular."

A component of the Consolidated Plan, the Analysis of Impediments to Fair Housing (AI), was updated in 2014 and submitted for HUD's review and approval with the Consolidated Plan in 2015. The purpose of developing the AI is to identify impediments to fair housing choice existing within Alabama's non-entitlement communities so as to determine courses of action designed to address those impediments. The

AI identified ten (10) primary areas of impediment to fair housing. Outreach and education were the recommended courses of corrective action, either in part or in total, for eight (8) of the identified impediments. To that end, AHFA encouraged and offered Fair Housing training in efforts to measurably overcome the identified impediments. Alabama's Consolidated Plan and the Analysis of Impediments to Fair Housing are available at www.adeca.alabama.gov.

The HTF program will be administered by the Alabama Housing Finance Authority (AHFA) and will be utilized to provide funds to develop new construction of decent, safe and sanitary rental housing, primarily targeting a specific underserved ELI population in the State, including the homeless and disabled populations. AHFA anticipates allocating available HTF funds to an initial preference of expanding the overall housing supply for the benefit of ELI households with incomes at or below the poverty line (whichever is greater) for homeless and/or transitioning veteran(s) located in primarily rural areas (or non-metropolitan areas).

AHFA may allocate any available HTF from funding years 2016 or 2017 to be utilized with 2017 or 2018 AHFA approved Housing Credit or HOME combined with Housing Credit projects that have not placed-in-service. Applications will be accepted for HTF from owners of new construction projects which elected to set-aside 5% of the total proposed units for tenants with disabilities or homeless populations. The units must be actively marketed and rented to ELI households with at least one tenant with a disability or a tenant transitioning from being homeless. These units must actively target ELI tenants for the 30-year duration of the HTF affordability period.

AHFA may schedule additional application cycles to award any remaining HTF.

AHFA encourages citizen participation in the HTF Program. Announcement of the development of the draft HTF Allocation Plan (Plan) is published in the major newspapers in Alabama and posted online at www.AHFA.com. A public hearing is held during which a brief description of the Plan is provided, copies of the Plan are available for the public, and the public is invited to make comments on the Plan. A 30-day public comment period follows the public hearing during which time, comments are collected and comment based revisions to the Plan are made. Upon completion of the public comment period, the Plan is finalized and published along with all public comments received and AHFA responses. The Plan is finally presented for state and federal approval in accordance with prescribed submittal dates.

C. General Housing Trust Funds Requirements

This HTF plan seeks to ensure that, where economically feasible, applicants will have an opportunity to compete for funding to address their unmet rental housing needs. AHFA has established certain threshold housing requirements to be used in the allocation of HTF funds.

- 1) *Geographic Diversity* - AHFA anticipates allocating available HTF funds to expand the overall rental housing supply located throughout the State in metro and/or rural areas (or non-metro areas) as defined by HUD area definitions.
- 2) *Applicant Capacity* - The applicant's ability to undertake and complete the construction of the proposed type of housing in a timely manner. Applicant must have the financial capacity to

complete the proposed development. The applicant must provide a list of experienced development team members such as general contractor, architect and legal counsel.

- 3) Duration of Affordability Period - All HTF units must have affordability requirements for a minimum of 30 years.
- 4) Housing Needs of the State - AHFA has identified a housing need for ELI households with incomes at or below the poverty line (whichever is greater) located in metro and rural areas (or non-metropolitan areas).

D. Eligible Activities

The eligible activities for HTF funds under this plan will be for new construction of affordable rental housing. AHFA may consider providing an operating cost assistance reserve for HTF-assisted rental housing, based upon the need of operating assistance during the underwriting of the project. The rental housing may be single-family rental homes, duplex(es) or group care facilities and multifamily residential. AHFA will not use HTF funds for homeownership housing. All projects are required to meet AHFA's Design Quality Standards and Construction Manual for construction of attached new construction rental units or for single-family rental homes at www.AHFA.com. These are minimum standards, and AHFA permits applicants to exceed these project standards. Each applicant may construct the proposed project in a manner that reflects applicant goals and/or that exceeds local building codes. Also, most related soft costs are eligible expenses.

E. Eligible Recipients

AHFA will distribute HTF funds by directly selecting applications submitted from eligible recipients and will not use sub-grantees in the 2018 allocation cycle. AHFA will accept applications from an organization, agency, or other entity (including a public housing agency, or a for-profit entity or a nonprofit entity). A recipient must: (1) Make acceptable assurances to AHFA 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; (2) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity; (3) 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; and (4) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, and manage and operate an affordable multifamily rental housing development. No HTF application will be processed for any applicant or related entity which is not in good standing with AHFA and any other state housing finance authority, the Alabama Department of Economic and Community Affairs (ADECA), HUD and USDA Rural Development. An applicant can be denied consideration of the HTF funds under Alabama's HTF Program if the applicant, or its related parties, have a history of payment delinquencies, bankruptcy, foreclosure or activities determined to be unsound or unlawful.

F. Maximum Allocation of HTF

AHFA will receive an estimate of \$3,000,000 in 2018 HTF funds. AHFA will allocate funds based on the eligible activities and funding priorities outlined in AHFA’s Housing Trust Fund Allocation Plan (HTF Plan). AHFA will award HTF funds as forgivable grants to applicants whose proposed developments are approved for funding. The HTF will remain a forgivable grant, as long as the development remains in compliance with HTF and AHFA requirements for the entire affordability period of 30 years. AHFA estimates the following uses of HTF funds for the State of Alabama:

2018 HTF Funds Received:	\$ 3,000,000 (estimate)
USES:	
Grants:	\$ 2,700,000
Administration Fee:	\$ 300,000

No single applicant/recipient may receive more than \$1,350,000.

G. Maximum Per-unit Development HTF Subsidy Limits

As the administrator of the Low-Income Housing Credit and HOME funds, AHFA determines the “Reasonableness of Project Costs” annually. Reasonable project costs are determined by comparing aggregate cost data based on all applications received compared to historical cost certification cost data of completed projects and current cost data provided by AHFA third-party construction consultant reports. After evaluating all the data, reasonable standard project hard construction costs and soft costs are established. AHFA has used the same methodology in determining the maximum per-unit development HTF subsidy limit for housing assisted with HTF funds for all areas of state. The following are the maximum HTF subsidy limits per bedroom size for all new construction projects:

1 Bedroom -	\$ 58,333.00
2 Bedrooms -	\$116,666.00
3+ Bedrooms -	\$175,000.00

H. Application Process

AHFA will evaluate each application to determine which projects should receive an award of HTF funds. All applicants must submit an application, which includes evidence sufficient to AHFA that the applicants proposed project at minimum meets all of the housing priority factors in order to be considered for funding. AHFA may conduct a site visit(s) to inspect the proposed project’s site(s) and/or consult with a third party for professional services in evaluating each application requesting HTF funds. To facilitate the evaluation process, all applicants must complete the following basic steps:

- 1) Submit a complete application to AHFA. All or portions of the application may be required to be submitted online. After applications are submitted, AHFA will conduct a completeness review. The application will be deemed complete if the application package is submitted within a specified timeframe and contains, at a minimum, the following:

- All required AHFA-provided forms for current year application will be posted at www.AHFA.com prior to the beginning of the application cycle. AHFA will post these forms as they become available, and applicants should check www.AHFA.com regularly in order to begin work on the required forms as soon as possible. All AHFA-provided forms should be completed pursuant to instructions, legible, and all applicable spaces fully completed.
- All required third-party documents. AHFA will post the HTF application checklist and instructions for the complete list of required documents as provided at www.AHFA.com prior to the beginning of the application cycle.
- All applicants must comply in all respects with ASTM E1527-13 (the ASTM Standards) as to content and adhere to AHFA's Environmental Policy Requirements (provided at www.AHFA.com) and 24 CFR 93.301(f)(1) for purposes for determining whether the property is environmentally suitable for construction of residential housing.

After the completeness review, each applicant will be contacted via e-mail regarding any missing and/or incomplete items or documents. Upon notice, applicants must submit all missing and/or incomplete items or documents in order to be considered for funding, or the application will be terminated and no further consideration will be given.

- 2) Provide evidence that the project is an eligible activity under this HTF plan and meets basic occupancy and rent restrictions required of HTF regulations. The rental housing units must be under common ownership, deed, financing and property management.
- 3) Demonstrate that the project is financially feasible.
- 4) Demonstrate the likelihood of sustained 30-year affordability period with AHFA's requirements and the HTF Regulations.

I. AHFA Housing Priorities and Scoring Criteria

Funds will be awarded based on the application (at a minimum) meeting the general HTF requirements listed above and the total score of the application. Once AHFA has determined that the application meets or exceeds all requirements, AHFA will award funds to highest-scoring project until all HTF funds have been allocated.

In the event of a tie between two or more applications, the projects will be ranked in the following order to determine which applicant will receive priority:

1. The application with the greatest amount of additional subsidy per unit;
2. The application with a proposed project which is closest to the nearest Veterans Administration facility;
3. The application with the fewest missing documents and/incomplete forms as determined by AHFA during the completeness review.

AHFA reserves the right to deny a HTF allocation to any applicant or project, regardless of that applicant's point ranking if, in AHFA's sole determination, the applicant's proposed project is not financially feasible or viable. Regardless of strict numerical ranking, the scoring does not operate to vest in an applicant or project any right to an allocation of HTF funds in any amount. AHFA will in all instances reserve and allocate HTF funds consistent with sound and reasonable judgment, prudent business practices and the exercise of its inherent discretion.

1) Points Gained

- a. *Geographic Diversity* - A funding priority **(5 Points)** will be given to applications in the rural areas (or non-metropolitan areas as defined by HUD area definitions) that are expanding the overall rental housing supply for the benefit of ELI households with incomes at or below the poverty line (whichever is greater) located throughout the State.
- b. *Applicant Capacity* – A funding priority **(Maximum 15 points)** will be given to the applicant's providing historical evidence of having served the following targeted populations:

15 points for veterans homeless and/or veterans ELI populations. The applicants must describe their strategy for addressing homeless and/or ELI population housing problems specifically for veterans. This should include specific data quantifying the types of assistance or services provided to the veteran homeless or veteran ELI individuals and families.

10 points for ELI populations, including homeless and disabled populations. The applicants must describe their strategy for addressing housing problems for ELI populations.. This should include specific data quantifying the types of assistance or services provided to the homeless or ELI individuals and families.

Applicants will estimate the number of participants they propose to assist in relation to the types of assistance to be provided. They should explain their strategy for targeting housing to the neediest persons, or to the geographic or functional areas where housing may have the greatest impact.

Applicants must describe their staff capacity. Provide specific details relating to direct or related experience with service provision to veterans and homeless individuals and families or those at-risk of homelessness. Applicants will provide their plan to coordinate and integrate HTF built housing with other programs targeted to serving Veterans and homeless and/or disabled persons and with mainstream resources for which program participants may be eligible.

- c. Rental Assistance - A funding priority **(25 points)** will be given to applicants with projects that have secured federal, state, or local project-based and/or voucher(s) for rental assistance so that rents are affordable to extremely low-income families.
- d. Duration of Affordability Period - A funding priority **(5 points)** will be given for projects that demonstrate the ability to remain financially feasible five (5) years beyond the required 30-year period.
- e. Leveraging – A funding priority **(Maximum 25 points)** will be given to applicants that have a commitment from other non-federal sources needed to develop and operate the proposed housing. Sources may include, but are not limited to, value of donated land, funds for purchase of land, construction financing, permanent financing, furnishings and operating subsidies, To qualify for points for receiving additional subsidies, the funds may be loaned (required repayment) or granted.

25 points - \$350,001+ per unit
 15 points - \$175,001 - 350,000 per unit
 10 points - \$100,000 – 175,000 per unit

- f. Limitation on Beneficiaries or Preferences – A funding priority **(25 points)** for targeting the rental housing need for ELI veterans who are homeless (or at risk of homeless) or suffer from mental illness with incomes at or below the poverty line (whichever is greater). The applicants must identify the veteran homeless and ELI population needing assistance in their service area. Applicants should specifically address the needs (housing and services) of the veterans homeless and/or ELI persons in their service area. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families actually served during the last calendar year as well as specific services provided.

2) Points Lost

Points will be deducted from applications that contain sites with the following negative neighborhood characteristics:

2 points each will be deducted if any of the following incompatible uses are adjacent to the site. Adjacent is defined as nearby, but not necessarily touching. The following list is not all inclusive.

- | | |
|--------------------------------|----------------------|
| Junk yard or dump | Pig or chicken farm |
| Salvage yard | Processing plants |
| Wastewater treatment facility | Industrial |
| Distribution facilities | Airports |
| Electrical utility Substations | Prison or Jail |
| Railroads | Solid waste disposal |

Adult video/theater/live entertainment

1 point each will be deducted if any of the following incompatible uses listed are within .3 mile of the site. The list is not all inclusive.

Junk yard or dump	Pig or chicken farm
Salvage yard	Processing plants
Wastewater treatment facility	Airports
Prison or Jail	Solid waste disposal

Points will not be deducted for a prison, jail, or detention facility if it is co-located with a law enforcement office.

J. Barriers to Addressing the ELI and Veteran ELI Population

Various obstacles to addressing the ELI population exist across the State. In the rural counties, transportation is a major issue. Nonexistent public transportation limits access to mainstream resources and required services specifically for the ELI veterans that may have a physical and/or other impairment(s). Insufficient funding for resources and services at various levels of government entities or government-supported entities negatively impact the needs of ELI persons. The shortage of affordable permanent housing, job loss, unemployment, and the lack of affordable healthcare are all barriers to the ELI population to access affordable housing.

It will be very challenging for developments to be successful in reaching specific ELI populations and areas of extreme high ELI households and remain economically feasible for 30 years. It will require every respective stakeholder (mental health and physical health service providers, veterans advocates and groups, non-profits and local governments) to be proactive toward; a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced development partners to assist in creating housing solutions for the respective ELI populations and areas of the state. When working with service providers, Continuum of Care (Coc) or advocacy groups, every effort should be made to ensure that prospective tenants are able to live independently within the proposed project.

K. Compliance with HTF Regulations

Each eligible recipient must certify that housing units assisted with HTF funds will comply with all HTF requirements. The certification must include:

- The number of units in a HTF-assisted project by income group: extremely low-income, very low-income, moderate income, and above moderate income;
- A statement declaring that all tenants of a HTF-assisted development meet the income limits as required by relevant program guidelines; and

- A statement declaring that the recipient will comply with rent limits, determined to be no more than 30% of the area median income.

AHFA staff will monitor each HTF project on-site at least once prior to the completion of the project and periodically through the entire affordability period. AHFA will review for compliance with the HTF Plan, eligibility requirements, housing construction standards (24 CFR 93.301), rent reasonableness, affirmative outreach (24 CFR 93.350), tenant protections and selection (24 CFR 93.303), fair housing and financial management.

After each monitoring visit, written correspondence will be sent to the HTF recipient describing the results of the review in sufficient detail to clearly describe the areas that were covered and the basis for any conclusions reached. Monitoring determinations will range from “acceptable” to “finding” with appropriate corrective measures imposed. Corrective measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, or reimbursement of disallowed costs.

L. Performance Goals

As of 2016, Alabama had 373,761 veterans living in the state and approximately 29,047 veterans in Alabama fall into the extremely low-income (ELI) category. Statewide 43% of the ELI veteran households were severely cost burdened. Statewide 12,490 veteran households continually struggle with housing costs, are at risk of becoming homeless, and some suffer from mental illness. There were approximately 373 homeless veterans in the state in 2016 and with the housing costs burden this number could increase.

Reaching out to veterans and ELI population (especially unsheltered persons and homeless) and assessing their individual needs can be difficult. AHFA has established the following goals in meeting the needs of veterans in the State of Alabama through the HTF:

1. Decrease the number of veterans by fifteen (15) who are unsheltered and/or homeless by providing affordable housing units and to increase the provision of services to them.
2. Provide fifteen (15) affordable housing units to veterans that fall into the extremely low-income (ELI) category.
3. Help veterans (especially chronically homeless individuals and families, families with children) make the transition to permanent housing and independent living.
4. Facilitate access for veterans and all ELI individuals and families to affordable housing units, and prevent individuals and families who were recently homeless from becoming homeless again.
5. Increase awareness of permanent housing and services for ELI veterans and ELI households.

AHFA will monitor developments receiving HTF for the following specific goals:

- Impact of HTF-funded projects that reached veterans unsheltered and/or homeless.
- Number of veteran ELI households served by HTF-funded projects.
- Number of veteran ELI households with mental illness that were served by HTF-funded projects.

- Number of ELI households served by HTF-funded projects
- The extent to which the development met the overall goal established by the HTF Plan and AHFA.

Recipients will develop performance goals that best quantify the HTF developments impact for their local areas veteran and ELI populations. Performance goals specific to the specific geographic area will be evaluated to determine if the HTF goals have been achieved.

DRAFT

ADDENDUM B

Alabama Housing Finance Authority's Environmental Policy Requirements

WITHOUT LIMITING ANY OTHER PROVISION OF THIS QAP, ALL DETERMINATIONS, CALCULATIONS, JUDGMENTS, ASSESSMENTS OR OTHER DECISIONS MADE BY AHFA UNDER THIS ADDENDUM, INCLUDING WITHOUT LIMITATION RELATED APPLICATION INSTRUCTIONS, AHFA FORMS AND THE QAP ITSELF, SHALL BE MADE IN AHFA'S SOLE AND ABSOLUTE DISCRETION.

Alabama Housing Finance Authority ("AHFA") requires that a project-specific Phase I Environmental Site Assessment ("ESA") Report be submitted for each application. The Phase I ESA Report must be prepared by a qualified third-party Environmental Professional ("EP") as defined by 40 C.F.R. § 312.10(b) and adhere to the guidelines, requirements and format described herein.

For All Applications made to AHFA:

A Phase I ESA must be completed by an EP and include all of the components described in Addendum B-1, including without limitation, certain components that are not specified by ASTM. Failure to fully comply with the AHFA-required elements may result in delays or rejection of the application package. AHFA requires that the applicant engage the EP in accordance with the terms set forth in the engagement letter in Addendum B-2, a copy of which must be included as Appendix I of the Phase I ESA.

If a Phase I ESA for a project either (a) identifies a Recognized Environmental Condition (which includes, but is not limited to, controlled recognized environmental conditions, historical recognized environmental conditions, etc. (hereinafter collectively referred to as ("RECs")), and/or (b) recommends additional testing, investigation or a Phase II ESA Report be conducted, any and all Phase II ESA Reports and Addenda that are prepared to address the RECs identified or additional testing reports must be included at the time the Phase I ESA is submitted to AHFA. All Phase II ESA Reports must fully address all RECs identified in the Phase I ESA (including any RECs that AHFA determines should have been identified in the Phase I ESA but were not); must be completed in accordance with ASTM E1903-11; and must demonstrate that all environmental conditions associated with the project are appropriate for unrestricted residential use as defined by the Alabama Department of Environmental Management ("ADEM") under Alabama Administrative Code regulation 335-15-1.02(ccc). If a Phase I ESA identifies an environmental condition that is ruled out as a REC, the Phase I ESA must provide sufficient explanation and all supporting data to demonstrate that the environmental condition is not a REC. AHFA will not consider any sites for funding that are listed on or proposed to the National Priority List ("NPL") or State equivalent State Hazardous Waste Site ("SHWS") (Superfund sites).

Two versions of all reports must be submitted: A complete bound (3 ring binder) color hard copy (with each appendix separately tabbed) and an **exact, complete, color copy** in digital form, the text of which shall be in a searchable format. At the time of application submittal, applicant must pay a non-refundable application fee as specified in the Housing Credit Qualified Allocation Plan and HOME Action Plan. Pursuant to those plans, AHFA may select and engage third-parties (e.g., an EP, legal counsel, and/or designated consultant) to review and comment on the Phase I ESA and/or the Phase II ESA Report submitted by the applicant. In

addition to the non-refundable application fee(s), AHFA may require the applicant to provide additional funds in amounts sufficient to cover all third-party costs that AHFA reasonably anticipates to pay or reimburse AHFA for any third-party costs incurred during the application review and analysis process. AHFA will submit an invoice to the applicant which shall be paid by the applicant within five (5) business days of the invoice date. Any unused portion of any additional payments made by applicant related to third-party review, shall be returned to applicant without interest once all third-party invoices have been submitted and a refund amount is determined. During the course of the AHFA environmental review process, AHFA will notify the applicant if the Phase I ESA Report must be updated in order to satisfy the All Appropriate Inquiry ("AAI") 40 CFR 312 and ASTM Section 4.6 requirements (requiring certain components of the Phase I ESA to be conducted or updated within 180 days). To the extent that an updated Phase I ESA Report is required, the applicant will be solely responsible for these costs, fees, and related expenses. During the AHFA review process, any report(s) submitted for which AHFA (or AHFA's designated consultant) determines materially fails to comply with AHFA Environmental Policy Requirements, current ASTM standards, or applicable environmental regulatory requirements will result in the termination of the related application.

Application Completeness Requirements:

Upon submittal of the Phase I ESA Report, AHFA will conduct a completeness review to determine whether or not the report is complete and complies with the Environmental Policy Requirements.

If during its completeness review AHFA determines that an application in a competitive scoring cycle for HOME funds and/or Housing Credits is missing any materials required by the Environmental Policy Requirements or that the materials included in the report fail to materially adhere to AHFA's defined standards, the application will terminate and will not be considered for funding during that scoring cycle. If during the completeness review AHFA determines that all documentation required by the Environmental Policy Requirements has been provided and that the application materially adheres to AHFA's defined standards but that additional information or clarification is required in order for AHFA to complete its full evaluation of the Environmental Policy Requirements, AHFA will contact the applicant via email. When contacted, the applicant must submit requested items within five (5) business days or the application will terminate and will not be considered for funding during that scoring cycle.

If during its completeness review AHFA determines that an application for tax-exempt volume cap (whether or not the applicant requests Housing Credits awarded without a competitive scoring cycle) is missing any materials required by the Environmental Policy Requirements or that the materials included in the application fail to materially adhere to AHFA's defined standards, the applicant will have up to 30 days after notification from AHFA to resolve any outstanding issues. A Commitment Agreement for Multifamily Tax Exempt Bonds will not be issued until all defined environmental requirements are met to AHFA's complete satisfaction.

All environmental issues identified (or that AHFA determines should have been identified) in the Phase I ESA and Phase II ESA reports must have been fully abated or mitigated (or provide a written remediation plan approved in writing by the applicable regulatory authority) in a manner that is compatible with **unrestricted** residential use (as defined by ADEM under Alabama Administrative Code regulation 335-15-1.02(ccc)) and is acceptable to AHFA in all respects before submittal of the application. All remediation plans approved by an applicable regulatory authority must be submitted to AHFA in writing upon submittal of the application and include (a) details regarding the specific remediation plan; (b) all applicable final regulatory authority

approvals required for the implementation of the remediation plan; (c) a detailed line item summary of estimated costs with supporting quotes; (d) information regarding the expected source of funding for conducting the remediation activities; and (e) a projected schedule for approved remediation activities to the extent there are conflicting or inconsistent guidelines or methods between regulatory agencies concerning the environmental matter at issue, the EP shall follow the most stringent standard and certify that this standard has been satisfied. Note that AHFA will not accept any proposed future institutional or engineering controls on the proposed site other than a prohibition on the use of groundwater for potable or irrigation purposes in instances where the water is supplied by a utility.

All information provided by the applicant must be satisfactory to AHFA and may be subject to the fees as outlined in the applicable Housing Credit Qualified Allocation Plan or HOME Action Plan and/or at www.AHFA.com.

After the Reservation, Written Agreement, and/or Declaration of Official Intent:

If any unforeseen environmental condition(s) is discovered with respect to a project that has already received an award of HOME funds, Housing Credits, and/or Multifamily Tax Exempt Bonds, and such environmental condition(s) would have caused the project to fail to meet the Environmental Policy Requirements if discovered prior to award, then (a) if AHFA determines that the environmental condition(s) should have been discovered by the owner during the application process, AHFA will terminate the award and require all HOME funds or Housing Credits to be returned to AHFA, or (b) if AHFA determines that the environmental condition(s) arose through no fault of the applicant and should not reasonably have been discovered during the application process, AHFA may allow the project owner to remediate the environmental condition(s) at owner's sole cost and expense, including without limitation the fees and expenses of any EP and/or attorney engaged by AHFA in connection with the project, as necessary in order for the applicant to comply with the Environmental Policy Requirements and all other conditions specified by AHFA based on the specific nature of circumstances of the project. If AHFA determines under the foregoing standards that an applicant is eligible to take remedial actions with respect to any unforeseen environmental condition(s), the applicant will be permitted to do so only if the applicant provides the following items to AHFA within 30 days, in compliance with the following requirements (the "Remedial Action Requirements"):

1. Estimate of total remediation costs (including itemized quotes from any third party contractors) and schedule for completion of remediation from a qualified environmental professional;
2. Evidence that the project will remain financially feasible and capable of being completed within the time required by the type of funding received; provided, however, that if AHFA permits the owner to remediate an unforeseen environmental condition(s) and the time required for such remediation results in the inability of the project to Place-in-Service by the deadline established under Section 42 and AHFA, AHFA may elect to exchange the Housing Credits awarded to the project for a current or future year allocation of Housing Credits, subject to the applicant's payment of the environmental extension penalty specified at www.AHFA.com; and
3. Evidence that the applicant has sufficient financial resources to complete the remediation and the project by the required deadline. AHFA will require an applicant to provide a deposit in order to ensure that AHFA's expenses in connection with any remediation will be paid on a timely basis.

For a project that receives an award of HOME funds, AHFA will notify the applicant if the Phase I ESA Report must be updated in order to satisfy the AAI and ASTM Section 4.6 requirements (requiring certain components of the Phase I ESA to be conducted or updated within 180 days). If an updated Phase I ESA Report is required, the applicant will be solely responsible for all costs, fees and related expenses. If any environmental condition(s) is discovered with respect to the updated Phase I ESA Report that was not present, discovered or disclosed at the time of the initial Phase I ESA Report and such environmental condition(s) causes the project to fail to meet the Environmental Policy Requirements, the applicant must comply with AHFA's Remedial Action Requirements as specified above.

During the AHFA review process, if AHFA (or AHFA's designated consultant) determines that the ESA Report(s) fails to comply with AHFA's requirements, the ASTM standards or applicable environmental regulatory requirements, this determination will result in termination of the award and the return of HOME funds and/or Housing Credits if not corrected promptly after written notice.

NEPA Environmental Assessment (Projects Selected for HOME Funding):

Each project that receives HOME funds must undergo an environmental assessment in accordance with the requirements of the National Environmental Policy Act ("NEPA environmental assessment"). The owner of a project that receives an award of HOME funds will be required to provide certain studies, reports and documentation necessary for AHFA to complete the NEPA environmental assessment. AHFA will notify the project owner of the NEPA environmental assessment requirements at the time of award of HOME funds. For more information about project owner submission requirements for the NEPA environmental assessment process, please review the AHFA Environmental Assessment Checklist and Guidance (Projects Selected for HOME Funding) at www.AHFA.com

"Choice-Limiting Activities" Prohibited (All Applicants for HOME Funding and Housing Credits):

NEPA requires that no "choice-limiting activities" occur relating to the proposed project or at the project site **from the time the applicant submits a HOME program application to AHFA until the NEPA environmental assessment process is complete** (see 24 C.F.R. § 58.22). The applicant must take all actions necessary to ensure that no participant in the development process (including the applicant, project owner, contractors, subcontractors, current property owner(s) or any other person) commits non-HUD funds or undertakes an activity that would have an adverse environmental impact or limit the choice of reasonable alternatives relating to the proposed project or project site.

For projects applying for HOME funds (regardless of whether any other form of funding is received), prohibited "choice-limiting activities" include, but are not limited to, acquiring, purchasing, rehabilitating, demolishing, converting, leasing or repairing all or any portion of the project as well as disturbing the ground or commencing any form of construction at the project site. All such choice-limiting activities are prohibited during the NEPA environmental assessment period that (a) begins with delivery of the application to AHFA and (b) ends with AHFA's issuance of the Notice to Proceed, which typically occurs at the pre-construction meeting conducted at AHFA's offices in Montgomery.

AHFA also prohibits certain "choice-limiting activities" on projects applying for low-income housing tax credits ("Housing Credits"). For projects applying for Housing Credits or a tax-exempt volume cap allocation (but do not receive HOME funds), prohibited "choice-limiting activities" include, but are not

limited to, acquiring, rehabilitating or converting all or any portion of the proposed site or project as well as disturbing the ground or commencing any form of construction at the proposed site or project. All such choice-limiting activities are prohibited during the review period that (a) begins with delivery of the application to AHFA and (b) ends with a written notification from AHFA that the environmental review process has been completed.

If choice-limiting activities occur at a proposed site or project during the prohibited period, regardless of whether the applicant consented to the activity or had knowledge of it, the application will terminate and will not be considered for funding. AHFA reserves the right to inspect a site at any time after submittal of an application to confirm that no choice-limiting activities are taking place.

Addendum B-1

AHFA Requirements

NOTE: ALL REQUIREMENTS BELOW MUST BE PRESENTED IN THE DESIGNATED SECTIONS AND APPENDICES OF THE PHASE I ESA REPORT.

UNLESS OTHERWISE SPECIFIED BELOW, EVERY PHASE I ESA REPORT SUBMITTED TO AHFA MUST:

1. Comply in all respects with ASTM E1527-13 (the ASTM Standards) as to content and adhere to AHFA's Environmental Policy Requirements.
2. Include a complete legal description (e.g., metes and bounds) of the site. A tax map identifying the parcel that is the subject of the application must also be included in Appendix A of the Phase I ESA. If applicable, the Phase I ESA should state that the proposed project area does not include the entire tax parcel, and in such instances, the outlines of the proposed project area must be accurately illustrated on the tax map.
3. Be completed and certified as to its accuracy, completeness and in conformance with the ASTM Standards and AHFA Policy Requirements by an "Environmental Professional" as defined in X2 of the ASTM Standard.
4. Include a statement that the report can be relied upon by AHFA.
5. Pursuant to Section 4.6 of the ASTM Standard and 40 CFR 312.20, the following components of every Phase I ESA must be updated if they are greater than 180 days old:
 - a. interviews with owners, operators, and occupants;
 - b. searches for recorded environmental cleanup liens;
 - c. reviews of federal, tribal, state, and local government records;
 - d. visual inspections of the property and of adjoining properties; and
 - e. declaration by the Environmental Professional (EP) responsible for the assessment or update.
6. Be in the AHFA Required Environmental Report Format (Addendum B-3).
7. Include a database search. IMPORTANT: The search distances for ASTs, USTs, and delisted NPLs (as specified in Addendum B-4) required by AHFA are more stringent than the default search distances based on ASTM E1527-13.
8. If the proposed project involves rehabilitation, removal, or demolition of a building the following items must be addressed (with associated cost estimates for each and documentation within project budget to account for these costs):
 - a. Asbestos Testing: If suspect asbestos-containing materials ("ACM") are present in any structures, asbestos testing must be performed to document the presence or absence of ACMs in every structure. Testing is to be conducted by accredited inspectors meeting the requirements presented in 40 CFR 763 Subpart E, Appendix C and TSCA Title II in accordance with the Asbestos Hazardous Emissions Response Act (AHERA) requirements and also EPA's National Emission Standards for Hazardous Air Pollutants (NESHAP)

regulations. All asbestos testing results must be included in the Phase I ESA at the time of application submittal. AHFA requires the Phase I ESA to include a statement that all friable and non-friable ACM in deteriorated condition will be completely abated. If funded, a plan for complete abatement by a qualified asbestos contractor of all friable and non-friable ACM in deteriorated condition in all structures will be required. An asbestos contractor's listing may be obtained from the Alabama Department of Environmental Management ("ADEM") at 334-271-7700 or at www.adem.state.al.us. Non-friable ACMs may be managed in place if in an intact condition, and if any proposed rehab activities will not disturb the non-friable ACMs. If funded, a site-specific Operations & Maintenance Plan will be required if non-friable intact ACMs are to be left in place. Asbestos standards are located at ASTM E-2356, EPA: Clean Air Act, CERCLA, & OSHA 29 CFR Part 1926.1101.

- b. Lead-Based Paint ("LBP") Testing: For all buildings built prior to 1978, a LBP testing report must be included in the Phase I ESA. AHFA requires the Phase I ESA include a statement that all LBP will be completely abated (eliminated) by a licensed LBP contractor. If funded, the plan for LBP abatement will be required. If any structures are planned to be demolished, it is acceptable to provide a plan for abatement via demolition, appropriate characterization of waste prior to disposal, and post-demolition clearance report in lieu of a LBP testing report. A list of licensed LBP contractors can be obtained from the Alabama Department of Public Health ("ADPH") at www.adph.org. Lead- Based Paint standards: US Department of HUD "Guidelines for the Evaluation and Control of Lead Paint Hazards in Housing": Chapter 7 of https://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/lbp/hudguidelines
- c. Mold: Visually check for the presence of mold, notate your findings. If mold is present or suspected to be present, the Phase I ESA shall provide recommendations for abatement and confirmation air sampling following removal.

9. All reports must include information on the following:

- a. Radon: ADPH lists the following counties as being located in zone 1 (highest level): Calhoun, Clay, Cleburne, Colbert, Coosa, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Morgan, Shelby, and Talladega.¹ If the site is located in Zone 1: New Construction projects will require Radon Resistant New Construction ("RRNC") practices.² Rehabilitation projects will be required to follow EPA's Radon Mitigation Standards.³
- b. Wetlands: **No portion of the site may contain wetlands, streams, lakes, or other water bodies (which also includes waters of the United States) including any portions not considered part of the site but necessary for ingress and egress to the site.** For purposes of the Phase I ESA Report, wetlands are defined according to the U.S. Army Corps of Engineers Wetlands Delineation Manual (1987). The EP must field verify to confirm whether or not the site contains wetlands, streams, lakes or other water bodies, including both jurisdictional "waters of the United States" and non-jurisdictional waters and wetlands.

¹ <http://www.adph.org/radon/Default.asp?id=6413>

² <http://www2.epa.gov/radon/radon-resistant-construction-basics-and-techniques>

³ http://www.ahfa.com/multifamily/environmental/environmental_testing.aspx

The Phase I report must include a United States Fish & Wildlife Service (“USFWS”) National Wetlands Inventory (NWI) Map and any wetland delineation studies or assessment reports prepared for the project site and/or adjoining properties. If on any portion of the site (including areas necessary for ingress or egress) wetlands, streams, lakes or other water bodies (a) are suspected to be present or (b) are depicted on the topographic map, NWI map, or soils map for the site, a Jurisdictional Determination (JD) from the U.S. Army Corps of Engineers will be required to confirm the absence of wetlands, streams, lakes, or other water bodies. To the extent a JD is obtained for the project site, the JD or request for JD must be included with the Phase I ESA Report at the time of submission.

- c. Floodplains (100 year (zones A or V), 500 year (zone B)): The Phase I ESA must include a FEMA Flood Insurance Rate Map (Firmette) with site boundaries clearly marked. For Housing Credit Only projects, no buildings (residential or any other use) on the site can be located within the 100 year floodplain. AHFA will allow an existing acquisition/rehabilitation rental property to be located in a floodplain as long as acceptable evidence of flood insurance is provided at time of application. For housing Credits combined with AHFA HOME funds, no portion of the site (including areas necessary for ingress or egress) can be located within the 100 year flood plain.
- d. Noise Abatement & Control: The Phase I ESA must include a noise level assessment to determine if anticipated noise levels at the project site are acceptable (outside noise level \leq 65 dB; interior noise level \leq 45 dB). If the noise levels are not acceptable, mitigating measures must be incorporated into the project to reduce anticipated noise levels. **AHFA will not approve an application for AHFA HOME Funds if anticipated noise levels at the project site are above acceptable levels.** The Phase I ESA must include (1) a completed HUD “Noise (EA) - Partner Worksheet” found at: <https://www.hudexchange.info/programs/environmental-review/noise-abatement-and-control/>; and (2) a completed HUD “Day/Night Noise Level Calculator” assessment found at: <https://www.hudexchange.info/resource/2830/day-night-noise-level-assessment-tool/>. The noise level assessment must answer the following questions:
1. Is there a civil airport within five miles of the site?
 2. Is there a military airport within 15 miles?
 3. Is there a major road within 1,000 feet of the site?
 4. Is there a railroad track within 3,000 feet?
 5. Are anticipated noise levels at the project site acceptable (outside noise level \leq 65 dB; interior noise level \leq 45 dB)?
- e. Airport Clear Zones & Accident Potential Zones: The Phase I ESA must (1) include both a completed HUD “Airport Hazards - Partner Worksheet” and a completed HUD “Airport Runway Clear Zones – Partner Worksheet” found at: <https://www.hudexchange.info/programs/environmental-review/airport-hazards>, and (2) attach a map (e.g., Google Earth or Google Street map) indicating the location of the project site and any airport(s) in the vicinity of the project site. **AHFA will not approve an application for AHFA HOME Funds if any part of the project site is located within the runway protection zone/clear zone of a civilian airport (RPZ/CZ) or**

accident potential zone of a military airport (APZ). Note: Civil clear zone is 2,500 feet (0.47 miles) from the end of the runway (RPZ/CZ); military clear zone is 15,000 feet (2.8 miles) from the end of the runway (APZ). The Phase I ESA must answer the following questions:

1. Is the project site located within an RPZ/CZ or APZ?
 2. Is the site located within a flight path?
 3. What is name of and distance to the airport nearest to the project site?
10. Aboveground Storage Tanks: All aboveground storage tanks (ASTs) containing 100 or more gallons of explosive or flammable liquid or gas within one mile of the project site must be identified in the Phase I ESA Report via database search AND field verification.. The Phase I ESA Report must describe the contents, size, and distance of each AST to the perimeter of the project site. The EP must certify that the distance of ASTs to the perimeter of the project site has been field-verified. The Phase I ESA Report must also demonstrate that an acceptable separation distance (“ASD”) between any ASTs and the perimeter of the project site will be met for people as well as buildings using the HUD-approved ASD calculations. If any ASTs are determined to be less than the HUD-approved ASD, the Phase I ESA must describe HUD-approved mitigation measures proposed to be installed and a cost estimate for any such measures.⁴
11. The Phase I ESA Report must include a completed AHFA Environmental Summary (Addendum B-4). Addendum B-4 must be completed and certified to as a part of the Phase I ESA and placed in Appendix K-1.
12. The EP must obtain from the Applicant a completed X3 User Questionnaire to include with the Phase I ESA Report.
13. The EP must complete Addendum B-5 (The Letter of Reliance) on the EP’s letterhead and submit as Appendix H.

⁴ Attach the results of the HUD ASD Calculator tool found at:

<https://www.hudexchange.info/programs/environmental-review/asd-calculator/>. Acceptable mitigation measures can be found at <https://www.hudexchange.info/resource/2762/acceptable-separation-distance-guidebook/>.

Complete and submit the HUD “Explosives - Partner Worksheet” found at:

<https://www.hudexchange.info/environmental-review/explosive-and-flammable-facilities/>.

REQUIREMENTS FOR EVERY PHASE II ESA SUBMITTED TO AHFA:

1. All Phase II ESA Reports must fully address all RECs identified in the Phase I ESA Report (including any RECs that AHFA determines should have been identified in the Phase I ESA but were not); must be completed in accordance with ASTM E1903-11; and must demonstrate that all environmental conditions associated with the project are appropriate for **unrestricted** residential use (as defined by ADEM under Alabama Administrative Code regulation 335-15-1.02(ccc)).
2. If after a Phase II is completed, mitigation measures and/or remediation has been or is recommended to be performed, the Phase II ESA Report must include (a) details regarding the specific remediation plan; (b) all applicable final regulatory authority approvals required for the implementation of the remediation plan; (c) a detailed line item summary of estimated costs with supporting quotes; (d) information regarding the expected source of funding for conducting the remediation activities; and (e) a projected schedule for approved remediation activities. To the extent there are conflicting or inconsistent guidelines or methods between regulatory agencies concerning the environmental matter at issue, the EP shall follow the most stringent standard and certify that this standard has been satisfied. Note that AHFA will not accept any proposed future institutional or engineering controls on the proposed site other than a prohibition on the use of groundwater for potable or irrigation purposes in instances where the water is supplied by a utility.
3. If the EP believes or contends that any Chemicals of Concern ("COC") detected are consistent with or in line with "background conditions," the EP shall provide a basis for such an opinion. Methods for doing so include, but are not limited to, the U.S.G.S. studies for COCs in the same geographic region and sufficient background samples to be analyzed and evaluated under the ADEM AEIRG Guidance Document (2005).

Addendum B-2
Engagement Letter

Click here to enter a date.
[Applicant]

RE: Phase I ESA Report [or subsequent Environmental Reports] for:
Applicant
Development Name
Development Address

Dear [Applicant]:

Please accept this letter setting forth the terms of engagement (“Engagement Letter”) under which our Firm will provide environmental consulting services to you and your company for purposes of conducting a Phase I ESA Report [or subsequent Environmental Reports] for the Development Project at the designated address set forth above.

It is our Firm’s understanding that the nature and scope of the environmental professional services to be provided to you are as follows:

1. Our Firm has been engaged by [APPLICANT] to conduct a Phase I ESA at the Development location specified above in conformance with the scope and limitations of both the ASTM E1527-13 (“ASTM Standards”) and AHFA’s Environmental Policy Requirements.
2. Our Firm certifies that the Phase I ESA Report will be conducted and completed by an Environmental Professional (as defined by 40 C.F.R. § 312.10(b)) and the Phase I ESA, once completed, will also be certified in this same manner.
3. Our Firm understands that the information contained in the Phase I ESA Report will be used by Alabama Housing Finance Authority (“AHFA”) in considering proposed financing of residential development/rehabilitation of the property and, therefore, AHFA may rely upon the Phase I ESA Report in its entirety as if it were originally issued to AHFA. While AHFA will be entitled to rely upon the Phase I ESA Report in its entirety, the Applicant will be solely responsible for any and all fees and expenses associated with completing this scope of engagement.
4. Our Firm understands the AHFA Insurance Requirements that are required for this scope of work and these insurance requirements have been satisfied and addressed as set forth within the Terms & Conditions Section of this Engagement Letter. The AHFA Insurance Requirements are as follows:

- a. The Firm has Professional Liability and/or Errors and Omissions insurance coverage in the minimum amounts of One Million Dollars (\$1,000,000.00) per event or occurrence;
- b. The Firm has Worker's Compensation Insurance and Public Liability Insurance for bodily injury and property damage which may be suffered by third parties and members of the public in the minimum amounts of One Million Dollars (\$1,000,000.00) per event or occurrence; and¹
- c. The Firm has Comprehensive General Liability and Property Damage Insurance for bodily injury and property damage in the minimum amounts of One Million Dollars (\$1,000,000.00).

Our Firm understands that it shall provide a copy of its Insurance Certificate or Accord demonstrating that it satisfies the AHFA Insurance Requirements and listing or scheduling AHFA as an additional insured for these insurance policies.

5. Our Firm understands that to the extent recommendations are being provided by the EP to the Applicant concerning Phase I ESA work to be performed, mitigation or abatement measures, or additional assessment ("Additional Work"), those recommendations for Additional Work shall be provided to AHFA at the time of Application. Further, our Firm understands that the Applicant shall not have the authority to authorize or instruct the EP or our Firm to implement such recommendations without AHFA's express written concurrence.

6. Our Firm also understands that once the Applicant submits its Application to AHFA, none of the Applicant, the EP (or our firm), the current property owner or any agent of said parties may undertake or conduct any "choice limiting" activities at the Development project site. Choice limiting activities include converting, leasing, repairing, ground disturbance, or construction. For avoidance of doubt, our Firm will seek written authorization for any Additional Work from AHFA before proceeding. In addition, our Firm understands that once the Applicant submits its Application to AHFA, our Firm shall not engage in communications with the Applicant and or any governmental or regulatory agencies concerning Additional Work and any related activities concerning the Development project site without first obtaining written authorization from AHFA (except when responding to any written request by AHFA to the Applicant for additional information regarding or clarification of the Phase I ESA). Our Firm appreciates the opportunity to work with the Applicant and AHFA in undertaking the Phase I ESA engagement and looks forward to working with you.

¹ Where applicable, it is acceptable for the following to be used instead: Per the attached documentation, the Firm only has [#] employees and is exempt from the Alabama Workers' Compensation laws.

Addendum B-3

AHFA Required Environmental Report Format

TABLE OF CONTENTS

1.0 SUMMARY.....

1.1 PHASE I ESA.....

1.2 TIER 1 VAPOR ENCROACHMENT SCREENING.....

1.3 AHFA NON-SCOPE SUMMARY.....

1.4 RECOMMENDATIONS (If there is a potential for contamination to be present on the site, regardless of on-site or off-site sources of the contamination, recommendations for additional testing or assessment must be included).....

1.5 OTHER.....

2.0 INTRODUCTION.....

2.1 PURPOSE OF SERVICES (MUST state EP understands that the purpose of the Phase I ESA is to ascertain whether the property is environmentally suitable for construction/rehabilitation of multi-family residential housing).....

2.2 DETAILED SCOPE OF SERVICES.....

2.3 SIGNIFICANT ASSUMPTIONS.....

2.4 PROJECT-SPECIFIC LIMITATIONS AND EXCEPTIONS.....

2.5 SPECIAL TERMS AND CONDITIONS.....

2.6 RELIANCE (Must include a statement that the report(s) can be relied upon by AHFA).....

2.7 PASSAGE OF TIME AND VALIDITY OF REPORT.....

3.0 SITE DESCRIPTION.....

3.1 SITE LOCATION AND LEGAL DESCRIPTION (metes and bounds).....

3.2 SITE AND VICINITY GENERAL CHARACTERISTICS.....

3.3 CURRENT USE OF THE PROPERTY.....

3.4 DESCRIPTIONS OF ROADS, STRUCTURES, AND OTHER IMPROVEMENTS ON THE SITE.....

3.5 CURRENT USE OF ADJOINING PROPERTIES.....

4.0 USER-PROVIDED INFORMATION.....

4.1 TITLE RECORDS.....

4.2 ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS (EP accepts responsibility for and obtains search results as explained in Section 6.2 of ASTM Standard).....

4.3 SPECIALIZED KNOWLEDGE.....

4.4 COMMONLY KNOWN OR REASONABLY ASCERTAINABLE INFORMATION.....

4.5 VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES.....

4.6 OWNER, PROPERTY MANAGER, AND OCCUPANT INFORMATION.....

4.7 OTHER.....

5.0 RECORDS REVIEW.....

5.1 DATABASE REPORT (Discuss listed regulated facilities, other notable facilities, and orphan facilities).....

5.1.1 Search Distances - from latitude and longitude (ASTM distances plus Delisted NPL one

best professional judgement).....

8.5 EP STATEMENT (40 CFR PART 312) AND SIGNATURE.....

8.6 OTHER.....

9.0 ADDITIONAL AHFA REQUIRED ELEMENTS.....

9.1 TIER 1 VAPOR ENCROACHMENT SCREENING.....

9.2 ASBESTOS, LEAD-BASED PAINT, MOLD, RADON, WETLANDS, FLOODPLAINS,
NOISE ABATEMENT & CONTROL, AND AIRPORT CLEAR ZONES & ACCIDENT
POTENTIAL ZONES (Must give summary of each item).....

9.3 NARRATIVE SUMMARY OF FINDINGS FROM ADDENDUM B-4, PART B (REQUIRED
ONLY FOR APPLICATIONS FOR HOME FUNDS).....

9.4 OTHER.....

10.0 REFERENCES.....

APPENDICES

APPENDIX A FIGURES

- i. GOOGLE EARTH MAP (WITH SITE BOUNDARIES CLEARLY MARKED)
- ii. TAX MAP
- iii. SITE LOCATION MAP (WITH SITE BOUNDARIES CLEARLY MARKED) Items i. and ii. must include:
 - a). An area large enough to display the location of the site and adjoining properties including existing streets.
 - b). Identification of environmental concerns, where applicable, including off-site sources or locations that have the potential to adversely impact the property.
 - c). Boundaries of floodplains, wetlands, drainage features, jurisdictional waters, and/or potential waters of the State on or potentially impacted by proposed activities at the site.)
- iv. SCHEMATIC SITE PLAN
- v. TOPOGRAPHY MAP (WITH SITE BOUNDARIES CLEARLY MARKED)

APPENDIX B PROPERTY RECORDS AND USER QUESTIONNAIRE

APPENDIX C ENVIRONMENTAL LIEN/ACTIVITY USE LIMITATIONS RESEARCH

APPENDIX D ENVIRONMENTAL DATABASE REPORT

APPENDIX E HISTORICAL RECORDS DOCUMENTATION

APPENDIX F SITE AND VICINITY PHOTOGRAPHS

APPENDIX G INTERVIEW DOCUMENTATION (Document the interviewee's contact information – name, business name and address, phone number)

APPENDIX H AHFA RELIANCE LETTER (Addendum B-5 on EP letterhead)

APPENDIX I ENGAGEMENT LETTER/CONTRACT (Addendum B-2 on EP letterhead)

APPENDIX J PROFESSIONAL RESUMES/PERSONNEL QUALIFICATIONS

APPENDIX K AHFA-REQUIRED ELEMENTS:

K.1 AHFA ENVIRONMENTAL SUMMARY PART A (REQUIRED FOR ALL APPLICATIONS) (Addendum B-4, Part A)

K.2 AHFA ENVIRONMENTAL SUMMARY PART B (REQUIRED ONLY FOR APPLICATIONS FOR HOME FUNDS) (Addendum B-4, Part B)

K.3 VAPOR ENCROACHMENT SCREENING DOCUMENTATION

K.4 PROOF OF INSURANCE – AHFA MINIMUMS OR ABOVE (AHFA must be listed as Insured)

K.5 SUPPLEMENTAL DOCUMENTATION

Addendum B-4
AHFA ENVIRONMENTAL SUMMARY – PART A
(Required for All Applications)

REPORT INFORMATION		PAGE #
Project Name:	Click here to enter Project Name	
Project City:	Click here to enter City Name	
ASTM E 1527-13: Yes <input type="checkbox"/> No <input type="checkbox"/>	Enter report date here	AHFA Reliance: Yes <input type="checkbox"/> No <input type="checkbox"/> page #
Suitability for Residential Use statement included? Yes <input type="checkbox"/> No <input type="checkbox"/>		page #
Local Interviews included? Yes <input type="checkbox"/> No <input type="checkbox"/>		page #
Site Map Included? Yes <input type="checkbox"/> No <input type="checkbox"/>		page #
SITE INFORMATION	DESCRIPTION / DOCUMENTATION	PAGE #
Developed <input type="checkbox"/> Undeveloped <input type="checkbox"/> (provide age if developed)	Click here to enter site description.	page #
Site Acreage:	Click here to enter text.	page #
Site Elevation:	Click here to enter text.	page #
Site Slope:	Click here to enter text.	page #
Water On Site: Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #
Surface Water Flow Direction:	Click here to enter text.	page #
Groundwater Flow Direction:	Click here to enter text.	page #
Flood Insurance Rate Map #:	Click here to enter text.	page #
Flood Zone:	Click here to enter text.	page #
Env Lien/AUL on site: Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #
Database Search: Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #
Current or Pending VCP: Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #
Listed on NPL or SHWS? Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #
Delisted NPL (1 mile): Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #

ASTs (within 1 mile): Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
Acceptable (ASD) Separation Distance: Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
USTs (within 0.5 mile): Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
Recognized Environmental Conditions (RECs) identified? Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
Contamination (known or suspect): Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
Recommendations included: Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
Mitigation or Remediation measures recommended? Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
ACM (every structure): Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
Friable ACM: Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
LBP (pre-1978): Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
Radon Zone:	Click here to enter text.	page #	
Wetlands, drainage features, jurisdictional waters or waters of the State on site: Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
OFF-SITE INFORMATION		DESCRIPTION / DOCUMENTATION	PAGE #
Adjoining Land Use:	North	Click here to enter text.	page #
	South	Click here to enter text.	
	East	Click here to enter text.	
	West	Click here to enter text.	
Adjoining Water: Yes <input type="checkbox"/>		Click here to enter text.	page #
Adjoining Wetland: Yes <input type="checkbox"/> No <input type="checkbox"/>		Click here to enter text.	page #

Adjoining Contamination: (known or suspect) Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
USTs (within 0.5 mile): Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
Are USTs Trust Fund Eligible? Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
Leaking USTs (within 0.5 mile): Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	
RCRA regulated: Yes <input type="checkbox"/> No <input type="checkbox"/>	Click here to enter text.	page #	

AHFA ENVIRONMENTAL SUMMARY - PART B
(Required Only for Applications for HOME Funds)

Instructions: Responses to the Environmental Summary- Part B questions must be fully supported by appropriate documentation. Responses to the Part B questions and rationale must be included in the Phase I ESA Report (Section 9.3); supporting documentation for each response must be included in Appendix K.2 of the Phase I ESA Report. The Part B questions are not intended to be all-inclusive, as each project site presents unique conditions and circumstances. AHFA reserves the right to pose follow-up questions to applicants and require additional explanatory details and documentation.

1. Historic Preservation: IMPORTANT - Project applicants should not contact the Alabama Historical Commission or the Alabama State Historic Preservation Officer (SHPO).

- Review and include the National Register database (for the project county only):
www.nationalregisterofhistoricplaces.com
- Review and include the State of Alabama Historic listings (for the project county only):
www.preserveala.org
- Provide a map (e.g., Google Earth or Google Street map) indicating the location of the project site and all historic properties that are located within 1 mile of the project site.
 - a. Are there any buildings over 50 years old on or within two blocks of the site?
 - b. Is the project located within a historical district?

2. Endangered Species: IMPORTANT - Project applicants should not contact the U.S. Fish & Wildlife Service (USFWS) or National Marine Fisheries Service for formal determination.

- Review the USFWS website to obtain a list of protected species found in the vicinity of the project site. Print and attach the species list: <http://www.fws.gov/daphne/es/specieslst.html>
- Use the USFWS online mapping tool to determine if the project site contains critical habitat for threatened or endangered species (for the project county only). Print and attach map showing the project site: <http://fws.maps.arcgis.com/home/webmap/viewer.html?webmap=9d8de5e265ad4fe09893cf75b8dbfb77>.
 - a. Are federally listed species found in the vicinity of the project site?
 - b. Will critical habitat for listed species be affected by this project?

3. Farmlands Protection:

- Use the Web Soil Survey (WSS) tool to prepare and print a map of the soils on and around the project site. Attach the WSS map: <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>
 - a. Is the project site currently being farmed?
 - b. Is the project site listed as prime or unique farmland?

Addendum B-5

Letter of Reliance

Click here to enter a date.

Alabama Housing Finance Authority
7460 Halcyon Pointe Drive, Suite 200
Montgomery, AL 36117

RE: Phase I ESA Report [or subsequent Environmental Reports] for:

Development Name
Development Address
Development City, State Zip

Please find enclosed the Phase I Environmental Site Assessment (ESA) Report [or subsequent Environmental Reports] for the subject property dated [Click here to enter a date] to the Alabama Housing Finance Authority (AHFA).

It is my understanding that the information contained in the ESA Report(s) will be used by AHFA in considering proposed financing of residential development/rehabilitation of the property and, therefore, AHFA may rely upon the ESA Report in its entirety as if it were originally issued to AHFA.

I certify that the attached is a true, correct and complete copy of the ESA Report and that the report represents my professional opinion of the site as of this date. I also confirm the evaluation, recommendations, and conclusions contained in the ESA Report have been performed in conformance with the scope and limitations of both the ASTM E1527-13 (the ASTM Standards) and AHFA's Environmental Policy Requirements.

Last, I also certify by my signature below that _____ (name) meets the definition of an Environmental Professional as defined by 40 C.F.R. § 312.10(b) and has performed the environmental investigations described above.

Sincerely,

Environmental Professional Name
Environmental Professional Company Name

Addendum C

 **Alabama Housing Finance Authority's**
Design Quality Standards and Construction Manual

Table of Contents

- I. Introduction
- II. Requirements for All Approved Projects
- III. Attached New Construction Rental Units
- IV. New Construction Single-Family Rental Units
- V. Attached Rehabilitation of an Existing Building
- VI. Inspections and Reports

WITHOUT LIMITING ANY OTHER PROVISION OF THIS QAP, ALL DETERMINATIONS, CALCULATIONS, JUDGMENTS, ASSESSMENTS OR OTHER DECISIONS MADE BY AHFA UNDER THIS ADDENDUM, INCLUDING WITHOUT LIMITATION RELATED APPLICATION INSTRUCTIONS, AHFA FORMS AND THE QAP ITSELF, SHALL BE MADE IN AHFA'S SOLE AND ABSOLUTE DISCRETION.

I. Introduction

All projects must be designed and constructed in accordance with the applicable requirements of the 2010 Americans with Disabilities Act Accessibility Guidelines, Section 504 of the Rehabilitation Act, Fair Housing Act, state and local disaster mitigation standards, 2009 or 2012 International Building Code-International Residential Code, 2009 International Energy Conservation Code for single-family homes, 2007 American Society of Heating, Refrigerating and Air-conditioning Engineers 90.2 for multifamily buildings and any more restrictive local building code requirements.

Any deviations from these standards must have the written approval of AHFA prior to submitting an application for funding. The request for approval, with all supporting documentation, must be submitted to AHFA at least thirty (30) days prior to submitting a final application for funding. Once the project begins construction and through the end of construction of project, any deviation must have written approval before any work commences or any deviation is made on the construction site. Any deviation requested and approved will be charged the appropriate fee. A complete list of fees is located at www.AHFA.com.

II. Requirements for All Approved Projects

A. Site Specific Criteria:

- 1.) HOME proposed sites containing property within a 100-year flood plain are not permitted. Housing Credit and HOME proposed sites and existing projects are not allowed to contain wetlands.
- 2.) Proposed sites located in a Radon Zone-1 (highest level) will require Radon Resistant New Construction Practices in all buildings. Existing buildings located in a Radon Zone-1 (highest level) must meet the Radon Mitigation Standards as required by the Environmental Protection Agency. The following counties are located in Radon Zone -1: Calhoun, Clay, Cleburne, Colbert, Coosa, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Morgan, Shelby, and Talladega. For the most current radon information see: www.adph.org/radon.
- 3.) All new construction developments must submit a complete site specific soils report, not more than one year old at the time of submission of final plans and specifications, bound within the project specifications. The soils report must reflect the results of laboratory tests conducted on a minimum of one (1) soil boring per planned building location and a minimum total of two (2) soil borings at the planned paved areas of the development. A registered professional engineer or a certified testing agency with a current license to practice in the State of Alabama must prepare the report.
- 4.) All developments must submit a complete site specific soils report, not more than one year old at the time of submission of final plans and specifications, bound within the project specifications. The soils report must reflect the results of laboratory tests conducted on a minimum of one (1) soil boring for every two (2) single family buildings and a minimum total of two (2) soil borings at the planned paved areas of the development. A registered

professional engineer or a certified testing agency with a current license to practice in the State of Alabama must prepare the report

- 5.) Projects adding any new building foundations must submit a foundation specific soils report. The soils report must reflect the results of laboratory tests conducted on a minimum of one (1) soil boring per planned building location and a minimum total of two (2) soil borings at the planned paved areas of the development. A registered professional engineer or a certified testing agency with a current license to practice in the State of Alabama must prepare the report.

B. Site Located Outside Municipal City Limits:

- 1.) A proposed new construction site or existing project may be located outside a municipality's city limit, but must be within the local police or sheriff jurisdiction.
- 2.) A proposed site or existing project that is located in the police jurisdiction of a local municipality must comply with applicable zoning restrictions as if located within that municipality's city limit.
- 3.) Domestic water and fire water service must be provided to the development by the local utility service provider.

C. Project Standards:

1.) Clubhouse/Community Building Standards:

The eligible square footage of the Project's clubhouse/community building or space(s) is 3,000 square feet heated and cooled (inclusive of the office area, community laundry, community meeting room, restrooms, kitchens, etc.). The clubhouse/community building or space(s) may exceed 3,000 square feet heated and cooled but any square footage exceeding this amount will not be included in the eligible basis used to calculate the Housing Credit. The clubhouse/community building or space(s) is required to meet all applicable accessibility standards.

2.) Elderly Project Standards:

All 100% Elderly projects must be one-story structures. Exception: Projects may have more than one story, provided elevators are to be installed to service all upper level apartments. Design exceptions, or deviations, must be reviewed by AHFA on an individual basis.

3.) Required Unit Amenities:

All projects are required to have the following unit amenities for all units:

- Range
- Refrigerator with Ice Maker
- Dishwasher
- Microwave
- Washer and Dryer Connections
- Heater
- Air Conditioner
- Ceiling Fans

All units must include an exterior storage closet with a minimum area of sixteen (16) square feet and either a single coated wire shelf that spans the length of the closet or a grouping of smaller coated wire shelves. Developments designed with all interior unit access must provide the additional required exterior storage for each unit in the interior of the building(s). It may be located inside the unit, on the tenants' floor, or in a common area. All exterior and interior storage must be lockable.

4.) Modular Construction:

Modular units are to be constructed in component sections and assembled by a manufacturer in a controlled environment. The component sections are to be assembled on a conventional permanent foundation at the project site. Finish work is to be completed on site. Modular units must be constructed to meet applicable building codes, AHFA's specifications and Design Quality Standards stated herein. A modular home manufacturer's warranty must be provided.

5.) Drawing Submission Criteria:

The following documents must be prepared by a registered architect, surveyor, or engineer licensed to practice in the State of Alabama.

A. Site Plan: The following items must be shown.

1. Scale: 1 inch = 40 feet or larger for typical units.
2. North arrow.
3. Locations of existing buildings, utilities, roadways, parking areas if applicable.
4. Existing site/zoning restrictions including setbacks, rights of ways, boundary lines, wetlands, and flood plain.
5. All proposed changes and proposed buildings, parking, utilities, and landscaping.
6. Existing and proposed topography of site.
7. Finished floor height elevations and all new paving dimensions and elevations.
8. Identification of all specialty apartment units, including, but not limited to, designated handicapped accessible and sensory impaired apartment units.
9. Provide an accessible route site plan with applicable details.

B. Floor Plans:

1. Scale: 1/4 inch = 1 foot or larger for typical units.
2. Show room/space layout, identifying each room/space with name and indicate finished space size of all rooms on unit plans.
3. Indicate the total gross square foot size, and the net square foot size for each typical unit.

For projects involving removal of asbestos and/or lead paint, identify location and procedures for removal.

C. Elevations and sections:

1. Scale: 1/8 inch = 1 foot or larger.
2. Identify all materials to be used on building exteriors and foundations.

D. Title Sheet:

Indicate Building Codes and Accessibility Standards that are applicable for the project.

III. Attached New Construction Rental Units

The following outline of minimum standards must be used in designing Housing Credit and HOME projects of twelve or more attached units.

Minimum Building Standards:

1.) Minimum Apartment Unit Net Area Requirements:

Net area is measured from the **interior finished face** of the exterior wall to the **interior finished face** of the common or tenant separation wall.

Minimum Bedroom Net Area is measured from the interior faces of all walls surrounding each bedroom, excluding closets, mechanical rooms, and storage rooms.

<u>Unit Type</u>	<u>Number of Bathrooms</u>	<u>Minimum Unit Net Area*</u>	<u>Min. Bedroom Net Area</u>
1 Bedroom	1	725 s.f.	120 s.f.
2 Bedroom	1	900 s.f.	120 s.f.
2 Bedroom	1.5	925 s.f.	120 s.f.
2 Bedroom	2	975 s.f.	120 s.f.
3 Bedroom	2	1,200 s.f.	120 s.f.
4 Bedroom	2	1,455 s.f.	120 s.f.

**Note 1: Net unit areas do not include outside storage, covered porches, patios, balconies, etc.*

2.) Exceptions to the minimum area requirements:

Single-Room Occupancy ("SRO") projects

3.) Exterior Building Standards:

a. Exterior Finishing Materials:

1. Exterior building coverings: For new construction, very low maintenance materials are required. Acceptable materials include:
 - a. Brick;
 - b. High quality vinyl siding with a minimum thickness of .044 and a lifetime non-prorated limited warranty (50 year) transferable;
 - c. Cementitious siding and trim material; or
 - d. Engineered composite siding and trim material.

All siding materials listed above are required to be 12 inches above the finished floor elevation of the building ground floor, with the exception of concrete patio and covered breezeway areas. Brick, decorative block or cultured stone must be used as an apron material.

2. Fascia and soffit: Must be prefinished vinyl, prefinished aluminum, cementitious trim or engineered composite trim. Material used for soffits must be perforated or vented.
3. Windows frames and sashes are to be constructed of vinyl-clad wood, solid extruded vinyl, fiberglass, or aluminum and all windows are required to have screens.
4. Materials for entry doors are to be metal-clad wood, fiberglass, or metal insulated construction. "Peepholes" and deadbolt locks are required in entry doors. Dead bolt locks on entry doors must have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited. Minimum clear width of all exterior doors must be 34 inches.
5. Roofing materials: Anti-fungal shingles or metal roof with 30-year warranty or better must be used.
6. Roof gable vents must be made of aluminum or vinyl materials.
7. All attics shall be vented.
8. All primary entries must be within a breezeway or have a minimum roof covering of 3-feet deep by 5-feet wide, and must be designed to divert water away from the entry door. Entry pads measuring 4 feet by 4 feet and made of impervious material with a slope that meets Fair Housing and ADA standards are required at each exterior entry.
9. All breezeways must be constructed of concrete floor/decking material.
10. Exterior shutters are required on all 100% Brick or vinyl siding buildings.
11. Stairway components, such as stringers, treads, and risers must be constructed from steel or concrete. All project steps must include a kick plate in between each step beginning at the first step nearest to the ground and ending at the nearest step at the balcony or landing. Handrails and pickets must be constructed from steel or aluminum.
12. Patio and porch/balcony components used as part of the building must have concrete slabs or decks and must be constructed so that no wood is exposed. Concealment must be with materials such as aluminum, vinyl, cementitious materials trim or engineered composite trim. Structural wood columns must be at a minimum 6" x 6" pressure treated columns concealed as noted above or properly sized columns of steel, fiberglass, high density urethane or aluminum. Decorative rails and/or guard rail systems used at porches and patios must be code compliant systems of vinyl, fiberglass, steel or aluminum. Wooden support posts must be installed to prevent degradation (rotting) to ends of posts and to provide for structural and anchoring of post to slab. Wood railings are not allowed.

b. Other Exterior Standards:

1. Adequate exterior lighting is required in all covered exterior breezeways/walkways. Exterior lighting fixtures are required at all entry doors. The fixtures must be controlled from the interior of the unit.
2. Address numbers are to be clearly visible.
3. One and one-half parking spaces per living unit required for family units, one space per unit for elderly units, two parking spaces for single family homes, and two parking spaces for each duplex, unless local code dictates otherwise, and no designated street parking allowed.
4. Metal flashing or 20 mil polyethylene when used in conjunction with a self-adhering polyethylene laminate flashing, must be installed above all exterior door and window units.

5. A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable municipal landscape ordinance. At a minimum, 20 feet of solid sod must be provided (if ground space allows) from all sides of every building and between all buildings and paved areas. All disturbed areas must be seeded. Landscaping around and between the buildings is allowed. At a minimum, provide one 2" caliper tree per unit and Six 1 gallon shrubs per unit.
6. Concrete curbing is required along all paved areas throughout the development site, including parking areas. (Valley curbs are not allowed)
7. Sidewalk access to all parking spaces must be provided. Where the accessible route on the site crosses a vehicular roadway, crosswalk lines are required. They shall not be less than 6 inches or greater than 24 inches in width.
8. A lighted project sign including the Fair Housing logo is required. Depending on the placement as it relates to the access of the property from the public road, the project's sign may require the project's name and Fair Housing logo on both sides of the sign.
9. A minimum of one trash dumpster or compactor enclosed on a minimum of 3 sides is required. The trash dumpster/compactor enclosure must be ADA accessible and have a concrete apron. If the dumpster itself is not accessible, trashcans must be placed within the enclosure for use by handicap tenants.
10. Continuous asphalt or concrete paved access road must be provided to the entrance of the development.
11. All parking must be asphalt or concrete. An asphalt or concrete paving recommendation letter must be provided with the reservation items by a geotechnical engineer.
12. All sidewalks and walkways must be concrete and at least 36 inches wide. All public buildings, clubhouse/community building and amenities must be connected to the dwelling units by a sidewalk or walkway.
13. Mailboxes, playground and all exterior project amenities must be on an accessible route as defined by the Fair Housing Guidelines. All exterior project amenities that have exposed components used as part of the structure must be constructed so that no wood is exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementitious materials. Decorative rails and/or guard rail systems used shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed. Gazebos and picnic shelters shall have table(s) with attached bench seating.
14. No above ground propane tanks allowed on the site.
15. All utilities located on site must be underground.
16. Storm Water retention basins (existing, shared and/or newly constructed) must be located within the property and include fencing around the entire perimeter with a lockable maintenance gate. The retention area will be maintained and managed in a manner to provide safety to the tenants. Including preventing vermin, insect and reptile infestation, vegetation overgrowth, and must be kept free of all trash and debris.

5.) Interior Building and Space Standards:

a. Wall Framing:

1. Walls may be framed using metal studs in lieu of wood.

2. Sound proofing or sound batt insulation is required between the stud framing in tenant separation walls. A sound rating of Sound Transmission Class (STC) 54 is required.
3. Sound proofing between floors is required to achieve a rating of (STC) of not less than 50 and an Impact Insulation Class (IIC) of not less than 50.

b. Insulation Requirements:

1. Exterior wall insulation must have an overall R-13 minimum for the entire wall assembly.
2. Roof or attic insulation must have an R-38 minimum.
3. Vapor retarders must be installed if recommended by project architect.

c. Kitchen spaces:

1. A minimum 6 1/2-inch deep double bowl stainless steel sink is required in each unit.
2. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units. Each unit must also contain either fire protection canisters above the cooktop surface or temperature limiting plates on the cooktop surface.
3. New cabinets must have dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets must meet the ANSI/KCMA A161.1 performance and construction standard for kitchen and vanity cabinets. Cabinets must bear the certification seal of KCMA (Kitchen Cabinet Manufacturers Association).
4. A pantry closet or pantry cabinet is required in each unit. The pantry must be 1'6" x 1'6" deep and/or pre-manufactured millwork pantry cabinets that are 1'x2'-6" deep with a minimum five shelves, located in or adjacent to the kitchen.
5. A 4 foot long fluorescent light fixture is required.
6. All appliances must be Energy Star rated.
7. A grease shield is required behind ranges on the wall.

d. Bathroom Spaces:

1. Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in walls as per Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with "factory-installed grab bars" where the tub surrounds are reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tub surrounds are not reinforced fiberglass, hard tile or cultured marble or composite materials; solid wood blocking must be installed to meet Fair Housing guidelines.
2. Water closets must be installed to comply with applicable ANSI, UFAS and Fair Housing accessibility guidelines.
3. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6'-0" above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14" x 24".

4. Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units. All cabinets in designated handicap accessible units must be installed in compliance with applicable ANSI or UFAS guidelines.
 - e. Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards.
 - f. All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with the applicable Fair Housing design standards. All interior doors to habitable spaces in designated handicap accessible units must have a minimum width of 36 inches. All interior doors to habitable spaces in all other units must have a minimum clear width of 30 inches.
 - g. Separately switched overhead lighting is required in each room. Energy Star ceiling fans with light kits are required in the living room and each bedroom.
 - h. Window treatments are required for all windows.
 - i. Sliding glass doors are prohibited.
 - j. Floor Finishes:
 1. Carpet materials must meet FHA minimum standards.
 2. Resilient flooring materials must meet FHA minimum standards.
 - k. A minimum of two hard-wired with battery back-up smoke detectors are required per unit. Townhomes must have a minimum of one smoke detector upstairs.
 - l. A carbon monoxide detector must be installed in each unit with gas mechanical systems or appliances. Units with an attached garage must also have a carbon monoxide detector installed.
 - m. All units pre-wired for cable television hook-ups in the living room and one (1) per bedroom.
- 6.) Plumbing and Mechanical Equipment:
- a. Water heaters must be high efficiency with a 0.95 EF minimum. Water heaters must be placed in drain pans with drain piping plumbed to the outside or to an indirect drain connected to the sanitary sewer system. Water heater T&P relief valve discharge must meet applicable building code requirements.
 - b. Through-wall HVAC units are not permitted in residential units except in efficiency units.
 - c. CPVC supply piping is not allowed for interior space in-wall or overhead services.
 - d. HVAC units and water heaters are not permitted in attic spaces. HVAC units must be installed in Mechanical Closets with insulated walls located within the living unit. Water heaters are to be located within the living unit.
 - e. HVAC refrigeration lines must be insulated.

- f. HVAC 14 SEER or greater must be used.

IV. Single-Family Rental Homes

The following outline of minimum standards must be used in designing Housing Credit and HOME projects of twelve or more units and consist of single-family. All single-family homes must be new construction.

Minimum Building Standards:

- 1.) Minimum Unit Net Area Requirements:

Minimum Bedroom Net Area is measured from the interior faces of all walls surrounding each bedroom, excluding closets, mechanical rooms, and storage rooms.

<u>Unit Type</u>	<u>Number of Bathrooms</u>	<u>Minimum Unit Net Area*</u>	<u>Minimum Bedroom Net Area*</u>
3 Bedroom	2	1,200 s. f.	120 s. f.
4 Bedroom	2	1,455 s. f.	120 s. f.

**Note 1: Unit areas do not include outside storage, covered porches, patios, balconies, etc.*

- 2.) All single-family rental homes must have a minimum of thirty (30) feet of building facing the front street. These thirty (30) feet must be the sum of all front-facing dimensions adjacent to conditioned space and can include the “common” wall which is part of a front-facing garage as long as this wall is front-facing and conditioned on one side.
- 3.) All single-family rental homes must have a minimum of thirty (30) feet front yard building set-back from the curb. Each home must have a minimum of ten (10) foot side yards. (Minimum width of lot shall be fifty (50) feet.) Both lot width and side yard setbacks can be modified with the following exception: A ten (10) foot side yard setback on one lot side and a “zero lot line” setback on the other (thus, a forty (40) foot minimum lot width) will be allowed with a front-facing garage.
- 4.) All single-family rental homes must have a minimum of three (3) different front and rear elevation designs. No identical front elevations may be built next to each other.
- 5.) All single-family rental homes must have a minimum of three (3) different color schemes.

- 6.) Exterior Building Standards:

- a. Exterior Finishing Materials:

- 1. Exterior building coverings: Very low maintenance materials are required. Acceptable materials include:
 - a. Brick;
 - b. High quality vinyl siding with a minimum thickness of .044 and a lifetime non-prorated limited warranty (50 year) transferable;
 - c. Cementitious siding and trim material; or
 - d. Engineered composite siding and trim material.

All siding materials listed above are required to be 12 inches above the finished floor elevation of the building ground floor, with the exception of concrete patio and covered breezeway areas. Brick decorative block or cultured stone must be used as an apron material.

2. Fascia and soffit: Must be prefinished vinyl, prefinished aluminum, cementitious trim or engineered composite trim. Material used for soffits must be perforated or vented.
3. Windows frames and sashes are to be constructed of vinyl-clad wood, solid extruded vinyl, fiberglass, or aluminum and all windows are required to have screens.
4. Materials for entry doors are to be metal-clad wood, fiberglass, or metal insulated construction. "Peepholes" and deadbolt locks are required in entry doors. Dead bolt locks on entry doors must have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited. Minimum clear width of all exterior doors must be 34 inches.
5. Roofing materials: Anti-fungal shingles or metal roof with 30-year warranty or better must be used.
6. Roof gable vents must be made of aluminum or vinyl materials. All roof penetrations must be located on the rear most section of the roofline.
7. All attics must be vented.
8. Exterior shutters are required on all single-family homes.
9. Units where a conventional wood frame foundation system is used, a non-wood "maintenance-free" composite decking material may be used at porches above a pressure treated wood framing system.

b. Other Exterior Standards:

1. Exterior lighting is required at entry doors.
2. Address numbers are to be clearly visible.
3. Two parking spaces for each home.
4. Metal flashing or 20 mil polyethylene when used in conjunction with self-adhering polyethylene laminate flashing, must be installed above all exterior door and window units.
5. A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable landscape municipal ordinance. At a minimum, 20 feet of solid sod must be provided (if ground space allows) from all sides of every building and between all buildings and paved areas. All disturbed areas must be seeded. All rental units must have minimum of two (2) trees per unit and twelve (12) 1 gallon shrubs per unit.
6. Concrete curbing is required along all paved areas throughout the development site, including parking areas. Six (6) inch raised curbs and gutter design is required. No valley curbs allowed.
7. Sidewalk access to the front door and the driveway must be provided.
8. A lighted project sign including the Fair Housing logo is required. Depending on the placement as it relates to the access of the property from the public road, the project's sign may require the project's name and Fair Housing logo on both sides of the sign.
9. A minimum of one trash dumpster or compactor enclosed on a minimum of 3 sides is required. The trash dumpster/compactor enclosure must be ADA accessible and have a concrete apron. If the dumpster itself is not accessible, trashcans must be placed within the enclosure for use by handicap tenants. Individual trash receptacle at each home may be provided instead of a single trash dumpster.
10. Continuous asphalt or concrete paved access road must be provided to the entrance of the development.

11. All community parking must be asphalt or concrete. An asphalt or concrete paving recommendation letter must be provided with the reservation items by a geotechnical engineer.
12. All sidewalks and walkways must be concrete and at least 36 inches wide. All public buildings, community building and amenities must be connected to the dwelling units by a sidewalk or walkway on one side of the street throughout the development.
13. All driveways must be concrete.
14. Mailboxes, playground and all exterior project amenities must be ADA accessible. All exterior project amenities that have exposed components used as part of the structure must be constructed so that no wood is exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementitious materials. Decorative rails and/or guard rail systems used shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed. Gazebos and picnic shelters shall have table(s) with attached bench seating.
15. No above ground propane tanks allowed on the site.
16. All onsite utilities must be underground.
17. Storm Water retention basins (existing, shared and/or newly constructed) must be located within the property and include fencing around the perimeter with a lockable maintenance gate. The retention area will be maintained and managed in a manner to provide safety to the tenants. Including preventing vermin, insect and reptile infestation, vegetation overgrowth, and must be kept free of all trash and debris.

7.) Interior Building and Space Standards:

a. Wall Framing:

Walls may be framed using metal studs in lieu of wood.

b. Insulation Requirements:

1. Exterior wall insulation must have an overall R-13 minimum for the entire wall assembly.
2. Roof or attic insulation must have an R-38 minimum.
3. Vapor retarders must be installed if recommended by project architect.

c. Kitchen spaces:

1. 6 1/2-inch deep double bowl stainless steel sink is required in each unit.
2. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units. Each unit must also contain either fire protection canisters above the cooktop surface or temperature limiting plates on the cooktop surface.
3. New cabinets must have dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets shall meet the ANSI/KCMA A161.1 performance and construction standard for kitchen and vanity cabinets. Cabinets shall bear the certification seal of KCMA (Kitchen Cabinet Manufacturers Association).
4. A pantry closet or pantry cabinet is required in each unit. The pantry must be 1'6" x 1'6" deep with a minimum five shelves, located in or adjacent to the kitchen.
5. A 4 foot fluorescent light fixture is required.

6. All appliances must be Energy Star rated.
 7. A grease shield is required behind ranges on the wall.
- d. Bathroom Spaces:
1. Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in walls as per Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with "factory-installed grab bars" where the tub surrounds are reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tub surrounds are not reinforced fiberglass, hard tile or cultured marble or composite materials; solid wood blocking must be installed to meet Fair Housing guidelines.
 2. Water closets must be installed to comply with applicable ANSI, UFAS and Fair Housing accessibility guidelines.
 3. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6'-0" above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14" x 24".
 4. Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units. All cabinets in designated handicap accessible units must be installed in compliance with applicable ANSI or UFAS guidelines.
- e. Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards.
- f. All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with the applicable Fair Housing design standards. All interior doors to habitable spaces in designated handicap accessible units must have a minimum width of 36 inches. All interior doors to habitable spaces in all other units must have a minimum clear width of 30 inches.
- g. Separately switched overhead lighting is required in each room. Energy Star ceiling fans with light kits are required in the living room and each bedroom
- h. Window treatments are required for all windows.
- i. Sliding glass doors are prohibited.
- j. Floor Finishes:
1. Carpet materials must meet FHA minimum standards.
 2. Resilient flooring materials must meet FHA minimum standards.
- k. A minimum of two hard-wired with battery back-up smoke detectors is required per unit.
- l. A carbon monoxide detector must be installed in each unit with gas mechanical systems or appliances. Units with an attached garage must also have a carbon monoxide detector installed.

8.) Plumbing and Mechanical Equipment:

- a. Water heaters must be high efficiency with a 0.95 EF minimum. Water heaters must be placed in drain pans with drain piping plumbed to the outside or to an indirect drain connected to the sanitary sewer system. Water heater T&P relief valve discharges must be direct to exterior of building and elbow down to 6" above finish grade.
- b. Through-wall HVAC units are not permitted in single-family homes.
- c. CPVC supply piping is not allowed for interior space in-wall or overhead services.
- d. HVAC refrigeration lines must be insulated.
- e. HVAC 14 seer or greater must be used. HVAC equipment must be placed so that their operation does not interfere with the comfort of the adjacent dwellings.

V. For Attached Rehabilitation of an Existing Building

The following outline of minimum standards must be used in designing Housing Credit (not applicable to projects with HOME funds) projects of twelve or more units.

Minimum Building Standards:

1.) Minimum Apartment Unit Net Area Requirements:

Net area is measured from the interior finished face of the exterior wall to the interior finished face of the common or tenant separation wall.

1 Bedroom Unit	600 s.f.
2 Bedroom Unit	775 s.f.
3 Bedroom Unit	1,000 s.f.

Minimum Bedroom Net Area is measured from the interior faces of all walls surrounding each bedroom, excluding closets, mechanical rooms, and storage rooms.

No units may contain a bedroom of less than 90 square foot.

*Note 1: Net unit areas do not include outside storage, covered porches, patios, balconies, etc.

2.) Exterior Building Standards:

a. Exterior Finishing Materials:

- 1. Exterior building coverings: very low maintenance materials are required. Acceptable materials include:
 - a. Brick;
 - b. High quality vinyl siding with a minimum thickness of .044 and a lifetime non-prorated limited warranty (50 year) transferable; or
 - c. Cementitious siding and trim material.
 - d. Engineered composite siding and trim material.

All siding materials listed above are required to be 12 inches above the finished floor elevation of the building ground floor, with the exception of concrete patio and

- covered breezeway areas. Brick, decorative block or cultured stone must be used as an apron material.
2. Fascia and soffit: Must be prefinished vinyl, prefinished aluminum, cementitious trim or engineered composite trim. Material used for soffits must be perforated or vented.
 3. Windows frames and sashes are to be constructed of vinyl-clad wood, solid extruded vinyl, fiberglass, or aluminum and all windows are required to have screens.
 4. Materials for entry doors are to be metal-clad wood, fiberglass, or metal insulated construction. "Peepholes" and deadbolt locks are required in entry doors. Dead bolt locks on entry doors must have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited. Minimum clear width of all exterior doors must be 34 inches.
 5. No Mansard Roofs are allowed. Roofing materials: Anti-fungal shingles or metal roof with 30-year warranty or better must be used.
 6. Roof gable vents must be made of aluminum or vinyl materials.
 7. All attics must be vented.
 8. Exterior shutters are required on all 100% Brick or vinyl siding buildings.
 9. Handrails and pickets must be constructed from steel or aluminum.
 10. Patio and porch/balcony components used as part of the building must have concrete slabs or decks and must be constructed so that no wood is exposed. Concealment must be with materials such as aluminum, vinyl, cementitious materials trim or engineered composite trim. Structural wood columns must be at a minimum 6" x 6 pressure treated columns concealed as noted above or properly sized columns of fiberglass, steel, high density urethane or aluminum. Decorative rails and/or guard rail systems used at porches and patios must be code compliant systems of vinyl, fiberglass, steel or aluminum. Wooden support posts must be installed to prevent degradation (rotting) to ends of posts and to provide for structural and anchoring of post to slab. Wood railings are not allowed.

b. Other Exterior Standards:

1. Adequate exterior lighting is required at entry doors.
2. Address numbers are to be clearly visible.
3. Metal flashing or 20 mil polyethylene when used in conjunction with a self-adhering polyethylene laminate flashing, must be installed above all exterior door and window units.
4. A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable landscape municipal ordinance. At a minimum, 20 feet of solid sod must be provided (if ground space allows) from all sides of every building and between all buildings and paved areas. All disturbed areas must be seeded. If bare spots or erosion exist in current landscaping, the area must be sodded. Landscaping around and between the buildings is allowed. One 2" caliper tree per unit and Six 1 gallon shrubs per unit.
5. Sidewalk access to all parking spaces must be provided. Where the accessible route on the site crosses a vehicular roadway, crosswalk lines are required. They shall not be less than 6 inches or greater than 24 inches in width
6. A lighted project sign including the Fair Housing logo is required. Depending on the placement as it relates to the access of the property from the public road, the project's sign may require the project's name and Fair Housing logo on both sides of the sign.
7. A minimum of one enclosed on a minimum of 3 sides trash dumpster or compactor is required that is enclosed. The trash dumpster/compactor enclosure must be ADA accessible and have a concrete apron. If the dumpster itself is not accessible, trashcans must be placed within the enclosure for use by handicap tenants.
8. Continuous asphalt or concrete paved access road must be provided to the entrance of the development.

9. All parking must be asphalt or concrete. An asphalt or concrete paving recommendation letter must be provided with the application by a geotechnical engineer.
10. All sidewalks and walkways must be concrete and at least 36 inches wide. All public building, community building and amenities must be connected to the dwelling units by a sidewalk or walkway.
11. Mailboxes, playground and all exterior project amenities must be on an accessible route as defined by the applicable accessibility standard(s). All exterior project amenities that have exposed components used as part of the structure must be constructed so that no wood is exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementitious materials. Decorative rails and/or guard rail systems used shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed. Gazebos and picnic shelters shall have table(s) with attached bench seating.
12. No above ground propane tanks allowed on the site.
13. Storm Water retention basins (existing, shared and/or new construction) must be located within the property and include fencing around the entire perimeter with a lockable maintenance gate. The retention area will be maintained and managed in a manner to provide safety to the tenants. Including preventing vermin, insect and reptile infestation, vegetation overgrowth, and must be kept free of all trash and debris.

3.) Interior Building and Space Standards:

a. Insulation Requirements:

Roof or attic insulation must have an R-38 minimum.

b. Kitchen spaces:

1. A minimum 6 1/2-inch deep double bowl stainless steel sink is required in each unit.
2. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units. Each unit must also contain either fire protection canisters above the cooktop surface or temperature limiting plates on the cooktop surface.
3. New cabinets must have dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets must meet the ANSI/KCMA A161.1 performance and construction standard for kitchen and vanity cabinets. Cabinets must bear the certification seal of KCMA (Kitchen Cabinet Manufacturers Association).
4. A pantry closet or pantry cabinet is required in each unit. The pantry must be 1'6" x 1'6" deep with a minimum five shelves, located in or adjacent to the kitchen.
5. A 4 foot fluorescent light is required.
6. All appliances must be Energy Star rated.
7. A grease shield is required behind ranges on the wall.

c. Bathroom Spaces:

1. Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in walls as per Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with "factory-installed grab bars" where the tub surrounds are reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tub surrounds are not reinforced fiberglass,

- hard tile or cultured marble or composite materials; solid wood blocking must be installed to meet Fair Housing guidelines.
2. Water closets must be installed to comply with applicable ANSI, UFAS and Fair Housing accessibility guidelines.
 3. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6'- 0" above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14" x 24".
 4. Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units. All cabinets in designated handicap accessible units must be installed in compliance with applicable ANSI or UFAS guidelines.
- d. Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards.
 - e. All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with the applicable Fair Housing design standards. All interior doors to habitable spaces in designated handicap accessible units must have a minimum clear width of 36 inches. All interior doors to habitable spaces in all other units must have a minimum clear width of 30 inches.
 - f. Separately switched overhead lighting is required in each room. Energy Star ceiling fans with light kits are required in the living room and each bedroom.
 - g. Window treatments are required for all windows.
 - h. Sliding glass doors are prohibited.
 - i. Floor Finishes all flooring must be replaced:
 1. Carpet materials must meet FHA minimum standards.
 2. Resilient flooring materials must meet FHA minimum standards.
 - j. A minimum of two hard-wired with battery back-up smoke detectors is required per unit. Townhomes must have a minimum of one smoke detector upstairs.
 - k. A carbon monoxide detector must be installed in each unit with gas mechanical systems or appliances. Units with an attached garage must also have a carbon monoxide detector installed.
 - l. All units pre-wired for cable television hook-ups in the living room and one (1) per bedroom.
- 4.) Plumbing and Mechanical Equipment:
- a. Water heaters must be high efficiency with a 0.95 EF minimum. Water heaters must be placed in drain pans with drain piping plumbed to the outside or to an indirect drain connected to the sanitary sewer system. Water heater T&P relief valve discharge must meet applicable building code requirements.
 - b. Through-wall HVAC units are not permitted in residential units except in efficiency units.
 - c. HVAC units and water heaters are not permitted in attic spaces. HVAC units must be installed in Mechanical Closets with insulated walls located within the living unit. Water heaters are to be located within the living unit.

- d. HVAC refrigeration lines must be insulated.
- e. HVAC 14 seer or greater must be used. On single-family homes the HVAC equipment must be placed so that their operation does not interfere with the comfort of the adjacent dwellings.
- f. Units with existing washer/dryer connections must replace and install new water supply fixtures and valves.

VIII. Reports and Inspections

AHFA will engage a third-party construction consultant to review the final plans and specifications prior to construction for each approved project to ensure that it meets all applicable requirements of AHFA's Design Quality Standards and Construction Manual. The applicant/owner, project architect and general contractor will certify that the project meets the federal Fair Housing Amendments Act, the Americans with Disabilities Act and all additional accessibility requirements at the time of the submittal of the final plans and specifications, the completion of the project and the issuance of the IRS Form 8609. In addition to the plans and specification review, AHFA has the right to inspect the project during the following phases of development:

1. During construction;
2. At the completion of construction and
3. Prior to issuance of the IRS Form 8609.

The applicant will be responsible for the actual cost of work completed by AHFA designated consultants.