

# Attachments

## General OYAP Attachments:

- CDBG Allocation of CDBG program income and deobligated funds
- ESG Written Standards

## AP-90 NHTF Attachments:

- 2024 Multifamily Rules
  - [10 TAC Chapter 1, Administration \(Link\)](#)
  - [10 TAC Chapter 11, Qualified Allocation Plan \(Link\)](#)
  - [10 TAC Chapter 13, Multifamily Direct Loan Rule \(Link\)](#)
- 2024 Multifamily Direct Loan Certification
- AP-90 Question 3a – Table of Corresponding Requirements in 24 CFR §93.2 and State Rules
- AP-90 Question 3d –Estimated Allocation Amounts and Map of the State Service Regions
- NHTF Rehabilitation Maximum Subsidy Limits
- NHTF Rehabilitation Standards

## Summary of OYAP Public Comment

- No Public Comment was received for the 2024 One-Year Action Plan

# 2024 One Year Action Plan

## CDBG Method of Distribution Attachment

### **Attachment: Allocation of CDBG program income and deobligated funds**

**Deobligated Funds:** Deobligated funds may be used to fully fund pending applications in any fund category for which only partial funding is available, or to fund additional grants in categories experiencing high demand. At the discretion of the Department, TDA may open an application cycle for the FAST Fund, SUN Fund, or other appropriate fund category in order to effectively utilize deobligated funds available.

### **Program Income:**

Program income is defined as gross income received by a state, a unit of general local government, or a subrecipient of a unit of general local government that was generated from the use of CDBG funds. When program income is generated by an activity that is only partially funded with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Any remaining program income must be returned to the State.

The State may use up to the maximum allowable percentage of the amount recaptured and reportable to HUD each year for administrative expenses under the CDBG Program. This amount will be matched by the State on a dollar-for-dollar basis.

### TCF, RED Programs and Revolving Loan Fund ("RLF") Program Income

Funds retained in any existing local RLF must be committed within three years of the original CDBG contract programmatic close date. At least one eligible loan/award from the local RLF must be made every three years. Every award from the RLF must be used to fund the same type of activity from which such income was derived. A local RLF may retain a cash balance not greater than 33% of its total cash and outstanding loan balance. All activities funded with RLF funds must comply with CDBG regulations and rules and guidelines. If a local government does not comply with the RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

To the extent there are eligible applications, program income derived from the Texas Capital Fund real estate and/or infrastructure projects (from prior Program Years) will be used to fund awards under the Rural Economic Development Programs. Other available program income shall be allocated based on the methodology used to allocate Deobligated Funds.

### **Additional detail for Geographic Allocation:**

Funds for projects under the CD Fund are allocated among the 24 State planning regions based on the following: The original CD formula is used to allocate 45% of the annual State CDBG allocation.

1) Original CD formula (45%) factors:

- a. Non-Entitlement Population 30%
- b. Number of Persons in Poverty 25%
- c. Percentage of Poverty Persons 25%
- d. Number of Unemployed Persons 10%
- e. Percentage of Unemployed Persons 10%

To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible non-entitlement applicants within each region. The population and poverty information used is from the current available decennial census data. The unemployment information used is the current available annual average information. TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f).

2) The HUD formula is used to allocate 27.35% of the annual State CDBG allocation.

The formula is the same methodology that HUD uses to allocate CDBG funds among the States for use in non-entitlement areas. The HUD factors, percentages, and methodology are specified in 42 USC §5306(d). TDA will use available data to calculate the allocations to each region.

Using the HUD methodology, the allocation for each region shall be the greater of an amount that bears the same ratio to the allocation for all 24 regions available as either:

(A) the average of the ratios between:

- o the population of the non-entitlement counties in that region and the population of the nonentitlement counties of all 24 regions (counted one time - 25% weight);
- o the extent of poverty in the non-entitlement counties in that region and the extent of poverty in the non-entitlement counties of all 24 regions (counted two times - 50% weight); and
- o the extent of housing overcrowding in the non-entitlement counties in that region and the extent of housing overcrowding in the non-entitlement counties of all 24 regions (counted one time - 25% weight);

OR

(B) the average of the ratios between:

- o the age of housing in the non-entitlement counties in that region and the age of housing in the nonentitlement counties in all 24 regions (counted two and one half times - 50% weight);
- o the extent of poverty in the non-entitlement counties in that region and the extent of poverty in the non-entitlement counties of all 24 regions (counted one and one half times - 30% weight); and
- o the population of the non-entitlement counties in that region and the population of the nonentitlement counties of all 24 regions (counted one time - 20% weight).

## **Unobligated Funds**

For an award that is withdrawn from an applicant, the TDA follows different procedures for the use of those recaptured funds depending on the fund category in which the award is withdrawn.

1. The CD Fund – funds from the withdrawal of an award shall be offered to the next highest ranked applicant from that region that was not recommended to receive an award due to depletion of the region’s allocation. A marginal amount may be offered to the next highest ranked applicant as long as the amount of funds still available exceeds the minimum CD Fund grant amount. Any funds remaining from a regional allocation that are not accepted by an applicant, that are not offered to an applicant, or remain due to lack of additional, unfunded applications, may be allocated among regions with eligible, unfunded applications. If unallocated to another region, they are then subject to the procedures used to allocate Deobligated Funds.

2. RED Programs – funds from the withdrawal of a Downtown Revitalization/ Main Street Program, RED-Strategy Program, or RED-Project Program shall be offered to the next highest ranked application that was not recommended to receive an award due to depletion the program’s allocation. Any unallocated RED funds are then subject to the procedures used to allocate Deobligated Funds.

3. The Colonia Funds – funds from the withdrawal of any Colonia Fund award remain available to potential Colonia Fund applicants during that program year. If unallocated within the Colonia Fund, funds then may be used for other CDBG fund categories to fund eligible projects or activities that assist colonia residents. Remaining unallocated funds are then subject to the procedures used to allocate Deobligated Funds.

4. SUN Funds - funds from the withdrawal of a SUN award shall be returned to the fund category from which the funds were previously transferred, consistent with the procedures used to allocate Deobligated Funds.

## ESG Written Standards

TDHCA requires that its Subrecipients establish and implement written standards for providing ESG assistance. TDHCA reviews the standards to ensure they answer the following questions.

### 1. Evaluation (24 CFR §576.400(e)(3)(i))

- a) Are the definitions of homeless or at-risk of homelessness included in the evaluation?
- b) Are there standard policies and procedures for evaluating individual and household eligibility for ESG?
- c) Are priority populations listed?
- d) Are the priority populations listed the same as the Continuum of Care priority populations?

### 2. Targeting - 24 CFR §576.400(e)(3)(ii),(iv)

- a) Are there standards for targeting and providing essential services related to street outreach?
- b) Are there standards determining how providers will assess, prioritize, and reassess participant's needs for essential services related to emergency shelter?

### 3. Evaluation for Emergency Shelter - 24 CFR §576.400(e)(3)(iii)

- a) Is there a description of:
  - i. Clients that will be admitted?
  - ii. Clients that will be diverted?
  - iii. Clients that will be referred?
  - iv. Clients will be discharged?
- a) Are there safeguards to secure safety (if applicable)?
- b) Are reasonable accommodations for persons with disabilities included?

### 4. Coordination - 24 CFR §576.400(e)(3)(v)

- a) Are there policies and procedures for coordination among:
  - i. Emergency shelter providers?
  - ii. Essential service providers?
  - iii. Homelessness prevention providers?
  - iv. Rapid re-housing assistance providers?
  - v. Other homeless assistance providers?
  - vi. Mainstream services and housing providers?

### 5. Assistance Levels - 24 CFR §576.400(e)(3)(vi)

- a) Is there a description of:
  - i. Which clients will receive rapid re-housing or homelessness prevention?
  - ii. Whether a percentage or amount of rent will be paid by client?
  - iii. Whether a percentage or amount of utilities will be paid by client?
  - iv. How long will client receive rental assistance?
  - v. How or if rental assistance be adjusted over time?
  - vi. What is amount of assistance will be provided?
  - vii. How will the duration of assistance be determined?
  - viii. What happens after a break in service (i.e., Program participant stops receiving assistance one month)?
  - ix. What unit sizes are appropriate for rapid re-housing?
  - x. What data sources/formats are used for rent reasonableness?

**6. Housing Stability Case Management/Relocation Services – 24 CFR §576.400(e)(3)(ix)**

- a) Is there a description of:
  - i. What types of services offered and not offered?
  - ii. What amounts are offered for the services?
  - iii. How long will case management/relocation services last?
- b) Does case management include monthly meetings to assist with housing stability? (n/a for Domestic Violence providers)
- c) Does case management include development for participant to retain permanent housing once ESG assistance ends? (n/a for Domestic Violence providers)
- d) Does case management include assistance for program participants' access supportive services for which they may be eligible? (n/a for Domestic Violence providers)

**7. Relocation Services: Financial – 24 CFR §576.105(a)**

- a) Do the written standards specify when the following financial assistance is offered or not offered:
  - i. Rental application fees
  - ii. Security deposits/Last month's rent
  - iii. Utility deposits/payments
  - iv. Moving costs
  - v. Storage fees (3 months maximum)

**8. Service Costs (Include if services are offered and which community organizations can act as a referral source, if applicable) – 24 CFR §576.105(b)(3)-(5)**

- a) Do the written standards specify when the following services are offered or not offered, and which community resources can be used?
  - i. Mediation
  - ii. Legal Services
  - iii. Credit Repair

**9. Denials 24 CFR §576.402**

- a) Are there policies and procedures for terminating assistance?
- b) Does the appeal process include notification of denial?
- c) Does the appeal process include the household's process to appeal the decision?
- d) Does the appeal process include recordkeeping process for denial requests?

## Multifamily Direct Loan Certification

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I (We) hereby make application to the Texas Department of Housing and Community Affairs (the “Department”) for an award of Multifamily Direct Loan funds, which may be composed of HOME Investment Partnerships Program (“HOME”), HOME American Rescue Plan (“HOME-ARP”), Emergency Rental Funds (“ERA”), Tax Credit Assistance Program Repayment Funds (“TCAP RF”), and/or national Housing Trust Fund (“NHTF”). The undersigned hereby acknowledges that an award by the Department does not warrant that the Development is deemed qualified to receive such award. I (We) agree that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Multifamily Direct Loan; therefore, I (We) assume the risk of all damages, losses, costs, and expenses related thereto and agree to indemnify and save harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decision concerning this application for Multifamily Direct Loan funds or the use of information concerning the Multifamily Direct Loan.

On behalf of the Applicant and all affiliates of the Applicant (hereinafter “Applicant”), I (We) hereby certify that the Applicant is familiar with the state Rules, as published in 10 TAC Chapters 1, 2, 10, 11, and 13, as well as Chapter 12 as applicable. I (We) hereby acknowledge that this Application is subject to disclosure under Tex. Gov’t Code Chapter 552, the Texas Public Information Act, unless a valid exception exists.

I (We) hereby assert that the information contained in this Application as required or deemed necessary by the materials governing the Multifamily Direct Loan program are true and correct and that I (We) have undergone sufficient investigation to affirm the validity of the statements made and the Department may rely on any such statements.

Further, I (We) hereby assert that I (We) have read and understand all the information contained in the application. By signing this document, I (We) affirm that all statements made in this government document are true and correct under penalty of Tex. Penal Code Chapter 37 titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas.

I (We) understand and agree that if false information is provided in this Application which has the effect of increasing the Applicant’s competitive advantage, the Department will disqualify the Applicant and may hold the Applicant ineligible to apply for Multifamily Direct Loan funds or until any issue of restitution is resolved. If false information is discovered after the award of



Multifamily Direct Loan funds, the Department may terminate the Applicant's written agreement and recapture all Multifamily Direct Loan funds expended.

I (We) shall not, in the provision of services, or in any other manner discriminate against any person on the basis of age, race, color, religion, sex, national origin, familial status, or disability. Verification of any of the information contained in this application may be obtained from any source named herein.

I (We) have written below the name of the individual authorized to execute the Multifamily Direct Loan agreement and any and all future Multifamily Direct Loan commitments and contracts related to this application. This individual is named in the Application as able to exercise Control over the Application and proposed Development. If this individual is replaced by the organization, I (We) must inform the Department within 30 days of the person authorized to execute agreements, commitment and/or contracts on behalf of the Applicant.

I (We) certify that no person or entity that would benefit from the award of Multifamily Direct Loan funds has committed to providing a source of match.

I (We) certify that I (We) will meet, Texas Minimum Construction Standards, 2010 ADA Standards for Accessible Design, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973, as further detailed in 10 TAC Chapter 1, Subchapter B. I (We) certify that the Development will meet all local building codes or standards that may apply as well as the Uniform Physical Conditions Standards in 24 CFR §5.705

I (We) certify that if refinancing is a component of the proposed development the Applicant must confirm that Multifamily Direct Loan funds will not be used to replace loans, grants or other financing provided or insured by any other Federal program, or in violation of the provisions of 10 TAC Chapter 13.

I (We) certify that if federal, governmental, or any other assistance is used in the financing of this development I (We) will notify the Texas Department of Housing and Community Affairs.

I (We) certify that I (We) do not and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

If, after receiving a public subsidy, I (We), am convicted of a violation under 8 U.S.C Section 1324a (f), I (We) shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Tex. Gov't Code Section 2264.053, not later than the 120th day after the date TDHCA notifies Applicant of the violation.

If applying for HOME, HOME-ARP, or TCAP-RF funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the federal HOME Final Rule, as published in 24 CFR Part 92, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the HOME Investment Partnerships Program and all Developments eligible to receive these funds will comply with such rules during the application process and, in the event of award of these funds, for the duration of the proposed Development. HOME-ARP Applicants also certify familiarity with CPD Notice 21-10.

If applying for NHTF funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the interim Housing Trust Fund rule, as published in 24 CFR Part 93, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the NHTF and all Developments eligible to receive NHTF funds will comply with such rules during the application process and, in the event of award of NHTF funds, for the duration of the proposed Development.

If applying for ERA funds, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of Section 3201(a) of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021), U.S. Department of the Treasury Emergency Rental Assistance Frequently Asked Questions, and other related administrative rules, regulations, and guidance (and related court rulings) issued by the Federal government or the State of Texas with respect to the ERA; and all Developments eligible to receive ERA funds will comply with such rules during the application process and, in the event of award of ERA funds, for the duration of the proposed Development.

### **Threshold Certification**

On behalf of the Applicant and all affiliates of the Applicant (hereinafter “Applicant”), I (We) hereby certify that the Applicant is familiar with the provisions and requirements of the applicable Multifamily Direct Loan Notice of Funding Availability (NOFA) approved by the Department’s Governing Board for which I (We) am applying.

I (We) understand that housing units subsidized by Multifamily Direct Loan funds must be affordable to low, very low or extremely low-income persons. I (We) understand that mixed income rental developments may only receive funds for units that meet the Multifamily Direct Loan affordability standards. I (We) understand that all Applications intended to serve persons with disabilities must adhere to the Department’s Integrated Housing Rule at 10 TAC §1.15.

I (We) understand that, all contractors, consulting firms, Borrowers, Development Owners and Contract Administrators must sign and submit the appropriate documentation with each draw to attest that each request for payment of Multifamily Direct Loan funds is for the actual cost of

providing a service and that the service does not violate any conflict of interest provisions in the Texas Grant Management Standards, 2 CFR Part 200, 24 CFR Part 92, or 24 CFR Part 93, as applicable.

I (We) certify that I (We) am eligible to apply for funds or any other assistance from the Department. I (We) certify that all audits are current at the time of application. I (We) certify that any Audit Certification Forms have been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance pursuant to 10 TAC §1.403.

I (We) certify that, the Development will meet the broadband infrastructure requirements of 81 FR 92626, and that these costs are included in the Application.

**Applications for Developments Previously Awarded Department Funds**

This Development proposed in this Application has \_\_\_\_\_ has not \_\_\_\_\_ previously received Department funds. (check one)

If the Development proposed in this Application has previously received Department funds and construction has already started or been completed, and acquisition and rehabilitation is not being proposed, a letter from the Applicant that seeks to explain why this Application should be found eligible is provided behind this tab, except if applying in the COVID-Impacted Set-Aside or HOME-ARP. I (we) understand that such funding from federal sources may not be eligible, and depending on the fund sources available in the applicable NOFA, the proposed Development may not be eligible for assistance.

***All applicants applying under a Multifamily Direct Loan Notice of Funding Availability (NOFA) must read and initial after each of the following sections regarding federal cross cutting requirements in the boxes below.***

**HUD Section 3**

I (We) hereby agree that the work to be performed in connection with any award of HOME or NHTF funds is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (“Section 3”). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. These regulations were updated in 2021. I (We) agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. I (We) agree to put the Department’s Section 3 clause in all applicable construction contracts. For more information about HUD Section 3, please

reference the TDHCA website dedicated to Section 3 at: <http://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>

(initial)

**Environmental**

I (We) understand that the environmental effects of each activity carried out with an award of HOME or HOME-ARP funds must be assessed in accordance with the applicable provisions of National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §4321 et seq.) and the related activities listed in HUD’s implementing regulations at 24 CFR Parts 50, 51, 55, and 58 (NEPA regulations). Each such activity must have an environmental review completed and support documentation prepared complying with the NEPA and NEPA regulations. **No loan may close or funds be committed to an activity before the completion of the environmental review process, including the requirements of 24 CFR Part 58, and the Department has provided written clearance.**

The Department as the Responsible Entity must ensure that environmental effects of the property are assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities listed in HUD’s implementing regulations at 24 CFR Parts 50 and 58.

I (We) certify that all parties involved in any aspect of the development process began the project with no intention of using Federal assistance.

I (We) certify that as of the date of the Multifamily Direct Loan application all project work, other than as allowed in 24 CFR Part 58, has ceased.

I (We) understand that the environmental effects of each activity carried out with an award of NHTF funds must be assessed in accordance with the provisions of CPD Notice 16-14.

I (We) certify that I (we) have read and understand the requirements in 24 CFR §58.22 or CPD Notice 16-14, and I (we) understand that **acquisition of the site, even with non-HUD funds, prior to completion of the environmental review process will jeopardize any federal funding.**

I (We) certify that we will not engage in any choice limiting actions until the site has achieved Environmental Clearance as required in CPD Notice 16-14 or 24 CFR Part 58, as applicable.

**Choice-limiting activities include but are not limited to these examples:**

- Acquisition of land, except through the use of an option agreement, regardless of funding source;
- Closing on loans including loans for interim financing;
- Signing a construction contract.

(initial)



**Relocation and Anti-Displacement**

The property proposed for this Application is \_\_\_\_\_ is not \_\_\_\_\_ occupied. (check one)

If occupied, the occupant(s) are owners \_\_\_\_\_ tenants (residential) \_\_\_\_\_ tenants (commercial inclusive of businesses, nonprofit organizations, and farms)\_\_\_\_\_ (check all that apply).

The property will have a transfer of federal assistance from an existing multifamily development \_\_\_\_\_ yes \_\_\_\_\_ no.

**Displacement of Existing Tenants**

I (We) certify that that the work to be performed in connection with any award of federal funds is subject to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”), as amended, and implementing regulations at 49 CFR Part 24. HOME and HOME ARP also subject to the relocation requirements of 24 CFR Part 42. Consistent with the goals and objectives of activities assisted under the Act and HUD Handbook 1378, if the Development is eligible for federal funds the Applicant must prepare and submit the following to TDHCA with the Multifamily Uniform Application, in accordance with the TDHCA Relocation Handbook <https://www.tdhca.state.tx.us/program-services/ura/docs/TDHCA-RelocationHandbook.pdf>:

- 1) A detailed explanation of the reasons for displacement relocation;
- 2) A detailed plan of the relocation, including evidence of comparable replacement housing or commercial space;
- 3) Copies of the General Information Notices (signed by the tenant or sent Certified Mail, return recipient requested) sent to all residential and commercial tenants on the Rent Roll listed with the Multifamily Direct Loan Application, and
- 4) Estimated costs and funding sources available to complete the permanent relocation.

(initial)

**Demolition and Conversion**

I (We) certify that when the work is to be performed in connection with any award of federal funds that are subject to 24 CFR Part 42 (CDBG, HOME, and as revised for HOME ARP), then Development Owner will replace all occupied and vacant occupiable low-income housing that is

demolished or converted to a use other than low-income housing as a direct result of the project. All replacement housing will be provided within three (3) years after the commencement of the demolition or conversion. Before receiving a commitment of federal funds for a project that will directly result in demolition or conversion, the project owner will make the information public in accordance with 24 CFR Part 42 and submit the information to TDHCA along with the following information in writing at application:

- 1) The location map, address, and number of commercial or dwelling units by bedroom size of lower income housing that will be demolished or converted to use other than as lower income housing as a direct result of the project;
- 2) A time schedule for the commencement and completion of the demolition and conversion;
- 3) To the extent known, the location, map, address, and number of dwelling units by bedroom size of the replacement housing or commercial space that has been or will be provided;
- 4) The amount and source of funding and a time schedule for the provision of the replacement housing;
- 5) The basis for concluding that the replacement housing will remain lower income housing beyond the date of initial occupancy;
- 6) Information demonstrating that any proposed replacement of housing units with similar dwelling units (e.g. a 2-bedroom unit with two 1-bedroom units) or any proposed replacement of efficiency or SRO units with units of a different size is appropriate and consistent with the housing needs of the community; and
- 7) The name and title of the person or persons responsible for tracking the replacement of lower income housing and the name and title of the person responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any housing or the conversion of lower-income housing to another use.

(initial)

**Lead Based Paint**

I (We) certify that documentation of compliance with the Texas Environmental Lead Reduction Rules in 25 TAC Chapter 295, Subchapter I and 24 CFR Part 35 (Lead Safe Housing Rule), as applicable, will be maintained in project files. I (We) understand that for Developments subject to 24 CFR Part 35, standard forms are available in the Federal Register, as indicated by the sources noted below.

- 1) Applicability 24 CFR §35.115 – A copy of a statement indicating that the property is covered by or exempt from Lead Safe Housing Rule.



- a) If the property is exempt, the file should include the reason for the exemption and no further documentation is required.
- b) if the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below:
  - i) Summary Paint Testing Report or Presumption Notice 24 CFR §35.930(a) – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to \$5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces;
  - ii) Notice of Evaluation 24 CFR §35.125(a) – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing;
  - iii) Clearance Report 24 CFR §35.930(b) (3) – A report indicating a “clearance examination” was performed of the work site upon completion; and
  - iv) Notice of Hazard Reduction Completion 24 CFR §35.125(b) – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.

(initial)

### **Labor Standards**

On behalf of the Applicant and all affiliates of the Applicant (hereinafter “Applicant”), I (We) hereby certify that the Applicant is familiar with the applicable provisions and requirements of the Davis-Bacon Act (40 U.S.C. §§3141-3144 and 3146-3148).

I (We) understand that a Development assisted by the Department under this Application containing more than twelve (12) HOME or HOME ARP-assisted Units, must use the appropriate rate as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. §§3141-3144 and 3146-3148).

I (We) understand that contracts involving such employment shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§3701-3708) as supplemented by the Department of Labor regulations (“Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction” at 29 CFR Part 5), Copeland (Anti-Kickback) Act (40 U.S.C. Sec. §3145 et seq.) and 24 CFR Part 70 (with regards to volunteers).

I (We) understand that construction contractors and subcontractors must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs, as applicable.

I (We) agree to put the Department’s Davis-Bacon clause in all applicable contracts.

(initial)



**Question 3a:** Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR §93.2).

The State of Texas will distribute FY 2024 Housing Trust Fund (“HTF”) Program funds by selecting applications submitted by eligible recipients as defined in §93.2 (definition of recipient) through the Application Submission Requirements, Ineligibility Criteria, Board Decisions, and Waiver of Rules for Applications provisions found in Chapter 11 of the Texas Administrative Code (TAC), Subchapter C (10 TAC §§11.201 through 11.207). The State of Texas will not limit recipients to a specific category such as nonprofits. Please see the table below for the requirements in §93.2 and the corresponding requirements found in state rules at 10 TAC Chapter 11 and 10 TAC Chapter 13.

Recipient requirements in §93.2	State Rules
<p>(1) Make acceptable assurances to the grantee 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</p> <p>(2) 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;</p>	<p>10 TAC §11.204 establishes the required documentation for application submission, including a required certification that the applicant understands and will comply with all applicable requirements. Please see the full text of the rule for further information.</p> <p>Full text of 10 TAC Chapter 11 can be found here:  <a href="https://texreg.sos.state.tx.us/public/readtac\$ext.ViewTAC?tac_view=4&amp;ti=10&amp;pt=1&amp;ch=11">https://texreg.sos.state.tx.us/public/readtac\$ext.ViewTAC?tac_view=4&amp;ti=10&amp;pt=1&amp;ch=11</a></p>
<p>(3) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;</p> <p>(4) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:</p> <p>(i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or</p> <p>(ii) Design, construct, or rehabilitate, and market affordable housing for homeownership.</p> <p>(iii) Provide forms of assistance, such as down payments, closing costs, or interest rate buy downs for purchasers.</p>	<p>10 TAC §13.5(g) establishes minimum experience requirements that are required to be eligible for funding. Please see the full text of the rule for further information.</p> <p>Full text of 10 TAC Chapter 13 can be found here:  <a href="https://texreg.sos.state.tx.us/public/readtac\$ext.ViewTAC?tac_view=4&amp;ti=10&amp;pt=1&amp;ch=13&amp;rl=Y">https://texreg.sos.state.tx.us/public/readtac\$ext.ViewTAC?tac_view=4&amp;ti=10&amp;pt=1&amp;ch=13&amp;rl=Y</a></p>



illustration showing the study area is available in the docket where indicated under **ADDRESSES**.

The PR PARS will analyze navigation routes to/from the Commonwealth of Puerto Rico and the U.S. Virgin Islands to international routes to and from the United States. Current capabilities and planned improvements to handle maritime conveyances will be considered. The analyses will be conducted in accordance with COMDTINST 16003.2B, Marine Planning to Operate and Maintain the Marine Transportation System (MTS) and Implement National Policy. This Instruction is available at [https://media.defense.gov/2019/Jul/10/2002155400/-1/-1/0/CI\\_16003\\_2B.PDF](https://media.defense.gov/2019/Jul/10/2002155400/-1/-1/0/CI_16003_2B.PDF).

We will publish the results of the PR PARS in the **Federal Register**. It is possible that the study may validate the status quo (no fairways or routing measures) and conclude that no changes are necessary. It is also possible that the study may recommend one or more changes to address navigational safety and the efficiency of vessel traffic management. The recommendations may lead to future rulemakings or appropriate international agreements.

This notice is published under the authority of 46 U.S.C. 70003(c)(1).

Dated: April 3, 2023.

**Brendan. C. McPherson,**

*Rear Admiral, U.S. Coast Guard, Commander, Seventh Coast Guard District.*

[FR Doc. 2023-07367 Filed 4-6-23; 8:45 am]

**BILLING CODE P**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

[Docket No. FR-6394-N-01]

**Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs; Annual Indexing of Substantial Rehabilitation Threshold**

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

**ACTION:** Notice.

**SUMMARY:** In accordance with the National Housing Act, HUD is providing notice of adjustment to the Basic Statutory Mortgage Limits for Multifamily Housing Programs for calendar year 2023. HUD is also providing notice of adjustment to the per unit cost threshold for determining substantial rehabilitation in the Multifamily Housing Programs pursuant to its administrative guidance for calendar year 2023.

**DATES:** Applicable January 1, 2023.

**FOR FURTHER INFORMATION CONTACT:** Willie Fobbs III, Director, Office of Multifamily Production, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410-8000, telephone (202) 402-3242 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit: <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

**SUPPLEMENTARY INFORMATION:**

Section 206A of the National Housing Act (12 U.S.C. 1712a) provides authority for the annual adjustment for the following FHA multifamily statutory dollar limits:

- I. Section 207(c)(3)(A) (12 U.S.C. 1713(c)(3)(A));
- II. Section 213(b)(2)(A) (12 U.S.C. 1715e(b)(2)(A));
- III. Section 220(d)(3)(B)(iii)(I) (12 U.S.C. 1715k(d)(3)(B)(iii)(I));
- IV. Section 221(d)(4)(ii)(I) (12 U.S.C. 1715l(d)(4)(ii)(I));
- V. Section 231(c)(2)(A) (12 U.S.C. 1715v(c)(2)(A)); and
- VI. Section 234(e)(3)(A) (12 U.S.C. 1715y(e)(3)(A)).

Section 206A goes on to state that the preceding “Dollar Amounts” shall be adjusted annually (commencing in 2004) on the effective date of the Federal Reserve Board’s adjustment of the \$400 figure in the Home Ownership and Equity Protection Act of 1994 (HOEPA). The adjustment of the Dollar Amounts shall be calculated using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) as applied by the Federal Reserve Board for purposes of the above-described HOEPA adjustment.

**(b) Notification**

The Federal Reserve Board on a timely basis shall notify the Secretary, or his designee, in writing of the adjustment described in subsection (a) and of the effective date of such adjustment to permit the Secretary to undertake publication in the **Federal Register** of corresponding adjustments to the Dollar Amounts. The dollar amount of any adjustment shall be rounded to the next lower dollar.

Note that 206A has not been updated to reflect the fact that HOEPA has been revised to use \$1,000 as the basis for the adjustment rather than \$400, and the Consumer Finance Protection Bureau has replaced the Federal Reserve Board in administering the adjustment. These

changes were made by the Dodd-Frank Wall Street Reform and Consumer Protection Act’s amendments to the Truth in Lending Act, as further explained in the regulatory implementation of said changes found in 78 FR 6856, 6879 (Jan. 31, 2013).

The percentage change in the CPI-U used for the HOEPA adjustment is an 8.3 percent increase and the effective date of the HOEPA adjustment is January 1, 2023. The Dollar Amounts under section 206A have been adjusted correspondingly and have an effective date of January 1, 2023. (See 87 FR 78831, Dec. 23, 2022).

These revised statutory limits may be applied to FHA multifamily mortgage insurance applications submitted or amended on or after January 1, 2023, so long as the loan has not been initially endorsed.

The adjusted Dollar Amounts for calendar year 2023 are shown below.

**Basic Statutory Mortgage Limits for Calendar Year 2023 Multifamily Loan Program**

Section 207—Multifamily Housing; Section 207 pursuant to Section 223(f)—Purchase or Refinance Housing; and, Section 220—Housing in Urban Renewal Areas

Bedrooms	Non-elevator	Elevator
0 .....	\$61,944	\$72,252
1 .....	68,618	80,058
2 .....	81,964	98,166
3 .....	101,027	122,948
4+ .....	114,373	139,021

Section 213—Cooperatives

Bedrooms	Non-elevator	Elevator
0 .....	\$67,130	\$71,480
1 .....	77,404	80,984
2 .....	93,351	98,477
3 .....	119,491	127,399
4+ .....	133,122	139,848

Section 234—Condominium Housing

Bedrooms	Non-elevator	Elevator
0 .....	\$68,500	\$72,088
1 .....	78,983	82,638
2 .....	95,256	100,490
3 .....	121,932	130,002
4+ .....	135,837	142,701

Section 221(d)(4)—Moderate Income Housing

Bedrooms	Non-elevator	Elevator
0 .....	\$61,646	\$66,591
1 .....	69,980	76,340
2 .....	84,589	92,831
3 .....	106,172	120,090
4+ .....	119,973	131,826

## Section 231—Housing for the Elderly

Bedrooms	Non-elevator	Elevator
0 .....	\$58,609	\$66,591
1 .....	65,522	76,340
2 .....	78,244	92,831
3 .....	94,163	120,090
4+ .....	110,705	131,826

## Section 207—Manufactured Home Parks

Per Space—\$28,437

**Indexing of per Unit Limit for Substantial Rehabilitation for Calendar Year 2023**

The 2016 Multifamily Accelerated Processing (MAP) Guide established a base amount of \$15,000 per unit to define substantial rehabilitation for FHA insured loan programs. Section 5.1.2.A.2.b of the 2020 MAP Guide requires that this base amount be annually adjusted for inflation based on the percentage change published by the Bureau of Labor Statistics of the Department of Labor or other inflation cost index. Applying the HOEPA adjustment to the base amount, the 2023 base amount per dwelling unit to determine substantial rehabilitation for FHA insured loan programs is \$18,392.

This per unit cost threshold for substantial rehabilitation may be applied to FHA multifamily mortgage insurance applications submitted or amended on or after January 1, 2023, so long as the loan has not been initially endorsed.

**Environmental Impact**

This issuance establishes mortgage and cost limits that do not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

**Julia R. Gordon,**

Assistant Secretary for Housing, Federal Housing Commissioner.

[FR Doc. 2023-07344 Filed 4-6-23; 8:45 am]

BILLING CODE 4210-67-P

**DEPARTMENT OF THE INTERIOR****Fish and Wildlife Service****[FWS-R4-ES-2023-0048; FXES1113040000EA-123-FF04EF1000]****Receipt of Incidental Take Permit Application and Proposed Habitat Conservation Plan for the Alabama Beach Mouse, Baldwin County, AL; Categorical Exclusion****AGENCY:** Fish and Wildlife Service, Interior.**ACTION:** Notice of availability; request for comment.

**SUMMARY:** We, the Fish and Wildlife Service (Service), announce receipt of an application from Sampath Srikanth (applicant) for an incidental take permit (ITP) under the Endangered Species Act. The applicant requests the ITP to take the federally listed Alabama beach mouse (*Peromyscus polionotus ammobates*) incidental to construction on Fort Morgan Peninsula, Baldwin County, Alabama. We request public comment on the application, which includes the applicant's proposed habitat conservation plan (HCP), and the Service's preliminary determination that the proposed permitting action may be eligible for a categorical exclusion pursuant to the Council on Environmental Quality's National Environmental Policy Act (NEPA) regulations, the Department of the Interior's (DOI) NEPA regulations, and the DOI Departmental Manual. To make this preliminary determination, we prepared a draft environmental action statement and low-effect screening form, both of which are also available for public review. We invite comment from the public and local, State, Tribal, and Federal agencies.

**DATES:** We must receive your written comments on or before May 8, 2023.**ADDRESSES:** *Obtaining Documents:* You may obtain copies of the documents online in Docket No. FWS-R4-ES-2023-0048 at <https://www.regulations.gov>.*Submitting Comments:* If you wish to submit comments on any of the documents, you may do so in writing by any of the following methods:

- *Online:* <https://www.regulations.gov>.

Follow the instructions for submitting comments on Docket No. FWS-R4-ES-2023-0048.

- *U.S. mail:* Public Comments

Processing; Attn: Docket No. FWS-R4-ES-2023-0048; U.S. Fish and Wildlife Service; MS: PRB/3W; 5275 Leesburg Pike; Falls Church, VA 22041-3803.

**FOR FURTHER INFORMATION CONTACT:** Mr. William Lynn, Project Manager, by U.S.

mail (see **ADDRESSES**), via telephone at 251-441-5868, or by email at [william\\_lynn@fws.gov](mailto:william_lynn@fws.gov). Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

**SUPPLEMENTARY INFORMATION:** We, the Fish and Wildlife Service (Service), announce receipt of an application from Sampath Srikanth (applicant) for an incidental take permit (ITP) under the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*). The applicant requests the ITP to take the federally endangered Alabama beach mouse (ABM; *Peromyscus polionotus ammobates*) incidental to the construction of a single-family home (project) on Fort Morgan Peninsula, Baldwin County, Alabama. We request public comment on the application, which includes the applicant's proposed habitat conservation plan (HCP), and the Service's preliminary determination that this proposed ITP qualifies as "low effect," and may qualify for a categorical exclusion pursuant to the Council on Environmental Quality's National Environmental Policy Act (NEPA) regulations (40 CFR 1501.4), the Department of the Interior's (DOI) NEPA regulations (43 CFR 46), and the DOI's Departmental Manual (516 DM 8.5(C)(2)). To make this preliminary determination, we prepared a draft environmental action statement and low-effect screening form, both of which are also available for public review.

**Proposed Project**

The applicant requests a 25-year ITP to take ABM by converting approximately 0.079 acre (ac) of occupied ABM foraging and sheltering habitat incidental to the construction of a single-family home located on a 0.492-ac parcel within the Government Subdivision #1, located on the central portion of Fort Morgan Peninsula in Baldwin County, Alabama. The proposed use of the parcel will provide for a compressed development footprint, which allows for areas of contiguous habitat to remain post development. Landforms and vegetative communities on the parcel consist of 0.418 ac of secondary dune ABM habitat. The applicant would impact 0.079 ac of the occupied 0.418 ac of ABM habitat in constructing the single-family home. The remaining 0.34 ac of suitable

**2024 Program Year  
TDHCA | Multifamily Finance Division  
Multifamily Direct Loan Program**

# **2024 National Housing Trust Fund (NHTF) Multifamily Minimum Rehabilitation Standards**



## **IMPORTANT NOTICE REGARDING THESE STANDARDS**

**TDHCA encourages the reproduction and distribution of this document to all relevant parties participating in Rehabilitation; including but not limited to, staff, general contractors, and subcontractors. If not distributed, at a minimum, all parties with the ability to exercise control over the Development must be informed and so acknowledge compliance with all applicable construction requirements, building codes, necessary materials, accessibility standards, installation methods, etc., regardless of whether expressly stated herein. As such, these Standards must be included in all construction and maintenance documents by reference. Moreover, specific sections may be expressly required in, or the Standards in their entirety, may be required to be attached to particular documents, as determined by the Department.**

**Moreover, it is important to remember these Standards serve as a starting point for eligible NHTF-assisted Multifamily Rehabilitation activities. Additional project requirements, rules, and regulations WILL APPLY and may be more detailed in Program Documents. IT IS THE RESPONSIBILITY OF THE DEVELOPMENT OWNER/BORROWER TO ENSURE COMPLIANCE WITH ANY AND ALL APPLICABLE PROGRAM REQUIREMENTS, RULES, AND REGULATIONS THAT MAY BE REQUIRED IN ADDITION TO THE MINIMUM CONDITIONS PROVIDED IN THESE STANDARDS.**

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# **NHTF MINIMUM REHABILITATION STANDARDS MULTIFAMILY DIRECT LOAN PROGRAM**

**2024 Program Year  
(ending Aug. 31, 2025)**

## **Introduction**

These National Housing Trust Fund (NHTF) Minimum Rehabilitation Standards (hereinafter referred to as “Standards”) are intended to provide the minimum acceptable standards for affordable multifamily rental housing developments Rehabilitated in whole or part using Multifamily Direct Loan Program (MFDL Program) NHTF funds in the State of Texas.

These Standards are designed to ensure clarity, efficiency, and feasibility in the successful completion of eligible rehabilitation projects. Accordingly, these Standards only provide the necessary descriptions of the minimum elements of rehabilitation, as required by the U.S. Department of Housing and Urban Affairs (HUD) and 24 CFR §93.301(b). Accordingly, these Standards only address those minimum standards for: (1) Health and Safety; (2) Major Systems; (3) Lead-Based Paint; (4) Accessibility; (5) Disaster Mitigation; (6) National Standards for the Physical Inspection of Real Estate (NSPIRE); and (7) Property Condition or Capital Needs Assessment (SCR/CNA).

Recommendations made in applicable Mandatory Assessments regarding health and safety or life expectancy of major systems must be implemented. Additionally, estimates (based on age and condition) of the remaining useful life of major system(s) are required to be conducted upon project completion of each major system, in accordance with 24 CFR §93.301(b)(1)(ix). If the remaining useful life of one or more major system is determined to be less than the applicable period of affordability, a replacement reserve shall provide adequate monthly payments to effectively repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ix).

Unless otherwise required, these Standards do not supersede or preempt State and local codes, ordinances, and requirements for developing and maintaining the Development. All applicable codes, ordinances, and zoning requirements must also be adhered. In the absence of State or local building codes, ordinances, or requirements for Rehabilitation, the International Existing Building Code (IEBC) or International Building Code (IBC) (as applicable) of the International Code Council (ICC), in the version adopted by the Multifamily Direct Loan Rule, 10 TAC Chapter 13, shall apply in addition to these minimum Standards.

## Definitions

The following words and terms, when used in these Standards, shall have the meaning as provided herein, unless the context clearly indicates otherwise. Any capitalized terms or phrases not specifically mentioned in this section shall have the meaning as defined in Title 10, Part 1, Chapter 1 of the Texas Administrative Code (**Administration**), Title 10, Part 1, Chapter 2 of the Texas Administrative Code (**Enforcement**), Title 10, Part 1, Chapter 10 of the Texas Administrative Code (the **Uniform Multifamily Rules**), Title 10, Part 1, Chapter 11 of the Texas Administrative Code (the **Qualified Allocation Plan (QAP)**), Title 10, Part 1, Chapter 13 of the Texas Administrative Code (the **Multifamily Direct Loan Rule**)(collectively referred to as the **State Multifamily Rules**); or as otherwise defined in Tex. Gov't Code, Chapter 2306 (the **Governing Statute**), §141, 142, and 145 of the Internal Revenue Code (the **Code**), or 24 CFR Part 91, Part 92, Part 93, and 2 CFR Part 200.

1. **Accessible Route**--a continuous, unobstructed path connecting all accessible elements and spaces in a facility or building that complies with the space and reach requirements of the applicable accessibility standard(s).
2. **Plumbing Fixtures**--all relevant plumbing components, which include toilets, urinals, bidets, faucets, lavatories, sinks, showers, bathtubs, and floor drains. Plumbing appliances include washing machines, dishwashers, domestic water heaters, garbage disposals, and water softeners.
3. **Plumbing System**--all relevant plumbing components, which include but are not limited to: piping, fittings, devices, faucets, containers and receptacles that are used to supply, distribute, receive or transport potable water and wastewater.
4. **Substandard Conditions**--any condition that threatens the health and/or safety of the occupants. Substandard Conditions include any condition which threatens, defeats, or will lead to the lack of functional viability of a single feature of a structure. Hazardous conditions are a type of Substandard Conditions.

## **Minimum Standards for Major Systems (24 CFR §93.301(b) and 24 CFR §93.301(b)(1)(ix))**

### **Major Systems**

These Standards provide the minimum rehabilitation requirements for Major Systems herein. In accordance with 24 CFR §93.301(b), the Major Systems with minimum standards provided herein are:

- foundation;
- structural support, roofing;
- cladding & weatherproofing;
- plumbing;
- electrical; and
- heating, ventilation, and air conditioning (HVAC).

### **General Requirements, Standard Conditions, and Substandard Conditions**

The Minimum Standard Conditions and Substandard Conditions for each Major System are sufficiently detailed in method and material to provide the MINIMUM threshold for Rehabilitation activities that NHTF-assisted Multifamily Developments MUST MEET OR EXCEED.

It is important to remember any threshold requirements provided herein do not supersede or preempt State and local codes, ordinances, and requirements for building and maintenance with which NHTF-assisted housing must comply. Rather, compliance must be accomplished in addition to meeting or surpassing these Standards. In the absence of such State or local building codes, ordinances, or other requirements, the applicable version(s) of the International Existing Building Code (IEBC) or International Building Code (IBC) of the International Code Council (ICC), as adopted in 10 TAC Chapter 13, shall apply in addition to these Standards.

### **Determining the Scope of Work**

This section shall guide the determination as to the minimum scope of work required. In conjunction with the mandatory property assessments required in these Standards, a determination must consider the requirements of the ICC Code Set, in the version adopted by 10 TAC Chapter 13 and as applied to these Standards. Accordingly, the determination will consider the ICC Principles of Safety, Capacity, and Convenience.

Each repair should be detailed as required through the use of plans, drawings, specifications (conforming to the MasterFormat) and work write-ups. At a minimum, each repair should be detailed in a work write up that accurately specifies the location, required demolition (if applicable), and the methods and materials for the project -- all with enough detail to determine the desired outcome or finished product. Work write ups may reference plans and specifications as needed but must be detailed enough to complete repairs.

### **1.0 Basic Site Work**

**a. Minimum Standard Conditions.** The subject lot or defined site shall be free of debris, garbage or other accumulations of site stored items which create possibilities of infestations. The site should be generally level as allowed by natural topography, well drained, and accessible. Additional drainage features should be added if need is evidenced by existing erosion, standing water or evidence of water damage. In addition to any applicable requirements herein, any and all deficiencies noted in the Uniform Property Conditions Standards or the 2012 ICC Property Maintenance Code must also be addressed.

**b. Substandard Conditions.** Substandard conditions for Basic Site Work include but are not limited to those conditions listed in **(1) – (14)**, for which adequate repair or replacement is required, as applicable and further detailed herein:

- (1)** Accumulated debris, waste, or garbage either in enclosed areas such as storage buildings or on the property;
- (2)** Deteriorated outbuildings, sheds, wells, privies, or other structures which are no longer in use or are made unusable by their condition;
- (3)** Holes, ditches, exposed water meter boxes or other condition which creates a tripping hazard, excluding drainage ditches which are part of a designed drainage system;
- (4)** Rodents, insects, or other infestations;
- (5)** Standing water or depressions which hold water during wet weather;
- (6)** Leaking water supply or leaking sewage system;
- (7)** Obsolete sanitary piping systems such as Orangeberg, clay or other non-standard pipe;
- (8)** Scaling, calcified or otherwise compromised water supply lines;
- (9)** Exposed pipes, railings or other installations creating tripping hazards;
- (10)** Damaged, missing or deteriorated walkways, steps and decks which create tripping hazards or are otherwise unsafe;
- (11)** Stairways or steps above 30" from the finished grade without a functioning guard rail;
- (12)** Except on an Accessible Route any change in level in a walkway shall not be greater than  $\frac{3}{4}$ ";
- (13)** On any Accessible Route any change in level shall not be greater than  $\frac{1}{2}$ ". Any change in level between  $\frac{1}{4}$ " and  $\frac{1}{2}$ " must be beveled 45 degrees; and
- (14)** Any walkway or driveway that exceeds 5% damage in the form of cracking, spalling, holes, heaving or other damage.

**c. Other Conditions/Requirements.**

**(1) Debris and Brush Removal.** The premises shall be free from accumulations of rubbish and garbage that present health and safety hazards. The premises shall be free from trees and shrubs that are damaging the dwelling or present a hazard. Tree limbs in danger of falling on roof areas shall be removed. No vegetation should touch existing buildings, utility service lines, fences, or extend over walkways or parking areas.

**(2) Drainage.** Surface drainage shall be diverted to a storm sewer or other approved point of collection that does not create a hazard. Lots need to be graded to drain surface water away from the foundation at a minimum slope of 6" within the first 10'. Where lot lines or other physical barriers prohibit this, drains, swales, and/or rain gardens shall be constructed to ensure drainage away from the structure. Use of alternative drainage methods must be approved by TDHCA. Rain gutters shall be installed if none exist. Gutters shall slope 1" for every 20 linear feet with downspouts installed at a minimum every 40'. Downspouts must empty into a splashblock or be diverted at least five feet from the building. Special care must be taken to not discharge water onto adjacent properties.

**(3) Driveways, Sidewalks, and Patios.** Paved surfaces shall be free from hazards which can cause tripping and falling. Paved surfaces adjacent to the foundation shall not slope towards the structure so that water can collect at the foundation. If tripping hazards and drainage problems exist, the paved surface shall be removed and rebuilt.

**(A) Driveways.** Following existing driveway demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to provide a minimum slope of 1/8" per foot away from the house and at a depth to provide 4" of concrete. Install either number 4 rebar on 12" centers or 6" x 6" number 10 welded reinforcing wire. Expansion joints shall be installed at all radius points, sidewalk intersections and house slab tie-ins. Concrete mix shall provide a minimum of 3,500 psi at 28 days. If reinforcing steel is not used, control joints shall be sawed in every 10' and be broom finished. Asphalt or gravel driveways may be installed if concrete is prohibitively expensive due to the length of a driveway, or if they are customary for the neighborhood.

**(B) Sidewalks and Patios.** Following existing sidewalk demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to provide a minimum slope of 1/8" per foot away from any building, at a depth to provide 3 1/2" of concrete, and at least 3' wide. Accessible Route cross slope shall not exceed 2%. Expansion joints shall be installed at all radius points, sidewalk intersections and slab tie-ins. Control joints shall be sawed in every 5' and be room finished. If sidewalks and patios are installed and are connected to an entry door an accessible entry will be required.

**(4) Ramps.** On Accessible Routes, ramps shall meet the requirements of the 2010 ADA and the applicable Accessibility requirements provided in these Standards.

**(5) Vermin and Insects.** The premises shall be free from infestations of vermin and wood-boring insects. Inspections shall be performed by state licensed extermination contractors if evidence of infestation exists. Conditions which increase or cause infestation shall be removed (e.g. accumulation of rubbish garbage, unsanitary conditions, presence of consistent moisture, untreated wood in contact with soil, etc.). One or more of the following termite treatments shall be included in the Rehabilitation if infestation is observed; chemical termiticide treatment, termite baiting system installed and maintained according to the manufacturer's label, use of pressure-preservative treated wood, use of naturally durable termite-resistant wood, and/or termite shields.

**(6) Landscaping for Additions.** When an addition is built, underground utilities run, grade changes made, or the soil is otherwise disturbed, proper compaction and a fine finish grading shall be done and seed, sod or native plants shall be installed matching as closely as possible the existing surrounding yard.

## **2.0 Foundations**

**a. General Requirements and Standard Conditions.** Foundation work shall be completed in its entirety prior to beginning work on other areas of the housing unit(s). Leveling shall be done in such a manner as to provide an acceptable degree of tolerance. When leveling takes place, doors, windows and other openings shall be reasonably plumb, level and easy to operate. Interior wall coverings shall be repaired and Plumbing Systems shall be inspected to insure the system functions as intended. Foundation leveling shall include grading of the soil to provide a slope away from the home of at least 6" for the first 10'. If the lot does not allow for this grade, a French drain shall be installed to drain water away from the house, or swales shall be designed and built to control rain water runoff. Refer to Section 6.3 (relating to Minimum Standards for Sanitary Drainage).

Foundation walls shall be a minimum of 6" above grade, or 4" above grade if masonry veneer is existing or will be installed. Underpinning shall be required when foundation leveling is a part of Rehabilitation. Any room additions shall comply with the 2015 IRC or later.

In regards to safety, the ICC contains provisions considered necessary for safe installation; however, they are merely minimum requirements. Providing a safe foundation, leveling, repair, or installation and minimizing hazards can be done by following the principles of foundation construction and stabilization, fully complying with any limitations placed on the use of products and materials and permitting only qualified persons to participate.

With foundations, capacity refers to its ability to carry live and dead loads with respect to the soil's plasticity. Unsafe conditions often occur because existing foundations were not properly planned or designed for the soil conditions at the site low to the ground making it difficult to access Plumbing Systems. Convenience also refers to similar concerns, whereby crawlspaces are often too low to the ground, making it difficult to access Plumbing Systems. While raising the housing may not be feasible, every practical effort must be made to increase the crawlspace clearance to a minimum of 12" above grade when leveling housing.

**b. Substandard Conditions.** At a minimum, repair or replacement is required if any of the conditions in (1) – (7) exist:

- (1) Evidence of wood destroy insect damage;
- (2) Water and/or fire damage or dry rot to wooden piers, beams, joists, and subfloor;
- (3) Inadequate support of beams, sills, or joists;
- (4) Lack of drainage away from the home;
- (5) Cracked, damaged, buckled skirting;
- (6) Untreated wood in contact with the soil; or
- (7) Any other condition which meets the definition of a hazardous or substandard condition.

**c. Other Requirements/Conditions.**

**(1) Slab on Grade.** All concrete floors shall be without serious deterioration or conditions that present a falling or tripping hazard. With existing concrete floors, cracks longer than six inches in concrete slabs, 3/4 inch along walkways or steps, or any missing or uneven sections shall be repaired. Slab on grade foundations that are failing, as demonstrated by an inspection by a structural engineer, shall not be rehabilitated.

**(2) Pier and Beam.** Piers shall have allowable spans between piers or posts. Piers shall support beams which in turn support floor joists. Joists must not be more than 24" on center and, if not continuous, overlap beams shall be at least 12". If major leveling is required, a structural engineer shall inspect the foundation to determine the number of piers that need to be added, repaired, or replaced.

Newly installed footings shall be a minimum of 12" below undisturbed ground surface and the surface shall be level. Termite shields shall be installed on newly installed posts, regardless of pier material.

Skirting shall extend four inches below and at least 18" above grade or up to the exterior cladding and be lapped and fastened under the cladding material. Access to the crawlspace



shall be 18" high by 24" wide (if in the floor) or 16" high by 24" wide (if on the perimeter wall), and is not allowed to be installed under a door. Venting of the crawlspace shall be one square foot per 350 square feet of crawl space area and one vent opening within three feet of each corner. Crawlspace floor shall be covered with six mil polyethylene. Skirting is not permitted in flood zones.

### **3.0 Structural Support and Roofing**

#### **3.1 Roofing Systems**

**a. Description.** All relevant roofing components, which include but are not limited to, trusses, rafters, ridge beams, collar ties, ceiling joists, top plates of walls, and sheathing. Moreover, Truss Designs for Replacement Roofs complying with wood roof framing, includes: slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas, or as otherwise provided in Section R802 of the 2015 IRC.

**b. General Requirements and Standard Conditions.** The Roof System and the roof covering shall safely support the loads imposed. Framing and decking shall be structurally sound, properly fastened, and form a sound base for attaching the roof covering. The Roof System shall be configured to provide a positive drainage plane.

**c. Substandard Conditions.** At a minimum, any Roof System that is incapable of safely supporting the load or fails to safely provide adequate drainage must be repaired or replaced. Deteriorated, missing or loose framing or sheathing must also be corrected. Generally, repair or replacement is required for any applicable condition listed in (1) – (10):

- (1) Multiple layers of roof covering materials (more than two);
- (2) Water damage caused by leaks through the roofing system;
- (3) Missing, worn, or upturned shingles;
- (4) Damaged, missing, or improperly installed roof jacks, flashings, drip edges on both rakes and eaves;
- (5) Exposed nails or other fasteners;
- (6) Structural damage to trusses;
- (7) Extensive patchwork and repairs;
- (8) Missing, damaged, loose, leaking, blocked, improperly sloped gutters and downspouts;
- (9) Wear and tear leading to a failed system within five years from the initial inspection; or
- (10) Any other Hazardous or Substandard condition.

#### **3.2 Structures**

**a. General Requirements and Standard Conditions.** Roof structures incapable of safely supporting the load or providing adequate slope for drainage shall be repaired or replaced. Sagging roofs shall be replaced or stabilized. Stabilization of sagging roofs that will not be replaced shall be designed by a structural engineer.

**b. Other Requirements/Conditions.**

**(1) Truss Design for Replacement Roofs.** Truss designs for replacement roofs shall comply with wood roof framing in Section R802 of the 2015 IRC which includes; slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas.

**(2) Roof Framing for Replacement Roofs.** Purlin support braces shall be installed every 4' O.C. Continuous purlins shall be installed between support braces. Purlins shall be a minimum of 2" x 4" studs. Ceiling joists shall comply with Span Tables R802.4(1) and R802.4(2).

**(3) Sheathing Replacement.** 5/8" CDX plywood shall be installed with clips spaced O.C. between rafters for rafter spacing of 24".

**(4) Ventilation.** Unconditioned attics shall be cross ventilated. A one to one ratio shall be installed; for every one foot of soffit vent area there shall be one foot of ridge, gable, or turtle vent area. Soffit vents shall have baffles installed providing at least one inch of airspace to prevent wind washing and/or attic insulation blocking soffit vents. All vents shall have corrosion-resistant wire cloth screening or similar material.

**(5) Radiant Barrier.** A radiant barrier should be installed in all accessible attic areas.

Powered attic vents, whether connected to the structure's electrical system or powered by photovoltaic, are not allowed.

### **3.3 Roof Covering**

**a. General Requirements and Standard Materials.** Asphalt shingles shall be fastened to solidly sheathed decks. Asphalt shingles shall be used only on roof slopes of 2:12 or greater slope. Slopes, if applicable, less than 2:12 require appropriate membrane designed for such surfaces. Metal roof panels must either be naturally corrosion resistant or provided corrosion resistance per the manufacturer's requirements. Metal roofs shall only be installed on slopes of 3:12 (for lapped, nonsoldered-seam), ½:12 (for lapped, nonsoldered-seam panels with applied lap sealant), or ¼:12 (for standing-seam roof systems). Otherwise, roof weatherproofing, reinforcement, and surfacing shall be completed in accordance with applicable provisions of the IBC or IEBC.

**(1) Flashings.** Flashings shall be installed in a manner that prevents moisture from entering walls or the roof through penetrations, at eaves and rakes, at wall/roof intersections, wherever there is a change in roof slope or direction and around roof openings. Wall/roof intersections extending to eaves shall be provided with kick-out flashing. All wall/roof intersections shall have step flashing with at least 1" space between the roof covering and the adjacent wall cladding. Metal flashings shall be a No. 26 galvanized sheet metal and corrosion resistant. A cricket or saddle shall be installed on the ridge side of any chimney or penetration greater than 30" wide.

**(2) Valley Flashings.** Closed valleys (covered with asphalt shingles) shall be lined with one ply of smooth roof roofing or self-adhering polymer modified bitumen underlayment prior to asphalt shingle installation.

## **4.0 Minimum Standards for Walls, Ceilings, & Flooring**

### **4.1 Walls and Ceilings**

**a. General Requirements and Standard Conditions.** On exterior walls, all defects or deterioration that would allow the elements to enter wall cavities shall be corrected through Rehabilitation. Replacement of sections of walls and ceilings shall match adjoining materials as closely as possible (e.g. thickness of the existing material). When replacement of entire wall or ceiling coverings or sections of them is replaced, priming and painting of the entire wall or ceiling shall be completed.

**b. Substandard Conditions.** Repair or replacement is required if any condition listed in (1) – (7) exists:

- (1) Water damage or dry rot of siding, trim, or interior wall coverings;
- (2) Exposed nails or popped seams;
- (3) Peeling or chipped paint, holes, cracks, or gaps in interior wall coverings or exterior cladding;
- (4) Broken, fire damaged or missing exterior cladding;
- (5) Sagging or missing ceiling sections;
- (6) Wood destroying insect damage in exterior cladding; or
- (7) Any other condition characterized Hazardous or Substandard.

**c. Other Requirements/Conditions.**

**(1) Walls.**

**(A) Exterior Walls.** If removing the exterior cladding, deteriorated exterior wall sheathing, studs, and bottom and top plates shall be replaced. Deteriorated or missing insulation shall be replaced and wall cavities shall be insulated to a minimum R-13.

Masonry repair or replacement shall match existing masonry as closely as possible, installed plumb, true, and in line with existing courses. If weep holes are filled or nonexistent, they shall be provided at least every 3' at the slab and at least 1 above each window.

Siding repair or replacement shall match existing siding as closely as possible and provide for a positive drainage plain. All joints and seams shall fall on center of wall framing. Overlap and water sealing shall be completed in accordance with the manufacturer's installation instructions.

**(B) Interior Walls.** A structural engineer shall inspect interior bearing walls that are proposed to be moved. Non-bearing walls do not require a structural engineer. Moved or newly installed walls shall be constructed with 2x4 studs with the bottom plate securely fastened to the floor and the top plate securely fastened to ceiling joists.

All new gypsum board shall be installed according the manufacturer's installation instructions and shall be installed a minimum of ½" above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show

after painting. All interior walls shall be painted with a No Volatile Organic Compound (VOC) paint.

**(C) Bathroom Walls.** Bathroom walls that are to be replaced shall be replaced with appropriate backer board. If tile will be installed in the shower/tub area, concrete board, or equivalent, shall be installed. Green board shall be installed in the rest of the bathroom. Bathroom wall coverings shall be installed a minimum of ½" above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show after painting. All bathroom walls shall be painted with a semi- or high-gloss paint No Volatile Organic Compound (VOC) paint.

**(2) Ceilings.** For ceiling structure, see the Roofing Chapter. Replacement of ceiling coverings shall be with 5/8" Type X gypsum board. Fastening shall be in accordance with the manufacturer's installation instructions. All new gypsum board shall be taped, floated, feathered, primed, and painted with at least 2 coats of No Volatile Organic Compound (VOC) paint. When ceilings are replaced, all ceiling fixtures removed and reinstalled for replacement shall be air sealed.

**(3) Painting and Finishes.** All areas not to be painted shall either be removed and reinstalled or completely covered to prevent overspray or splatter. Receptacle and switch plates shall be removed and reinstalled.

**(A) Interior Walls:** All walls that were repaired or replaced shall be painted with at least two coats of No Volatile Organic Compound (VOC) paint. Bathroom walls shall have a semi- or high-gloss sheen.

**(B) Exterior Walls:** Replaced or repaired exterior cladding, with the exception of brick veneer, shall be painted with at least two coats of exterior grade paint. Existing exterior walls not replaced or repaired but still painted must comply with all applicable requirements in (i) – (iv):

**(i)** The ground shall be protected with a drop cloth. For pre-1978 housing determined or assumed to have lead-based paint, all scraped paint shall be disposed of in accordance with applicable HUD and EPA guidelines, and as provided in these Standards;

**(ii)** Peeling and chipped paint shall be scraped loose;

**(iii)** The entire area to be painted shall be power washed prior to painting; and

**(iv)** All areas not to be painted (e.g. windows, doors and their trim, exterior lighting fixtures) shall be covered to prevent overspray.

**(C) Trim and Baseboards.** All installed trim around doors, windows, and floors shall be painted with at least one coat of No Volatile Organic Compound (VOC) paint on both sides (except for baseboard trim).

#### 4.1 Minimum Standards for Flooring

**a. General Requirements and Standard Conditions.** All flooring, including transitions between rooms, must be effective, relatively level, free of tripping hazards, and adhere to or exceed all applicable Accessibility standards. Floor covering and subflooring(s) must function as intended, as demonstrated through sufficient inspection. Related deficiencies must be corrected during Rehabilitation, as provided in these Standards.

**b. Substandard Conditions.** Deteriorated, inadequate, and weakened floor framing and subfloors can be the result of poor initial construction, foundation settling or failure, careless remodeling, water, or wood boring insects. A thorough inspection shall be conducted to identify all subfloor and flooring deficiencies.

**(1) Repair or Replacement.** The conditions in (A) – (D) require corrective measures be completed:

**(A)** Damaged, rotten, loose, weak or otherwise deteriorated subfloor;

**(B)** Torn, missing, broken, or otherwise damaged floor covering that creates a tripping hazard;

**(C)** Missing baseboards, shoe molding, or transition strips; or

**(D)** Any other condition that meets the definition of Hazardous or Substandard.

In doing so, repairs to severely sloped or uneven floors must satisfy all corrective measures or replacement will be required. New floor coverings shall be installed because the existing floor covering is ineffective, there are obvious trip hazards, because the subfloor was replaced, or because other work requires it, such as increasing the square footage of a room.

Replacement flooring may be required if necessary for Accessibility purposes; other concurrent work; or significant subflooring repairs/replacement occur. If required, any and all applicable Foundation work must be completed first. Thereafter, flooring replacement shall be conducted in accordance with the manufacturer's installation requirements.

**c. Other Requirements/Conditions.**

**(1) Subfloor.**

**(A) Concrete Slab.** If the concrete slab foundation is functioning as intended and is relatively level, no additional subfloor preparation is required. If it is functioning as intended, but not relatively level or has settlement cracks, self-leveling flooring compound shall be installed prior to installation of the floor covering.

**(B) Bathrooms, Kitchens, and High Traffic Areas.** When replacing subflooring in bathrooms, kitchens, and high traffic areas (e.g. hallways, breezeways) in housing with pier and beam foundations, the newly installed subfloor shall be 19/32" high performance paneling or 3/4" CDX plywood installed as the subfloor with floor joists not more than 24" on center.. All subfloor shall be installed with screws and include subfloor caulking adhesive.

**(C) Other Habitable Rooms.** Other habitable rooms requiring subfloor replacement shall have 3/4" CDX plywood installed as the subfloor with floor joists not more than 24" on center. All subfloor shall be installed with screws and include subfloor caulking adhesive.

**(2) Floor Coverings.**

**(A) Kitchens and Bathrooms.** Replacement floor coverings in kitchens, bathrooms, laundry rooms, and utility rooms shall be water resistant. Transitions between rooms shall match the new floor covering or match as closely as possible existing floor covering that is left in place. Sheet vinyl and VCT shall not be used in rooms with Plumbing Fixtures in pier and beam housing. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

**(B) Other Habitable Rooms.** Replacement flooring in other habitable rooms may include VCT, however laminate planks or ceramic tile is preferred (if ceramic tile is installed on a

pier and beam foundation, the floor system may need to be structurally reinforced to support the extra load). Transitions between rooms shall match the new floor covering or match as closely as possible existing floor covering that is left in place. Sheet vinyl shall not be installed. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

**(C) Vinyl Composition Tile (VCT).** VCT shall be 12" x 12" x 1/8" and stored inside a conditioned space for a minimum of 48 hours prior to installation to allow materials to condition to the inside environment. VCT shall be fitted tightly, with no gaps showing at walls, doors, or trim. Full cover shall be achieved. Base boards or shoe molding shall be installed.

**(D) Laminate Planks.** Laminate flooring shall be stored inside a conditioned space for a minimum of 48 hours prior to installation to allow materials to condition to the inside environment, and installed per the manufacturer's instructions. Door trim may need to be cut to fit planks seamlessly between rooms. Laminate planks shall be fitted tightly, with no gaps showing at walls, doors, or trim. Full cover shall be achieved, but it shall not fit tightly against walls so that it is allowed to "float". Base boards or shoe molding shall be installed.

**(E) Carpeting.** Carpeting is generally discouraged; removal of existing carpeting should be conducted where practicable. Otherwise, carpeting must be of good quality, in sanitary condition, and preferably low pile. Carpet installation must be completed per the manufacturer's instructions and over appropriate pad(s). Carpet installation is not permitted in kitchens or bathrooms. Replacement floor covering(s) shall be selected for durability, safety, and ease of maintenance.

## **5.0 Other Cladding and Weatherproofing (e.g. Windows, Doors, Siding, Gutters)**

### **5.1 Minimum Standards for Doors and Windows**

- a. General Requirements and Standard Conditions.** Applicable Foundation work must be completed prior to repairing or replacing doors and windows. Each habitable room that contains a window shall have at least one window that is in operable condition and capable of being held in the open condition without assistance or device. Habitable bedrooms must have a minimum of one window that meets egress requirements. Bathrooms, bedrooms and utility rooms shall have a door that is easily operable and fitted with functioning hardware that tightly latches the door.

All windows repaired or replaced as part of the scope of work must operate safely, effectively, and conveniently regardless of user's age or ability. Each window must have an operable screen. Repaired or replaced windows must meet or exceed the requirements of an Energy-Star Rating. Additionally, blinds or window coverings must be provided for all windows.

- b. Substandard Conditions.** At a minimum, the conditions in (1) – (11) must be repaired or replaced:

- (1)** Broken, missing or cracked window panes;
- (2)** Rotten or deteriorated sills, frames or trim;
- (3)** Missing seal or sealant or dried, cracked or missing putty or caulking around window panes;
- (4)** Windows painted shut, inoperable or difficult to open and close;
- (5)** Security bars that do not open from the inside without any special knowledge or tools;

- (6) Windows and exterior doors that do not lock;
- (7) Broken, damaged, or deteriorated doors;
- (8) Doors that do not shut and latch or lock smoothly with the strike plate;
- (9) Exterior doors that are not listed as exterior doors;
- (10) Rotted, deteriorated or damaged thresholds, jambs, frames, or trim; and
- (11) Any other condition that can reasonably be characterized as Hazardous or Substandard.

**5.2 Minimum Standards for Doors**

**a. General Requirements and Standard Conditions.**

All doors shall be in good operating order, easy to open, close and latch. All replacement doors must be installed true and plumb with trim installed on both sides. Hardware style (e.g. knob, lever handle, passage), finish (e.g. chrome, brushed nickel, satin), and any glazing shall be identified in the scope of work. All doors that come into contact with interior walls when opened shall have base board mounted, rubber tipped door stops installed.

**(1) Interior Doors.** Interior door replacements must be installed true and plumb, with trim installed on both sides. Bathroom doors shall be able to be locked.

**(2) Exterior Doors.** Exterior doors include, but are not limited to, doors connecting the conditioned space with an attached garage. Replacement exterior doors must be at least Energy Star qualified, or its equivalent, double bore exterior doors. Doors connecting the conditioned space to an attached garage shall also be fire rated. All exterior doors shall be keyed alike with a sufficient number of key copies provided to the residents.

**b. Other Requirements/Conditions.**

**(1) Accessibility and Universal Design.** Accessible doors may be required depending on the Unit or Household Type(s). Universal design principles state that housing should be built to accommodate any person regardless of age or physical ability. Consultation(s) should be made to determine whether the conditions in (A) – (C) are necessary:

**(A)** Heavily used Interior doors widened to accommodate a 36" door with a threshold no higher than 1/8". If not feasible due to structural constraints, clear swing hinges can be installed;

**(B)** Automatic door openers can be installed; and

**(C)** Lever handles will be installed on all doors.

**5.3 Minimum Standards for Windows**

**a. General Requirements and Standard Conditions.** All windows shall be in good operating order, easy to open, close, latch, and lock. Windows that cannot be repaired must be adequately replaced. Flashing materials shall provide a positive drainage plane.

**b. Performance Chart.** Replacement windows shall meet or exceed Energy-Star or equivalent Ratings. The Performance Chart included herein provides the minimum performance ratings required for all replaced and, if practical, repaired windows.

<b>Performance:</b>	<b>CZ2</b>	<b>CZ3</b>	<b>CZ4</b>
<b>Performance Measure:</b>			
U-Factor	0.65	0.50	0.35

SHGC	0.35	0.35	Not Required
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#### 5.4 Minimum Standards for Gutters and Downspouts

**a. General Requirements and Standard Conditions.** All gutters and downspouts must be installed or replaced (repair alone is insufficient). Gutters shall have a slope no less than 1:20 and all seams made weather tight, if applicable. Downspouts shall be installed at a minimum every 40' and shall discharge water at least five feet from the foundation. Drainage five feet away from the foundation may be accomplished through the installation of a French drain, swales, or other means of directing water away from the foundation. Water shall not be discharged onto an adjoining property.

### 6.0 Plumbing, Potable Water, and Sanitary Sewer Systems

#### 6.1 Minimum Standards for Plumbing Systems

**a. General Requirements and Standard Conditions.** The Plumbing System must effectively provide both a safe and adequate supply of potable water, and a safe and sanitary method of distributing wastewater. Effective Plumbing Systems adhere to the mandatory plumbing principles in (1)-(7):

- (1) Sewer gases shall not be allowed to enter any housing Unit;
- (2) Sewer leaks must be identified, repaired or replaced, and improper disposal methods discontinued;
- (3) Water leaks must also be identified and repaired or replaced;
- (4) Water must be free from hazardous contaminants and safe for drinking, bathing and other uses.
- (5) An adequate supply of water must be available for all water needs, which includes having adequate pressure at each fixture.
- (6) Supply, drain, waste, and vent pipes shall not interfere with structural integrity. Notching and drilling of structural members shall comply with the requirements of the 2009 IRC, Figure R602.6(1) and (2).
- (7) Plumbing work shall be performed by state licensed individuals, and plumbing inspections performed by experienced and qualified individuals knowledgeable in the field of plumbing.

**b. Substandard Conditions.** Existence of any condition listed in (1)-(11) shall require, at a minimum, adequate repair or replacement. If replaced, newly installed Plumbing Systems, piping, and fittings must be properly installed, connected, free flowing; and must be free of leakage and corrosion of water or sewer gases.

- (1) Lack of any required condition, as provided in (A) – (F):
  - (A) Continuous sanitary water supply;
  - (B) Continuously functioning sanitary waste water disposal system;
  - (C) Functioning shut-off valves at toilets, sinks and lavatories;
  - (D) Access to waste lines such as clean-outs;
  - (E) A minimum of one functioning toilet, bathroom sink, or tub/shower;
  - (F) Functioning kitchen sink; or



- (2) Septic system or Plumbing Fixtures not performing as intended;
- (3) Leaks in any supply or waste lines;
- (4) Deteriorated, corroded, or leaky supply or drain pipes;
- (5) Supply or drain piping consisting of a mixture of different types of piping or fittings, or is run in an inefficient manner;
- (6) Missing, blocked, or improperly installed required conditions listed in (A)-(D):
  - (A) Vent pipes;
  - (B) Gas shut off valve on natural gas Domestic Water Heater (DWH);
  - (C) Temperature and pressure-relief valve (TPRV) on DWH;
  - (D) Shut off valves at the water meter, each toilet, each sink, DWH, or tub/shower locations; or
- (7) Natural gas domestic water heaters (DWH) located in bathrooms, bedrooms, closets or utility rooms where a clothes dryer is present;
- (8) Natural gas DWH combustion air taken from conditioned space;
- (9) Inadequate natural gas DHW vent (e.g. not double walled or skirted at roof penetrations);
- (10) Rusted or corroded DHW pipes or storage tanks; and
- (11) Any other condition reasonably characterized Hazardous or Substandard.

## 6.2 Minimum Standards for Potable Water

a. **General Requirements and Standard Conditions.** Water service lines shall be properly connected to a public or approved private system functioning as intended. All newly installed supply lines must be flushed and fittings tested. Privately owned wells and systems must also be tested for water quality. Testing must occur prior to commencing Rehabilitation; and must be conducted by a local health department or other qualified, unaffiliated source. Appropriate corrective measures are required for privately supplied water determined not suitable for use.

b. **Other Requirements/Conditions.**

(1) **Water Supply.** All dwellings shall have adequate, safe, and potable water supplied through a safe Plumbing System to all fixtures.

(2) **Water Quality.** Supply systems shall provide for the delivery of potable water through a safe system of piping, free from leaks and other defects and not subject to the hazards of backflow. If supplied water is not free of bacteria, chemicals, excessive minerals, relatively free of odor, taste, color and turbidity, corrective measures to improve water quality (e.g. water softening, water filtering) should be installed.

(3) **Exterior Pipe Protection.** All newly installed exterior water lines shall be buried at a minimum depth of 6" below the final grade, or be protected from freezing in accordance with local climate.

(4) **Water Pressure.** The average static pressure at the building entrance shall be between 40-80 psi. If pressure exceeds 80 psi, an approved pressure reducing device shall be installed. If pressure is less than 40 psi, a thorough evaluation shall be conducted to determine the reason(s) for low pressure and appropriate corrective measures shall be completed.

(6) **Pipes.** New supply water piping shall be type "L" copper tubing with wrought copper solder joint fittings, PEX, or CPVC. All fittings shall be compatible with pipe material. Joints between dissimilar metals shall be made with dielectric fittings to prevent joint

deterioration due to electrolysis. All piping shall be adequately supported to prevent sagging or breakage.

**(7) Valves.** The main water line shall have an accessible service shut-off valve for each building or Unit, as applicable. All hot and cold water supply lines feeding all Plumbing Fixtures shall be equipped with functional and accessible shut-off valves. Access panels for tub/shower enclosures must be provided for access to valves and maintenance, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access. All valves shall be tested and must not leak.

### 6.3 Minimum Standards for Sanitary Drainage

**a. General Requirements and Standard Conditions.** The sanitary drainage system consists of the pipes designed to provide adequate circulation of air, exhaust of sewer gasses, prevent loss of water seals in traps and provide for wastewater flowing out of the home and into an approved sewage disposal system. All fixtures shall be connected to an approved sewage disposal system and free of leaks. New sewage disposal systems shall comply with EPA and Texas Commission on Environmental Quality (TCEQ) requirements.

**b. Substandard Conditions.**

**(1) Unapproved Private Systems.** Unapproved systems include pit privies, cesspools, ponds, lakes, streams and rivers. If any of these systems are in use, they must be abandoned and the housing Unit must be connected to an approved sewer disposal system.

**(2) On-Site Sewage Facilities (OSSF).** Prior to conducting Rehabilitation, all OSSF systems shall be inspected by a licensed OSSF inspector. If not performing as intended, an existing OSSF system must be repaired, replaced, or abandoned as provided in (A)-(B):

**(A) Repair or Replacement.** If repair is suitable, the tank shall be drained and all components tested and repaired or replaced. Special attention must be given to the drainage field; tree cutting and site clearing of the field may be required and replacement made. The drainage field must be designed for the existing soil conditions and the water table at the site and installed by a licensed installer.

**(B) Abandonment.** If a public system is available to connect to, and the existing OSSF system has reached the end of its Useful Life, abandonment is required. The existing tank shall be pumped, collapsed, and filled. A licensed plumber shall connect the housing to a public system and include a clean out close to the home.

**c. Other Requirements/Conditions.**

**(1) Traps.** Bell traps, "S" traps, and drum traps are prohibited. If any of these exist, they shall be replaced with a "P" trap. All fixtures shall be trapped and conform to the requirements in (A)-(F):

**(A)** All waste lines shall be trapped by a water seal trap as near to the fixture as possible but in no case more than 24" from the fixture;

**(B)** All traps shall be set level with respect to their water seals and sink traps shall be protected from contact and damage if sinks are made accessible for individuals using wheelchairs or other mobility device(s);

- (C) Trap size shall not be less than the following inside diameters: 1 ¼" for lavatories; 1 ½" for tubs, showers, kitchen sinks and dishwashers; 2" for clothes washers and; and 3" for floor drains in utility rooms;
- (D) No trap shall be larger than the drainage pipe coming from a fixture;
- (E) Access panels shall be provided to enclosed traps and concealed connections, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access; and
- (F) Wall and ceiling openings for plumbing shall be air sealed with caulk (gap less than ¼") or expanding foam (gaps more than ¼").

**(2) Vents.** Plumbing Systems shall be designed to prevent sewer gases from entering the housing Unit(s), allow waste to adequately drain into an approved sewer system, and shall be vented to the exterior so that water released from fixtures may draw in air to allow for smooth and even drainage. All vents must also meet or exceed the requirements in (A) – (E):

- (A) All Plumbing Systems shall have at least one main vent stack, running from the main drain through the roof, terminating to the exterior. If only one main vent exists, it shall be no less than 3" inside diameter from top to bottom;
- (B) Plumbing vent systems shall only be used for the purpose of venting the system;
- (C) Existing vents shall be at a minimum 6" above the high side of the roof penetration. Newly installed vents shall be a minimum 12" above the high side. Through the roof vent penetrations shall be flashed and sealed to provide a positive drainage plain;
- (D) All vent stacks terminating in an attic shall be extended or replaced. No vent stacks shall terminate near any window or door or under soffits; and
- (E) Air admittance valves are allowed as long as they are American Society of Sanitary Engineering (ASSE) 1051-2009 approved and installed in accordance with the manufacturer's installation instructions.

#### **6.4 Minimum Standards for Plumbing Fixtures**

**a. General Requirements for Standard Conditions.** All Plumbing Fixtures shall be free of leaks or defects which interfere with their ability to perform as intended. Existing fixtures in good and safe working order are generally not required to be repaired or replaced.

**b. Other Requirements/Conditions.** Any and all replacement Plumbing Fixtures and appliances must be installed per the manufacturer's installation instructions, including water sealing, and must be completed in accordance with all applicable requirements provided in (1)-(7):

- (1) All replacement fixtures shall meet or exceed the requirements of WaterSense qualified or equivalent products. Kitchen faucets requiring replacement shall provide 2.2 gallons per minute (GPM) and a 15-year drip free warranty. The scope of work must identify the height toilet(s), whether it is round or elongated, and whether a new faucet is single lever or not.
- (2) All replacement plumbing appliances must meet or exceed the requirements of Energy Star, or equivalent, qualified products.
- (3) All replacement shower fixtures shall use anti-scald control devices. Access panels shall be provided to these valves, if possible with wall and plumbing configuration prior

to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.

**(4)** All fixtures shall be supported and securely attached in a manner consistent with normal installation methods and installed level.

**(5)** All faucets shall have the hot water line on the left side of the faucet. Existing supply lines that are reversed shall be changed.

**(6)** If existing garbage disposals are not performing as intended or are not hardwired to the electrical system, they shall be removed, repaired or replaced. New garbage disposals shall be hard wired and switched in an accessible location as close as possible to the kitchen sink.

**(7)** All repaired or replacement fixtures and appliances shall be tested for leaks and proper operation.

**6.5 Minimum Standards for Domestic Water Heaters (DWH)**

**a. General Requirements and Standard Conditions.** All DWHs, with the exception of tankless water heaters, shall have, at a minimum, a 30 gallon storage capacity that can supply a continuous flow of hot water that is at least 102 degrees F, with gas or electric shut-off valves as well as cold water supply shut-off valves, all installed and functioning as intended. Larger capacity DWHs may be installed if necessary to serve larger households. Replacement DWHs shall meet or exceed the requirements of Energy Star qualified, or equivalent, products.

**(1) Temperature and Pressure Release Valve (TPRV).** Each unit shall be equipped with a TPRV must capable of releasing pressure at 150 psi or 210 degrees Fahrenheit. Water release shall extend to the exterior of the housing, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.

**(2) DWH Enclosure.** Each DSW shall be enclosed in a sealed closet designed for this purpose, with gas DSWs having combustion air drawn from outside the conditioned space. Gas DWHs inside conditioned spaces must be in separate closets that is not in the same room as a clothes dryer or any type of exhaust vent. All DWHs installed in a garage must be installed at a minimum 18" AFF with primary drainage draining to the exterior. DWHs in other locations shall be supported by a minimum three foot concrete base, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to install a concrete base.

**(3) Energy Factors (EF) Table.** Replacement DWHs shall meet or exceed the Energy Factors (EF) requirements identified by size and type in the Energy Factors (EF) Table:

2024 Program Year Energy Factors (EF) Table		
Energy Factors (EF):	Gas DWH EF	Electric DWH EF
Replacement DSWs must meet or exceed the EF		

identified for each size in this table.		
<b>Storage Size (Gal):</b>		
30	0.63	0.94
40	0.61	0.93
50	0.59	0.92
60	0.57	0.91
70	0.55	0.90
80	0.53	0.89

## 7.0 Electrical Systems

### 7.1 Minimum Standards for General Electrical Service

**a. General Requirements and Standard Conditions.** Electrical systems must provide a safe and adequate supply of electrical current that meets the needs of the residents. Accordingly, Electrical Systems must meet or exceed the safety and efficiency requirements provided in (1)-(6), which require that the system is:

- (1) Properly grounded and free of hazards with all components properly secured and covered to prevent contact or electric shock;
- (2) In good condition, with all electrical components up to date, lacking deterioration, and free of shorts;
- (3) Sufficiently providing adequate, consistent, and appropriate current and voltage levels at each outlet, fixture, and piece of equipment, as per its intended use;
- (4) Equipped with conductors, fixtures, boxes, and equipment that are properly sized and rated for their intended use;
- (5) Adequate for its current use considering resident behavior and lifestyles;
- (6) Equipped with an adequate quantity of appropriately located lighting, receptacles, and switches; and
- (7) Maintained, repaired, or otherwise replaced primarily in accordance with the ICC Principles of Safety, Capacity, and Convenience.

**b. Substandard Conditions.** At a minimum, repair or replacement is required if any of the conditions in (1)-(17) exist:

- (1) Inadequate capacity (e.g. excessive use of power strips and/or multiple outlet adaptors);
- (2) Two-wire systems (lacking grounding);
- (3) Wiring or components missing, broken, disconnected, loose, burnt or melted, unsupported, corroded, cracked, or split;
- (4) Panel boxes that show evidence of water intrusion or infestation;
- (5) Frayed or burnt wiring or wire insulation;
- (6) Circuits, switches, receptacles, or wiring is not compatible with the amperage or other characteristics of the electricity in use;
- (7) Flexible cords are used as permanent wiring (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes);
- (8) Exposed wiring on interior walls or the exterior that are not protected in conduit or raceways (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes);
- (9) Receptacles in bathrooms and kitchens within 6' of a water source and exterior receptacles that are not ground fault circuit interrupter (GFCI) protected;

- (10) Reverse polarity;
- (11) Unlabeled circuits;
- (12) Missing cover plates;
- (13) Components not securely attached to the structure;
- (14) Inadequate lighting in rooms and outside of entry doors; or
- (15) Any other condition reasonably characterized as meeting the definition of a Hazardous or Substandard Condition.

**c. Other Requirements/Conditions.** Additions, alterations, renovations, and repairs to electrical systems and equipment must be conducted in accordance with the applicable requirements of new electrical systems and equipment by appropriately licensed electricians. Rehabilitation of existing systems and equipment is generally not simultaneously required to comply with the overlapping, otherwise applicable provisions of the IEBC. Nevertheless, any and all additions, alterations, and repairs MUST NOT cause existing electrical systems or equipment to become unsafe, hazardous, or overloaded. IBC 2015, Appendix K (Administrative Provision).

## 7.2 Minimum Standards for Existing Wiring and Fixtures

**a. General Requirements and Standard Conditions.** Existing electrical service and components must be safe, efficient, and in good working condition for its intended use. Moreover, the capacity of the system must meet the demand of the residents. Replacement is not mandatory for existing service and components that meet or exceed these Standard Conditions, unless otherwise required by code or local ordinance. Voluntary replacement may be permitted to more efficiently and cost-effectively meet the needs of the community and the current or intended demands of the residents.

**b. Substandard Conditions.** Overloaded circuits are not permitted and must be addressed by separating the load and adding an adequate number of circuits necessary to safely and efficiently carry the load.

**c. Other Requirements/Conditions.**

**(1) Secure Fastening of Fixtures and Equipment.** All components shall be securely fastened to framing members by mechanical means. No fixture or socket shall hang by unsupported wiring. All existing receptacles, switches, and junction boxes shall contain a proper cover plate. In no case shall the structural integrity of the building be compromised.

**2. New Wiring.** New wiring shall be installed in a neat and workmanlike manner with all wiring run inside of walls. If wall or ceiling cavities are not accessible, wiring shall be run in properly sized and rated raceway or wire mold, secured along the walls with proper fasteners, flush to the surface and straight.

**3. Aluminum Wiring:** All aluminum wiring in housing to be rehabilitated shall be replaced with a 3-wire system and in accordance with these Standards. Properly sized service aluminum entry wiring is generally not required to be replaced.

**4. Knob and Tube Wiring.** Knob and tube wiring shall be replaced with a 3-wire system and in accordance with these Standards.

## 7.3 Minimum Standards for Sizing of Service and All Electrical Homes

**a. General Requirements and Standard Conditions.** The service entrance cable shall have the same rating (amperage) as the meter base and service equipment. Replacement of a service entrance shall require calculation of the usage or load within the building to assist in determining the appropriate size. The service entrance must be properly sized for its intended post-Rehabilitation capacity. Room-by-room specifications noting electrical outlets and fixtures shall be included in the scope of work. Nameplate ratings of all appliances must be reviewed for actual VA ratings.

**b. Other Requirements/Conditions:**

**Main Service Panel.** Panels shall be in proper working condition with no evidence of overheating, arcing, corrosion, or failure. The panel shall bear the UL label and shall be marked as suitable for service equipment. Any panels (or installed breakers) identified as substandard by the U.S. Consumer Product Safety Commission shall be replaced. Panels with evidence of malfunction or deterioration shall be replaced.

#### **7.4 Minimum Standards for Material and Equipment Installation**

**General Requirements and Standard Conditions.** All materials, components, and equipment shall be listed or labeled by a qualified electrical products testing laboratory (e.g. "UL" or "CSA"). Listed materials, components, and equipment must be installed per the intended use, with location determined in accordance with the manufacturer's installation instructions.

#### **7.5 Minimum Standards for Grounding**

**General Requirements and Standard Conditions.** All electrical systems shall consist of a single phase 3-wire grounded neutral service entrance and shall provide system grounding and equipment grounding protection.

The service panel shall be connected to the grounding electrode system and an eight foot (8') galvanized or copper clad steel ground rod. All electrical panels shall meet or exceed the bonding requirements of the National Electrical Code (NEC).

If present, metal water pipes shall be bonded to the grounding electrode systems as a means to ground the Plumbing System and prevent pipes and fixtures from becoming energized and hazardous.

All wiring and equipment shall be grounded in accordance with the grounding requirements of the NEC.

#### **7.6 Minimum Standards for Overcurrent Protection**

**a. General Requirements and Standard Conditions.** The number of circuits installed shall not exceed the rating on the panel. The selection of a panel shall provide room for future expansion. All circuits shall be clearly, accurately, and permanently labeled with tags

provided. All unused openings shall be properly plugged, capped or sealed with listed materials.

**b. Substandard Conditions.** Tandem breakers shall only be used in panels designed for them. The use of tandem breakers in order to exceed the 16 circuits permitted on an 100 amp panel shall not be permitted. Any service equipment containing fuse over-current protection shall be replaced with properly rated circuit breaker type over-current protection devices.

**c. Other Requirements/Conditions.** Panel board over-current devices shall be properly sized and located at the exterior in a subpanel if the main service panel is in the interior. All existing circuits shall be load tested for tripping.

### **7.7 Minimum Standards for Service Panel and Sub-Panel Connections**

**a. General Requirements and Standard Conditions.** All existing or new service panels shall be securely fastened to the dwelling. All panel boxes shall be listed and enclosed in 16 gauge sheet steel cabinets with doors and catches. Conductors entering the service shall have proper connectors and shall be securely and neatly attached at terminals. All circuits shall be marked and identified inside the panel box and any sub-panels.

**b. Substandard Conditions.** Wires shall not have any obvious nicks in the insulation and shall be properly bonded. Service panels shall not be located in bathrooms or closets. When replacement is necessary, the design and location of the service panel shall be considered in conjunction with the relevant needs and desires of the residents.

**c. Other Requirements/Conditions.**

**(1) Panel Boxes.** If replacement is required, new panel boxes and subpanels must be installed at 48" AFF (as measured from the main shut off switch or to the highest breaker in the box). Relevant local code requirements will apply with regard to this measurement should this Section 7.7(c) conflict with the local code.

**(2) Weather head(s).** Weather heads shall be at least 12' above the finished grade.

**(3) Sub-panels.** Sub-panels, add-on boxes, or disconnects to existing services for additional circuits shall be allowed only if the existing service equipment is listed and designed for such extension and the installation is in compliance with the NEC. Sub-panels are allowed if the existing service panel has adequate capacity but no available expansion slots.

**(4) Service Disconnect.** The main disconnect shall be accessible and clearly marked as a service disconnect.

### **7.8 Minimum Standards for Branch Circuits**

**a. General Requirements and Standard Conditions.** Protection against physical damage of exposed electrical equipment shall be provided throughout Rehabilitation.

**b. Other Requirements/Conditions.**

**(1) Dedicated Circuits.** No less than one dedicated 20 amp circuit shall be present for each bathroom and no less than two 20 amp small appliance branch circuits serving the kitchen. A dedicated circuit shall not serve other receptacles. All 240 volt appliances or



equipment shall be on separate circuits. The number of small appliances used by the occupants shall be taken into consideration when planning the circuit loads and placement of receptacles to avoid overloading a circuit and to eliminate the use of extension cords or multiplex outlets. Additional circuits may be necessary and are allowed. Dedicated circuits are required for at least those appliances listed in subparagraphs (A) – (L) of this paragraph, if applicable and as sized in accordance with the manufacturer’s instructions:

- (A) Refrigerators;
- (B) Separate freezers;
- (C) Electric range or cook top;
- (D) Electric oven;
- (E) Clothes dryer;
- (F) Electric water heater;
- (G) Electric furnace/air handler;
- (H) Microwave oven;
- (I) Air conditioner;
- (J) Sump pumps and water wells;
- (K) Septic system aerators; and
- (L) Any other major electric appliance.

**(2) Circuit Load Distribution.** All circuit wiring shall be properly sized to serve the load.

**(3) Two-wire Systems.** All 2-wire, ungrounded wiring shall be replaced with 3-wire, grounded wiring.

**(4) Unused Switches, Receptacles, Fixtures, Conductors and Openings.** Unused switches, receptacles, fixtures, and conductors that are obtainable or otherwise within reach shall be removed. All unused openings in outlets, devices, junction boxes, conduit bodies and fittings, raceways, cabinets, and equipment cases or housings shall be effectively closed with knockout seals to prevent vermin, insects, and building materials from coming into contact with wiring.

**(5) Wire Splices.** All splices shall be placed in accessible and listed junction boxes that are properly covered.

**(6) AFCI Protected Circuits.** All newly installed branch circuits that supply 15 and 20 amp receptacles installed in family rooms, dining rooms, living rooms, parlors, libraries, dens, sun rooms, recreational rooms, closets, hallways and similar rooms or areas shall be protected by a combination type arc-fault circuit interrupter installed to provide protection of the branch circuit.

## 7.9 Minimum Standards for Receptacles

**a. General Requirements and Standard Conditions.** All replacement receptacles must be tamper resistant, and shall be listed/labeled and installed per manufacturer’s instructions. Boxes must be specifically designed for its intended purpose, properly sized (rated for the size of the circuit), and mechanically fastened with attached cover plates installed. Receptacles located in damp or we areas must be weatherproof and the wiring shall be run in boxes, conduit(s) and fittings that are listed for wet locations.

### **(1) Receptacle Locations**

**(A) All Rooms.** All habitable spaces must have receptacles. In each family room, dining room, living room, parlor, library, den, sun room, bedroom, recreation room,

or similar room or area, receptacles shall be installed so that at a minimum each wall has at least one receptacle. Receptacles shall be spaced so that at no point along the perimeter of the floor is more than 6' from a receptacle. Other rooms that are not regularly used by residents/occupants are permitted to have only a minimum of one receptacle per room. Receptacles should not be located lower than 15" above the finished floor.

**(B) Bathrooms.** All bathrooms must have at least one dedicated 20 amp receptacle outlet that is GFCI protected and located at least 3' from the outside edge of the sink. The receptacle shall be located not lower than 30" and not higher than 48" above the finished floor. Receptacles shall not be located within or directly over a bathtub or shower stall, and shall be at least 12" from the outer edge of the bathtub or shower opening.

**(C) Kitchens.** The kitchen shall have GFCI protected duplex receptacles on at least two separate 20 amp appliance circuits at the kitchen counter top spaced not more than 48" from each other. A separate dedicated, non-GFCI protected receptacle shall be required for each refrigerator and electric range or cook top, located directly behind it.

**(D) Other Exterior(s).** Exterior receptacles shall be GFCI protected and enclosed in a listed or labeled weatherproof box. One shall be required at the front of the house and one at the back.

**(2) GFCI Protection.** Receptacles located in bathrooms, kitchens, in a garage, at the exterior, and anywhere else located within 6' of a sink, shall be GFCI protected. Single use, dedicated receptacles for use by equipment and appliances such as washing machines and sump pumps shall not be GFCI protected, and shall be single, rather than duplex, receptacles when replaced.

## 7.10 Minimum Standards for Lighting

**General Requirements and Standard Conditions.** Every habitable room and all living spaces (e.g., bathroom, toilet room, laundry room, furnace or utility room, and hallways) shall be provided adequate natural or artificial lighting, as applicable, and in accordance with paragraphs (1) – (3) of this section:

**(1) Natural lighting.** Natural lighting must be provided by exterior glazed openings that generally open directly onto a public way, yard, or court. The net glazed area generally must span a minimum eight (8) foot area of the floor in the room or adjoining space served.

**(2) Artificial lighting.** Artificial lighting must provide at least an average illumination of 10 footcandles (107 lux) over an area of the room served at a height of 30 inches above the floor.

**(3) Safety lighting.** All stairways (e.g. interior within dwelling unit and exterior serving dwelling unit(s)) must be illuminated by at least one artificial light fixture controlled by a remote wall switch located at the top and bottom of the stairway.

## 7.10 Minimum Standards for Fixtures and Switches

**a. General Requirements and Standard Conditions.** All replacement fixtures shall be listed or labeled, Energy Star qualified or equivalent, and must be installed in accordance with the

manufacturer's installation instructions. If existing fixtures are in a good and safe condition, securely fastened to framing members, replacement is not required.

**b. Substandard Conditions.** No fixture or receptacle shall hang from a base by unsupported wiring.

**c. Other Requirements/Conditions.**

**(1) Fixture and Switch Locations.** At a minimum, a permanently installed lighting fixture controlled by a wall switch is required in each room of the structure. Switches shall not be located in tub/shower areas or behind the swing of a door. All new wall switches must be located in a convenient and Accessible location.

**(2) Closet Fixtures.** All light fixtures installed in closets shall be surface mounted or recessed can lights. Recessed can lights shall be Insulation Contact Air Tight (ICAT) rated or its equivalent. Closet fixtures shall be a minimum 6" away from any storage, clothing, or other items, and have a protective cover over the bulb.

**(3) Lamps (Light Bulbs).** All replacement lamps must meet or surpass the industry standards for Energy Star qualified or equivalent Compact Florescent Lamps (CFLs) or Light Emitting Diodes (LEDs). Refer to Section 4.12 (*regarding* Minimum Standards for Lighting) for additional details.

### **7.11 Minimum Standards for Smoke and Carbon Monoxide Detectors**

**a. General Requirements for Smoke Detectors.** Each dwelling shall have listed or labeled smoke detectors installed in each bedroom and in the hallway immediately adjacent to bedrooms. Smoke detectors shall draw their primary power from the electrical system, with battery backup, and without interruption except for over current protection. Smoke detectors shall be interconnected so that all detectors sound the alarm when any one senses smoke

**b. General Requirements for Carbon Monoxide Detectors.** In dwellings with attached garages and/or fuel-fired appliances, carbon monoxide detectors shall be installed. CO detectors shall be listed as complying with UL 2075 and installed outside the immediate vicinity of bedrooms. CO detectors shall be permanently installed and hard wired to the electrical system with battery backup.

## **8.0 Heating, Ventilation, and Air Conditioning (HVAC)**

### **8.1 Minimum Standards for HVAC Systems**

**a. General Requirements and Standard Conditions.** In conjunction with other systems, the HVAC system of a housing unit must effectively maintain a comfortable living environment for the residents/occupants. At a minimum, paragraphs (1) – (3) of this Section 8.1(a) require all HVAC systems:

**(1)** Provide a reliable source of heated or cooled air, as applicable, and at a comfortable temperature for all habitable rooms;

**(2)** Control ventilation and indoor air quality; and

**(3)** Be free of contaminants that negatively affect indoor air quality.

**b. Substandard Conditions.** Repair or replacement is required if any Hazardous condition applies, which include but are not limited to, those listed in paragraphs (1) - (14) of this Section:

**(1)** Lack of a steady and dependable source of heating and cooling to all living areas;

- (2) Gas-fired air handler inside the conditioned space which draws; combustion air from the interior;
- (3) Combustion gases not venting to the exterior;
- (4) Leaking, damaged, rusted or cracked heat exchanger;
- (5) Leaking, corroded or damaged gas supply pipe;
- (6) Missing gas shut-off at each appliance;
- (7) Lack of a functioning pilot or electric start;
- (8) Inadequate duct system that does not supply necessary conditioned air to all living areas;
- (9) Leaking ducts or returns;
- (10) Mismatched or poorly repaired equipment;
- (11) Deficiencies are too numerous to justify repair expenses;
- (12) Unvented gas-fired wall heaters in enclosed rooms. If existing, the wall unit shall be removed and the gas line capped;
- (13) Gas-fired kitchen stoves and/or ovens without ventilation to the exterior;
- (14) Lack of a functioning carbon-monoxide detector in homes with gas-fired appliances or equipment.

**c. Other Requirements/Conditions.**

**(1) Sizing and Selecting a New System.** Replacement heating and cooling equipment shall be sized in accordance with the current version of the Air Conditioning Contractors of America (ACCA) 16 Manual J or other approved methodology. Equipment selection shall comply with the current version of ACCA Manual S or other approved methodology. Data for heating and cooling loads shall be calculated in accordance with required post-rehabilitation conditions.

**(2) Installation.** Installation of new systems shall comply with the manufacturer's installation instructions, as appropriate for the fuel source. All replacement equipment shall have a permanent electrical receptacle, switch, light fixture near the equipment, and installed in an accessible manner so that future inspecting, maintaining, and repairing the system can be completed.

**(3) Programmable Thermostat.** A programmable thermostat shall be installed when a new heating and cooling system is installed. Upon installation, the temperature settings shall be done by the contractor, the occupants shall be educated on using the thermostat and the instructions and warranty shall be provided to the occupants. The location of the thermostat shall be in a central location and not within 3' of doors, windows, appliances, or televisions and installed not higher than 48" AFF, measured from the center of the thermostat.

**(4) Specific Requirements for Cooling Equipment.**

**(A) Climate Zones.**

**(i)** Cooling equipment in Climate Zones 2 and 3 shall be 14.5 Seasonal Energy Efficiency Ratio (SEER)/12 Energy Efficiency Ratio (EER) Energy Star qualified, or its equivalent; or alternatively, shall be a heat pump.

**(ii)** Cooling equipment in Climate Zone 4 shall be 13 SEER, or its equivalent; or alternatively, shall be a heat pump.

*\*Refer to Section 8.1(c)(3) of these Standards for details regarding Heating Equipment.\**

**(B) Indoor Air Handler.** If the indoor air handler is being replaced, the outdoor coil shall also be replaced and it shall be matched to the indoor air handler, unless the outdoor coil is in good working condition and is compatible and properly sized to the new indoor air handler.

**(5) Specific Requirements for Heating Equipment.**

**(A) Climate Zones.**

(i) Heating equipment in Climate Zones 2 and 3 shall be greater than or equal to 80% AFUE gas furnace (or its equivalent); greater than or equal to 8.2 HSPF/14.5 SEER/12 EER air-source heat pump, Energy Star qualified with electric backup (or its equivalent); or alternatively, shall be a ground-source heat pump, Energy Star qualified (or its equivalent).

(ii) Heating equipment in Climate Zone 4 shall be greater than or equal to 90% AFUE gas furnace (or its equivalent); greater than or equal to 8.5 HSPF/14.5 SEER/12 EER air-source heat pump, Energy Star qualified with electric backup (or its equivalent); or alternately, shall be a ground-source heat pump, Energy Star qualified (or its equivalent).

## **8.2 Minimum Standards for the Distribution System.**

**a. General Requirements and Standard Conditions.** The distribution system (e.g. ductwork) must provide an adequate supply of conditioned air to each habitable room, as well as an adequate amount of return air from each habitable room. Existing distribution systems must be inspected to determine whether the system is operating efficiently, properly balanced, and adequately supplying conditioned air -- as this is required for all habitable rooms.

### **b. Other Requirements/Conditions.**

**(1) Duct Cleaning.** If the distribution system is dirty, but is otherwise operating effectively, duct cleaning is required. This requires complete duct sealing by mechanical means and with duct mastic (so as to adequately eliminate the source of dirt and debris entering the system). Duct cleaning must include all dryer vents.

**(2) Replacement and Relocation.** Replacement shall ensure all newly installed distribution systems are sized per the current version of the ACCA Manual D (or other Agency-approved methodology). Every effort should be made to relocate the replacement distribution system to the conditioned space through the installation of dropped soffits. If this is not possible, locating the distribution system in the attic shall require mechanical fastening, sealed with duct mastic, and insulated to R-8. Distribution systems shall not be located at the exterior of the home exposing the system to the elements

**(3) Installation.** Connections and routing of new ductwork shall be completed without kinks or sharp bends and without excessive coiled or looped flexible ductwork. All connections shall be mechanically fastened, sealed with mastic, and properly supported. Runs shall be insulated to R-8 if installed in unconditioned space.

**(4) Room Pressurization.** Room pressure balancing systems are recommended. Unbalanced distribution systems require transfer grills or jumper ducts to be installed to provide balance with rooms when doors are closed (with respect to the rest of the housing unit). Undercutting doors is prohibited.

## **8.3 Minimum Standards for Ventilation and Indoor Air Quality**

**a. General Requirements and Standard Conditions.** At a minimum, sufficient ventilation must be provided so as to ensure adequate, continuous, non-contaminated air circulation throughout the Development.

### **b. Additional Requirements/Conditions.**

**(1) Exhaust fans.** Exhaust fans shall comply with or exceed the applicable requirements in 2012 IRC, Chapter 15, and must be at least Energy Star qualified (or its equivalent). All bathroom, toilet rooms, and kitchen fans shall exhaust to the exterior (either through the

roof or a gable wall), be mechanically fastened, sealed with duct mastic, insulated to R-6, and have a mechanical damper. Flashing shall be installed to provide a positive drainage plain. Flex duct terminating at a gable vent is prohibited.

**(A) Bathroom and Toilet Room Exhaust Fans.** All bathrooms and toilet rooms must be ventilated by exhaust fans (vented to the outside) unless an operable window is present. If a continuous fan is installed, it shall be greater than or equal to 20 cfm. Intermittent fans shall be greater than or equal to 50 cfm. Neither shall exceed 1.5 sones. Bathroom exhaust fans shall be installed on a dedicated GFCI protected circuit. Light kit, night light, and/or a heating element may be included with exhaust fans. Combustion appliances venting to the exterior shall not be located in bathrooms.

**(B) Kitchen Exhaust Fans.** Kitchens require mechanical exhaust fan(s) (e.g. kitchen range hoods) be installed unless adequately ventilated by an existing and operational exhaust fan (vented to the outside). If a continuous fan is installed, it shall be greater than or equal to 5 cfm. Intermittent fans shall be greater than or equal to 100 cfm.

**(C) Garage Exhaust Fans.** If a garage is attached to a Unit (e.g. sharing a common wall), then a UL listed exhaust fan shall be installed in the garage and connected to the operation of the garage door. The exhaust fan must at least turn on when the door is opened and off after 20 minutes.

**(2) Supply Air.** If supply air is installed and connected to the return plenum, subparagraphs (A) - (D) of this paragraph shall apply, which requires:

**(A)** Supply air inlets must not be located within 10 linear feet from known contamination sources such as stacks, vents, exhaust hood, or vehicle exhaust;

**(B)** Rodent and insect screens must be installed;

**(C)** Ventilation must come directly from the outdoors and not from adjacent dwelling units, garages, crawlspaces, or attics; and

**(D)** The duct must be mechanically fastened, sealed with duct mastic, insulated to R-6, and shall have a mechanical damper.

## **Mandatory Development and Unit Standards**

### **Health and Safety**

NHTF-assisted housing must be free of all health and safety defects, must meet minimum standards of habitability and functionality, and all inspected items with an observed deficiency must be corrected. Additionally, NHTF-assisted housing is subject to the requirements in 24 CFR §93.301(b)(1)(i) regarding identifying life-threatening deficiencies, which must be addressed immediately if the housing is occupied at the time of rehabilitation.

### **Lead-Based Paint**

NHTF-assisted housing is subject to the regulations at 24 CFR Part 35, subparts A, B, J, K, and R regarding lead-based paint poisoning prevention in residential structures. Applicants, developers, and builders of any project requiring the rehabilitation of structures built prior to 1978 must read, fully understand, and comply with 24 CFR Part 35, subparts A, B, J, K, and R. Inspection and testing for lead-based paint must be completed prior to determination of the scope of rehabilitation, a copy of the inspection and testing report must be provided as part of the work write-up.

### **Accessibility & Visitability**

NHTF-assisted housing must meet the accessibility requirements of 24 CFR Part 8 (implementing Section 504 of the Rehabilitation Act of 1973) and Titles II and III of the Americans with Disabilities Act (implemented at 28 CFR Parts 35 and 36), as applicable. “Covered multifamily dwellings”, as defined at 24 CFR §100.201, must also meet applicable design and construction requirements at 24 CFR §100.205 (implementing Fair Housing Act). Other required accessibility and visitability features are further described in 10 TAC Chapter 1, Subchapter B, and 10 TAC §11.101(b)(8).

### **Disaster Mitigation**

Where relevant, NHTF-assisted housing must be improved to mitigate the impact of potential disasters, in accordance with applicable State and local codes, ordinances, and requirements, in addition to the Uniform Physical Condition Standards or other requirements established by HUD.

### **Broadband Infrastructure**

HTF-assisted housing must provide for the installation of broadband infrastructure to be completed in accordance with 24 CFR §93.301(b)(2)(vi) and at no charge to the residents. 10 TAC §11.101(b)(4)(A).

### **Environmental Requirements**

HTF-assisted housing must meet the minimum environmental requirements in 24 CFR §93.301(f)(2).

### **Development and Unit Amenities**

Housing improvements beyond those described in these Standards must include all applicable amenities and energy and water efficiency features in accordance with 10 §TAC 11.101(b)(4), (5), and (6), as amended.

## **Inspections, Construction Documents, & Compliance (24 CFR §93.301(b)(2)-(3))**

### **Inspections**

All NHTF-assisted rehabilitation projects must comply with TDHCA written inspection procedures. TDHCA will conduct initial, mid-progress, and final inspections during construction to identify any deficiencies that must be addressed and ensure that all work is in accordance with approved standards, as applicable. *See*, 24 CFR §93.301(b)(3). TDHCA is responsible for initial and ongoing on-site inspections for rental housing during the affordability period. *See*, 24 CFR §§93.301(b)(3) and 93.301(e); *see also*, 10 TAC §13.11(Post-Award Requirements).

### **Work Write-Ups**

Each repair should be detailed as required through the use of plans, drawings, specifications (conforming to the MasterFormat work write-ups). At a minimum each repair should be detailed in a work write up that specifies the location, required demolition, and methods and materials with enough detail to determine the desired outcome or finished product. Work-write ups can reference plans and specifications as needed but must be detailed enough to complete repairs. Moreover, work write-ups must comply with State and local codes, ordinances, requirements, and TDHCA standards.

### **Cost Estimates**

Written Cost Estimates are required for all NHTF-assisted rehabilitation projects. Cost estimates must be reasonably prepared and submitted to the Department for approval in accordance with Title 10, Part 1, Chapter 10 of the Texas Administrative Code and these Standards. *See*, 24 CFR 93.301(b)(2) and (3); *see also*, 10 TAC §13.11(Post-Award Requirements)(regarding documents that must be submitted to the Department for review and approval prior to loan closing).

### **NHTF Annual Auditing, Recordkeeping, and Certifications**

NHTF-assisted housing must comply with the auditing, recordkeeping, and cost certification requirements of 24 CFR §93.406 and 24 CFR §93.406.



## Scope of Work and Post-Rehabilitation Standards

### **National Standards for the Physical Inspection of Real Estate (NSPIRE)**

All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the entire Affordability Period. 10 TAC §10.621; To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units are functionally adequate, operable, and free of health and safety hazards. 24 CFR §5.703.

At a minimum, NHTF-assisted housing must comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE)], as found in 24 CFR §5.705 and further provided for in 24 CFR §5.703. Developments must also comply with all local health, safety, and building codes; ordinances; and zoning requirements. Developments in jurisdictions without applicable State or local building codes must adhere to the International Existing Building Code (IEBC), and where the International Building Code (IBC) of the International Code Council in addition to the UCPS. Refer to **Appendix A: National Standards for the Physical Inspection of Real Estate (NSPIRE)** for additional details.

### **AND**

### **Scope and Cost Review (SCR)**

This report is required for NHTF-assisted Rehabilitation Developments. The SCR Report must be prepared in accordance with 10 TAC §11.306 (relating to Scope and Cost Review Guidelines) and submitted as required under 10 TAC §11.205(3)(relating to Scope and Cost Review (SCR)). Importantly, the report must be accompanied by the Department's SCR Supplement in the form of an excel workbook as published on the Department's website. Refer to **Appendix B: Scope and Cost Review (SCR)** for additional details.

### **AND**

### **Capital Needs Assessment (CNA)**

All NHTF-assisted Rehabilitation Developments must also submit a capital needs assessment (CNA) estimating the useful life of each major system. 10 TAC §11.205(3). The CNA shall determine the work to be performed and identify the long-term physical needs of the project. 24 CFR §93.301(b)(1)(ii). Moreover, the assessment must include a comparison between the local building code and no earlier than the 2015 version of the IEBC of the International Code Council. 10 TAC §11.205(3). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must be established with adequate monthly payments made to repair or replace the systems as needed. See, 24 CFR §93.301(b)(1)(ii); *see also*, 10 TAC §10.404 (Reserve Accounts).

In addition to the minimum CNA requirements, the Report must be accompanied by the Department's SCR Supplement in the form of an excel workbook as published on the Department's website. 10 TAC §11.205(3)(relating to Scope and Cost Review(SCR)). Refer to **Appendix C: Capital Needs Assessment (CNA)** for additional details.

**APPENDIX TO  
2024 NHTF MINIMUM REHABILITATION STANDARDS**

## APPENDIX A: National Standards for the Physical Inspection of Real Estate (NSPIRE)

### Introduction

All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the entire Affordability Period. 10 TAC §10.621; To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units are functionally adequate, operable, and free of health and safety hazards. 24 CFR §5.703. This requires that, at a minimum, NHTF-assisted housing comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) provided in 24 CFR Part 5, Subpart G.

Importantly, the NSPIRE is a minimum threshold requirement for NHTF-assisted housing. Developments are still responsible for complying with applicable local health, safety, and building codes; ordinances; and zoning requirements. Even Developments in jurisdictions without applicable State or local building codes must still comply with the 2012 International Existing Building Code (IEBC) in addition to the NSPIRE.

### NSPIRE Compliance Inspections

The Department's Compliance Division or its Affiliate(s) is responsible for conducting NSPIRE inspections of NHTF-assisted multifamily developments. See §200.853. Inspection frequency will be determined using the scoring and ranking methodology of HUD's Real Estate Assessment Center (REAC). See §200.857(a) – (b). Unless otherwise determined by the Department, NSPIRE Inspections will be conducted once every three years during the Affordability Period.

During an Inspection, observable deficiencies for inspectable items will be identified for all major areas of NHTF-assisted rehabilitated housing, including the **(1) Inside; (2) Outside ; (3) Units ; and (4) Health and Safety Considerations**. Correcting deficiencies is an important part of the Applicant/Borrower's ongoing responsibility to maintain the physical state of the Development so that it is decent, safe, sanitary, and in good repair. This responsibility must be maintained throughout the entire Affordability Period.

**Depending on the type of Deficiency identified, the responsibility to address and remedy Deficiencies may either be (1) immediate or (2) completed with the project's scope of work.**

- 1. Severe and Life Threatening Deficiencies (LTD)** are identified in the Exigent Health and Safety Report(s) and require immediate attention or remedy. **For projects involving the acquisition or rehabilitation of occupied housing, Severe and Life Threatening Deficiencies MUST be immediately addressed AND remedied.** Severe and Life Threatening Deficiencies include, but not are limited to, the following (categorized by Severe and Life-Threatening deficiencies):
  - **Life-Threatening:**Call-for-aid system is blocked, or pull cord is higher than 6 inches off the floor
  - Call-for-aid system does not function properly
  - Carbon monoxide alarm is missing, not installed, or not installed in a proper location
  - Carbon monoxide alarm is obstructed
  - Carbon monoxide alarm does not produce an audio or visual alarm when tested
  - Chimney exhibits signs of structural failure

- Chimney is incomplete or damaged such that it may not safely contain fire and convey smoke to the exterior
- Electric dryer exhaust ventilation system has restricted airflow
- Gas dryer exhaust ventilation system has restricted airflow
- Electric dryer transition duct is detached or missing
- Gas dryer transition duct is detached or missing
- Electric dryer exhaust ventilation system has restricted airflow
- Dryer transition duct is constructed of unsuitable material
- Entry door is missing
- Fire labeled door is missing
- Obstructed means of egress
- Sleeping room is located on the 3rd floor or below and has an obstructed rescue opening
- Outlet or switch is damaged
- Exposed electrical conductor
- Water is currently in contact with an electrical conductor
- The overcurrent protection device is damaged
- Exit sign is damaged, missing, obstructed, or not adequately illuminated
- Fire escape component is damaged or missing
- Fire extinguisher pressure gauge reads over or under-charged
- Fire extinguisher service tag is missing, illegible, or expired

**Severe:**

- Fire extinguisher is damaged or missing
- Flammable or combustible item is on or within 3 feet of an appliance that provides heat or a fuel-burning water heater OR Improperly stored chemicals
- Guardrail is missing or not installed
- Guardrail is not functionally adequate
- Unvented space heater that burns gas, oil, or kerosene is present
- Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance
- Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing
- The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit
- Unvented space heater that burns gas, oil, or kerosene is present
- Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance
- Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing
- Natural gas, propane, or oil leak
- Presence of mold-like substance at extremely high levels is observed visually
- Smoke alarm is not installed where required
- Smoke alarm does not produce an audio or visual alarm when tested
- Smoke alarm is obstructed

- Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head
- Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance
- Sprinkler assembly has evidence of corrosion
- Sprinkler assembly has evidence of foreign material that is detrimental to performance
- Structural system exhibits signs of serious failure
- Only 1 toilet was installed, and it is missing
- Chimney or flue piping is blocked, misaligned, or missing
- Gas shutoff valve is damaged, missing, or not installed
- Only 1 bathtub or shower is present and it is inoperable or does not drain
- Ceiling component(s) is not functionally adequate
- Cooking range, cooktop, or oven does not ignite or produce heat
- A microwave is the primary cooking appliance and it is damaged
- Entry door is missing
- Entry door will not close
- Entry door cannot be secured
- Fire labeled door does not open
- Fire labeled door does not close and latch or the self-closing hardware is damaged or missing such that the door does not self-close and latch
- Fire labeled door assembly has a hole of any size or is damaged such that its integrity may be compromised
- Fire labeled door seal or gasket is damaged or missing
- An object is present that may prevent the fire labeled door from closing and latching or self-closing and latching
- Fire labeled door cannot be secured
- Three prong outlet not properly wired or grounded
- Outlet does not have visible damaged and testing indicates it is not energized
- Testing indicates a three-pronged outlet is not properly wired or grounded
- GFCI outlet or GFCI breaker is not visibly damaged and the test or reset button is inoperable
- AFCI outlet or AFCI breaker is not visibly damaged and the test or reset button is inoperable
- An unprotected outlet is present within six feet of a water source
- The overcurrent protection device is contaminated
- Heating system or device safety shield is damaged or missing
- The inspection date is on or between October 1 and March 31 and the permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit
- Heating system or device safety shield is damaged or missing
- Extensive rat infestation
- Extensive cockroach infestation
- Extensive bedbug infestation
- Extensive mouse infestation
- Extensive rat infestation
- Blocked sewage system

- Leak in sewage system
- Auxiliary lighting is damaged, missing, or fails to illuminate when tested
- Presence of mold-like substance at high levels is observed visually
- 

2. **Moderate and Low Deficiencies** generally include all other observable deficiencies. Any and all Moderate and Low Deficiencies must be completed with a project's scope of work and thus corrected prior to project completion. Moderate and Low Deficiencies include but are not limited to those listed as "Mod" or "Low Deficiencies" in ***Attachment A – TDHCA National Standards for the Physical Inspection of Real Estate (NSPIRE Checklist)***.

#### **Required Documentation**

All NHTF-assisted multifamily housing must complete and timely submit the ***TDHCA National Standards for the Physical Inspection of Real Estate (NSPIRE Checklist)*** to the Department for review and approval.

## **APPENDIX B: Scope and Cost Review (SCR) (10 TAC §11.205(3); 10 TAC §11.306)**

### **Introduction**

All NHTF-assisted Developments (excluding Reconstruction) must submit a Scope and Cost Review (SCR) Report. The SCR must meet the minimum requirements provided in 10 TAC §11.306 (relating to Scope and Cost Review Guidelines) and 10 TAC §11.205(3)(relating to Required Third Party Reports: Scope and Cost Review). Pursuant to 10 TAC §11.306(a), the objective of the SCR is to provide a self-contained report that comprehensively details and evaluates the current conditions of the Development, and identifies a scope of work for the proposed repairs, replacements, and improvements to an existing multifamily property.

### **Scope and Cost Review Guidelines**

The SCR author must evaluate the sufficiency of the Applicant's scope of work and provide an independent review of the Applicant's proposed costs. It is the Applicant's responsibility to ensure the scope of work and cost estimates (including the Development Cost Schedule) submitted in the Application are provided to the author, as these must also be included in the SCR Report. Importantly, the report should be in sufficient detail for the Underwriter to fully understand all current conditions, scope of work and cost estimates. The report must also include the following statement, "any person signing this Report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law." 10 TAC §11.306(a).

Under 10 TAC §11.306(b), the SCR must include analysis in conformity with the American Society for Testing and Materials (ASTM) "Standard Guide for Property Condition Assessments. Baseline Property Condition Assessment Process (ASTM Standard Designation: E 2018)," unless the exceptions in 10 TAC §11.306(f) or (g) apply. Moreover, 10 TAC §11.306(c) requires good quality color photographs of the subject Real Estate (front, rear, and side elevations, on-site amenities, interior of the structure) be included. Photographs should be properly labeled. Photographs of the neighborhood, street scenes, and comparables must also be included.

**Discussion and analysis must be provided for 10 TAC §11.306(d)(1) – (8). This includes, but is not limited to, discussion and analysis of:**

- (1) Descriptions of Current Conditions;**
- (2) Descriptions of Scope of Work;**
- (3) Useful Life Estimates;**
- (4) Code Compliance;**
- (5) Program Rules;**
- (6) Accessibility Requirements;**
- (7) Reconciliation of Scope of Work and Costs; and**
- (8) Cost Estimates.**

Any costs not identified and discussed in sufficient detail in the SCR as part of 10 TAC §11.306(d)(6), (d)(8)(A), and (d)(8)(B) will not be included in the underwritten Total Development Cost in the Report.

### **Third Party, Unrelated, and Nonaffiliated Author(s)**

The SCR shall be conducted by a Third Party at the expense of the Applicant, and addressed to Texas Department of Housing and Community Affairs as the client. Copies of reports provided to the Department which were commissioned by other financial institutions should address the Texas Department of Housing and Community Affairs as a co-recipient of the report, or letters from both the provider and the recipient of the report should be submitted extending reliance on the report to the Texas Department of Housing and Community Affairs. 10 TAC §11.306(h).

The SCR report must also include a statement that the individual and/or company preparing the SCR report will not materially benefit from the Development in any other way than receiving a fee for performing the SCR. Because of the Department's heavy reliance on the independent cost information, the provider must not be a Related Party to or an Affiliate of any other Development Team member. The SCR report must contain a statement indicating the report preparer has read and understood the requirements of 10 TAC §11.306 (esp., §11.306(i)).

### **Health and Safety Recommendations**

Any recommendations made in the SCR regarding health and safety, life expectancy of major systems (structural support; roofing; cladding and waterproofing; plumbing; electrical; and heating, ventilation, and air conditioning) must be implemented. 10 TAC §13.9(1); 24 CFR §93.301(b)(1)(ix) (requiring an estimate (based on age and condition) of the remaining useful life of these systems be conducted upon project completion of each major system). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must provide adequate monthly payments, so as to repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ix).

For properties originally constructed prior to 1978, the SCR and rehabilitation scope of work must be provided to the party conducting the lead-based paint and/or asbestos testing. 10 TAC §13.9(2). The rehabilitation must implement the mitigation recommendations of the testing report. 10 TAC §13.9(2).

### **Required Documentation**

#### ***Attachment B – TDHCA Scope and Cost Review (SCR Supplement)***

The SCR must include the Department's Scope and Cost Review Supplement (SCR Supplement) in the excel form published on the Departments website (and attached for reference purposes). The purpose of the SCR Supplement is to consolidate and show reconciliation of the scope of work and costs of the immediate physical needs identified by the SCR author with the Applicant's scope of work and costs provided in the Application. The consolidated scope of work and costs shown on the SCR Supplement will be used by the Underwriter in the analysis, as it details the projected repairs and replacements through at least thirty (30) years.



## **APPENDIX C: Capital Needs Assessment (CNA) (24 CFR §93.301(b)(1)(ii))**

### **Introduction**

All NHTF-assisted Rehabilitation Developments must also submit a capital needs assessment that estimates the useful life of each major system. The CNA will determine the work to be performed and identify the long-term physical needs of the project. 24 CFR §93.301(b)(1)(ii). If the remaining useful life of one or more major system is less than the applicable period of affordability, a replacement reserve must be established with adequate monthly payments made to repair or replace the systems as needed. 24 CFR §93.301(b)(1)(ii).

Importantly, the CNA must adhere to all applicable requirements of 10 TAC §11.205(3)(relating to Required Third Party Reports), including being accompanied by the Department's SCR Supplement in the excel form published on the TDHCA website (and attached to these Standards for reference purposes).

### **Capital Needs Assessment Guidelines**

The CNA must be completed by an independent, Third Party engineer or architect approved by the Department. The performing engineer or architect must:

- conduct an interview with the appropriate onsite Development personnel (e.g. property management, maintenance personnel) to assess prior, ongoing or chronic repairs, maintenance issues, and deficiencies;
- complete an onsite visit and physical inspection of both the interior and exterior units and structures on the property;
- analyze and provide recommendations regarding the presence of environmental hazards and potential efficiency or other mitigation considerations, in accordance with these standards;
- analyze and provide recommendations as to the reasonability of the proposed budget as it relates to the work to be performed, including but not limited to an analysis of the: (1) Development Site; (2) Structural Systems; (3) Interior Systems; and (4) Mechanical, Plumbing, Electrical, HVAC, and Safety (e.g. fire protection, elevator requirements, safety lighting) Systems and related requirements; and
- depending on the aforementioned determinations, the assessment must assess and provide recommendations regarding the proposed budget as it relates to the conclusions of the assessment. Moreover, any and all components of major systems reaching the end of their useful life or otherwise bearing critical conditions, must be identified. If the remaining useful life of any major system is less than 50% of the expected useful life, immediate rehabilitation (replacement or repair, as appropriate) is required. If the remaining useful life of any component of the major systems is less than the term of the affordability period, replacement reserves with adequate payments being made as required to finance future repair(s) or replacement(s) is required.

### **Required Documentation**

***Attachment B – TDHCA Scope and Cost Review (SCR Supplement)(as detailed in APPENDIX B).***

**ATTACHMENTS TO  
2024 NHTF MINIMUM REHABILITATION STANDARDS**

**ATTACHMENT A: National Standards for the Physical Inspection of Real Estate (NSPIRE Checklist)** (available as posted on the TDHCA website at <https://www.tdhca.texas.gov/physical-inspections> and as may be amended from time to time.

**ATTACHMENT B: Scope and Cost Review Cost Schedule (SCR Supplement)**(available as posted on the TDHCA website at <https://www.tdhca.texas.gov/real-estate-analysis> and as may be amended from time to time.