

# City of Columbia

## **2015 HOME Investment Partnerships Program Application Guidelines**



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## Background

These guidelines will serve as a road map making an application for HOME Partnership Program (HOME) funds for the City of Columbia (COC). It also contains the application process and program objectives.

HOME was created under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990. The City's HOME program is designed to promote partnerships among HUD and other federal entities, City/local governments, and those in the nonprofit and for-profit sectors who build, own, manage, finance, and support low income housing initiatives. HOME provides the flexibility needed to fund a wide range of low income housing initiatives through creative and unique housing partnerships. As the designated administrator of the City's HOME program, the city has specifically designed the HOME Program to meet the needs of low to moderate income south Carolinians to be in accordance with the HOME regulations 24 CFR Part 92.

As the Participation Jurisdiction (PJ) the City will continue to ensure that HOME funds are distributed in a manner that is reasonably equitable within the city limits. The 2014 Action Plan reflects the priorities of the city as set forth in the City's current consolidated plan. Our mission is to create quality affordable housing opportunities for the citizens of Columbia. More specifically, our goal is to promote partnerships with various banking institutions, nonprofits, for-profit organizations, and the Public Housing Authority (PHA). Our purpose is to work with these partners to increase awareness of the HOME Program while increasing housing quality and capacity citywide.

## Funding Available

In 2015, the City will administer a total of approximately \$2,509,336 in HOME funds. This amount consists of the 2015 anticipated HUD allocation of \$426,100, the anticipated 2015 HOME program income of \$1.2 million and \$883,236 in prior years funding (2010, 2011 and 2012).

The City shall distribute its 2015-2016 HOME Program funds to eligible entities for affordable housing projects within the city limits. The City has a total of **\$1,500,000** in HOME funds available for eligible competitive **affordable rental (new construction or rehabilitation)** projects or **affordable homeownership opportunities**.

## HOME Program Design

The City administers the HOME Program and provides opportunities for funding to CHDO's, non-profits and for-profit for eligible affordable housing projects. The City will administer the HOME Program in a manner that will address the needs of very low and low-income persons, special needs groups, with an emphasis on targeted areas that are referenced in the City's Consolidated Plan.

Distribution of 2015-2016 HOME funds will be consistent with the priorities identified in the City's Consolidated Plan. The City's five-year housing goals are as follows:

1. Increase decent, safe and affordable housing for Columbia citizens
2. Revitalize neighborhoods and improve quality of life
3. Provide financial assistance to prevent homelessness and provide housing and supportive services for the homeless
4. Create jobs and business redevelopment to stimulate economic development
5. Provide permanent housing for persons living with HIV/AIDS
6. Provide financial assistance to prevent homelessness for persons living with HIV/AIDS
7. Provide quality supportive services to assist clients with achieving and maintaining housing stability

## Rental Activity

Home's rental activity will impact living conditions for citizens who cannot participate in homeownership opportunities, but nonetheless deserve affordable housing opportunities. Rental options are designed to create a leveraging vehicle to compliment other rental housing programs, such as Housing Trust Fund (HTF), Community Development Block Grant (CDBG), LIHTC, Federal Home Loan Bank etc., in an effort to ensure project feasibility. Forms of financial assistance

may include: a) loans – interest bearing and deferred payable: b) grants (for eligible recipients); and c) other forms approved by HUD. A specific outline of how the City will encourage the implementation for rental activities is provided as Attachment A “**PROJECT Threshold & Criteria Requirements**”.

### **Homeownership Activity:**

HOME funds for homeownership activities can be used towards acquisition with rehabilitation or new construction. For acquisition with rehabilitation and new construction the housing must have an estimated value after rehabilitation that does not exceed 95% of the median purchase price for the area. All HOME funds used for homeownership assistance must benefit homeowners whose family income does not exceed 80 percent of the area median income. In addition, the activity must meet the following requirements:

- The assisted housing must be the owner's principal residence.
- The City is required to enforce resale provisions that safeguard the property's continued affordability or recapture all or part of the HOME subsidy invested.

The City of Columbia Community Development Department offers the City “Housing Loan Program” as a form of financial assistance for homebuyer activities according to the particular needs of the program's target participants. The “Housing Loan Program” offers low down payment, NO Private Mortgage Insurance and below market interest rates.

### **Application Process:**

Competitive applications for rental and homeownership activities will be accepted beginning on March 25, 2015 through Friday, April 17, 2015. All applications must be received no later than 5:00 pm, Eastern Standard Time, on Friday, April 17, 2015. Applications received after the deadline will not be considered **and will not be returned to the applicant.** A HOME Application Workshop is conducted for persons interested in participating in the HOME Program. At this workshop, application requirements and HUD federal requirements are reviewed. The goal is to familiarize potential applicants with the HOME application, requirements and regulations, as well as provide an opportunity for questions and answers. Attendance at the HOME Application workshop is strongly encouraged but not mandatory. The Application Workshop will be held on Wednesday, March 25, 2015 at Earlewood Park 1113 Parkside Drive, Columbia SC 29203. The workshop hours are 10:00am – 12:00noon.

Applications must meet the minimum HOME threshold requirements prior to being rated and ranked for competition. Applications not meeting the threshold requirements will be eliminated. The City will then evaluate remaining eligible applications to determine which will be recommended for HOME funding.

### **Award Process:**

Once recommendations for funding have been finalized, participants receiving an award are provided a reservation letter which serves as the initial notification of a HOME award. An Environmental Review is conducted on each of the HOME reservation of awards. When the Environmental Review process is completed and approved HOME Agreements are created which outline and specify HOME regulatory requirements as well as City's established requirements that must be adhered to. Agreements are established for a twelve month period. The requirements and performance standards found in the Agreements are reviewed in detail at the City's HOME Implementation Workshop and contained within this document.

### **Implementation Process:**

Participants awarded HOME funds are required to meet with Community Development Staff and/or the Housing Loan Committee which further reviews federal, State and City requirements, procedures, and processes. Topics discussed include: the project schedule, how to request HOME funds, the construction inspection process, reporting requirements, applicable federal requirement, and project close-out. The implementation schedule ensures timeframes are met to successfully complete projects within the Agreement period. Throughout the course of construction or rehabilitation, each

HOME rental project receives a minimum of three site visits, rental projects are visited at the start of the project, during construction, and at project completion.

Applicable federal regulations are reviewed and appropriate forms provided to HOME participants who include Davis-Bacon, Section 3, Minority and Woman Owned Business, and 504 handicapped assessable requirements. Quarterly reports are required in order to monitor the project's progress during the agreement period. Project completion forms initiate the close out process and are submitted once projects have met all development requirements.

## Monitoring:

The City will assume the monitoring responsibility for all HOME activities funded with the City allocation. HOME *rental* projects receive an initial monitoring review during the lease-up period which serves not only as a monitoring review but provides the HOME participant/owner with technical assistance and guidance to ensure that the affordability requirements are adhered to for future monitoring visits. HOME participants/owners are required to annually review rent, utility allowances and tenant incomes. Ongoing project monitoring will be managed by the City's Compliance Monitoring Division. Project compliance is based on HOME regulatory requirements found at 24 CFR par 92.504 d (1).

## Affirmative Marketing & Outreach to Minority & Women Businesses

Affirmative marketing procedures for fiscal year 2015-2016 will follow the procedures and regulations as noted in Appendix B. Additionally the City certifies that is HOME Program will conform to the requirements of the following Acts and Executive orders.

A. Fair Housing Act	24 CFR 100
B. Executive Order 11063 (Equal Opportunity in Housing)	24 CFR 107
C. Title VI Civil Rights Act – 1964 (Nondiscrimination in Federal programs)	24 CFR 1
D. <i>Age Discrimination Act – 1975</i>	24 CFR 146
E. Sect. 504 Rehabilitation Act-1973	24 CFR 8
F. Executive Order 11246 (Equal Employment Opportunity)	41 CFR 60
G. Section 3 of the Housing and Urban Development Act of 1968	24 CFR 35
a. Executive Order 11625	
b. Executive Order 12432	
c. Executive Order 12138	
I. Site and Neighborhood Standards	24 CRR Part 938

The City further certifies that in accordance with Section 281 of the National Affordable Housing Act procedures have been established to oversee a minority outreach program.

The following guidelines are provided for utilization by recipients of the HOME funds to implement outreach programs to ensure the inclusion, to the maximum extent possible, of entities owned by minorities and women. These are basic outreach activities and are not all inclusive actions the City or its recipients may take.

1. Develops a systematic method for identifying and maintaining an inventory of certified minority and women's business enterprises (MBEs and WBEs), their capabilities, services, supplies and /or products;

2. Utilizes the local media to market and promote contract business opportunities for MBEs and WBEs;
3. Develops materials (fact sheet; program guides, procurement forecasts, etc.) on contract/subcontract opportunities for MBEs and WBEs;
4. Develops procurement procedures for MBEs and WBEs to participate as vendors and suppliers of goods and services;
5. Sponsors business opportunities, conferences, seminars, etc., with minority and women business organizations;
6. Maintains centralized records when MBEs and WBEs have been utilized as contractor/subcontractors in HUD-assisted program activities.

## **Appendix A – Affirmative Marketing Procedures**

The City's affirmative marketing policy shall consist of the following elements:

### **Informing the Public/Owners/Prospective Tenants**

The City will employ several methods for informing the public, owners and potential tenants about the recipient's applicable federal fair housing laws and the HOME Program's affirmative marketing policy. Acceptable methods may include, but are not limited to: providing a copy of this policy to property owners and tenants, including the elements of the policy in all media releases, using the Equal Housing Opportunity logo and slogan in all media releases, and explaining the policy in general to the media, property owners, and tenants involved with the HOME Program.

Each property owner must follow the recipients' affirmative marketing policy. The policy clearly specifies or suggests activities such as the use of commercial media to advertise vacant units, local community contacts for potential tenants, or the use of the Equal Housing opportunity logo or slogan. The policy also clearly defines the recordkeeping obligations of the property owner.

### **Requirements and Practices for Owners and Special Outreach Efforts**

Owners must use affirmative marketing policies that inform and solicit applications from eligible persons in the housing market area, who are not likely to apply as defined in general as those who are not the race/ethnicity of the residents of the neighborhood in which the unit is located. Such procedures may include, but are not limited to: the use of community organizations, churches, employment centers, fair housing groups, Public Housing Authorities, or housing counseling agencies specifically chose because they provide services to, or have as member, persons in the group or groups least likely to apply. The policy should clearly specify who is responsible for the various necessary activities.

### **Recordkeeping**

The City will require that its HOME recipients maintain records of efforts taken by the recipient and owners to affirmatively market units, and also utilize those records to assess the results of these actions.

### **Assessment of affirmative Marketing Efforts**

The recipient will ensure owners compliance with affirmative marketing requirements by use of an agreement that shall be binding for specific periods of time (affordability period) from the date of completion.

Each recipient will be required to comply with the City affirmative marketing procedures described above as well as maintain the required records and reports in accordance with 24 CFR 92.351. The City will review and approve the affirmative marketing efforts and monitor each recipient's performance in order to ensure compliance. The affirmative

marketing performance of recipients may be used as a factor in approving future HOME awards. . (Must complete HUD Affirmative Fair Housing Marketing Plan (AFMP) – See Attachment)

## **Attachment ‘A’ Project Threshold & Criteria Requirements**

### **General Program Information**

#### **Purpose**

The HOME Investment Partnership Program (HOME) is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended. The HOME Program regulations are located at 24 CFR Par 92. The City of Columbia HOME Program is designed to promote partnerships among the U.S. department of Housing and urban Development (HUD), various federal entities, state and local governments, and those in the non-profit sectors. It is designed for those entities who want to create affordable housing for low-income households.

#### **Eligible Applicants**

- Community Housing Development Organizations (CHDOs), CHDOs must be City designated or recertified CHDOS at the time of application in order to be eligible to apply as a CHDO and to receive operating funds
- Nonprofit entities
- For-profit entities (corporations)

#### **Eligible Activities**

The rental and homeownership activities are available for both **construction** and **rehabilitation** of affordable housing units. Funds for the rental or homeownership activity can be combined with other subsidy sources, such as: the South Carolina Housing Trust Fund (HTF), Community Development Block grants Program (CDBG), and the Federal Home Loan Bank. All awarded housing projects must adhere to the **City of Columbia Housing Standards Manual. (Attachment B)**

#### **Financial Assistance**

The maximum HOME award amount is \$1,500,000 per application. Funds may be awarded as a loan and/or as an amortizing below market rate loan.

For-profit applicants are only eligible to receive a one percent (1%) below commercial market rate loan. The terms and amortization period must not exceed 30 years. The number of units that must be designated as HOME assisted units will be determined by the amount of HOME funding in the project.

All units must be designated as HOME assisted units.

All projects receiving a HOME below market rate loan will be secured by a Promissory Note and a recorded Mortgage. The HOME affordability period requirements will be enforced by a recorded Restrictive Covenants running with the property.

Terms and conditions of the loan include but are not limited to, the following:

- In the event the property is to be sold, the HOME loan becomes due and payable at closing, (per the mortgage and security agreement "Due on Sale" clause).
- Unless cash flow is determined to be sufficient to cover debt service during the underwriting evaluation, a project will not be awarded a HOME loan.
- The project's initial **Debt Coverage Ratio (DCR) must not be less than 1.15.**
- The HOME loan may be in a junior lien position to private lender financing: otherwise, the HOME loan will be in a debt position commensurate with its level of assistance. All loans will automatically be deferred for One hundred and Twenty (120) days following project completion.

HOME funds must be drawn proportionate with other sources of financing. There is no interest charge during the construction phase of the project. All draws are subject to a retainer of ten percent (10%); therefore, ninety percent (90%) of HOME funds may be drawn down prior to a private lender construction loan. The ten percent (10%) retainer will be released upon a final approved City HOME inspection and 100% completion of the project.

### **Application Submission**

Applications may be **obtained** from the City's web site at [www.columbiasc.net](http://www.columbiasc.net) or by writing, emailing or **faxing a request to the City's address below.**

**The City of Columbia Community Development**  
**1225 Lady Street, Suite# 101/PO BOX 147/ Columbia, SC 29201**  
**Office (803) 545-3373/FAX (803)255-8912**  
**Email: [www.columbiasc.net](http://www.columbiasc.net)**

**Applications may be submitted** to the City during regular business hours during the application cycle. Applications may be delivered by hand, by mail, or other shipping services; **however, facsimile and /or e-mail transmissions will not be accepted.**

All applications must be received not later than **5:00 pm**, Eastern Standard Time on Friday, April 17, 2015. **Applications received after the deadline will not be considered and will be returned to the Applicant.**

Applicants must submit **one (1) original and two (2) copies of the application package in a 3-ring binder** appropriately separated with the tabs provided. Complete applications must include all pages of the application and all items identified on the Rental Application Tab Checklist along with any supporting documentation.

**All applications including copies must be self-contained and complete. The City will not rely on any previously submitted information, written or verbal, to evaluate application.**

Any **cost** incurred by the Applicant in the preparation, transmittal, or presentation of the application package is the **responsibility of the Applicant.**

### **Other Application Information**

Any revisions that are made by the City to the 2015-2016 HOME Application or Manual will be prepared in the form of a bulletin, posted on the City's web site and disseminated through email. It is the Applicant's responsibility to check the City's web site for any revisions that may occur.

**The City reserves the right to:**

- Award Applicants less than the amount of HOME funds requested
- Reject any and all applications received
- Waive or modify minor irregularities in applications upon notification to the Applicant
- Adjust or correct any arithmetical errors in the application
- Receive clarification from the Applicant to ensure an understanding of the application submitted
- Adopt or utilize all or any part of the application unless covered by legal copyright, patent or property rights in which case the City must be notified
- Negotiate with the Applicant to serve the best interest of the City

**2015 HOME** agreements will have deadlines imposed for committing and expending funds and time constraints in which to provide the City with required documentation.

HOME Agreements may be terminated by the City at any time prior to the Agreements end date due to the lack of project productivity.

All **final** financial commitments must be submitted to the City within **ninety (90) days** of the reservation letter date.

No member, officer, agent, or employee of the City shall be personally liable concerning any matters arising out of or in relation to the commitment of HOME program funds with regard to feasibility of viability of the proposed project.

### **Program Suspension/Debarment**

Any of the following actions may result in a one (1) year suspension from participating in **all** City administered programs.

- a) Failure to complete a development by the project completion deadline specified in the Award Agreement and Implementation Schedule.
- b) Failure to complete or comply with the environmental review requirements as specified by 24 CFR Pars 50 and 58 as amended.
- c) Failure to provide **Form M36 – Developer/Owner construction Management Certification** or providing a false or inaccurate certification that a development meets the above standards when, in fact, it does not, will result in the disqualification of the developer and the architect. The City will also file a complaint against the architect with the S.C. Department of Labor, Licensing and Regulation.

Any of the following actions will result in the permanent debarment from participating for funding from all City administered programs:

- a) Any Applicant who provides false or misleading information to the City with regard to a development seeking HOME funds, in any capacity whatsoever, regardless of when such false or misleading information is discovered. Any award received on the basis of such false or misleading information shall be void. Each Applicant shall be given written notice by the Development director stating the reason for which the sanction of debarment was imposed.
- b) Any partnership and/or developer agreement, written or otherwise, that attempts to circumvent City requirements regardless of when the violation is discovered.

The City, in its sole discretion, may determine other acts to be infractions of the program that require suspension or debarment. All suspensions and debarments are conducted as outlined in the City’s Debarment and Program Suspension Policy.

### **Review Process**

City staff will review the project applications based on the process below:

1. Applications that do not meet the threshold criteria, compliance with federal and state laws, or HOME program requirements will be rejected.

2. Once applications are reviewed for completeness, Applicants will receive written notification of any deficiencies (missing or incomplete information) in their applications. Applicants with **four (4)** or more missing and /or incomplete items will be disqualified. Applicants with less than **four (4)** missing and/or incomplete items will have **seven (7)** business days from the date of notification to provide the information to the City. Failure to provide the information to the City within the timeframe will result in an automatic disqualification of the application.
3. Project applications will undergo an underwriting evaluation and will be reviewed for financial feasibility. Applications deemed to be financially feasible, require subsidy and are consistent with HOME policies, will be recommended to the Director, Loan Committee for funding starting with the highest scoring application until all available funding is depleted.

**If the entire HOME project allocation is not exhausted** the Community Development Department reserves the right to utilize the funds for the good of the general public and administer the funds in accordance with the annual action plan.

- a) It is anticipated that reservation for 2015-2016 HOME awards will be issued within ninety (90) days of the application deadline. A tentative 2015 schedule is provided below:

HOME Application Open Date	March 25, 2015
Final Submission of Applications	April 17, 2015
Complete Initial Reviews for Threshold and Criteria	April 29, 2015
Underwriting Review	May 20, 2015
Loan Committee Approval	May 25, 2015
Reservations	June 08, 2015

## Threshold Requirements

1. Applicants proposing a project requesting HOME funds must provide a **commitment letter(s) at the time of application if the City is not the only funding source.**
2. Before HOME funds may be committed to a project, an underwriting review must be conducted along with an assessment of the Applicant’s financial capacity. The Applicant must submit with the application current financial statements compiled, reviewed or audited by an independent CPA licensed by the South Carolina Board of Accountancy. The financial statements must include a balance sheet dated on or after December 31, 2014. An applicant or applicant group must have minimum restricted liquid assets of \$50,000 as further described in the HOME Application Manual.
3. Any participating organization, developer(s), general partners(s), or managing member(s) will be automatically disqualified if any of the following issues of noncompliance are demonstrated:
  - Uncorrected non-compliance violations with the City.
  - Not in good standing with other City administered programs (which includes payments due to the City such as late fee, late loan payment, etc.);
  - Debarred from participation in other federal programs (i.e. HUD, RHS, CDBG, HOPWA, ESG, FHLB, etc.) as well as any other City administered programs (i.e. LIHTC, HTF, NSP, etc.)

The City has sole discretion in the determination of non-compliance and it is not subject to interpretation (appeal) or final resolution of the non-compliance violation.

4. HOME Applicants must have a designated **Program Administrator on staff** that will be responsible for the coordination of the project (i.e. project implementation through project completion).
5. A market study prepared by an approved third party market analyst must be submitted with the application to ensure there is adequate demand for the proposed project.

6. For Projects involving relocation, Applicants must be in compliance with the Uniform Relocation Act (URA) and must provide the following:

- a) A current certified rent role, AND
- b) Completed Tenant profile Forms (Form M39) for each occupied household, And
- c) Acceptable documentation indicating that General Information Notices (Exhibits 4 or 5) have been completed and successfully delivered to 100% of the existing tenants.

## Evaluation Criteria:

### Experience:

Points are awarded based on the Applicant's experience and success in developing HOME projects or for first time Applicants who can demonstrate their experience in developing housing projects similar to the one(s) proposed. Applicants must have completed the Community Housing Development Organization (CHDO) and Non-Profit HOME application.

1. Owners which include individual(s), corporation(s), nonprofit(s), for-profit(s), and public housing authorities will receive points for previous development of successful HOME properties. The Owner may include experience gained as an owner of another firm, not as an employee of another firm. Experience in HOME projects means coordinating the development team from the planning, financing and construction of a project through receipt of certificates of Occupancy. Applicants must have a current ownership interest in the project. Experience will be awarded as follows:

- Experience HOME Program Applicants - Two point for each HOME project that was successfully complete for up to 5 projects **10 points**

2. FIRST TIME HOME Applicant – Two points for each demonstrated affordable housing projects as follows:

- Document the management of similar programs or other public funds. A list of completed projects (up to 5) must be provided along with contact names and phone numbers. **10 points**

### Performance:

Performance points are based on the Applicant's previous three (3) years of performance in the areas of program schedule, implementation, reporting, and program results with the City's HOME Program.

1. Points will be awarded to Applicants that have successfully completed 100% of their awarded HOME projects within the allotted 24 month HOME Agreement period. **3 points**

### Program Design:

1. Applicants will receive points for project readiness;

- a) Site Control – a copy of the recorded deed in the applicant's name. **4 points**
- b) Existence of Waiting List: See attachment **6 points**  
Waiting List Certification applicants will receive points

- for providing evidence of potential tenants based on evidence of marketing outreach efforts (i.e. brochures, letters, radio etc.). **2 points**
- c) For new construction – Applicant provides **Final** plans/ Specifications approved by the locality. **4 points**
- d) For rehabilitation – Applicant provides final work-write-up(s) Applicant provides documentation that utilities are located **ON** the site and available at the time of application **4 points**

2. Applicant will be awarded points for Preservation and/or for working within current state of local initiatives:

- a) Preservation of existing rental units that increase or preserve affordable housing. **5 points**
- b) Proposed project includes ten percent (10%) of total units designated homeless units for families. **3 points**
- c) Proposed Project will be located in one of the COC’s identified targeted communities. Provide evidence that the proposed project is located within a current identified master plan, or one of the 5 Targeted neighborhoods as identified in the COC consolidated Plan 2010-2014 **5 points**

4. Applicant will be awarded points for proposed projects that are not seeking other City funds (i.e. CDBG, HOPWA, General Fund) in conjunction with HOME funds. **10 points**

**Financial Structure**

Commitment of Other Funding Sources: Applicant has a written permanent financial commitment at the time of application. Be advised that applicants that are required to provide a match contribution will automatically receive these points. Funds from other City administered programs cannot be used as match.

1. Applicant proposes a project not entirely funded with HOME dollars. The financial structure consists of additional sources of funds leveraged from non-City administered programs. The calculation is as follows:

**Total HOME ÷ Total Development Costs = Total Percentage.**

- a. 25% or less of the Total Development Costs will be funded with City dollars. **8 points**
- b. 50% or less of the Total Development Costs will be funded with City dollars **6 points**
- c. 75% or less of the Total Development Costs will be funded with City dollars. **4 points**

2. Financial design proposes repayment of one hundred percent (100%) of the HOME award to the City. **5 points**

**Green or Energy Efficiency Design:**

Applicant will receive points for Energy Efficiency and Green Elements item;  
(Helpful website [www.energystar.gov](http://www.energystar.gov))

1. Energy Star qualified heat pump (15 SEER/12 EER or greater), furnace, boiler, air conditioning or ventilation equipment all with Energy Star qualified thermostats for equipment that require thermostats. **4 points**
  2. Energy Star rate refrigerator with a minimum size of 18 cubic feet. **2 point**
  3. Energy star rated dishwashers. **1 point**
  4. All units must have a Range Queen or comparable extinguishing system over the stove. **1 point**
  5. Over the range mounted microwave oven with re-circulating fan, in all units. **1 point**
  6. Each unit must have an Energy Star ceiling fan with light fixture in the living room. All ceiling fans and overhead lights must connect to wall switches. **2 points**
  7. Energy star qualified windows in all units **3 points**
  8. Attic [R-38] and Floor [R-19] Insulation **2 points**
  9. Demolition Plan – Includes recycling, managing waste and hazardous materials. **1 point**
  10. Landscaping – Use of native drought resistance planting, preserve and protect trees during construction. **1 point**
  11. Green Building Products – Include site design, building material, renewable energy, water conservation, and healthy home designs. (helpful websites [www.usbgc.org](http://www.usbgc.org)) **1 point**
  12. Water conserving Features – Toilets with 1.6 gallons or less per flush, shower heads – 2.0 GPM, bath and kitchen faucets 2.0 GPM or less. **2 point**
- Maximum Points that can be award** **100 points**

## Attachment B- City Of Columbia Housing Standards Manual

# Housing Standards Guide

The City of Columbia Housing Division "Housing Standards Guide": 2<sup>nd</sup>. Edition

This document is designed to assist homeowners and their respective agents in better understanding the construction guidelines that must be followed as a requirement of procuring a loan through the City of Columbia Community Development Department (City). It should be understood that the City offers an assortment of loan programs with each program having individual guidelines. This document covers the minimum construction/rehabilitation requirements for most of the City loan programs. Some loan programs are funded with monies that when used restrict the installation of certain non-essential items. The City reserves the right to determine which items are non-essential, and funding may be denied for those items.

The intention of City loan programs is to promote the rehabilitation of existing homes and to encourage the construction of new homes. All homes utilizing these loan programs should be constructed and/or rehabilitated to the highest of construction standards. Energy saving materials and techniques should be utilized whenever possible. Existing housing stock shall be rehabilitated to meet new construction code requirements whenever feasible. Patchwork is not an acceptable method of construction. All construction projects must meet current City of Columbia building code requirements as enforced by The City of Columbia Development & Planning Services. All construction activities must be performed by a contractor meeting the requirements as set forth on the "Contractor Information Form" furnished by the City. The City loan committee prior to funds being made available for construction must approve applicant's loan. Applicants should make their construction contracts and/or outside agencies loan agreements contingent upon loan approval in writing by the City of Columbia.

All construction related activities performed must be in compliance with all applicable codes, ordinances, regulations, laws, and other requirements per Federal, State, and local governments.

The City of Columbia Housing Division Staff reserves the right to make the final determination on matters of loan program compliance as it relates to these housing standards.

### Definitions:

**Acceptable**- in a condition that is favorable to all parties involved including the City.

**Defective / Defects** - in a condition unlike that which was original at time of construction; not working properly or missing parts that are needed for a complete unit; not in a "finished out" condition;

**Deteriorated**- in a state of disrepair; not structurally sound; rotten; not "finished out";

**Excessively Damaged**-damaged to a point where pavement is separated ½" or more in any direction.

**Finished out-** in a condition that is favorable to all parties involved including the City; in like new condition; in a condition that is widely accepted as complete in the construction industry;

**Free-and-clear/free of** -not containing; absent of;

**Functioning properly** - working in a manner consistent with that which it was originally designed to operate;

**Good working order** - working in a manner consistent with that which it was originally designed to operate;

**Good condition** - in like new condition;

**Like new condition** - in a condition that is favorable to all parties involved including the City; functioning properly; free of defects; good working order;

**Notable-** obvious; visible; apparent;

**Originally designed/manufactured** - in like new condition and working in a manner as was originally constructed to operate;

**Over spanned** - exceeding an acceptable length as determined using standard engineering design practices;

**Patchwork** - any work where joints, seams, or any other types of intersections of materials are noticeable to the naked eye from a distance of 5'-0" from the area in question [not to include obvious joints at inside and outside corners].

**Structure** - any building supported by a permanent foundation;

**Structurally sound** - capable of supporting all imposed loads; free of excessive deterioration;

#### **Demolition:**

Demolition work shall be completed according to contract. All debris shall be removed from premises on a weekly basis. Exception: if debris is contained inside a commercial grade trash container, a dump truck, a trailer, or some other type of vehicle or container that is being used specifically for debris removal, the debris may remain on premises until such vehicle or container is filled to a reasonable capacity at which time it shall be removed from premises. All debris shall be taken to an approved landfill as determined by The South Carolina Department of Health and Environmental Control Agency (D.H.E.C.).

#### **Foundation:**

Shall be structurally sound; all deteriorated and/or over spanned building components shall be replaced and/or properly supported respectively. The City of Columbia reserves the right to require an inspection be performed by a licensed structural engineer registered to practice in South Carolina to determine if component in question is indeed structurally sound. All foundation vents shall be screened and also designed / located to prevent water from entering the crawl space. All crawl spaces shall have adequate ventilation. Structure shall be treated for subterranean termites by a state licensed exterminator who upon completion of treatment shall issue an "Official South Carolina Wood Infestation Report" showing that structure is free-and-clear of infestation or damage caused by any wood destroying insects or fungi. Structures that have been treated within the last five years by a state licensed exterminator may be exempt from re-treatment provided that documents are forwarded to the City confirming such treatment. In no case shall wood products come in contact with grade under a structure. Piers shall be permanent masonry units with poured concrete footings. Existing structurally sound masonry piers may remain in place. Stacked masonry units, wooden piers, and metal jacks are prohibited for use as piers. Accessory doors/ windows located below main level of structure and all sub-flooring shall be considered part of the foundation.

**Yard:**

Excessively damaged paved walks and drives must be restored to like new condition. Necessary measures shall be taken to drain water away from structures and to keep lot from eroding. In no case shall water be diverted into adjacent property nor directly into City right-of-way. All large holes and cavities [unused septic tanks, oil tanks, washouts, etc...] shall be backfilled / compacted with fill dirt. All tree limbs within six feet of structure shall be cut. Any tree located where root system is undermining structure shall be permanently removed from site including stump.

**Siding:**

Moisture and/or termite damaged exterior wood products and any defective [split, large knot holes, etc...] exterior wood products shall be replaced with material to match remaining wood products. All other types of siding materials [brick, block, vinyl, aluminum, etc...] shall be in like new condition. This shall include cleaning, caulking, and, where applicable, "pointing up" of mortar joints so as to acquire an acceptable finished product.

**Porches & Steps:**

Porch and step components shall be structurally sound. All components shall be in like new condition to include replacement of any missing materials. All wood products used in floor system shall be treated material.

**Windows:**

Windows must operate as originally designed to operate, must be free of defects [cracked glass, brittle spackling, defective hardware, etc...], and must be insulated glass or be used in conjunction with storm windows. If screens are present they must be in like new condition. If shutters are present they must be free of defects and must be properly secured to structure. New windows must meet code egress requirements if located in a room used for sleeping and must be EnergyStar® certified for the Columbia, SC region.

**Exterior Doors:**

Exterior doors must operate as originally designed to operate, must be free of defects [cracked glass, brittle spackling, defective hardware, splits in wood, etc...], must be air tight, and must be insulated or be used in conjunction with storm doors. If storm door is present it must include a pneumatic closure and a latch.

**Roof:**

Roof system must be free of leaks, must be structurally sound, must be clear of any foreign matter atop roof, must have an effective life /wear expectancy of five years from date of City's loan closing, and must provide adequate attic ventilation.

If attic vents are present, they must be screened with a maximum of 1/8" sieve size wire mesh. Gutters are not recommended for use, but when present must be functioning properly and must include splashguards at downspouts.

**Electrical:**

Electrical system must be functioning properly. All wiring must be insulated and the insulating material must be in good condition. All bedrooms and hallways must have electric with battery backup interconnected smoke detectors. All outlets in kitchen, baths, and any other room containing a source of water must be ground fault protected per the most current issue of "The National Electric Code". Three prong outlets shall not be used with non-grounded wiring. All splicing must take place inside a junction box and include caps and tape. Any bathroom without an operable window must include an exhaust fan vented to outside of structure. Fixtures must be free of defects and include all parts as originally manufactured for use.

**Plumbing:**

Supply and drain lines must be in good condition and functioning properly for the distribution of water and for the removal of all waste from premises. Structure must be connected to the City's water and sewer system. [In the event that City water and / or sewer is not available to property, structure must be connected to a system approved by D.H.E.C..] Fixtures must function properly, be secured to structure, and be free of any defects [chipped enamel, rust, cracks, leaks, etc...]. Existing tub/shower surrounds and pans must be in good condition and must be watertight. Water heaters must be functioning properly, must be installed per new construction building code, and must be free of notable rust-through on housing units. All water heater units located outside of heated space must be insulated to an "R-8" value and be elevated to a level of at least four inches above adjacent grade. Dryer venting must meet new construction building code.

### **Heating & Air Conditioning:**

All structures must contain a central heating and air system that on a year-round basis is capable of maintaining a temperature of sixty-eight degrees Fahrenheit [at a level of three feet above the floor level] in all habitable rooms. Existing systems shall be inspected and serviced by a licensed heating and air technician who upon completion shall provide a certification letter to the City indicating that the system is in good condition and that the system meets the aforementioned minimum requirements. New systems shall be EnergyStar® compliant and have a minimum AFUE rating of 95% and a minimum SEER rating of 14, and shall include ductwork insulated to a minimum "R- 8" value. [Installer shall provide a certification letter to the City indicating that the system meets the aforementioned minimum requirements; City Of Columbia Housing Division Staff reserves the right to make exceptions to the above requirements as long as installed system meets EnergyStar® requirements for the Columbia, SC region of the United States of America].

### **Interior Walls & Ceilings:**

All interior walls and ceilings must be structurally sound, free of all defects, and "finished out" in a uniform manner that is widely accepted as a standard method of building construction. Defects shall include but not be limited to; cracks, nail "pops", buckling of material, materials not bonding, torn wallpaper, holes, exposed framing, delaminated material, notable uneven surfaces, and other defects that give the appearance of an unfinished product. [Defective plaster walls covered with wallpaper is not an acceptable method of wall finish; textured ceilings with obvious "patching" is not an acceptable method of ceiling finish.]

### **Insulation:**

All areas shall be insulated to meet the following "R" values. [Existing wall areas **not** exposed during construction shall only be insulated at owner's discretion.]

Ceilings- R-38                      Walls- R-13                      Floors- R-19

### **Fireplace:**

All chimneys shall be structurally sound and in safe working condition as determined by a licensed chimney inspector. All fireplaces shall have tight fitting dampers. Chimney inspector shall furnish a letter of certification to the City stating that each chimney / fireplace is in good condition and that no repairs are recommended at this time. Chimneys not meeting these requirements shall be permanently sealed at all openings.

### **Interior Trim:**

All defective [split, rotten, missing, dented, or otherwise damaged] trim shall be repaired and/or replaced with a material that matches the remainder of trim in each respective room. All door and window hardware shall function properly and any missing hardware shall be installed to bring door and window back to like new condition. Bedroom and bathroom doors shall include privacy latches.

### **Kitchen:**

All cabinets shall be in good working order and finished in a like new condition. Cabinets and countertops shall be free of water damage or surface defects. There shall be a minimum of 24 c.f. of wall cabinet storage and 40 c.f. of base cabinet

storage in each kitchen. [Pantry cabinet or closet may be included as storage space when calculating space requirements.]

### **Bathroom:**

All bathrooms shall include at least one each of the following items: mirror, towel bar, tissue holder, shower rod (where applicable), and storage cabinet [medicine cabinet, vanity cabinet, etc...]. Existing fixtures shall be in like new condition. Vanity tops shall be secured to cabinet and sealed at all edges to prevent water infiltration. Tub and shower surrounds shall be watertight and in like new condition.

### **Floors:**

All sub-flooring shall be structurally sound. Particleboard sub-flooring shall never be used as a sub-floor replacement within a distance of four feet of any water source. [This includes supply lines inside wall cavities but does not include supply lines underneath floor level.] All finished floors must be free of defects [splits, cracks, voids, tarnishing, fading, worn or torn areas, delaminated areas, exposed edges, etc...]. Finish flooring material shall be a product that is widely used in the construction industry for such an application [hardwood, carpet, vinyl, tile, etc...] Newly installed carpet shall be a minimum 34 oz. FHA approved carpet with a minimum ½" padding. Padding must meet or exceed Federal VM 44 specifications. Newly installed vinyl flooring must conform to Federal specifications and be a grade "C" or better and be installed per manufacturers' specifications. All new flooring must be installed in a manner consistent with methods widely used in the construction industry. Painted floors are not acceptable unless pre-approved by City staff.

### **Painting:**

All interior and exterior painted surfaces must be free-and-clear of any defects [chipped, cracked, faded, brittle, or peeling paint, "surface marks", etc...]. All window glazing must be in like new condition. Stained woodwork must include a finish sealer type coating. All open seams or joints must be caulked and / or filled consistent with methods widely used in the construction industry.

### **Appliances:**

All habitable structures shall include a kitchen area equipped with a minimum 16 cubic foot refrigerator and a standard size stove / oven. [Compact refrigerators and microwave ovens are not acceptable units for this minimum requirement.] A stove hood must be installed above any appliance designed for surface cooking when cabinetry is located above this appliance. Appliances must be clean and in working condition. Appliances must not exhibit any signs of "finish" deterioration [rust, flaking paint, etc...].

### **Miscellaneous:**

Certain items may be considered non-essential. Fencing, garages, out buildings, patios, hot tubs, ceramic tile, security systems, fireplaces, decks, stained glass windows, marble tops, etc... may not be allowed under certain loan programs. Swimming pools are not allowed under any program. Room additions are not allowed unless justified due to family size and only after the City Of Columbia Community Development Departments Loan Committee authorizes such room addition. Please contact a City Loan Officer if you have any questions concerning the installation of any item that could be considered a non-essential item.