



**CITY OF BATON ROUGE**  
PARISH OF EAST BATON ROUGE

**NOTICE OF FUNDING AVAILABILITY**

**2022 BATON ROUGE REBUILDS DEVELOPER PROGRAM  
(2022 BRRDP)**

**RELEASE DATE: April 27, 2022**

# I. GENERAL AND ADMINISTRATIVE INFORMATION

---

The Louisiana Housing Corporation (**LHC**), in concert with the City of Baton Rouge/East Baton Rouge Parish, is issuing a Notice of Funding Availability (**NOFA**) to interested parties for the rehabilitation of blighted properties. Rehabilitation also includes reconstruction of a structure on the same site as long as the number of dwelling units on a site are not increased.<sup>1</sup> Approximately \$1,400,000 in federal Community Development Block Grant Declared Disaster Recovery Funding (**DDRF**) will be available to support this initiative, known as the 2022 Baton Rouge Rebuilds Developer Program (**2022 BRRDP**) Specifically, the purposes of the 2022 Baton Rouge Rebuilds Developer Program are as follows:

- To repair damaged housing stock located within the City of Baton Rouge/East Baton Rouge Parish to be made available to interested parties at affordable rents for households at or below eighty percent (80%) of area median income (**AMI**).
- To revitalize communities by eliminating the blight of vacant, dilapidated properties in order to increase the availability of quality, affordable rental housing for households at or below eighty percent (80%) AMI (**Qualified Household**).
- To leverage and encourage the use of private sector funding in concert with federally funded assistance to improve conditions of existing properties and/or bring properties back into commerce.
- To implement the 2022 BRRDP in a manner that:
  - engages lenders who commit to renovation/reconstruction financing for residential rental properties located within the Program's eligible geographic boundaries, thereby stimulating community investment; and,
  - is efficient and cost-effective for developers renovating or reconstructing blighted rental units throughout the City of Baton Rouge/East Baton Rouge Parish—excluding the cities of Baker, Central, and Zachary (Eligible Geographic Area).

Under the 2022 BRRDP, the Louisiana Housing Corporation (**LHC**) on behalf of the East Baton Rouge City-Parish will accept an Application for Assistance (**Application**) from an Eligible Applicant who will renovate existing housing units in a project that will not exceed four (4) residential housing units (**Qualified Project**).

An Eligible Applicant must partner with a commercial Lender (**Lender**) to provide the Eligible Applicant mortgage lien construction financing (**Construction Loan**) for a Qualified Project **OR**

---

<sup>1</sup> CDBG Program policy states that "reconstruction generally means the rebuilding of a structure on the same site in substantially the same manner." Reconstruction is a form of rehabilitation. The number of dwelling units on a site may not be increased; but, the number of rooms per unit may be increased or decreased.

<https://www.hudexchange.info/resource/2771/notice-cpd-07-08-use-of-cdbg-program-funds-in-support-of-housing/>

must fully fund all development costs of the Qualified Project with the Applicant's own funds. Please note, Applicants using commercial financing must provide a commitment letter from the lender which must be included with the application submission. (Note: A letter without intent is not acceptable.)

#### A. IMPORTANT DATES AND DEADLINES

The 2022 BRRDP will be executed in accordance with the timeline below:

Date	Event
4/27/22	Notice of Funding Availability (NOFA) published; Question/comment period opens
4/27/22	2022 Baton Rouge Rebuilds Developer Program (2022 BRRDP) Application published
4/29/22 10:00 am	2022 BRRDP Technical Assistance Workshop (The workshop will be held virtually. Information on how to join the meeting virtually will be posted on the City-Parish's and LHC's websites.)
5/3/2022	2022 BRRDP Questions/Comments must be submitted <b>no later than 2:00 p.m.</b> on this date
5/4/2022	2022 BRRDP Questions/Comment responses posted
5/11/2022	2022 BRRDP Application intake deadline. Applications must be submitted <b>no later than 4:30 p.m.</b> on this date
5/27/2022	2022 BRRDP conditional award letters issued
12/31/2022	Projects must be completed and put into service

**Please note: The City-Parish and LHC reserves the right to revise this schedule. Any such revision will be formalized by the issuance of an addendum to the NOFA.**

#### B. QUESTIONS AND COMMUNICATION

LHC, on behalf of the City-Parish, will consider inquiries from interested parties regarding the 2022 BRRDP. Inquiries will be considered if they are submitted by the deadline for submission of inquiries, which is **May 3, 2022 by 2:00 p.m.** Written inquiries must be submitted via email at the following address: [brrdp@hga-llc.com](mailto:brrdp@hga-llc.com). Inquiries shall clearly reference the name of the Program and the section of the 2022 BRRDP for which the Applicant is inquiring or seeking clarification.

Any and all inquiries from Applicants submitted by the above deadline will be deemed to require an official response.

It is the sole responsibility of the Applicant to inquire and clarify any item of the 2022 BRRDP that is not understood. The LHC reserves the right to decline to respond to any inquiry that will cause an undue burden or expense for LHC.

### C. BLACKOUT PERIOD

It is the strict policy of the LHC that prospective respondents to the 2022 BRRDP refrain from initiating any contact or communication, direct or indirect, with LHC staff or members of the Louisiana Housing Corporation's Board of Directors regarding the competitive selection of Applicants. This blackout period will be in effect during the time of the active application intake period from April 27, 2022, through May 11, 2022. Any violation of this policy will be considered as a basis for disqualification from consideration.

The LHC will produce public records in accordance with LA R.S. Title 44.

### D. METHOD AND ORDER OF ONLINE APPLICATION SUBMISSION

The 2022 BRRDP Application can be located and submitted online via a link on the LHC ([www.lhc.la.gov](http://www.lhc.la.gov)) and the City-Parish Office of Community Development (<https://www.brla.gov/855/Office-of-Community-Development>) websites. Applications must be received no later than **May 11, 2022 at 4:30 p.m.** Applications must be complete upon submission. Applications that are incomplete will not be evaluated.

## II. Program Requirements

---

### A. ELIGIBILITY

#### Eligible Applicant

An Eligible Applicant may be defined as one of the following entities:

- A private for-profit property owner (**Residential Rental Property Owner**)
- Community Housing Development Organization (**CHDO**)
- 501(c)(3) or 501(c)(4) Not-For-Profit Organization (**NPO**) with a board approved mission to further affordable housing or demonstrated through the NPO by-laws mission statement.
- Local Public Housing Authority (**PHA**)
- A local development agency (**LDA**) that is **not** a parish or municipality

#### General Qualifications

Under the 2022 BRRDP, LHC will accept an Application for Assistance (**Application**) from an Eligible Applicant who will renovate or reconstruct vacant residential rental housing unit(s) under a project that will not exceed four (4) residential housing units (**Qualified Project**).

An Eligible Applicant that partners with a commercial Lender (**Lender**) must provide the Applicant a firm commitment contingent upon receipt of a 2022 BRRDP loan which will be included in the Application to provide the Eligible Applicant mortgage lien construction financing (**Construction Loan**) of a Qualified Project **OR** must fully fund all development costs of the Qualified Project with the Applicant's own funds.

Projects must be completed and put into service by no later than December 31, 2022 to qualify. The applicant must submit an acceptable timeline for completion of the project.

#### Qualified Project

A qualified project is one that is **not** in excess of four (4) residential rental housing units located within City of Baton Rouge/East Baton Rouge Parish (excluding the cities of Baker, Central, and Zachary). Additionally, each residential housing unit must be a Qualified Dwelling Unit, to be rent restricted and income restricted based on the income limits set by the program for the end user (tenant) on a site or sites together with any building or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with CDBG-DDRF funds as a single undertaking located within a five mile radius of each other under the jurisdiction of a single governmental entity. Please note, if located within a city, town, or other similar political subdivision then all sites must be located within the same political subdivision.

Additionally, all residential rental units included in the Qualified Project must be vacant at the time of 2022 BRRDP application. In order to be eligible for the 2022 BRRDP, all the units contained in the Application must have been vacant by the date of the 2022 BRRDP NOFA publication. An Applicant may not intentionally displace a tenant in order to be able to apply to the 2022 BRRDP. Applicant(s) found to have intentionally displaced tenants in order to apply to this Program will have their applications rejected. If funded, Applicants who have been found to have displaced tenants in order to make application to the 2022 BRRDP may have their award rescinded and may be required to pay back funding awarded.

### **Qualified Project Ownership Requirements by Eligible Applicants**

Nonprofit Ownership at NOFA Publication: Qualified Projects submitted by an Eligible Applicant which is a CHDO, NPO, PHA, or LDA must provide evidence of an executed ground lease or evidence of ownership by the CHDO, NPO, PHA or LDA as of the date that the NOFA is published.

Ownership of Qualified Project by Eligible Applicant Other Than Nonprofit: Qualified Projects submitted by Eligible Applicants that are neither a CHDO, NPO, PHA nor a LDA must have been owned by such Applicant at the time of Application. No tenants may be displaced as a result of application to the 2022 BRRDP.

### **Proposed Transfers in Ownership of a Qualified Project by a CHDO, NPO, PHA, or LDA**

The title to the Qualified Project submitted by a CHDO, NPO, PHA, or LDA must remain in the name of the Applicant CHDO, NPO, PHA, or LDA until the end of the award process up to and including execution of the closing documents of the 2022 BRRDP program. Any requests to change the ownership of a Qualified Project to a valid non-profit subsidiary LLC, must be submitted to the LHC in writing. The LHC will consider requests for transfer on a case-by-case basis. The LHC has sole discretion in determining if the transfer is allowable. If a transfer is approved, the original awardee (CHDO, NPO, PHA, or LDA) and the non-profit subsidiary LLC shall execute an "Assignment and Assumption Agreement" which will hold the non-profit subsidiary LLC to the same terms and conditions of the funding and closing documents of the 2022 BRRDP that was agreed to by the parent corporation (CHDO, NPO, PHA, or LDA).

LHC will also have the sole discretion to approve if the non-profit subsidiary LLC is valid for the purposes of ownership of the property and affordability requirements. To be a valid non-profit subsidiary LLC, the LLC must have the non-profit corporation as its sole member and the LLC's management shall only be permitted to engage in activities permitted of the parent 501(c)(3) corporation. The LLC must be controlled by the parent non-profit corporation's same directors and officers. The LLC's Operating Agreement must specify that the LLC cannot violate the bylaws or restrictions of its parent 501(c)(3) corporation. The LLC must have clear separate accounts and capital apart from the parent non-profit corporation.

### **2022 BRRDP Application and Documents Required for Application Processing**

2022 BRRDP Application and other Documents and Proceedings required for application processing and scoring are identified in the appendices of this NOFA as **Appendix A**.

## B. PROPERTY ELIGIBILITY REQUIREMENTS

### **Property Eligibility Requirements**

To be eligible for assistance under the 2022 BRRDP, the subject property must be residential rental property in need of repair or reconstruction, and satisfy each of the following criteria:

- Project must be a residential rental structure (site-built or modular only) comprised of one (1) to four (4) units. Applications requesting assistance for more than 4 units are not eligible under the Program;
- Must be located within the City of Baton Rouge/East Baton Rouge Parish (excluding the cities of Baker, Central, and Zachary);
- Units may be located on one site or on multiple sites within the approved geographic boundaries; and,
- Must undergo an LHC funded environmental review, with any issues to be remedied by the Applicant.

### **Construction Contractor and Fixed Price Construction Contract Requirements**

Applicants must submit a fixed price construction quote from a Louisiana licensed contractor (Contractor) who will renovate or reconstruct unit(s) for a Qualified Project at a not-to-exceed fixed contract price. A construction contingency of not more than 10% (Contingency) may be included in each Approved Budget but such Contingency may not be used during construction or renovation without the express written approval of the Lender and the LHC.

Applicants who would like to perform the construction of the qualified project themselves must also provide two bids from a Louisiana Licensed Contractor, in addition to their own bid to perform the same services. The bids to self-perform must be submitted on a line-item basis, and the Applicant will be prohibited from earning profit and overhead on their self-performed bid scope. Applicants who elect to perform the construction of the qualified project must carry a valid Louisiana Contractor License.

### **Vacancy Requirement**

In order to be eligible for the 2022 BRRDP, all the units contained in the Application must have been vacant by at the time the 2022 BRRDP NOFA was published. Please note, Applicants may not intentionally displace tenant(s) prior to application to the 2022 BRRDP. Applicants who are found to have displaced tenants in order to seek 2022 BRRDP assistance will have their applications terminated and be ineligible for funding consideration.

## C. AFFORDABILITY REQUIREMENTS

### **Period of Affordability**

The 2022 BRRDP requires Qualified Households to occupy the residential housing units in a Qualified Project on and after the Conversion Date for period of five (5) complete calendar years

**(Period of Affordability).** The Period of Affordability and percentage of AMI for each Qualified Household in a Qualified Project will be specified in the Take-out Commitment and the Permanent Loan Documents as of the Conversion Date. This date will normally reflect five (5) years after the initial lease up by a qualified tenant.

**Occupancy and AMI Compliance Requirements During Period of Affordability**

Occupancy Requirements for Completed Units: Following project completion, **all** residential rental housing units must be occupied by Qualified Households at or below eighty percent (80%) of area median income for the duration of the Qualified Project’s Period of Affordability. Eligible Applicants will be required to verify income of Qualified Households corresponding with the term of their lease agreement (e.g., one (1) year lease with income verified annually).

**Listing of Completed Qualified Projects/Available Units on LHC Website**

For projects that are funded, once construction activities are complete, Eligible Applicants must list each Qualified Project with available units on the LHC search website at: LaHousingSearch.org, a free resource tool available to assist the public in helping find a rental home that fits their needs and budget.

**D. LIMITS OF AWARDS FOR PROJECTS**

The 2022 BRRDP will have approximately \$1,400,000 available for projects seeking assistance.

**Maximum 2022 BRRDP Assistance**

The maximum amount of 2022 BRRDP funding available to Eligible Applicants is based on the number of units in each Application. Final award will be the lesser of the cost of construction or other limits that may be set by the 2022 BRRDP guidelines and procedures. The maximum 2022 BRRDP funding allowed by unit type is:

<b>Number of Units Per Application</b>	<b>Maximum 2022 BRRDP Assistance</b>
1 Unit	\$150,000
2 Units	\$250,000
3 Units	\$375,000
4 Units	\$500,000

**Maximum 2022 BRRDP Assistance**

A Residential Rental Property Owner, NPO, CHDO, PHA or LDA may apply for BRRDP funding to build, rehabilitate or reconstruct a maximum of four (4) units with a maximum potential award of \$500,000. Eligible Applicants must submit one (1) Application for assistance.



### **Maximum Award Take Out Assistance**

LHC will only fund Take-out Assistance on the Conversion Date in an amount not exceeding the aggregate advances on a Construction Loan plus accrued interest to the conversion date. A private for-profit owner will be allowed up to 8 months of accrued interim construction interest from the date of the notice to proceed awarded to them by the program. NPO's, CHDO's, PHA's and LDA's will be allowed up to 10 months of accrued interim construction interest from the date of the notice to proceed awarded to them by the program. Contingency of (10%) will not be included in the Permanent Loan if not used as approved in writing by the LHC during construction. Change orders will be reviewed and approved only on an as needed basis. No change order should be undertaken unless there has been expressed written concurrence by the LHC.

### **Eligible Costs**

The following costs are **eligible** under the 2022 BRRDP:

- Development hard costs: Development hard costs are the actual cost of rehabilitating or reconstructing housing
- Related soft costs:
  - Interim Construction interest
  - Reasonable origination and closing charges as described by the construction loan Lender
  - Reasonable Architectural and or Engineering Services as required
  - Title and/or recording fees for the closing of the interim construction financing as required by the Lender
  - Survey Costs
  - Appraisal costs as required by the interim construction financing Lender

Please note, other reasonable and necessary costs incurred by the owner and associated with the financing and/or redevelopment of units within a Qualifying Project may be considered for approval by LHC on a case-by-case basis.

### **Ineligible Costs**

The following costs are **ineligible** under the 2022 BRRDP:

- Any cost to purchase land or property before or after the NOFA was published
- Any cost for development, operations or modernization of public housing financed under the 1973 Housing Act (Public Housing Capital and Operating Funds)
- Any cost to refinance any loan
- Any Developer or Consultant fees

## E. ENVIRONMENTAL REQUIREMENTS

### **Choice Limiting Actions**

Eligible Applicants and their contractor(s) are prohibited from undertaking or committing any funds or executing any choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction, or leasing or disposition after the submission of an 2022 BRRDP Application for Assistance and prior to the execution of the “Authority to Use Grant Funds” (HUD 7015.16) or equivalent letter, and that the violation of this provision may result in the denial of any 2022 BRRDP Funds under this Agreement. Entering a contract obligating the Applicant to any of the above prior to Application submission and the completion of an LHC funded Environmental Review constitutes a choice limiting action.

### **Environmental Review**

All activities funded by CDBG-DDRF are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), as well as to the U.S. Department of Housing and Urban Development (HUD) environmental review regulations at 24 CFR Part 58. The HUD environmental review process must be completed before any funds are committed through a grant agreement and disbursed for Program-eligible activities. No work may start on a proposed project before the environmental review process is completed, even if that work is being done using non-HUD funds. In other words, environmental review must be concluded for each project prior to the firm commitment of federal or non-federal funds to any expenses or contracts related to a project. A violation of this requirement may jeopardize federal funding to this project and disallow all costs that were incurred before the completion of the Environmental Review.

The primary objectives of the HUD environmental review are to identify specific environmental factors that may be encountered at potential project sites and to develop procedures to ensure compliance with regulations pertaining to these factors. All CDBG-DDRF funded projects and activities must have documentation that they follow NEPA and all other environmental requirements.

Laws and regulations which contain environmental provisions that must be complied with include: Noise; Historic Properties; Coastal Zones; Environmental Justice; Floodplains; Wetlands; Manmade Hazards; Water Quality; Air Quality; Endangered Species; and, Farmland Protection. The timeline for an Environmental Assessment (**EA** level) environmental process is approximately 90-120 days from the receipt of a comprehensive environmental review record (**ERR**). However, the amount of information collected and required in the environmental review process are also impacted by the type of work being completed. This timeframe should be factored into Eligible Applicant(s) development plans. Please note, there is no official HUD timeline for all of the steps of the environmental review process.

Please contact the LHC's Environmental Impact Manager for further information on Environmental Reviews:

Mr. Agaha Brass

Environmental Impact & Labor Compliance Manager  
Louisiana Housing Corporation  
[abrass@lhc.la.gov](mailto:abrass@lhc.la.gov) | [www.lhc.la.gov](http://www.lhc.la.gov)  
Desk: 225.763.8734 | Fax: 225.763.8710 | Cell: 225.436.2782  
2415 Quail Drive, Baton Rouge, LA 70808

## F. CONSTRUCTION STANDARDS

All construction must comply with Louisiana State Uniform Construction Code (LSUCC), local planning and zoning, and local authorities and jurisdictions. Federal regulations which may pertain to the specific project such as the Fair Housing and Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as amended, also apply. LHC strongly encourages use of the 2010 ADA/ABA standards when designing accessible units and public facilities.

**The construction standards listed below are the minimum requirements. They have been listed for brevity in the body of this announcement. The full list of requirements that shall govern 2022 BRRDP Qualifying Projects can be found in Appendix B.**

### Minimum Construction Requirements

1. Development and Unit Characteristics: LHC is seeking quality, affordable single- and multi-family rental housing to be placed in commerce, positively contributing to the community at large. Eligible Applicants should commit to incorporating design elements consistent with quality features and amenities, including resource-efficient and durable building systems and approaches, fencing and/or access control features as appropriate to the design/location of the project, open space and landscaping, parking, and/or in-unit features including market-standard square-footage of units, window treatments, appliances, and finishes. Design shall provide for an aesthetically pleasing living facility of average/modest construction that is consistent with the character of the surrounding neighborhood, subject to local and state building codes.
2. Rehabilitation: Rehabilitation of vacant units shall provide tenants with a safe, sanitary, energy-efficient and aesthetically pleasing living units consistent with the character of the surrounding neighborhood, rehabilitated with standard-grade or better materials and subject to local and state building codes. Additionally, all rehabilitation activities must adhere to the **HUD Green Building Retrofit Checklist** (see Appendix B) to the greatest extent possible.
3. Reconstruction: Reconstruction of vacant units shall provide tenants with a safe, sanitary, energy-efficient and aesthetically pleasing living units consistent with the character of the surrounding neighborhood, reconstructed with standard-grade or better materials and subject to local and state building codes. Additionally, all reconstruction activities must adhere to the **HUD New Green Building Standards** as required. Please note, HUD guidance has dictated that all new construction, including

reconstruction, will be required to meet a level of standard greater than the **HUD Green Building Checklist**. The Federal Register notice dictating this grant specifies that if there is no executed contract for new construction at the time of grant award, then one of the following building techniques will need to be followed:

- LEED Criteria: Building design and construction emphasizing sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality that achieves the points necessary to qualify as LEED (Leadership in Energy and Environmental Design) Certified (a minimum of 26 points under the LEED Green Building Rating System for lodging).
  - National Green Building Standard ICC 700 Criteria: Built in accordance with requirements of National Green Building Standard ICC-700-2012 or ICC-700-2015.
  - Energy Star Version 3 Criteria: A new home or apartment that has earned the ENERGY STAR label has undergone a process of inspections, testing and verification to meet strict requirements by the US EPA. ENERGY STAR-certified homes and apartments use significantly less energy than typical new homes and apartments while delivering better comfort, quality, and durability.
4. Energy Star Version 3 Criteria: A new home or apartment that has earned the ENERGY STAR label has undergone a process of inspections, testing and verification to meet strict requirements by the US EPA. ENERGY STAR-certified homes and apartments use significantly less energy than typical new homes and apartments while delivering better comfort, quality, and durability.
  5. Amenities: All units must include HUD standard appliances in addition to a washer, dryer, and dishwasher, at a minimum.
  6. Minimum Internet/Cable Capacity Requirements: All units must be equipped with networks to provide cable television, telephone and internet access in the living area and each bedroom. The following networks (combined or distinct) must be capable of being accessed and activated by tenants: (i) telephone network installed for phones using CAT5e or better wiring, (ii) network for data installed using CAT5e or better, networked from the unit back to a central location or similar configured wireless network and (iii) TV services network using COAX cable. The wiring for such networks should be available to tenants free of charge but tenants may be charged the actual fee incurred by the Taxpayer for activating and making available any services provided directly by the Project or through third party providers. The equivalent of wireless network access is acceptable.
  7. Energy-Efficiency/Green Building Requirements: All units must be built to meet energy-efficiency standards, including Energy Star and Green Building Requirements as identified in Federal Register (FR) notice 5989-N-01. Additional requirements can be found based on project type in **Appendix B**.

Neither LHC nor the 2022 BRRDP assumes responsibility for enforcing or determining compliance with local codes, zoning restrictions and regulations or make interpretations regarding their application in any specific instance. Eligible Applicants shall be responsible for obtaining all applicable building permits and inspections leading to obtaining a certificate of occupancy and/or final inspection. These items, including a passed 2022 BRRDP inspection, will be a prerequisite to close on any property rehabilitated or reconstructed through this Program.

## G. FEDERAL GUIDELINES AND REQUIREMENTS

### **Cross-Cutting Federal Requirements**

All Qualified Projects will be subject to CDBG federal grant requirements referenced in the 2022 Baton Rouge Rebuilds Developer Program Regulatory Agreement (**2022 BRRDP Regulatory Agreement**) required to be filed for record as a covenant running with the land for all Qualified Projects. The 2022 BRRDP Regulatory Agreement will be enforceable against the Eligible Applicant and its successors and assigns during the five (5) year mandatory Affordability Period. Included among the CDBG Federal Grant Requirements are compliance requirements with Section 504 of the Rehabilitation Act of 1973, Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations; and the regulations at 24 CFR Part 107 (Equal Opportunity in Housing); and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs).

### **Duplication of Benefits (DOB)**

The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which they have already received financial assistance under any other program or from insurance or any other source.

The Stafford Act also requires that the LHC perform a Duplication of Benefits analysis pertaining to each Applicant within the 2022 BRRDP.

The amount of approved assistance will be counted in the Duplication of Benefits analysis. Sources of assistance may include, but are not limited to, FEMA, SBA, Private Insurance, and CDBG Disaster Recovery funding. Any Eligible Applicant(s) who received SBA funding to rehabilitate their home/property will be evaluated for acceptance in the 2022 BRRDP Program on a case-by-case basis. Any other assistance received that already covers unmet needs identified under this program will be considered when calculating an award.

The BRRDP will utilize Duplication of Benefits (DOB) feeds from the Memorandum of Understanding (MOU) between SBA and FEMA to verify the amount received by Eligible Applicants from LHC's federal partners.

## H. FINANCING GUIDELINES AND REQUIREMENTS

### Lender Construction Loan Terms

A Lender's Construction Loan may accrue interest at a not-to-exceed rate of interest required by the Lender and as approved by the LHC during construction. A Lender's Construction Loan must provide that:

1. The renovation or reconstruction of an Qualified Dwelling Unit will be completed within a not-to-exceed fixed budget containing all not-to-exceed closing fees and closing costs approved by the Lender and the LHC (the **Approved Budget**); and,
2. The construction must be completed by a not-later-than completion date (**Completion Date**) approved by the LHC and the Lender. This completion date should be included in the construction quote and/or contract.

A Construction Loan must be structured with a promissory note (**Construction Note**) secured by a mortgage (**Construction Mortgage**) that will be negotiated and assigned by the Construction Lender to the Louisiana Housing Corporation following completion of renovation or reconstruction of a residential housing unit(s) and upon receipt by the Lender of a guaranteed payment (**Take-out Commitment**) by the LHC. If the Lender does not utilize the LHC prescribed construction loan documents, a separate LHC promissory note, mortgage, loan agreement and associated documents will be utilized for the Permanent Loan, which will be executed simultaneously at the construction loan closing by the Lender's closing agent. All recorded construction mortgages and LHC closing documents will be recorded against subject property at said closing. Closing costs advanced from Construction Loan should include costs associated with the LHC loan, including a Lender's policy of title insurance.

### Take-Out Assistance Funding Source

The funding source of the Take-out assistance by the LHC on the Conversion Date will be up to \$500,000.00 of Community Development Block Grant (CDBG) Funds made available to LHC on behalf of the City/Parish of East Baton Rouge and the State Office of Community Development.

### Timing of Take-Out Assistance to Lender

Upon the Applicant satisfying the terms of LHC's loan agreement, all advances by the Construction Lender on the Construction Loan will be paid by the LHC to the date the Take-out Assistance is paid to the Lender (**Conversion Date**). Take-out Assistance shall include the aggregate advances for eligible costs on the Construction Loan plus unpaid accrued interest for For-Profit landlords at or below 80% AMI to the Conversion Date.

### Effect of Lien Position of Permanent Loan on Conversion Date

Permanent Loan in Senior Lien Position: If the Permanent Loan is in the senior lien position, the Conversion Date will be the later of (i) the date a Certificate of Occupancy for the Qualified Project is delivered to the Construction Lender and the LHC; and, (ii) the date the Construction Lender

receives payment in full pursuant to the Take-out Commitment. Occupancy by a Qualified Household must occur no later than 90 days from the Conversion Date.

Permanent Loan in Subordinate Lien Position: If the Permanent Loan is subordinate to a third-party permanent lien Lender, the Conversion Date will be delayed until all residential rental units in the Qualified Project are occupied by Qualified Households.

### **Recourse Requirements and Guarantee by Principals of Eligible Applicants**

Construction Loans must be full recourse against Eligible Applicants and must be further guaranteed by Principals of an Eligible Applicant having a twenty percent (20%) ownership interest or more in the Eligible Applicant.

### **Cross Defaults of Multiple Qualified Project During Affordability Period**

An Eligible Applicant owning two or more Qualified Projects will be required to cross default all Qualified Projects only during the Affordability Periods for each of the multiple Qualified Projects. Cross defaults will not be activated any Qualified Project prior to the Conversion Date of that Qualified Project.

### **Senior Lien Financing Limitations**

Seller Financing to Nonprofits: Seller financing evidenced in an Application submitted by a CHDO or NPO may only be provided by a local redevelopment authority or another instrumentality of government.

Net Asset and Liquidity Requirements Related to Liens Senior to Permanent Loan: If the LHC's Permanent Loan is to be subordinate to a Senior Loan, the Eligible Applicant and its Principals must submit financial information satisfactory to the LHC evidencing net assets and liquidity as follows:

- Aggregate Net Worth:  $\geq 110\%$  of Take-out Commitment
- Financial Liquidity:  $\geq 20\%$  of Take-out Commitment

### **Construction Monitoring by Lenders, Oversight and Progress Payments**

Monitoring of construction progress will be the responsibility of the Lender providing the Construction Loan. All construction progress payments by the Lender or the Eligible Applicant to the Contractor may be monitored by the LHC via prescribed requisition form approved by the Lender and the LHC. All construction progress payments to Contractor(s) must be supported with back-up invoices and receipts. Lender will be required to certify actual costs paid by the Construction Lender with respect to advances to the Eligible Applicant. The Eligible Applicant will be required to provide proof of payments either by EFT, check, or money order to the Contractor performing the construction services. No cash payments will be accepted as evidence of payment to the contractor. The Eligible Applicant will also be required to provide Lender inspection reports. Please note, all Change Orders will require the approval of LHC prior to execution.

### **Terms of Construction Loan and Conversion to Permanent Loan When Assigned to LHC**

Prior to the Conversion Date, the terms of the Construction Loan will correspond to the terms and requirements specified by the Lender. The Construction Loan will either be assigned to the LHC on the Conversion Date and convert to a permanent loan (**Permanent Loan**) or shall be paid off or paid down on the Conversion Date under separate LHC loan documents if the Lender has not utilized LHC prescribed construction loan documents. On and after the Conversion Date, the terms of the Permanent Loan will correspond to the requirements of the LHC. Whichever form of LHC loan agreement is utilized, the Permanent Loan will mature no later than five (5) years following the Conversion Date.

Please note, the Construction Loan is not required to have a first mortgage lien position.

### **Terms of Permanent Loan – Payment Only Upon Default**

If the residential rental units in a Qualified Project remain affordable – leased by Qualified Households at or below 80% AMI – during the applicable Affordability Period and if there have been no default findings by the LHC, the Permanent Loan will be forgiven at the end of the applicable Affordability Period.

The Permanent Loan will not bear interest and will be subject to principal payments only upon a determination that the Eligible Applicant failed to maintain the property financed by the Permanent Loan as a Qualified Project OR that there is a default that has occurred under the Permanent Loan documentation that is not or cannot be cured following notice of said default. Should a default remain after receipt of said notice is acknowledged by the Qualified Applicant, LHC will calculate the remaining amount of assistance due and repayable based on the period of default and the amount of time remaining in the Affordability Period.

### **Construction Loan Closing Documentation**

Eligible Applicants will be required to execute a conditional Commitment of 2022 BRRDP Funds upon award of a Take-out Commitment that must be acknowledged by the Construction Lender. LHC approved financing documents (**2022 BRRDP Loan Documents**) must be executed at closing. 2022 BRRDP Loan Documents may include the form of a Lender's Construction Note and Mortgage and any other 2022 BRRDP Loan Documents being submitted for the Qualified Project. Additionally, the 2022 Baton Rouge Rebuilds Developer Agreement (**2022 BRRDP Regulatory Agreement**) must be executed and recorded at the closing of the Construction Loan. Within five (5) business days of closing, Lenders will be required to submit to the LHC a Closing Docket containing all 2022 BRRDP loan documents, including any required documents and proceedings identified in a standard index of closing documents (**Closing Index**) for LHC to approve in advance of closing.

Similarly, an Applicant using non-borrowed funds to finance construction must also submit a Closing Docket to LHC and arrange to commence construction financing using other required documents and proceedings identified in the Closing Index that the LHC will approve in advance of closing.



## **Lender Fees and Closing Costs**

An Application must identify all Lender fees to be charged to an Eligible Applicant, including lender Application Processing Fees, Lender Commitment Fees, Lender Closing Fees, Lender Legal Fees and Lender Construction Monitoring Fees. Costs associated with closing of the permanent loan are to be advanced from the Construction Loan, which includes any filing fees and a Lender's title insurance policy issued by the Construction Lender closing agent. All Lender fees must be reasonable and are subject to review and approval by the LHC.

## **Underwriting Standards**

- Maximum Rents: Qualified Projects must be Income Restricted and Rent Restricted as referenced in the BRRDP Applicable Terms below.
- Rate of Increase: Assumptions for Revenues and Expenses: Revenues may be projected to increase at a rate not in excess of two percent and expenses must be projected to increase at a rate of not less than three percent. With the approval of the LHC, expenses may increase at the rate of revenues.
- Financial Commitments: If required by the LHC, if the Take-out Commitment is less than the Construction Loan, other funding must be secured and documented with firm, enforceable financial commitments at the time of application.
- Maximum Award: The maximum award cannot exceed the limits for Qualified Projects listed elsewhere in this document. The LHC will underwrite to maximize, to the greatest extent possible, private financing of the project. LHC may reduce the award from the amount requested to an amount that maximizes private subordinate financing.
- Cost Reasonableness Analysis: A Cost Reasonableness Analysis is performed on all projects by the LHC Construction Department using information provided in project applications and RS Means costing data. In order to perform the Cost Reasonableness Analysis, Applicants must submit a scope of work and a floor plan for their proposed project. The cost of construction submitted by the Applicant must fall within twenty (20%) percent of the cost obtained by the LHC staff for the project to be considered as cost reasonable. For projects not deemed as cost reasonable to be funded, such projects must either be redesigned, or the construction must be competitively bid through a public bid process.

## **I. INELIGIBILITY AND ETHICS PROVISIONS**

### **Ineligible Applications**

Applications will be deemed ineligible if any of the following conditions exist at the time of application submission:

- Any Applicant (person and/or entity including an organization) representing such person and/or entity is listed on the federal debarred/suspended list;

- Any Applicant (person and/or entity) that received notice that they are currently out of compliance with LHC regarding annual audits or who are in arrears or out of compliance on other LHC-financed projects;
- Homeownership Developments proposed by entities that currently have unsold properties funded by LHC CDBG Funds;
- Any Applicant (person and/or entity) that currently has an LHC-financed project with compliance issues that are unresolved for greater than ninety (90) days;
- Two or more projects previously awarded financing by LHC that are currently incomplete. Applications that are impacted by this requirement will be reviewed on a case-by-case basis and in limited circumstances, may be granted a waiver at LHC's sole discretion; and,
- Any Applicant (person and/or entity) not in compliance with any other LHC, OCD-DRU, or EBR OCD disaster program.

### **Ethics Policy**

Conflicts of Interest and Identity of Interest arrangements are generally not allowed in the 2022 BRRDP program. Conflicts of Interest and Identity of Interest must be disclosed in the application for 2022 BRRDP funding. Non-disclosure shall be cause for a denial of and Applicant's Application and/or forfeiture or reductions of any awards if such relationship is found to exist after the award process is complete.

### **Conflict of Interest**

HUD conflict of interest regulations prohibit local elected officials, sub-recipient employees, and consultants who exercise functions with respect to CDBG Disaster Recovery activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the CDBG Disaster Recovery activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

For purposes of this section, "family" is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG conflict of interest regulations at 24 CFR 570.489(h). An organization which employs or is about to employ any of the parties indicated above would also be deemed a conflict.

If the need to determine whether a conflict of interest exists, an LHC attorney will make the determination. If required, the LHC attorney will produce an exception request which will be submitted to the State's Office of Community Development (OCD) and/or the State Ethics Commission. The State is able to consider granting an exception to the conflict-of-interest provision should it be determined by the that adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the

purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program.

**Identity of Interest**

Identity of interest means any relationship (generally based on family ties or financial interests) between (a) the seller and purchase (prospective owner), (b) the owner and/or general contractor and the subcontractor, material supplier or equipment lessor, or (c) the owner and the Lender, which could reasonably give rise to a presumption that the parties to the transaction may operate in collusion in establishing the purchase price of the property, the cost of the rehabilitation work, or the terms of the financing. Examples of identity of interest relationships include:

- There is any financial interest of the Developer or Owner in the Builder or any financial interest of the Builder in the Developer or Owner;
- Any officer, director or stockholder or partner of the Developer or Owner who is also an officer, director or stockholder or partner of the Builder;
- Any officer, director, stockholder or partner of the Developer or Owner has any financial interest in the Builder; or any officer, director, stockholder or partner of the Builder has any financial interest in the Developer or Owner;
- The Developer or Owner advances any funds to the Builder;
- The Developer or Owner supplies and pays, on behalf of the Builder, the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by a Developer or Owner in connection with its obligations under the construction contract;
- The Developer or Owner takes stock or any interest in the Builder compensation as consideration of payment;
- There exists or comes into being any side deals, arrangements, contracts or undertakings entered into or contemplated, thereby altering, amending, or canceling any of the required closing documents, except as approved by the LHC;
- Any relationship (e.g., family) existing which would give the Builder or Developer or Owner control or influence over the price of the contract or the price paid to any subcontractor, material supplier or lessor of equipment;
- Any member of the Qualified Project's Development Team advances any funds to the Developer or Owner at any point prior to an allocation; and,
- For purposes of determining an identity of interest between parties not identified in (i) through (ix), such parties will be identified as either the Qualified Project's Developer and Owner or the Contractor as appropriate to establish the identity of interest.

LHC may reduce any allowable costs where an identity of interest has been found among the parties to transactions involving the sale, development and/or operation of the project.

### III. Funding Evaluation Criteria

---

#### A. FUNDING and SCORING GUIDELINES

Awards for 2022 BRRDP funding will be made to qualifying Applicants submitting complete Applications during the prescribed application period.

#### B. SCORING CRITERIA

Total points awarded in each scoring category will be used to evaluate each Application and to prioritize the issuing of 2022 BRRDP awards. It is possible for an Application to receive a significant number of points and not receive funding. Funding is available on a first-come, first-served basis.

#### 2022 BRRDP Application Scoring Criteria

Criteria	Description	Points Awarded
<b>Location</b>		
BRRDP Low-Income Area	To receive points for this criteria, proposed project must be in a low-income census tract.	30
<b>Project Type</b>		
Slum and Blight Property	To receive points for this criteria, proposed project must have been declared a Slum and Blight property by the planning office in the parish of the proposed project.	30
<b>Resiliency</b>		
Resilient Construction Standards	To receive points for these criteria, proposed reconstruction or substantial rehabilitation must incorporate all of the following resiliency standards:	20
	Impact resistant windows or storm shutters (4 points)	
	High wind application roofing methods and materials; the rating must be at least 30 MPH beyond base code requirement. (4 points)	
	Electrical outlets centered 24" above finished floor (4 points)	

Criteria	Description	Points Awarded
	HVAC elevated beyond Base Flood Elevation (BFE) (4 points)	
	Waterproof floor-covering (4 points)	
<b>Leveraging</b>		
Percentage of 2022 BRRDP Funding Relative to Total Project Costs	To receive maximum points for these criteria, the percentage of 2022 BRRDP funding must be 25% or less of the proposed total project costs.	
	25% or less (20 Points)	20
	26%–50% (15 Points)	
	51%–75% (10 Points)	
	76%–85% (5 Points)	
	86%–100% (0 Points)	

**Total            100**

## IV. Program Definitions

---

Affordability Period: A Program-required minimum of five (5) years from the date of the initial lease up by a qualified tenant

Affordable Rents: The rents for each residential rental housing unit by bedroom size published by LHC for each Qualified Project reduced by the Utility Allowance applicable to the unit. These rents cannot exceed the allowable published rents when Section 8 vouchers are present

AMI: Area Median Income – to maintain Program compliance during the Affordability Period, BRRDP funded units cannot be occupied by renters whose annual income exceeds eighty (80%) of AMI for the geographic area where the project is located

CDBG: Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons

DDRF: Declared Disaster Recovery Fund (DDRF) is a special recovery fund established under HUD's CDBG Program

Construction Loan: The loan originated by a Lender to an Eligible Applicant to finance the renovation of an Existing Unit.

Conversion Date: The date the Lender receives payment pursuant to the Take-out Commitment

Eligible Costs: The following constitute Eligible Costs:

1. Development hard costs. Development hard costs are the actual cost of constructing or rehabilitating housing
2. Related soft costs. Other reasonable and necessary costs incurred by the owner or LHC and associated with the financing or development (or both) of Existing Units assisted with CDBG-DDRF Funds

Eligible Geographic Area: City of Baton Rouge and East Baton Rouge Parish, excluding the cities of Baker, Zachary, and Central

HUD: U.S. Department of Housing and Urban Development

Identity of Interest: An identity of interest is construed to exist when:

1. There is any financial interest of the Developer or Owner in the Builder or any financial interest of the Builder in the Developer or Owner.
2. Any officer, director, stockholder, or partner of the Developer or Owner is also an officer, director or stockholder or partner of the Builder.
3. Any officer, director, stockholder, or partner of the Developer or Owner has any financial interest in the Builder; or any officer, director, stockholder, or partner of the Builder has any financial interest in the Developer or Owner.
4. The Developer or Owner advances any funds to the Builder.
5. The Developer or Owner supplies and pays, on behalf of the Builder, the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by a Developer or Owner in connection with its obligations under the construction contract.
6. The Developer or Owner takes stock or any interest in the Builder compensation as consideration of payment.
7. There exist or come into being any side deals, arrangements, contracts or undertakings entered or contemplated, thereby altering, amending, or canceling any of the required closing documents, except as approved by the LHC.
8. Any relationship (e.g., family) existing which would give the Builder or Developer or Owner control or influence over the price of the contract or the price paid to any subcontractor, material supplier or lessor of equipment.
9. Any member of the Development Team advances any funds to the Developer or Owner at any point prior to an allocation.

For purposes of determining an identity of interest between parties not identified in (i) through (ix), such parties will be identified as either the Developer and Owner or the Contractor as appropriate to establish the identity of interest. The Corporation may reduce any allowable costs where an Identity of Interest has been found among the parties to transactions involving the sale, development, and/or operation of the project.

**Income Restricted:** During the Affordability Period, residential housing units may only be rented to a Qualified Household.

**Ineligible Applications:** Applications will be deemed ineligible if any of the following conditions exist at the time of application submission:

1. Any person and or entity on the federal debarred list or an organization representing such person or entity is on the list.
2. Any person and or entity received notice that they are currently out of compliance with LHC regarding annual audits or are in arrears with other LHC financed projects.
3. Homeownership developments are proposed by entities that currently have unsold properties funded by LHC CDBG-DDRF Funds.
4. Any person or entity currently has an LHC-financed project with compliance issues that are unresolved for greater than ninety days.
5. Two or more projects previously awarded financing by LHC are currently incomplete.
6. Any Applicant is not in compliance with any other LHC or OCD disaster program.

Ineligible Costs:

No 2022 BRRDP Funds may be used:

1. to purchase land from a person or person that has an identity of interest with the Eligible Applicant
2. for development, operations or modernization of public housing financed under the 1973 Act (Public Housing Capital and Operating Funds)
3. for the cost of acquiring land that was purchased prior to the application to or receipt of BRRDP program funding
4. to refinance any loan

LHC:

Louisiana Housing Corporation

OCD-DRU:

State of Louisiana, Division of Administration, Office of Community Development, Disaster Recovery Unit

Period of Affordability: See Affordability Period

Permanent Loan:

The loan by LHC, either through a conversion of the LHC prescribed construction loan agreement or through a separate LHC permanent loan documents.

Qualified Household:

A tenant household in which no member is related to the Applicant and for which household income does not exceed the lower of 80% of AMI published by HUD as adjusted by family size or such lower amount for Set-aside Units as provided for in an Application for a Take-out Commitment



Qualified Project: A project not in excess of four (4) residential housing units located in an Eligible Area and in which each residential housing unit is a Qualified Dwelling Unit on a site or sites together with any building or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with CDBG-DDRF funds as a single undertaking located within a five mile radius of each other within a single governmental entity (if located within a city, town, or other similar political subdivision then all sites must be within the same political subdivision for rental projects. If located outside of a local jurisdiction then all sites must be within the same Parish. The project includes all the activities associated with the site and building.

Qualified Dwelling Unit: A residential rental unit that is Income Restricted and Rent Restricted based on the income limits set by the program for the end user (tenant) on a site or sites together with any building or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with CDBG-DDRF funds as a single undertaking located within a five mile radius of each other under the jurisdiction of a single governmental entity.

Reconstruction: CDBG Program policy states that reconstruction generally means the rebuilding of a structure on the same site in substantially the same manner. Reconstruction is a form of rehabilitation. The number of dwelling units on a site may not be increased; but the number of rooms per unit may be increased or decreased.

Regulatory Agreement: A legally binding agreement between LHC and the Applicant for the expenditure of CDBG-DDRF Funds that will be executed following environmental clearance.

Rent Restricted: Rent charged a Qualified Household during the Affordability Period may not exceed Affordable Rents

Take-out Commitment: CDBG-DDRF funding amount awarded by Eligible Project allocated according to unit limit maximums

Utility Allowance: The utilities for which an allowance is provided to tenants include electricity, natural gas, water, sewer and trash collection. If a tenant pays any of these costs in addition to their rent, a utility allowance is required

Vacant Unit: A residential housing unit that does not have a tenant occupant. In order to be eligible for the 2022 BRRDP, all the units contained in the Application must have been vacant as of the date of 2022 BRRDP NOFA publication. A landlord may not intentionally displace a tenant in order to be able to apply to the 2022 BRRDP

# APPENDIX A: INDEX OF APPLICATION AND SUPPORTING DOCUMENTS

---

## **2022 BRRDP Application**

### **I. Reconstruction Project**

Applications proposing reconstruction must be submitted with the following required supporting documents:

- Site plan
- Floor plan
- Front, side, and rear elevations
- Certification Regarding Sources and Uses of Funds Statement and No Duplication of Funds
- Evidence that project meets zoning requirements
- Scope of Work
- Stop Work Order provision document
- Vacancy certification
- Tenant certification
- Lender's commitment contingent upon receipt of 2022 BRRDP funds
- Documentation of other committed and available funds
- Applicant Checklist and Acknowledgment
- Signature page

### **II. Rehabilitation Project**

Applications proposing rehabilitation must be submitted with the following required supporting documents:

- Site plan
- Floor plan
- Interior photos
- Exterior photos
- Certification Regarding Sources and Uses of Funds Statement and No Duplication of Funds

- Proposed compliance alignment of the Scope of Work with HUD CPD Green Building Retrofit Checklist
- Evidence that project meets zoning requirements
- Evidence that the proposed housing unit is not in a flood hazard area
- Construction contract (If work has been started on the units)
- Scope of Work (If work has not been started on the units)
- Vacancy certification
- Tenant certification
- Stop Work Order provision document
- Five-year Pro Forma
- Lender's commitment contingent upon receipt of 2022 BRRDP funds
- Commitment contingent upon receipt of 2022 BRRDP funds
- Documentation of other committed and available funds
- Applicant Checklist and Acknowledgment
- Signature page

# APPENDIX B: CONSTRUCTION SUPPORTING INFORMATION

---

## A. Requirements for Reconstruction Projects

HUD guidance has dictated that all reconstruction will be required to meet a level of standard greater than the HUD Green Building Checklist which is for rehab only. One of the following reconstruction building techniques will need to be followed and certification met:

- LEED Criteria—Building design and construction emphasizing sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality that achieves the points necessary to qualify as LEED Certified (a minimum of 26 points under the LEED Green Building Rating System® for lodging). The LEED (Leadership in Energy and Environmental Design) Green Building Rating System® is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings created by the US Green Building Council.
- National Green Building Standard ICC 700 Criteria—Built in accordance with the requirements of National Green Building Standard ICC-700-2012 or ICC-700-2015.
- Energy Star Version 3 Criteria—A new home or apartment that has earned the ENERGY STAR label has undergone a process of inspections, testing, and verification to meet strict requirements set by the US EPA. ENERGY STAR certified homes and apartments use significantly less energy than typical new homes and apartments while delivering better comfort, quality, and durability.

A third-party inspection firm or inspector will be responsible to monitor the construction process according to the method of green building you decide upon. The inspection firm or inspector will assure that certain benchmarks are achieved throughout construction as part of the required certification process.

## B. HUD CPD Green Building Retrofit Checklist

The U.S. Department of Housing and Urban Development (HUD) Office of Community Planning and Development (CPD) Green Retrofit Checklist promotes energy efficiency and green building practices for residential retrofit projects. Grantees must follow the checklist in its entirety and apply all measures within the Checklist to the extent applicable to the particular building type being retrofitted. The phrase “when replacing” in the Checklist refers to the mandatory replacement with specified green improvements, products, and fixtures only when replacing those systems during the normal course of the retrofit.

### WATER AND ENERGY CONSERVATION MEASURES

- Water-Conserving Fixtures**  
Install or retrofit water conserving fixtures in any unit and common facility, use the following specifications: Toilets-- 1.28 gpf; Urinals-- 0.5 gpf; Showerheads-- 2.0 gpm; Kitchen faucets-- 2.0 gpm; and Bathroom faucets-- 1.5gpm. [gpf = gallons per flush; gpm = gallons per minute]
- ENERGY STAR Appliances**  
Install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators, if these appliance categories are provided in units or common areas.
- Air Sealing: Building Envelope**  
Seal all accessible gaps and penetrations in the building envelope. If applicable, use low VOC caulk or foam.
- Insulation: Attic** (if applicable to building type)  
For attics with closed floor cavities directly above the conditioned space, blow in insulation per manufacturer's specifications to a minimum density of 3.5 Lbs. per cubic foot (CF). For attics with open floor cavities directly above the conditioned space, install insulation to meet or exceed IECC levels.
- Insulation: Flooring** (if applicable to building type)  
Install  $\geq$  R-19 insulation in contact with the subfloor in buildings with floor systems over vented crawl spaces. Install a 6-mil vapor barrier in contact with 100% of the floor of the crawl space (the ground), overlapping seams and piers at least 6 inches.
- Duct Sealing** (if applicable to building type)  
In buildings with ducted forced-air heating and cooling systems, seal all penetrations of the air distribution system to reduce leakage in order to meet or exceed ENERGY STAR for Homes' duct leakage standard.
- Air Barrier System**  
Ensure continuous unbroken air barrier surrounding all conditioned space and dwelling units. Align insulation completely and continuously with the air barrier.

- Radiant Barriers: Roofing**  
When replacing or making a substantial repair to the roof, use radiant barrier sheathing or other radiant barrier material; if economically feasible, also use cool roofing materials.
- Windows**  
When replacing windows, install geographically appropriate ENERGY STAR rated windows.
- Sizing of Heating and Cooling Equipment**  
When replacing, size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or 2012 ASHRAE Handbook--HVAC Systems and Equipment or most recent edition.
- Domestic Hot Water Systems**  
When replacing domestic water heating system(s), ensure the system(s) meet or exceed the efficiency requirements of ENERGY STAR for Homes' Reference Design. Insulate pipes by at least R-4.
- Efficient Lighting: Interior Units**  
Follow the guidance appropriate for the project type: install the ENERGY STAR Advanced Lighting Package (ALP); **OR** follow the ENERGY STAR MFHR program guidelines, which require that 80% of installed lighting fixtures within units must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; **OR** when replacing, new fixtures and ceiling fans must meet or exceed ENERGY STAR efficiency levels.
- Efficient Lighting: Common Areas and Emergency Lighting** (if applicable to building type)  
Follow the guidance appropriate for the project type: use ENERGY STAR-labeled fixtures or any equivalent high-performance lighting fixtures and bulbs in all common areas; **OR** when replacing, new common space and emergency lighting fixtures must meet or exceed ENERGY STAR efficiency levels. For emergency lighting, if installing new or replacing, all exist signs shall meet or exceed LED efficiency levels and conform to local building codes.
- Efficient Lighting: Exterior**  
Follow the guidance appropriate for the project type: install ENERGY STAR-qualified fixtures or LEDs with a minimum efficacy of 45 lumens/watt; **OR** follow the ENERGY STAR MFHR program guidelines, which require that 80% of outdoor lighting fixtures must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; **OR** when replacing, install ENERGY STAR compact fluorescents or LEDs with a minimum efficacy of 45 lumens/watt.

## INDOOR AIR QUALITY

- Air Ventilation: Single Family and Multifamily** (three stories or fewer)

Install an in-unit ventilation system capable of providing adequate fresh air per ASHRAE 62.2 requirements.

**Air Ventilation: Multifamily** (four stories or more)

Install apartment ventilation systems that satisfy ASHRAE 62.2 for all dwelling units and common area ventilation systems that satisfy ASHRAE 62.1 requirements. If economically feasible, consider heat/energy recovery for 100% of corridor air supply.

**Composite Wood Products that Emit Low/No Formaldehyde**

Composite wood products must be certified compliant with California 93120. If using a composite wood product that does not comply with California 93120, all exposed edges and sides must be sealed with low-VOC sealants.

**Environmentally Preferable Flooring**

When replacing flooring, use environmentally preferable flooring, including the FloorScore certification. Any carpet products used must meet the Carpet and Rug Institute's Green Label or Green Label Plus certification for carpet, pad, and carpet adhesives.

**Low/No VOC Paints and Primers**

All interior paints and primers must be less than or equal to the following VOC levels: Flats--50 g/L; Non-flats--50 g/L; Floor--100 g/L. [g/L = grams per liter; levels are based on a combination of the Master Painters Institute (MPI) and GreenSeal standards.]

**Low/No VOC Adhesives and Sealants**

All adhesives must comply with Rule 1168 of the South Coast Air Quality Management District. All caulks and sealants must comply with regulation 8, rule 51, of the Bay Area Air Quality Management District.

**Clothes Dryer Exhaust**

Vent clothes dryers directly to the outdoors using rigid-type duct work.

**Mold Inspection and Remediation**

Inspect the interior and exterior of the building for evidence of moisture problems. Document the extent and location of the problems, and implement the proposed repairs according to the Moisture section of the EPA Healthy Indoor Environment Protocols for Home Energy Upgrades.

**Combustion Equipment**

When installing new space and water-heating equipment, specify power-vented or direct vent combustion equipment.

**Mold Prevention: Water Heaters**

Provide adequate drainage for water heaters that includes drains or catch pans with drains piped to the exterior of the dwelling.

**Mold Prevention: Surfaces**

When replacing or repairing bathrooms, kitchens, and laundry rooms, use materials that have durable, cleanable surfaces.

**Mold Prevention: Tub and Shower Enclosures**

When replacing or repairing tub and/or shower enclosures, use non-paper-faced backing materials such as cement board, fiber cement board, or equivalent in bathrooms.

**Integrated Pest Management**

Seal all wall, floor, and joint penetrations with low-VOC caulking or other appropriate sealing methods to prevent pest entry. [If applicable, provide training to multifamily buildings staff.]

**Lead-Safe Work Practices**

For properties built before 1978, if the project will involve disturbing painted surfaces or cleaning up lead contaminated dust or soil, use certified renovation or lead abatement contractors and workers using lead-safe work practices and clearance examinations consistent with the more stringent of EPA's Renovation, Repair, and Painting Rule and HUD's Lead Safe Housing Rule.

**Radon Testing and Mitigation** (if applicable based on building location)

For buildings in EPA Radon Zone 1 or 2, test for radon using the current edition of American Association of Radon Scientists and Technologists (AARST)'s Protocols for Radon Measurement in Homes Standard for Single-Family Housing or Duplexes, or AARST's Protocol for Conducting Radon and Radon Decay Product Measurements in Multifamily Buildings. To install radon mitigation systems in buildings with radon level of 4 pCi/L or more, use ASTM E 2121 for single-family housing or duplexes, or AARST's Radon Mitigation Standards for Multifamily Buildings. For new construction, use AARST's Reducing Radon in New Construction of 1 & 2 Family Dwellings and Townhouses, or ASTM E 1465.