STATE OF HAWAII
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
HOUSING TRUST FUND PROGRAM
ALLOCATION PLAN

I. INTRODUCTION

The Housing Trust Fund (HTF) program was created by Title I of the Housing and Economic Recovery Act of 2008, Section 1131 (Public Law 110-289) and is administered by the U.S. Department of Housing and Urban Development. The regulations which govern the HTF are contained in 24 CFR Part 93, Housing Trust Fund. The purpose of the HTF is to provide grants to State governments to increase and preserve the supply of decent, safe, and sanitary affordable housing for primarily extremely low-income (30% AMI) households, including homeless families. The Hawaii Housing Finance and Development Corporation (HHFDC) is designated as the HTF Grantee for the State of Hawaii.

II. DISTRIBUTION OF FUNDS

The Consolidated Plan identifies a substantial need for affordable housing throughout the State of Hawaii. Consequently, the HHFDC will make its allocation of HTF funds available on a statewide basis. HHFDC will fund projects through subgrantees (a unit of general local government that is selected to administer all or a portion of the state HTF program). The annual distribution is described below:

a. HHFDC will retain 5% of the HTF annual allocation for allowable administrative and planning expenses.

b. The balance of the HTF annual allocation will be split (50/50) between the City and County of Honolulu and the designated neighbor island county that receives HHFDC's rotated HOME allocation, (Subgrantees); for PY2018, the City and County of Honolulu and the County of Hawaii are anticipated to receive the HTF allocation; the next neighbor island allocation would be received by the County of Kauai in PY2019.

c. The HTF program requires HHFDC to commit funds within 24 months of HUD's execution of the HTF grant agreement. Should a Subgrantee be unable to identify an eligible HTF project(s) within a specified timeframe, HHFDC, in its sole discretion, shall seek alternate activities from the remaining Subgrantees.

d. Should the remaining Subgrantees be unable to identify an eligible HTF project(s) with a specified timeframe, HHFDC, in its sole discretion, shall seek alternate activities from eligible recipients.

e. The HHFDC anticipates receiving $3,000,000 in HTF funds for the Program Year 2018 – 2019, to be distributed as follows:

Program Year 2018 – 2019				
Fund Type	City and County of Honolulu	County of Hawaii	HHFDC	Total
HTF Project Funds	$1,350,000	$1,350,000	$0	$2,700,000
Administration	$75,000	$75,000	$150,000	$300,000
Total HTF Funds	$1,425,000	$1,425,000	$150,000	$3,000,000

III. ELIGIBLE ACTIVITIES AND EXPENSES

Rental Housing - HHFDC will focus its HTF funds on providing affordable rental housing to 30% AMI households. HTF funds may be used for the production, preservation, and rehabilitation of affordable rental housing through the acquisition, new construction, reconstruction, or rehabilitation of nonluxury housing with suitable amenities.

Eligible activities and expenses include: real property acquisition, site improvements and development hard costs, related soft costs, conversion, demolition, financing costs, relocation assistance, operating cost assistance and reasonable administrative and planning costs for HTF program administration.

HHFDC does not intend to use HTF funds for refinancing of existing debt.

IV. ELIGIBLE RECIPIENTS

An organization, agency or other entity (including a public housing agency, or a for-profit entity or a nonprofit entity) is eligible to apply for HTF assistance as an owner or developer to carry out an HTF-assisted project. A recipient must:

a. Make acceptable assurances to the Subgrantee/HHFDC that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
b. Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;

c. Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and

d. Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.

V. APPLICATION AND AWARD PROCESS

Applications for the HTF are issued, accepted and selected by the applicable county housing agencies (Subgrantees) annually for funding consideration, subject to availability of funds. Should Subgrantees be unable to identify an eligible HTF project(s) within a specified timeframe, HHFDC shall seek alternate activities from eligible recipients. Applications are reviewed for eligibility and rated using the selection criteria. Each application must describe the eligible activity, in accordance with 24 CFR 93.200, to be conducted with HTF funds and contain a certification by each eligible recipient that housing units assisted with HTF will comply with the HTF requirements.

In addition, applications will include performance goals and bench marks that the Subgrantees/HHFDC will use to monitor efforts to accomplish the rental housing objectives.

STATE OF HAWAII SUBGRANTEES

City and County of Honolulu	**County of Kauai**
Department of Community Services	Kauai County Housing Agency
Kapalama Hale, Suite 200	Pi`ikoi Building
925 Dillingham Boulevard	4444 Rice Street, Suite 330
Honolulu, Hawaii 96817	Lihue, Hawaii 96766
County of Hawai`i	**County of Maui**
Office of Housing and Community Development	Department of Housing and Human Concerns
50 Wailuku Drive	35 Lunalilo Street, Suite 102
Hilo, Hawaii 96720	Wailuku, Hawaii 96793

For PY 2018, the applicable Subgrantees to issue the HTF applications are the City and County of Honolulu and the County of Hawaii.

Minimum Thresholds:

Applicants must meet all of the following Minimum Threshold requirements to receive consideration for an allocation or award of HTF.

Failure to meet any Minimum Threshold shall result in the immediate rejection of the application.

1. Market Assessment
   A market assessment of the housing needs of extremely low income individuals to be served by the project must be submitted as a part of the application. The assessment should review the neighborhood and other relevant market data to determine that there is current demand for the type and number of housing units being developed.

2. Site Control
   Evidence of site control shall be submitted with the application for HTF funds. Site control shall be substantiated by providing evidence in the form of an executed lease or sales option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the County. Evidence of site control must be provided for all proposed sites.

3. Capital Needs Assessment (For projects acquiring an existing property.)
   To ensure that the proposed rehabilitation of the project is adequate and that the property will have a useful life that exceeds the affordability period, a capital needs assessment of the property by a competent third party shall be submitted with the application. A capital needs assessment is a qualified professional's opinion of a property's current physical condition. It identifies deferred maintenance, physical needs and deficiencies, and material building code violations that affect the property's use, structural and mechanical integrity, and future physical and financial needs. The Capital Needs Assessment shall identify any work that must be completed immediately to address health and safety issues, violation of Federal or State law, violation of local code, or any work necessary to ensure that the building can continue to operate as affordable housing.

4. Debt Service Ratio
   a. Projects with hard debt service requirements:
      i. The Project is required to evidence a Debt Service Ratio of no less than 1.15x on all hard debt service requirements for the first 15 years.
   b. Projects with no hard debt service requirements:
      i. The Project is required to evidence positive Net Operating Income throughout the 30-year proforma period.
   c. Hard Debt Service:
      i. Defined as scheduled regular and periodic principal and/or interest payments of project loan obligations made for its direct benefit, as evidenced by a note and loan agreement.
      ii. The Applicant is required to support all hard debt service loans and

terms with executed lenders' commitment letters, letters of interest, or term sheets.

d. Underwriting Criteria and Requirements:

i. Applicants are required to use the following parameters and assumptions in the preparation of the project proforma:

1. Annual Income Inflation Rate of 2.0% and Annual Expense Inflation Rate of 3.0% for the first 15 years or term of the first mortgage, whichever is greater.
2. Annual Income Inflation Rate of 2.0% and Annual Expenses Inflation Rate of 2.0% for the remaining term of affordability.
3. Vacancy Rate of no less than 5.0%
4. Annual Replacement Reserve Allocation of no less than $300 per unit per year.

5. Phase I Environmental Site Assessment

All proposed multifamily (more than four housing units) HTF projects require a Phase I Environmental Site Assessment.

For acquisition/rehabilitation projects, the Phase I Environmental Assessment should address lead based paint and asbestos.

6. Developer Fee

i. New Construction – maximum developer fee of 15% of the total development costs or $3,750,000 (whichever is less)

ii. Acquisition/Rehabilitation – maximum developer fee of 10% of the acquisition costs and 15% of the rehabilitation costs or $3,750,000 (whichever is less).

VI. SELECTION CRITERIA

a. Timeliness and Readiness to Proceed (Max. 30 pts.) – The proposed project is feasible and will meet the required timelines to commit and expend HTF funds. Applicants need to demonstrate project "readiness." Factors to be considered are site control, financial commitments, environmental factors, zoning, utilities and site and neighborhood standards;

b. Consolidated Plan Priorities (Max. 10 pts.) - The extent to which the project proposes accomplishments that will meet the rental housing objectives for both the HHFDC and the County. The HTF is primarily a production program meant to add units to the supply of affordable housing for extremely low-income households. Merits of the application in meeting the priority housing needs of the County where the project is located such as accessible to transit or employment centers, housing that includes green building and sustainable development features or housing that serves special needs populations;

c. Developer Experience and Financial Capacity (Max. 25 pts.) - Applicant's ability to obligate HTF dollars and undertake funded activities in a timely manner. Need to review evidence of experience in developing and managing projects of similar type and scope, staff qualifications, and fiscal soundness. In addition, applicants who have received federal funds in the past will be evaluated on the basis of their past performance. Qualifications of the proposed project team, personnel and /or contractors to carry out the proposed project including proven record of experience with comparable projects;

d. Financially Feasible Project (Max. 25 pts.) – Project pro forma to cover a minimum 30 year HTF affordability period and include rents that are affordable to extremely low-income households. Priority to be given for projects with extended affordability periods and project based rental assistance; and

e. Use of Non-Federal Funding Sources (Max. 10 pts.) – Given the 30% AMI income targeting requirements, viable projects will require other funding sources compatible with HTF. Priority consideration to the extent project will use non-federal funding sources.

A minimum score of 50 points (out of the 100 total points) must be scored in order to be recommended for the award of HTF funds.

Successful Recipient(s) will receive a Notice of Award, which will state that the Subgrantee's intent to award HTF funds is subject to approval of the applicable HTF Allocation Plan/Action Plan by the County Council/Approving Authority, HHFDC and HUD.

VII. MAXIMUM PER-UNIT DEVELOPMENT SUBSIDY LIMITS

Each year, HHFDC must establish maximum limitations on the total amount of HTF funds that may be invested per-unit for development of non-luxury rental housing projects. The HOME Program Maximum Per-Unit Subsidy Limits have been adopted for the HTF program. The development costs of affordable rental housing across the state are generally higher in comparison with the HOME subsidy limits. However, due to the limited funding, the HTF projects will require leveraging with other significant sources of funds. The HOME subsidy limit provides a reasonable maximum to develop a greater number of HTF assisted units throughout the state.

The following table reflects the maximum per unit subsidy limits by bedroom size for housing assisted with HTF within the State of Hawaii, for PY 2018.

Bedrooms	PY2018 HTF Maximum Per-Unit Subsidy Limit
0	$144,050
1	$165,134
2	$200,800
3	$259,773
4+	$285,148

VIII. REHABILITATION STANDARDS

Rehabilitation of multi-family projects that utilize HTF funds must comply with all applicable federal, state and local codes, ordinances, requirements, County HTF rehabilitation standards and the requirements of 24 CFR 93.301(b). At a minimum, the following property standards and requirements shall apply:

1) Health and Safety – If the housing is occupied at the time of initial inspection, all Life-Threatening Deficiencies must be identified and addressed immediately. See Appendix A which identifies all life-threatening deficiencies (Highlighted in yellow and bold) for the property site, building exterior, building systems, common areas and unit components.

2) Major Systems – All projects with 26 or more units are required to have the useful remaining life of the major systems determined with a capital needs assessment. Major systems include: structural support, roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; heating, ventilation, and air conditioning. If the useful life of one or more major system is less than the affordability period, it must be replaced or rehabilitated or a replacement reserve must be established and monthly deposits made to the reserve account to adequately repair or replace the systems as needed.

3) Lead Safe Housing Rule – All HTF-funded rehabilitation must meet the requirements of the Lead Safe Housing Rule at 24 CFR Part 35.

4) Accessibility – Assisted housing must meet the accessibility requirements at 24 CFR part 8 (implementing section 504 of the Rehabilitation Act of 1973) and Titles II and III of the Americans with Disabilities Act implemented at 28 CFR parts 35 and 36. For "covered multifamily dwellings," as defined at 24 CFR 100.205, standards must require that the housing meets the design and construction requirements at 24 CFR 100.205. (Note that grantees may use HTF funds for other improvements that permit use by a person with disabilities, even if they are not required by statute or regulation.)

5) Disaster Mitigation – Housing must meet state and local requirements for disaster mitigation, or requirements established by HUD, where they are needed to mitigate the risk of potential natural disasters.

6) Local/state or national codes - All rehabilitation projects must meet all applicable federal, state and local codes, standards, ordinances, rules, regulations and requirements by project completion. In cases where standards differ, the most restrictive standard will apply. The

State of Hawaii has adopted the 2006 International Building Code (2006 IBC) and the 2006 International Energy Conservation Code (2006 IECC). Should the adopted codes be modified or updated, the newly adopted code standard will apply. See local government agencies for additionally adopted codes. In the absence of local building codes, the housing must meet the International Existing Building Code of the International Code Council.

7) Uniform Physical Condition Standards (UPCS) – Upon completion, the project and units must be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. Appendix A: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation ("Appendix A") identifies the type and degree of deficiencies that shall be addressed.

Uniform Physical Condition Standards (UPCS) for Multifamily Housing Rehabilitation

All projects funded with HTF will be required to meet HUD's UPCS to ensure housing will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. Standards include the UPCS inspectable items and observable deficiencies for the site, building exterior, building systems, common areas, and units.

Inspectable Item	Observable Deficiency	Type and Degree of Deficiency That Must Be Addressed
NOTE: Deficiencies highlighted in yellow are life-threatening and must be addressed immediately if the housing is occupied.		
Requirements for Site:		
Fencing and Gates	Damaged/Falling/Leaning	An exterior fence, security fence, or gate is damaged and does not function as it should or could threaten safety or security.
	Holes	Hole in fence or gate is larger than 6 inches by 6 inches
	Missing Sections	An exterior fence, security fence or gate is missing a section which could threaten safety or security
Grounds	Erosion/Rutting Areas	Runoff has extensively displaced soils which has caused visible damage or potential failure to adjoining structures or threatens the safety of pedestrians or makes the grounds unusable or there is a rut larger than 8 inches wide by 5 inches deep.
	Overgrown/Penetrating Vegetation	Plants have visibly damaged a component, area or system of the property or has made them unusable or unpassable
	Ponding/Site Drainage	There is an accumulation of more than 5 inches deep and/or a large section of the grounds-more than 20%-is unusable for its intended purpose due to poor drainage or ponding
Health & Safety	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)

	Electrical Hazards - Water Leaks on/near Electrical Equipment	Water leaking, puddling, or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Flammable Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Outdoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
Mailboxes/Project Signs	Mailbox Missing/Damaged	Mailbox cannot be locked or is missing
	Signs Damaged	The project sign is not legible or readable because of deterioration or damage
Parking Lots/ Driveways/Roads	Cracks	Cracks that are large enough to affect traffic ability over more than 5% of the property's parking lots/driveways/roads or pose a safety hazard
	Ponding	3 inches or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe
	Potholes/Loose Material	Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling
	Settlement/Heaving	Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles
Play Areas and Equipment	Damaged/Broken Equipment	Equipment poses a threat to safety and could cause injury

	Deteriorated Play Area Surface	More than 50% of the play surface area shows deterioration or the play surface area could cause tripping or falling and thus poses a safety risk
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space	A single wall or gate of the enclosure has collapsed or is leaning and in danger of falling or trash cannot be stored in the designated area because it is too small to store refuse until disposal
Retaining Walls	Damaged/Falling/Leaning	A retaining wall is damaged and does not function as it should or is a safety risk
Storm Drainage	Damaged/Obstructed	The system is partially or fully blocked by a large quantity of debris, causing backup into adjacent areas or runoffs into areas where runoff is not intended
Walkways/Steps	Broken/Missing Hand Railing	The hand rail for four or more stairs is missing, damaged, loose or otherwise unusable
	Cracks/Settlement/Heaving	Cracks greater than ¾", hinging/tilting, or missing section(s) that affect traffic ability over more than 5% of the property's walkways/steps
	Spalling/Exposed rebar	More than 5% of walkways have large areas of spalling-larger than 4 inches by 4 inches--that affects traffic ability
Requirements for Building Exterior:		
Doors	Damaged Frames/Threshold/Lintels/Trim	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim
	Damaged Hardware/Locks	Any door that does not function as it should or cannot be locked because of damage to the door's hardware
	Damaged Surface (Holes/Paint/Rusting/Glass)	Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass
	Damaged/Missing Screen/Storm/Security Door	A security door that is not functioning or is "missing" (Security door should be there but isn't there)
	Deteriorated/Missing Caulking/Seals	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Missing Door	Any exterior door that is missing
Fire Escapes	**Blocked Egress/Ladders**	Stored items or other barriers restrict or block people from exiting

	Visibly Missing Components	Any of the functional components that affect the function of the fire escape--one section of a ladder or railing, for example--are missing
Foundations	Cracks/Gaps	Large cracks in foundation more than 3/8 inches wide by 3/8 inches deep by 6 inches long that present a possible sign of a serious structural problem, or opportunity for water penetration or sections of wall or floor that are broken apart
	Spalling/Exposed Rebar	Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material—rebar or other

Health and Safety	**Electrical Hazards - Exposed Wires/Open Panels**	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical Equipment	Water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable/Combustible Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Outdoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk

Lighting	Broken Fixtures/Bulbs	20% or more of the lighting fixtures and bulbs surveyed are broken or missing
Roofs	Damaged Soffits/Fascia	Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible
	Damaged Vents	Vents are missing or so visibly damaged that further roof damage is possible
	Damaged/Clogged Drains	The drain is so damaged or clogged with debris that the drain no longer functions—as shown by ponding
	Damaged/Torn Membrane/Missing Ballast	Ballast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration
	Missing/Damaged Components from Downspout/Gutter	Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior
	Missing/Damaged Shingles	Roofing shingles are missing or damaged enough to create a risk of water penetration
	Ponding	Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials
Walls	Cracks/Gaps	Any large crack or gap that is more than 3/8 inches wide or deep and 6 inches long that presents a possible sign of serious structural problem or opportunity for water penetration
	Damaged Chimneys	Part or all of the chimney has visibly separated from the adjacent wall or there are cracked or missing pieces large enough to present a sign of chimney failure or there is a risk of falling pieces that could create a safety hazard
	Missing/Damaged Caulking/Mortar	Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage
	Missing Pieces/Holes/Spalling	Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage
	Stained/Peeling/Needs Paint	More than 50% of the exterior paint is cracking, flaking, or otherwise deteriorated. Water damage or related problems have stained the paint.
Windows	Broken/Missing/Cracked Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane

	Damaged Sills/Frames/Lintels/Trim	Sills, frames, lintels, or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
	Damaged/Missing Screens	Missing screens or screens with holes greater than 1 inch by 1 inch or tears greater than 2 inches in length
	Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure
	Peeling/Needs Paint	More than 20% of the exterior window paint is peeling or paint is missing and window frame surface is exposed thereby exposing window frame to water penetration and deterioration
	Security Bars Prevent Egress	The ability to exit through egress window is limited by security bars that do not function properly and, therefore, pose safety risks
Requirements for Building Systems		
Domestic Water	Leaking Central Water Supply	Leaking water from water supply line is observed
	Missing Pressure Relief Valve	There is no pressure relief valve or pressure relief valve does not drain down to the floor
	Rust/Corrosion on Heater Chimney	The water heater chimney shows evidence of flaking, discoloration, pitting, or crevices that may create holes that could allow toxic gases to leak from the chimney
	Water Supply Inoperable	There is no running water in any area of the building where there should be
Electrical System	Blocked Access/Improper Storage	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency
	Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident
	Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures, or any evidence of water leaks in the enclosure or hardware
	Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire
	Missing Breakers/Fuses	Any open and/or exposed breaker port
	Missing Outlet Covers	A cover is missing, which results in exposed visible electrical connections

Elevators	Not Operable	The elevator does not function at all or the elevator doors open when the cab is not there
Emergency Power	Auxiliary Lighting Inoperable (if applicable)	Auxiliary lighting does not function
Fire Protection	Missing Sprinkler Head	Any sprinkler head is missing, visibly disabled, painted over, blocked, or capped
	Missing/Damaged/Expired Extinguishers	There is missing, damaged or expired fire extinguisher an any area of the building where a fire extinguisher is required

Health & Safety	Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical Equipment	Water leaking, puddling, or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Elevator - Tripping	An elevator is misaligned with the floor by more than 3/4 of an inch. The elevator does not level as it should, which causes a tripping hazard
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury

	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards – Tripping Hazards	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
HVAC	Boiler/Pump Leaks	Evidence of water or steam leaking in piping or pump packing to the point that the system or pumps should be shut down.
	Fuel Supply Leaks	Evidence of any amount of fuel leaking from the supply tank or piping
	General Rust/Corrosion	Significant formations of metal oxides, significant flaking, discoloration, or the development of a noticeable pit or crevice
	Misaligned Chimney/Ventilation System	A misalignment of an exhaust system on a combustion fuel-fired unit (oil, natural gas, propane, wood pellets etc.) that causes improper or dangerous venting of gases
Roof Exhaust System	Roof Exhaust Fan(s) Inoperable	The roof exhaust fan unit does not function
Sanitary System	Broken/Leaking/Clogged Pipes or Drains	Evidence of active leaks in or around the system components or evidence of standing water, puddles or ponding--a sign of leaks or clogged drains
	Missing Drain/Cleanout/Manhole Covers	A protective cover is missing
Requirements for Common Areas		
Basement/Garage/Carport	Baluster/Side Railings - Damaged	Any damaged or missing balusters or side rails that limit the safe use of an area

Closet/Utility/Mechanical	Cabinets - Missing/Damaged	More than 10% of cabinet, doors, or shelves are missing or the laminate is separating
Community Room	Call for Aid - Inoperable	The system does not function as it should
Halls/Corridors/Stairs	Ceiling - Holes/Missing Tiles/Panels/Cracks	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 11 inches long

Kitchen	Ceiling - Peeling/Needs Paint	More than 10% of ceiling has peeling paint or is missing paint
Laundry Room	Ceiling - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 square foot
Lobby	Countertops - Missing/Damaged	10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate-not a sanitary surface to prepare food
Office	Dishwasher/Garbage Disposal - Inoperable	The dishwasher or garbage disposal does not operate as it should
Other Community Spaces	Doors - Damaged Frames/Threshold/Lintels/Trim	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel, or trim.
Patio/Porch/Balcony	Doors - Damaged Hardware/Locks	A restroom door, entry door, or fire door that does not function as it should or cannot be locked because of damage to the door's hardware
Restrooms	Doors - Damaged Surface (Holes/Paint/Rust/Glass)	Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass
Storage	Doors - Damaged/Missing Screen/Storm/Security Door	Any security door that is not functioning or is missing
	Doors - Deteriorated/Missing Seals (Entry Only)	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Doors - Missing Door	Any door that is missing that is required for the functional use of the space
	Dryer Vent - Missing/Damaged/Inoperable	The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside
	Electrical - Blocked Access to Electrical Panel	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency
	Electrical - Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident
	Electrical - Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware
	Electrical - Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire

	Electrical - Missing Breakers	Any open and/or exposed breaker port
	Electrical - Missing Covers	A cover is missing, which results in exposed visible electrical connections
	Floors - Bulging/Buckling	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types
	Floors - Floor Covering Damaged	More than 50% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.
	Floors - Missing Floor/Tiles	More than 50% of the flooring or tile flooring is missing
	Floors - Peeling/Needs Paint	Any painted flooring that has peeling, cracking, flaking, or missing paint if the affected area is more than 4 square feet
	Floors - Rot/Deteriorated Subfloor	Large areas of rot--more than 4 square feet--and applying weight causes noticeable deflection.
	Floors - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 square foot

	GFI - Inoperable	The GFI does not function
	Graffiti	Graffiti in 6 or more places
	HVAC - Convection/Radiant Heat System Covers Missing/Damaged	Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans
	HVAC - General Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice
	HVAC - Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged
	HVAC - Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
	HVAC - Noisy/Vibrating/Leaking	HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged
	Lavatory Sink - Damaged/Missing	The sink or associated hardware have failed or are missing. The sink cannot be used
	Lighting - Missing/Damaged/Inoperable Fixture	In more than two rooms, permanent lighting fixtures are missing or not functioning and no other switched light source is functioning in the room

	Mailbox - Missing/Damaged	The U.S Postal Service mailbox cannot be locked or is missing
	Outlets/Switches/Cover Plates - Missing/Broken	Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring
	Pedestrian/Wheelchair Ramp	A walkway or ramp is damaged and cannot be used by people on foot, in wheelchairs, or using walkers
	Plumbing - Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration
	Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
	Range Hood /Exhaust Fans - Excessive Grease/Inoperable	The exhaust fan does not function
	Range/Stove - Missing/Damaged/Inoperable	Two or more burners are not functioning or oven is not functioning
	Refrigerator - Damaged/Inoperable	The refrigerator does not cool adequately for the safe storage of food
	Restroom Cabinet - Damaged/Missing	Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose
	Shower/Tub - Damaged/Missing	The shower or tub cannot be used for any reason. The shower, tub, faucets, drains, or associated hardware is missing or has failed.
	Sink - Missing/Damaged	The sink or hardware is either missing or not functioning
	Smoke Detector - Missing/Inoperable	Smoke detector is missing or does not function as it should
	Stairs - Broken/Damaged/Missing Steps	A step is missing or broken
	Stairs - Broken/Missing Hand Railing	The hand rail for 4 or more stairs is missing, damaged, loose or otherwise unusable
	Ventilation/Exhaust System - Inoperable	Exhaust fan is not functioning or window designed for ventilation does not open
	Walls - Bulging/Buckling	Bulging, buckling or sagging walls or a lack of horizontal alignment
	Walls - Damaged	Any hole in the wall greater than 2 inches by 2 inches
	Walls - Damaged/Deteriorated Trim	More than 50% of the wall trim has significant areas of deterioration

	Walls - Peeling/Needs Paint	Peeling, cracking, flaking, or otherwise deteriorated paint over more than 4 square feet on any wall
	Walls - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a common area--covering a wall area greater than 1 square foot
	Water Closet/Toilet - Damaged/Clogged/Missing	The bowl is fractured or broken and cannot take in waterwater closet/toilet cannot be flushed, because of obstruction or another defect or there is a hazardous condition
	Windows - Cracked/Broken/Missing Panes	Missing or cracked panes of glass
	Windows - Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness
	Windows - Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken
	Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure
	Windows - Peeling/Needs Paint	More than 10% of interior window paint is cracking, flaking or otherwise failing
	Windows - Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks
Health & Safety	Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical Equipment	Water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit

	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable/Combustible Materials - Improperly Stored	Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Garbage and Debris - Outdoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk

Pools and Related Structures	Fencing - Damaged/Not Intact	Any damage that could compromise the integrity of the fence
Trash Collection Areas	Chutes - Damaged/Missing Components	Garbage has backed up into chutes, because the collection structure is missing or broken or compactors or components--chute, chute door, and other components--have failed
Requirements for Units:		
Bathroom	Bathroom Cabinets - Damaged/Missing	Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose
	Lavatory Sink - Damaged/Missing	The sink cannot be used, because the sink or associated hardware is missing or has failed.
	Plumbing - Clogged Drains, Faucets	Drain or faucet is substantially or completely clogged or has suffered extensive deterioration

	Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
	Shower/Tub - Damaged/Missing	The shower, tub, faucets, drains, or associated hardware is missing or has failed.
	Ventilation/Exhaust System – Absent/Inoperable	Exhaust fan is not functioning or window designed for ventilation does not open
	Water Closet/Toilet - Damaged/Clogged/Missing	The bowl is fractured or broken or the water closet/toilet is missing, hazardous or cannot be flushed
Call-for-Aid (if applicable)	Inoperable	The system does not function as it should
Ceiling	Bulging/Buckling/Leaking	Bulging, buckling or sagging ceiling or problem with alignment
	Holes/Missing Tiles/Panels/Cracks	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6 inches long
	Peeling/Needs Paint	More than 10% of ceiling has peeling paint or is missing paint
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 square foot
Doors	Damaged Frames/Threshold/Lintels/Trim	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim
	Damaged Hardware/Locks	Any door that does not function as it should or cannot be locked because of damage to the door's hardware
	Damaged/Missing Screen/Storm/Security Door	Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing
	Damaged Surface - Holes/Paint/Rusting/Glass/Rotting	Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass
	Deteriorated/Missing Seals (Entry Only)	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Missing Door	Any door that is required for security (entry) or privacy (Bathroom) that is missing or any other unit door that is missing and is required for proper unit functionality
Electrical System	Blocked Access to Electrical Panel	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency

	Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident
	Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components

		that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware
	Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire
	GFI - Inoperable	The GFI does not function
	Missing Breakers/Fuses	Any open and/or exposed breaker port
	Missing Covers	A cover is missing, which results in exposed visible electrical connections
Floors	Bulging/Buckling	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types
	Floor Covering Damage	More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.
	Missing Flooring Tiles	Missing or broken flooring causes a single safety problem
	Peeling/Needs Paint	Any painted flooring that has peeling, cracking, flaking, or missing paint if the affected area is more than 4 square feet
	Rot/Deteriorated Subfloor	Any rotted or deteriorated subflooring greater than 6 inches by 6 inches
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 square foot
Health & Safety	Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)

	Electrical Hazards - Water Leaks on/near Electrical Equipment	Water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Garbage and Debris - Outdoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk

Hot Water Heater	**Misaligned Chimney/Ventilation System**	Any misalignment that may cause improper or dangerous venting of gases
	Inoperable Unit/Components	Hot water from hot water taps is no warmer than room temperature indicating hot water heater is not functioning properly
	Leaking Valves/Tanks/Pipes	There is evidence of active water leaks from hot water heater or related components
	Pressure Relief Valve Missing	There is no pressure relief valve or pressure relief valve does not drain down to the floor

	Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice
HVAC System	Convection/Radiant Heat System Covers Missing/Damaged	Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans
	Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged
	Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
	Noisy/Vibrating/Leaking	The HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged
	Rust/Corrosion	Deterioration from rust or corrosion on the HVAC system in the dwelling unit
Kitchen	Cabinets - Missing/Damaged	10% or more of cabinet, doors, or shelves are missing or the laminate is separating
	Countertops - Missing/Damaged	10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate -- not a sanitary surface to prepare food
	Dishwasher/Garbage Disposal - Inoperable	The dishwasher or garbage disposal does not operate as it should
	Plumbing - Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration
	Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
	Range Hood/Exhaust Fans - Excessive Grease/Inoperable	The exhaust fan does not function or you estimate that the flue may be completely blocked
	Range/Stove - Missing/Damaged/Inoperable	The unit is missing or 2 or more burners or the oven is not functioning
	Refrigerator- Missing/Damaged/Inoperable	The refrigerator is missing or it does not cool adequately for the safe storage of food
	Sink - Damaged/Missing	The sink or hardware is either missing or not functioning.
Laundry Area (Room)	Dryer Vent - Missing/Damaged/Inoperable	The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside
Lighting	Missing/Inoperable Fixture	A permanent light fixture is missing or not functioning, and no other switched light source is functioning in the room

Outlets/Switches	Missing	An outlet or switch is missing
	Missing/Broken Cover Plates	A cover plate is missing, which causes wires to be exposed
Patio/Porch/Balcony	Baluster/Side Railings Damaged	Any damaged or missing balusters or side rails that limit the safe use of an area
Smoke Detector	**Missing/Inoperable**	Smoke detector is missing or does not function as it should
Stairs	Broken/Damaged/Missing Steps	A step is missing or broken
	Broken/Missing Hand Railing	The hand rail for four or more stairs is missing, damaged, loose or otherwise unusable
Walls	Bulging/Buckling	Bulging, buckling or sagging walls or a lack of vertical alignment
	Damaged	Any hole in wall greater than 2 inches by 2 inches
	Damaged/Deteriorated Trim	10% or more of the wall trim is damaged
	Peeling/Needs Paint	10% or more of interior wall paint is peeling or missing
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew covering a wall area greater than 1 square foot
Windows	Cracked/Broken/Missing Panes	Missing or cracked panes of glass
	Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness
	Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure
	Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken
	Peeling/Needs Paint	More than 10% of interior window paint is peeling or missing
	Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks