



2021-2022

Multifamily Underwriting Guidelines

Office of Multifamily Housing | November ~~2020~~2021

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Introduction

~~In accordance with The Ohio Housing Finance Agency (OHFA) policy and state and federal requirements, OHFA will perform underwriting analysis on all proposal applications that request OHFA resources. Each evaluation will include a review of the financing sources, development budget, income and operating expenses, and a cash flow analysis. The underwriting process is designed to ensure that OHFA awards the least subsidy necessary for successful affordable housing development.~~

OHFA may request further clarification, justification, or documentation for any questions that are identified during the underwriting analysis. At its discretion, OHFA may reduce, alter, or remove items that do not meet the underwriting standards contained in these Multifamily Underwriting & Implementation Guidelines (the Guidelines).

Unless otherwise approved by OHFA, these Guidelines will ~~be used~~ apply beginning with all ~~2020-2022~~ funding rounds. The Guidelines may be subject to change, pending developments in federal and state legislative requirements and/or OHFA policy.

~~OHFA will underwrite Dd~~ developments ~~will be underwritten~~ according to the funding source sought.

Competitive 9% Housing Tax Credits Underwriting Process

A

All developments applying for Competitive Housing Tax Credits (HTCs), with or without OHFA gap financing, undergo three underwriting reviews:

1. ~~At~~ proposal submission to determine if they are eligible for competitive review;
2. ~~At~~ final application prior to issuing a Carryover Allocation Agreement; and
3. ~~At~~ the time the development is placed-in-service and requests Internal Revenue Service (IRS) Form(s) 8609.

Non-Competitive 4% Housing Tax Credits Underwriting Process

All developments applying for Non-Competitive HTCs undergo an underwriting review at application prior to issuing a 42m Letter of Eligibility. A final underwriting review will take place at the time the development is placed-in-service and requests IRS Form(s) 8609.

OHFA Gap Financing Programs Underwriting Process

All developments requesting Housing Development Assistance Program (HDAP) or Housing Development Loan (HDL) program resources, will undergo an underwriting review at proposal and again at final application, if applicable. These reviews will coincide with the HTC underwriting.

I. Development Budget

A. Development Budget Overview

1. Cost Reasonableness

OHFA will evaluate development cost reasonableness ~~pursuant to the applicable QAP process by comparing application costs to similar developments from the current and/or previous years, as determined by construction type, population served, and region. Total development costs will be evaluated on a per-unit and per-square-foot basis.~~

~~and may require A~~additional information ~~may be required~~ for developments that exceed expected budget projections based on comparable developments. ~~Developments that do not provide sufficient response or justification may be adjusted to match industry norms or removed from funding consideration.~~

Developments will be subject to any additional cost requirements imposed by the specific program to which application is made, if applicable.

2. Sources and Uses

~~Applications must identify A~~all costs ~~must be identified~~, including acquisition, construction, contingencies, reserves, developer fees and other soft costs. ~~Applicants should contact OHFA for instructions on how to account for unusual costs.~~ All "other" line items utilized in the development budget must include cost explanation. ~~For items funded after construction concludes, the a~~Applicants must classify ~~these items~~ ~~items funded after construction concludes~~ in the construction sources as post-construction fees and costs.

~~The development's total sources must always equal the total development cost.~~ If the sources exceed ~~the~~ costs, OHFA will reduce ~~any~~ funding ~~and~~/or allocation amount(s) ~~necessary for the sources to equal uses.~~

B. Acquisition and Land Costs

For Competitive and Non-Competitive HTC developments, OHFA will subtract the land valuation identified in the appraisal from the total property valuation or the purchase price, whichever is less, to arrive at the allowable acquisition basis.

If the total purchase price is less than the total property valuation, OHFA will use the percentage of the property's land valuation in comparison to the total property valuation to determine allowable acquisition basis. OHFA ~~reserves the right will to~~ limit the property valuation to the as-is restricted valuation.

For developments with project-based rental assistance requesting 4% HTC: Properties that are currently rent-restricted and will remain rent-restricted may seek an exception request to use to the as-is market valuation.

C. Related Party Acquisitions

Owners of existing properties may submit an application for Competitive or Non-Competitive HTC to refinance and rehabilitate a property. Applicants must submit documentation proving adherence to the following conditions at final application or at HDAP closing:

- **HTC.** If seeking Competitive or Non-Competitive HTCs, seller financing is allowable up to the lesser of the purchase price or appraised value.
- **HDAP.** If the transaction includes a cash settlement or other consideration to the owner/seller of the property, the development will not be considered for ~~other gap financing offered by OHFA including~~ HDAP unless ~~OHFA grants~~ an exception ~~is granted~~ prior to ~~application~~ submission ~~of the proposal application~~. The applicant ~~will be required to must~~ provide each of the following with the ~~HDAP~~ exception request:
 - An estimated amount of cash out or consideration to the owner/seller.;
 - A narrative explaining why the additional subsidy is necessary for successful rehabilitation of the proposed project. ~~If this explanation~~ ~~includes an analysis of any costs to paying~~ off or

restructuring existing debt or other financial obligations, an analysis of those costs must be provided.

OHFA ~~reserves the right to will~~ determine if gap financing is appropriate and necessary for the proposed project. OHFA will not consider exit taxes or payouts to existing limited partners as a justification to support additional gap financing requests.

D. Construction Related Costs

1. Hard Construction Costs

Hard Construction Costs are defined as in the Affordable Housing Funding Application (AHFA)~~the total of (1) on-site improvements costs and (2) hard construction cost line items, which include but are not necessarily limited to residential rehabilitation; residential new construction; commercial construction; amenity fee items (items that tenants must pay a fee to use); furnishings, fixtures & equipment; and construction contingency.~~

2. Minimum Hard Construction for Rehabilitation

The scope of work for all rehabilitation projects ~~shall include~~must meet the standard of substantial rehabilitation, as defined in the OHFA Design and Architectural Standards.

3. Construction Interest

The maximum estimated Construction Loan Interest amount allowed in eligible basis is equal to one year of Construction Loan Interest (Construction Loan Amount multiplied by the Construction Loan Interest Rate). OHFA will consider ~~Exceptions will be considered~~ for developments that can justify a potentially longer construction period.

The applicant must provide a conditional commitment letter at final application detailing the rate and loan terms. ~~If a Construction Loan Interest Rate is not represented in the application, OHFA will use the Prime Rate as published in the Wall Street Journal effective for the month in which the final application is received for competitive developments or the application deadline date for non-competitive developments.~~

4. Construction Contingencies

The maximum Hard Construction cost contingency is

- ~~5 percent%~~ for new construction,
- ~~10 percent%~~ for rehabilitation, and
- ~~15 percent%~~ for adaptive reuse ~~developments. OHFA will use the above~~

~~of Hard Construction Costs definition to calculate this amount.~~ OHFA may allow exceptions to this limit if the applicant can demonstrate that another funding source requires a higher contingency.

5. Contractor Fee and Cost Limits

The maximum contractor fee amount is determined and locked-in at either final application or at execution of the signed general contractor agreement. If locking in the contractor fee at execution of the signed general contractor agreement, the applicant must deliver a copy of that agreement and a lock-in request to OHFA within 30 days of the agreement's execution.

Upon lock-in, this amount cannot be increased if costs are higher but is also not required to be decreased if final hard construction costs are lower than underwritten. Contractor cost limits are as the following percent of Hard Construction Costs:

- Contractor Profit: ~~6% six percent of hard construction costs~~
- Contractor Overhead: ~~2% two percent of hard construction costs~~
- Contractor General Requirements: ~~6% six percent of hard construction costs~~

General Requirements includes but is not limited to project management, superintendent, temporary construction sign, field office expense, storage trailers, portable restrooms, temporary utilities, and dumpsters.

OHFA will consider reasonable adjustments to these requirements, not to exceed 14 ~~percent~~ across general requirements, overhead, and profit, for contractors that are not related parties.

6. ~~Construction Cost Savings~~

~~If the final cost certification identifies savings, OHFA will divide such amounts 50%/50% between it and the developer for related party contractor entities and 67% to developers for third-party contractors. If there are Hard Construction cost savings identified in the final cost certification, including savings from unused construction contingency, these savings will be shared between the developer and OHFA and may be added to the maximum contractor fee and developer fee amounts. For related party contractor-developer entities, the cost savings will be divided 50 percent to the developer and 50 percent to OHFA. For third-party contractors, the cost savings will be divided 67 percent to the developer, and 33 percent to OHFA.~~

OHFA's ~~may take its share may be taken~~ in any one or more of the following ways ~~at OHFA's sole discretion~~.

- ~~With HDAP.~~ For developments that include HDAP, OHFA's share ~~may be used to r~~Reduce the development's HDAP award.
- ~~HTC only.~~ For HTC-only developments, OHFA's options include ~~r~~Reducing ~~credits~~HTCs, supplementing reserves, achieving deeper income targeting, upgrading specific items in the project, ~~reducing the deferred developer fee~~, or using the savings to pay down hard debt including HDL and/or Multifamily Lending Program debt.

Owners must contact OHFA prior to requesting IRS Form(s) 8609 or completing their Final Performance Report (HDAP only) ~~to discuss regarding~~ the above options ~~and determine a cost savings plan~~.

Contractor Relationship	Developer Savings Share	OHFA Savings Share
Related Contractor	50%	50%
Third-Party Contractor	67%	33%

E. Professional Soft Costs

1. Professional Soft Costs Definition

Professional Soft Costs are defined in the AHFA. ~~Total Professional Soft Costs include all of the following items:~~

~~Pre-Development Costs:~~

- ~~• Survey(s) costs~~
- ~~• Architectural fees~~
- ~~• Engineering fees~~
- ~~• Appraisal~~
- ~~• Market Study~~
- ~~• Environmental Report~~
- ~~• Title & Recording~~

~~Interim/Finance Costs:~~

- ~~• Rent up Costs/Marketing~~

~~Professional Fees:~~

- ~~• Legal Fees (not syndication related)~~
- ~~• Accounting Fees~~
- ~~• Developer Fee~~
- ~~• Application/Development Consultant Fees~~
- ~~• Construction Management Fees~~
- ~~• Guarantee Fees~~
- ~~• Developer-Charged Financing Fees~~
- ~~• Organizational Fees (lower-tier costs only)~~



- ~~Syndication Expenses (lower tier costs only)~~
- ~~Developer Charged Asset Management Fee~~
- ~~Soft Cost Contingency~~

~~OHFA has the discretion to add other fees/costs listed in the 'Other' line items of the AHFA to the calculation as appropriate.~~

~~Interest paid on the HDL is not a direct cost to the project and cannot be reflected in the development budget. All costs associated with the HDL must be factored into the syndicator's equity contribution. _____~~

2. Professional Soft Cost Limits

Non-Competitive HTC developments may have a total professional soft cost no higher than 25 percent of the total development cost. All other program participants may have a total professional soft cost no higher than 20 percent of the total development cost.

3. Professional Soft Cost Contingencies

The maximum soft cost contingency is 2.5 percent of total professional soft costs.

4. Development Support Budget

The "Development Support Budget" is defined as the developer fee, as calculated below, plus the total of all application or development consultant fees, construction management fees, guarantee fees, developer-charged asset management fee and any developer-charged financing fees. OHFA may add other fees to the calculation as appropriate.

For the Competitive HTC program the maximum Development Support Budget is \$1,750,000. For Non-Competitive HTC and other OHFA funding programs, there is no maximum Development Support Budget.

5. Developer Fees

Competitive HTC Developer Fee

The base developer fee plus the developer fee supplement represent the maximum amount of fee a developer may seek. The base Developer Fee and allowable developer fee supplements are defined in the QAP. Applicants are not required to take the full developer fee for which they are eligible.

Developer Fees for Competitive HTC applications will be locked in at proposal application and may not be increased. All cost containment requirements must be satisfied inclusive of developer fee.

Non-Competitive HTC Developer Fee

The Non-Competitive developer fee shall be no more than 25 percent of the total acquisition, rehabilitation, and new construction eligible basis. The developer fee itself is not included in this calculation. Developer fees in excess of 20 percent must be deferred or put back into the development as a capital contribution and must be included in the sources of permanent financing.

Non-HTC Developer Fee (HDGF projects)

OHFA gap financing programs that are not paired with HTC may claim a developer fee of 15 percent of the total development cost, unless guidance in the specific program guideline states otherwise.

EF. Reserves

Unless waived by OHFA, all reserves described herein shall stay with a development at the time of investor exit ~~so that the owner can access the accounts should the property require access to that capital. This requirement will be memorialized in the restrictive covenant for the property.~~

1. Operating Reserves

The minimum Operating Reserve for a development is 4 months of the first stabilized year's projected operating expenses, hard debt service payments, and replacement reserve contributions. The maximum is 12 months of

the ~~same first stabilized year's projected operating expenses, hard debt service payments, and replacement reserve contributions.~~

2. Replacement Reserves

Capitalized Prefunded Replacement Reserves are not permitted for new construction developments, except for adaptive reuse developments and single family development properties intended for eventual tenant ownership.

Lease-purchase properties may include up to \$5,000 per unit in capitalized prefunded replacement reserve. ~~This reserve must be~~ set aside in escrow to cover major capital expenditures prior to transitioning the home to the buyer. An additional \$3,000 per unit may be set aside in escrow to cover closing costs. An ~~inspection from an independent housing inspector approved by OHFA must be completed and provided to the Agency an inspection~~ before reserves can be accessed.

OHFA's minimum replacement reserve amounts by product type are as follows; the below distinctions are based on population served and construction type, not by funding pool:

- Senior, New Construction = ~~\$250-300~~ per unit
- Family/Service Enriched, New Construction = ~~\$350-400~~ per unit
- Single Family Homes = ~~\$300-400~~ per unit
- Senior, Rehabilitation = \$350 per unit
- Family/Service Enriched, Rehabilitation = ~~\$400-425~~ per unit

OHFA may permit an exception to these minimum replacement reserves if required by another funding source. Recipients of HOME funds or National Housing Trust Funds must also comply with the applicable requirements for replacement reserves ~~stated in 24 CFR § 92.251(b)(1)(ii) and 24 CFR § 93.301(b)(1)(ii), respectively.~~

3. Special Reserves

~~OHFA will only permit capitalized reserves for service provision if prohibited by USDA Rural Development.~~

~~OHFA will allow If special reserves are if required by HUD, or USDA Rural Development, the lender(s), the investor, and/or syndicator the applicant must provide to the extent indicated in supporting documentation that explains the requirement and defines the amount of time that the reserves will remain with the project. If documentation cannot be provided, OHFA will remove the special reserve from the development budget.~~

~~OHFA will permit Sspecial reserves are permitted for single family developments for wheelchair lifts as an alternative to ramp requirements under accessibility criteria.~~

~~The special reserve must be reasonable and will be approved on a case-by-case basis.~~

II. Development Financing

A. All Sources Identified

~~Applicants and owners must identify all Financing-funding sources must be identified, including HTC equity, hard debt, gap financing, seller financing, soft or non-recourse loans, grants, development team contributions, interest during construction and reserves used to fund redevelopment. Applicants should contact OHFA for instructions on how to account for any unusual sources.~~

B. Commitment Letters

1. Equity Commitment

OHFA will evaluate the conditional equity commitment provided by the syndicator/investor at final application. Conditional equity commitments must include the following:

- ~~1.~~ Proposed terms and conditions;
- ~~2.~~ Gross and Net LIHTC equity amounts and net equity pricing;
- ~~3.~~ Detailed pay-in schedule including equity pay-in during construction;
- ~~4.~~ If seeking HDL, equity contribution with and without HDL (net HDL Interest); and
- ~~5.~~ If seeking HDL, terms of HDL including rate, term length, collateral, and amount.

OHFA may require adjustments based on comparable, historical, and/or current market conditions and trends.

2. Debt Financing

OHFA will evaluate all funding source terms and may choose to underwrite at different terms for any funding source which OHFA determines will cause unnecessary or excessive subsidy.

~~Proposal and final applications must include Cconditional financial commitments for all debt sources must be submitted at proposal and final application for all developments seeking OHFA resources. Refer to the applicable Qualified Allocation Plan for additional information and requirements regarding acceptable financial commitment documentation.~~

3. Other Commitment Letters

All other sources identified in the application must include a conditional commitment letter at proposal and final application. ~~Conditional commitment letters must~~ identifying the funding terms and conditions.

If such other funding sources involve either ~~(1)~~

- ~~a competitive process that has not yet announced award recipients, or~~ ~~(2)~~
- ~~Federal or State Historic Tax Credits,~~

OHFA may ~~choose to~~ allow additional time for applicants to submit a conditional commitment letter, but will not advance a development so long as any are missing. Applicants ~~are required to~~ must provide evidence of an alternative plan to fill the funding gap if unsuccessful in any non-OHFA competitive funding program. ~~OHFA will not present a development to the Multifamily Committee for approval until all conditional commitment letters are received. Refer to the applicable Qualified Allocation Plan for additional information and requirements regarding acceptable financial commitment documentation.~~

C. ~~Deferred Developer Fee~~

~~For HTC developments, applicants must show that any deferred developer fee can be paid in full from development cash flow within the first 15 years. Any unpaid or deferred balance after year 15 will be deducted from the HTC eligible basis. If this results in a lower eligible basis amount, the basis will be reduced to the appropriate amount and may result in a lower HTC allocation.~~

III. Income and Expense Analysis

A. Income and Expense Overview

1. Operating Expense Reasonableness

OHFA will evaluate operating expense reasonableness by comparing application expenses to similar developments, as determined by building type, population served, type of financing, and location, using the most recent Operating Expense Calculator. OHFA reserves the right to may use other data sources to assess operating expense reasonableness.

OHFA may require ~~Additional information will be required at OHFA's discretion~~ for developments that exceed expected budget projections based on the comparables. ~~Developments that do not provide sufficient response or justification may be and/or make~~ adjustments to match industry norms ~~or removed from funding consideration~~.

Developments will be subject to any additional expense requirements imposed by the specific program to which application is made, if applicable.

2. Vacancy

In year one, OHFA may assume a ~~15 percent%~~ vacancy rate.

For all future operating years, OHFA will assume a ~~7 percent%~~ vacancy rate to calculate the effective gross income.

- Preservation developments with project-based rental subsidy may submit an Exception Request to use a ~~5 percent%~~ rate if they can document a strong occupancy/low vacancy history.
- Service Enriched housing developments with project-based rental subsidy for all units may elect to use a ~~5 percent%~~ vacancy rate (no Exception Request needed).

3. Income/Expense Escalations

OHFA will assume a ~~2 percent%~~ annual income increase and a ~~3 percent%~~ annual expense increase.

Exceptions will be permitted for properties in which operating subsidy is provided by HUD, RD, or the local public housing authority to achieve break-even operations ~~at the property~~.

4. Lease Option Agreements

Counties, townships, or municipal/non-profit corporations that are exempted from property taxes under the Ohio Revised Code and will option to lease the property on a long-term basis must submit a Lease Option Agreement for a minimum 35-year term.

B. Expenses

1. Utility Allowances

All utility allowances must conform to OHFA's Utility Allowance Policy. ~~For HTC developments, utility allowances must be consistent with Internal Revenue Code (IRC) Section 42 and IRS Regulation 1.42-10. For non-HTC developments, utility allowances must come from a local utility provider, the local MHA/PHA, a third party engineer, or HUD/RD.~~

2. Syndicator Expenses

Reasonable investor/syndicator asset management fees will be permitted as either a capitalized development cost or a "soft" operating expense repaid from available cash flow, after amortizing permanent mortgages before deferred developer fee and soft loan repayments.

3. Service Coordination Expenses and Fees

Service coordination expenses and fees will be limited to \$250 per unit per year. OHFA may grant ~~Exceptions may be granted~~ to Service Enriched developments, senior developments, or developments that must have a higher service coordination fee based on a federal program requirement.

C. Income

1. Rental Income

~~All affordable units must maintain restricted rents that conform to IRC Section 42 and other applicable OHFA guidelines.~~ For developments with project-based rental subsidy, the budgeted rents in the AHFA must match the rental subsidy documentation included in the application submission. Rental subsidy documentation must meet the requirements stated in the Qualified Allocation Plan under “Rental Subsidy Contracts”. The [entity must provide](#) documentation ~~must be provided by the entity~~ providing the rental subsidy (e.g., HUD, local PHA, etc.) and detail the approved rents/subsidies for the development, and may come in the form of a formal contract, comfort letter, or email from the entity providing the subsidy.

2. Commercial Income

Income from commercial space, including cellphone towers, will not ~~be considered count~~ in the cash flow analysis toward meeting either Hard Debt Service Coverage Ratio (DCR) or non-DCR requirements.

3. Other Income

Fees and other income such as laundry and parking must be reasonable and comparable to similar properties within the region and the developer’s portfolio.

D. Debt Coverage Ratio

The minimum acceptable DCR ~~(or income to expense ratio for projects with no hard debt)~~ is 1.20 for the first year of stabilized operations. [OHFA may make E](#)exceptions for the first year of stabilized operations ~~may be considered~~ where improved and upward trends in DCR are sustained over 15 years.

The development must maintain an annual DCR above 1.00 during the entire 15-year compliance period. The average hard DCR over the 15-year compliance period must not be greater than 1.5.

OHFA may grant exceptions for Rural Development properties and developments that contain small hard debt amounts. ~~Developments seeking an exception must demonstrate a legitimate need.~~

[Projects with no hard debt must demonstrate an expense coverage ratio of no less than 1.10.](#)

E. Subsidy Layering Review

~~Effective May 2019, OHFA resumed completing Subsidy Layering Reviews on behalf of the U.S. Department of Housing and Urban Development.~~ Refer to OHFA’s [Subsidy Layering Review Guidelines](#) for submission instructions.

IV. Credit Calculation (HTC Only)

The HTC amount reserved will not increase after the proposal underwriting for Competitive HTC applications.

A. Tax Credit Percentage

The tax credit percentage is determined according to IRC Section 42. The rate valid at application must be used to determine the credit request. The rate may then be locked the month the Binding Reservation Agreement is issued for Competitive HTCs or the month bonds are issued for Non-Competitive HTCs. Alternatively, applicants may elect to lock in the rate at the time the development is placed in service.

B. Eligible Basis

OHFA will review the eligible basis indicated in the application. All non-eligible costs will be deducted from eligible basis. OHFA may require a legal opinion from a qualified tax credit attorney, at the applicant's expense, for any items that are do not clearly count as eligible basis under Section 42 of the IRC and applicable IRS guidance as determined by OHFA.

C. Acquisition Basis

OHFA will review the acquisition basis indicated in the application. Acquisition basis must conform to Section 42 of the IRC and applicable IRS guidance as determined by OHFA. The acquisition eligible basis cannot exceed the property value at or before the date of final application as determined by the As-Is Appraisal of the property that complies with the Appraisal Requirements section in these Guidelines.

The acquisition basis cannot exceed the value of the building(s) (total appraised value minus appraised land value) as indicated in the appraisal. If seeking Competitive HTC, seller financing will not be included in eligible basis.

V. Exceptions

~~Developments must meet these standards unless an exception is clearly warranted and granted by OHFA.~~

A. Underwriting Exceptions

~~Applications must include any requested U~~nderwriting exceptions ~~must be submitted with the first application.~~

The following underwriting exceptions to these Guidelines are permitted:

1. Development Budget: Construction Related Costs

~~a. Standard: Maximum estimated Construction Loan Interest amount allowed in eligible basis is equal to one year of Construction Loan Interest.~~

~~b. Exception eligibility: Developments that can justify a potentially longer construction period.~~

2. Development Budget: Construction Related Costs

~~Standard: Maximum Hard Construction cost contingency is 5 percent for new construction, 10 percent for rehabilitation, and 15 percent for adaptive reuse developments.~~

~~Exception eligibility: If the applicant can demonstrate that another funding source requires a higher contingency.~~

3. Development Budget: Reserves

~~a. Standard: OHFA defined minimum replacement reserve amounts by product type.~~

~~b. Exception eligibility: If different amount required by another funding source.~~

4. Income and Expense Analysis: Vacancy Rate

~~a. Standard: For all future operating years, OHFA will assume a 7 percent vacancy rate to calculate the effective gross income~~

~~b. Exception Eligibility: Preservation developments with project-based rental subsidy may request to use a 5 percent% rate if they can document a strong occupancy/low vacancy history.~~

5. Income and Expense Analysis: Income/Expense Escalations

~~a. Standard: OHFA will assume a 2 percent annual income increase and a 3 percent annual expense increase.~~

~~b. Exception eligibility: Properties in which operating subsidy is provided by HUD, RD, or the local public housing authority to achieve break-even operations at the property.~~

6. Income and Expense Analysis: Expenses

~~a. Standard: Service coordination expenses and fees will be limited to \$250 per unit per year.~~

~~b. Exception eligibility: Service Enriched developments, senior developments, or developments that must have a higher service coordination fee based on a federal program requirement.~~

7. Income and Expense Analysis: Debt Coverage Ratio

~~a. Standard: The minimum acceptable DCR is 1.20 for the first year of stabilized operations.~~

~~b. Exception eligibility: Where improved and upward trends in DCR are sustained over 15 years.~~

8. Income and Expense Analysis: Debt Coverage Ratio

~~a. Standard: OHFA defined annual and average DCRs.~~

~~b. Exception eligibility: Rural Development properties and developments that contain small hard debt amounts. Developments seeking an exception must demonstrate a legitimate need.~~

B. Programmatic Exceptions

Programmatic exceptions must be submitted prior to application submission, by ~~the~~ deadlines stated in the respective program guidelines or QAP. The following programmatic exceptions to these Guidelines are permitted:

1. Development Budget: Acquisition and Land Costs

~~a. Standard: OHFA reserves the right to limit the property valuation to the as-is restricted valuation.~~

~~b. Exception eligibility: Properties that are currently rent-restricted and will remain rent-restricted may seek an exception request to use to the as-is market valuation (only developments with project-based rental assistance requesting 4% HTC).~~

2. Development Budget: Related Party Acquisitions

~~a. Standard: If the transaction includes a cash settlement or other consideration to the owner/seller of the property, the development will not be considered for other gap financing offered by OHFA including HDAP.~~

b. ~~Exception eligibility:~~ If the applicant recently purchased the property with the expectation of seeking OHFA resources to conduct rehabilitation.

VI. Definition of Cash Flow

In determining any loan payments due to OHFA that may be calculated based on a percent of the project's cash flow, subject to the start date within any loan or mortgage documents, cash flow will be defined as all Gross Cash Receipts to the property minus:

1. Debt service on loans with a superior mortgage position (excluding General Partner and/or partner/partnership notes/mortgages);
2. Replenishment of the Operating Reserve Account up to the maximum of its original established amount through year 10;
3. Payment of any deferred developer fee through year 10 after obligations to Operating Reserve Account are met;
4. Any required payments deposited to or in the established Partnership Replacement Reserve accounts;
5. Asset Management fees required by the Syndicator, if not capitalized; and
6. Supported payments made for the following Project Operating Expenses:
 - Advertising
 - Legal
 - Accounting/auditing
 - Elevator maintenance/operation
 - Heating, lighting and hot water for common areas
 - Water/Sewer – common areas
 - Trash/snow removal
 - Security – requires OHFA approval to be included
 - Decorating
 - Repairs not funded through Replacement Reserve
 - Exterminating
 - Grounds maintenance
 - Maintenance salaries & Payroll Taxes
 - Maintenance supplies
 - Office Supplies
 - Service Coordinator/Supportive Services – requires OHFA approval to be included
 - Property manager salary, payroll taxes
 - Property Insurance
 - Property Taxes
 - Management Fees not to exceed 6% of Effective Gross Income (excluding Management Incentives, bookkeeping fees, compliance fees, bonuses, administrative service fees, incentive fees of any kind, etc.)
 - Owner-Paid Utilities – Units if applicable and common space

“Gross Cash Receipts” means all cash received in any fiscal year from the operations of the Partnership including all government subsidies received by the Partnership, construction contingency, but excluding Capital Contributions, loan proceeds, repayment of rent, security deposits, insurance proceeds, condemnation awards, proceeds from Net Cash from Sales and Refinancing, and any other funds not generated from current Project Operating Expenses. The Partnership definition of “Net Cash from Sales and Refinancing” (or other applicable related term or activity) must be provided to OHFA for review and approval.

Year 10 is calculated from the date / year a project starts construction.

The Cash Flow Loan Repayment Calculation Form can be downloaded from the [OHFA website](#).

VII. Appraisal Requirements

OHFA requires As-Is Appraisals meeting all requirements outlined in these Guidelines. These requirements are applicable to all OHFA multifamily programs ~~including HTC, HDAP, and the HDL program. The intent is for OHFA to develop a consistent approach to measuring and evaluating the as-is value of unimproved, vacant land, and existing properties in order to efficiently allocate OHFA resources.~~

An appraisal is not required if ~~both of the following conditions are met: (1)~~ applicant is neither ~~nor~~ not ~~and (2) applicant is not~~ including any acquisition costs in eligible basis or the funding request.

An acceptable As-Is Appraisal is either a Summary Appraisal Report or a Self-Contained Appraisal Report (the Report) that meets the most current edition of The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP) and must be completed by a Certified General Real Estate Appraiser licensed in the State of Ohio. OHFA must be listed as an intended user. The licensed appraiser ~~is required to~~ must conduct a site inspection for the subject property.

A. As-Is Value Definitions

OHFA requires the appraiser to provide the as-is value as defined below in (a), (b), and (c). When a value is determined by the appraiser for existing properties, the appraiser is requested to reflect a total value that can be broken down into a value of the improvements and a value for the land.

All appraisals submitted to OHFA shall at a minimum include the following as-is values, as applicable:

- ~~As-Is market value~~ with restricted rents for existing properties;
- ~~As-Is market value~~ with market rents for existing properties; and
- ~~As-Is land value~~ (unimproved, vacant land value).

OHFA requires the Income Approach for existing properties, and the Sales Comparison Approach for unimproved, vacant land. When using the Income Approach, appraisers shall use actual operating expenses to determine value; appraisers may choose to create two appraisals, one using actual operating expenses and a separate one using adjusted operating expenses.

Favorable financing terms and HTCs must not be considered in determining either a cap rate or an as-is value.

~~The identification of comparable properties in some markets may be difficult. OHFA encourages the a~~ Appraiser ~~to must~~ identify properties iesy that have yes physical and locational (nearest location) characteristics similar to those of the subject property. Using sales of comparable vacant land or existing developments from other regions of Ohio is discouraged without a detailed explanation and rationale from the appraiser to support this methodology and approach.

OHFA ~~reserves the right to may~~ limit the amount of OHFA resources allocated ~~to a development predicated based~~ on the appraised as-is value.

B. Updates

OHFA may require the appraiser to update its existing appraisal to match these Guidelines or may order an additional appraisal. The cost of the additional appraisal will be paid for by the applicant.

OHFA will accept appraisals, including those from RD and HUD, dated no later than 12 months prior to the funding application deadline. For older appraisals ~~dated more than 12 months prior to the funding application deadline~~, the appraiser may provide an updated letter if there are no material changes to the development, market, and the update meets USPAP and other appraisal industry rules or guidelines.

C. Ownership of Appraisal

Any appraisal submitted to OHFA in connection with an application will become property of OHFA and may be relied upon for the purposes of determining as-is value and feasibility of the proposed development, regardless of ~~any unresolved concerns between the relationship between~~ the Applicant and appraisal's provider.

D. Special Conditions

~~The following special conditions are recognized to be outside of appraisal standards but will be incorporated into the allocation process:~~

1. Excess Land Acquisition

~~Where more land is being acquired than proposed, and the remaining acreage is not being utilized as permanent green space per deed restrictions or covenants, the as-is value will be prorated. Excess land should not attribute value to the proposed property. A development that has excess land must show a separate value for the excess land and it cannot be purchased as part of the primary development cost.~~

2. Incorporation of HUD and/or RD Standards

~~OHFA will accept appraisals from HUD and RD that include multiple valuation methodologies, so long as the primary valuation required by OHFA is clearly noted within the appraisal.~~

VIII. Physical Capital Needs Assessment Standards

A. Purpose

A Physical Capital Needs Assessment (PCNA) represents a third party qualified professional's opinion of a property's current overall physical condition and identifies significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural and mechanical integrity.

~~The PCNA is not, and shall not be used as the project's scope of work. Any issues identified in the PCNA must be addressed in the scope of work, but the PCNA should be viewed as an addendum to the scope of work prepared by the project architect.~~

B. Qualifications:

PCNAs must be prepared by an individual who has experience in the preparation of PCNAs and possesses a professional qualification/license in architecture or engineering. If the individual does not have a professional qualification/license in architecture or engineering, they must have at least 5 years of experience preparing PCNAs.

The third party qualified professional preparing the PCNA must not be connected in any way to the project, including serving as the design architect, project architect of record, general contractor, property manager or sponsor. OHFA may grant A~~an exception may be given~~ for small projects and adaptive reuse projects ~~on a case by case basis~~.

C. Definitions

OHFA will use the following definitions per ASTM E2018-15.

Physical deficiency: a conspicuous defect or deferred maintenance of a subject property's material systems, components, or equipment as observed during completion of the PCNA. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes de minimis conditions that generally do not present material physical deficiencies of the subject property.

Deferred maintenance: physical deficiencies that could have been remedied with routine maintenance, normal operating maintenance, etc., excluding de minimis conditions that generally do not present a material physical deficiency to the subject property.

Good condition: in working condition and does not require immediate or short term repairs above an agreed threshold.

Fair condition: in working condition, but may require immediate or short term repairs above an agreed threshold.

Poor condition: not in working condition or requires immediate or short term repairs substantially above an agreed threshold.

Immediate costs: opinions of costs that require immediate action as a result of any of the following: (1) material existing or potentially unsafe conditions, (2) material building or fire code violations, or (3) physical deficiencies that if left uncorrected would be expected to result in or contribute to critical element or system failure within one year or will result most probably in a significant escalation of its remedial cost.

Short-term costs: opinions of costs to remedy physical deficiencies, such as deferred maintenance, which may not warrant immediate attention, but require repairs or replacements that should be undertaken on a priority basis in addition to routine preventive maintenance.

D. Scope

OHFA requires a PCNA for all projects involving rehabilitation, including adaptive reuse projects. The PCNA must conform to ASTM E2018-15 standards and must reflect the current condition of the building. OHFA may require the third party qualified professional update any report that is greater than one year old at the time ~~it is of~~

submission ~~to OHFA~~. PCNAs produced for USDA or RAD projects may be used with OHFA approval of an Exception Request prior to submission.

The PCNA must identify any repair items that represent an immediate threat to health and safety, and all other significant defects, deficiencies, items of deferred maintenance, and material building code violations that would limit the expected useful life of major components or systems.

PCNA Table of Contents

The PCNA must include a completed [PCNA Table of Contents template and note \(including page numbers\) and as required](#). All items specified in [Appendix A: PCNA Table of Contents](#) must be included in the PCNA submitted to OHFA.

E. Process

The professional shall conduct a site visit and physical inspection of interior and exterior of units and structures. ~~At a minimum, including this will involve viewing:~~

- 25 ~~percent~~% of all dwelling units (if less than 50 total units)
- 20 ~~percent~~% of all dwelling units (if 50 to 99 total units)
- 15 ~~percent~~% of all dwelling units (if greater than 100 total units)
- All accessible units
- All common facilities
- All site improvements
- All building exteriors

The professional shall must interview available on-site property management and maintenance personnel and inquire about past repairs/improvements, pending repairs and existing or chronic physical deficiencies.

F. Guidance

The ~~following are additional requirements below are meant to provide helpful tips and clarification to owners and PCNA providers as they complete the PCNA.~~

- The PCNA should be a point-in-time observation of existing conditions at that time.
- The PCNA should not address or be catered to competitive scoring items.
- ~~The PCNA should inform the project's scope of work and support the items being repaired or replaced as noted in the scope of work.~~
- For Adaptive Reuse/Historic projects, the PCNA should make a point-in-time observation of all aspects of the building but give substantial detail on structure, façade and items to remain.
- When the age of a component is unknown, it should be stated as such. However, the condition must still be evaluated even if the age is an estimate or unknown.
- The EUL/RUL of an item does not equate to need. ~~Simply because an item is 75% or more of the OHFA EUL table in age, it does not mean the component or system needs to be replaced.~~ Need is the second half of evaluation for replacement that must be documented ~~by the PCNA.~~
- Existing accessibility items should only be addressed in the PCNA if the owner requests it and the PCNA provider is adequately qualified to provide such an evaluation.
- The PCNA should not address any green building standards or certifications that the project may plan to seek. ~~The purpose of the PCNA is to evaluate the current overall physical condition and identify significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural and mechanical integrity.~~
- When evaluating a system or component, the following questions must be clearly answered in the PCNA:
 - What is the current condition?
 - Does it need to be replaced?
 - How much of the system needs to be replaced (as a percentage)?

- Major systems and its components should be documented through ~~clear color~~ photographs, specifically highlighting areas of concern. ~~This is especially critical while the ability to perform in-person site visits is limited.~~
- ~~If Indicate when relying on information from the owner ~~is being relied upon and included in the PCNA,~~ please state it clearly. For example, (“the owner reports the new windows were installed in....”).~~
- ~~Make sure details within the report are consistent. This includes dates (such as first occupied date) as well as condition of components/systems and needs for replacement.~~
- ~~Do not make a general statement that no critical repairs are needed but then identify major components/systems which need to be replaced immediately.~~

IX. Market Study Standards

A. Introduction

~~The market study determines if sufficient need for the proposed affordable development exists in the market area. Market study providers must include current demographic information and recommendations shall be based on current market conditions.~~

A market study must be conducted by an OHFA-approved, market study professional. To be approved, market analysts must complete the [Preferred Market Study Provider Application](#) available on the OHFA website, ~~have a membership in good standing with the National Council of Housing Market Analysts (NCHMA), undergo NCHMA's Member Designation Program,~~ and abide by the [NCHMA Model Content Standards for Market Studies for Rental Housing](#), including use of NCHMA's Market Study Terminology.

~~OHFA will remove Any market study professional submitting inaccurate information will be removed from the list of OHFA-approved market study providers.~~

B. Content

At minimum, the market study must include all of the sections as specified in the [NCHMA Model Content Standards for Market Studies for Rental Housing](#). The market study professional must complete and submit the OHFA [Market Study Checklist](#) indicating the location of the specified items within the market study.

OHFA ~~reserves the right may~~ to independently determine if a market exists for the proposed project and to require additional information and/or another market study. OHFA may also contact the market analyst during the review process if any required information cannot be found in the study.

1. Executive Summary

Provide an executive summary that briefly reviews all of the essential market study requirements and recommendations or suggested modifications and key findings to the proposed project. The executive summary should ~~be as brief as possible to convey all necessary information, if possible no more than one page in length.~~

2. Conclusion

Concise conclusion by the author that indicates [whether](#) a market exists for the proposed project. ~~The conclusion must~~ including [the estimated stable year vacancy rate and the estimated time needed to fully lease-up the proposed project.](#) [The study must provide an explanation if](#) the estimated stable year vacancy rate exceeds ~~seven percent~~ [7%](#) and/or the estimated lease-up time exceeds one year, ~~provide a detailed explanation.~~

3. Description of Proposed Site

Description of the proposed project site.

4. Description of PMA

Description and map of the PMA for the proposed project, including the methodology used to determine the boundaries. ~~Provide a detailed~~ [including an](#) explanation if the PMA include any areas outside of a five-mile radius from the proposed project. ~~Include and~~ a discussion of the health of the overall rental housing market in the PMA. ~~All sites included in a project must be located within one PMA. In addition,~~ [Provide population and household income and housing data](#) if the demographics of the immediate site area are significantly different from the PMA, ~~please provide population and household income and housing data for the immediate area.~~ If ~~this is~~ an assisted living or independent living development, state the number of units serving that population.

5. Rent Comparison Chart

Create a Derived Rent and Programmatic Rent Comparison Chart showing pro forma and achievable rents ratio to maximum program rents, derived market rents, the current FMR rents, and ~~90 percent~~ [90%](#) FMR rents.

6. Income Qualification

Description of the number of income qualified renter households divided by the number units in the PMA, ~~also known as the~~ (capture rate). The maximum income for this range would assume 1.5 persons per bedroom rounded up to the next whole person. Provide an explanation ~~if this exceeds 10 percent%, provide a detailed explanation for the higher rate.~~

7. Description of Public Services

Description and evaluation of the employers and public services in the PMA, (including transportation, police, fire department, schools, day care, library and community center), infrastructure (including roads and traffic), community services (including shopping, restaurants, parks, recreational facilities, hospital, health care facilities, and services for special needs, if applicable), ~~and employers in the PMA.~~ Provide a list of the approximate distances ~~to all the services.~~ Include and a map that clearly identifies the location of the project and all public and community services.

8. Description of the Federally Subsidized Developments

Description of the federally subsidized development projects that received Ohio Housing Trust Funds (OHTF), National Housing Trust Funds (NHTF), or HOME funds (HOME) and HTC projects, both operating and not yet placed-in-service, located in the PMA. ~~Projects that received OHTF/NHTF/HOME or HTC projects that were not placed-in-service must be included in the analysis.~~ Provide the current vacancy rate for each project and include the person(s) contacted ~~for each competing project~~ and the method of contact. Compare the rents, amenities, unit sizes, bedroom sizes, and populations served ~~of the comparable projects~~ to the proposed project.

The following information must also be included: name, location, population served, type of design, age and condition, number of units by bedroom type, rent levels, number of bedrooms and baths for each unit type, size (in square footage) of units, type of utilities and whether paid by tenant or owner, unit and site amenities. Comparisons to the subject rents should be based on comparable amenities, utilities, location, parking, and any rental concessions. Identify specific reasons why comparable types are faring poorly in the market, if applicable. OHTF may require ~~P~~ projects that receive a reservation ~~may be required~~ to amend their market study to incorporate those other projects receiving an allocation in the same round and are located in the same PMA. A listing of projects that received OHTF/NHTF/HOME or HTC that are in service or in development is located on the OHTF website. Calculate the ratio of subsidized projects that received OHTF/NHTF/HOME funds and HTC units to income eligible renter households.

9. Vacancy Rates

Estimate of the current vacancy rates of the OHTF, NHTF, HOME, and HTC funded projects include only those currently operating located in the PMA during the first stabilized year of the proposed project. Provide an explanation ~~if the estimated vacancy rate exceeds 10 percent% for any project, provide a detailed explanation for the higher rates.~~

10. Comparable Development

Description of comparable market rate developments located in the PMA. Provide the current vacancy rate for each project and include the person(s) contacted for each competing project and the method of contact. Compare the rents, amenities, unit sizes, bedroom sizes, and populations served of the competing projects to the proposed project. The following information must also be included: name, location, population served, type of design, age and condition, number of units by bedroom type, rent levels, number of bedrooms and baths for each unit type, size (in square footage) of units, type of utilities and whether paid by tenant or owner, unit and site amenities. Comparisons to the subject rents should be based on comparable amenities, utilities, location, parking, and any rental concessions.

11. Public Housing Concerns

Evaluation of any concerns or issues from the jurisdiction's PHA. The applicant or market study author must send a letter via certified mail to the local PHA. ~~The letter must~~ containing a brief description of the project and target population, and instructions for the PHA to forward all comments to the market study author, ~~and a statement that all comments must be submitted~~ within 30 days from receipt of the letter. If the PHA does not respond to the letter or comments are submitted after ~~the 30-day~~ s comment period, the ~~market study~~ author does not need to

analyze the issues or concerns of the PHA. Include in the market study a copy of the letter, certified mail receipt, and copies of any letters from the PHA.

12. Financial Interest

An executed original ~~Market Study Certification~~ that ~~the~~ market analyst ~~shall have~~ has no financial interest in the proposed project. Financial interest is ~~deemed to be~~ any compensation other than the fee for preparing the market study. ~~Furthermore, and the fee assessed for the study shall is~~ not be contingent upon the proposed project being approved ~~by OHFA~~.

13. Data Sources

A list of all data sources used in the study.

C. Assisted Living Developments

The market study must be customized to the affordable and assisted living markets, ~~and shall include~~ include an analysis of market penetration rates and competition. If the proposed development includes both assisted and independent living units, the market study must individually address both markets. The market study provider must have prior experience performing studies on assisted living properties.

~~The objective is to identify sites that are appropriate for the development of housing targeted toward low income to moderate income older adults age 55 and over. This portion of t~~ The market study will determine if specified assisted living housing will be compatible in the selected area and meet the needs of seniors. ~~Market area housing for assisted living may differ from senior housing without services.~~

~~If the proposed development includes both assisted living and independent living units, the market study must individually address both markets in accordance with OHFA requirements for each.~~

In addition to the above, Assisted Living market studies shall also include:

- Projected resident characteristics including the following
 - The average age at assisted living entry;
 - AMGI level and income sources;
 - Residents per unit;
 - Medicaid-defined level of care.
- Residents needing assistance with any of the following: Dressing, Bathing, Hygiene, Transportation, and/or Meals.
- Resident monitoring and amenities offered. Examples include meals, housekeeping, medication assistance, personal care services, medical services, transportation, 24 hour onsite management, laundry service.
- Comparable unit amenities, such as security systems, walk in closets, roll in showers, personal emergency response systems, private patio or balcony, additional storage.
- Market area demand and trends including a five-year growth forecast for the area within an 11 mile radius. Provide an explanation ~~if~~ information needs to be pulled from a larger geographical area ~~provide an explanation~~.
- Growth forecasts that include population increases, demand for assisted living and independent living, aging population demographics
- Neighborhood amenities such as:
 - Location of amenities – close proximity to community activities & services
 - Fitness center – located on site or at a nearby recreation center
 - Library – located on site or nearby
 - Computer center – located on site or nearby
 - Common outdoor areas
 - Health care facilities and pharmacies
- Waiting list length at comparable facilities in the PMA ~~.~~

X. Assisted Living Policy

The following ~~outline identifies how OHFA will assess and underwrite housing development projects that include affordable Assisted Living (AL) services. These~~ requirements will apply to Assisted Living (AL) in addition to existing underwriting and eligibility requirements unless otherwise noted. This policy does not apply to bond transactions that do not utilize any other OHFA resources; ~~however, assisted living developments may still be considered under that program.~~

Eligible Programs

- Non-Competitive/4% HTC
- Multifamily Lending Program (MLP)

Ineligible Programs

- Housing Development Assistance Program
- Housing Development Loan
- Competitive/9% HTC
- All other programs not specifically enumerated without written OHFA exception

Experience (gained either inside or outside Ohio)

- **Developer:** At least one AL development licensed and certified or otherwise approved to accept Medicaid Assisted Living Waivers (“AL Waiver”).
- **Operator:** At least two years operating HTC. At least two years operating AL after initial lease up, including accepting AL Waivers. HTC and AL experience may be obtained in separate developments.

All entities may partner with an existing provider to gain necessary experience.

Affordability & Medicaid Assisted Living Waivers

Development must accept applicants “off the street” and cannot condition residency on ability to pay privately for any length of time (e.g., cannot require “spend down” or “divesture” as a condition of tenancy). All developments must accept AL Waivers.

Independent Living Units

Non-AL, Independent Living (IL) units may be funded without separate HTC application provided all AL underwriting criteria, including but not limited to the higher Debt Coverage Ratio (DCR), is met for the whole development.

Application Fee

A \$5,000 application fee will be assessed in addition to all standard fees.

Reserves

OHFA will require a ~~15-percent%~~ increase to operating and replacement reserves; this requirement will be waived where the investor imposes comparable risk mitigation requirements.

Lease

All units must have a written lease agreement with the resident that complies with the requirements in [26 U.S. Code Section 42](#) and [OAC 5160-44-01](#).

Design

Design requirements, ~~as noted below and~~ in the OHFA Design and Architectural Standards, shall apply.:

- ~~**Efficiencies:** Up to 50 percent% of all units may be efficiencies. The number of efficiencies cannot be disproportionately reserved for HTC or AL Waiver residents. Efficiency units must be 350 square feet or larger.~~
- ~~**One Bedroom:** One bedroom HTC units must conform to one of the two following size requirements:~~



- ~~○ All HTC one bedroom units must be 450 sf; or~~
- ~~○ All HTC one bedroom units combined must average 500 sf.~~
- ~~▪ **Two Bedroom:** Two bedroom HTC units are not permitted unless an exception request is submitted to and approved by OHFA.~~
- ~~▪ **Common Areas:** OHFA will consider waivers to common area limitations as specified in the Design and Architectural Standards.~~
- ~~▪ **Kitchen Requirements:** Must be hard wired for stove and stove must be made available at property owner's expense if requested by the resident and doing so would not pose a health or safety risk to the requesting resident.~~
- ~~▪ **Shared Rooming:** No "Semi-Private" rooms will be permitted.~~
- ~~▪ **Medicaid Requirements:** Must comply with the setting characteristics outlined in OAC 173-39-02.16 and OAC 5160-44-01.~~

Facilities may be deemed a Residential Care Facility under [OAC 3701-16](#), and classified as an Assisted living facility (Group I-1) under [OAC 4101:1-3](#), Section 308 and, if so, shall meet all requirements thereof.

Services

All services must be optional and residents must have freedom to choose the service provider(s). Operator must give residents a statement regarding choice of service provider with 3701-17-57E notice and comply with person-centered planning outlined in [OAC 5160-44-02](#).

Residency cannot be denied due to a person's ineligibility for Medicaid AL services. Because a health screening and annual assessment are a condition of occupancy as required by the Ohio Department of Health's licensure, any charge for this service must be included in gross rent for purposes of section 42(g)(2)(A).

Nursing

Developments shall not make available continual or frequent skilled nursing, medical, or psychiatric services. Intermittent skilled nursing care provided for 120 days or less pursuant to [OAC 3701-16-02](#) may not constitute "continual or frequent" nursing. Skilled nursing that is privately contracted for by the resident and not made available by the development is not implicated in this requirement. OHFA ~~has not evaluated the eligibility of Memory Care facilities and~~ is not accepting applications containing ~~Memory Care facilities that level of care. See further information on IRS requirements below; OHFA makes no representation regarding the IRS eligibility of any nursing activity.~~

Underwriting Considerations

The following underwriting requirements will be applied:

- **Service Income:** Service income will be underwritten at ~~a the current Medicaid per diem rate, of \$70 per day per AL unit. This includ~~ings an underwriting assumption of one resident per unit; ~~however, (double occupancy is permitted).~~
- **DCR:** DCR must average 1.3 or higher for the affordability period.
- **Reserves:** Reserves in excess of those required for AL developments that are mandated or otherwise approved by OHFA may be excluded from cost containment analysis.
- **Cost Containment:** No other waivers will be granted on cost containment criteria.

Market Study

See requirements for AL market studies in the Market Study section of these guidelines.

Other Application Requirements

The funding application must also provide the following:

- ~~▪ Owner and Operator's licensing history summary;~~
- ~~▪ Owner and Operator's inspection history summary; and~~
- ~~Owner and Operator's~~ most recent inspection and licensing report(s);
- Development's lease up plan including financing arrangements;

- Development's tenant selection plan, including the conditions under which a two-bedroom unit will be rented to one person, if any;
- Development's plan to enable residents to exercise service provider choice;
- Development's policies and procedures for operation including policies and procedures required to meet the Ohio Department of Health Residential Care Facility licensure standards ([OAC 3701-16-01 through 3701-16-18](#)) and the Ohio Department of Aging assisted living waiver provider certification standards ([OAC 173-39-02](#) and [173-39-02.16](#)); and
- Development's plan to fully integrate residents into the local community, including compliance with Home and Community Based Services regulations as outlined in [OAC 5160-44-01](#).

Training

Awardees may be required to attending a training and/or Development Next Steps Meeting upon receipt of funding award.

Application Notice

Applicants that intend to submit an application for AL ~~shall~~must contact OHFA at least 45 days prior to the ~~application~~ submission date ~~to establish a time to meet with staff and discuss the project~~. OHFA may publish the location of any proposed site(s) to prevent overlapping market areas for different applications.

Waiver

~~If OHFA determines that a project is unable to meet the above requirements, OHFA reserves right to~~may waive any requirement(s) for proposals that do not use HTCs.

Information Sharing

As permitted by law, applicants must consent to the sharing of information between all government agencies OHFA deems necessary for efficient compliance and oversight.

Legal

All ~~developments~~ must maintain Residential Care Facility licensure issued by the Ohio Department of Health, Ohio Department of Aging certification as an AL Medicaid provider, and conform to all applicable laws existing and/or as may be enacted at any point during the affordability period.

Indemnification

Owner must provide OHFA with an unlimited indemnification in all property operations and with regard to the performance of all services provided to the residents regardless of whether ~~or not~~ owner provides the services to the residents or contracts with another entity to provide the services. The resident rental agreement must include preapproved hold harmless language in favor of OHFA with regard to any and all matters.

Disclaimer

OHFA makes no representation as to Internal Revenue Service eligibility of proposed developments ~~and strongly recommends each applicant pursue legal verification of the development's ability to qualify for housing tax credits~~. Developments ~~will be required to~~must provide a legal opinion ~~for each proposal~~. In the ~~unlikely~~ event that a development proposes continual or frequent skilled nursing, medical, or psychiatric services, OHFA ~~reserves the right to~~may require a private letter ruling at developer expense.

OHFA makes no representation as to the availability of AL Waivers or of any applicant's eligibility for that program.

~~To qualify for enrollment on the Medicaid AL waiver, an individual must have a "nursing facility level of care". Nursing facility level of care criteria is established in OAC 5160-3-08. The need for continuous nursing is not required for an individual to meet nursing facility level of care criteria. The Centers for Medicare & Medicaid Services require that waiver services may only be furnished to individuals who are determined to require the level of care furnished in a hospital, nursing facility, or Independent Care Facility for Individuals with Intellectual Disabilities (ICF/IDD). Individuals accepted by HTC facilities in other states who are receiving waiver services~~

were also determined, in accordance with each state's regulations, to require the level of care furnished in a hospital, nursing facility, or ICF/IDD.

AAppendix A: ~~OHFA PCNA Table of Contents~~

OHFA PCNA Table of Contents

This PCNA Table of Contents template must be used in all PCNAs submitted to OHFA. All items in the TOC must be included in the PCNA. If an item is not applicable, it must be stated as such.

<u>Section</u>	<u>Page #</u>
<u>1. Executive Summary</u>	
<u>1.1 General description of property (use, size, age, location, construction type, design style, occupancy status)</u>	
<u>1.2 Name of consultant preparing the PCNA</u>	
<u>1.3 Name of user of the PCNA</u>	
<u>1.4 User's position with respect to the subject property</u>	
<u>1.5 Date of the site visit</u>	
<u>1.6 General physical condition</u>	
<u>1.6(a) Subject property's general physical condition</u>	
<u>1.6(b) Summary of the apparent level of preventive maintenance exercised</u>	
<u>1.6(c) Summary of any significant deferred maintenance</u>	
<u>1.6(d) Schedule of material physical deficiencies</u>	
<u>1.6(e) Any significant capital improvements that are pending, in-progress, or were recently implemented</u>	

<u>1.6(f) Any significant findings resulting from research (This should include material life-safety code and building code violations)</u>	
<u>1.7 Opinions of costs</u>	
<u>Present the aggregate sum of opinions of costs segregated between immediate and short-term costs.</u>	
<u>1.8 Deviations from ASTM E2018-15</u>	
<u>1.9 Consultant/Field Observer relationship</u>	
<u>1.10 Recommendations/Discussions</u>	
<u>1.10(a) Briefly identify those components and systems necessitating further study, research, testing, intrusive survey, or exploratory probing.</u>	
<u>1.10(b) This section also may be used to discuss any obvious major deviations from the subject property description provided by the user to the consultant, ongoing repairs or improvements, or other relevant issues.</u>	
<u>2. Purpose and Scope</u>	
<u>2.1 Provide a short paragraph specifically stating the purpose the PCNA should serve and the client’s position with respect to the real estate transaction. If the client does not disclose the PCNA’s purpose or its role to the consultant, the PCNA should so state.</u>	
<u>2.2 Identify the improvements that comprise the subject property.</u>	
<u>2.3 Provide an outline of the scope of work completed for the PCNA and methods utilized.</u>	
<u>2.4 If there were any constraints preventing the consultant from performing the PCNA in accordance with this outline, these constraints should be identified.</u>	
<u>3. System Descriptions and Observations</u>	
<u>For each major building system listed in the OHFA EUL Table, provide a brief description of each system and its components and observed physical deficiencies, if any. Please notate with corresponding numbers listed in the EUL Table. Include both:</u> <ul style="list-style-type: none"> <u>• The item’s Estimated Useful Life (based on the OHFA EUL table) and Remaining Useful Life; and</u> <u>• The item’s current physical condition, stated as “good”, “fair”, or “poor”.</u> <p><u>This list should not be considered all-inclusive. Conversely, some items may not be applicable to the subject property and should be noted as such.</u></p>	
<u>4. Document Reviews and Interviews</u>	
<u>Identify any material information relating to physical deficiencies of the subject property resulting from the review of documents and interviews conducted.</u>	
<u>5. Additional Considerations</u>	
<u>Identify any material additional considerations or out of scope considerations that are included in the PCNA. This may include:</u> <ul style="list-style-type: none"> <u>• Capital improvements, enhancements, or upgrades to building components, systems, or finishes; and/or</u> <u>• Improvements, capital expenditures, repairs, maintenance and other activities that are or may be required at a future date, except as needed in the review of short term and long term needs; and/or</u> <u>• Environmental considerations, such as mold, asbestos, or lead-based paint.</u> 	
<u>6. Opinions of Costs</u>	

<u>6.1 Identification of material physical deficiencies and suggested remedies, including opinions of costs.</u>	
<i><u>For each material physical deficiency, the consultant should provide a suggested remedy, which may include recommending further research or testing, or both, if appropriate in the consultant's opinion.</u></i>	
<i><u>Opinions of costs should be provided for material physical deficiencies and not for repairs or improvements that could be classified as: (1) cosmetic or decorative; (2) part or parcel of a building renovation program (3) tenant improvements/finishes; (4) enhancements to reposition the subject property in the marketplace; (5) for warranty transfer purposes; or (6) routine or normal preventive maintenance, or a combination thereof.</u></i>	
<i><u>Identify all Immediate Repairs as occurring in year zero and project the expected reserve requirements necessary for at least the following 20 years of operations.</u></i>	
<u>6.1(a) Immediate Costs (table)</u>	
<i><u>Identify each material physical deficiency, suggested remedy, and opinion of cost.</u></i>	
<u>6.1(b) Short-term Costs (table)</u>	
<i><u>Identify each material physical deficiency, suggested remedy, and opinion of cost.</u></i>	
<u>6.1(c) Replacement Reserves/Ongoing Physical Needs (table)</u>	
<i><u>Provide opinion of cost for all long-term capital expenses. Long-term capital expenses are typically based on the expected useful life of the building systems and components.</u></i>	
<u>6.1(d) Costs for Additional Study</u>	
<i><u>Provide the opinions of costs for additional study for any physical deficiencies that warrant further study/research or design, testing, exploratory probing, and exploration of various repair schemes, or a combination thereof, in order to determine the appropriate suggested remedy or scope.</u></i>	
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<i><u>Provide the qualifications for the professionals contributing to and completing the PCNA.</u></i>	
<u>8. Limiting Conditions</u>	
<i><u>Provide all limiting conditions of the PCNA.</u></i>	
<u>9. Exhibits</u>	
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<u>9.2 Pre-survey questionnaire</u>	
<u>9.3 User/owner submitted documents</u>	
<u>9.4 Photocopied plot plans, sketches, etc.</u>	
<u>9.5 Inspected units list (unit number, size, accessibility)</u>	
<u>9.6 Other exhibits considered appropriate by the consultant</u>	

This PCNA Table of Contents template must be used in all PCNAs submitted to OHFA. All items in the TOC must be included in the PCNA. If an item is not applicable, it must be stated as such.

Section	Page #
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1. Executive Summary	
1.1 General description of property (use, size, age, location, construction type, design style, occupancy status)	
1.2 Name of consultant preparing the PCNA	
1.3 Name of user of the PCNA	
1.4 User's position with respect to the subject property	
1.5 Date of the site visit	
1.6 General physical condition	
1.6(a) Subject property's general physical condition	
1.6(b) Summary of the apparent level of preventive maintenance exercised	
1.6(c) Summary of any significant deferred maintenance	
1.6(d) Schedule of material physical deficiencies	
1.6(e) Any significant capital improvements that are pending, in progress, or were recently implemented	
1.6(f) Any significant findings resulting from research (This should include material life safety code and building code violations)	
1.7 Opinions of costs	
<i>Present the aggregate sum of opinions of costs segregated between immediate and short term costs.</i>	
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3.1 Site	

Storm Water Drainage	
Access and egress	
Paving, curbing, and parking	
Flatwork (walks, plazas, terraces, patios)	
Landscaping and Appurtenances	
Recreational Facilities	
Site Utilities—Water, Electric, Gas, Sewer, Trash	
3.2 Structural	
Roof framing	
Wall structure	
Foundation	
Lintels	
Posts	
3.3 Thermal/Moisture Envelope	
Siding	
Windows	
Doors	
Roof (shingles, membrane)	
Gutters/Downspouts	
3.4 Plumbing	
Fixtures (toilets, sinks, tubs/showers)	
Site sanitary	
Site water supply	
Building sanitary pipes	
Building supply pipes (including shutoff valves)	
Water heaters	
3.5 Heating and Cooling (HVAC)	
Heating components (furnace, boiler, heat pump, PTAC)	
Cooling components (window units, heat pump, PTAC, cooling towers, etc.)	
Heat exchanger/ Condensers	
Steam systems	
Water heater code upgrades (pans, expansion tanks)	
3.6 Electrical	
Smoke detectors not part of a life safety system	
Light fixtures	
Switches, outlets	
Unit panels	
Sub panels	
Main service meters/ disconnects	
Transformers	
Solar Photovoltaic panels	
3.7 Elevators	
Hoist way	
Hoist way safety equipment (pit springs and stops)	
Cab	

Controls	
Electrical safety (shunt trip)	
Motor (hydraulic or traction)	
Hydraulic cylinder/ traction cables	
3.8 Life Safety	
Fire alarm system (addressable smoke detectors)	
Sprinkler systems (flow alarms, pumps, heads, pipes)	
3.9 Interiors	
<i>Common areas (indoor recreation, laundry, mail, offices, maintenance, storage, etc.)</i>	
Finished walls, ceilings, floors	
Millwork (doors, trim, cabinets, tops)	
Appliances	
<i>Dwelling units</i>	
Finished walls, ceilings, floors	
Millwork (doors, trim, cabinets, tops)	
Appliances	
Bathroom fixtures and specialties	
Kitchen fixtures and specialties	
Window treatments	
3.10 Accessibility⁴	
<i>Parking spaces, path, common area features, units, etc.</i>	
ADA requirements	
FHA requirements	
504 requirements	
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⁴ Existing accessibility items should only be addressed in the PCNA if the owner requests it and the PCNA provider is adequately qualified to provide such an evaluation.

<i>Opinions of costs should be provided for material physical deficiencies and not for repairs or improvements that could be classified as: (1) cosmetic or decorative; (2) part or parcel of a building renovation program (3) tenant improvements/finishes; (4) enhancements to reposition the subject property in the marketplace; (5) for warranty transfer purposes; or (6) routine or normal preventive maintenance, or a combination thereof.</i>	
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9.5 Inspected units list (unit number, size, accessibility)	
9.6 Other exhibits considered appropriate by the consultant	

Appendix B: OHFA EUL Table

SITE-Utilities/Development	Type	Family	Senior	Notes
Sanitary treatment		40	40	
Lift station motors		10	10	
Lift station enclosures		30+	30+	
Site sanitary lines		40	40	
Site sewer main		40	40	
Site water main		40	40	
Water tower		50+	50+	
Storm drain lines		40	40	
Catch basin		40	40	
Site gas main		40	40	
Site lighting		25	25	
Irrigation systems		30	30	
Earthwork/Grading		50+	50+	
SITE-Amenities	Type	Family	Senior	
Roadways	Asphalt (sealing)	5	5	
	Asphalt	25	25	
Parking	Asphalt	25	25	
	Bituminous	15	15	
Pedestrian paving	Concrete	30	30	
Dumpster enclosures		10	10	
Mail facilities		20	30	

(also under Interiors)				
Landscaping		20	30	
Fencing	Chain-link	25	25	
	Vinyl post & panel	25	25	
	Stockade	15	15	
	Post and rail	15	15	
Built improvements (playgrounds/site furniture)		20	20	
STRUCTURAL		Family	Senior	
Chimney		25	25	<i>Repair-only</i>
Foundations		50+	50+	
Exterior stairs	Wood	30	30	
	Filled metal pan	20	20	
	Concrete	25	25	
Fire escape		40	40	
Exterior walls	Aluminum siding	15	15	
	Brick or Block	40	40	
	Stone veneer	20	20	
	Glass block	15	15	
	Granite block	40	40	
	Metal/Glass curtain wall	10	10	
	Precast concrete panel	15	15	
	Vinyl siding 0.030 to 0.040	15	15	
	Vinyl siding 0.042 to 0.055	30	30	
	Wood siding/ shingles	5	5	
	Fiber cement siding	30	30	
	Portland cement stucco	30	30	
Parapet wall		30	30	
Basement stairs		50+	50+	
Waterproofing foundation		50+	50+	
Bulkheads		6	20	
Retaining walls	Concrete	20	20	
	Masonry	15	15	
	Wood	15	15	
	Stone	15	15	
Wood floor framing		50+	50+	
Stair structure		50+	50+	
Roof structure		50+	50+	
Porches		50	50	
Wood decks		20	20	
Storage sheds/Accessory buildings		30	30	
Garports		40	40	
Garages		50+	50+	
Canopies	Wood/Metal	40	40	
	Concrete	20	20	

EXTERIOR ENVELOPE		Family	Senior	
Ceilings, exterior or open		5	5	
Exterior doors	Aluminum storefront	20+	30+	
	Steel commercial	20	20	
	Steel residential	10	20	
	Wood residential	20+	30+	
	Historic	Per SHPO	Per SHPO	
Storm/Screen doors		7	15	
Storm/Screen windows		20	20	
Windows	Single pane and/or metal non-thermally broken	20	20	<i>Not permitted as replacement unless SHPO recommended</i>
	Aluminum storefront	20+	20+	
	Aluminum thermal broken	30+	30+	
	Vinyl thermal pane	30+	30+	
	Historic	Per SHPO	Per SHPO	
Window frames & glazing		30	30	
Window security		40	40	
Roof covering	Aluminum shingles	40	40	
	Asphalt shingles	30	30	
	Built up (BUR)	20	20	<i>Repair only, not permitted as replacement</i>
	Membrane	20	20	
	Metal	40	40	
	Shingles (slate, tile, clay, etc.)	50+	50+	
	Roof drainage, exterior (gutter, downspouts, splash blocks, rwe boots)		25	25
Roof drainage, interior (drain covers)		50+	50+	
Flashing, fascia, and trim		20+	20+	
Roof railings		10	10	
Hatches/Skylights	Access hatch	30	30	
	Smoke hatch/skylight	25	25	
Service doors		25	25	
Soffits	Wood	5	5	<i>Not permitted as replacement unless SHPO recommended</i>
	Aluminum or Vinyl	25	25	
	Concrete Board/ Fiber Cement	50+	50+	
INTERIORS		Family	Senior	
Common Area: Doors	Solid core/steel	20+	30+	
Common Area: Floors	Historic/Terrazzo	50+	50+	
	T&G hardwood	30+	30+	

	Resilient, vinyl plank	10+	20+	
	Resilient, sheet vinyl	10+	20+	
	Resilient, other (epoxy)	10+	20+	
	VCT	15+	20+	
	Ceramic tile	30+	50+	
Common Area: Railings		30+	30+	
Common Area: Ceilings	Concrete/Drywall/Plaster	50+	50+	
	Acoustic Tile	20	20	
Common Area: Countertop/sink		20	20	
Common Area: Bathroom accessories		20+	30+	
Common Area: Dishwasher		10	15	
Common Area: Disposal		5	8	
Common Area: Walls		50+	50+	
Common Area: Kitchen cabinets	HUD spec/plywood/solid wood	20+	30+	
	Wood construction	20	25	
Common Area: Refrigerator		15	15	
Insulation/Wall		50+	50+	
Mail facilities		20	30	
Dwelling Unit: Slab		50+	50+	
Dwelling Unit: Floors	Carpet—solution dyed nylon	10	20	
	Carpet—olefin	7	10	<i>Must be replaced with OHFA-permitted material</i>
	T&G hardwood	20+	35+	
	Resilient, vinyl plank	15+	20+	
	Resilient, sheet vinyl	15+	20+	
	Resilient, other (epoxy)	15+	25+	
	VCT (no wax)	10+	25+	
	Ceramic tile	30+	30+	
	Concrete/ Stained	50+	50+	
Dwelling Unit: Stair finishes	Resilient/ rubber	20+	30+	
Dwelling Unit: Bathroom accessories/vanities		10	15	
Dwelling Unit: Interior doors	Solid core doors	30	35+	
	Hollow core doors	10	20	
	Glass doors	25	30	
Dwelling Unit: Kitchen cabinets	HUD spec/plywood/solid wood	20+	30+	
	Wood construction	20	25	
Dwelling Unit: Countertop/sink		15+	20+	
Dwelling Unit: Dishwasher		10	15	
Dwelling Unit: Disposal		5	8	
Dwelling Unit: Ceilings	Concrete/Drywall/Plaster	50+	50+	
	Acoustic Tile	20	20	
Dwelling Unit: Walls		50+	50+	
Dwelling Unit: Range		15	20	

Dwelling Unit: Range hood		15	15	
Dwelling Unit: Refrigerator		15	15	
ACCESSIBILITY		Family	Senior	
Sidewalk detectable warning strips		5+	10+	
Parking lot markings		2+	2+	
Parking signs		5+	7+	
Curb ramps	Concrete	10+	10+	
Accessibility ramps	Concrete	20+	30+	
	Metal	15	15+	
	Wood	10	10	
Entry door opener		5+	5	
Common area doors	With kick plate protection	See solid core Doors	See solid core Doors	
Common area wall guards		5	10	
Common area corner guards		5	10	
Common area bathroom fixtures	Toilet and sink	15	20	
Common area accessories	Grab bars, towel and toilet paper dispensers	5	5	
Accessible unit doors	With kick plate protection	See solid core doors	See solid core doors	
Accessible unit walls	With 10" toe kick	20+	20+	
	No 10" toe kick protection	5+	10+	
Accessible unit kitchens		10+	20+	
Accessible unit bathrooms		10+	20+	
PLUMBING SYSTEM		Family	Senior	
Gas distribution		50+	50+	
Tank water heater	Electric	20+	20+	
	Gas	15-20	15-20	
Tankless water heater, individual units	Electric	20+	30+	
	Gas	20	25	
Common Area plumbing fixtures (sink, toilet, tub)		15	15	
Dwelling Unit plumbing fixtures (sink, toilet, tub)		20	20	
Radiant heating	Hydronic (baseboard or freestanding)	50	50	
Unit-level DHW		10	10	
Hot & cold water distribution		50	50	
Sanitary waste & vent system		25	25	
Sewage ejectors		25	25	
Sump pump	Residential	7	7	
	Commercial	15	15	
HVAC SYSTEM		Family	Senior	
Unit HVAC	Electric fan coil	20	20	

	Electric heat/AC	15	15	
	Evap. condenser (swamp cooler)	20	20	
	Gas furnace, split-DX AC	20	20	
	Heat pump w/suppl. electric	15	15	
	Heat pump, water source	20	20	
	Hydronic fan coil	30	30	
	Hydronic heat/electric AC	20	20	
	Radiant steam heat	50	50	
	Electric base board heat	15	15	<i>Must be replaced with OHFA-permitted option</i>
Unit vent/exhaust		15	15	
Central unit exhaust, roof mounted		20	20	
Chilled water distribution		25	25	
Cooling tower		40	40	
HVAC	Cooling only	15	15	
	Heat only	15	15	
	Heating & Cooling	15	15	
Boiler room equipment/vents		25	25	
Boilers	Oil-fired, sectional	22	22	
	Gas/dual fuel, sectional	25	25	
	Oil/gas/dual fired, low-MBH	30	30	
	Oil/gas/dual fired, high-MBH	40	40	
	Gas fired-atmospheric	25	25	
	Electric	20	20	
DHW-generation	Tank only, dedicated fuel	10	10	
	Boiler	15	15	
	External tankless	15	15	
	Instantaneous	20	20	
DHW storage tanks	Small (up to 150gals)	12	12	
	Large (over 150gals)	7	7	
Domestic cold water booster pumps		15	15	
Flue exhaust		w/boiler	w/boiler	
Heat exchanger (HRV and/or condenser exchangers)		35	35	
Solar hot water		20	20	
Chillers	Swamp	15+	15+	
	Geothermal	25+	25+	
	Air exchangers	20	20	
ELECTRICAL SYSTEM		Family	Senior	
Unit wiring		99	99	
Emergency generator/transfer gear		35	35	
Emergency lights, battery operated		10	10	
Emergency generator		15	15	

Lighting, dwelling unit		20	20	
Residential stand-alone or linked smoke/fire detectors		10	10	
Building-mounted exterior lighting		6	10	
Building-mounted HID lighting		6	20	
Transformer		30	30	
Site power distribution		40	40	
Solar PV panels		40	40	
Solar Inverter		10+	10+	
Site electrical main		40	40	
Switches and outlets		20	20	
Lighting, common area		25	25	
ELEVATORS		Family	Senior	
Electrical switchgear		50+	50+	
Electrical wiring		50+	50+	
Elevator, cab, call station, etc.		15	15	
Elevator, machinery		25	25	
Combustion air	Duct w/fixed louvers	25	25	
LIFE SAFETY/FIRE SYSTEM		Family	Senior	
Smoke and fire control and annunciator panels		15+	15+	
Addressable detectors		10	10	
Flow alarms and controls		15	15	
Fire pumps		25+	25+	
Fire service pipes		40+	40+	
Sprinkler piping – wet		50+	50+	
Sprinkler piping – dry		30	30	
Sprinkler heads		15	15	
Sprinkler accessories (pull stations, sprinkler trim)		15	15	
Smoke & Fire Detection System, central panel		25	25	
Smoke/Fire Detectors		10	10	

Appendix B: OHFA Expected Useful Life Table

<u>System Description</u>	<u>Overall General Description</u>	<u>Comp.</u>	<u>Sub-Comp.</u>	<u>Component Description</u>	<u>Family</u>	<u>Senior</u>
3.1	-	-	-	<u>Overall General Description</u>	-	-
3.2	-	-	-	<u>SYSTEM: SITE</u>	-	-
-	<u>3.2.1</u>	-	-	<u>Topography</u>	-	-
-	<u>3.2.2</u>	-	-	<u>Storm Water Drainage</u>	-	-

-	-	<u>3.2.2.1</u>	-	<u>Catch basins, inlets, culverts</u>	<u>50</u>	<u>50</u>
-	-	<u>3.2.2.2</u>	-	<u>Marine or stormwater bulkhead</u>	<u>35</u>	<u>35</u>
-	-	<u>3.2.2.3</u>	-	<u>Earthwork, swales, drainways, erosion controls</u>	<u>50</u>	<u>50</u>
-	-	<u>3.2.2.4</u>	-	<u>Storm drain lines</u>	<u>50</u>	<u>50</u>
-	-	<u>3.2.2.5</u>	-	<u>Stormwater mgmt ponds</u>	<u>50</u>	<u>50</u>
-	-	<u>3.2.2.6</u>	-	<u>Fountains, pond aerators</u>	<u>15</u>	<u>15</u>
-	<u>3.2.3</u>	-	-	<u>Access and Egress</u>		
-	-	<u>3.2.3.1</u>	-	<u>Security gate - lift arm</u>	<u>10</u>	<u>10</u>
-	-	<u>3.2.3.2</u>	-	<u>Security gate - rolling gate</u>	<u>15</u>	<u>15</u>
-	<u>3.2.4</u>	-	-	<u>Paving, Curbing and Parking</u>		
-	-	<u>3.2.4.1</u>	-	<u>Asphalt Pavement</u>	<u>25</u>	<u>25</u>
-	-	<u>3.2.4.2</u>	-	<u>Asphalt Seal Coat</u>	<u>5</u>	<u>5</u>
-	-	<u>3.2.4.3</u>	-	<u>Concrete Pavement</u>	<u>50</u>	<u>50</u>
-	-	<u>3.2.4.4</u>	-	<u>Curbing, Asphalt</u>	<u>25</u>	<u>25</u>
-	-	<u>3.2.4.5</u>	-	<u>Curbing, Concrete</u>	<u>50</u>	<u>50</u>
-	-	<u>3.2.4.6</u>	-	<u>Parking, Gravel Surfaced</u>	<u>15</u>	<u>15</u>
-	-	<u>3.2.4.7</u>	-	<u>Permeable Paving Systems (brick, concrete pavers)</u>	<u>30</u>	<u>30</u>
-	-	<u>3.2.4.8</u>	-	<u>Striping and Marking</u>	<u>15</u>	<u>15</u>
-	-	<u>3.2.4.9</u>	-	<u>Signage, Roadway / Parking</u>	<u>15</u>	<u>15</u>
-	-	<u>3.2.4.10</u>	-	<u>Carports, wood frame</u>	<u>30</u>	<u>30</u>
-	-	<u>3.2.4.11</u>	-	<u>Carports, metal frame</u>	<u>40</u>	<u>40</u>
-	<u>3.2.5</u>	-	-	<u>Flatwork (walks, plazas, terraces, patios)</u>		
-	-	<u>3.2.5.1</u>	-	<u>Asphalt</u>	<u>25</u>	<u>25</u>
-	-	<u>3.2.5.2</u>	-	<u>Concrete</u>	<u>50</u>	<u>50</u>
-	-	<u>3.2.5.3</u>	-	<u>Gravel</u>	<u>15</u>	<u>15</u>
-	-	<u>3.2.5.4</u>	-	<u>Permeable Paving (brick, concrete pavers)</u>	<u>30</u>	<u>30</u>
-	<u>3.2.6</u>	-	-	<u>Landscaping and Appurtenances</u>		
-	-	<u>3.2.6.1</u>	-	<u>Fencing, chain-link</u>	<u>40</u>	<u>40</u>
-	-	<u>3.2.6.2</u>	-	<u>Fencing, wood picket</u>	<u>15</u>	<u>20</u>
-	-	<u>3.2.6.3</u>	-	<u>Fencing, wood board (=>1"x 6")</u>	<u>20</u>	<u>25</u>
-	-	<u>3.2.6.4</u>	-	<u>Fencing, wrought Iron</u>	<u>60</u>	<u>60</u>
-	-	<u>3.2.6.5</u>	-	<u>Fencing, steel or aluminum</u>	<u>20</u>	<u>25</u>
-	-	<u>3.2.6.6</u>	-	<u>Fencing, concrete Masonry unit (CMU)</u>	<u>30</u>	<u>30</u>
-	-	<u>3.2.6.7</u>	-	<u>Fencing, PVC</u>	<u>15</u>	<u>20</u>
-	-	<u>3.2.6.8</u>	-	<u>Signage, Entrance/Monument</u>	<u>25</u>	<u>25</u>
-	-	<u>3.2.6.9</u>	-	<u>Mail Kiosk</u>	<u>15</u>	<u>20</u>
-	-	<u>3.2.6.10</u>	-	<u>Retaining Walls, heavy block (50-80 lb)</u>	<u>60</u>	<u>60</u>
-	-	<u>3.2.6.11</u>	-	<u>Retaining Walls, re-inforced concrete masonry unit (CMU)</u>	<u>40</u>	<u>40</u>
-	-	<u>3.2.6.12</u>	-	<u>Retaining Walls, treated timber</u>	<u>25</u>	<u>25</u>
-	-	<u>3.2.6.13</u>	-	<u>Storage sheds</u>	<u>30</u>	<u>30</u>
-	<u>3.2.7</u>	-	-	<u>Recreational Facilities</u>		
-	-	<u>3.2.7.1</u>	-	<u>Sport Court- asphalt</u>	<u>25</u>	<u>25</u>
-	-	<u>3.2.7.2</u>	-	<u>Sport Court- synthetic</u>	<u>15</u>	<u>20</u>

-	-	<u>3.2.7.3</u>	-	<u>Sport Court-hardwood</u>	<u>50</u>	<u>50</u>
-	-	<u>3.2.7.4</u>	-	<u>Tot Lot (playground equipment)</u>	<u>10</u>	<u>15</u>
-	-	<u>3.2.7.5</u>	-	<u>Tot Lot- loose ground cover</u>	<u>3</u>	<u>5</u>
-	-	<u>3.2.7.6</u>	-	<u>Pool Deck</u>	<u>15</u>	<u>15</u>
-	-	<u>3.2.7.7</u>	-	<u>Pool/Spa Plastic Liner</u>	<u>8</u>	<u>8</u>
-	-	<u>3.2.7.8</u>	-	<u>Pool/Spa pumps and equipment</u>	<u>10</u>	<u>10</u>
-	-	<u>3.2.7.9</u>	-	<u>Decks-treated lumber</u>	<u>20</u>	<u>20</u>
-	-	<u>3.2.7.10</u>	-	<u>Decks-composite</u>	<u>50</u>	<u>50</u>
-	3.2.8	-	-	Site Utilities	-	-
-	-	<u>3.2.8.1</u>	-	Site Utilities-Water	-	-
-	-	-	<u>3.2.8.1.1</u>	<u>Water Mains/Valves</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.2.8.1.2</u>	<u>Water Tower</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.2.8.1.3</u>	<u>Irrigation System</u>	<u>25</u>	<u>25</u>
-	-	<u>3.2.8.2</u>	-	Site Utilities-Electric	-	-
-	-	-	<u>3.2.8.2.1</u>	<u>Electric distribution center</u>	<u>40</u>	<u>40</u>
-	-	-	<u>3.2.8.2.2</u>	<u>Electric distribution lines</u>	<u>40</u>	<u>40</u>
-	-	-	<u>3.2.8.2.3</u>	<u>Transformer</u>	<u>30</u>	<u>30</u>
-	-	-	<u>3.2.8.2.4</u>	<u>Emergency Generator</u>	<u>25</u>	<u>25</u>
-	-	-	<u>3.2.8.2.5</u>	<u>Solar Photovoltaic panels</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.2.8.2.6</u>	<u>Photovoltaic Inverters</u>	<u>10</u>	<u>10</u>
-	-	-	<u>3.2.8.2.7</u>	<u>Pole mounted lights</u>	<u>25</u>	<u>25</u>
-	-	-	<u>3.2.8.2.8</u>	<u>Ground lighting</u>	<u>10</u>	<u>10</u>
-	-	-	<u>3.2.8.2.9</u>	<u>Building Mounted Lighting</u>	<u>10</u>	<u>10</u>
-	-	-	<u>3.2.8.2.10</u>	<u>Building Mounted High Intensity Discharge (HID) Lighting</u>	<u>10</u>	<u>20</u>
-	-	<u>3.2.8.3</u>	-	Site Utilities-Gas	-	-
-	-	-	<u>3.2.8.3.1</u>	<u>Gas Main</u>	<u>40</u>	<u>40</u>
-	-	-	<u>3.2.8.3.2</u>	<u>Gas Supply Lines</u>	<u>40</u>	<u>40</u>
-	-	-	<u>3.2.8.3.3</u>	<u>Site Propane, Storage & Distribution</u>	<u>35</u>	<u>35</u>
-	-	-	<u>3.2.8.3.4</u>	<u>Gas lights/fire pits</u>	<u>20</u>	<u>20</u>
-	-	<u>3.2.8.4</u>	-	Site Utilities-Sewer	-	-
-	-	-	<u>3.2.8.4.1</u>	<u>Sanitary Sewer lines</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.2.8.4.2</u>	<u>Sanitary waste treatment system</u>	<u>40</u>	<u>40</u>
-	-	-	<u>3.2.8.4.3</u>	<u>Lift Station</u>	<u>50</u>	<u>50</u>
-	-	<u>3.2.8.5</u>	-	Site Utilities-Trash	-	-
-	-	-	<u>3.2.8.5.1</u>	<u>Dumpsters</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.2.8.5.2</u>	<u>Compactors (exterior, commercial grade)</u>	<u>20</u>	<u>20</u>
-	-	-	<u>3.2.8.5.3</u>	<u>Recycling containers/equipment</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.2.8.5.4</u>	<u>Composting, organic recycling equipment</u>	<u>10</u>	<u>10</u>
3.3	-	-	-	SYSTEM BUILDING FRAME AND ENVELOPE	-	-
-	3.3.1	-	-	Foundation	-	-
-	-	<u>3.3.1.1</u>	-	<u>Slab, reinforced concrete</u>	<u>100</u>	<u>100</u>
-	-	<u>3.3.1.2</u>	-	<u>Slab, post tensioned</u>	<u>100</u>	<u>100</u>
-	-	<u>3.3.1.3</u>	-	<u>Continuous reinforced concrete footer and CMU stem wall</u>	<u>100</u>	<u>100</u>

-	-	<u>3.3.1.4</u>	-	<u>Piers, reinforced concrete footer and CMU pier</u>	<u>100</u>	<u>100</u>
-	-	<u>3.3.1.5</u>	-	<u>Piers, treated timber post/pole</u>	<u>40</u>	<u>40</u>
-	-	<u>3.3.1.6</u>	-	<u>Foundation Waterproofing</u>	<u>40</u>	<u>40</u>
-	-	<u>3.3.1.7</u>	-	<u>Foundation suction, drainage, moisture or radon gas controls/alarms</u>	<u>10</u>	<u>10</u>
-	3.3.2	-	-	Building Frame	-	-
-	-	<u>3.3.2.1</u>	-	Framing System, Floors & Walls	-	-
-	-	-	<u>3.3.2.1.1</u>	<u>Wood, timbers, dimensioned lumber, laminated beams, trusses</u>	<u>100</u>	<u>100</u>
-	-	-	<u>3.3.2.1.2</u>	<u>Tie downs, clips, braces, straps, hangers, shear walls/panels</u>	<u>75</u>	<u>75</u>
-	-	-	<u>3.3.2.1.3</u>	<u>Steel, beams, trusses</u>	<u>100</u>	<u>100</u>
-	-	-	<u>3.3.2.1.4</u>	<u>Reinforced concrete</u>	<u>100</u>	<u>100</u>
-	-	-	<u>3.3.2.1.5</u>	<u>Reinforced masonry, concrete masonry units (CMUs)</u>	<u>100</u>	<u>100</u>
-	-	-	<u>3.3.2.1.6</u>	<u>Solid Masonry (obsolete)</u>	<u>100</u>	<u>100</u>
-	-	<u>3.3.2.2</u>	-	Crawl Spaces, Envelope Penetrations	-	-
-	-	-	<u>3.3.2.2.1</u>	<u>Sealed crawl space system</u>	<u>40</u>	<u>40</u>
-	-	-	<u>3.3.2.2.2</u>	<u>Vents, screens, covers</u>	<u>30</u>	<u>30</u>
-	-	-	<u>3.3.2.2.3</u>	<u>Vapor Barrier (VDR) ground or underfloor</u>	<u>30</u>	<u>30</u>
-	-	-	<u>3.3.2.2.4</u>	<u>Penetrations, caulking/sealing</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.3.2.2.5</u>	<u>Crawl space, (de)pressurization, fans, pumps, radon gas alarms</u>	<u>10</u>	<u>10</u>
-	-	<u>3.3.2.3</u>	-	Roof Frame & Sheathing	-	-
-	-	-	<u>3.3.2.3.1</u>	<u>Wood frame and board or plywood sheathing</u>	<u>75</u>	<u>75</u>
-	-	-	<u>3.3.2.3.2</u>	<u>Tie downs, clips, braces, straps, hangers</u>	<u>75</u>	<u>75</u>
-	-	-	<u>3.3.2.3.3</u>	<u>Steel frame and sheet metal or insulated panel sheathing</u>	<u>100</u>	<u>100</u>
-	-	-	<u>3.3.2.3.4</u>	<u>Reinforced concrete deck</u>	<u>100</u>	<u>100</u>
-	-	<u>3.3.2.4</u>	-	Flashing & Moisture Protection	-	-
-	-	-	<u>3.3.2.4.1</u>	<u>Caulking and Sealing</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.3.2.4.2</u>	<u>Concrete/Masonry Sealants</u>	<u>10</u>	<u>10</u>
-	-	-	<u>3.3.2.4.3</u>	<u>Wood waterproofing and sealants</u>	<u>10</u>	<u>10</u>
-	-	-	<u>3.3.2.4.4</u>	<u>Building wraps & moisture resistant barriers</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.3.2.4.5</u>	<u>Paints and stains, exterior</u>	<u>8</u>	<u>8</u>
-	-	<u>3.3.2.5</u>	-	Attics & Eaves	-	-
-	-	-	<u>3.3.2.5.1</u>	<u>Screened gable end or soffit Vents</u>	<u>30</u>	<u>30</u>
-	-	-	<u>3.3.2.5.2</u>	<u>Roof vents, passive</u>	<u>40</u>	<u>40</u>
-	-	-	<u>3.3.2.5.3</u>	<u>Roof Vents, powered</u>	<u>20</u>	<u>20</u>
-	-	<u>3.2.2.6</u>	-	Insulation	-	-
-	-	-	<u>3.3.2.6.1</u>	<u>Loose fill, fibre glass, cellulose, mineral wool</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.3.2.6.2</u>	<u>Batts, blankets, rolls, fibre glass or mineral wool</u>	<u>60</u>	<u>60</u>
-	-	-	<u>3.3.2.6.3</u>	<u>Rigid foam board</u>	<u>60</u>	<u>60</u>
-	-	-	<u>3.3.2.6.4</u>	<u>Sprayed foam</u>	<u>60</u>	<u>60</u>
-	-	<u>3.3.2.7</u>	-	Exterior Stairs, Rails, Balconies/Porches, Canopies	-	-
-	-	-	<u>3.3.2.7.1</u>	<u>Exterior Stairs, wood frame/stringer</u>	<u>30</u>	<u>30</u>
-	-	-	<u>3.3.2.7.2</u>	<u>Exterior Stair Tread-wood</u>	<u>15</u>	<u>15</u>

-	-	-	3.3.2.7.3	Exterior Stairs-steel frame/stringer	40	40
-	-	-	3.3.2.7.4	Exterior Stair Tread-metal, concrete filled	20	20
-	-	-	3.3.2.7.5	Exterior Stairs, Concrete	50	50
-	-	-	3.3.2.7.6	Fire escapes, metal	50	50
-	-	-	3.3.2.7.7	Balcony/Porch, wood frame	25	25
-	-	-	3.3.2.7.8	Balcony/Porch, steel frame or concrete	40	40
-	-	-	3.3.2.7.9	Balcony/Porch, wood decking	20	20
-	-	-	3.3.2.7.10	Balcony/Porch, composite decking	50	50
-	-	-	3.3.2.7.11	Railings, wood	20	20
-	-	-	3.3.2.7.12	Railings, metal	50	50
-	-	-	3.3.2.7.13	Railings, composite	50	50
-	-	-	3.3.2.7.14	Canopy, Concrete	50	50
-	-	-	3.3.2.7.15	Canopy, Wood/Metal	40	40
-	-	3.3.2.8	-	Exterior Doors & Entry Systems	-	-
-	-	-	3.3.2.8.1	Unit Entry Door, Exterior, solid wood/metal clad	25	30
-	-	-	3.3.2.8.2	Common Exterior Door, aluminum and glass	30	30
-	-	-	3.3.2.8.3	Common Exterior Door, solid wood /metal clad	25	25
-	-	-	3.3.2.8.4	Storm/Screen Doors	5	10
-	-	-	3.3.2.8.5	Sliding Glass Doors	25	30
-	-	-	3.3.2.8.6	French or Atrium Doors, wood/metal clad	25	30
-	-	-	3.3.2.8.7	Automatic Entry Doors	30	30
-	-	-	3.3.2.8.8	Commercial Entry Systems	50	50
-	-	-	3.3.2.8.9	Overhead Door	30	30
-	-	-	3.3.2.8.10	Automatic Opener, overhead door	20	20
-	3.3.3	-	-	Façades or Curtainwall	-	-
-	-	3.3.3.1	-	Sidewall System	-	-
-	-	-	3.3.3.1.1	Aluminum Siding	40	40
-	-	-	3.3.3.1.2	Vinyl Siding	25	25
-	-	-	3.3.3.1.3	Cement Board Siding	45	45
-	-	-	3.3.3.1.4	Plywood/Laminated Panels	20	20
-	-	-	3.3.3.1.5	Exterior Insulation Finishing System (EIFS)	30	30
-	-	-	3.3.3.1.6	Stucco, over wire mesh/lath	50	50
-	-	-	3.3.3.1.7	Metal/Glass Curtain Wall	40	40
-	-	-	3.3.3.1.8	Precast Concrete Panel (tilt-up)	60	60
-	-	-	3.3.3.1.9	Brick/block veneer	60	60
-	-	-	3.3.3.1.10	Stone Veneer	50	50
-	-	-	3.3.3.1.11	Glass Block	50	50
-	-	-	3.3.3.1.12	Cedar/Redwood shakes, clapboard	50	50
-	-	-	3.3.3.1.13	Pine board, clapboard	50	50
-	-	3.3.3.2	-	Windows	-	-
-	-	-	3.3.3.2.1	Wood, (dbl, sgl hung, casement, awning, sliders)	35	45
-	-	-	3.3.3.2.2	Wood, fixed pane, picture	40	45
-	-	-	3.3.3.2.3	Aluminum	35	40

-	-	-	3.3.3.2.4	Vinyl	30	30
-	-	-	3.3.3.2.5	Vinyl/Alum Clad Wood	50	50
-	-	-	3.3.3.2.6	Storm/Screen Windows	7	15
-	3.3.4	-	-	Roofing and Roof Drainage	-	-
-	-	3.3.4.1	-	Sloped Roofs	-	-
-	-	-	3.3.4.1.1	Asphalt Shingle	20	20
-	-	-	3.3.4.1.2	Metal	50	50
-	-	-	3.3.4.1.3	Slate shingle	75	75
-	-	-	3.3.4.1.4	Clay/cementitious barrel tile	60	60
-	-	-	3.3.4.1.5	Wood Shingle, Cedar Shakes/Shingles	25	25
-	-	3.3.4.2	-	Low Slope/Flat Roofs	-	-
-	-	-	3.3.4.2.1	Low slope-Built-up Roof, with gravel finish	20	20
-	-	-	3.3.4.2.2	Low slope-Built-up Roof, no mineral or gravel finish	10	10
-	-	-	3.3.4.2.3	Low slope-Adhered rubber membrane, (EPDM)	15	15
-	-	-	3.3.4.2.4	Low slope-Thermoplastic membrane, (TPO, vinyl)	15	15
-	-	-	3.3.4.2.5	Low slope-Rubberized/elastomeric white/cool roof	15	15
-	-	3.3.4.3	-	Roof Drainage, Trim & Accessories	-	-
-	-	-	3.3.4.3.1	Gutters/Downspouts, aluminum	20	20
-	-	-	3.3.4.3.2	Gutters/Downspouts, copper	50	50
-	-	-	3.3.4.3.3	Low slope-roof drains, scuppers	30	30
-	-	-	3.3.4.3.4	Soffits, Wood, Vinyl, Metal	20	20
-	-	-	3.3.4.3.5	Fascia, Wood, Vinyl	20	20
-	-	-	3.3.4.3.6	Roof Hatch	30	30
-	-	-	3.3.4.3.7	Service Door	30	30
-	-	-	3.3.4.3.8	Roof Skylight	30	30
3.4	-	-	-	SYSTEM: Mech.-Elect.-Plumbing	-	-
-	3.4.1	-	-	Plumbing	-	-
-	-	3.4.1.1	-	Water Supply and Waste Piping	-	-
-	-	-	3.4.1.1.1	PVC/CPVC pipe, supply and waste	75	75
-	-	-	3.4.1.1.2	Copper/brass hard pipe, supply	75	75
-	-	-	3.4.1.1.3	Copper Tube, supply	50	50
-	-	-	3.4.1.1.4	Galvanized pipe, supply	40	40
-	-	-	3.4.1.1.5	Cast iron sanitary waste	75	75
-	-	-	3.4.1.1.6	Domestic Cold Water Pumps	20	20
-	-	-	3.4.1.1.7	Sewage Ejectors	50	50
-	-	-	3.4.1.1.8	Commercial Sump Pump	20	20
-	-	-	3.4.1.1.9	Residential Sump Pump	15	15
-	-	-	3.4.1.1.10	Water Softener/Filtration	15	15
-	-	3.4.1.2	-	Domestic Water Heating	-	-
-	-	-	3.4.1.2.1	DHW circulating pumps	15	15
-	-	-	3.4.1.2.2	DHW storage tanks	15	15
-	-	-	3.4.1.2.3	Exchanger, in tank or boiler	15	15
-	-	-	3.4.1.2.4	External tankless heater, gas or electric	20	20

-	-	-	3.4.1.2.5	Solar hot water	20	20
-	-	-	3.4.1.2.6	Residential hot water heater, gas or electric	12	15
-	-	-	3.4.1.2.7	Flue, gas water heaters	35	35
-	-	3.4.1.3	-	Fixtures	-	-
-	-	-	3.4.1.3.1	Faucets & valves	15	20
-	-	-	3.4.1.3.2	Bath tubs & sinks, cast iron	75	75
-	-	-	3.4.1.3.3	Baths tubs & sinks, enameled or stainless steel, fiberglass	40	40
-	-	-	3.4.1.3.4	Bath tubs & sinks, porcelain	50	50
-	-	-	3.4.1.3.5	Toilets/bidets/urinals	40	40
-	-	-	3.4.1.3.6	Flush valves	10	15
-	-	-	3.4.1.3.7	Tub/shower units or integrated assemblies	30	30
-	3.4.2	-	-	Centralized HVAC Systems	-	-
-	-	3.4.2.1	-	Centralized Heating/Cooling Equipment	-	-
-	-	-	3.4.2.1.1	Boilers, Oil Fired, Sectional	25	25
-	-	-	3.4.2.1.2	Boilers, Gas/Dual Fuel, Sectional	25	25
-	-	-	3.4.2.1.3	Boilers, Gas/Dual Fuel, Low MBH	30	30
-	-	-	3.4.2.1.4	Boilers, Gas/Dual Fuel, High MBH	40	40
-	-	-	3.4.2.1.5	Boilers, Gas Fired Atmospheric	25	25
-	-	-	3.4.2.1.6	Boilers, Electric	20	20
-	-	-	3.4.2.1.7	Boiler Blowdown and Water Treatment	25	25
-	-	-	3.4.2.1.8	Boiler Room Pipe Insulation	25	25
-	-	-	3.4.2.1.9	Boiler Room Piping	50	50
-	-	-	3.4.2.1.10	Boiler Room Valves	25	25
-	-	-	3.4.2.1.11	Boiler Temperature Controls	15	15
-	-	-	3.4.2.1.12	Heat Exchanger	35	35
-	-	-	3.4.2.1.13	Combustion Air, Duct with Fixed Louvers	30	30
-	-	-	3.4.2.1.14	Combustion Air, Motor Louvers and Duct	25	25
-	-	-	3.4.2.1.15	Combustion Waste Flue	40	40
-	-	-	3.4.2.1.16	Cooling tower	25	25
-	-	-	3.4.2.1.17	Chilling plant	20	20
-	-	-	3.4.2.1.18	Steam supply station	50	50
-	-	-	3.4.2.1.19	Free standing chimney	50	50
-	-	3.4.2.2	-	Centralized Heat/Air/Fuel Distribution	-	-
-	-	-	3.4.2.2.1	Fuel oil/propane storage tanks	40	40
-	-	-	3.4.2.2.2	Remediate/remove abandoned tanks/fuel lines	100	100
-	-	-	3.4.2.2.3	Fuel transfer system	25	25
-	-	-	3.4.2.2.4	Gas/oil distribution lines	50	50
-	-	-	3.4.2.2.5	Gas meter	40	40
-	-	-	3.4.2.2.6	2 pipe/4 pipe hydronic distribution-above grade	50	50
-	-	-	3.4.2.2.7	2 pipe/4 pipe hydronic distribution-in ground	25	25
-	-	-	3.4.2.2.8	Hydronic/Water Circulating Pumps	20	20
-	-	-	3.4.2.2.9	Hydronic/Water Controller	20	20
-	-	-	3.4.2.2.10	Radiation-steam/hydronic (baseboard or freestanding radiator)	50	50

-	-	-	<u>3.4.2.2.11</u>	<u>Fan Coil Unit, Hydronic</u>	<u>30</u>	<u>30</u>
-	-	-	<u>3.4.2.2.12</u>	<u>Central exhaust fans/blowers</u>	<u>20</u>	<u>20</u>
-	<u>3.4.3</u>	-	-	<u>Decentralized and Split HVAC Systems</u>	-	-
-	-	<u>3.4.3.1</u>	-	<u>Dwelling/Common Area HVAC Equipment</u>	-	-
-	-	-	<u>3.4.3.1.1</u>	<u>Electric heat pump, condenser, pad or rooftop</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.4.3.1.2</u>	<u>Electric AC condenser, pad or rooftop</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.4.3.1.3</u>	<u>Electric furnace/air handler</u>	<u>20</u>	<u>20</u>
-	-	-	<u>3.4.3.1.4</u>	<u>Gas furnace/air handler</u>	<u>20</u>	<u>20</u>
-	-	-	<u>3.4.3.1.5</u>	<u>Hydronic heat/electric AC air handler</u>	<u>25</u>	<u>25</u>
-	-	-	<u>3.4.3.1.6</u>	<u>Hydronic feed electric heat pump/air handler</u>	<u>25</u>	<u>25</u>
-	-	-	<u>3.4.3.1.7</u>	<u>Wall mounted electric/gas heater</u>	<u>25</u>	<u>25</u>
-	-	-	<u>3.4.3.1.8</u>	<u>Electric baseboard heater</u>	<u>30</u>	<u>30</u>
-	-	-	<u>3.4.3.1.9</u>	<u>PTAC Thruwall (packaged terminal air conditioning)</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.4.3.1.10</u>	<u>Window or thru-wall air conditioners</u>	<u>10</u>	<u>10</u>
-	-	-	<u>3.4.3.1.11</u>	<u>Package HVAC roof top</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.4.3.1.12</u>	<u>Air filtration/humidity control devices (humidifiers, HRV's)</u>	<u>20</u>	<u>20</u>
-	-	-	<u>3.4.3.1.13</u>	<u>Duct, rigid sheet metal, insulated if not in conditioned space</u>	<u>35</u>	<u>35</u>
-	-	-	<u>3.4.3.1.14</u>	<u>Duct, flexible, insulated</u>	<u>20</u>	<u>20</u>
-	-	-	<u>3.4.3.1.15</u>	<u>Duct, sealing-mastic or UL 181A or 181B tape.</u>	<u>20</u>	<u>20</u>
-	-	-	<u>3.4.3.1.16</u>	<u>Diffusers, registers</u>	<u>20</u>	<u>20</u>
-	-	-	<u>3.4.3.1.17</u>	<u>Fireplace, masonry & firebrick, masonry chimney</u>	<u>75</u>	<u>75</u>
-	-	-	<u>3.4.3.1.18</u>	<u>Fireplace, factory assembled</u>	<u>35</u>	<u>35</u>
-	-	-	<u>3.4.3.1.19</u>	<u>Fireplace insert, stove</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.4.3.1.20</u>	<u>Chimneys, metal, and chimney covers</u>	<u>35</u>	<u>35</u>
-	-	<u>3.4.3.2</u>	-	<u>HVAC Controls</u>	-	-
-	-	-	<u>3.4.3.2.1</u>	<u>Dwelling/common area thermostat</u>	<u>15</u>	<u>20</u>
-	-	-	<u>3.4.3.2.2</u>	<u>Heat sensors</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.4.3.2.3</u>	<u>Outdoor temperature sensor</u>	<u>10</u>	<u>10</u>
-	<u>3.4.4</u>	-	-	<u>Electrical</u>	-	-
-	-	<u>3.4.4.1</u>	-	<u>Electric Service & Metering</u>	-	-
-	-	-	<u>3.4.4.1.1</u>	<u>Building service panel</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.4.4.1.2</u>	<u>Building meter</u>	<u>40</u>	<u>40</u>
-	-	-	<u>3.4.4.1.3</u>	<u>Tenant meters, meter panel</u>	<u>40</u>	<u>40</u>
-	-	<u>3.4.4.2</u>	-	<u>Electrical Distribution</u>	-	-
-	-	-	<u>3.4.4.2.1</u>	<u>Tenant electrical panel</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.4.4.2.2</u>	<u>Unit/building wiring</u>	<u>50</u>	<u>50</u>
-	-	<u>3.4.4.3</u>	-	<u>Electric Lighting & Fixtures</u>	-	-
-	-	-	<u>3.4.4.3.1</u>	<u>Switches & outlets</u>	<u>35</u>	<u>35</u>
-	-	-	<u>3.4.4.3.2</u>	<u>Lighting - exterior entry</u>	<u>15</u>	<u>20</u>
-	-	-	<u>3.4.4.3.3</u>	<u>Lighting- interior common space</u>	<u>25</u>	<u>30</u>
-	-	-	<u>3.4.4.3.4</u>	<u>Lighting - Tenant Spaces</u>	<u>20</u>	<u>25</u>
-	-	-	<u>3.4.4.3.5</u>	<u>Door bells, chimes</u>	<u>20</u>	<u>25</u>

-	-	<u>3.4.4.4</u>	-	Telecommunications Equipment	-	-
-	-	-	<u>3.4.4.4.1</u>	Satellite dishes/antennae	20	20
-	-	-	<u>3.4.4.4.2</u>	Telecom panels & controls	20	20
-	-	-	<u>3.4.4.4.3</u>	Telecom cabling & outlets	20	20
3.5	-	-	-	SYSTEM: Vertical Transportation	-	-
-	3.5.1	-	-	Elevators/Escalators	-	-
-	-	<u>3.5.1.1</u>	-	Electrical switchgear	50	50
-	-	<u>3.5.1.2</u>	-	Electrical wiring	30	30
-	-	<u>3.5.1.3</u>	-	Elevator controller, call, dispatch, emergency	10	20
-	-	<u>3.5.1.4</u>	-	Elevator cab, interior finish	10	20
-	-	<u>3.5.1.5</u>	-	Elevator cab, frame	35	50
-	-	<u>3.5.1.6</u>	-	Elevator, machinery	20	30
-	-	<u>3.5.1.7</u>	-	Elevator, shaftway doors	10	20
-	-	<u>3.5.1.8</u>	-	Elevator, shaftway hoist rails, cables, traveling	20	25
-	-	<u>3.5.1.9</u>	-	Elevator, shaftway hydraulic piston and leveling	20	25
-	-	<u>3.5.1.10</u>	-	Escalators	50	50
3.6	-	-	-	SYSTEM: Life Safety/Fire Protection	-	-
-	3.6.1	-	-	Sprinklers and Standpipes	-	-
-	-	<u>3.6.1.1</u>	-	Building fire supression sprinklers, standpipes	50	50
-	-	<u>3.6.1.2</u>	-	Fire pumps	20	20
-	-	<u>3.6.1.3</u>	-	Fire hose stations	50	50
-	-	<u>3.6.1.4</u>	-	Fire extinguishers	10	15
-	3.6.2	-	-	Alarm, Security & Emergency Systems	-	-
-	-	<u>3.6.2.1</u>	-	Tenant space alarm systems	10	15
-	-	<u>3.6.2.2</u>	-	Residential smoke detectors	5	7
-	-	<u>3.6.2.3</u>	-	Call station	10	15
-	-	<u>3.6.2.4</u>	-	Emergency/auxillary generator	25	25
-	-	<u>3.6.2.5</u>	-	Emergency/auxillary fuel storage tank	25	25
-	-	<u>3.6.2.6</u>	-	Emergency lights, illuminated signs	5	10
-	-	<u>3.6.2.7</u>	-	Smoke and fire detection system, central panel	15	15
-	-	<u>3.6.2.8</u>	-	Buzzer/intercom, central panel	20	20
-	-	<u>3.6.2.9</u>	-	Tenant buzzer / intercom /secured entry system	20	20
-	3.6.3	-	-	Other Systems	-	-
-	-	<u>3.6.3.1</u>	-	Pneumatic Lines and Controls	30	30
-	-	<u>3.6.3.2</u>	-	Auto-securing doors/entries/lock down	30	30
3.7	-	-	-	SYSTEM: Interior Elements	-	-
-	3.7.1	-	-	Interiors-Common Areas	-	-
-	-	<u>3.7.1.1</u>	-	Finished walls, ceilings, floors	-	-
-	-	-	<u>3.7.1.1.1</u>	Drywall	35	40
-	-	-	<u>3.7.1.1.2</u>	Plaster	50	50
-	-	-	<u>3.7.1.1.3</u>	Paints, stains, clear finishes, interior	15	20
-	-	-	<u>3.7.1.1.4</u>	Wallpapers	15	20
-	-	-	<u>3.7.1.1.5</u>	Wall tile, ceramic, glass, natural stone	35	50

-	-	-	<u>3.7.1.1.6</u>	<u>Floor tile, ceramic, natural stone</u>	<u>40</u>	<u>50</u>
-	-	-	<u>3.7.1.1.7</u>	<u>Concrete/Masonry/Terrazo</u>	<u>75</u>	<u>75</u>
-	-	-	<u>3.7.1.1.8</u>	<u>Hardwood floor (3/4" strip or parquet)</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.7.1.1.9</u>	<u>Wood floor, laminated/veneered</u>	<u>20</u>	<u>25</u>
-	-	-	<u>3.7.1.1.10</u>	<u>Resilient tile or sheet floor (vinyl, linoleum)</u>	<u>15</u>	<u>20</u>
-	-	-	<u>3.7.1.1.11</u>	<u>Carpet</u>	<u>6</u>	<u>10</u>
-	-	-	<u>3.7.1.1.12</u>	<u>Acoustic tile/drop ceiling</u>	<u>15</u>	<u>20</u>
-	-	<u>3.7.1.2</u>	-	<u>Millwork (doors, trim, cabinets, tops)</u>	-	-
-	-	-	<u>3.7.1.2.1</u>	<u>Interior, hollow core doors</u>	<u>20</u>	<u>25</u>
-	-	-	<u>3.7.1.2.2</u>	<u>Interior doors, solid core, wood, metal clad, fire rated</u>	<u>30</u>	<u>35</u>
-	-	-	<u>3.7.1.2.3</u>	<u>Door trim</u>	<u>20</u>	<u>30</u>
-	-	-	<u>3.7.1.2.4</u>	<u>Wall trim (base, chair rail, crown moldings)</u>	<u>30</u>	<u>35</u>
-	-	-	<u>3.7.1.2.5</u>	<u>Passage & lock sets</u>	<u>15</u>	<u>20</u>
-	-	-	<u>3.7.1.2.6</u>	<u>Bifold & sliding doors</u>	<u>15</u>	<u>20</u>
-	-	-	<u>3.7.1.2.7</u>	<u>Cabinets & vanities</u>	<u>20</u>	<u>25</u>
-	-	-	<u>3.7.1.2.8</u>	<u>Tops, granite, natural stone, engineered stone</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.7.1.2.9</u>	<u>Tops, solid surface, stainless steel</u>	<u>40</u>	<u>50</u>
-	-	-	<u>3.7.1.2.10</u>	<u>Tops, plastic laminates, wood</u>	<u>15</u>	<u>25</u>
-	-	-	<u>3.7.1.2.11</u>	<u>Vanity tops, cultered marble, molded arcylic, fibreglass</u>	<u>25</u>	<u>35</u>
-	-	<u>3.7.1.3</u>	-	<u>Appliances</u>	-	-
-	-	-	<u>3.7.1.3.1</u>	<u>Refrigerator/freezer</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.7.1.3.2</u>	<u>Range, cook top, wall oven</u>	<u>20</u>	<u>25</u>
-	-	-	<u>3.7.1.3.3</u>	<u>Range hood</u>	<u>20</u>	<u>25</u>
-	-	-	<u>3.7.1.3.4</u>	<u>Microwave</u>	<u>10</u>	<u>10</u>
-	-	-	<u>3.7.1.3.5</u>	<u>Disposal (food waste)</u>	<u>7</u>	<u>10</u>
-	-	-	<u>3.7.1.3.6</u>	<u>Compactors (interior, residential grade)</u>	<u>7</u>	<u>10</u>
-	-	-	<u>3.7.1.3.7</u>	<u>Dishwasher</u>	<u>10</u>	<u>15</u>
-	-	-	<u>3.7.1.3.8</u>	<u>Clothes washer/dryer</u>	<u>10</u>	<u>15</u>
-	-	<u>3.7.1.4</u>	-	<u>Specialties</u>	-	-
-	-	-	<u>3.7.1.4.1</u>	<u>Interior Mail Facility</u>	<u>20</u>	<u>25</u>
-	-	-	<u>3.7.1.4.2</u>	<u>Common area bath accessories</u>	<u>7</u>	<u>12</u>
-	-	-	<u>3.7.1.4.3</u>	<u>Mirrors & medicine cabinets</u>	<u>20</u>	<u>25</u>
-	-	-	<u>3.7.1.4.4</u>	<u>Closet/storage specialties, shelving</u>	<u>20</u>	<u>25</u>
-	-	-	<u>3.7.1.4.5</u>	<u>Common area interior stairs</u>	<u>50</u>	<u>50</u>
-	-	-	<u>3.7.1.4.6</u>	<u>Common area railings</u>	<u>15</u>	<u>25</u>
-	-	-	<u>3.7.1.4.7</u>	<u>Bath/kitchen vent/exhaust fans</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.7.1.4.8</u>	<u>Ceiling fans</u>	<u>15</u>	<u>15</u>
-	-	-	<u>3.7.1.4.9</u>	<u>Window treatments, drapery rods, shades, blinds, etc</u>	<u>15</u>	<u>25</u>
-	-	-	<u>3.7.1.4.10</u>	<u>Indoor recreation and fitness equipment</u>	<u>10</u>	<u>15</u>
-	-	-	<u>3.7.1.4.11</u>	<u>Entertainment centers, theatre projection and seating</u>	<u>15</u>	<u>25</u>
-	<u>3.7.2</u>	-	-	<u>Interiors-Dwelling Units</u>	-	-
-	-	<u>3.7.2.1</u>	-	<u>Finished walls, ceilings, floors</u>	-	-

-	-	-	3.7.2.1.1	Drywall	35	40
-	-	-	3.7.2.1.2	Plaster	50	50
-	-	-	3.7.2.1.3	Paints, stains, clear finishes, interior	10	15
-	-	-	3.7.2.1.4	Wallpapers	10	15
-	-	-	3.7.2.1.5	Wall tile, ceramic, glass, natural stone	30	40
-	-	-	3.7.2.1.6	Floor tile, ceramic, natural stone	40	50
-	-	-	3.7.2.1.7	Concrete/Masonry/Terrazo	75	75
-	-	-	3.7.2.1.8	Hardwood floor (3/4" strip or parquet)	50	50
-	-	-	3.7.2.1.9	Wood floor, laminated/veneered	15	20
-	-	-	3.7.2.1.10	Resilient tile or sheet floor (vinyl, linoleum)	15	20
-	-	-	3.7.2.1.11	Carpet	6	10
-	-	-	3.7.2.1.12	Acoustic tile/drop ceiling	15	20
-	-	3.7.2.2	-	Millwork (doors, trim, cabinets, tops)	-	-
-	-	-	3.7.2.2.1	Interior, hollow core doors	20	25
-	-	-	3.7.2.2.2	Interior doors, solid core, wood, metal clad	30	35
-	-	-	3.7.2.2.3	Door trim	20	30
-	-	-	3.7.2.2.4	Wall trim (base, chair rail, crown moldings)	25	35
-	-	-	3.7.2.2.5	Passage & lock sets	12	20
-	-	-	3.7.2.2.6	Bifold & sliding doors	12	20
-	-	-	3.7.2.2.7	Cabinets & vanities	20	25
-	-	-	3.7.2.2.8	Tops, granite, natural stone, engineered stone	50	50
-	-	-	3.7.2.2.9	Tops, solid surface, stainless steel	40	50
-	-	-	3.7.2.2.10	Tops, plastic laminates, wood	15	25
-	-	-	3.7.2.2.11	Vanity tops, cultered marble, molded arcylic, fibreglass	25	35
-	-	3.7.2.3	-	Appliances	-	-
-	-	-	3.7.2.3.1	Refrigerator/freezer	12	15
-	-	-	3.7.2.3.2	Range, cook top, wall oven	15	25
-	-	-	3.7.2.3.3	Range hood	15	25
-	-	-	3.7.2.3.4	Microwave	10	10
-	-	-	3.7.2.3.5	Disposal (food waste)	7	10
-	-	-	3.7.2.3.6	Compactors (interior, residential grade)	7	10
-	-	-	3.7.2.3.7	Dishwasher	10	15
-	-	-	3.7.2.3.8	Clothes washer/dryer	10	15
-	-	3.7.2.4	-	Specialties	-	-
-	-	-	3.7.2.4.1	Bath accessories (towel bars, grab bars, etc)	7	12
-	-	-	3.7.2.4.2	Mirrors & medicine cabinets	15	25
-	-	-	3.7.2.4.3	Closet/storage specialties, shelving	15	25
-	-	-	3.7.2.4.4	Interior stairs	50	50
-	-	-	3.7.2.4.5	Stair and loft railings	20	25
-	-	-	3.7.2.4.6	Bath/kitchen vent/exhaust fans	15	15
-	-	-	3.7.2.4.7	Ceiling fans	10	15
-	-	-	3.7.2.4.8	Window treatments, drapery rods, shades, blinds, etc	10	20
-	-	-	-	Additional Considerations	-	-

<u>4.1</u>	-	-	-	<u>Environmental Measures (not elsewhere defined)</u>	-	-
-	<u>4.1.1</u>	-	-	<u>Radon mitigation system periodic tests</u>	<u>5</u>	<u>5</u>
-	<u>4.1.2</u>	-	-	<u>Enironmental remediation system periodic tests</u>	<u>5</u>	<u>5</u>
-	<u>4.1.3</u>	-	-	<u>Environmental remediation alarms</u>	<u>5</u>	<u>5</u>
-	<u>4.1.4</u>	-	-	<u>Environmental remediation pumps & equipment</u>	<u>5</u>	<u>5</u>
-	<u>4.1.5</u>	-	-	<u>Mold-treat-remediate (see other items for paint, drywall, etc.)</u>	<u>100</u>	<u>100</u>
<u>4.2</u>	-	-	-	<u>Lead based paint, asbestos remediation</u>	-	-
-	<u>4.2.1</u>	-	-	<u>Testing</u>	<u>100</u>	<u>100</u>
-	<u>4.2.2</u>	-	-	<u>Lead based paint encapsulation</u>	<u>10</u>	<u>10</u>
-	<u>4.2.3</u>	-	-	<u>Lead based paint (remove)</u>	<u>100</u>	<u>100</u>
-	<u>4.2.4</u>	-	-	<u>Asbestos (remove)</u>	<u>100</u>	<u>100</u>
<u>4.3</u>	-	-	-	<u>Commercial Tenant Improvements</u>	-	-
-	<u>4.3.1</u>	-	-	<u>Owner provided item(s) (specify)</u>	<u>5</u>	<u>5</u>
-	<u>4.3.2</u>	-	-	<u>Owner provided \$ allowance (specify)</u>	<u>5</u>	<u>5</u>