

General: All grantees receiving Neighborhood Stabilization Program (NSP3) funds in order to sell, rent, or redevelop a foreclosed-upon home or residential property shall comply with these housing improvement standards as described herewith which are in addition to property standards already required by local, state, and federal regulations. These standards not only promote housing safety, quality, and habitability that will stabilize neighborhoods but they also promote energy efficiency and encourage modern, green building, and other energy- efficiency improvements. In addition, the housing should be improved to mitigate the impact of disasters such as flooding and fires.

Grantees shall adhere to the following:

1. As a condition of receipt of NSP3 funds the grantee shall accept all responsibility for complying with these improvement standards and all other applicable local, state, and federal regulations.
2. When different codes or standards govern the same condition, conformance must be to the highest or most restrictive code/standard.

Optional Green Building Practices: Grantees are encouraged to incorporate any green building practice that offers an opportunity to create environmentally sound and resource-efficient buildings by using an integrated approach to design. In an effort to encourage modern, green building, and energy-efficiency improvements, Grantees are also encouraged to incorporate HUD's healthy homes interventions including these seven steps ensuring housing is made and kept:

1. Dry: Ensure proper drainage away from housing; clean repair gutters and downspouts, repair leaks seal roofs and windows.
2. Safe: Install safety devices on doors, cabinets, window blinds and outlets; store all poisonous items out of reach of children and labeled in the proper containers; install smoke detectors and carbon monoxide detectors; have appropriate fire extinguisher available.
3. Well-ventilated: Service and maintain heating and cooling systems; provide exhaust fans for kitchens, bathroom and dryers to the outside to reduce mold; change furnace filters regularly.
4. Pest-free: Provide proper storage and disposal for food products, caulk and seal holes; use least toxic pest management methods.
5. Contaminant-free: Remove lead based paint hazards properly; provide test kits for radon; reduce volatile organic compounds in paint, carpet, etc.
6. Clean: Install dust walk-off systems in entry ways; provide smooth, cleanable surfaces; provide effective storage space and containers; choose flooring that is easy to clean; provide vacuum with HEPA filters; implement weekly cleaning regimen.
7. Well-maintained: Important maintenance calendar for inspecting, cleaning, repairing, replacing housing components/systems.

Rehabilitation: The following requirements apply to housing receiving NSP3 funding for rehabilitation activities:

Assessment: In addition to property assessment standards already required by local, state, and federal regulations properties shall also be assessed for the following: *(Results of all Assessment activities shall be disclosed to purchaser prior to sale.)*

1. Any visible mold or water infiltration issues.
2. Compliance with smoke detectors, carbon monoxide detection, and GFCI receptacle protection as noted below in Required Rehabilitation Activities.
3. Remaining life expectancy of major building component such as roof, siding, windows, mechanical systems and electrical systems, as well as any immediate cosmetic improvements necessary in order to sell or rent the residential property.

Required Rehabilitation Activities: In addition to remediation of any deficiencies resulting from property assessment required by local, state, and federal regulations, rehabilitation activities shall include the following:

1. Conduct mold and/or water infiltration mitigation, if mold or water infiltration is observed during the Assessment. Any moldy materials that cannot be properly cleaned must be removed.
2. U.L. approved smoke detection in all locations as required for new construction. At least one smoke detector must be hardwired (preferably located near sleeping rooms).
3. GFCI receptacle protection in locations required for new construction.
4. Carbon Monoxide detection per 2006 legislation.
5. Apply Mandatory items in the 2008 national Green Communities Criteria as modified by the 2009-2010 Minnesota Overlay to the Green Communities Criteria (Minnesota Overlay) to those improvements enacted upon (replacement of equipment, systems, building components, or assembly of components) at time of rehabilitation. Any existing equipment, system, component, and/or appliance that remains is exempt from this requirement. The following modifications/exceptions to the Agency green rehabilitation policy as outlined in the Minnesota Overlay apply under NSP3:
 - The Intended Method of Satisfying Green Communities Criteria and Certification Form (Intended Method Form), sections 1-8 are required to be completed by the Developer. This form must be retained by the Subrecipient and kept in the compliance file with all applicable sections of the form completed outlining the scope of work undertaken by applicable parties. The Intended Method Form can be accessed from the NSP forms webpage, under Rehabilitation Guidance.
 - Mandatory criteria within Sections 2-8 shall be considered 'Optional' criteria under NSP3 unless improvements enacted upon trigger rehabilitation activities in those applicable sections.
 - For activities triggered in the rehabilitation, it is important to note that the following rehabilitation requirements outlined in the Minnesota Overlay **do not apply** under NSP3 **or are modified** as in the case of 5-1b and 8-(1-3):
 - i. 3-1 Environmental Remediation
 - ii. 5-1b Efficient-Energy Use, Rehabilitation
 - ◆ Instead, replace older obsolete products and appliances (such as windows, doors, lighting, water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-qualified products. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.

iii. 7-10b Basements and Concrete Slabs, Radon

iv. .8-(1-3) Operations and Maintenance

- ◆ Instead, Grantees are strongly encouraged to provide a guide and orientation for homeowners and renters that explain the intent, benefits, use and maintenance of green building features.

6. Housing receiving any NSP funds is subject to compliance with Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act, including their respective provisions related to physical accessibility standards for persons with disabilities. See 24 CFR part 8; 24 CFR 100.205. See also 24 CFR 570.487 and 24 CFR 570.602. HUD will monitor to ensure these standards are implemented.
7. Rehabilitation or stabilization of hazardous materials including lead-based paint and asbestos, must be in accordance with applicable federal, state, and local laws, regulations, and ordinances.
8. If gut rehabilitation (i.e. general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns, or load bearing interior or exterior walls), housing shall comply with Rehabilitation requirements as described herewith and applicable New Construction requirements (1-3) - listed below.

New Construction: The following requirements apply to housing receiving NSP3 funding for new construction:

1. Buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.
2. Buildings of mid- or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent.
3. Compliance with 2009-2010 Minnesota Overlay to Green Communities Criteria for use with the 2008 Green Communities Criteria (Includes completing Intended Method of Satisfying Green Criteria Form and Certification – refer to Minnesota Housing’s Website). The Intended Method of Satisfying Green Communities Criteria and Certification Form shall be completed by the developer, certified by applicable parties, and retained by the Subrecipient and kept in the compliance file.
4. If rental housing, consult and consider Minnesota Housing’s Rental Housing Design/Construction Standards (Refer to Minnesota Housing’s Website).

Demolition: Contact Minnesota Housing’s NSP representative prior to using NSP funds for demolition. Where demolition occurs, the Subrecipient should consider deconstruction practices where deconstruction crews are available and a market for salvaged materials exists. If a site will not be redeveloped within three months after demolition, the Subrecipient must ensure that soil on the site does not pose a health hazard to the community by either verifying that the soil meets lead clearance levels, removing and replacing the soil with soil that meets lead safe levels, or covering bare soil with sod or some other approved barrier to prevent the disbursement of lead hazards.