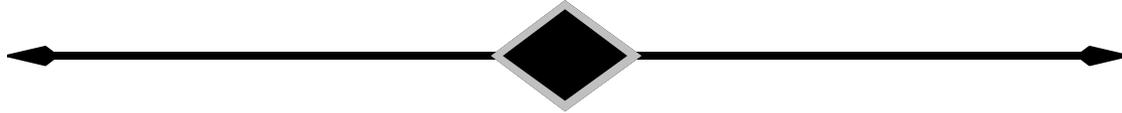


Community Housing Development  
Program  
Administrative Plan



**May 2012**



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Table of Contents

I. SDHDA PURPOSES AND GOALS ..... 1
II. POLICIES AND PROCEDURES ..... 2
A. THE PLAN ..... 2
1. Distribution of Funds ..... 2
2. Applications ..... 2
3. Application Eligibility ..... 2
B. AMENDMENTS TO THE PLAN ..... 2
C. SDHDA AUTHORITY/DISCLAIMERS ..... 2
III. GENERAL REQUIREMENTS ..... 3
A. ELIGIBLE ACTIVITIES ..... 3
1. Rehabilitation or Acquisition/Rehabilitation ..... 3
2. Acquisition/Conversion ..... 4
3. New Construction ..... 4
B. INELIGIBLE ACTIVITIES ..... 5
C. AFFORDABILITY PERIOD ..... 5
D. AMOUNT OF ASSISTANCE ..... 5
E. TERMS OF ASSISTANCE ..... 5
F. TYPE OF ASSISTANCE ..... 5
G. COLLATERAL/GUARANTIES ..... 5
H. TENANT RELOCATION AND DISPLACEMENT ..... 5
IV. PROJECT REQUIREMENTS ..... 6
A. OCCUPANCY REQUIREMENTS ..... 6
B. RENT REQUIREMENTS ..... 6
C. MIXED USE PROJECT ..... 6
D. TENANT CERTIFICATIONS ..... 6
E. TENANT PROTECTIONS ..... 6
V. APPLICATION PROCESS ..... 7
A. APPLICATION STAGE ..... 7
1. Underwriting Review Criteria ..... 7
2. Project Characteristics and Marketability ..... 8
3. Reserves ..... 8
4. Determination of Funding Amount ..... 8
5. Changes to Project ..... 8
B. COMMITMENT STAGE ..... 9
C. DISBURSEMENT OF FUNDS ..... 9
1. Loan Documentation ..... 9
2. Construction Start ..... 9
3. Draws ..... 9
4. Construction Financing ..... 9
5. Cost Certification ..... 10
VI. PROJECT SELECTION CRITERIA ..... 10
A. LOCAL HOUSING NEEDS ..... 10
B. PROJECT CHARACTERISTICS ..... 10
C. LOCAL SUPPORT ..... 11
D. APPLICANT CHARACTERISTICS ..... 11
E. PROJECT COSTS ..... 11
F. PROJECT LOCATION ..... 12
G. READINESS TO PROCEED ..... 12

**VII. GENERAL REQUIREMENTS.....13**

- A. FAIR HOUSING AND EQUAL OPPORTUNITY .....13
- B. LEAD-BASED PAINT .....13
- C. CONFLICTS OF INTEREST .....14
- D. DEBARMENT AND SUSPENSION .....14
- E. HISTORIC PROPERTIES .....14
- F. FLOOD INSURANCE .....14
- G. REPAYMENT.....14
- H. COMPLIANCE AND CRIME FREE HOUSING .....14

**VIII. MONITORING FOR COMPLIANCE .....15**

**IX. FEE SCHEDULE .....15**

**X. DEFINITIONS.....15**

**EXHIBITS**

- 1. Required Submissions
- 2. Needs Assessment Requirements
- 3. Project Characteristics
- 4. Prohibited Lease Terms
- 5. Application Checklist

**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY  
COMMUNITY HOUSING DEVELOPMENT PROGRAM  
ADMINISTRATIVE PLAN**

**I. PURPOSES AND GOALS**

The South Dakota Housing Development Authority (SDHDA) is a body politic and corporate and an independent public instrumentality. SDHDA's purposes include encouraging the investment of private capital in and stimulating the construction and rehabilitation of decent, safe, sanitary and affordable residential housing to meet the needs of South Dakota citizens.

As South Dakota's economy evolves, so must the housing opportunities for the State's residents. The creation of the Community Housing Development Program (CHD Program) will assist in expanding the supply of decent, safe, sanitary and affordable rental housing for the residents of South Dakota and thereby strengthen our South Dakota communities.

SDHDA will focus on the following purposes and goals in administrating the CHD Program:

Assist in the construction or preservation of decent, safe, sanitary, and affordable residential rental housing in areas of demonstrated need in the State.

Providing geographic distribution of housing across the State.

Assist in the provision of rental housing to meet the needs and priorities of the State of South Dakota and local communities.

Provide opportunities to a variety of for-profit and nonprofit developers, for a variety of types of housing projects.

Encourage innovative approaches that are cost effective in providing affordable rental housing, including planning, design, construction quality, energy efficiency, and financing.

Encourage applications for projects that show a high degree of readiness to proceed with the project.

Investment of private capital to leverage CHD Program funds and use of existing government and private sector mortgage financing.

Provide only that amount of CHD Program funds as are necessary to make a project financially feasible and viable.

In accordance with these stated purposes and goals, SDHDA will not make an award of CHD Program funds for any application that is not consistent with the purposes and goals of the CHD Program.

## II. POLICIES AND PROCEDURES

### A. THE PLAN

SDHDA is the agency responsible for the administration of the CHD Program. This Community Housing Development Program Administrative Plan (Plan) provides the method for allocation of CHD Program funds.

#### 1. Distribution of Funds

SDHDA will geographically distribute these funds throughout the State. In order to achieve geographic distribution, during the first year of the CHD Program, SDHDA will make only one award of CHD Program funds per community. Funds will be awarded on a first-come, first-serve basis as applications are deemed complete.

#### 2. Applications

Applicants must use the SDHDA CHD Program Application Form. Applications may be hand delivered or delivered via postal or private mailing. Applications via facsimile or e-mail will NOT be accepted.

#### 3. Application Eligibility

SDHDA may reject applications that are incomplete or that contain incomplete or inaccurate information.

SDHDA will not make an award of CHD Program funds to any application that SDHDA determines is not:

- a. Consistent with the purposes and goals of this Plan,
- b. Proposing an eligible activity, or
- c. Financially feasible.

This determination may be made at initial review or at any time during processing of the application.

### B. AMENDMENTS TO THE PLAN

The Plan may be amended by the Board for any one or more of the following purposes, and any such amendment will be effective and incorporated herein upon the Board's adoption of such amendment:

1. To cure any ambiguity, correct any omission, or cure or correct any defect or inconsistent provision in the Plan.
2. To facilitate the award of CHD Program funds that would not otherwise be awarded.

### C. SDHDA AUTHORITY/DISCLAIMERS

SDHDA may deny CHD Program funds for any project SDHDA determines inconsistent with the purposes and goals of the CHD Program or which SDHDA believes is unlikely to fulfill the purposes and goals of the CHD Program, including on the basis of, without limitation, the following:

1. Feedback from, or lack of support from, officials of local governmental jurisdictions,

2. information indicating that a particular market is saturated with comparable housing projects,
3. applicant's (including any related party's) lack of acceptable prior housing experience, or
4. undesirability of site based on SDHDA inspection.

All funding decisions made under this Plan will be made solely at the discretion of SDHDA. SDHDA in no way represents or warrants to any applicant, investor, lender, or any other party that any project is feasible or viable.

SDHDA may modify or waive, on a case-by-case basis for good cause, any condition of this Plan.

SDHDA may request additional information and perform additional project evaluation as deemed necessary and appropriate to verify project costs, feasibility, and need. SDHDA reserves the right to exchange information with other state and Federal agencies and with other parties as SDHDA deems appropriate. By submitting an application for CHD Program funds, the applicant is acknowledging and agreeing to this exchange of information.

No executive, employee or agent of SDHDA or any other official of the State of South Dakota will be personally liable concerning any matters arising out of, or in relation to, the allocation of CHD Program funds or the approval or administration of the Plan.

### **III. GENERAL REQUIREMENTS**

#### **A. ELIGIBLE ACTIVITIES**

The following activities are eligible residential rental housing activities:

1. **Rehabilitation or Acquisition/Rehabilitation**

Rehabilitation or acquisition/rehabilitation of an existing residential rental housing project that needs rehabilitation is an eligible activity.

Rehabilitation must meet the applicable rehabilitation standards in effect at the time a building permit is obtained from the locality. This includes the costs of essential improvements including energy-related repairs or improvements, modifications necessary to permit use by persons with disabilities, abatement of lead-based paint hazards, and repair or replacement of major housing systems in danger of failure. The application must describe in detail the level of rehabilitation and the cost necessary for the exterior and for the interior by apartment unit, if applicable.

Within 60 days of reservation, SDHDA will order an appraisal that complies with Uniform Standards of Professional Appraisal Practice (USPAP) and a physical needs assessment. If there are significant variances between the original application and the appraisal or the physical needs assessment submitted later, the award of CHD Program funds may be withdrawn. The applicant must pay for all costs of the appraisal and the

physical needs assessment, but such costs may be included in the CHD Program financing. Three years of audited financial statements for the existing housing project must be submitted with the application.

Management practices will be reviewed by SDHDA, and the applicant may be required to provide documentation that Disinvestment of the property has not occurred, the long term needs of the project can be met, and the feasibility of serving the targeted population over an extended affordability period (no less than 20 years) can be maintained. If SDHDA determines that Disinvestment has occurred, SDHDA will finance the property only if the property is purchased through an arm's-length transaction and the previous owner and management will have no involvement with the proposed project.

The new investment must be made to maintain current or create additional affordable units. The cost in terms of assistance to acquire and rehabilitate an existing property may not exceed the amount of assistance necessary to construct a new property of like quality.

Upon completion of rehabilitation, if applicable, all major systems (roof, windows, heating, etc.) of the property must be in like new or new condition. If these systems are not in need of repair at the time of application, sufficient reserves must be established to allow for replacement of such components if the normal life span would require replacement prior to the end of the affordability period. Consideration will be given to functional obsolescence of the property. If it is not cost effective to overcome structural problems, the property may not be eligible for financing. Modifications to allow a higher level of care to elderly residents of a property are eligible if there is an identified need for such level of care and the property is financially feasible upon completion.

Under no circumstances will the term of the CHD Program financing term exceed the expected remaining useful life of the property.

## 2. Acquisition/Conversion

Acquisition and conversion of a non-residential structure to a residential rental housing project is an eligible activity and is considered rehabilitation or Reconstruction Project.

## 3. New Construction

New construction of permanent residential rental housing project is an eligible activity.

Eligible costs include land acquisition, demolition of existing structures, improvements to the project site that are comparable with the surrounding projects, and utility connections including off-site connections from the property line to the adjacent street.

Improvements to the project site may include on-site roads and sewer and water lines necessary for the development of the project. The project site consists only of that property owned by the project owner upon which the project is located.

Acquisition of vacant land or demolition will be undertaken only in conjunction with a specific housing project intended to provide permanent housing under the Plan and for

which construction funds have been committed prior to and conditioned only upon the SDHDA commitment of CHD Program funds for the acquisition or demolition.

#### B. INELIGIBLE ACTIVITIES

CHD Program funds may not be used to:

1. Purchase or rehabilitate a Manufactured Home or
2. Develop temporary housing.

#### C. PROJECT RESTRICTIVE USE PERIOD

The applicant must keep the property in compliance with CHD Program guidelines for the minimum restrictive use period of either 20 years or for the length of time the CHD Program mortgage is outstanding.

#### D. AMOUNT OF ASSISTANCE

The minimum amount of CHD Program funds that may be awarded to a project is \$500,000 and the maximum amount \$5,000,000. SDHDA will evaluate each application to determine the amount of assistance required. SDHDA will evaluate the physical features of the development, including amenities, type of building materials, size of units, etc. to ensure the development is comparable to other affordable residential rental housing in the market.

For for-profit applicants, CHD Program funds are limited to 90 percent of (1) the market value of the property or (2) the total project costs, whichever is less. For nonprofit applicants, CHD Program Funds may be used to finance up to 100 percent of the total project costs.

#### E. TERMS OF ASSISTANCE

The CHD Program funds will be issued as fixed rate financing for a maximum term of 30 years with the interest rate to be established by SDHDA.

#### F. COLLATERAL/GUARANTEES

SDHDA will place a mortgage lien on the property, file a UCC statement, take an assignment of rents and leases, require personal and corporate guarantees, and require other forms of collateral as SDHDA deems necessary to secure its interest in the property.

#### G. TENANT RELOCATION AND DISPLACEMENT

Applicants proposing a housing development that would cause permanent displacement of any current residents must contact SDHDA prior to submitting an application or proceeding with the project. SDHDA will require all applicants to follow proper procedures and provide financial compensation for individuals permanently displaced. SDHDA's Relocation Plan can be downloaded from SDHDA's web site at [www.sdhda.org](http://www.sdhda.org). Applications involving any permanent displacement must include a relocation plan and budget.

## IV. PROJECT REQUIREMENTS

### A. OCCUPANCY REQUIREMENTS

During the Affordability Period, the project must set-aside a minimum of 50 percent of the housing units for rental to households at or below 120 percent Area Median Income (AMI). The 120 percent AMI test must be met at initial occupancy and data evidencing compliance must be reported to SDHDA annually.

### B. RENT REQUIREMENTS

At a minimum, 50 percent of the housing units will be subject to rent limitations designed to ensure that rents are affordable but are also comparable to current market rents. Rents must be comparable to rents for a family whose annual income equals 80 percent for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. Rents should not exceed current market rents for that area for comparable units.

Rents must include allowances for utilities and services (excluding telephone). Applicants are encouraged to utilize the allowances established by the local Public Housing Authority or calculate their own allowances based on documentation from service providers.

Each residential building in a project must contain housing that meets the occupancy and rent requirements. For purposes of meeting the project requirements, the dwelling units specified as restricted housing may be changed over the Affordability Period, so long as the total number of restricted housing units remains the same, and the substituted units are, at a minimum, comparable in terms of size, features, and number of bedrooms to the originally designated housing units.

### C. MIXED USE PROJECT

A building that is designed in part for other than residential rental housing may qualify for CHD Program funds if such housing units meet the occupancy and rent requirements set forth above. Any laundry or community facilities that a project contains for the exclusive use of the project residents and their guests are considered residential use. Costs for common areas shared by both residential and commercial tenants will be prorated and commercial areas are not eligible for CHD Program funds.

### D. TENANT CERTIFICATIONS

Tenant eligibility must be determined by the owner at the time of initial occupancy. Annual re-certifications of existing tenants will not be required; however, new tenants will require certification to ensure the occupancy requirement is being maintained.

### E. TENANT PROTECTIONS

1. Lease. The lease term must be for at least one year, unless by mutual consent the tenant and the owner agree to a shorter term.
2. Prohibited Lease Provisions. A list of prohibited lease provisions is attached as Exhibit 4.

3. Termination of Tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violation of the terms of the lease; for violation of applicable Federal, state or local law; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.
4. Maintenance and Replacement. An owner must maintain the project in compliance with all applicable Uniform Physical Condition Standard (UPCS) and local code requirements.
5. Resident Selection. The owner must adopt written resident selection policies and criteria. The resident selection plan must include, at a minimum, the following criteria: citizenship and social security number requirements; procedures for taking applications and selecting from the waiting list; and screening for suitability. A listing of recommended resident selection criteria is available from SDHDA.

Owners may not refuse to lease to a family because the family holds a rental voucher.

## **V. APPLICATION PROCESS**

Requests for funds are considered in a two-step process - Application Stage and Commitment Stage. No project activity may occur until the application and commitment process is complete and a start order has been issued by SDHDA.

### **A. APPLICATION STAGE**

The applicant must submit a complete application and all documentation referenced in Exhibit 1.

1. Underwriting Review Criteria - Project Cost Evaluation consists of reviewing:
  - a. Land value
  - b. Site Improvements (including existing buildings)
  - c. Construction or rehabilitation costs
  - d. Fees (architectural, legal, consulting, etc.)
  - e. Developer's and/or Builder's Profit
  - f. Financing and carrying charges
  - g. All other related soft costs
  - h. Pro Forma / Debt Service Coverage Ratio: Pro formas must reflect a debt service coverage ratio of not less than 1.15 for the entire length of the mortgage. The debt coverage ratio is the ratio of net operating income to the total annual debt service. Furthermore, the application must reflect that rental income reserve funds are sufficient to cover the property's debt and operating expenses over the Affordability Period. Annually, income will be trended at two percent, expenses and replacement reserves will be trended at three percent, and vacancy will be projected at seven percent. A higher vacancy rate may be used in the first year for an acquisition/rehabilitation project if the project is currently

sustaining higher vacancies and it is not reasonable to expect the project to achieve a seven percent vacancy rate within the first year.

## 2. Project Characteristics and Marketability

SDHDA will review proposed developments for marketability and long-term viability. Applicants are encouraged to incorporate the features of brick, energy efficiency systems, additional handicap-adapted units, second bathrooms (for three and four bedroom units), community rooms, townhouse style units with an accessible bathroom on the main floor, creative design features, and other amenities where appropriate.

The residential unit living square footage will be evaluated to ensure sufficient and reasonable square footage is proposed for all of the rental units.

## 3. Reserves

To protect financial feasibility, the owner will be required to establish and maintain proper reserve accounts. At a minimum, the reserves listed below must be established and covered by a written agreement between SDHDA and the property owner. The escrow accounts may be maintained by SDHDA.

- a. Taxes and Insurance: Escrowed at levels estimated to meet those expenses.
- b. Replacement: Minimum of \$350 per unit, per year, must be initially funded and maintained for the full Affordability Period. If all major systems are not replaced or repaired in an acquisition/rehabilitation project or a rehabilitation project, sufficient reserves must be established to allow for replacement of such components if the normal life span would require such replacement prior to the end of the Affordability Period. The replacement reserves will be trended at three percent annually.
- c. Operating: Six months operating reserve, or an Irrevocable Letter of Credit in lieu thereof, to pay debt service and operating expenses to prevent an event of default. SDHDA may permit this account to be closed or the Irrevocable Letter of Credit to be released three years from the placed in service date.

## 4. Determination of Funding Amount

SDHDA will estimate the amount of CHD Program funding necessary to make a project financially feasible. The analysis to determine the necessary amount of funds will be done at the time of application, at the time a commitment is approved, and at the time the project is placed in service, or as soon thereafter as all project costs are finalized and certified. Current rents, along with any anticipated changes in operating expenses, will be utilized at each underwriting stage.

## 5. Changes to Project

The award of funds is based upon information provided in the application and the architectural plans submitted with the application. Any significant change in a project may require the funds to be returned. A significant change includes, but is not limited to, any reduction in the number of bedrooms per unit or square footage of the units, decrease in number of total units, change in financial feasibility, increase in overall

density, change in unit or project amenities, or any change that, had it been in the original project, may have caused SDHDA to make a different decision with respect to approval or the amount of an award. All changes to the project must be pre-approved by SDHDA prior to implementation.

## B. COMMITMENT STAGE

Upon a conditional commitment from the SDHDA Board of Commissioners, SDHDA will issue a conditional approval letter. Upon receipt of the approval letter, the applicant will have 120 days in which to provide SDHDA with any documentation necessary to complete the evaluation of the proposed project. Failure to provide the required information within this time period may result in cancellation of the conditional commitment. Required documentation will include a detailed analysis of financial feasibility, final architectural plans, owner's organizational documents, binding financial commitments from other funding sources, site control, etc. SDHDA will evaluate the additional documentation provided and if such documentation is sufficient and meets CHD Program Plan requirements, a final Commitment will be issued for the amount determined by SDHDA to be necessary to make the project financially feasible.

The applicant will have six months from the date the Commitment is executed to begin construction or rehabilitation on the proposed project. Failure to start within this timeframe may result in withdrawal of SDHDA's Commitment.

## C. DISBURSEMENT OF FUNDS

### 1. Loan Documentation

Loan documentation will include the SDHDA Mortgage Note, Mortgage 180 Day Redemption, Security Agreement and Fixture Filing, Assignment of Rents and Leases, Personal and Corporate Guaranties, Declaration of Land Use Restrictive Covenants, Loan Agreement and Sworn Construction Statement.

### 2. Construction Start

The new construction or rehabilitation of the building may begin when SDHDA has received all executed loan documentation and the owner has received a written construction/rehabilitation start order from SDHDA. Construction or rehabilitation must commence no later than six months after execution of the Commitment.

### 3. Draws

The CHD Program Funds can be utilized as construction or permanent financing. SDHDA will make periodic site reviews of the project throughout the construction period and at the completion of construction; however, SDHDA assumes no liability for construction quality or code compliance.

The local building official will be required to approve both the proposed project and completed work.

### 4. Construction Financing

If CHD Program funds are utilized for construction financing, SDHDA will disburse funds no more often than every two weeks. If SDHDA contracts with another agency to administer the construction draw process, any fees imposed by that agency in connection with disbursements must be paid by the Owner. Disbursements will be based on receipt of lien waivers from all contractors, and receipts for all costs outside of the construction contract, an updated Sworn Construction Statement, AIA Forms G702 Application and Certificate for Payment and G703 Continuation Sheet evidencing the percent of project completion. SDHDA will retain five percent of the total CHD Program Funds until all final project completion information is received (i.e., CPA cost certification).

#### 5. Cost Certification

If SDHDA does not provide construction financing, the owner will be required to submit a complete cost certification on SDHDA approved forms prepared by a Certified Public Accountant prior to the final disbursement of funds. All cost overruns are the responsibility of the owner. SDHDA may reduce the amount of funds committed to a project based on a cost certification indicating reduced total project cost, change in financing, or increase in cash flow since the time the funds were committed. SDHDA will only finance the amount of funds necessary to make a project financially feasible.

## VI. PROJECT SELECTION CRITERIA

Proposals will be reviewed initially for completeness, including all submission requirements referenced in Exhibit 1. Projects will be further evaluated based on the following criteria.

### A. LOCAL HOUSING NEEDS

All applicants must demonstrate a need for the proposed housing by submitting a local housing needs assessment and market analysis that is less than six months old. Refer to Exhibit 2.

### B. PROJECT CHARACTERISTICS

Housing that is constructed or rehabilitated with CHD Program funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. If rehabilitation standards in effect in the community in which the project is located, are less restrictive, or if the community has no rehabilitation standards, then at a minimum the Uniform Building Code (ICBO), National Building Code (BOCA), Standard Building Code (SBCCI), and Council of American Building Officials (CABO) will apply.

New construction must meet the current edition of the Model Energy Code published and maintained by the International Code Council and all applicable local and State building code requirements in effect at the time of project completion.

The housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and covered multifamily dwellings, as defined at 24 CFR Part 100.201, must also meet the design and

construction requirements at 24 CFR Part 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

The proposed site must be suitable for the proposed project. If the site includes any detrimental characteristic, the applicant must provide a remediation plan and budget to make the site suitable for the project. If any detrimental site characteristic exists on, or adjacent to the site, SDHDA may reject the application. Detrimental characteristics may include but are not limited to: physical barriers; unsuitable slope or terrain; location within one-half mile of any of the following: pipelines, storage areas for hazardous or noxious materials, sewage treatment plants, or sanitary landfills; location within 500 feet of an airport runway clear zone, or 1000 feet of a railroad, commercial property or military operation; location within 1000 feet of registered historic property; or location in flood hazard area.

#### C. LOCAL SUPPORT

Applications must evidence local support for the project. Local support may be evidenced by a letter of support or financial contributions from governmental, nonprofit or for-profit agencies. Financial contributions may include but are not limited to cash, in-kind services, tax abatements or other items that assist in reducing project costs and improving financial feasibility.

#### D. APPLICANT CHARACTERISTICS

The applicant and all members of the development team must be in good standing, as defined below. In addition, any applicant or member of the development team who has an Identity of Interest with any person or entity not in good standing may not be eligible in the sole discretion of SDHDA. The application must identify any persons or entities with whom the applicant or any member of the development team has as Identity of Interest. "Good standing" shall mean that the individual has not been (i) convicted of, entered into an agreement for immunity from prosecution for, or pled guilty, including a plea of nolo contendere, to: a crime of dishonesty, moral turpitude, fraud, bribery, payment of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification or destruction of records, or (ii) debarred from any South Dakota program, other state program, or Federal program.

#### E. PROJECT COSTS

Reasonable and necessary soft costs incurred by the owner and associated with the financing or development (or both) of new construction, rehabilitation, conversion or acquisition with rehabilitation of housing assisted with CHD Program funds may include but are not limited to the following:

- a. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.
- b. Costs to apply for and obtain financing for the project, such as private lender origination fees, credit reports, title insurance, fees for recordation and filing of legal documents, building permit fees, attorney's fees directly related to the project, appraisal fees and fees for independent cost estimates.

- c. Costs for an audit or cost certification that SDHDA may require with respect to the development of the project.
- d. Costs to provide information services such as Affirmative Marketing and fair housing information to prospective tenants as required in the Fair Housing section.
- e. The cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up (not to exceed 18 months) and which may only be used to pay project operating expenses; reserve for replacement payments; and debt service.
- f. Developer's Fees: The developer of a project will be entitled to a Developer's Fee not to exceed (1) 15 percent of the total project costs minus Developer's Fees and Consultant's Fees for projects of 16 units or less and (2) 12 percent of the total project costs minus Developer's Fees and Consultant's Fees for projects of 17 units or more.

Developers may choose to defer their Developer's Fee. The amount of deferred Developer's Fee or owner equity presented in the application will be underwritten as a project financing source. The submitted pro forma must evidence sufficient project cash flow after all debt service is applied; for repayment of the deferred Developer's Fee within the first 12 years of operation.

- g. Consultant's Fees: Consultant Fees will be included within the Developer's Fees limitation.
- h. Builder/General Contractor's Fees: Builder's Profit is limited to six percent, Builder's Overhead is limited to two percent, and General Requirements is limited to six percent of the total hard costs for the project.
- i. Soft costs include, but are not limited to, all items in a - h of this section and developer overhead, operating reserves, partnership organizational fees, and rent-up reserves. Soft costs will be limited to 19 percent of the total project costs.

## F. PROJECT LOCATION

Applicants should consider developing housing in areas that are in close proximity of community services and public transit. Community services include but are not limited to grocery and retail stores, hospitals, medical clinics, schools, public and private service offices.

## G. READINESS TO PROCEED

SDHDA will review applications to determine their readiness to proceed with the proposed development. SDHDA will review the following factors when considering approval of funding:

- Completeness of architectural plans and specifications or submission of a physical needs assessment for projects involving rehabilitation.

- Site Control – evidence that the applicant and/or owner has a control of the subject property via a purchase agreement, recorded warranty deed, or a recorded long term lease.
- If applicant is proposing to utilize CHD Program funds for only permanent financing, applicant must document a commitment for construction/interim financing.
- If additional permanent financing will be provided from another funding source, applicant must submit documentation evidencing the financing commitment. The documentation must indicate the fixed rate, amortization term, and conditions of the loan.
- Evidence of utilities (e.g. water, sewer, electric, and natural gas) availability at the project site, documented by the utility providers.
- Documentation of how the project site is currently zoned and whether any rezoning will be required.
- Documentation evidencing that the project site has had a final plat recorded (includes referencing plat book and number).

## **VII. GENERAL REQUIREMENTS**

### **A. FAIR HOUSING AND EQUAL OPPORTUNITY**

All applicants and owners must adhere to the following;

1. The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063, as amended, (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1;
2. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8;
3. The requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60;

### **B. LEAD-BASED PAINT**

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and lead-based paint hazards in the dwelling. For additional information regarding lead based paint please visit the following websites - <http://www.epa.gov/lead/> or

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/healthyhomes/lead](http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/healthyhomes/lead).

### C. CONFLICTS OF INTEREST

Applicants must disclose to SDHDA if any conflicts of interest exist. A conflict of interest is deemed to exist whenever an individual is in the position to approve or influence the policies or actions of the project which involve or could ultimately harm or benefit financially: (a) the individual; (b) any member of his immediate family (spouse, parents, children, brothers or sisters, and spouses of these individuals); or (c) any organization in which he or an immediate family member is a Director, trustee, officer, member, partner or more than 10% shareholder. Service on the board of another nonprofit corporation does not constitute a conflict of interest.

### D. DEBARMENT AND SUSPENSION

Owners and contractors are prohibited from employing, awarding contracts, or funding any contractors or subcontractors who have been debarred, suspended, proposed for debarment or placed on ineligibility status by the federal government. In addition, any owners who are debarred, suspended, or proposed for debarment will be prohibited from participating in the CHD Program. Those excluded from participating are listed on the Excluded Parties List System found at <https://www.epls.gov>.

### E. HISTORIC PROPERTIES

Applicants proposing rehabilitation to a structure which is over 50 years old should contact the local and State Historical Preservation Offices to determine if the proposed rehabilitation will have any effect on the historical significance of the structure or if adherence to the National Historic Preservation Act (16 U.S.C. 470) is required.

### F. FLOOD INSURANCE

CHD Program funds may NOT be used in connection with acquisition, conversion, new construction, or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless the community in which the site is located is participating in the National Flood Insurance Program and flood insurance is obtained as a condition of approval of the commitment. A flood certification will be obtained by SDHDA.

### G. REPAYMENT

Any owner of a project which CHD Program funds have been awarded and which is (1) not completed within the timeframe mandated by SDHDA or (2) does not meet the occupancy and rent requirements for the Affordability Period must immediately repay, upon demand of SDHDA, all CHD Program funds provided to the project. Financial penalties may also apply.

### H. COMPLIANCE AND CRIME FREE HOUSING

SDHDA staff is available to provide compliance training for applicants. Applicants are also encouraged to participate in the Crime Free Multi-Housing Program administered

through the South Dakota Law Enforcement Officers Standards and Training Commission.

### VIII. MONITORING FOR COMPLIANCE

SDHDA will monitor for each project, compliance with the CHD Program requirements. CHD Program compliance will be assessed through annual certification of compliance with CHD Program requirements and on-site reviews conducted by SDHDA staff. SDHDA will provide a CHD Program compliance guide detailing required responsibilities for continuing CHD Program compliance. SDHDA will impose financial penalties for non-compliance, during the Affordability Period, with the CHD Program rent and occupancy requirements.

All CHD Program rent and occupancy requirements, along with any other special use restrictions imposed under The Plan, will be made part of the Declaration of Land Use Restrictive Covenants.

### IX. FEE SCHEDULE

Fees charged will vary depending on the type of financing requested. All applicants will be charged the following non-refundable fees. The listed fees do not include the direct expenses incurred by an applicant such as legal fees, closing costs, etc.

Application Fee (due with application)	1/8% of requested amount
Issuance Fee (due at loan closing)	7/8% of loan amount

### X. DEFINITIONS

**Affordability Period:** The period, during which the occupancy and rent requirements must be maintained, which period must be at least (1) 20 years or (2) the length of time the CHD Program loan is outstanding.

**Annual Income:** For rental housing, SDHDA uses the annual income definition as defined in 24 CFR Part 5.609 (Part 5 Annual Income).

**Applicant:** Applicant refers to the owners, developers, and sponsors involved with the project.

**Area Median Income (AMI):** The income determined by HUD on which program income and rent limits are based.

**Affirmative Marketing:** Consists of actions to provide information and attract eligible persons from all racial, ethnic, and gender groups in the housing market area, to the available housing.

**Builder's Profit:** Compensation to the builder for completing the construction contract.

**Builder's Overhead:** Builder's business expenses (e.g., rent, insurance, heating, etc.) not chargeable to a particular part of the work or product to build the project.

**Commitment:** The written, legally binding agreement between SDHDA and the project owner providing CHD Program funds to a project.

**Developer's Fee:** Compensation to the developer for time and risk involved to develop the project.

**Disinvestment:** Withdrawal of capital that otherwise could have been utilized to sustain the viability of a project.

**General Requirements:** An allowance for the contractor's project-related expenses, such as building permits, fencing around the site, temporary storage for materials, and the cost of a performance and payment bond, etc.

**Housing Quality Standards (HQS):** The performance standards for housing as established in 24 CFR Part 882 and amended by the Lead Paint Regulations in 24 CFR Part 35.

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

**Identity of Interest:** An identity of interest means any relationship, including any financial, business, or family relationship, that the applicant or any member of the development team has with others involved in the project.

**New Construction:** Any project involving adding units outside the existing walls of the structure, the construction of new residential units and the acquisition of land or the demolition of an existing structure for the purpose of constructing a new structure.

**Reconstruction Project:** A project that replaces an existing building's floor plan with an overall new floor plan for residential living units or that replaces an existing building's residential unit plans with new residential unit living plans.

## **EXHIBIT 1**

### **REQUIRED SUBMISSIONS FOR CHD PROGRAM**

#### **A. APPLICATION REQUIREMENTS.**

Applications must be submitted on the SDHDA CHD Program Application Form and include the following required information. SDHDA may reject applications with incomplete or incorrect application information.

1. Local housing needs assessment and complete market analysis. The assessment and analysis must have been completed within six (6) months of submission by a market analyst who is unaffiliated with the developer and has experience with multifamily rental housing. A South Dakota licensed appraiser who is MAI certified and meeting the criteria listed may also complete the market study. The minimum includable items to be addressed in the needs assessment are listed in Exhibit 2.

A modified market analysis may be submitted at SDHDA's discretion for projects involving rehabilitation or acquisition and rehabilitation of an existing affordable multifamily housing project.

2. Applicants must submit a project narrative outlining the project characteristics (tenants being served, amenities provided, financing in place, etc). The narrative is intended as a summary of the proposed project to assist SDHDA in reviewing the information in the application and exhibits.
3. Evidence of local support. All Applicants are encouraged to contact the local governing and private entities located within the community in which the housing will be developed, to request letters of support for their development. Letters of support can be submitted by the city office, local public housing authority, economic development office, local employers, and other interested parties.
4. All proposed rents must include utility allowances. The application must include the supporting documentation from the local Public Housing Authority or utility provider evidencing the calculated allowance.
5. Pro Forma / Debt Service Coverage Ratio: Pro formas submitted must reflect a debt service coverage ratio of not less than 1.15 for the entire restrictive use period. To ensure the housing remains affordable, SDHDA will review proposed rents and projected cash flow to ensure owners are not receiving excessive return on their investment. SDHDA will allow a return on investment of up to 10 percent of their original owner equity contribution.

The debt coverage ratio is the net operating income to the total annual debt service. Furthermore, the application will reflect that rental income and reserve funds are sufficient to cover the property's debt and operating expenses over the restrictive use period. Annually, income must be trended at two percent, expenses and replacement reserves must be trended at three percent, and vacancy must be projected at seven percent. A higher vacancy rate may be used for an acquisition/rehabilitation project if

the project is currently sustaining higher vacancies and it is not reasonable to expect the project to achieve a seven percent vacancy rate within the first year.

6. Applicants must submit supporting documentation of all annual operating expenses, evidencing how the applicant arrived at the submitted amounts (e.g., calculation of real estate taxes from county assessor). If the proposed project involves rental acquisition and/or rehabilitation, this requirement may be met with the submission of historical financial information.
7. Site control; during the application process, the following is acceptable:
  - purchase agreement or option to purchase, signed by both the buyer and seller;
  - warranty deed or title; or
  - long term lease equal to or greater than the term of affordability.

Applicants should be cautioned that a conditional commitment of CHD Program funds is site specific, therefore any changes to the site may require a full review of the application and reconsideration by the SDHDA Board of Commissioners.

8. At a minimum, Applicants must submit a drawing of proposed project site plan showing the general build-up of the site including the location of all proposed building(s), streets, parking areas, service areas, playgrounds, and any other significant details of the site and typical floor plan, dimensional plan for each typical living unit.
9. Documentation of how the project site is zoned at the time of application and documentation that reflects the current status of a project's plat.
10. Copy of recent corporate and personal financials (within 90 days).
11. Applicant must provide copy of organizational documentation. If the applicant is a nonprofit, a description of the organization and its activities is required.
12. Letter of intent evidencing the preliminary arrangements for construction, interim, and/or permanent financing, as applicable. The amount of the loan, the rate and the term must be included in the letter.

NOTE: Interim financing (bridge loan) fees will not be allowable project costs if financing is provided by an entity having an identity of interest with the developer, builder, syndicator, or applicant. Only interest costs at or below market rate will be allowed.

13. Projects involving rental acquisition and/or rehabilitation, the applicant must provide a relocation plan and budget; along with a list of existing tenants.
14. Projects involving rental acquisition and/or rehabilitation must submit the last three years audited financial statements. SDHDA reserves the right to request financial information for additional years if deemed necessary.

15. Projects involving rental rehabilitation, a detailed description of the activities to be completed for the exterior and by apartment unit for the interior and the corresponding cost.
16. Documentation of utility availability (i.e. water, sewer, electric, natural gas). If none, an explanation, including dates, as to when all utilities will be available.
17. Any other information requested by SDHDA.

**B. CONDITIONAL COMMITMENT.**

All requirements in this section must be provided, within the 120 day time frame allowed, before loan closing can occur.

1. Signed funding commitment documentation from all sources associated with the project including the amount, rate and term of the financing.
2. Information on the ownership entity, including an executed copy of the partnership agreement or articles of incorporation, a copy of the certificate of registration from the Secretary of State in the State of South Dakota, and a copy of federal tax payer identification number.
3. An affidavit executed by the owner, general partner, an officer, a director or corporate officer stating that under penalties of perjury all facts and statements contained in all documents and exhibits submitted in conjunction with the application are true and accurate to the best of his or her knowledge.
4. Site ownership documented by a recorded contract for deed, warranty deed, or long term lease (lease must be for length of the mortgage or minimum of 20 years).
5. Final itemization of the costs related to the completion of the project, including both hard cost and soft costs.
6. Final plans and specifications stamped by the project Architect and Engineer.
7. Copy of the management plan, management agreement, resident selection policy, Section 504 reasonable accommodation policy, and the intended lease to be utilized for the project, which may not include any prohibited lease terms as listed in Exhibit 4.
8. Projects involving acquisition of an existing property must submit a "Market Value As Is" appraisal and projects involving rehabilitation or new construction must submit a "Market Value As If Completed" appraisal meeting the USPAP and completed by an independent, State Department of Revenue and Regulation certified appraiser ([www.state.sd.us/drr2/reg/appraisers/complain-rosters.htm](http://www.state.sd.us/drr2/reg/appraisers/complain-rosters.htm)). SDHDA will approve the appraiser and the applicant will pay for all costs for this service.
9. Any other information deemed necessary by SDHDA to evaluate this request.

## **EXHIBIT 2**

### **NEEDS ASSESSMENT REQUIREMENTS**

The needs assessment must be less than six months old at the time of submission and must be completed by a market analyst who is unaffiliated with the developer and who has experience with multifamily rental housing. A South Dakota licensed appraiser who is MAI certified and meeting the criteria listed may also complete the market study. The study can be community based or project specific, but must address in depth the following:

1. What are the demographic and economic characteristics of households in the community? What is the current income level of households in the community and what is the anticipated income level in the future?
2. What are the expectations with respect to economic, employment, and population change in the community in the next 2 to 5 years, the next 10 years, and the next 15 years?
3. Based on market information, what is the nature and extent of the community's short-to-mid-term housing demand and long-term housing demand? What is the demand in various categories, including: new construction, rehab, senior housing, family housing, rental, and homeownership? What is the price range for demand in various categories?
4. What is different between this Studies' findings and that of prior studies? If the results found and forecasts developed under this Study differ from previously published studies for the community, note reasons for the divergence.
5. Review of meeting/correspondence with local planners, housing and community development officials, and market participants to evaluate the local perception of the need for additional housing.

#### **Minimum Required Data Elements**

Each study at a minimum, must quantify the following data elements:

1. Existing Housing Stock
  - By tenure – rent, own
  - By type – single, multi-family, manufactured
  - By value – property values, rents
  - By age and condition
  - Vacancy rates
2. Other Housing Issues
  - Affordable housing – Low Income Housing Tax Credit, Public Housing, Section 8, USDA
  - Senior/assisted living options
  - Housing market turnover/sales data
  - Building permit history (community's experience with new construction)
  - Infrastructure capacity/challenges (if applicable)

3. Demographics – now and future (2 year, 5 year, 10 year, and 15 year)
  - Population by age
  - Households by income, age, size
  - Migration patterns
4. Economics
  - Economic base – by industry and key employer
  - Anticipated employment trends
  - Commuting patterns – employment and services (for example, education, retail, healthcare)
5. Recommendations (based on analysis of data collected)

If the market study is project specific, in addition to the requirements above, it must include the following:

1. Review of proposed site including color photos of the site and adjoining property; definition of the primary and secondary market areas including a map that clearly marks the areas and an explanation of the basis for the boundaries; description of site characteristics and evaluation of the accessibility and visibility of the site;
2. Review of the proposed project including the number of units by number of bedrooms and bathrooms, income levels to be served, rent to be charged, calculating utility allowances and amenities to be provided;
3. Review of existing community services and their proximity to the proposed project including a site map identifying such services;
4. Review and listing of existing multifamily projects in the market area for both affordable housing (Section 8, HOME and Rural Development) and market-rate, listing the type of housing, location, number of bedrooms, number of bathrooms, unit size, condition of buildings, vacancy rates, waiting lists, amenities, utility allowances (whether included in rent or not), and rental rates;
5. Review of projected new multifamily projects (affordable and market rate) including number and type of building permits issued in the past three years;
6. Executive Summary with a precise statement of the conclusions reached by the analyst. The statement must include the analyst's opinion of (i) market feasibility, (ii) the prospect of long-term performance of the property, (iii) recommended modifications to the proposed project, (iv) market related strengths and weaknesses, (v) positive and negative attributes and issues that will affect the property's lease-up and performance, and (vi) the impact the subject property will have on the existing multifamily projects.

## EXHIBIT 3 PROJECT CHARACTERISTICS

The following minimum standards apply to all new construction projects; however, rehabilitation or Reconstruction Projects should also strive to meet these minimum standards.

<b>Parking:</b>		
	<b>Minimum Standards Required</b>	At a minimum, the parking lot will be engineered asphalt, having concrete curb and gutter where the wheels come to a stop, when parked. Single family homes must have concrete driveways. All parking will be located on site, having a minimum of one and one-half parking space for each one or two bedroom units, and a minimum of two parking spaces for each three or more bedroom unit. In the event the city requirement is more, that requirement must be followed. The number of handicap designated parking spaces must meet city/UFAS code(s). A garage may count as a parking space.
<b>Sidewalks:</b>		
	<b>Minimum Standard Required</b>	A concrete sidewalk will be provided from each entrance door to a public way. Where possible combine sidewalks. In the event the city requires additional sidewalks, that requirement must be followed. Must provide accessible route from site arrival point(s) to the building(s).
<b>Exterior Construction</b>		
	<b>Recommended</b>	Applicants should give consideration to construct developments with the exterior of the building constructed of brick and/or stucco, or covered with permanent low maintenance siding.
<b>Insulation:</b>		
	<b>Minimum Standards Required</b>	Exterior wall construction will be a minimum of 2" x 6" with R-19 fiberglass insulation, and the ceiling of not less than R-38 fiberglass insulation (IECC 2009).
<b>Windows:</b>		
	<b>Recommended</b>	Window constructed with a permanent exterior finish and Low-E insulated glass.
<b>Roofing:</b>		
	<b>Recommended</b>	A shingled roof constructed with a minimum of a 235 lb. shingle or a single ply 60 mil rubber roof system for flat roofs or a metal roof with a minimum 26 gauge steel thickness with 70 percent fluoropolymer coating.
<b>Floor Covering:</b>		
	<b>Minimum Standards Required</b>	Floor covering will consist of carpeting tile and/or sheet vinyl. Carpeting will have a minimum face weight of 28 oz. Vinyl Composition Tile shall be commercial grade, 12" x 12", 1/8" thick and only be allowed on concrete floors, while sheet vinyl will have a wear surface of 15 mils or greater and have a 10 year manufacturer's warranty.
<b>Exterior Entrance Doors:</b>		
	<b>Minimum Standards</b>	The exterior doors will be insulated metal with glass or a 180-degree peephole and will include a separate dead bolt with one-inch throw.

	<b>Required</b>	
<b>Interior Entrance Doors</b>		
	<b>Minimum Standards Required</b>	The unit entrance door will be designed as required by the IBC. The door will be equipped with dead bolt with one-inch throw and 180-degree peephole.
<b>Unit Interior Doors:</b>		
	<b>Recommended</b>	Solid core doors with metal door jambs (i.e. bedroom, bathroom and closet).
<b>Community Room</b>		
	<b>Recommended</b>	If projects have a community room, it is recommended to be a minimum of 15 square feet per occupant, assuming one and one-half person occupancy per unit, in addition to the square footage necessary for a fully functional kitchen area.
<b>Laundry</b>		
	<b>Minimum Standards Required</b>	A common laundry room must be located within each building of a project and contain a fire window within or near the door. Projects with single family dwellings, townhouses, or apartments in buildings without common laundry space must provide washer and dryer hook-ups for each unit. All clothes washers must be ENERGY STAR qualified.
	<b>Recommended</b>	A common laundry room per each building floor or a washer and dryer provided in each unit.
<b>Window Covering</b>		
	<b>Minimum Standards Required</b>	Window coverings will be provided. A window shade is not considered a window covering.
<b>Appliances</b>		
	<b>Minimum Standards Required</b>	A minimum of 14 cu. ft. frost free refrigerator for a 0 or 1 bedroom unit. A minimum of 18 cu. ft. frost free refrigerator for a 2 bedroom or larger unit.
	<b>Minimum Standards Required</b>	All appliances including refrigerators, freezers, clothes washers, dishwashers, ceiling fans, computers, and exit signs provided for by the project must be ENERGY STAR qualified. Please refer to <a href="http://www.energystar.gov">www.energystar.gov</a> for available products.
<b>Special Features</b>		
	<b>Minimum Standards Required</b>	For multifamily rental projects, one playground area for 16 – 47 units and two playground areas for 48 or more units. The playground area must be equipped with playground equipment and bench.
	<b>Minimum Standards Required</b>	For projects with 30 or more units that must comply with Section 504 of the Rehabilitation Act of 1973, a roll-in shower with a seat must be installed in at least 50 percent of the units accessible to individuals with mobility impairments (but at a minimum, in at least one unit).
	<b>Required</b>	A building designed with a crawl space or basement must have drain title at the base of the footings.
<b>Green Features</b>		
	<b>Recommended</b>	Mark incorporated features: ___ Low VOC paints, stains, finishes

		<input type="checkbox"/> Low VOC adhesives, sealants <input type="checkbox"/> Formaldehyde-free or sealed shelves, cabinets, countertops <input type="checkbox"/> Formaldehyde-free insulation <input type="checkbox"/> Low VOC carpet <input type="checkbox"/> Low flow faucets, showerheads, toilets/urinals <input type="checkbox"/> Automatic rain sensor lawn sprinkler system
<b>Energy Star qualified units</b>		
	<b>Recommended</b>	Each residential unit be Energy Star certified; with supporting documentation provided.
<b>Unit Features</b>		
	<b>Minimum Standards Required</b>	Minimum one-half bath per floor for multi-story townhouse units with 2 or more bedrooms.
	<b>Minimum Standards Required</b>	Bathroom ventilation fans must be on the same switch as the bath light.
<b>Heating</b>		
	<b>NOTE</b>	No electric baseboard heat systems allowed for new construction projects.
	<b>Minimum Standards Required</b>	Electric wall mount/cove heat.
	<b>Recommended</b>	Forced air (minimum 90 percent efficient) or hot water system.
<b>Air Conditioning</b>		
Date	<b>Minimum Standards Required</b>	All units must have Energy STAR through wall air conditioning or non Energy STAR qualified central air conditioning. Variances may be allowed for rehabilitation projects.
	<b>Recommended</b>	Projects with Energy STAR qualified central air conditioning.
<b>Signage</b>		
	<b>Recommended</b>	The project must have permanent signage installed with the Equal Housing Opportunity logo and identification of the developer and South Dakota Housing Development Authority.

I certify that the above indicated characteristics will be incorporated into the final working drawings and will be provided prior to occupancy of the project.

I certify that the housing will meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR Part 100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

\_\_\_\_\_  
Applicant Date

\_\_\_\_\_  
Architect Date

## **EXHIBIT 4 PROHIBITED LEASE TERMS**

The lease may NOT contain any of the following provisions:

1. Agreement to be sued. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
2. Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
3. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
4. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
5. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
6. Waiver of jury trial. Agreement by the tenant to waive any right to a trial by jury;
7. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
8. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

## EXHIBIT 5

### Application Checklist

The following items must be submitted with the completed Application form to ensure a complete application is received by SDHDA. Please refer to the Community Housing Development Program Administrative Plan and application for clarification of any submission items.

Submission Item	Enclosed	Meet SDHDA requirements
1. Completed and signed Application form	_____	_____
2. Market Study	_____	_____
3. Project Narrative	_____	_____
4. Letters of Community Support	_____	_____
5. Utility Allowance Calculation	_____	_____
6. Pro forma	_____	_____
7. Documentation of Operating Expenses	_____	_____
8. Site Control	_____	_____
9. Architectural site plan	_____	_____
10. Architectural floor and unit plan	_____	_____
11. Zoning letter and project plat	_____	_____
12. Recent corporate/personal financials (within 90 days)	_____	_____
13. Organizational documentation	_____	_____
14. Executed Project Characteristics (Exhibit 2)	_____	_____
15. Documentation of financing	_____	_____
16. Detailed rehabilitation listing	_____	_____
17. Three years audited financials	_____	_____
18. Current tenant rent roll	_____	_____
19. Availability of utility service	_____	_____
20. Application Fee	_____	_____