

## “A” UNIT

- Unit/building interior, exterior, and common areas are in excellent condition. Newly or recently constructed or rehabbed with good quality materials and workmanship. Provide an excellent thermal environment with direct heat sources in living/bedrooms.
- Appliances and fixtures are owner-supplied and are new and/or of good quality. Tenant-supplied appliances will not affect grade.
- Unit has sufficient cabinets and closets and/or common area storage in an accessible basement or attic.
- There are no existing asbestos or lead-based paint hazards and there is proactive maintenance if either material is present.
- Electrical system and number of outlets per room demotes the need to use extension cords.
- Fire exits meet current standards (full door and stairway) and are properly maintained.
- Smoke detectors and carbon monoxide detectors are hard-wired with battery back-up.
- Good roof; water management prevents icing of stairways and prevents interior air quality issues relating to moisture and/or mold.
- Flooring is in excellent condition at move-in.
- There are no structural issues within the building or porches and stairs, walkways, drive, and parking areas are free of trip hazards.
- Has numerous extra amenities that clearly add to the desirability of the unit, such as:
  - ◆ Off-street or designated parking.
  - ◆ Additional bathrooms.
  - ◆ Bedrooms larger than average.
  - ◆ Additional rooms.
  - ◆ Washer/dryer hook-up or laundry facility.
  - ◆ Enclosed porch or patio/deck.
  - ◆ Tenant access to pool, gym, or other amenity.
  - ◆ Modern and efficient climate control.
  - ◆ On-site maintenance/security personnel or device.
  - ◆ Has been adapted for persons with disabilities.
- Obvious on-going maintenance of the unit and building as well as good tenant selection practices by the owner or management.
- No evident site and/or neighborhood conditions that could adversely impact the tenant considering family composition.

In general, required work is completed most often with one but not more than two re-inspections, considerate of seasonal repairs and/or weather. Owner is responsive to inspection comment items. Trash containment and pick up as well as snow removal is provided as needed. A- Grade may be considered for fine tuning the unit value for rent negotiations. A+ Grade is generally unnecessary.

## “B” UNIT

- Recent renovation including interior, exterior, and common area spaces with average quality materials does not substantially increase the overall value of the unit or building.
- Overall condition of the unit/building is above average and provides a better than average thermal environment (windows, direct heat sources in each living/sleeping room). If indirect heat sources are utilized, the owner is receptive to utilizing options such as louvered doors and/or ceiling fans if needed.
- Unit/building is in good condition. Appliances, fixtures, and other features are modern and fully functional.
- Smoke detectors and carbon monoxide detectors are hard-wired with battery back-up.
- Fire exits and smoke detectors may pre-exist current standards but are well maintained and are functional to meet the needs of the occupants considerate of the family composition.
- Carbon monoxide detectors are properly located and maintained.
- Electrical system and number of outlets may pre-exist current standards, but are adequate to demote the use of extension cords.
- Any asbestos and/or lead based paint is proactively maintained.
- Unit/building is free of evidence of excess moisture, mold, and/or interior air quality issues. (Older homes with stone/brick foundations may exhibit some limited water penetration in the basement at times.)
- Has at least one extra feature that adds to desirability (porch, yard, security system, near recreational area or other facility, extra-large rooms, adequate closets and/or storage).
- Site conditions are adequate but some neighborhood conditions may exist but do not pose an imminent risk to the tenant/family.
- Owner may or may not occupy the property but posts emergency contact and is responsive.
- Services such as trash pickup and snow removal are adequate.

Could otherwise be an “A” unit except for the quality of renovation work and/or the need for more aggressive preventive maintenance; perhaps would be an A unit if the appliances or utilities were owner supplied.

B units are of above-average quality and are generally well maintained (Example: A C+ unit that has been adapted for a person with disabilities.) Often two or sometimes three re-inspections are required to complete required repairs, but rent withholds for inspection non-compliance are not routine.

B+ grade may be used when a reasonable combination of B factors and A Grade extra amenities are present. At minimum, this grade must be met for consideration for HCVP Project-Based assistance. Direct heat sources are required for B+ grade criteria.

## “C” UNIT

- Unit is in fair condition, but with normal wear and tear, two or more HQS fail items will likely occur within the inspection pass date and the next annual inspection.
- Appliances and unit features are dated but functional.
- The electrical system is adequate but lacking sufficient outlets to demote the use of extension cords.
- Fire exits and smoke detector systems are adequate and functional considerate of the family composition.
- Carbon monoxide detectors are properly located and maintained.
- Maintenance appears to be performed on an as-needed basis with little or no evidence of preventive maintenance. Tenant selection and screening may be minimal. The unit may not be well prepared between tenants.
- Common areas are often lacking sufficient lighting and cleaning.
- The thermal environment is average or somewhat below average with old windows and/or older, less efficient heating system, likely to result in higher utility costs.
- If present, asbestos and/or lead based paint is not proactively maintained but owner will cooperate if required.
- The condition of porches, stairs, and walkways may show signs of age and may require repairs.
- Trash containers may be lacking and the basement may contain excess debris and some old appliances that need to be discarded.
- The possibility of pest infestation exists.
- Gutters/downspouts may be lacking, damaged, or missing and the roof may be nearing the end of its service life.
- Site and neighborhood conditions exist but do not directly impact the tenant/family and the owner is willing to or has taken preventive safety measures.

While some C Grade units appear sparse but solid, some others may appear to have once been beautiful apartments. In a lower end C unit the effects of tenant wear and tear are evident. It is likely that three or more re-inspections may be required and rent withholds are not uncommon. A C unit grade represents a solid average rental unit. C+ Grades may be used to fine tune the unit value for rent negotiations, but C- Grades may not be used as they are too prone to subjective compromises and frequently become a D Grade before the next annual inspection. Inspectors must give guidance to achieving at minimum a C Grade.

## “D” UNIT

*DHCD does not authorize leasing of units that merit this grade.*

- Unit is in unsatisfactory condition and in need of renovation to be considered safe, decent, and sanitary for lease to the program.
- Major building systems (roof, siding, plumbing, electrical, heat, etc.) are at the end of their service life and/or are suspect.
- Little or no ongoing maintenance of the property by the owner and multiple layers of poor quality repairs exist.
- Structural problems are apparent or progressing in the building or porches such as bowing, excess settlement or leaning, and/or masonry failure
- Air quality issues relating to lack of maintenance of lead based paint, unkeyed or failing plaster, asbestos or excess moisture and mold.
- Poor quality rehab, crossed utilities, questionable fire exits, or other evidence of unprofessional rearrangement of the building.
- Deteriorated outbuildings, excessive amounts of debris in basement or on grounds and fire hazards.
- A poor quality thermal environment that will generate high utility costs to the tenant such as drafty old windows or poorly fit replacements, holes or rot in the exterior siding.
- Site and neighborhood conditions that present a risk to the tenant considering the family composition such as a lack of security, unsecured abandoned buildings, history or evidence of high crime, drug or gang activity, bullet holes, and vagrants in the building.
- Owner-supplied utilities or water may have been shut off to the detriment of the tenants. (If possible, ask other occupants).
- Conditions that will likely result in a fail condition within the next ninety days that will ultimately affect the agency audit fail rate and create increased costs due to excess re-inspections.
- Owners are often uncooperative and terminations often result putting the client under pressure to relocate. Rent requests often far exceed the value of the unit.

Inspection staff should give the owner clear guidance on what repairs are required for the building/unit to meet a grade C or better. If a D Grade is suspected, the inspector may encourage the owner to make improvements prior to conducting the inspection. It is important that this be done as politely and professionally as possible. Increased unit value may cover the cost of repairs over time. The goal is to help the owner maintain the value of the property, stabilize the tax base, and maintain viable affordable housing resources.