

REQUEST FOR APPLICATIONS 2015-115

MULTIFAMILY ENERGY RETROFIT PROGRAM

For

FLORIDA HOUSING FINANCE CORPORATION

Issued: October 23, 2015

Due: November 13, 2015

SECTION ONE INTRODUCTION

This Request for Applications (RFA) is soliciting Applications from qualified Applicants that commit to make retrofit improvements to qualified multifamily rental Developments that result in measurable energy savings and water conservation; to provide ongoing property management, staff education, and resident outreach to maximize the benefits of the retrofit; and to submit reports on energy use/savings. The Corporation will develop the retrofit scope of work in consultation with the Applicant using an Energy Audit/Critical Repair Needs Analysis (CRNA) prepared by a Qualified Energy Auditor previously procured by the Corporation.

This RFA will make available up to \$7,533,084 in Multifamily Energy Retrofit Program (MERP) loans to property owners proposing the retrofit of existing multifamily rental developments that meet all of the following conditions: (i) the Development consists of at least 15 units; (ii) the Development currently is subject to a Corporation Land Use Restriction Agreement, Extended Use Agreement, and/or other non-Corporation development specific restriction agreement with income set-asides; (iii) the Development will commit at least 70 percent of the total units to households with incomes at or below 80 percent of Area Median Income (AMI); and (iv) the Development was originally Completed prior to January 1, 2005. If the Development does not currently commit at least 70 percent of the total units to households with incomes at or below 80 percent AMI, this requirement shall be met after the MERP funding award has closed by rental of all units that become vacant to tenants with household incomes at or below 80 percent of AMI until at least 70 percent of the total units are restricted to these households. Applicants will be required to commit to an affordability term of at least 10 years from the date the funding is closed. Applicants whose Principals have unresolved outstanding past due financial obligations to Florida Housing Finance Corporation, (“the Corporation”), and/or Applicants whose Principals are excluded from receiving Federal contracts according to the lists available on the System for Award Management (SAM) website, are not eligible for funding under MERP, as further outlined in Section Five, A.2. and A.3.

The maximum available funding amount of \$15,000 per unit or \$2,500,000, whichever is less, may be awarded to any single Development. MERP funding may be used for the following improvements:

- Air infiltration (e.g., envelope sealing, duct sealing, weather stripping);
- Replacement of appliances with Energy Star qualified appliances, lighting, faucets/showerheads, HVAC systems, programmable thermostats, boilers/water heaters, insulation, window film, high efficiency windows; and
- Other building improvements which will result in reduced energy and/or water consumption.

MERP funding may be used for retrofit work, an owner incentive fee, and other soft costs as further described in Section Five, G. Applicants may carry out these retrofits as part of a broader rehabilitation plan that has non-MERP financing associated with it; however, these Applicants should be aware that compliance with all federal requirements outlined in Exhibit B, including the Davis-Bacon Act, may apply to the entire rehabilitation.

SECTION TWO DEFINITIONS

Unless otherwise defined below, capitalized terms within this RFA shall have the meaning as set forth below or in applicable federal regulations.

<p>“Affiliate” means any person that:</p> <p>(a) Directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Applicant,</p> <p>(b) Serves as an officer or director of the Applicant of any Affiliate of the Applicant,</p> <p>(c) Directly or indirectly receives or will receive a financial benefit from a Development, with the exception of third party lenders, third party management agents or companies, third party service providers, Housing Credit Syndicators, credit enhancers regulated by a state or federal agency, or contractors whose total fees are within the limit prescribed in Exhibit F, Part II, B.14.;-or</p> <p>(d) Is the spouse, parent, child, sibling, or relative by marriage of a person described in paragraph (a), (b) or (c) above.</p>
<p>“Applicant” means the person that (i) either currently owns the property or is a representative of the entity that currently owns the property; and (ii) is authorized to bind all Financial Beneficiaries to the cost associated with the retrofit work and other requirements outlined in this RFA throughout the entire Compliance Period.</p>
<p>“Board of Directors” or “Board” means the Board of Directors of the Corporation.</p>
<p>“Calendar Days” means the seven (7) days of the week.</p>
<p>“Completed” means that the temporary or final certificate of occupancy has been issued for at least one (1) unit in one of the residential apartment buildings within the Development.</p>
<p>“Compliance Period” means a period of time that the Development shall conform to all set-aside requirements as described further in the rule chapter and agreed to by the Applicant in the Application.</p>
<p>“Contact Person” means the person with whom the Corporation will correspond concerning the Application and the Development. This person cannot be a third-party consultant.</p>
<p>“Consent” means express written consent authorizing the utility or service provider to share customer-specific energy consumption data to a third party.</p>
<p>“Corporation” means the Florida Housing Finance Corporation as defined in Section 420.503, F.S.</p>
<p>“Credit Underwriter” means the independent contractor under contract with the Corporation having the responsibility for providing stated credit underwriting services.</p>
<p>“Development” means Project as defined in Section 420.503, F.S.</p>
<p>“Document” means electronic media, written or graphic matter, of any kind whatsoever, however produced or reproduced, including records, reports, memoranda, minutes, notes, graphs, maps, charts, contracts, opinions, studies, analysis, photographs, financial statements and correspondence, as well as any other tangible thing on which information is recorded.</p>

<p>“Draw” means the disbursement of funds to a Development.</p>
<p>“Energy Audit/Critical Repair Needs Analysis” or “Energy Audit/CRNA” means an analysis of a Development that entails a building/site walkthrough with identification and prioritization of needed energy retrofits, including but not limited to: insulation, windows, air sealing, weather-stripping by evaluating the building enclosure, cooling and heating systems, domestic hot water equipment, ventilation systems, lighting systems, appliances; and any exigent safety or health issues, such as structural problems, moisture problems, pest infestations, fire safety risks or code violations. Itemized costs for recommended retrofits and exigent issues will be included.</p>
<p>“Energy Consumption Model” means the model used to calculate a utility allowance estimate(s) as contemplated and permitted by 26 CFR § 1.42-10(b)(4)(ii)(E) and prepared by a licensed engineer or a Residential Energy Services Network certified energy rater that has been approved by the Corporation and is included on the approved pool of providers list on the Corporation Website at http://www.floridahousing.org/PropertyOwnersAndManagers/EnergyConsumptionModelProceduresAndForms/ (also available by clicking here).</p>
<p>“EUA” or “Extended Use Agreement” means, with respect to the Housing Credit Program, an agreement which sets forth the set-aside requirements and other Development requirements under the Housing Credit Program.</p>
<p>“Financial Beneficiary” means any Principal of the Applicant entity who receives or will receive any direct or indirect financial benefit from a Development; however, Financial Beneficiaries do not include third party lenders, third party management agents or companies, third party service providers, Housing Credit Syndicators, credit enhancers regulated by a state or federal agency, or contractors.</p>
<p>“Financial Institution” means Lending institution as defined in Section 420.503, F.S.</p>
<p>“General Contractor” means a person or entity duly licensed in the state of Florida with the requisite skills, experience and credit worthiness to successfully perform the energy retrofit required in the Application and which meets the criteria described in the following conditions:</p> <ul style="list-style-type: none"> (a) Employ a Development superintendent and charge the costs of such employment to the general requirements line item of the General Contractor’s budget; (b) Charge the costs of the Development construction trailer, if needed, and other overhead to the general requirements line item of the General Contractor’s budget; (c) Secure building permits, issued in the name of the General Contractor; (d) Secure a payment and performance bond whose terms do not adversely affect the Corporation’s interest (or approved alternate security for General Contractor’s performance, such as a letter of credit), issued in the name of the General Contractor, from a company rated at least “A-” by AMBest & Co.; (e) Ensure that none of the General Contractor duties to manage and control the construction of the Development are subcontracted; (f) Ensure that no construction cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor unless otherwise approved by the Board for a specific

Development. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant’s request, inclusive of construction costs and ownership interests in the Development.

“**HUD**” means the United States Department of Housing and Urban Development.

“**Individually Metered Property**” means each tenant receives a monthly bill from the utility provider and each tenant directly pays the utility provider. To be eligible for funding, all tenants of the Individually Metered Properties must be using at least one of the utility providers outlined in Section Four, Item D.1.b. and, if applicable, D.2.c.

“**LURA**” or “**Land Use Restriction Agreement**” means an agreement which sets forth the set-aside requirements and other Development requirements under a Corporation program.

“**Master Metered Properties**” means the property owner receives one bill from the utility company and then pays all utility expenses for the property for the specified utility.

“**Non-Profit**” means a qualified non-profit entity as defined in Section 42(h)(5)(C), subsection 501(c)(3) or 501(c)(4) of the IRC and organized under Chapter 617, F.S., if a Florida Corporation, or organized under similar state law if organized in a jurisdiction other than Florida, to provide housing and other services on a not-for-profit basis, which owns at least 51 percent of the ownership interest in the Development held by the general partner or managing member entity and which entity is acceptable to federal and state agencies and financial institutions as a Sponsor for affordable housing where the purpose of the Non-Profit must be, in part, to foster low-income housing and such purpose must be reflected in the Articles of Incorporation of the Non-Profit entity. A Non-Profit entity shall own an interest in the Development, either directly or indirectly; shall not be affiliated with or controlled by a for-profit Corporation; and shall materially participate in the development and operation of the Development throughout the total affordability period as stated in the Land Use Restriction Agreement and the Extended Use Agreement.

“Principal” means:

(a) With respect to an Applicant that is a corporation, any officer, director or shareholder of the Applicant corporation, and, with respect to any shareholder of the Applicant corporation that is:

1. A corporation, any officer, director or shareholder of the corporation,
2. A limited partnership, any general partner or limited partner of the limited partnership, or
3. A limited liability company, any manager or member of the limited liability company;

(b) With respect to an Applicant that is a limited partnership, any general partner or limited partner of the Applicant limited partnership, and, with respect to any general partner or limited partner of the Applicant limited partnership that is:

1. A corporation, any officer, director or shareholder of the corporation,
2. A limited partnership, any general partner or limited partner of the limited partnership, or
3. A limited liability company, any manager or member of the limited liability company; and

(c) With respect to an Applicant that is a limited liability company, any manager or member of the Applicant limited liability company, and, with respect to any manager or member of the Applicant limited liability company that is:

1. A corporation, any officer, director or shareholder of the corporation,
2. A limited partnership, any general partner or limited partner of the limited partnership, or
3. A limited liability company, any manager or member of the limited liability company.

“Total Retrofit Cost” means the total of all costs incurred in the completion of the scope of work funded through this RFA, all of which shall be subject to the review and approval by the Credit Underwriter and the Corporation pursuant to this RFA. Total Retrofit Cost includes the following:

- (a) Fees in connection with the planning, execution, and financing of the Development, such as those of architects, engineers, attorneys, accountants, owner incentive fee, and the Corporation;
- (b) The cost of studies, surveys, plans, permits, insurance, interest, financing, and assessment costs;
- (c) The cost of the rehabilitation, and equipping of the Development;
- (d) Allowances for contingency reserves; and
- (e) The cost of such other items including indemnity and surety bonds and premiums on insurance of the Development.

“Website” means the Florida Housing Finance Corporation’s website, the Universal Resource Locator (URL) for which is www.floridahousing.org.

SECTION THREE PROCEDURES AND PROVISIONS

A. Submission Requirements

A complete Application for this RFA consists of the Application found in Section Four, the Applicant Certification and Acknowledgement form found at Exhibit A of the RFA, as well as all other applicable documentation to be provided by the Applicant, as outlined in Section Four of the RFA.

The Application Deadline is 11:00 a.m., Eastern Time, on November 13, 2015. To be eligible for funding, the Applicant must meet all of the following submission requirements prior to the Application Deadline for each Application:

1. Download and complete the Application Form (Section Four) found on the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-115/> (also accessible by clicking [here](#)). The download process may take several minutes. Applicants should save the file with a file name that is unique to that Application.
2. When the Applicant is ready to submit the completed Application, the Applicant must go to the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-115/> (also accessible by clicking [here](#)) and click the link to login and upload the completed Application. To upload the Application, a username and password must be entered. If the Applicant has not previously created a username and password, the Applicant will need to create one prior to the upload process.
3. After successfully logging in, the Applicant must click "Upload Application". The Applicant must also enter the Development Name and click "Browse" to locate the completed Application Form that was saved as a Microsoft Word document on the Applicant's computer. Then the Applicant must click "Upload Selected File". The complete Application will be listed as an uploaded Application and its assigned Response Number will be visible in the first column.
4. To view and print the Uploaded Application, the Applicant must click "Print Application for Submission to Florida Housing". The assigned Response Number will be reflected on each page of the printed Uploaded Application. The Applicant must submit four (4) printed copies of the Uploaded Application to the Corporation, as outlined in item 5. below.

Note: If the Applicant clicks "Delete" prior to the Application Deadline, the Application will no longer be considered an Uploaded Application and the Applicant will be required to upload the complete Application again in order for the document to be considered an Uploaded Application. This will generate a new Response Number.

5. The Applicant must provide to the Corporation by the Application Deadline a **sealed** package(s) containing four (4) printed copies of the final Uploaded Application with all applicable attachments, as outlined in Section Four, with each copy housed in a separate 3-ring-binder with numbered divider tabs for each attachment. The final assigned Response Number should be reflected on each page of the printed Application.

(1) Original Hard Copy must contain the following:

- (a) One (1) printed copy of the complete Uploaded Application with all applicable attachments must be labeled "Original Hard Copy" and must include the Applicant Certification and Acknowledgement form with an original signature (blue ink preferred); and

(b) Applicants that do not qualify as Non-Profit Applicants must submit a non-refundable \$1,000 Application fee, payable to Florida Housing Finance Corporation (check or money order only). Applicants are not required to submit an Application fee if the Applicant qualifies as a Non-Profit Applicant at question B.2.a. of Section Four.

(2) The remaining three (3) printed copies of the complete Uploaded Application with all applicable attachments should be labeled "Copy".

If the Applicant does not provide the Uploaded Application and the materials listed in (1) and (2) above as required by the Application Deadline, the Application will be rejected and no action will be taken to score the Application.

The sealed package must be addressed to:

Ken Reecy
Director of Multifamily Programs
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

6. After 11:00 a.m., Eastern Time, on the Application Deadline, each Application for which hard copies are received by the Application Deadline will be assigned an Application number. In addition, these Applications will be assigned a lottery number by having the Corporation's internal auditors run the total number of Applications received through a random number generator program.
 7. The Applicant should label the outside of each shipping box with the applicable RFA number. The Corporation will not consider faxed or e-mailed Applications.
 8. If any of the hard copies of the Application are not identical to the complete Uploaded Application, the Uploaded Application will be utilized for scoring purposes.
- B. This RFA does not commit the Corporation to award any funding to any Applicant or to pay any costs incurred in the preparation or delivery of an Application.
- C. Florida Housing reserves the right to:
1. Waive Minor Irregularities; and
 2. Accept or reject any or all Applications received as a result of this RFA.
- D. Any Interested Party may submit any inquiry regarding this RFA in writing to Ken Reecy via e-mail at RFA_2015-115_Questions@floridahousing.org (also accessible by clicking [here](#)). All inquiries are due by 5:00 p.m., Eastern Time, on October 30, 2015. Phone calls or written inquiries other than at the above e-mail address will not be accepted. The Corporation expects to respond to all inquiries by 5:00 p.m., Eastern Time, on November 4, 2015 and will post a copy of inquiries received, and their answers, on the Corporation's Website at

<http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-115/> (also accessible by clicking [here](#)). The Corporation will also send a copy of those inquiries and answers in writing to any interested party that requests a copy. The Corporation will determine the method of sending its answers, which may include regular United States mail, overnight delivery, fax, e-mail, or any combination of the above. No other means of communication, whether oral or written, shall be construed as an official response or statement from the Corporation.

- E. Any person who wishes to protest the specifications of this RFA must file a protest in compliance with Section 120.57(3), Fla. Stat., and Rule Chapter 28-110, F.A.C. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.
- E. By submitting this Application, each Applicant agrees to the terms and conditions outlined in the RFA. By inclusion of Section Four, and execution of Applicant Certification and Acknowledgement (Exhibit A) of the RFA, each Applicant certifies that:
 - 1. Public Records. Any material submitted in response to this RFA is a public record pursuant to Chapter 119, Fla. Stat. Per Section 119.071(1)(b)2., the sealed Applications received by the Corporation are exempt from disclosure until such time as the Board provides notice of an intended decision or until 30 Calendar Days after the opening of the sealed Applications, whichever is earlier.
 - 2. Noninterference. At no time during the review and evaluation process, commencing with the Application Deadline and continuing until the Board renders a final decision on the RFA, may Applicants or their representatives contact Board members or Corporation staff, except Corporation legal staff, concerning their own or any other Applicant's Application. If an Applicant or its representative does contact a Board or staff member in violation of this section, the Board shall, upon a determination that such contact was made in an attempt to influence the selection process, disqualify the Application.
 - 3. Requirements. Developments funded with MERP will be subject to the requirements of this RFA, inclusive of all exhibits, the Application requirements outlined in Rule 67-60, F.A.C., applicable laws, rules and regulations, and the Corporation's generally applicable construction and financial standards.
- F. The Corporation expects to select one (1) or more Applications to award the funding contemplated by this RFA. Any such Applications will be selected through the Corporation's review of each Application, considering the factors identified in this RFA.
- G. Pursuant to subsection 67-60.004(2), F.A.C., an Applicant may request withdrawal of its Application from this RFA by filing a written notice of withdrawal with the Corporation Clerk. For funding selection purposes for this RFA, the Corporation shall not accept any Application withdrawal request that is submitted between 5:00 p.m., Eastern Time, the last business day before the date the Committee meets to make its recommendations to the Board until after the Board has taken action on the Committee's recommendations, and such Application shall be included in the funding selection process as if no withdrawal request had been submitted. Any

funding or allocation that becomes available after such withdrawal is accepted shall be treated as returned funds and disposed of according to the terms of this RFA.

SECTION FOUR
APPLICATION FORM for RFA 2015-115

Section Four (“the Application Form”) must be completed by the Applicant and submitted as outlined in Section Three. Note: All information will be verified in the credit underwriting process.

A. Applicant Certification and Acknowledgement

The Applicant must sign the Applicant Certification and Acknowledgement provided as Exhibit A, acknowledging and certifying to all statements made in that exhibit, and include as **Attachment 1**.

B. Applicant Information:

1. State the name of the Applicant:

[Click here to enter text.](#)

2. To qualify for up to 15 percent of the MERP award to be forgiven, the Applicant must, as of the Application submission date, qualify as a Non-Profit Applicant, or be certified by the Department of Management Services as a Women, Veteran or Minority-Owned Business. All other Applicants will qualify for up to 10 percent of the MERP award to be forgiven. The forgivable portion of the loan is further explained in Section Five, G.4.

a. Is the Applicant a Non-Profit Applicant as of Application submission date?

Yes No

If “Yes”, in order to be considered to be a Non-Profit entity for purposes of this RFA, the Applicant must meet the definition of Non-Profit as set out in Section Two, answer the following questions, and provide the required information.

(1) Provide the following information for each Non-Profit entity as **Attachment 2**:

- (a) The IRS determination letter;
- (b) A description/explanation of how the Non-Profit entity is substantially and materially participating in the management and operation of the Development (i.e., the role of the Non-Profit);
- (c) The names and addresses of the members of the governing board of the Non-Profit entity; and

(d) The articles of incorporation demonstrating that one of the purposes of the Non-Profit entity is to foster low-income housing.

(2) Answer the following questions:

(a) Is the Applicant or one of its general partners or managing members incorporated as a Non-Profit entity pursuant to Chapter 617, Florida Statutes, or similar state statute if incorporated outside Florida?

Yes No

If "No", is the Applicant or one of its general partners or managing members a wholly-owned subsidiary of a Non-Profit entity formed pursuant to Chapter 617, Florida Statutes, or similar state statute if incorporated outside Florida?

Yes No

(b) Is the Applicant or one of its general partners or managing members a 501(c)(3) or 501(c)(4) Non-Profit entity, or is the Applicant or one of its general partners or managing members a wholly-owned subsidiary of a 501(c)(3) or 501(c)(4) Non-Profit entity?

Yes No

(c) Does the Non-Profit entity have an ownership interest, either directly or indirectly, in the general partner or general partnership interest or in the managing member or the managing member's interest in the Applicant?

Yes No

If "Yes", state the percentage owned in the general partnership or managing member interest: [Click here to enter text](#) %

(d) Percentage of Developer's fee that will go to the Non-Profit entity: [Click here to enter text](#) %

(e) Year Non-Profit entity was incorporated (yyyy): [Click here to enter text.](#)

(f) Is the Non-Profit entity affiliated with or controlled by a for-profit entity within the meaning of Section 42(h), Internal Revenue Code?

Yes

No

If “Yes”, state name of the for-profit entity:

[Click here to enter text.](#)

Any Applicant that applies as a Non-Profit but is not considered to be a Non-Profit will still be eligible to be considered for funding as a for profit entity.

- b. Is the Applicant a Women, Veteran or Minority-Owned Business certified Applicant as of Application submission date?

Yes

No

Women, Veteran or Minority-Owned Business certification is established through the Department of Management Services. Evidence of Women, Veteran or Minority-Owned Business certification from Department of Management Services as of the Application submission date must be provided in credit underwriting as outlined in Item B.2. of Exhibit F.

3. Principals for the Applicant:

All Applicants must provide a list as **Attachment 3** identifying the Principals for the Applicant. The list must include all of the following information. To assist the Applicant in compiling the listing, the Corporation has included additional information at Exhibit C of the RFA.

- (1) For a Limited Partnership, provide a list identifying the Principals of the Applicant as of the Application submission date. This list must include warrant holders and/or option holders of the proposed Development.
- (2) For a Limited Liability Company, provide a list identifying the Principals of the Applicant as of the Application submission date. This list must include warrant holders and/or option holders of the proposed Development.
- (3) For a Corporation and all other entities, provide a list identifying the Principals of the Applicant as of the Application submission date.

This eligibility requirement may be met by providing a copy of the list of Principals that was reviewed and approved by the Corporation during the advance-review process.

4. Provide the Contact Person information requested below:

First Name: [Click here to enter text.](#)

Middle Initial: [Click here to enter text.](#)

Last Name: [Click here to enter text.](#)
Street Address: [Click here to enter text.](#)
City: [Click here to enter text.](#)
State: [Click here to enter text.](#)
Zip: [Click here to enter text.](#)
Telephone: [Click here to enter text.](#)
Facsimile: [Click here to enter text.](#)
E-Mail Address: [Click here to enter text.](#)
Relationship to Applicant: [Click here to enter text.](#)

At a minimum, the name and e-mail address must be provided.

C. General Development Information

1. State the name of the Development:

[Click here to enter text.](#)

2. State the address number, street name, and name of city or unincorporated area of county for the Development in the space provided.

[Click here to enter text.](#)

3. Indicate the county where the Development is located: [Choose a county](#)

4. How many total units are in the Development? [Click here to enter text.](#)

Note: The minimum number of units in the Development is 15.

5. Age of the Development

- a. To be eligible for funding, the Development must have been Completed prior to January 1, 2005. Does the Development meet this requirement?

Yes

No

- b. To be eligible for the Age of Development Preference in the funding selection process described in Section Five, B.1., the Development must have been Completed prior to January 1, 1995. Does the Development meet this requirement?

Yes

No

6. To be eligible for funding, the retrofit must be for existing multifamily rental developments which commit to limit at least 70 percent of the total units to households with incomes at or below 80 percent of Area Median Income (AMI).

a. Income restrictions:

(1) Are at least 70 percent of the total units currently restricted to households with incomes at or below 80 percent of AMI?

Yes No

(2) If "No", does the Applicant commit that all new tenants will have household incomes at or below 80 percent of AMI until at least 70 percent of the total units are restricted to these households?

Yes No

b. Select the appropriate box(es) confirming that the Development is currently subject to a Corporation Land Use Restriction Agreement, Extended Use Agreement, and/or non-Corporation development specific restriction agreement with income set-asides.

- Corporation Land Use Restriction Agreement;
- Corporation Extended Use Agreement, and/or
- Non-Corporation development specific restriction agreement with income set-asides.*

* If the Development is subject to non-Corporation development specific restriction agreement with income set-asides, the Applicant will be required to submit a copy of the agreement to the Corporation as outlined in Part I, A.2. of Exhibit F.

D. Utility Information

MERP is funded through the State Energy Program with federal funds from the U.S. Department of Energy. One of the reporting requirements for the program involves data on energy savings achieved by the retrofit. To this end, the Corporation has contracted with the University of Florida to provide utility data reporting services related to MERP. All Developments awarded a MERP award will be required to allow access to utility data for the property for the term of the award at the unit level (if Individually Metered Property) or at the property level (if Master-Metered Property). In some cases, the University of Florida will collect data directly from the utility provider as often as on a quarterly basis. If the utility provider requires Consent of the property owner, Consent must be given.

If the utility provider requires Consent from each tenant in order to provide such data, evidence of the Consents from all tenants, acceptable to the utility provider, must be in place and provided to the credit underwriter before the credit underwriting report is submitted to the Board for approval. This Consent must be maintained through the end of the Compliance Period. The energy data that will be collected includes:

- Energy use in kilowatts

- Dollars spent on energy
- Gas use (if applicable) in BTUs
- Dollars spent on gas

1. Electric Utilities - The Applicant must select the type of utility metering in place at the Development for electricity by selecting either a. or b. below. If the Applicant selects b., the Applicant must also select the appropriate box indicating the appropriate utility provider. If the Applicant does not select a. or b., or if b. is selected, but the Applicant does not select a utility provider, the Applicant will not be eligible for funding.

- a. Property qualifies as a Master Metered Property for electricity.
- b. Property qualifies as an Individually Metered Property for electricity. If Units are individually metered, to be eligible for funding the Development must be located in the service area of and receive utility services from one or more of the following utilities. The utility providers listed below are those that have demonstrated a willingness to provide utility data for the data collection purposes stated above. Note: No other providers for Individually Metered Properties will be considered.

- City of Leesburg;
- City of New Smyrna Beach Utilities Commission;
- *City of Ocala Electric Utility;
- City of Tallahassee;
- Clay Electric Cooperative;
- *Duke Energy;
- *Florida Power and Light Company;
- *Florida Public Utilities Company;
- Gainesville Regional Utilities;
- *Gulf Power Company;
- Jacksonville Electric Authority;
- Kissimmee Utility Authority;
- Lakeland Electric;
- Orlando Utilities Commission;
- *Suwannee Valley Electric Cooperative;
- *TECO; or
- *Withlacoochee River Electric Cooperative.

* Applicants with Developments receiving electric service from this utility must be able to demonstrate that Consent forms from every tenant, acceptable to the utility provider, are submitted during the credit underwriting process and remain in place throughout the Compliance Period.

2. Gas Utilities - The Applicant must select the type of utility metering in place at the Development for gas by selecting either a., b. or c. below. If the Applicant selects c., the

Applicant must also select the appropriate box indicating the appropriate utility provider. If the Applicant does not select a., b. or c., or if c. is selected, but the Applicant does not select a utility provider, the Applicant will not be eligible for funding.

- a. The property does not use gas.
- b. Property qualifies as a Master Metered Property for gas.
- c. Property qualifies as an Individually Metered Property for gas. If Units are individually metered, to be eligible for funding the Development must be located in the service area of and receive utility services from one or more of the following utilities. The utility providers listed below are those that have demonstrated a willingness to provide utility data for the data collection purposes stated above. Note: No other providers for Individually Metered Properties will be considered.
 - City of Leesburg;
 - City of Tallahassee;
 - *Florida Power and Light Company;
 - *Florida Public Utilities Company;
 - Gainesville Regional Utilities;
 - Kissimmee Utility Authority; or
 - Lakeland Electric.

* Applicants with Developments receiving gas service from this utility must be able to demonstrate that Consent forms from every tenant, acceptable to the utility provider, are submitted during the credit underwriting process and remain in place throughout the Compliance Period.

E. Determining the Maximum Eligible Funding Amount:

The Corporation will determine the Applicant’s Maximum Eligible Funding Amount by multiplying \$15,000 by the total number of units stated in question C.4. above, up to \$2,500,000. The Maximum Eligible Funding Amount is the maximum amount of funding that can be used for both the retrofit work and the soft costs as further described in Section Five, G.4., and will be the amount of funding reserved for the Funding Selection Process described in Section Five, E.

Note: The actual amount of the MERP award may be less than the Maximum Eligible Funding Amount. The funding amount needed for the retrofit and the soft costs will be determined during the credit underwriting process as further explained in Section Five, G. Funding Award Process. MERP funding cannot be used for the costs of a construction or renovation project that are not directly related to energy efficiency measures identified in the scope of work.

SECTION FIVE: APPLICANT ELIGIBILITY AND FUNDING SELECTION

- A. Eligibility: - Only Applications that are determined to be eligible for funding will be considered for funding selection.

To be eligible, the Applicant must meet all of the following requirements:

1. Submission requirements

The Corporation will reject any competitive Application submittal and no action will be taken to score the Application if any of the following submission requirements are not met by the Application Deadline:

- a. Electronic submission of Section Four (the "Application Form") in Microsoft Word format, as described in Section Three, A.1.; and
- b. Submission of a **sealed** package(s) containing the following:
 - (1) The required non-refundable \$1,000 Application fee, payable to Florida Housing Finance Corporation (check or money order only), unless the Application qualifies as a Non-Profit Applicant at question B.2.a. of Section Four; and
 - (2) The Applicant Certification and Acknowledgement form with an original signature (blue ink preferred).

2. Financial Arrearage Requirement

An Application will be deemed ineligible to be considered for funding if, as of the close of business the day before the Committee meets to make a recommendation to the Board, there are any financial obligations for which an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation as reflected on the most recently published Past Due Report posted to the Corporation's Website under the link Property Owners & Managers/Past Due Reports (also accessible by clicking [here](#)), but not more recently than five (5) business days prior to the date the Committee meets to make a recommendation to the Board.

3. System for Award Management (SAM) Requirement

An Application will be deemed ineligible to be considered for funding if, as of the close of business the day before the Committee meets to make a recommendation to the Board, there are any exclusions from receiving Federal contracts according to lists available on the System for Award Management (SAM) website located at https://www.sam.gov/portal/SAM/?navigationalstate=JBPNS_r00ABXdcACJqYXZheC5mYWNlcy5wb3J0bGV0YnJpZGdlLlNUQVRFX0lEAAAAAQApdmldzoZnjYwMGUwOC03Mzk4LTQ2NmEtYmQ5YS0wMmM3MzRiZmU0MjMAB19fRU9GX18*&portal:componentId=6e0f1731-a8c7-4ce0-b010-

7b6f589056e7&interactionstate=JBPNS_r00ABXc0ABBfanNmQnJpZGdIVmIld0lkAAAAA QATL2pzzi9uYXZpZ2F0aW9uLmpzcAAHX19FT0ZfXw**&portal:type=action#1 (also accessible by clicking [here](#)). The most recent date of the Exclusion Extract Data Package found on the webpage will be used, but not more recently than five (5) business days prior to the date the Committee meets to make a recommendation to the Board.

4. Mandatory Items

Mandatory Items	Described in RFA at:
Submission Requirements Met	Section Three A and Section Five, A.1.
Financial Arrearage Requirements met	Section Five, A.2.
System for Award Management (SAM) Requirement	Section Five, A.3.
Name of Applicant provided	Section Four, B.1.
Principals of the Applicant provided	Section Four, B.3.
Contact information provided	Section Four, B.4.
Name of the proposed Development provided	Section Four C.1.
Address of the proposed Development provided	Section Four, C.2.
County of the proposed Development provided	Section Four, C.3.
Total Units provided	Section Four, C.4.
Confirmation of Completion of Development prior to January 1, 2005	Section Four, C.5.a.
Confirmation that the Development currently commits or will commit to limiting at least 70 percent of the total units to households with incomes at or below 80 percent of AMI or less	Section Four, C.6.a.
Confirmation that the Development is currently subject to a Corporation Land Use Restriction Agreement, Extended Use Agreement, and/or non-Corporation development specific restriction agreement with income set-asides	Section Four, C.6.b.
Selection of either Individually Metered Property or Master Metered Property for electricity and, if applicable, gas	Section Four, D.
If Individually Metered Property, utility provider selected from list of providers for electricity, and if applicable, gas	Section Four, D.1.b. and D.2.c.

B. Sorting Order: All eligible Applications will be sorted in the following order, creating a Ranked List:

1. First, the Age of Development Preference, meaning Developments that were Completed prior to January 1, 1995, will receive preference (with Applications that qualify for the preference listed above Applications that do not qualify for the preference).
2. Next, by the Application’s eligibility for the Florida Job Creation Preference (with Applications that qualify for the preference listed above Applications that do not qualify for the preference).

To determine eligibility for the preference, the Corporation will calculate each Application's Florida Job Creation score, which will reflect the number of Florida jobs per \$1 million of the Corporation funding requested. Applications with a Florida Job Creation score equal to or greater than 125 will qualify for the Florida Job Creation Ranking Preference and will have a funding preference over another Applicant that does not meet the minimum qualification.

The Corporation will calculate the Rate of Florida Job Creation using the following formula: Number of rehabilitation units x 1.916 Florida Jobs per Rehab Unit x 1,000,000 / Maximum Eligible MERP Request Amount (\$15,000 per unit) = Florida Jobs per \$1 million of MERP funding.

An example is as follows:

Application A consists of 90 rehab units and has a maximum eligible MERP request amount of \$1,350,000 (90 x \$15,000 per unit).

$90 \times 1.916 \times 1,000,000 / 1,350,000 =$ Florida Job Creation score of 127.73.

3. Finally, by lottery number, with Applications that have a lower lottery number listed above Applications with a higher lottery number.
- C. County Award Tally: - As each Application is selected for tentative funding, the county where the proposed Development is located will have one (1) Application credited toward the County's Award Tally. The Corporation will prioritize eligible unfunded Applications that meet the Funding Test and are located in counties that have the lowest County Award Tally above other eligible unfunded Applications with a higher County Award Tally that also meet the Funding Test, even if the Applications with a higher County Award Tally are ranked higher.
- D. 75% Funding Test: - All Applications will be subjected to the 75% Funding Test. 75% Funding Test means that Applications will be selected for funding only if there is enough MERP funding to fund at least 75 percent of the Applicant's Maximum Eligible Funding Amount.
- E. Selection Process: -
1. Goal to fund two (2) Non-Profit Applications:
After the creation of the Ranked List, the two (2) highest ranking eligible unfunded Applications that qualify as Non-Profit Applicants will be selected for funding, subject to the County Award Tally and 75% Funding Test.
 2. Remaining Funding:
If funding remains after meeting the goal, the highest ranking eligible unfunded Application(s) on the Ranked List will continue to be considered for funding, subject to the County Award Tally and 75% Funding Test, regardless of the Non-Profit status of the Applicant. If funding is exhausted or if funding remains but no eligible unfunded

Applications meet the 75% Funding Test, remaining eligible unfunded Applications will be placed on a Waiting List.

F. Returned Funding: - MERP Funding that becomes available due to an Applicant withdrawing its Application, an Applicant declining its invitation to enter credit underwriting, reductions to the funding reserved to each Applicant based on scoping subsequent to Critical Repairs Needs Analysis (CRNA), or the Applicant's inability to satisfy a requirement outlined in this RFA will be considered Returned Funding.

1. Partially funded Applications - Returned Funding will first be offered to any partial award, up to the Maximum Eligible Funding Amount, if needed, based on the scope of work.
2. Waiting List - All unfunded eligible Applications will be placed on a Waiting List in the order they were ranked. The Applications that are approved for preliminary awards by the Board ("Initially Awarded Applications") will proceed with the Energy Audit/CRNA and development of scope of work, and receive an invitation to credit underwriting as outlined in Exhibit F. Once all of the Initially Awarded Applications have accepted the invitation to credit underwriting, declined the invitation to credit underwriting, or withdrawn from the process, the total of any unreserved funding and all Returned Funding will be distributed to additional eligible Applications on the Waiting List, in the order they were ranked as approved by the Board, also subject to the continuation of the County Award Tally and 75% Funding Test.

As each subsequent Application is approved for a preliminary award, proceeds with the Energy Audit/CRNA and development of scope of work, receives an invitation to credit underwriting as outlined in Exhibit F, and has accepted the invitation into credit underwriting, declined the invitation into credit underwriting, or withdrawn from the process, any unreserved funding and all Returned Funding will be distributed to additional eligible Applications on the Waiting List, in the order they were ranked as approved by the Board, also subject to the continuation of the County Award Tally and 75% Funding Test.

If unreserved or Returned Funding remains and there are no eligible unfunded Applications that can be funded, any remaining funding will be distributed as approved by the Board.

G. Award Process

After the Board approves preliminary awards and any resulting litigation is resolved, Applicants will be issued a Corporation letter of preliminary award. The award process is outlined below:

1. Energy Audit/Critical Repairs Needs Analysis (CRNA): The Corporation will order an Energy Audit/CRNA for each Development awarded preliminary funding. The energy audit will be used to help identify possible retrofit work that will result in energy savings. The CRNA will help determine whether the Development has any deficiencies that must be addressed prior to the commencement of any retrofit work contemplated in this RFA.

2. Scope of Work: The retrofit work will be based on a scope of work developed by the Corporation in consultation with the Applicant, using the Energy Audit/CRNA, and prioritizing the measures that result in the highest energy savings and the cost-benefit thereof.
3. Technical Assistance: The Corporation reserves the right to assign a technical assistance provider (at no charge to the Applicant) for any Application that receives a preliminary award from the Corporation's Board of Directors. If assigned, the provider will assist the Applicant in formalizing the Development plans proposed in the response to this RFA.
4. Forgivable Loan/Non-Forgivable Loan Funding Breakdown Methodology: As stated in Section Four, E. above, the Corporation will determine the Applicant's Maximum Eligible Funding Amount by multiplying the total number of units stated in Section Four, C.4 by \$15,000. If this number is less than \$2,500,000, this calculated number will be considered the Maximum Eligible Funding Amount. If the calculated number is more than \$2,500,000, \$2,500,000 will be the Maximum Eligible Funding Amount. The actual amount of the MERP award will be determined during credit underwriting and may be less than the Maximum Eligible Funding Amount.

Up to 15 percent of the loan may be forgiven using the following process:

- a. Determining the portion of the loan that may be forgiven:

The following estimated costs are associated with requirements of this RFA. The Corporation will determine the actual costs attributable to each of the items during the credit underwriting process. At the conclusion of the Compliance Period, the portion of the MERP award used for these costs will be forgiven, up to the following maximum amounts: (i) Applicants that qualify as a Non-Profit Applicant, or a Women, Veteran or Minority-Owned Business Applicant will qualify for a maximum of 15 percent of the MERP award to be forgiven; and (ii) all other Applicants will qualify for a maximum of 10 percent of the MERP award to be forgiven:

- (1) Corporation Qualified Energy Audit fee. The Corporation will pay this expense directly and deduct the appropriate amount from the award.
- (2) Credit underwriting fee (\$12,956). The Corporation will pay this expense directly and deduct the appropriate amount from the award.
- (3) Federal Labor Standards Monitoring fees:
 - (a) Annual fee of 0.75% of the outstanding award amount, which will range from a minimum monthly charge of \$355 to a maximum monthly charge of \$1,261.
 - (b) Pre-construction conference fee: \$861.

- (c) Per visit interview fee: \$323.
- (4) Annual MERP administrative fee: \$500/yr.
- (5) Davis-Bacon costs.
- (6) Construction Award Servicing fee:
 - (a) \$169/hour for in-house review of draw request (Max of \$2,074).
 - (b) \$169/hour for on-site inspection (Max of \$1,686 per inspection).
- (7) Corporation's attorneys' fees (estimated to be between \$5,000 and \$12,500).

The terms of the loan are described in Exhibit F.

- b. A maximum of 16 percent of the MERP award for the Development will be used as an owner incentive fee.
- c. MERP funding cannot be used for the costs of a construction or renovation project that are not related to energy efficiency measures and water conservation. This includes any deficiencies identified in the CRNA. If any such deficiencies are identified in the CRNA and the Corporation determines that the deficiencies must be resolved prior to the commencement of the retrofit work, the Applicant will be required to demonstrate that it can secure enough sources to pay for all expenses associated with repair of the deficiencies identified prior to the issuance of the invitation to credit underwriting. If other funding sources cannot be secured to effect repairs, the Corporation reserves the right to withdraw the preliminary award.
- d. If the MERP award is less than the Maximum Eligible Funding Amount, the difference between the Maximum Eligible Funding Amount and the MERP award will be considered Returned Funding.

SECTION SIX AWARD PROCESS

- A. Committee members shall independently evaluate and score their assigned portions of the submitted Applications, consulting with non-committee Corporation staff and legal counsel as necessary and appropriate.
- B. The Committee shall conduct at least one public meeting during which the Committee members may discuss their evaluations, select Applicants to be considered for award, and make any adjustments deemed necessary to best serve the interests of the Corporation's mission. The Committee will list the Applications deemed eligible for funding in order from highest ranking to lowest ranking, applying the funding selection criteria outlined in Section Five B above, and develop a recommendation or series of recommendations to the Board.

- C. The Board may use the Applications, the Committee's evaluation, any other information or recommendation provided by the Committee or staff, and any other information the Board deems relevant in its selection of Applicants to whom to award funding. Notwithstanding an award by the Board pursuant to this RFA, funding will be subject to meeting the minimum qualifying criteria outlined in this RFA, a positive recommendation from the Credit Underwriter based on criteria outlined in this RFA and the credit underwriting provisions in Exhibit F.
- D. The Corporation shall provide notice of its decision, or intended decision, for this RFA on the Corporation's Website the day of the applicable Board vote. After posting, an unsuccessful Applicant may file a notice of protest and a formal written protest in accordance with Section 120.57(3), Fla. Stat., et. al. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., et. al. shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.
- E. After issuance by the Board of all final orders regarding this RFA, the Corporation shall send all Applicants within the funding range a preliminary letter of award. The Corporation shall select the Credit Underwriter for each Development.

Exhibit A to RFA 2015-115 - Applicant Certification and Acknowledgement

- A. After the Board approves preliminary awards and any resulting litigation is resolved, the Corporation will order a Corporation Qualified Provider Energy Audit conducted on the property.
- B. The Applicant acknowledges and certifies that the information in Exhibit F, Part I will be provided by the due dates as outlined in Exhibit F, or as otherwise outlined in the invitation to enter credit underwriting. Failure to provide the required information by the stated deadline shall result in the withdrawal of the invitation to enter credit underwriting.
- C. By submitting the Application, the Applicant acknowledges and certifies that:
 - 1. The Development will meet all appropriate state building codes, including the 2012 Florida Accessibility Code for Building Construction, adopted pursuant to Section 553.503, F.S., the Fair Housing Act as implemented by 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35, incorporating the most recent amendments, regulations and rules;
 - 2. The retrofit project will be completed within 180 Calendar Days from award closing, unless it is part of a larger rehab funded by the Corporation, in which case the placed in service deadline in the carryover agreement or other Corporation imposed deadline for completion shall apply;
 - 3. All change orders, budget amendments, or requests for deadline extensions must be approved by the underwriter and Florida Housing staff;
 - 4. Any contract funded by the proceeds of a MERP award as well as other concurrent rehabilitation work at the Development will be subject to the requirements of the Davis-Bacon Act, 40 U.S.C. §§ 3142 – 3144, 3146 and 3147 (2002), 24 CFR § 92.354, 24 CFR Part 70 (volunteers), and 40 U.S.C. § 3145 (2002), requiring any single contract for the rehabilitation to contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the United States Secretary, will be paid to all laborers and mechanics employed for the construction or rehabilitation of the Development, and such contracts must also be subject to the overtime provisions of the Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 3701 – 3706 and 3708 (2002), the Copeland Act (Anti-Kickback Act), 40 U.S.C. § 3145 (2002), and the Fair Labor Standards Act of 1938, as amended (29 U.S.C. § 201 et seq.);
 - 5. The Applicant agrees to comply with the federal requirements outlined in Exhibit B;

Exhibit A to RFA 2015-115 - Applicant Certification and Acknowledgement

6. The success of an Applicant in being selected for funding is not an indication that the Applicant will receive a positive recommendation from the Credit Underwriter, or that the Development team's experience, or past performance or financial capacity is satisfactory. The past performance record, financial capacity and any and all other matters relating to the Development team will be reviewed during credit underwriting. The Credit Underwriter may require additional information from any member of the Development team including, without limitation, documentation on other past projects and financials. A Development team with an unsatisfactory past performance record, inadequate financial capacity or any other unsatisfactory matters relating to their suitability may result in a negative recommendation from the Credit Underwriter;
7. The Applicant commits to provide an affordability period on the Development's set-aside units for a term of 10 years from the date the MERP loan is closed which will be concurrent, if applicable, with any existing affordability period;
8. The Applicant must commit at least 70 percent of the total units to households with incomes at or below 80 percent of Area Median Income (AMI). If the Development does not currently commit at least 70 percent of the total units to households with incomes at or below 80 percent AMI, all new tenants will have household incomes at or below 80 percent of AMI until at least 70 percent of the total units are restricted to these households;
9. The Applicant's commitments will be included in the Land Use Restriction Agreement and must be adhered to in order for the Development to remain in compliance, unless the Board approves a change;
10. The applicable fees outlined in Exhibit E of the RFA will be due as outlined in this RFA and/or as otherwise prescribed by the Corporation and/or the Credit Underwriter;
11. The Applicant acknowledges that any funding preliminarily secured by the Applicant is expressly conditioned upon any independent review, analysis and verification of all information contained in this Application that may be conducted by the Corporation; the successful completion of credit underwriting; and all necessary approvals by the Board of Directors, Corporation or other legal counsel, the Credit Underwriter, and Corporation Staff;
12. If preliminary funding is approved, the Applicant will promptly furnish such other supporting information, documents, and fees as may be requested or required. The Applicant understands and agrees that the Corporation is not responsible for actions taken by the undersigned in reliance on a preliminary commitment by the Corporation;
13. The Applicant commits to participate in the statewide housing locator system;

Exhibit A to RFA 2015-115 - Applicant Certification and Acknowledgement

- 14. The Applicant commits to submit and implement a Property Management, Staff Education, and Resident Outreach Plan as outlined in Exhibit D of this RFA. The Applicant’s plans shall adhere to guidelines referenced in Exhibit D of this RFA and shall be reviewed and approved by the Corporation during credit underwriting. In addition, the Applicant commits to provide an annual Certificate of Continuing Program Compliance, to the Corporation. The form can be found on the Corporation Website at <http://www.floridahousing.org/PropertyOwnersAndManagers/Forms/> (also available by clicking [here](#));
- 15. For those Developments where the residents pay utility costs directly and not by or through the owner, the Applicant commits to adopting Development specific utility allowances such as those calculated using the Energy Consumption Model option;
- 16. The Applicant commits to cooperate with all ongoing data collection efforts necessary to meet the reporting requirements of this program for the life of the loan, and, in coordination with the University of Florida Program for Resource Efficient Communities, to make it an ongoing mandatory part of its leasing practices to obtain and update documented account holder consent to share utility consumption data for 100 percent of individually metered units;
- 17. The Applicant has read all applicable Corporation rules governing this RFA and has read the instructions for completing this RFA and will abide all requirements of this RFA, the applicable Florida Statues and the credit underwriting provisions outlined in Exhibit F;
- 18. The Respondent understands and agrees to cooperate with any audits conducted in accordance with the provisions set forth in Section 20.055(5), Fla. Stat.;
- 19. In eliciting information from third parties required by and/or included in this Application, the Applicant has provided such parties information that accurately describes the Development. The Applicant will review the third party information provided during the credit underwriting process and the information provided by any such party to ensure such information is accurate with respect to the Development in this Application; and
- 20. The undersigned is authorized to bind all Financial Beneficiaries to this certification and warranty of truthfulness and completeness of the Application.

Under the penalties of perjury, I declare and certify that I have read the foregoing and that the information is true, correct and complete.

Signature of Applicant

Name (Typed or Printed)

Title (Typed or Printed)

Exhibit B to RFA 2015-115 – OTHER FEDERAL REQUIREMENTS

All successful Developments will be required to comply with the following provisions as applicable:

- A. **Equal Employment Opportunity** - Compliance with E.O. 11246, "Equal Employment Opportunity", as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity", and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
- B. **Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c)** - All contracts in excess of \$2,000 for construction or repair shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The Applicant shall report all suspected or reported violations to the Corporation.
- C. **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7)** - All construction contracts of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The Applicant shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The Applicant shall report all suspected or reported violations to the Corporation.

The Corporation will require, prior to the start of construction, certification by the Applicant that it has been advised by the Corporation of its responsibilities and obligations regarding the federal labor and wage requirements and that it agrees to comply with the guidelines. The Applicant will be required to submit to the Corporation, or its representative servicer, payroll reports and certifications to verify wage payments. Conformance with Labor Standards will be monitored during the construction/rehabilitation period in conjunction with the draw inspections by the consulting engineer/architect engaged by the underwriter/servicer.

- D. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)** - All contracts in excess of \$2000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the

Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

- E. Rights to Inventions Made Under a Contract or Agreement** - Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 10 CFR part 600.325, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements", and any implementing regulations issued by the awarding agency.
- F. Clean Air Act (42 U.S.C. 7401 et seq.), and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended** - Contracts of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- G. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)** - Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.
- H. Debarment and Suspension (E.O.s 12549 and 12689)** - No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension". This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees. Applicants must document that their contractors are not debarred, suspended, proposed for debarment or declared ineligible, by searching the Excluded Parties List System (now a part of the System for Awards Management) at <https://www.sam.gov/portal/public/SAM/> (also accessible by clicking [here](#)) and retaining a copy of search results indicating nothing was found.
- I. Section 508 of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1368) and Section 1424(e) of the Safe Drinking Water Act, (42 U.S.C. 300h-3(e))** - Contracts of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to Section 508 of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1368) and Section 1424(e) of the Safe

Drinking Water Act, (42 U.S.C. 300h-3(e)). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

- J. Compliance with all Federal statutes relating to nondiscrimination.** These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of sex; (b) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 795), which prohibits discrimination on the basis of handicaps; (c) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (d) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (e) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (f) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (h) any other nondiscrimination provisions in the specific statute(s) made; and, (i) the requirements of any other nondiscrimination statute(s) which may apply.
- K. Compliance with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646)** which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

Should the residents be displaced as a direct result of the energy retrofit of the Development, the Applicant will be required to comply with the following requirements and provide the following information:

1. General Information Notice (GIN) - In accordance with the Uniform Relocation Act (URA), a Development receiving MERP funds must provide a notice to all residents informing them of their rights under the URA. Applicants should use the GIN/Notice of Non-Displacement, that is typically used for HOME funded Developments in accordance with Chapter 2 of the HUD Handbook 1378. The Handbook is available on the Corporation at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-115/> (also accessible by clicking [here](#)). The proper manner of notice is provided in this Handbook. A copy of each General Information Notice must be provided to each tenant. By the due date outlined in the invitation to enter credit underwriting, the Applicant must provide to the Corporation a copy of each General Information Notice for each occupied unit. Each notice must include proof of delivery by certified letter or by signed copy of the notice when hand delivered.
- L. Compliance with the provision of the Hatch Act (5 U.S.C. 1501 – 1508 and 7324 – 7328)** which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

- M. Comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234)** which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- N. Compliance with environmental standards which may be prescribed to the following:** (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EP 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplain in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

The U. S. Department of Energy has categorically excluded from National Environmental Policy Act (NEPA) review all of the pre-reported activities specified in the grant agreement that the Corporation has with the Florida Department of Agriculture and Consumer Services (Florida) under the Department of Energy's American Recovery and Reinvestment Act of 2009 (ARRA) State Energy Program (SEP). Therefore, no environmental review or public notice needs to be conducted at the Development level for these four types of projects:

1. Building retrofits, solar outdoor lighting, and photovoltaic emergency backup power (on existing structures or within existing facilities);
2. Retrofits of existing industrial buildings and facilities such as energy efficient lighting controls/sensors, chillers, furnaces, boilers, and heat recovery;
3. Development and implementation of energy efficiency programs for buildings and facilities (including: energy audits; energy conservation planning; and energy conservation measure implementation);
4. Development and implementation of programs to conserve energy used in transportation (including: use of flex time by employers, satellite work center, development and promotion of zoning guidelines or requirements that promotes energy efficient development, synchronization of traffic signal; and other measures that increase energy efficiency and decrease energy consumption; and
5. Replacement of traffic signals and street lighting with energy efficient light technologies (including light emitting diodes and any other technology of equal or greater energy efficiency).

Projects that do not fall into one or more of these four categories must be brought to the Corporation's attention. The categorical exclusion from the NEPA review does not eliminate the need for Section 106 reviews.

- O. **Compliance with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.)** related to protecting components or potential components of the national wild and scenic rivers system.
- P. **Compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.)**
- Q. **Compliance with P.L. 93-348** regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- R. **Compliance with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.)** pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this Agreement.
- S. **Compliance with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.)** which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
- T. **Compliance with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in accordance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).**
- U. **Assist in complying with the State Energy Conservation Program as described in the Code of Federal Regulations, Title 10, Parts 420 and 450 and guidance issued by the U.S. Department of Energy and subsequent guidance issued by the U.S. Department of Energy; the Financial Assistance Rules described in Title 10, Part 600, as well as those regulations concerning the use of oil overcharge recovery funds.**
- V. **The Commission reserves the right to transfer equipment acquired under this grant as provided in Title 10, Part 600.117.** The Recipient can obtain a release of this right upon application containing certain commitments.
- W. **Compliance with the Buy American Act (41 U.S.C. 10a-10c)** By accepting funds under this Agreement, the Applicant agrees to comply with sections 2 through 4 of the Act of March 3, 1933, popularly known as the "Buy American Act." The Applicant should review the provisions of the Act to ensure that expenditures made under this Agreement are in accordance with it. It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with MERP funds should be American-made.
- X. Preservation of open and competition and government neutrality towards contractors' labor relations on federally funded construction projects.
 - 1. Unless in conflict with State or local laws, you must ensure that bid specifications, project agreement, or other controlling documents in construction contracts awarded pursuant to this RFA do not:
 - a. Require or prohibit bidders, Applicants, contractors, or subcontractors to enter into or adhere to agreements with one or more labor organizations, on the same or other related construction project(s); or

- b. Otherwise discriminate against bidders, Applicants, contractors, or subcontractors for becoming or refusing to become or remain signatories or otherwise to adhere to agreements with one or more labor organizations, on the same or other related construction project(s).
 - 2. The term “construction contract” as used in this provision means any contract for the construction, rehabilitation, alteration, conversion, extension, or repair of buildings, highways, or other improvements to real property.
 - 3. Nothing in this provision prohibits bidders, Applicants, contractors, or subcontractors from voluntarily entering into agreements with labor organizations.
- Y. Compliance with the provision included in Title XV and Title XVI of Public Law 111-5, the American Recovery and Reinvestment Act of 2009.**
- Z. Segregation of Costs** – Applicants must segregate the obligations and expenditures related to funding under the Recovery Act. Financial and accounting systems should be revised as necessary to segregate, track, and maintain these funds apart and separate from other revenue streams. No part of the funds from the Recovery Act shall be commingled with any other funds or used for a purpose other than that of making payments for costs allowable for Recovery Act projects.
- AA. False Claims Act** – Applicants shall promptly refer to the Corporation, DOE or other appropriate Inspector General any credible evidence that a principle, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity or similar misconduct involving those funds.

Exhibit C of RFA 2015-115 - Examples of Lists of Principals:

As described in Section Four, B.3., the Corporation is providing the following charts and examples to assist the Applicant in providing the required list identifying the Principals for the Applicant. The term Principals is defined in Section Two.

a. Charts:

(1)

If the Applicant is a Limited Partnership:

Identify All General Partners	and	Identify All Limited Partners
-------------------------------	-----	-------------------------------

and

For each General Partner that is a Limited Partnership:	For each General Partner that is a Limited Liability Company:	For each General Partner that is a Corporation:
Identify each General Partner	Identify each Manager	Identify each Officer
and	and	and
Identify each Limited Partner	Identify each Member	Identify each Director
		and
		Identify each Shareholder

and

For each Limited Partner that is a Limited Partnership:	For each Limited Partner that is a Limited Liability Company:	For each Limited Partner that is a Corporation:
Identify each General Partner	Identify each Manager	Identify each Officer
and	and	and
Identify each Limited Partner	Identify each Member	Identify each Director
		and
		Identify each Shareholder

For any General Partner and/or Limited Partner that is a natural person (i.e., Samuel S. Smith), no further disclosure is required.

(b) If the Applicant is a Limited Liability Company:

Identify All Managers	and	Identify All Members
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and

For each Manager that is a Limited Partnership:		For each Manager that is a Limited Liability Company:		For each Manager that is a Corporation:
Identify each General Partner		Identify each Manager		Identify each Officer
and		and		and
Identify each Limited Partner		Identify each Member		Identify each Director
				and
				Identify each Shareholder

and

For each Member that is a Limited Partnership:		For each Member that is a Limited Liability Company:		For each Member that is a Corporation:
Identify each General Partner		Identify each Manager		Identify each Officer
and		and		and
Identify each Limited Partner		Identify each Member		Identify each Director
				and
				Identify each Shareholder

For any Manager and/or Member that is a natural person (i.e., Samuel S. Smith), no further disclosure is required.

(c) If the Applicant is a Corporation:

Identify All Officers	and	Identify All Directors	and	Identify All Shareholders
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and

For each Shareholder that is a Limited Partnership:		for each Shareholder that is a Limited Liability Company:		For each Shareholder that is a Corporation:
Identify each General Partner		Identify each Manager		Identify each Officer
and		and		and
Identify each Limited Partner		Identify each Member		Identify each Director
				and
				Identify each Shareholder

For any Officer and/or Director and/or Shareholder that is a natural person (i.e., Samuel S. Smith), no further disclosure is required.

Exhibit D to RFA 2015-115 – Property Management, Staff Education, And Resident Outreach Plan

All Applicants that receive a MERP award will be required to develop green and healthy property management practices and to conduct ongoing staff education and periodic resident outreach education to ensure that residents continue to reap the full benefits of the energy savings retrofits. “Green” refers to maintaining a property and unit in an environmentally responsible and resource efficient manner, and “healthy” is used to denote procedures to keep a property healthy for residents and management. A healthy property is marked by the absence of health and safety threats, e.g., indoor allergens and contaminants, pests, radon, lead and carbon monoxide.

All Applicants that receive a MERP award shall develop and implement a Property Management, Staff Education, and Resident Outreach Plan that includes the following features:

- How property management will save money on energy and water, and how residents can do the same;
- How property management can improve building durability, and how residents can do the same;
- How property management will conserve water, and how residents can do the same; and
- How healthier environments will be created for tenants and staff.

During the credit underwriting process, the Applicant shall be required to submit this plan for the Corporation’s approval. The following are some resources that will assist MERP award recipients. Owners and property managers are encouraged to review the sample policies, practices and materials and tailor them to meet their needs.

LISC's 2013 publication - Green & Healthy Property Management, A Guide for Multifamily Buildings. Available at http://www.lisc.org/docs/publications/2013_green_healthy_prop_mgmt_guide.pdf (also accessible by clicking [here](#)), last accessed May 27, 2014.

LISC’s Experts Online Archive: Green & Healthy Property Management Practices Webcast. Available at <http://www.lisc.org/content/publication/detail/20869> (also accessible by clicking [here](#)), last accessed May 27, 2014.

Enterprise Green Communities Tools to Engage Residents in Green & Healthy Living. Available at <http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/resources/resident-engagement> (also accessible by clicking [here](#)), last accessed May 27, 2014.

Exhibit E to RFA 2015-115 – Fees

The Corporation and, if applicable, the Credit Underwriter shall collect via check or money order from the Applicant the following fees and charges in conjunction with MERP. Failure to pay the required credit underwriting fee by the specified deadline shall result in withdrawal of the invitation to enter credit underwriting. Failure to pay any fee associated with MERP shall cause the firm award commitment to be terminated or shall constitute a default on the respective award documents.

A. Corporation Qualified Energy Audit Fee - The Corporation will pay this expense directly and deduct the appropriate amount from the award.

B. Credit Underwriting Fees:

The following fees are not the fees that will be charged, but are listed below for estimation purposes. The actual fees will be determined based on the current contract and any addendum for services between the Corporation and the Credit Underwriter(s) in effect at the time underwriting begins.

1. Credit underwriting fee: \$12,956 - The Corporation will pay this expense directly and deduct the appropriate amount from the award.

2. Re-underwriting fee: \$169 per hour, not to exceed \$7,513

Based on the Applicant's progress of retrofit construction, if the Corporation determines that further analysis by the Credit Underwriter is required prior to the release of the final Draw, the Applicant shall pay to the Credit Underwriter a fee based on an hourly rate determined pursuant to a contract between the Corporation and the Credit Underwriter. All credit underwriting fees shall be paid by the Applicant prior to the performance of the analysis by the Credit Underwriter.

3. Extraordinary Services fee: \$169 per hour.

C. MERP Administrative Fee: \$500 is to be paid annually. All Applicants shall remit the MERP administrative fee payable to the Florida Housing Finance Corporation.

D. Commitment Fees:

Each Applicant to which a firm commitment is granted shall submit to the Corporation a non-refundable commitment fee of 1 percent of the MERP award amount upon acceptance of the firm commitment. All Applicants shall remit the commitment fee payable to the Florida Housing Finance Corporation.

E. Award Closing Extension Fees:

In the event a MERP award does not close within nine (9) months of the date of the invitation to enter credit underwriting or within 120 Calendar Days of the date of the firm award commitment, an extension fee will be assessed. The award must close within nine (9) months of the date of the invitation to enter credit underwriting (preliminary award commitment).

Applicants may request one (1) extension of up to three (3) months related to this closing deadline. The Corporation shall charge a non-refundable extension fee of 1 percent of the award amount if the Board approves the request to extend the preliminary commitment beyond the initial nine (9) month closing deadline. In addition, the award related to the energy retrofit of the Development must close within 120 Calendar Days of the date of the firm award commitment. A request for an extension of the firm award commitment may be considered by the Board for an extension term of up to 90 Calendar Days. The Corporation shall charge an extension fee of one-half of one percent of the award amount if the Board approves the request to extend the firm commitment.

F. Construction Award Servicing Fees:

MERP awards have a Construction Award Servicing Fee to be paid as indicated. The following fees are listed for estimation purposes whereby the actual fees will be determined based on the current contract and any addendum for services between the Corporation and Servicer(s).

- \$169 per hour for an in-house review of a draw request, up to a maximum of \$2,074 per draw
- \$169 per hour for on-site inspection fees, up to a maximum of \$1,686 per inspection
- \$169 per hour for extraordinary services

Federal Labor Standards Monitoring fees include:

- Annual fee of 75 bps of the outstanding loan amount
- Minimum monthly fee of \$355
- Maximum monthly fee of \$1,261
- Per site visit interview fee of \$323
- Preconstruction conference fee of \$861 per Development
- Extraordinary services fee of \$169 per hour

G. Assumption/Renegotiation Fees:

If the Applicant is requesting a sale and/or transfer and assumption of the MERP loan, the borrower or purchaser shall submit to the Corporation a non-refundable assumption fee of one-tenth of one percent of the loan amount.

If the Applicant is requesting a renegotiation of the MERP loan, the borrower shall submit to the Corporation a non-refundable renegotiation fee of one-half of one percent of the loan amount. If the Applicant is requesting an extension of the loan term, the borrower shall submit to the Corporation a non-refundable extension fee of one-tenth of one percent of the loan amount. If the extension is associated with a renegotiation of the loan, then only the renegotiation fee will be charged.

Exhibit F to RFA 2015-115 – Credit Underwriting and Program Requirements

Applicants must follow the applicable credit underwriting, program requirements, and loan terms and conditions for the MERP Award.

Part I. Timeline for Providing Information to Corporation or Credit Underwriter

- A. After the Board approves the preliminary awards
 - 1. The Corporation will issue a preliminary letter of award;
 - 2. If the Applicant stated at question C.6.b. of the Application that the Development is subject to non-Corporation development specific restriction agreement with income set-asides, the Applicant will be required to submit a copy of the agreement to the Corporation within seven (7) Calendar Days of the letter of preliminary award. If the Applicant stated that the Development is subject to an existing EUA or LURA, the Applicant must provide verification of the agreements. Failure to provide the required information by the stated deadline shall result in the withdrawal of the preliminary award;
 - 3. The Corporation will order an Energy Audit/CRNA prepared by a Qualified Energy Auditor previously procured by the Corporation. The Energy Audit/CRNA will be conducted on the property with the cooperation of the property owner and manager; and
 - 4. After the completion of the Energy Audit/CRNA, the Corporation will develop a scope of work, using the Energy Audit/CRNA and in consultation with the Applicant. After the scope of work is developed, the Corporation will invite the Applicant into credit underwriting.

- B. The Applicant acknowledges and certifies that the following information will be provided by the due date outlined below, or as otherwise outlined in the invitation to enter credit underwriting. Failure to provide the required information by the stated deadline shall result in the withdrawal of the invitation to enter credit underwriting. An extension may be requested as provided in Part II, paragraph B.18 below.
 - 1. Within seven (7) Calendar Days of the date of the invitation to enter credit underwriting, the Applicant must respond to the invitation. The Corporation will then submit the credit underwriting fee as explained in Exhibit E, Item B.
 - 2. An Applicant that indicates at question B.2.b. of the Application that it is applying as a Department of Management Services (DMS) Certified Women, Veteran or Minority-Owned Business will only be considered to be a DMS Certified Women, Veteran or Minority-Owned Business, for purposes of this RFA, if the Applicant's status can be verified within seven (7) Calendar Days of the date of the invitation to enter credit underwriting.

3. Within nine (9) months of the date of the invitation to enter into credit underwriting or within 120 Calendar Days of the date of the firm award commitment, whichever is first, the MERP award must close. In the event that the award does not close, an extension may be available with extension fees being assessed as outlined in Item E. of Exhibit E.
- C. The Credit Underwriter will provide an itemized due diligence list for additional documentation needed to complete the credit underwriting report such as the following:
1. Verification of the date the Development was Completed;
 2. If the utility provider requires Consent from each tenant in order to provide such data, evidence that Consents from all tenants, through the end of the Compliance Period, acceptable to the utility provider, are in place prior to the submission of the credit underwriting report to the Board for approval; and
 3. Audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications for the Applicant, general partner(s), guarantors, and General Contractor, if applicable, as further outlined in Part II.B., item 12 below.
- D. The Applicant must demonstrate it is meeting all of the criteria committed to within the RFA either at time of application, credit underwriting, or executed closing agreements, as applicable.

Part II. Other Requirements and Procedures

A. Miscellaneous Requirements

1. Applications shall be limited to one submission per subject property.

If two or more Applications are considered to be submissions for the same Development site, the Corporation will reject all such Applications except the Application with the highest (worst) lottery number. The Application(s) with the lowest lottery number (best) will still be rejected, even if the Applicant withdraws the Application with the highest (worst) lottery number.
2. If an Applicant or any Affiliate of an Applicant:
 - a. Has engaged in fraudulent actions;
 - b. Has materially misrepresented information to the Corporation regarding any present Application or Development or any prior Application or prior Development;
 - c. Has been convicted of fraud, theft or misappropriation of funds;
 - d. Has been excluded from federal or Florida procurement programs for any reason; or

- e. Has been convicted of a felony;

The Applicant and any of the Applicant's Affiliates will be ineligible for funding or allocation in any program administered by the Corporation for a period of up to two (2) years, which will begin from the date the Board makes such determination or from the date the Corporation initiates a legal proceeding under this part. Such determination shall be either pursuant to a proceeding conducted pursuant to Sections 120.569 and 120.57, F.S., or as a result of a finding by a court of competent jurisdiction. When the Corporation initiates a proceeding under this part, all pending transactions under any program administered by the Corporation involving the Applicant or its Affiliates shall be suspended until the conclusion of such a proceeding.

- 3. If an Applicant or any Principal, Affiliate or Financial Beneficiary of an Applicant has any existing Developments participating in any Corporation programs that remain in non-compliance with any Corporation funded Programs, any competitive solicitations, or applicable loan documents, and any applicable cure period granted for correcting such non-compliance has ended as of the time of submission of the Application or at the time of issuance of a credit underwriting report, the requested allocation will, upon a determination by the Board that such non-compliance substantially increases the likelihood that such Applicant will not be able to produce quality affordable housing, be denied and the Applicant and the Affiliates of the Applicant will be prohibited from new participation in any of the Corporation's programs until such time as all of their existing Developments participating in any Corporation programs are in compliance.
- 4. Financial Beneficiary and Affiliate, as defined in this RFA, do not include third party lenders, third party management agents or companies, third party service providers, Housing Credit Syndicators, credit enhancers regulated by a state or federal agency, or contractors whose total fees are within the limit described in this RFA.
- 5. For computing any period of time allowed by this RFA, the day of the event from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday.

B. Credit Underwriting Procedures for MERP award:

Credit underwriting is a de novo review of all information supplied, received or discovered during or after the competitive solicitation scoring and funding preference process, prior to the closing on funding. The success of an Applicant in being selected for funding is not an indication that the Applicant will receive a positive recommendation from the Credit Underwriter or that the Development team's experience, past performance or financial capacity is satisfactory. The credit underwriting review shall include a comprehensive analysis of the Applicant, the real estate, the economics of the Development, and the ability of the Applicant and the Development team to proceed, in order to determine a recommended MERP loan amount, if any. As part of the credit underwriting review, the Credit Underwriter will consider the applicable provisions of this RFA.

1. At the completion of any litigation and approval by the Board of all recommended orders with regard to this RFA, the Corporation shall offer all Applicants within the funding range an invitation to enter credit underwriting. The Corporation shall select the Credit Underwriter for each Development.
2. The invitation to enter credit underwriting constitutes a preliminary commitment.
3. A response to the invitation to enter credit underwriting must be received by the Corporation and the Credit Underwriter not later than seven (7) Calendar Days after the date of the invitation. For any invitation to enter credit underwriting that is offered to an Applicant, where the Applicant's response is to decline to enter credit underwriting, the result shall be the removal of the Application from the list of eligible Applications for this RFA and any other funding where that list of eligible Applications will be used.
4. If the invitation to enter credit underwriting is accepted:
 - a. The loan must close within nine (9) months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to three (3) months. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The written request will then be submitted to the Corporation's Board for consideration. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant the requested extension. The Corporation shall charge a non-refundable extension fee of 1 percent of each loan amount if the Board approves the request to extend the commitment beyond the initial nine month closing deadline. In the event the loan does not close by the end of the three month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated. There are separate loan closing deadlines related to the firm loan commitment and these are provided in paragraph 22 below.
5. The Credit Underwriter shall review all information in the Application and subsequently provided during the credit underwriting process, including information relative to the Applicant and other members of the Development team. The Credit Underwriter shall also request and review such other information as it deems appropriate to determine whether or not to provide a positive recommendation in connection with a proposed Development.
6. In determining whether or not to provide a positive recommendation in connection with a proposed Development, the Credit Underwriter will consider the prior and recent performance history of the Applicant and any Financial Beneficiary of the Applicant, in connection with any other affordable housing development. The performance history shall consider instances involving a foreclosure, deed in lieu of foreclosure, financial arrearage, or other event of material default in connection with any affordable housing development or the documents governing financing or operation of any such development.

- a. Unless the Credit Underwriter determines that mitigating factors exist, or that underwriting conditions can be imposed, sufficient to mitigate or offset the risk, the existence of the following shall result in a negative recommendation of the proposed Development by the Credit Underwriter:
 - (1) Considering all affordable housing developments in which any party named above has been involved, if:
 - (a) During the period prior to August 1, 2010, 5 percent or more of that party's developments have been the subject of a foreclosure or deed in lieu of foreclosure, or in financial arrearage or other material default and such arrearage or material default remained uncured for a period of 60 days or more, or
 - (b) During the period beginning on or after August 1, 2010, any of that party's developments have been the subject of a foreclosure or deed in lieu of foreclosure, or in financial arrearage or other material default and such arrearage or material default is uncured at the present or, if cured, remained uncured for a period of 60 days or more.
 - (2) Mitigating factors to be considered by the Credit Underwriter, to the extent such information is reasonably available and verifiable, shall include the extent to which the party funded the operations of the development from that party's own funds in an attempt to keep the development afloat, the election by a party to forego financial participation in a development in an attempt to keep the development afloat, the party's satisfactory performance history over the last 10 years in connection with that party's affordable housing developments, and any other extenuating circumstances deemed relevant by the Credit Underwriter in connection with the party's involvement in a development.
- b. A negative recommendation may also result from the review of:
 - (1) An Applicant and any Financial Beneficiary of the Applicant, in connection with any other affordable housing development,
 - (2) Financial capacity of an Applicant and any Financial Beneficiary of the Applicant, or
 - (3) Any other relevant matters relating to an Applicant and any Financial Beneficiary of the Applicant, if, in the Credit Underwriter's opinion, one or more members of the Development team do not possess the ability to proceed.
 - (4) MERP funding cannot be used for the costs of a construction or renovation project that are not related to energy efficiency measures

and water conservation identified in the scope of work. MERP funding may be used for retrofit work, an owner incentive fee, and other soft costs as further described in Section Five, G. Applicants may carry out these retrofits as part of a broader rehabilitation plan that has non-MERP financing associated with it; however, these Applicants should be aware that compliance with all federal requirements outlined in Exhibit B, including with the Davis-Bacon Act, may apply to the entire rehabilitation.

7. The Credit Underwriter shall report any inconsistencies or discrepancies or changes made to the Applicant's Application during credit underwriting.
8. The Applicant will be responsible for all fees in connection with the documentation submitted to the Credit Underwriter other than those fees identified in Section Five, G.4.a. which the Corporation will pay directly and deduct the appropriate amount from the MERP award.
9. If the Credit Underwriter determines that special expertise is required to review information submitted to the Credit Underwriter which is beyond the scope of the Credit Underwriter's expertise, the fee for such services shall be borne by the Applicant.
10. The General Contractor or, if no General Contractor is utilized, each contractor providing services, must provide a contract which itemizes the costs attributable to the Davis-Bacon Act activities separately from the other costs. When requesting a draw of funds on the MERP award, the draw request submitted for funding must also itemize the costs attributable to the Davis-Bacon Act activities separately from the other costs.
11. The Corporation's assigned Credit Underwriter shall require a guaranteed maximum price contract if a General Contractor is being utilized, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree. In addition, the Corporation's assigned Credit Underwriter shall order a review of the Development's costs. The cost of the third-party review shall be part of the overall cost of the retrofit budget.
12. The Credit Underwriter may request additional information, but at a minimum the following will be required during the underwriting process:
 - a. For the Applicant, general partner(s), and guarantors, audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications. If financial statements that are either audited, compiled or reviewed by a licensed Certified Public Accountant are not available, unaudited financial statements prepared within the last 90 days and reviewed by the Credit Underwriter in accordance with Part IIIA, Sections 401 through 408 and 410, of Fannie Mae's Multifamily Selling and Servicing Guide, effective as of June 10, 2015, which is available on the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-115/> (also accessible by clicking [here](#)), and the two most recent years' tax

returns. When the Multifamily Selling and Servicing Guide references the “Lender”, it is to mean the “Credit Underwriter”, and when it references “Fannie Mae”, it is to mean “Florida Housing Finance Corporation”. If any of the applicable entities are newly formed (less than 18 months in existence as of the date that credit underwriting information is requested), a copy of any and all tax returns with related supporting notes and schedules. The financial statements and information provided for review should be in satisfactory form (inclusive of the substitution of the Multifamily Underwriting Certificate referenced in Section 407 with a similar certification meeting the same criteria) and shall be reviewed in accordance with Part IIIA, Sections 401 through 408 and 410, of Fannie Mae’s Multifamily Selling and Servicing Guide, in effect as of June 10, 2015 as referenced above.

- b. For the General Contractor, if one is being utilized, audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications. The audited or compiled statements may be waived if a payment and performance bond equal to 100 percent of the total retrofit cost whose terms do not adversely affect the Corporation’s interest, and is issued in the name of the General Contractor by a company rated at least “A-” by AMBest & Co.

- 13. The Credit Underwriter shall consider the following when determining the need for retrofit completion guarantees:

- a. Liquidity of the guarantor(s);
- b. Problems encountered previously with Developer or contractor; and
- c. Exposure of Corporation funds compared to Total Retrofit Cost.

At a minimum, the Credit Underwriter shall require a personal guarantee for completion of retrofit from a principal individual of the borrowing entity. In addition, a letter of credit or payment and performance bond whose terms do not adversely affect the Corporation’s interest will be required if the Credit Underwriter determines after evaluation of paragraphs a. - c. in this subsection that additional surety is needed. However, a completion guarantee will not be required if funds are not drawn until evidence of lien free completion is provided.

- 14. For any Development utilizing the services of a General Contractor, the General Contractor’s fee shall be limited to a maximum of 14 percent of the actual contracted retrofit cost.

- 15. The General Contractor, if one is being utilized, must meet the following conditions:

- a. Employ a Development superintendent and charge the costs of such employment to the general requirements line item of the General Contractor’s budget;

- b. Charge the costs of the Development retrofit trailer, if needed, and other overhead to the general requirements line item of the General Contractor's budget;
 - c. Secure building permits issued in the name of the General Contractor;
 - d. Secure a payment and performance bond whose terms do not adversely affect the Corporation's interest (or approved alternate security for General Contractor's performance, such as a letter of credit) issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co.;
 - e. Ensure that none of the General Contractor duties to manage and control the retrofit of the Development are subcontracted;
 - f. Ensure that no retrofit cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor unless otherwise approved by the Board for a specific Development. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of retrofit costs and ownership interests in the Development.
16. Have contingency reserves which total no more than 15 percent of total actual retrofit costs (hard costs) and 5 percent of total general development costs (soft costs).
 17. The Credit Underwriter will review and determine if the number of loans and construction commitments of the Applicant and its Principals will impede its ability to proceed with the successful development of each proposed Corporation-funded Development.
 18. Applicants must provide the items required by the Credit Underwriter within 90 days of the Applicant's acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to submit the required credit underwriting information by the specified deadline shall result in withdrawal of the preliminary commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. If the Corporation's decision is to deny the Applicant's request for an extension, then prior to the withdrawal of the preliminary commitment, the Board shall consider the facts and circumstances of the Applicant's request, the Corporation's denial, and any credit underwriting report, if available, and make a determination of whether to grant the requested extension.
 19. The Credit Underwriter shall complete its analysis and submit a written draft report and recommendation to the Corporation. Upon receipt, the Corporation shall provide to the Applicant the section of the written draft report consisting of supporting information and schedules. The Applicant shall review and provide written comments to the Corporation and Credit Underwriter within 48 hours of receipt. After the 48 hour period, the Corporation shall provide to the Credit Underwriter comments on the draft report and, as applicable, on the Applicant's comments. Then, the Credit Underwriter shall

review and incorporate, if deemed appropriate, the Corporation's and Applicant's comments and release the revised report to the Corporation and the Applicant. Any additional comments from the Applicant shall be received by the Corporation and the Credit Underwriter within 72 hours of receipt of the revised report. Then, the Credit Underwriter will provide a final report, which will address comments made by the Applicant, to the Corporation.

20. The Credit Underwriter's loan recommendations will be sent to the Board for approval.
21. The Corporation shall issue a firm loan commitment within seven (7) Calendar Days after approval of the Credit Underwriter's recommendation for funding by the Board.
22. This loan and other mortgage loans related to the retrofit of the Development must close within time limits provided in Part II, B.4. above. A request for an extension of the firm loan commitment(s) may be considered by the Board for an extension term of up to 90 Calendar Days (subject to the closing deadlines established by the invitation to enter credit underwriting). All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant's request, inclusive of the Applicant's ability to close within the extension term, and any credit underwriting report, if available, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one-half of one percent of the loan amount if the Board approves the request to extend the commitment beyond the period outlined in this RFA.
23. At least five (5) Calendar Days prior to any loan closing:
 - a. The Applicant must provide evidence of all necessary consents or required signatures from first mortgagees or subordinate mortgagees to the Corporation and its counsel, and
 - b. The Credit Underwriter must have received all items necessary to release its letter confirming that all closing contingencies have been met, including the finalized sources and uses of funds and Draw schedule.

C. Terms and Conditions of MERP Loan:

1. The proceeds of all MERP awards shall be used to reduce energy use and cost in multifamily buildings which preserves affordable, safe and sanitary multifamily rental housing units that have a Corporation Land Use Restriction Agreement, a Corporation Extended Use Agreement, or a non-Corporation development specific restriction agreement with income set-asides.
2. The MERP award may be in a first, second, or other subordinated lien position.
3. The MERP award shall be serviced either directly by the Corporation or by the servicer on behalf of the Corporation.

4. The Corporation shall monitor compliance of all terms and conditions of the MERP award and shall require that certain terms and conditions be embodied in the Land Use Restriction Agreement and recorded in the public records of the county wherein the Development is located. Violation of any material term or condition of the documents evidencing or securing the MERP award shall constitute a default during the term of the MERP award.
5. The Corporation shall require insurance to be maintained on the Development as determined by the first mortgage lender, the Corporation, or the Corporation's servicer, which shall meet the standards established in Part IIIA, Section 322 of the Fannie Mae Multifamily Selling and Servicing Guide, effective February 3, 2014, which is available on the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-115/> (also accessible by clicking [here](#)).
6. The term of the MERP award shall be 15 years.
7. The documents creating, evidencing or securing each MERP loan must provide that any violation of the terms and conditions described in this RFA constitutes a default under the MERP loan documents allowing the Corporation to accelerate its loan and to seek foreclosure as well as any other remedies legally available to it.
8. The Compliance Period for a MERP Development shall be for 10 years.
9. By the date that is 151 Calendar Days after the Applicant's fiscal year end of each year of the MERP loan term, the Applicant shall provide the Corporation's servicer with audited financial statements and a certification. The initial submission will be due following the fiscal year within which the 12 month anniversary of the MERP loan closing is observed. The certification shall require submission of audited financial statements and the fully completed and executed annual reporting form, Financial Reporting Form SR-1. The SR-1 form (Rev. 05-14), which is available on the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-115/> (also accessible by clicking [here](#)), shall be submitted to the Corporation's servicer in both PDF format and in electronic form as a Microsoft Excel spreadsheet. The audited financial statements are to be prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America for the 12 month fiscal year period just ended and shall include:
 - a. Comparative Balance Sheet with prior year and current year balances;
 - b. Statement of revenue and expenses;
 - c. Statement of changes in fund balances or equity;
 - d. Statement of cash flows; and
 - e. Notes to financial statements.

The financial statements referenced above should also be accompanied by a certification of the Applicant as to the accuracy of such financial statements. A late fee of \$500 will be assessed by the Corporation for failure to submit the required audited financial statements and certification by 151 Calendar Days after the Applicant's fiscal year end of each year of the MERP loan term. The Applicant shall furnish to the Corporation or its servicer, unaudited statements, certified by the Applicant's principal financial or accounting officer, covering such financial matters as the Corporation or its servicer may reasonably request, including without limitation, monthly statements with respect to the Development.

10. The Applicant will be required to participate in the statewide housing locator system.
11. The Applicant shall submit Program Reports pursuant to the following:
 - a. The initial Florida Housing Finance Corporation Program Report, PR-1, which is available on the Corporation's Website at <http://www.floridahousing.org/PropertyOwnersAndManagers/Forms/> (also accessible by clicking [here](#)), shall be prepared as of the last day of the calendar month during which loan closing occurred. Subsequent PR-1's shall be prepared as of the last day of each calendar month. PR-1's are due no later than the 15th of each month throughout the regulatory period. Annually, on dates assigned by the Corporation, the monitoring agent's copy of each PR-1 shall be accompanied by TIC-1 copies for ten (10) percent of the executed TIC-1's that were effective during the reporting year. PR-1's shall confirm compliance as follows:
 - b. Compliance shall be confirmed by the first PR-1 submitted 12 months following the expiration of the last then-existing tenant lease, without regard to any extension of the term of any then-existing tenant leases. The calculation of the above 12-month period shall begin with the date of the loan closing.
 - c. The failure of the initial or any subsequent PR-1's to confirm compliance as required in this subsection, shall, upon written notice of such failure from the Corporation or its agent to the borrower, require correction of the failure within 90 days of such written notice. This shall be deemed the "correction period". During the correction period:
 - (1) A borrower may request a 60-day extension of the correction period by submitting a written request to the Corporation's Compliance Monitoring Administrator. Such written request must be received by the Corporation's Compliance Monitoring Administrator at least 7 days prior to the expiration of the correction period.
 - (2) The Corporation shall consider the nature of the failure of compliance and the borrower's past compliance history in determining whether to grant a 60-day extension of the correction period. The Development shall not be deemed non-compliant prior to the expiration of the correction period. If the failure to comply is not, however, corrected within the correction period, or any extension of the correction period,

such Development shall then be deemed to be in non-compliance and be reported to the Board.

12. The portion of the MERP award that is not forgiven shall have the following conditions:

- a. The interest rate shall be a fixed interest rate equal to one percent simple interest per annum deferred until maturity of the loan.
- b. The amortization structure shall be non-amortizing with payments deferred until maturity of the loan.
- c. After maturity or acceleration, the Note shall bear interest at the Default Interest Rate from the due date until paid. Unless the Corporation has accelerated the MERP loan, the Applicant shall pay the Corporation a late charge of 5 percent of any required payment that is not received by the Corporation within 15 days of the due date.
- d. After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the MERP mortgage without prior approval of the Corporation's Board of Directors. However, an Applicant may reduce the interest rate on any superior or inferior mortgage loan without the Board's permission, provided that no other terms of the loan are changed. The Corporation must be notified within 30 days in writing of any such change.

Following retrofit completion, the Board shall deny requests to increase the amount of any superior mortgage, unless the criteria outlined below in D.5. are met, the MERP mortgage is maintained or improved, and a proportionate amount of the increase in the superior mortgage is used to reduce the outstanding MERP loan balance. To calculate the proportionate amount of the increase in the superior mortgage which must be paid toward the reduction of the MERP loan balance, the following calculation shall be used: divide the amount of the original MERP mortgage by the combined amount of the original MERP mortgage and the original superior mortgage; then multiply the quotient by the amount of the increase in the superior mortgage from the current balance. For example, if the amount of the original MERP mortgage is \$200,000, the original superior mortgage is \$4,800,000, with a current balance of \$4,200,000, a proposed new superior mortgage of \$5,200,000, then the amount of the increase in the superior mortgage would be \$1,000,000, and the proportionate amount of the increase in the superior mortgage which must be paid toward the reduction of the MERP loan balance would be \$40,000. This \$40,000 would be applied first to accrued interest and then to principal.

13. The portion of the MERP award that is to be forgiven shall have the following conditions:

- a. Be non-amortizing at 0 percent simple interest per annum until it qualifies for principal forgiveness, with the principal forgivable occurring after the final award disbursement has been made via correspondence from the Corporation

acknowledging and identifying the final amount of the portion of the loan which is to be forgiven;

- b. Be limited to either 10 percent or 15 percent, as applicable, of the total disbursed award amount, subject to being spent only for the qualifying items identified in Section Five, G.4.a. and the MERP award is not in default.

D. Sale, Transfer or Refinancing of a MERP Development:

1. Any sale, conveyance, assignment, or other transfer of interest or the grant of a security interest in all or any part of the title to the Development other than a superior mortgage shall be subject to the Corporation's prior written approval. The Board shall consider the facts and circumstances of each Borrower's request and any credit underwriting report, if available, prior to determining whether to grant such request.
2. The MERP award shall be assumable upon sale or transfer of the Development if the following conditions are met:
 - a. The proposed transferee meets all specific Applicant identity criteria which were required as conditions of the original loan;
 - b. The proposed transferee and release of transferor receives a favorable recommendation from the Credit Underwriter and approval by the Board of Directors of the Corporation.

All assumption requests must be submitted in writing to the Director of Special Assets and contain the specific details of the transfer and assumption. In addition to any related professional fees, the Corporation shall charge a non-refundable assumption fee as outlined in the most current competitive solicitation.

3. If the MERP award is not assumed since the buyer does not meet the criteria for assumption of the MERP award, the MERP award (principal and any outstanding interest) shall be repaid from the proceeds of the sale in the following order of priority:
 - a. Superior mortgage debt service, superior mortgage fees;
 - b. MERP compliance and loan servicing fees;
 - c. Unpaid principal balance of the MERP award;
 - d. Deferred interest due on the MERP loan;
 - e. Expenses of the sale; and
 - f. If there will be insufficient funds available from the proposed sale of the Development to satisfy paragraphs 3.a. - e. above, the MERP award shall not be satisfied until the Corporation has received:

- (1) An appraisal prepared by an appraiser selected by the Corporation or the Credit Underwriter indicating that the purchase price for the Development is reasonable and consistent with existing market conditions;
 - (2) A certification from the Borrower that the purchase price reported is the actual price paid for the Development, as supported by a copy of the final executed purchase and sale agreement, and that no other consideration passed between the parties, as supported by a draft and final closing statement; and
 - (3) A certification from the Borrower that there are no Development funds available to repay the MERP award, including any interest due, and the Borrower knows of no source from which funds could or would be forthcoming to pay the MERP award.
4. The Corporation may renegotiate and extend the loan in order to extend or retain the availability of housing for the target population. Such renegotiations shall be based upon:
 - a. Performance of the Borrower during the MERP loan term;
 - b. Availability of similar housing stock for the target population in the area;
 - c. Documentation and certification by the Borrower that funds are not available to repay the Note upon maturity;
 - d. A plan for the repayment of the loan at the new maturity date;
 - e. Assurance that the security interest of the Corporation will not be jeopardized by the new term(s); and
 - f. Industry standard terms which may include amortizing loans requiring regularly scheduled payments of principal and interest.

All loan renegotiation requests, including requests for extension, must be submitted in writing to the Director of Special Assets and contain the specific details of the renegotiation. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in an applicable competitive solicitation.

5. The Board shall approve requests for mortgage loan refinancing only if the Development's economic viability is maintained, the security interest of the Corporation is not adversely affected, and the Credit Underwriter provides a positive recommendation.
6. The Board shall deny requests for mortgage loan refinancing which require extension of the MERP loan term or otherwise adversely affect the security interest of the Corporation, unless the criteria outlined in 5. above, are met, the Credit Underwriter recommends that the approval of such a request is crucial to the economic survival of

the Development, or unless the Board determines that public policy will be better served by the extension as a result of the Borrower agreeing to further extend the Compliance Period or provide additional amenities or resident programs suitable for the resident population. Further, the Board shall limit any approved extension to a minimum term which makes the Development feasible and which does not exceed an industry standard term.

The Board shall deny requests to increase the amount of any superior mortgage, unless the criteria outlined in C.12.d. above are met and a proportionate amount of the increase in the superior mortgage is used to reduce the outstanding MERP loan balance.

E. MERP Retrofit Disbursements:

1. MERP award proceeds shall be disbursed during the retrofit phase in an amount per Draw which does not exceed the ratio of the MERP award to the Total Retrofit Cost, unless approved by the Credit Underwriter.
2. Ten (10) business days prior to each Draw, the Applicant shall supply the Corporation's servicer, as agent for the Corporation, with a written request executed by the Applicant for a Draw. The request shall set forth the amount to be paid and shall be accompanied by documentation specified by the Corporation's servicer including claims for labor and materials to date of the last inspection.
3. The Corporation and its servicer shall review the request for a Draw, and the servicer shall provide the Corporation with approval of the request or an alternative recommendation, after the title insurer provides an endorsement to the policy of title insurance updating the policy to the date of the current Draw and increasing the insurance coverage to an amount equal to the sum of all prior Draws and the current Draw.
4. The Corporation shall disburse retrofit Draws through Automated Clearing House (ACH). The Applicant may request disbursement of retrofit Draws via a wire transfer. The Applicant will be charged a fee of \$10 for each wire transfer requested. This charge will be netted against the Draw amount.
5. The Corporation shall elect to withhold any Draw or portion of any Draw, notwithstanding any documentation submitted by the Applicant in connection with the request for a Draw, if:
 - a. The Corporation or the Corporation's servicer determines at any time that the actual cost budget or progress of retrofit differs from that as shown on the loan documents; or
 - b. The percentage of progress of retrofit of the improvements differs from that shown on the request for a Draw.
6. The servicer may request submission of revised retrofit budgets.

7. Based on the Applicant's progress of retrofit, if the Corporation determines that further analysis by the Credit Underwriter is required prior to the release of the final Draw, the Applicant shall pay to the Credit Underwriter a fee based on an hourly rate determined pursuant to the current contract between the Corporation and the Credit Underwriter.
8. Retainage in the amount of 10 percent per Draw shall be held by the servicer during retrofit until the Development is 50 percent complete. At 50 percent completion, no additional retainage shall be held from the remaining Draws. Release of funds held by the Corporation's servicer as retainage shall occur pursuant to the MERP award agreement.