

**Florida Housing Finance Corporation
Workshop Agenda
RFQ 2015-105 – Multifamily Energy Retrofit Program (MERP)
227 N. Bronough Street, 6th Floor Seltzer Conference Room,
Tallahassee, FL
And via phone #1 888 339.2688, passcode #171 445 07
June 9, 2015, 2:00 p.m., Eastern Time**

This Request for Qualifications (RFQ) is open to Respondents proposing the retrofit of existing multifamily rental developments that limit at least 70 percent of tenancies to households with incomes at or below 80 percent of Area Median Income (AMI), and that were originally completed prior to January 1, 2005. Respondents will be required to commit to an affordability term of at least 10 years from the date the Multifamily Energy Retrofit Program (MERP) funding is closed. Respondents whose Principals have unresolved outstanding past due financial obligations to Florida Housing Finance Corporation, (“the Corporation”), and/or Respondents 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.

Under this program, for the first 30 Calendar Days from the date the Corporation begins accepting Responses (tentatively in early July), the Corporation will select eligible Responses on a first come, first served basis, using one award per county, and make available up to \$7,533,084 of MERP grant and loan funds. Funding that remains after the 30 Calendar Days will be awarded to the first eligible unfunded Responses that were submitted and can be fully funded, regardless of the county.

The Corporation is soliciting Responses from qualified Respondents that commit to make improvements 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 Respondent using an Energy Audit/Capital Needs Assessment (CNA) prepared by a Qualified Energy Auditor previously procured by the Corporation.

Up to \$15,000 per unit or \$3,000,000, whichever is less, may be awarded to any single Development using a combination of grant and loan funding as outlined below:

- Air infiltration (e.g., envelope sealing, duct sealing, weather stripping); and
- 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 3.c. Respondents may carry out these retrofits as part of a broader rehabilitation plan that has non-MERP financing associated with it; however, these Respondents should be aware that compliance with the Davis-Bacon Act will apply to the entire rehabilitation.

1. Electronic submission of Responses

Each Response will consist of the Response Form, an executed Respondent Certification and Acknowledgement, and the list of the Principals of the Respondent.

The Response Form is a Microsoft Word document. It is found on the FHFC website where it can be downloaded, filled out on the computer, and saved.

The Respondent Certification and Acknowledgement is a PDF document. It is found on the FHFC website where it can be downloaded, and either (i) filled out on the computer and, if the Respondent has the capability to do so, electronically signed and saved; or (ii) it can be printed, manually signed, and scanned into a PDF document.

Once these documents are ready for submission, but no earlier than the date and time the Corporation begins accepting Responses, the Respondent may go to the FHFC website, log in, and upload these three documents at the same time. Specific directions will be provided in the RFQ. Once submitted, a date time stamp will be generated.

2. Eligibility requirements

- a. All questions must be answered on the Response Form.
- b. The Development must have been completed prior to January 1, 2005.
- c. The Respondent must commit to set-aside at least 70 percent of the total units for households with incomes at or below 80 percent of AMI (to be verified during credit underwriting).
- d. The Development must be currently subject to a Corporation Land Use Restriction Agreement, Extended Use Agreement, and/or non-Corporation restriction agreement with income set-asides.
- e. The property must either qualify as a Master Metered Property for electricity, or If units are individually metered, the Development must be located in the service area of and receive utility services from one or more of the following utilities: City of Leesburg; City of New Smyrna Beach Utilities Commission; City of Tallahassee; Clay Electric Cooperative; *Florida Power and Light Company; Gainesville Regional Utilities; *Gulf Power Company; Jacksonville Electric Authority; Kissimmee Utility Authority; Lakeland Electric; Orlando Utilities Commission; or *TECO.
- f. If the property uses gas, the property must either qualify as a Master Metered Property for gas, or if units are individually metered, the Development must be located in the service area of and receive utility services from one or more of the following utilities: City of Leesburg; City of Tallahassee; *Florida Power and Light Company; Gainesville Regional Utilities; Kissimmee Utility Authority; or Lakeland Electric.

* These utility providers require documented account holder consent to share utility consumption data.

- g. The Respondent and its Principals have no outstanding financial obligations to the Corporation
- h. The Respondent firm and its principals are not excluded from program participation or procurement by any federal agency, verified by searching records using the System for Award Management (SAM) located at https://www.sam.gov/portal/SAM/?navigationalstate=JBPNS_r00ABXdcACJqYXZheC5mYWNlcy5wb3J0bGV0YnJpZGdlLlNUQVRFX0lEAAAAAQpdmllldzozNjYwMGUwOC03Mzk4LTQ2NmEtYmQ5YS0wMmM3MzRiZmU0MjMAB19fRU9GX18*&portal:componentId=6e0f1731-a8c7-4ce0-b010-7b6f589056e7&interactionstate=JBPNS_r00ABXc0ABBfanNmQnJpZGdlVmllld0lkAAAAAQATL2pzZi9uYXZpZ2F0aW9uLmpzcAAHX19FT0ZfXw**&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.

3. Funding Available

- a. Up to \$7,533,084 of MERP grant and loan funds will be made available.
- b. The maximum available funding amount of \$15,000 per unit or \$3,000,000, whichever is less, may be awarded to any single Development using a combination of grant and loan funding. Funding can be used for retrofit work, an owner incentive fee, and other soft costs as further described below.

c. Determining the Grant Award Amount:

Up to 15 percent of the total MERP award for the Development may be considered grant funding. Respondents that qualify as a Non-Profit Respondent, or a Women, Veteran, or Minority-Owned Business Respondent may qualify for 15 percent of the MERP award to be considered grant funding. All other Respondents will qualify for 10 percent of the MERP award to be considered grant funding.

Grant funding can be used to pay for the soft costs described below. If these costs exceed the grant funding awarded, the Respondent may use loan funding to pay for the remaining soft costs. The Corporation will determine the amount of the grant for each property by summing the costs attributable to each of the items below in descending order until reaching the maximum grant amount:

- (1) Corporation Qualified Energy Audit/CNA 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 loan 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 Loan 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).
- d. Determining the Loan Award Amount:

The portion of the MERP award that remains after subtracting the grant funding will be a loan. The terms of the loan funding are as follows:

- Interest Rate: 1%, non-amortizing, payments deferred until maturity of the loan
- Maturity: 15 years

The maximum owner incentive fee will be 16 percent of the MERP award.

4. Funding Selection

- a. Funding Test - Responses will be selected for funding only if there is enough funding available to fully fund the Maximum Eligible Funding Amount.
- b. County Award Tally- For the first 30 calendar days after the date the RFQ is open, a County Award Tally will be used. At the conclusion of the 30 calendar day period, the County Award Tally will no longer be applied if there are funds remaining to be awarded.
- c. Selection Process - The Corporation will use the time of the Respondents' electronic submission to determine the order in which the Responses were received. When the first Response that is electronically submitted is determined to be eligible for funding, it will be selected for funding. Then, Responses that are electronically submitted and determined to be eligible for funding will continue to be selected for funding, subject to the Funding Test and County Award Tally.

5. Timeline for providing information to Corporation and Credit Underwriter

After the Corporation determines preliminary eligibility and reserves the preliminary award, the Corporation will order an Energy Audit/CNA for the property with the cooperation by the property owner and manager. The Respondent acknowledges and certifies that the following information will be provided by the due date outlined below, or as otherwise outlined in the Corporation preliminary letter of award. Failure to provide the required information by the stated deadline shall result in the withdrawal of the invitation to enter credit underwriting.

a. A Respondent that indicates in the Response that it is applying as a Non-Profit will only be considered to be a Non-Profit, for purposes of this RFA, if the Respondent meets the definition of Non-Profit as set out in Section Two and provides the following information for each Non-Profit entity within seven (7) Calendar Days of the date of the Corporation preliminary letter of award.

(1) The IRS determination letter;

(2) 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);

(3) The names and addresses of the members of the governing board of the Non-Profit entity; and.

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

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. A Respondent that indicates in the Response that it is applying as a Women, Veteran or Minority-Owned Business certified Respondent will only be considered to be a Women, Veteran or Minority-Owned Business certified Respondent, for purposes of this RFA, if the Respondent's status can be verified within seven (7) Calendar Days of the date of the Corporation preliminary letter of award.

c. Within seven (7) Calendar Days of the date of the Corporation preliminary letter of award, the Corporation will order an Energy Audit/CNA. The retrofit work will be based on a scope of work developed by Corporation in consultation with the Respondent, using the Corporation Qualified Energy Audit/CNA. After the scope of work is developed and agreed to by both the Corporation and the Respondent, the Corporation will invite the Respondent into credit underwriting.

6. The Respondent 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.

- a. Within seven (7) Calendar Days of the date of the invitation to enter credit underwriting, the Respondent must respond to the invitation. The Corporation will then submit the credit underwriting fee.
 - b. Within 12 months of the date of the invitation to enter into credit underwriting or within 120 Calendar Days of the date of the firm loan commitment, whichever is first, the MERP loan must close. In the event that the loan does not close, an extension may be available with extension fees being assessed.
7. The Credit Underwriter will provide an itemized due diligence list for additional documentation needed to complete the credit underwriting report such as the following:
 - a. Verification of the date that the Development was completed;
 - b. Verification of the existing LURA, EUA, or other non-Corporation restriction agreement;
 - c. If the utility provider requires Consent from each tenant in order to provide such data, evidence that Consents from all tenants, through 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;
 - d. 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 Respondent, general partner(s), guarantors, and General Contractor, if applicable.
8. The Respondent must demonstrate it is meeting all of the criteria committed to within the RFQ either at time of application, credit underwriting, or executed closing agreements, as applicable.