

REQUEST FOR APPLICATIONS 2014-110

RFA 2014-110 FOR THE MULTIFAMILY ENERGY RETROFIT PROGRAM

For

FLORIDA HOUSING FINANCE CORPORATION

Issued: October 9, 2014

Due: November 6, 2014

SECTION ONE INTRODUCTION

This Request for Applications (RFA) is open to Applicants proposing the retrofit of an existing multifamily rental Development whose site, or any part thereof, is subject to any Land Use Restriction Agreement or Extended Use Agreement, or both, in conjunction with any Corporation affordable housing financing intended to foster the development or maintenance of affordable housing and that were originally Completed prior to December 31, 1999. Applicants will be required to commit to provide an affordability period on the Development's set-aside units for a term of the greater of 15 years from the date the MERP loan is closed or the termination date of the existing Land Use Restriction Agreement or Extended Use Agreement with the Corporation.

Under this RFA, the Corporation expects to award up to \$7,533,084 of Multifamily Energy Retrofit Program (MERP) loan funds. The Corporation is soliciting Applications from qualified Applicants that commit to retrofit building components with energy efficient components as well as other improvements that reduce energy and water costs, provide ongoing resident and property management staff education and outreach to maximize the benefits of the retrofit and report energy use/savings regarding the status of energy performance improvements in accordance with the terms and conditions of this RFA, inclusive of all Exhibits, applicable laws, rules and regulations, and the Corporation's generally applicable construction and financial standards.

MERP loans may be used for the following improvements:

- Air infiltration (e.g., envelope sealing, duct sealing, weather stripping); and
- Appliances, lighting, faucets/showerheads, HVAC systems, programmable thermostats, boilers/water heaters, insulation and window film. Windows may be replaced on a very limited basis, and only when there are other building shell or heating measures that are being done in order to achieve the minimum required energy savings of 15% and the collective SIR of 1.0 or greater.

Applicants may carry out these retrofits as part of a broader rehabilitation plan that has non-MERP financing associated with it. However, MERP funding will not be provided in conjunction with financing provided through separate Corporation-issued RFAs.

SECTION TWO DEFINITIONS

Unless otherwise defined below, capitalized terms within this RFA shall have the meaning as set forth in Rule Chapters 67-48 and 67-60, F.A.C., or in applicable federal regulations.

“Completed” – completed means (i) 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, (ii) that at least one (1) IRS Form 8609 has been issued for one of the residential apartment buildings within the Development; or (iii) the credit underwriter advised the Corporation that there are no contractor liens on the property, and that the Development is ready for its intended use. As used in this section, an affordable rental housing Development, including a Housing Credit Development that contains multiple buildings, is a single Development regardless of the number of buildings within the Development for which an IRS Form 8609 has been issued.

“Corporation Qualified Provider’s Energy Audit” – A comprehensive building assessment to capture the building’s overall condition and performance. The assessment entails a building/site walkthrough and identification of prescriptive efficiency upgrade measures, including but not limited to: insulation, windows, air sealing, weather-stripping by evaluating the building enclosure, heating systems, domestic hot water equipment, ventilation systems, cooling systems, lighting systems, appliances, as well as any safety or health issues such as moisture problems, pest infestations or fire safety risks. The assessment will also analyze and identify, solar potential due to building orientation, and any other potential upgrades or code violations the auditor observes. The Development must undergo a Corporation Qualified Provider Energy Audit to determine if the Development is projected to meet the program requirements of 15 percent energy savings and a collective Savings to Investment Ratio (SIR) of 1.0 or greater based on the retrofit scope of work recommended in the audit allowed by the MERP program.

“Individually Metered Property” – 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 C.1.a. and, if applicable, C.2.a.

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

“MERP” – Multifamily Energy Retrofit Program.

“Savings to Investment Ratio” or “SIR” - A ratio of the net present value estimated energy cost to the net present value of the total investment. The greater the SIR value above 1.0, typically the more favorable the recommendation is for consideration of implementation.

“Soft Cost Funding” – In addition to construction funding of \$5,000 per unit, up to \$40,000 in funds will be available to each successful Applicant to pay or to assist to pay for the following soft costs: Corporation Qualified Provider Energy Audit costs (estimated to be \$5,000 - \$15,000), Corporation’s attorneys’ fees (estimated to be \$5,000 - \$12,500), and the credit underwriting fee of up to \$12,790.

“Utility Provider Energy Audit” – Evaluation of the building to identify potential energy savings and rebates available for energy saving improvements.

SECTION THREE PROCEDURES AND PROVISIONS

- A. A complete Application consists of Section Four of RFA 2014-110. All Applicants must complete the online Application by **11:00 a.m., Eastern Time**, on November 6, 2014 (Application Deadline). The Corporation must receive a sealed package(s) containing four (4) printed copies of the complete Application by the Application Deadline. One (1) of the four (4) printed copies of the complete Application must be labeled “Original Hard Copy”, reflect an original signature (blue ink preferred) at Section Four, Item F. of the RFA, Applicant Certification and Acknowledgement, and include the required non-refundable \$3,000 Application fee payable to Florida Housing Finance Corporation (check or money order only). The Applicant should label the outside of each shipping package or box with the applicable RFA number. The Corporation will not consider faxed or e-mailed Applications. After 11:00 a.m., Eastern Time, on the Application Deadline, each Application, for which hard copies are received, will be assigned an

Application number. In addition, such 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. The printed copies of the complete Application must be addressed to:

Laura J. Cox
Director of Asset Management and Guarantee Program
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

- 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. The Corporation 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 Laura J. Cox via e-mail at RFA_2014-110_Questions@floridahousing.org. All inquiries are due by 5:00 p.m., Eastern Time, on _____. 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 _____ and will post a copy of inquiries received, and their answers, on the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2014-110/>. 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.
- F. By submitting this Application, each Applicant agrees to the terms and conditions outlined in the RFA. By inclusion and execution of Section Four, Item F. 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 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 and all of its Exhibits and the Application requirements outlined in Rule Chapter 67-60, F.A.C.
- G. 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.
- H. Pursuant to subsection 67-60.004(2), F.A.C., an Applicant may request in writing to withdraw its Application at any time prior to a vote by the Corporation's Board. Such request must be submitted to the Corporation Clerk. For funding selection purposes for this RFA, the Corporation shall disregard 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 and the Board's vote 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**

Section Four ("the Application") should be completed by the Applicant. Then, an Original Hard Copy must be signed (blue ink is preferred), the correct number of photocopies of the Original Hard Copy must be made and submitted as outlined in Section Three.

A. Applicant Information:

1. The Applicant must state the name of the Applicant: _____

2. Provide the Contact Person information requested below:

First name: _____

Last name: _____

Street address: _____

City: _____

State: _____

Zip: _____

Telephone: _____

E-Mail address: _____

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

B. General Development Information (Mandatory)

1. State the name of the Development: _____

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

3. Indicate the County where the Development is located: _____

4. How many total Units are in the Development? _____

5. Age of the Development

a. To be eligible for funding, the Development must have been Completed prior to December 31, 1999. Does the Development meet this requirement?

Yes No

b. To be eligible for Age of Development Preference in the funding selection process described in Section Five, B.1., the Development must have been Completed prior to December 31, 1994. Does the Development meet this requirement?

Yes No

Note: These Completion dates will be verified in the credit underwriting process.

C. 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 loan will be required to allow access to utility data for the property for the term of the loan 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. Additionally, the Corporation will contribute data

collected from Developments awarded a MERP loan to the University of Florida to facilitate a more comprehensive analysis of energy savings. 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

* Applicants that select and qualify as a Master Metered Property for electric and also gas, if the property uses gas, will receive preference in the funding selection process as described in Section Five, B.1.

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

a. 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:

- Orlando Utility Commission;
- Gainesville Regional Utilities;
- Jacksonville Electric Authority;
- City of Tallahassee;
- Kissimmee Utility Authority;
- Clay Electric Cooperative;
- Lakeland Electric;
- City of Leesburg; or
- Utilities Commission, City of New Smyrna Beach.

b. Property qualifies as a **Master Metered** Property* for electricity.

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 a., 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 a. is selected, but the Applicant does not select a utility provider, the Applicant will not be eligible for funding.

- a. 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:
- Orlando Utility Commission;
 - Gainesville Regional Utilities;
 - City of Tallahassee;
 - Kissimmee Utility Authority;
 - Lakeland Electric; or
 - City of Leesburg.
- b. Property qualifies as a **Master Metered** Property* for gas.
- c. The property does not use gas.

- E. Determining the Maximum Eligible Funding Amount: The Corporation will determine the Applicant's Maximum Eligible Funding Amount by multiplying \$5,000 by the total number of Units stated in question B.4. above (Maximum Construction Funding), then adding \$40,000 (Maximum Soft Cost Funding) to that total. The Maximum Eligible Funding Amount (Maximum Construction Funding plus Maximum Soft Cost Funding) will be the amount of funding used for the Funding Selection Process.

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

- F. Applicant Certification and Acknowledgement:

1. After the Board approves preliminary awards and any resulting litigation is resolved, if any, the Corporation will order a Corporation Qualified Provider Energy Audit conducted on the property with the cooperation by the property owner and manager. **The Energy Audit must show an estimated minimum energy savings of 15 percent for the energy retrofits proposed in the audit, and the collective recommended retrofit must have a**

projected SIR of 1.0 or greater or the funding will be revoked. An invitation to credit underwriting will not be issued unless these requirements are met.

2. 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.
 - a. Within seven (7) Calendar Days of the date of the invitation to enter credit underwriting, the Applicant must respond to the invitation and, if accepting the invitation, the Applicant must also submit the credit underwriting fee as explained in Exhibit E, Item B.
 - b. Within 30 Calendar Days of the date of the invitation to enter credit underwriting, the Development must schedule a Utility Provider Energy Audit through the Development's utility provider(s). These results shall be submitted to the credit underwriter.
 - c. Within 30 Calendar Days of receiving the recommendations from the Utility Provider Energy Audit, the Development must submit a completed list of Other Sources of Retrofit Funding or Rebates as outlined in Exhibit D of this RFA.
 - d. 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 is available with extension fees being assessed as outlined in the fee section of Exhibit E.

3. By submitting the Application, the Applicant acknowledges and certifies that:
 - a. 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 pursuant to Rule Chapter 67-48, F.A.C., and the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35, incorporating the most recent amendments, regulations and rules;
 - b. Any contract funded by the proceeds of a MERP loan 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.);

- c. 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, that the Development Team's experience, past performance or financial capacity is satisfactory, or that the Development is projected to meet the program requirements of 15 percent energy savings and a collective Savings to Investment Ratio of 1.0 or greater. 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;
- d. The Applicant commits to provide an affordability period on the Development's set-aside units for a term of the greater of 15 years from the date the MERP loan is closed or the final maturity date of the existing Corporation loan;
- e. The Applicant's commitments will be included in the Land Use Restriction Agreement and must be maintained in order for the Development to remain in compliance, unless the Board approves a change;
- f. 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;
- g. 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;
- h. 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;
- i. The Applicant commits to participate in the statewide housing locator system;
- j. Submit a Resident and Property Management Staff Education and Outreach Plan as outlined in Exhibit B of this RFA. The Applicant's plans shall adhere to guidelines referenced in Exhibit B 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, as outlined in Exhibit C, to the Corporation.

- k. The Applicant commits to cooperate with any data collection efforts necessary to meet the reporting requirements of this program;
- l. 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 Statutes and the credit underwriting provisions outlined in Exhibit F.
- m. 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 based upon and accurate with respect to the Development in this Application.
- n. 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)

SECTION FIVE: 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 Mandatory Items below:

Mandatory Items	Described in RFA at:
Submission Requirements Met	Section Three A
Financial Arrearage Requirements met	Section Six
Name of Applicant provided	Section Four, A.1.
Contact information provided	Section Four, A.2.
Name of the proposed Development provided	Section Four B.1.
County of the proposed Development provided	Section Four, B.2.
Previous Application Number(s) of Application provided	Section Four, B.3.
Confirmation that the Development is currently subject to a Land Use Restriction Agreement and/or an Extended Use Agreement in conjunction with any Corporation affordable housing financing intended to foster the development or maintenance of affordable housing	Section One
Total Units provided	Section Four, B.4.

Confirmation of Completion of Development prior to December 31, 1999	Section Four, 5.a.
Utility metering type selected for electricity and, if applicable, gas	Section Four, C.
If Individually Metered Property, utility provider selected from list of providers for electricity, and if applicable, gas	Section Four, C.1.a. and C.2.a.
Executed Applicant Certification and Acknowledgement (original signature in "Original Hard Copy")	Section Four, E.

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

1. First, the Master Metered Preference meaning Applications that qualify as Master Metered Properties for electricity and either (i) do not use gas, or, (ii) if the Development does use gas, also qualify as Master Metered Properties for gas, will receive preference over Applications that qualify as Individually Metered Properties for electricity and/or gas.
2. Next, the Age of Development Preference, meaning Developments that were Completed prior to December 31, 1994, will receive preference (with Applications that qualify for the preference listed above Applications that do not qualify for the preference).
3. 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 200 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 1.534 Florida Jobs per Rehab Unit x 1,000,000 / Maximum Eligible MERP Request Amount (\$5,000 per unit + \$40,000 for soft costs) = 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 \$490,000 (90 x \$5,000 per unit + \$40,000 for soft costs).

$90 \times 1.534 \times 1,000,000 / 490,000 =$ Florida Job Creation score of 281.8.

4. 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. Funding Test: - All Applications will be subjected to the Funding Test. Funding Test means that Applications will be selected for funding only if there is enough MERP funding to fully fund the Applicant's Maximum Eligible Funding Amount (Maximum Construction Funding plus Maximum Soft Cost Funding).
- E. Selection Process: - After the creation of the Ranked List, the highest ranking eligible unfunded Application will be selected for funding. Then, eligible unfunded Application(s) on the Ranked List will continue to be considered for funding, subject to the County Award Tally and Funding Test. If funding is exhausted or if funding remains but no eligible unfunded Applications can meet the Funding Test, then any remaining eligible unfunded Applications will be placed on a Waiting List.
- F. Waiting List: - All unfunded eligible Applications will be placed on a Waiting List in the order they were ranked. Returned Funding that becomes available after the Board takes action on the Committee's recommendations, due to an Applicant withdrawing its Application, an Applicant declining its invitation to enter credit underwriting, reductions to the funding awarded to each Applicant, or the Applicant's inability to satisfy a requirement outlined in this RFA, will be distributed to additional eligible Applicants 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 Funding Test.
- G. Funding Process
1. Determining the Actual Award Amount: As stated in Section Four, E. above, the Corporation will determine the Applicant's Maximum Eligible Funding Amount (Maximum Construction Funding plus Maximum Soft Cost Funding), however, the actual amount of the MERP loan will be determined during credit underwriting and may be less than the Maximum Eligible Funding Amount.
 - a. Adjustments to the Maximum Construction Funding: - The Corporation will order a Corporation Qualified Provider Energy Audit for each Development awarded preliminary funding in order to develop a scope of work and to evaluate whether eligible retrofits in the scope of work for the Development are projected to meet the program requirements of 15 percent energy savings and a collective SIR of 1.0 or greater.

If the Corporation Qualified Provider Energy Audit shows that the Development fails to meet these required energy savings, the invitation to enter credit underwriting will be considered withdrawn. However, the Applicant will still be reimbursed for the cost of the Corporation Qualified Provider Energy Audit.

If the Corporation Qualified Provider Energy Audit does show that the Development will meet these required energy savings, the Energy Auditors' recommendations and rebates as listed in Exhibit D, and any other sources of funding will be reviewed during credit underwriting. The Maximum Construction Funding will be appropriately sized to provide the most cost-effective improvements that benefit low-income residents and owners. To leverage funds for the greatest impact, funds will be allocated towards energy efficiency measures with the greatest impact.

- b. Adjustments to the Maximum Soft Cost Funding: - Each successful Applicant will be eligible for reimbursement of expenses associated with the Corporation Qualified Provider Energy Audit, the Corporation attorneys' fees and the Initial Credit Underwriting fee, up to \$40,000.
- c. Amount of MERP Loan: - After the Corporation Qualified Provider Energy Audit is performed and the requisite energy savings and collective SIR is met, and after the Applicant has prepared an eligible scope of work and costs associated with the eligible scope of work, the funding necessary for the eligible scope of work directly related to energy savings will be added to the funding necessary to reimburse the successful Applicant for the Softs Costs eligible for reimbursement. This will be the amount of the MERP loan, up to the Maximum Eligible Funding Amount. MERP funding cannot be used for the costs of a construction or renovation project that are not directly related to energy efficiency measures.

If the MERP loan is less than the Maximum Eligible Funding Amount, the difference between the Maximum Eligible Funding Amount and the MERP loan will be considered Returned Funding.

If the costs associated with the scope of work is more than the Maximum Eligible Funding Amount, the Applicant will be required to demonstrate in credit underwriting that it can secure enough sources to pay for all expenses.

SECTION SIX EVALUATION PROCESS

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.

The Application will be deemed ineligible to be considered for funding if, as of 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.

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 Four B above, and develop a recommendation or series of recommendations to the Board.

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.

SECTION SEVEN AWARD PROCESS

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.

**Exhibit A to RFA 2014-110 – Multifamily Energy Retrofit Program
OTHER FEDERAL REQUIREMENTS**

All Developments awarded a MERP loan, 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's Website under the link labeled Multifamily Programs/Related References and Links (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 limit 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, 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 measure 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, offerors, 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, offerors, 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, offerors, 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 B to RFA 2014-110 – Multifamily Energy Retrofit Program
RESIDENT AND PROPERTY MANAGEMENT STAFF EDUCATION AND OUTREACH PLAN

All properties that receive a MERP loan will be required to develop green and healthy property management practices and to conduct ongoing education and outreach for periodic resident education to ensure that owners as well as 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 (“Resident and Property Management Staff Education and Outreach Plan”). 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.

The Resident and Property Management Staff Education and Outreach Plan must include the following features:

- How the property management will save money on energy and water, and how residents can do the same;
- How the property management can improve building durability, and how residents can do the same;
- How the 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 loan 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.](http://www.lisc.org/docs/publications/2013_green_healthy_prop_mgmt_guide.pdf)" Available at http://www.lisc.org/docs/publications/2013_green_healthy_prop_mgmt_guide.pdf, last accessed May 27, 2014.

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

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

**Exhibit C to RFA 2014-110 – Multifamily Energy Retrofit Program
CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE**

Re: [Click here to enter Development Name](#)

The undersigned Authorized Representative of and on behalf of [Click here to enter Development Owner Entity Name](#), a Florida [Click here to enter Type of Entity](#) (the "Borrower"), has read and is thoroughly familiar with the provisions of the documents dated [Click here to enter a date](#) associated with the making of a loan by FLORIDA HOUSING FINANCE CORPORATION ("Florida Housing") to Borrower for the **Multifamily Energy Retrofit Program** under Florida Housing's Request for Applications 2014-110, in the loan amount of [Click here to enter Dollar Amount of Funding](#) **AND NO/100 (\$**[Click here to enter ###,###.##](#)**)** (the "Loan"):

The undersigned agrees that Florida Housing or its agent shall have the right to inspect and monitor the records and facilities of all funded Developments. Inspections shall occur while the repairs or improvements are being made and may occur after completion of the repairs or improvements.

The undersigned hereby certifies that the Borrower is in full compliance with the following requirements, except as set forth below:

- (i) that all terms and conditions set forth in the MERP loan Agreement, have been satisfied;
- (ii) that the annual program report has been submitted to Florida Housing as required for each year during the Compliance Period;
- (iii) that green and healthy property management practices have been developed and are being followed; and
- (iv) that education and outreach for periodic resident education to ensure that owners as well as residents continue to reap the full benefits of the energy savings retrofits has occurred **(and attached to this certificate is evidence of such education)**.

The undersigned certifies that the Borrower is in noncompliance under the following documents: (if none, please so state):

Note: Please provide an email address of the contact person so that the annual certification can be sent electronically going forward.

RE: [Click here to enter FY Ending Date, 20##](#)

Date Signed: [Click here to enter a date.](#)

of [Click here to enter Development Owner Entity Name](#),

a [Click here to enter Type of Entity](#)

By: _____

Name: [Click here to enter Name](#)

Title: [Click here to enter Title](#)

Submit executed Certificate OF Continuing Program Compliance in PDF format electronically to Florida Housing at FHFCAssetMgt@floridahousing.org or via fax to (850) 410-2510.

**Exhibit D to RFA 2014-110 – Multifamily Energy Retrofit Program
OTHER SOURCES OF RETROFIT FUNDING OR REBATES**

Within 30 Calendar Days of the results of the Utility Provider Energy Audit, the Applicant must provide to the credit underwriter a list of any grants or rebates the property is eligible to receive for this retrofit. This may include grants from the utility provider or other source and/or utility provider rebates for specific measures within the allowable scope of work for MERP, provided that multifamily properties are eligible for the rebate. If there is a maximum rebate or unit amount, that must also be accounted for. Funding listed below must be for work within the allowable scope of work for MERP. Letters from utility providers regarding rebates must state that the property is eligible to receive the rebates listed in the application, and must state whether any program caps affect the property (e.g. for maximum total dollar amount allowed overall or per unit, maximum number of residential units allowed, or maximum number of rebates allowed). Letters from utility providers must be from a staff member responsible for demand side management or rebate programs.

In the example below, a 100-unit property can get a rebate of \$75 per Energy Star refrigerator installed, with no program cap, the amount per unit is \$75 and the total amount for the property is \$7,500. The property can also receive a grant for ceiling insulation, and the maximum grant amount is \$400. Add all available rebates and grants on the bottom line of the table below. The overall total amount will be divided by the number of units to determine the amount of funding per unit being contributed.

Example Table:

Source of Funding	Type of Funding (i.e. Grant of Rebate) and for what Retrofit Item	Dollar Amount per unit (if applicable)	Total Amount of Funding (Account for Program Caps)
<i>City of Tallahassee</i>	<i>Rebate for Energy Star Refrigerators</i>	<i>\$75/unit</i>	<i>\$7,500</i>
<i>City of Tallahassee</i>	<i>Grant for ceiling insulation</i>	<i>N/A</i>	<i>\$400 (maximum allowable)</i>
TOTAL			\$7,900
OVERALLTOTAL PER UNIT			\$79

Applicants must create a table similar to the above example and provide it to the Corporation and the credit underwriter within 30 Calendar Days of receiving the recommendations from the Utility Provider Energy Audit.

The following are resources that may assist MERP loan recipients schedule Utility Provider Energy Audits and learn about available utility provider rebates/grants:

Gainesville Regional Utilities

<https://www.gru.com/MyBusiness/LowerMyBill/SaveEnergy.aspx>

Jacksonville Electric Authority

https://www.jea.com/Manage_My_Account/Ways_to_Save/Rebate_Programs/InvestSmart_with_JEA_percent28Commercial_percent29.aspx

City of Tallahassee

<https://www.talgov.com/you/you-products-business-energy-audit.aspx>

Kissimmee Utility Authority

<http://www.kua.com/Resources/rebates.pdf>

Clay Electric Cooperative

<https://clayelectric.com/nrgservice.aspx>

Lakeland Electric

<http://www.lakelandelectric.com/Customers/ProgramsServices/EnergyAudit.aspx>

City of Leesburg

<https://www.leesburgflorida.gov/index.aspx?page=55>

Utilities Commission, City of New Smyrna Beach

<https://ucnsb.org/conservation-rebate.aspx>

Exhibit E to RFA 2014-110 – Multifamily Energy Retrofit Program

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 loan commitment to be terminated or shall constitute a default on the respective loan documents.

A. Application Fee:

All Applicants requesting MERP funding shall submit to the Corporation as a part of the Application submission a non-refundable Application fee of \$3,000.

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: \$12,790
2. Re-underwriting fee: \$167 per hour, not to exceed \$7,417

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: \$167 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 loan amount upon acceptance of the firm commitment. All Applicants shall remit the commitment fee payable to the Florida Housing Finance Corporation.

E. Loan Closing Extension Fees:

In the event a MERP loan does not close within 12 months of the date of the invitation to enter credit underwriting or within 120 Calendar Days of the date of the firm loan commitment, an extension fee will be assessed. The loan must close within 12 months of the date of the invitation to enter credit underwriting (preliminary loan commitment). Applicants may request one (1) extension of up to 12 months related to this closing deadline. The Corporation shall charge a non-refundable extension fee of 1 percent of the loan amount if the Board approves the request to extend the preliminary commitment beyond the initial 12 month closing deadline. In addition, the loan related to the energy retrofit of the Development must close within 120 Calendar Days of the date of the firm loan commitment. A request for an extension of the firm loan 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 loan amount if the Board approves the request to extend the firm commitment.

F. Construction Loan Servicing Fees:

MERP loans have a Construction Loan 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).

- \$167 per hour for an in-house review of a draw request, up to a maximum of \$2,047 per draw.
- \$167 per hour for on-site inspection fees, up to a maximum of \$1,664 per inspection.
- \$167 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 \$350
- Maximum monthly fee of \$1,245
- Per site visit interview fee of \$319
- Preconstruction conference fee of \$850 per Development
- Extraordinary services fee of \$165 per hour

G. Assumption/Renegotiation Fees:

If the Applicant is requesting a sale and/or transfer and assumption of the 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 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 2014-110 – Multifamily Energy Retrofit Program

CREDIT UNDERWRITING

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

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(s) (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 Developer or any Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer has any existing Developments participating in any Corporation programs that remain in non-compliance with Section 42 of the IRC, Title 67, F.A.C., 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 or Developer will not be able to produce quality affordable housing, be denied and the Applicant or Developer and the Affiliates of the Applicant or Developer 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 Loan:

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, the ability of the Applicant and the Development team to proceed and 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 all litigation and approval by the Board of all recommended orders with regard to this RFA and after it is determined that the Applicant meets the required estimated minimum energy savings and projected SIR of 1.0 or greater, 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 after Board approval of the list of eligible Applications that is sorted from highest funding preference to lowest, 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. All Applicants shall submit the credit underwriting fee to the Credit Underwriter within seven (7) Calendar Days of the date of the invitation to enter credit underwriting.
 - b. Failure to submit the required credit underwriting fee by the specified deadline shall result in withdrawal of the invitation.
 - c. The loan must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 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 12 month closing deadline. In the event the loan does not close by the end of the 12 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 25 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, Developer, 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, Developer and any Financial Beneficiary of the Applicant or Developer, 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, Developer and any Financial Beneficiary of the Applicant or Developer, in connection with any other affordable housing development,
 - (2) Financial capacity of an Applicant, Developer and any Financial Beneficiary of the Applicant or Developer, or
 - (3) Any other relevant matters relating to an Applicant, Developer and any Financial Beneficiary of the Applicant or Developer, if, in the Credit Underwriter's opinion, one or more members of the Development team do not possess the ability to proceed.
 - (4) The Corporation Qualified Provider Energy Audit determines the Development is not projected to meet the program requirements of (a) an estimated 15 percent energy savings, and (b) a collective projected Savings to Investment Ratio (SIR) of 1.0 or greater, given the scope of work being funded by the MERP loan. The Applicant may have the energy savings scope of the MERP loan be part of a larger rehabilitation scope of the Development so long as the scope of the non-MERP loan activities is being funded by a non-MERP loan source of funding. If the Development will be subject to such a rehabilitation, then the scope of

the non-MERP loan activities and its source of funding will be made part of the credit underwriting. The additional rehabilitation scope shall not be considered in the determination of the estimated energy savings requirement or the projected SIR requirement.

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.
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 minimum debt service coverage shall be 1.00x for the MERP loan, including all superior mortgages. Developments receiving first mortgage funding from the United States Department of Agriculture Rural Development (RD) are not required to meet the debt service coverage standards if RD is providing rental assistance and has acknowledged that rents will be set at an amount sufficient to pay all operating expenses, replacement reserve requirements and debt service on the MERP loan and all superior mortgages.
12. 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, and shall order, at the Applicant's sole expense, review the Development's costs.
13. The amount of the replacement reserve shall be adjusted in the future based on a CNA to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the closing of the MERP loan ('Initial Replacement Reserve Date'). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter. If the Applicant does not provide a copy of a CNA to the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers within the stated time frames, then one shall be ordered by the Corporation or its servicers at the Applicant's expense. The only events allowed to drop the balance below the cumulative minimum amount per unit per annum are items related to life safety, structural and systems as approved by the Corporation and its servicers. In the event the first mortgage lender or a Housing Credit Syndicator requires replacement reserves with replacement reserve deposit requirements that include the same or higher deposits, the Corporation's rights to hold replacement reserves and to disburse such funds shall be subject to the first mortgage lender or the Housing Credit Syndicator, as applicable. The replacement reserve funds are not to be used by the Applicant for normal maintenance and repairs, but shall be used for structural building repairs, major building systems replacements and other eligible items included on the

Eligible Reserve for Replacement Items list, which is available on the Corporation's Website under the Multifamily Programs link or by clicking here.

14. 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 411, of the Fannie Mae Multifamily Delegated Underwriting and Servicing (DUS) Guide, effective as of November 4, 2013, which is available on the Corporation's Website under the Multifamily Programs link or by clicking here, and the two most recent years' tax returns. 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 and shall be reviewed in accordance with the terms and conditions required in the competitive solicitation.
 - 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.

15. The Credit Underwriter shall consider the following when determining the need for retrofit completion guarantees:
 - a. Liquidity of the guarantor(s);
 - b. Developer and, if one is being utilized, General Contractor's history in successfully completing Developments of similar nature;
 - c. Problems encountered previously with Developer or contractor; and
 - d. Exposure of Corporation funds compared to Total Development 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. - d. 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.

16. 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.
17. 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.
18. Contingency reserves which total no more than 5 percent of total actual retrofit costs (hard costs) and total general development costs (soft costs).
19. 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.
20. Applicants must provide the items required by the Credit Underwriter within 60 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.

21. If the Credit Underwriter requires additional clarifying materials in the course of the underwriting process, the Credit Underwriter shall request same from the Applicant and shall specify deadlines for the submission of same. Failure to submit required information by the specified deadline, unless a written extension of time has been approved by the Corporation, shall result in withdrawal of the preliminary commitment or the invitation to enter credit underwriting, or both, as applicable. 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 Department 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 or the invitation to enter credit underwriting, or both, as applicable, 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.
22. 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.
23. The Credit Underwriter's loan recommendations will be sent to the Board for approval.
24. 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.
25. This loan and other mortgage loans related to the retrofit of the Development must close within 120 Calendar Days of the date of the firm loan commitment(s). 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.

26. 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 loans shall be used to reduce energy use and cost in multifamily buildings in Florida Housing's portfolio which preserves affordable, safe and sanitary multifamily rental housing units.
2. The MERP loan may be in a first, second, or other subordinated lien position. For purposes of this RFA, mortgages securing a letter of credit as credit enhancement for the bonds financing the first mortgage shall be considered a contingent liability and part of the first mortgage lien, provided that the Applicant's counsel furnishes an opinion regarding the contingent nature of such mortgage satisfactory to the Corporation and its counsel.
3. The MERP loan shall have a fixed interest rate equal to _____ percent.
4. The loan payments on MERP loans shall occur annually. The scheduled annual payments are discussed in paragraph 9 below; however, an additional MERP loan payment may be required annually if the actual amount of energy savings exceeds the scheduled annual payment for the term covered. The annual MERP loan payment shall be equal to the actual amount of energy savings in the prior calendar year or the scheduled annual payment for that term, whichever is greater. The actual energy savings for each loan payment term shall be determined by the University of Florida based on the data collected from the utility provider as provided in this RFA.

The Applicant shall remit the annual loan payment due to the Corporation servicer no later than 30 Calendar Days after the Corporation receives the actual energy savings determination from the University of Florida and a billing is issued to the Applicant.

5. 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.

6. The MERP loans shall be serviced either directly by the Corporation or by the servicer on behalf of the Corporation.
7. The Corporation shall monitor compliance of all terms and conditions of the MERP loan 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 loan shall constitute a default during the term of the MERP loan.
8. The Corporation shall require adequate insurance to be maintained on the Development as determined by the first mortgage lender, the Corporation, or the Corporation's servicer, but which shall, in any case, include fire, hazard and other insurance sufficient to meet the standards established in Part IIIB, Section 911 of the Fannie Mae Multifamily Delegated Underwriting and Servicing (DUS) Guide, effective February 3, 2014, which is available on the Corporation's Website under the Multifamily Programs link or by clicking [here](#).
9. The term of the MERP loan shall be equal to the scheduled amortization term. The scheduled amortization term shall be based on the cash flow generated by the projected energy savings as provided in the Corporation Qualified Provider's Energy Audit. The MERP loan will be scheduled to be fully amortized with an overall 1.00x coverage relative to a cash flow equal to 65 percent of the projected energy savings for Developments that qualify as a Master Metered Property or 55 percent for Developments that qualify as an Individually Metered Property. The first scheduled loan payment shall be based on a prorata share of the scheduled annual amount relative to the closing date of the MERP loan and the calendar year end. The last scheduled loan payment shall be based on a prorata share of the scheduled annual amount relative to the prior calendar year end the the maturity date of the MERP loan. The MERP loan can be prepaid at any time.
10. 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 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 in Section 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.

11. 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.
12. A failure to pay any principal or interest due under the terms of this section shall constitute a default on the MERP loan.
13. The Compliance Period for a MERP Development shall be, at a minimum, a period of time equal to the term of the loan. The Compliance Period shall begin not later than the termination of the last lease executed prior to closing of the MERP loan.
14. 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 under the Multifamily Programs link or 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.

15. The Applicant will be required to participate in the statewide housing locator system.
16. 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 under the Property Owners and Managers' Forms link or 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.

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 Applicant's request and any credit underwriting report, if available, prior to determining whether to grant such request.
2. The MERP loan 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 loan is not assumed since the buyer does not meet the criteria for assumption of the MERP loan, the MERP loan (principal and any outstanding interest) shall be repaid from the proceeds of the sale in the following order of priority:
 - a. First mortgage debt service, first mortgage fees;
 - b. MERP compliance and loan servicing fees;
 - c. Unpaid principal balance of the MERP loan;
 - d. Any interest due on the MERP loan;
 - e. Expenses of the sale;
 - f. If there will be insufficient funds available from the proposed sale of the Development to satisfy paragraphs 3.a. - e. above, the MERP loan 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 Applicant 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;

- (3) A certification from the Applicant that there are no Development funds available to repay the MERP loan, including any interest due, and the Applicant knows of no source from which funds could or would be forthcoming to pay the MERP loan; and
 - (4) A certification from the Applicant detailing the information needed to determine the final billing for MERP loan interest. Such certification shall require submission of financial statements and other documents that may be required by the Corporation and its servicer.
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 Applicant during the MERP loan term;
 - b. Availability of similar housing stock for the target population in the area;
 - c. Documentation and certification by the Applicant 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 Applicant 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 Section C.10. 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 and Permanent Loan Servicing:

1. MERP loan proceeds shall be disbursed during the retrofit phase in an amount per Draw which does not exceed the ratio of the MERP loan to the Total Development 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 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 loan agreement.