

# Pasco County HFA Bond Application

Property Manager: Cambridge Management, Inc.

# Cambridge Management, Inc.

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1916 64<sup>th</sup> Avenue West ☞ Tacoma, WA 98466 ☞ Phone: (253) 564-2619 ☞ Fax: (253) 460-8767

## **Company History**

Cambridge Management, Inc. (CMI) was founded in 1987. It was originally organized as a fee management company and built up a portfolio of 5,000 units by 1991. The projects ranged in size from 80 units to 400 units.

Beginning in 1994 it was decided to only have CMI manage properties in which CMI or its principals and affiliates have an economic interest. The current portfolio has over 2,500 units in 4 states.

CMI is headquartered in Tacoma, Washington with total employment of 120 staff.

## **Management Staff:**

The staff is comprised of a close knit team of quality personnel, all of whom bring years of experience and education. Key staff members include: Sue Baker, President; Stephen Page, Vice President; Jennifer Wood, Director of Property Management and Beth Wilson, Director of Compliance.

**A list of properties currently managed by CMI and resumes of key staff are attached**

# SUSAN L BAKER

## SUMMARY OF QUALIFICATIONS

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- 30 Years Experience in Property Management
- 15 Years Experience in Tax Credit Compliance
- Experience in Financial Planning and Budgeting for Multifamily Projects

## EDUCATION

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1981	University of Puget Sound	Tacoma, WA
	<i>BA in Psychology</i>	
1981 - 1984	University Pacific Lutheran	Tacoma, WA
	<i>Graduate Work in Psychology</i>	

## PROFESSIONAL EXPERIENCE

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1983 - 1987	Rainier Brokers, Inc	Tacoma, WA
	<i>Property Manager</i>	
	■ Directly responsible for the management of 100 units including single family homes, duplexes and four plexes. Handled leasing rent collections and scheduling of maintenance.	
1987 - Present	Cambridge Management, Inc	Tacoma, WA
	<i>President</i>	
1997-Present	Cascade Affordable Housing Consultants	Tacoma, WA
	■ Assisted in founding and became president of Cambridge Management, Inc. By 1991 the company was managing in excess of 5,000 units. Over 1,400 of these units were Bond Financed and servicing residents at or below 50% of the local median income. Responsibilities include staffing decisions, overall policy creation and enforcement (including the creation of the policy manual), training of personnel and financial monitoring and planning for the projects. In addition to the basic property management responsibilities, I spend time consulting on over 50 Tax Credit applications as well as monitored project compliance for 30 applications which received an allocation of credits. This has included Placed in Service Compliance, First Year of the Credit compliance and on going project compliance. The expansion of the consulting business led us to form Cascade Affordable Housing Consultants in 1997.	

## ACCREDITATIONS

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Successfully completed IREM 300 – 1988

Successfully completed IREM 400 – 1989

Certified Occupancy Specialist – 1989

Attended COS course as refresher – 1997

Attended WSHFC Compliance Training – October 1997

Certified Credit Compliance Professional – January 1998

# STEPHEN W. PAGE

1911 65th Avenue West > Tacoma, Washington 98466  
(253) 460-3000 > FAX (253) 564-2762

Mr. Page became involved in real estate when he was a college student. He majored in Business Administration at Washington State University and worked summers for a residential real estate firm, Rainier Brokers, Inc. After leaving college he went to work full time for the Commercial Department of Rainier Brokers, Inc. and assisted in the development of James Center, a 300,000 square foot neighborhood strip center and was involved in the initial leasing of the project. Since his first single-family residential rental purchase in 1976 Mr. Page has maintained and managed a personal real estate portfolio as well as managing for and participating in various real estate partnership ventures.

## MANAGEMENT EXPERIENCE

In 1987 Mr. Page helped found and became Vice President of Cambridge Management, Inc. By 1991 Cambridge Management was managing in excess of 5,000 apartment units. Over 1,400 of these units were Bond Financed where portions of the residents were at or below 50% of the median income for the area. As Vice President he was directly responsible for financial planning including budgeting, monitoring property performance and rent strategies.

## CURRENT

In 1992 Mr. Page co-founded Vaughn Bay Construction, Inc. (VBC). VBC is involved in single family and multi-family construction, primarily in the state of Washington. Mr. Page is involved in the development and financial planning for both the single family and multi-family projects, including marketing and rental strategies. He is involved in all phases of development - site development, processing (often including rezoning), financing, land development and construction. Mr. Page remains a principal in Cambridge Management, Inc.

## CONTINUING EDUCATION

Mr. Page has continued to seek out educational opportunities in the industry including IREM courses 300 and 400, Tax Credit Compliance courses offered by Washington State and in January 1998 he completed the course to become a Certified Tax Credit Compliance Professional offered by Spectrum Seminars.



## *Jennifer Wood*

### SUMMARY OF QUALIFICATIONS

- Progressive years of experience in residential property management
- Extensive knowledge of affordable housing programs – Tax Credit, project-based Section 8, Section 236, 202PRAC, 811PRAC, Public Housing, HOPE VI, and others
- Experience managing new construction lease-ups and tax credit rehabilitations
- Highly-skilled, creative, resourceful, and diplomatic manager

### PROFESSIONAL EXPERIENCE

- 2005- Present Cambridge Management, Inc. Tacoma, WA  
Director of Property Management
- 2001 – 2005 Allied Group, Inc., Renton, Washington  
Portfolio Manager
- Oversee all operations of assigned properties – 1,730 units (425 currently under construction) in Puget Sound and Portland/Vancouver markets
  - Hire and supervise all on-site management staff
  - Write budgets, review financial performance, and provide reports to property owners
  - Create policies and procedures for company-wide use as well as specific properties like New Columbia, the Housing Authority of Portland's HOPE VI development located in Portland, Oregon
  - Develop management/marketing tools (created current budget workbook and rental market survey spreadsheets used company-wide)
  - Write and present proposals for new business
- 1994 – 2001 G&B Real Estate Services/West Coast Hospitality Corporation, Spokane, Washington  
Property Manager
- Directed operation of assigned properties in Eastern Washington and Idaho
  - Hired and supervised all on-site staff
  - Wrote budgets and monthly variance reports
  - Supervised corporate compliance department
  - Wrote grants for federal drug-elimination programs and service coordination in senior housing
- Occupancy Specialist
- Oversaw compliance with Tax Credit, HUD, and other affordable housing programs
  - Audited certification paperwork and regulated waiting lists
  - Created occupancy policies and procedures
  - Trained on-site staff in technical aspects of leasing and housing programs
  - Provided company-wide training in fair housing
- Community Manager
- Managed all aspects of a transitional housing facility
  - Leased apartments, collected rent, and enforced community rules

EDUCATION, LICENSES & CERTIFICATES

1999	Certified Credit Compliance Professional (C3P), Spectrum Seminars
1996	Certified Occupancy Specialist, National Center for Housing Management (NCHM)
1996	Washington State Real Estate Salesperson's License
1992	Bachelor of Arts Degree - Gonzaga University, Spokane, Washington







# Attachment 13

# Pasco County HFA Bond Application

Investment Banker: RBC Capital Markets

# RBC Capital Markets – Municipal Finance

General and Housing Credentials

Fall 2013



RBC Capital Markets®

# Section A

## RBC – General Information



RBC Capital Markets®

# Royal Bank of Canada and RBC Capital Markets

The following presentation constitutes a brief summary of the U.S. capabilities of our investment banking arm, RBC Capital Markets



RBC Capital Markets

***RBC is among the strongest and safest financial institutions in the world***

- Operating since 1869
- RBC has one of the highest credit ratings of any financial institution globally (Aa3 / AA-)
- Tier 1 capital ratio of 11.3%
- 5th largest bank in North America by market capitalization (\$92 billion)<sup>(1)</sup>
- Approximately 80,000 employees worldwide across 51 countries

***RBC Capital Markets is a full-service investment bank which provides a focused set of products and services to institutions, corporations and governments around the world***

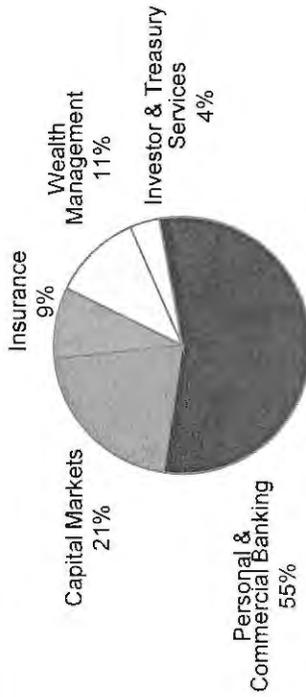
- Over 7,300 professionals and staff
- We maintain 70 offices across 15 countries
- Deliver products and services through operations in North America, the U.K., Europe and Asia Pacific
- Comprehensive suite of equity, debt and advisory products coupled with strong industry specific expertise
- Consistently ranked among *The Bloomberg 20* for top global investment banks

2 (1) Source: Bloomberg as of 09/06/2013



# RBC Performance | Global Size & Strength

## Diversified Business Mix Q3 2013 Earnings by Business Segment



## Broad Footprint FY 2012

Countries of Operations: 51  
 33% of Revenue Generated Outside of Canada  
 Employees Worldwide: 80,000  
 Clients Worldwide: 15 million+  
 Market Capitalization<sup>(2)</sup>: \$92 billion  
 5<sup>th</sup> largest bank in North America  
 Credit Ratings (Moody's / S&P): Aa3 / AA-  
 One of the highest ratings among financial institutions

## Q3 2013 Results<sup>(3)</sup>

Total Revenue: \$6.950 billion  
 RBC Net Income: \$2.218 billion  
 RBC Capital Markets Net Income: \$373.644 million  
 RBC Total Assets: \$819.805 billion  
 Tier 1 Capital Ratio: 11.3%

## FY 2012 Results<sup>(1)</sup>

Total Revenue: \$29.6 billion  
 RBC Net Income: \$7.516 billion  
 RBC Capital Markets Net Income: \$1.581 billion

## RBC Capital Markets Offices & Professionals<sup>(3)</sup>

Country	People
United States	2,826
Canada	2,883
U.K. and Europe	1,312
Asia & Australia	365
Total	7,386

Office Locations: 70  
 Country Locations: 15

<sup>3</sup> C\$/US\$ period average conversion rate of .997 per Royal Bank of Canada Annual Report 2012 Report to Shareholders  
 C\$/US\$ period-end conversion rate of 1.001 per Royal Bank of Canada Annual Report 2012 Report to Shareholders  
 US\$/C\$ exchange rate of 0.963 as of July 31, 2013  
 (1) From continuing operations, USD; (2) Source: Bloomberg as of 09/06/2013; (3) As of July 31, 2013



# RBC Capital Markets: Global Product & Service Offering

RBC Capital Markets provides a focused set of products and services to institutions, corporations, governments and high net worth clients globally.

Global Equities	Global Investment Banking	Global Research	Global Fixed Income & Currencies
<ul style="list-style-type: none"> <li>• Convertibles</li> <li>• Electronic Trading</li> <li>• Institutional Sales &amp; Trading</li> <li>• Options</li> <li>• Program Trading</li> </ul>	<ul style="list-style-type: none"> <li>• Convertible Debt</li> <li>• Corporate Finance</li> <li>• Equity Capital Markets</li> <li>• Loan &amp; High Yield Capital Markets</li> <li>• Mergers &amp; Acquisitions</li> <li>• Municipal Finance</li> <li>• Private Placements</li> <li>• Restructuring</li> <li>• Syndicated &amp; Leveraged Finance</li> </ul>	<ul style="list-style-type: none"> <li>• 150+ analysts covering over 1,500 equities &amp; corporate credits</li> <li>• Credit</li> <li>• Economics</li> <li>• Emerging Markets</li> <li>• Equity</li> <li>• Fixed Income &amp; Currencies</li> <li>• FX</li> <li>• High Yield</li> <li>• Rates</li> </ul>	<ul style="list-style-type: none"> <li>• Agencies &amp; Agency MBS</li> <li>• Commodities</li> <li>• Credit – High Yield &amp; Investment Grade</li> <li>• Debt Capital Markets</li> <li>• Interest Rate Derivatives</li> <li>• Emerging Markets</li> <li>• Financial Products</li> <li>• FX – across 50 currencies</li> <li>• Global Sovereign Debt</li> <li>• Municipal Bonds</li> <li>• Rates</li> <li>• Structured Finance</li> </ul>
<ul style="list-style-type: none"> <li>✓ RBC Capital Markets consistently ranks as a leading distributor of North American equities to institutional investors worldwide</li> <li>✓ We have an integrated team of global equity professionals who manage and advise on all aspects of the client trading strategy</li> </ul>	<ul style="list-style-type: none"> <li>✓ Our investment banking group helps clients finance their ongoing operations, strategic acquisitions, expansions, and other critical projects.</li> <li>✓ We provide capital raising, M&amp;A and underwriting capabilities with specific product expertise</li> <li>✓ We are a leading North American M&amp;A advisor with comprehensive cross-border capabilities in corporate finance</li> </ul>	<ul style="list-style-type: none"> <li>✓ RBC Capital Markets' global research team delivers in-depth market intelligence and keen insight across asset classes, industry sectors, operating disciplines, and geographies to support and help guide our clients' investment strategies</li> <li>✓ With more than 150 publishing analysts worldwide, our proprietary research covers 1,500 equities and corporate credits</li> </ul>	<ul style="list-style-type: none"> <li>✓ We provide a range of fixed income &amp; currencies products as well as debt capital markets capabilities</li> <li>✓ We also have a dedicated full-service commodities team and are a significant market maker with the ability to provide clients with liquidity and risk management services</li> </ul>

# Royal Bank of Canada: One of the Safest Banks in the World



**15<sup>th</sup> Safest Bank in the World**  
**2<sup>nd</sup> Safest Bank in North America**

- For the past 22 years, Global Finance's annual ranking of the World's 50 Safest Banks has been a recognized standard of creditworthiness in the financial industry.
- The rankings are based on evaluations of long-term credit ratings from Moody's, Standard & Poor's and Fitch Rating and total assets of the 500 largest banks worldwide.

## RBC: 2<sup>nd</sup> Safest Bank in North America

### Global Finance – World's Safest Banks in North America 2013

1	TD Bank Group	Canada
2	<b>Royal Bank of Canada (RBC)</b>	<b>Canada</b>
3	Bank of Nova Scotia	Canada
4	Caisse Centrale Desjardins	Canada
5	Bank of Montreal	Canada
6	CIBC	Canada
7	BNY Mellon	United States
8	CoBank	United States
9	AgriBank	United States
10	AgFirst	United States

### Global Finance – World's Safest Banks 2013

1	KfW	Germany
2	Bank Nederlandse Gemeenten (BNG)	Netherlands
3	Zürcher Kantonalbank	Switzerland
4	Landwirtschaftliche Rentenbank	Germany
5	L-Bank	Germany
6	Nederlandse Waterschapsbank	Netherlands
7	Caisse des Dépôts et Consignations	France
8	NRW.BANK	Germany
9	Banque et Caisse d'Épargne de l'État	Luxembourg
10	Rabobank Group	Netherlands
11	TD Bank Group	Canada
12	DBS Bank	Singapore
13	Oversea-Chinese Banking Corporation	Singapore
14	United Overseas Bank	Singapore

### 15 Royal Bank of Canada (RBC)

16	National Australia Bank	Australia
17	Commonwealth Bank of Australia	Australia
18	Westpac	Australia
19	ANZ Group	Australia
20	Nordea	Sweden

Source: Global Finance, August 26, 2013



# Municipal Finance

## A Leader in U.S. Municipal Finance

- RBC CM is a leader in U.S. Municipal Finance. Leveraging the strength of RBC's superior credit rating (Aa1/AA-), we provide products and services to hundreds of municipal issuers annually across a broad range of sectors.
- Headquartered in New York and employing over 345 banking, sales, trading and underwriting professionals in 26 cities, we have one of the largest U.S. Municipal Finance practices in the country. The size, breadth and expertise of the Municipal Finance Group has matured over the past 75 years, we have provided municipal financing assistance to thousands of clients and underwritten tens of thousands of bond issues. Our national footprint includes long-term clients who have utilized the firm's services for decades, as well as newer clients in search of stability and commitment in a shifting investment banking environment.

Core Specialty Sectors	
HealthCare	Public Power
Higher Education	Special Districts

Housing      Student Loans

K-12 Education/  
Charter Schools      Transportation

**RBC CM has been the #1 senior managing underwriter by number of issues in 11 of the last 12 years**



# RBCCM has Made Significant Investments in Public Finance

Business Growth is Reflected in Improvement of Lead Manager Rankings and Market Share

## 2012 Lead Manager Rankings

Underwriting Firm	Par Amount (US\$ mil)	Rank	Mkt. Share	Number of Issues
Bank of America Merrill Lynch	\$ 38,672.7	1	13.2	319
Citi	32,167.7	2	11.0	328
J.P. Morgan Securities LLC	31,088.6	3	10.6	243
Morgan Stanley	22,889.0	4	7.8	205
<b>RBC Capital Markets</b>	<b>20,235.5</b>	<b>5</b>	<b>6.9</b>	<b>605</b>
Barclays	18,402.9	6	6.3	119
Goldman Sachs & Co	17,338.2	7	5.9	94
Wells Fargo & Co	13,230.7	8	4.5	198
Raymond James Morgan Keegan	9,053.5	9	3.1	389
Stifel Nicolaus & Co Inc	7,920.3	10	2.7	436
Piper Jaffray & Co	7,327.4	11	2.5	444
Jefferies & Company Inc	6,823.3	12	2.3	88
Siebert Brandford Shank & Co	4,649.0	13	1.6	36
Robert W Baird & Co Inc	3,398.9	14	1.2	325
Loop Capital Markets	3,127.5	15	1.1	36
<b>Industry Total</b>	<b>\$ 292,614.6</b>	<b>-</b>	<b>100.0</b>	<b>8,268</b>



Top 5 Senior Manager



RBCCM has hired over 65 municipal finance professionals since 2008

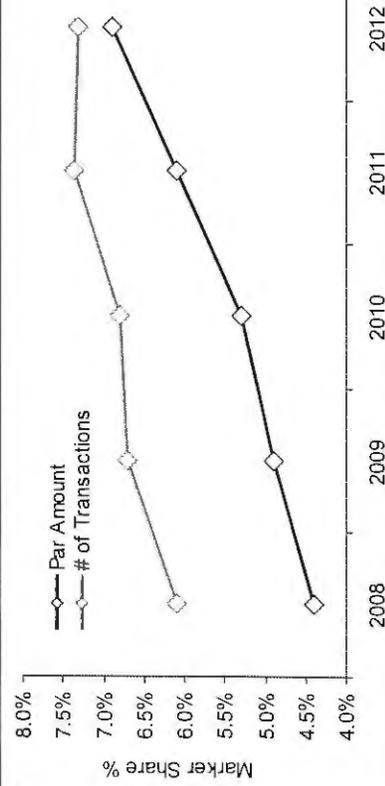


RBCCM's municipal credit book expanded from \$4.5bn to over \$16bn since 2008

## % Increase in Par Volume Underwritten

Underwriting Firm	2008 Par Amt (US \$mils)	2012 Par Amt (US \$mils)	% Increase In Par Amount
RBC Capital Markets	\$ 14,738.3	\$ 20,235.5	37.3%
Wells Fargo & Co	10,281.5	13,230.7	28.6%
J.P. Morgan Securities LLC	35,959.5	31,088.6	-13.5%
Barclays	21,151.4	18,402.9	-12.9%
Bank of America Merrill Lynch	49,181.3	38,672.7	-21.3%
Morgan Stanley	30,587.7	22,889.0	-25.2%
Citi	50,588.3	32,167.7	-36.4%
Goldman Sachs & Co	29,436.3	17,338.2	-41.1%

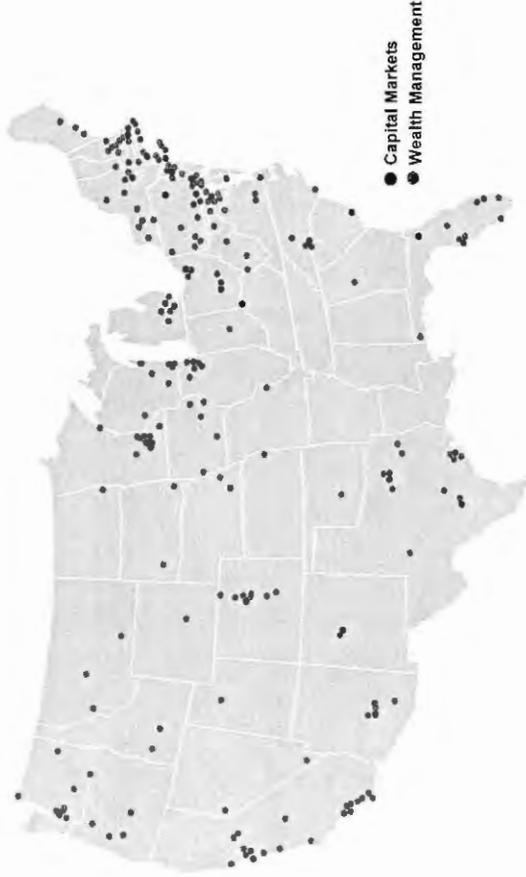
## RBCCM Market Share



Source: Securities Data Corporation (2008 - 2012) - True Economics to Bookrunner

# Municipal Distribution

RBC Capital Markets' multi-tiered approach to distribution provides coverage of a wide spectrum of institutional and retail investors



## Municipal Issuer

**RBC Capital Markets**

**Private Client Group**

- \$181 Billion in assets under administration
- Over 830,000 accounts
- Over 2,000 Financial Consultants in 200 branches across the U.S.

**Institutional Accounts**

- Diversified account base spanning Tier 1 & 2 and middle markets clients
- Over 800 accounts
- Over 20 institutional salespeople

**Correspondent and Advisory Services**

- \$24 Billion in assets under administration
- Over 222,000 accounts
- 4,000 representatives
- 175 Clearing relationships (170 Broker dealer, 5 RIA)



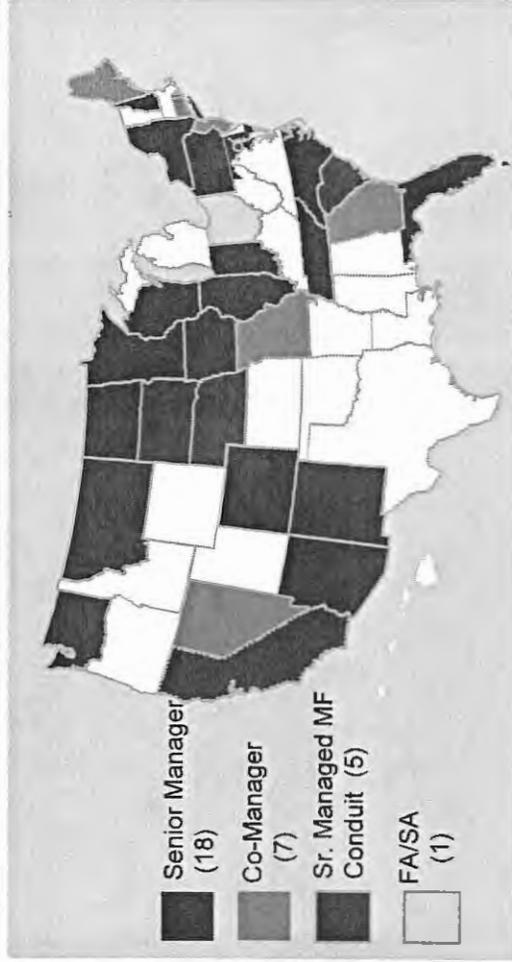
# Section B Housing Capital Group



RBC Capital Markets®

# A National Leader in Affordable Housing Finance

## RBC CM's Current State HFA Issuer Clients



## Housing Finance Group

New York, New York

- Bob Spangler, Head, Managing Dir.
- Michael Baumrin, Mgr, Managing Dir.
- Sean Cullen, Director
- Hing Loi, Director
- Mitchell Gallo, Vice President
- Ronnie Gyani, Associate
- Michael Baird, Director
- Sara Russell, Vice President
- Helen Feinberg, Mgr, Managing Dir.
- Debbie Berner, Director
- John Sabatier, Vice President

Cincinnati, Ohio

- Scot Perlman, Managing Dir.
- Ray Barrish, Vice President

Minneapolis, Minnesota

- Frank Fallon, Managing Dir.
- Cory Hoepfner, Managing Dir.
- Laura Janke, Vice President

San Francisco, California

- Mina Choo, Director
- Derek McGreal, Director
- Patrick Zhang, Associate

## National Single Family Lead Manager Table Negotiated: Full Credit to Book Runner 01/01/2011 - 12/31/2012

Firm	Par Amount (US\$ mil)	Rank	Mkt. Share (%)	Number of Issues
Bank of America Merrill Lynch	2,168.1	1	20.5	50
J P Morgan Securities LLC	1,681.4	2	15.9	38
<b>RBC Capital Markets</b>	<b>1,668.9</b>	<b>3</b>	<b>15.7</b>	<b>48</b>
Morgan Stanley	1,465.1	4	13.8	28
Citi	1,401.0	5	13.2	28
Raymond James Morgan Keegan	549.2	6	5.2	13
Barclays	420.0	7	4.0	8
George K Baum & Company Inc	331.4	8	3.1	11
Goldman Sachs & Co	275.0	9	2.6	5
Ramirez & Co Inc	149.0	10	1.4	2
<b>Top 10 Totals</b>	<b>10,109.1</b>	<b>-</b>	<b>95.4</b>	<b>231</b>
Other Mangers	492.9	-	4.6	25
<b>Market Totals</b>	<b>10,602.0</b>	<b>-</b>	<b>100.0</b>	<b>256</b>

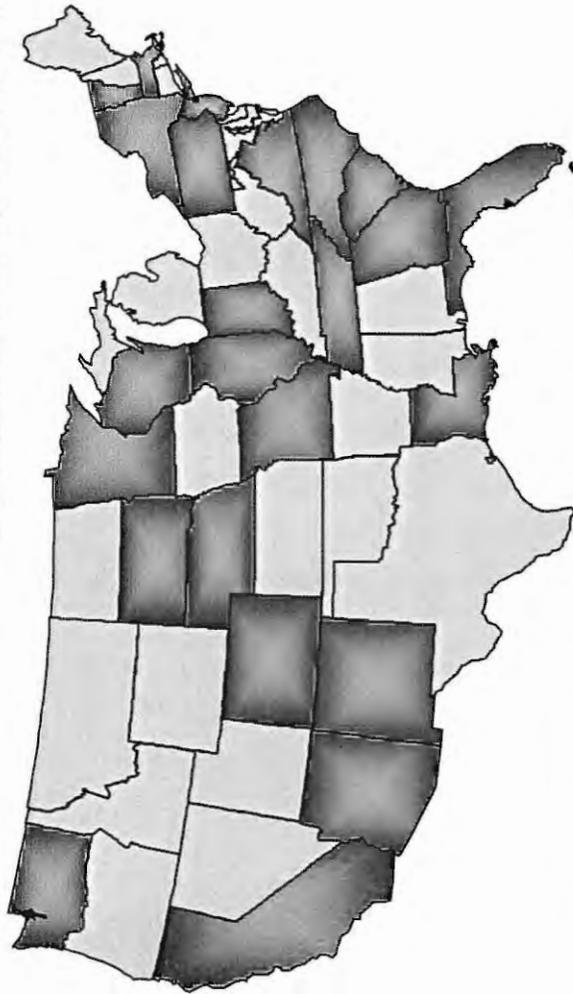
Source: Thomson Financial

## RBC CM Housing Highlights

- RBC ranked 3<sup>rd</sup> in single family issuance in 2009, #2 in 2011, 3<sup>rd</sup> in 2012 and # 2 in 2013
- 6<sup>th</sup> most active underwriter of multifamily bonds since January 2006
- 19 investment bankers including 14 full time professionals and 5 bankers covering housing issuers and developers on a regional basis
- Tax Credit Equity Group has 80 professionals dedicated to affordable housing development

# RBC CM Housing Capital Group Multifamily Housing Transactions

During the period 2007 – 2012, RBC CM has closed 98 lead managed multifamily housing transactions in 26 states totaling \$1.187 Billion



Multi Family Lead Manager Table Negotiated: Full Credit to Book Runner 01/01/2007 - 12/31/2012				
Firm	Par Amount (US\$ mil)	Rank	Mkt. Share (%)	Number of Issues
J.P. Morgan Securities LLC	5,974.4	1	23.4	120
Bank of America Merrill Lynch	4,554.6	2	17.8	131
Citi	2,810.1	3	11.0	134
Goldman Sachs & Co	1,792.2	4	7.0	36
<b>RBC Capital Markets</b>	<b>1,187.8</b>	<b>5</b>	<b>4.7</b>	<b>98</b>
Barclays	1,142.2	6	4.5	30
Raymond James	1073.2	7	4.2	29
Merchant Capital LLC	908.9	8	3.6	102
Morgan Stanley	907.4	9	3.6	17
Wells Fargo & Co	624.9	10	2.4	27
<b>Top 10 Totals</b>	<b>20,975.7</b>	-	<b>82.2</b>	<b>724</b>
Other Managers	4,587.5	-	17.8	405
<b>Market Totals</b>	<b>25,563.2</b>	-	<b>100.0</b>	<b>1,129</b>

Source: Thomson Financial

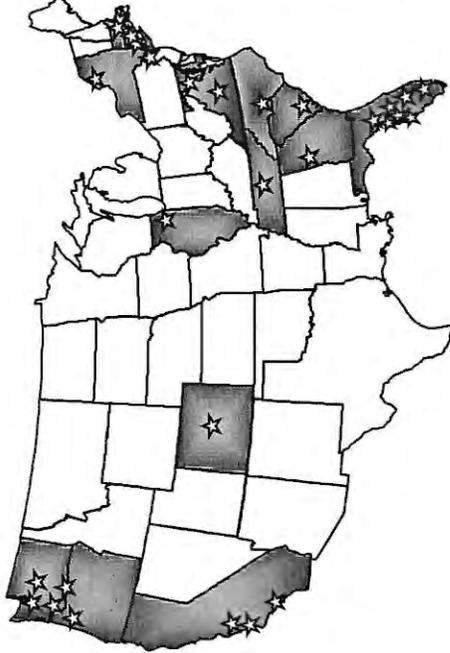
State	Deals	Amount \$
AZ	2	43,200,000
CA	11	128,100,000
CO	1	10,500,000
DC	1	8,000,000
FL	31	279,500,000
GA	1	9,400,000
IL	5	35,900,000
IN	1	17,000,000
LA	2	18,000,000
MA	2	24,300,000
MD	11	102,300,000
MN	3	39,600,000
MO	1	10,400,000
NC	3	25,900,000
NE	1	9,000,000
NH	1	12,500,000
NJ	3	35,600,000
NM	2	8,900,000
NY	7	220,000,000
PA	1	16,300,000
SC	1	9,900,000
SD	1	4,900,000
TN	1	9,800,000
VA	2	29,400,000
WA	1	9,500,000
WI	2	70,200,000
<b>Total</b>	<b>98</b>	<b>\$1,187,800,000</b>

# RBC CM has Remained Active with Public Housing Authorities

RBC Capital Markets has a 31 year history of working with public housing authorities.

## RBCCM Housing Finance Group Clients:

Public Housing Authority	State
Housing Authority of the City of Los Angeles	CA
Oxnard Housing Authority	CA
Housing Authority the County of Santa Clara	CA
San Francisco Housing Authority	CA
Denver Housing Authority	CO
Meriden Housing Authority	CT
New Haven Housing Authority	CT
District of Columbia Housing Authority	DC
Arcadia Housing Authority	FL
Boca Raton Housing Authority	FL
Deerfield Beach Housing Authority	FL
Ocala (FL) Housing Authority	FL
Pinellas County Housing Authority	FL
Punta Gorda Housing Authority	FL
Tampa Housing Authority	FL
Atlanta Housing Authority	GA
Chicago Housing Authority	IL
Boston Housing Authority	MA
Cambridge Housing Authority	MA
Middletown Housing Authority	MA
Portland Housing Authority	ME
Charlotte Housing Authority	NC
Potsdam Housing Authority	NY
Housing Authority of Fulton County	OR
Housing Authority of Yamhill County	OR
Housing Authority of North Charleston	SC
Fairfax County Redevelopment and Housing Authority	VA
Housing Authority of King County	WA
Pierce County Housing Authority	WA
Housing Authority of Seattle	WA
Vancouver Housing Authority	WA



## Highlights:

- RBC CM has acted as bond underwriter for over 31 PHAs in conjunction with the issuance of Tax-Exempt bonds and has provided tax credit equity for over 46 PHAs
- RBC CM was one of the first to encourage use of private activity bonds for Capital Fund financings, increasing dollars available to Housing Authority of Seattle through LIHTC syndication
- Recently completed transaction in December 2011 for the Charlotte Housing Authority which combined the monetization of capital fund and replacement housing factor fund allocations with low income housing tax credits.
- In 2010, RBC CM completed a transaction for the Boston Housing Authority with tax-exempt and Build America Bonds, subject to a 10 year mandatory tender
- Completed \$66.5 million private placement for Cambridge Housing Authority, consisting of a mix of cash and real estate collateralized bonds, sold in conjunction with receipt of ARRA funds

## RBC CM Tax Credit Equity Group Clients:

Public Housing Authority	State
Aniston Housing Authority	AL
Housing Authority of the Birmingham District	AL
Burlala Housing Authority	AL
Opelika Housing Authority	AL
Troy Housing Authority	AL
City of Phoenix	AZ
Los Angeles Housing Authority	CA
Housing Authority of Santa Barbara	CA
County of Monterey Housing Authority	CA
Aurora Housing Authority	CO
DC Housing Authority	DC
Arcadia Housing Authority	FL
Deerfield Beach Housing Authority	FL
Housing Authority of the City of Ft Myers	FL
Punta Gorda Housing Authority	FL
Chicago Housing Authority	IL
Peoria Housing Authority	IL
Cook County Housing Authority	IL
Springfield Housing Authority	IL
Waukegan Housing Authority	IL
Boston Housing Authority	MA
Cambridge Housing Authority	MA
Housing Authority of Kansas City	MO
Charlotte Housing Authority	NC
Greensboro Housing Authority	NC
Salisbury Housing Authority	NC
Wilmington Housing Authority	NC
Manchester Housing Authority	NH
Rochester Housing Authority	NH
Niagra Falls Housing Authority	NY
Tulsa Housing Authority	OK
Housing Authority of Portland	OR
Butler Housing Authority	PA
Coventry Housing Authority	RI
Greenville Housing Authority	SC
Spartanburg Housing Authority	SC
Chattanooga Housing Authority	TN
Cookeville Housing Authority	TN
Memphis Housing Authority	TN
Dallas Housing Authority	TX
Housing Authority of the City of El Paso	TX
Ft Worth Housing Authority	TX
Texasarkana Housing Authority	TX
King County Housing Authority	WA
Tacoma Housing Authority	WA
Housing Authority of the City of Milwaukee	WI



## Housing Finance Group's Highlights

### A Complete Financing Partner

*The Firm is highly rated, secure institution providing products and services in tax credit equity & debt. A single point of entry for underwriting and credit review for debt & equity partners.*



RBC Capital Markets®

### Experienced and Dedicated Professionals

*A large, dedicated, housing finance team, specializing in affordable housing for both single and multifamily and offering personalized service.*

### Innovative Financing & Structuring Products

*Extensive capital markets experience, with ability to tailor financing structures to match client needs.*

### An Expansive Distribution Force

*Reaching institutional and retail investors, both nationally and globally.*



# Attachment 14

## Hudson Estates

### **14. Description of the proposed financing plan.**

The primary source of financing will be tax-exempt bonds issued by the Pasco County Housing Finance Authority. The bonds will be short term, cash collateralized at all times and will be sold in a public offering through RBC Capital. In order to qualify for 4% low-income housing tax credits, the Applicant will need to issue bonds in excess of 50% of the developments depreciable basis and land. To meet this test the Applicant is requesting \$3,000,000 in tax-exempt bonds. Oak Grove will be the permanent lender providing an estimated \$2,700,000 through the FHA 223f insurance program. Please refer to the attached term sheets from RBC Capital and Oak Grove Capital for further information on the structure of the debt financing.

Additionally, the developer will seek a second mortgage in the amount of \$780,000 in the form of a MERP (Multifamily Energy Retrofit Program) funds from FHFC and a third mortgage in the amount of \$200,000 from Pasco County.

Furthermore, approximately \$1,850,000 will be provided from Regions Bank through the sale of low-income housing tax credits generated by the project.

## SOURCES AND USES OF FUNDS

Hudson Estates  
Hudson, FL

### SOURCES OF FUNDS

	CONSTRUCTION PERIOD	PERMANENT PERIOD
Pasco County MMRBs	\$3,000,000	
First Mortgage	\$2,700,000	\$2,700,000
Second Mortgage	780,000	0
LIHTC Equity	1,519,503	1,899,300
MERP - FHFC	780,000	780,000
3rd Mortgage - Pasco County		200,000
Deferred Fee	290,091	591,794
	33%	66%
<b>TOTAL SOURCES</b>	<b>\$9,069,594</b>	<b>\$6,171,094</b>

### USES OF FUNDS

Acquisition Costs	\$3,000,000	\$3,000,000
Construction Costs	1,304,160	1,304,160
Financial Costs	340,500	340,500
General Development Costs	277,646	279,146
Legal Costs	135,000	135,000
Agency Fees	120,511	120,511
Reserves	0	100,000
MMRB Collateral Reserve	3,000,000	0
Developer Fee	891,777	891,777
<b>TOTAL USES OF FUNDS</b>	<b>\$9,069,594</b>	<b>\$6,171,094</b>



July 16, 2015

Scott Seckinger  
Hudson Affordable LLC  
5403 W Gray St.  
Tampa, FL 33609

Re: Hudson Estates  
Hudson, FL

Oak Grove Capital (“OGC”) is pleased to offer a firm commitment for the construction and permanent financing for Hudson Estates (“Project”) to be owned by Hudson Affordable LLC (“Borrower”) and located in Hudson, FL. It is our understanding that the applicant is applying for a preliminary reservation of 4% low-income housing tax credits from the State of Florida. We hereby propose to provide construction and permanent non-recourse financing for the Project through the FHA 223(f) PILOT loan with terms and conditions as described below.

The loan will be subject to the following terms provided below:

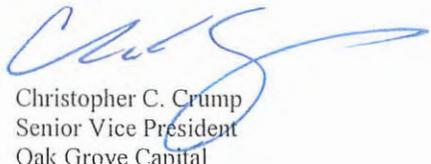
Property	Hudson Estates
Borrower	Hudson Affordable LLC
Loan Limits	Maximum of 87% LTV of the as-rehabilitated value of the property as determined by an appraisal or minimum of 1.15x DSC
Construction Loan Amount	\$3,000,000
Permanent Loan Amount	\$3,000,000
Permanent & Construction Loan Rate	3.75% plus 0.45% MIP (as of the date herein)
Permanent/Construction Loan Term	35 years
Amortization Period	35 years
Prepayment Premium Period	2 Year lockout, then open at 8%, declining 1% per year thereafter
Loan Origination Fee	2.00% of the permanent loan amount
OGC Due Diligence Fee	\$27,500 applied to third party reports
OGC/FHA Application fee	0.3% of the Loan amount
OGC Legal Counsel	\$25,000
Required Escrows	Taxes, Insurance, Replacement Reserves
Security	Security shall include but not be limited to a promissory note secured by first mortgage or deed of trust encumbering the property including all personal property, assignment of leases, etc.
Due Diligence Costs	Third party Property Needs Assessment, Plan & Cost Review, Appraisal, Environmental, and credit reports will be paid for by the Borrower.
Closing Expenses	Borrower will pay all closing costs including legal, survey and title insurance.

Additional Terms to the loans are as follows:

1. The development team shall be acceptable to OGC and FHA including but not limited to the Third Party Engineer, Construction Supervisor, Management Company and General Contractor who shall provide a fixed price contract and an acceptable payment and performance bond.
2. Allocation of annual State of Florida Low Income Housing Tax Credits, which are the subject of the Borrower's application to the Florida Housing Finance Corporation ("FHFC").
3. Environmental assessment, performed by a qualified environmental engineer satisfactory to OGC, FHA, and FHFC, showing the land is clear of any hazardous material or contamination prior to the closing of the loan.
4. The Guarantor will guarantee lien free completion, payment (principal and interest) and performance for the construction period. The loan will be non-recourse to the Guarantor.
5. Standard representations and warranties and terms and conditions as are typical in such financing may be required by OGC or its counsel.
6. Financial statements for the Borrower are to be received prior to closing. Financial statements will be provided on an annual basis thereafter.
7. Upon completion of the rehabilitation and issuance of the Certificate of Occupancy, the borrower will begin providing quarterly operating statements.
8. Interest rates are subject to change based on changes to daily market conditions.
9. This commitment is valid through **July 31, 2016**.

If you have any questions, please let me know. We look forward to working with you.

Sincerely,



Christopher C. Crump  
Senior Vice President  
Oak Grove Capital  
625 West College Street  
Grapevine, TX 76051  
PII: 817-310-3024

I hereby agree to all of the terms set forth herein as indicated by my signature below:

Hudson Affordable LLC

By: Hudson Manager LLC, its manger

By: SP and MS LLC, its manager

By: \_\_\_\_\_

Regions Bank  
600 W. Hillsboro Blvd., Ste 340  
Deerfield Beach, FL 33441



June 18th, 2015

Mr. Scott Seckinger  
Hudson Affordable LLC  
5403 West Gray Street  
Tampa, FL 33609

**Re: Hudson Affordable LLC (Applicant), beneficiary of the equity proceeds.**

Dear Mr. Seckinger:

Regions Bank is pleased to offer you the following letter of interest based on information received to date. We appreciate the opportunity to work with you as a provider of tax credit equity and related debt products. The purpose of this letter of interest is to generally describe an investment Regions Bank is considering. These terms are subject to change upon the completion of the Banks Due Diligence, and as may be required pursuant to the Bank's applicable investment criteria, credit policies, or underwriting standards as may be in effect from time to time, along with other factors relevant to making an investment or lending decision. *This correspondence is not a commitment to invest, and no commitment to invest will exist prior to the negotiation and execution of a mutually satisfactory Partnership Agreement.*

**Investment Entity:** Hudson Manager LLC the Managing Member, with a 0.01% ownership interest in Hudson Affordable LLC the "Partnership", and Regions Bank, as Federal Investor Limited Partner (hereafter "Regions") with a 99.99% ownership interest in the Partnership.

**Project Description:** Hudson Estates, a 52-unit affordable family apartment complex located in Hudson, FL.

**Eligible Annual Housing**

**Credit Request Amount:** \$197,800.00

**Total Housing Credit**

**Allocation for**

**Investment:** \$1,978,717.00

**Tax Credit Price:** \$0.960

**Total Capital** \$1,899,300.00

**Contribution:**

- (\$854,720.22, or 45% of total equity) paid prior to or simultaneous with the closing of construction financing
- (\$284,906.74, or 15% of total equity) paid at 25% construction completion

- (\$284,906.74, or 15% of total equity) paid at 50% construction completion
- (\$94,968.91, or 5% of total equity) paid at 75% construction completion
- (\$189,937.83, or 10% of equity) paid at 99% construction completion
- (\$189,937.83, or 10% of equity) paid at project stabilization

The total equity paid prior to construction completion will be \$1,709,440.43

***Asset Management***

***Fee:***

Asset management fees will be \$75 per unit per year.

***Cash Flow Split:***

Cash Flow shall be distributed as follows after all other expenses, asset management fees and debt service has been paid:

- A. 90.00% to Managing Member.
- B. 10.00% to Federal Investor Limited Partner.

***Residual Split:***

Any gain upon sale or refinancing shall be distributed as follows:

- A. 90.00% to Managing Member.
- B. 10.00% to Federal Investor Limited Partner.

***Replacement***

***Reserves:***

\$300 per unit per year (*or per permanent lender*).

***Obligations of the  
General Partner***

A. Operating Deficit Guaranty: Unlimited operating deficit guaranty from an entity acceptable to Regions until the latter of i) the achievement of a 1.15x income to expense ratio for 90 consecutive days and ii) receipt of Form(s) 8609s. Once achieved, the operating deficit guaranty will be in effect for 60 months.

B. Development Completion Guaranty: There will be a 100% guaranty by an entity acceptable to Regions for the completion of construction of the Project substantially in accordance with plans and specifications approved by Regions, including, without limitation, a guaranty (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements, (ii) of all amounts necessary to achieve an debt service coverage ratio of 1.15x for three (3) consecutive months, and (iii) to pay any operating deficits prior to conclusion of Project construction.

C. Tax Credit Guaranty: There will be an unlimited tax credit guaranty by an entity acceptable to Regions for seven years following stabilization.

D. Credit Adjusters: The Partnership Agreement contains Credit Adjuster provisions designed to preserve the Investor Limited Partner's yield in the event Credits are not delivered as projected. In general, adjustment events affecting the delivery of Credits in future years (such as a shortage in basis or in the amount of Credits allocated by the Agency/ Authority) are priced

at the net credit price to partnership and current-year or backwards-looking adjusters (e.g., recapture of credits that have already been claimed on a tax return) are priced dollar-for-dollar for the reduced credits.

A present-value upward credit adjuster will also be provided for early delivery of credits.

***Other Notes and Conditions:***

Regions reserves the right to adjust the Capital Contributions herein based on diligence of the following information:

- A. Contingent upon receipt, review and approval of environment reports (including testing for lead based paint, asbestos and black mold as applicable) and geological reports, site inspection, appraisal, market study supporting lease-up schedule, personal and/or corporate financial statements on the General Partner, general contractor and guarantor(s), management company review, revised construction budgets, contractor, contract, and cash flow.
- B. Regions will engage an inspecting engineer to review the project and plans and specs prior to partnership close. The cost of this service will be paid by the partnership. If an acceptable appraisal is not required by the lender, the cost of an appraisal will also be paid by the partnership. The costs of inspections on monthly draws will be the cost of the partnership if not available from permanent lender. In addition, all legal fees will be paid by the partnership.
- C. To help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person or corporation who opens an account and/or enters into a business relationship.
- D. If the project has soft debt financing, Regions may require a residual analysis that shows that any soft debt financing will be repaid at the end of the respective soft debt term.
- E. Agreed upon lease-up schedule will be subject to review of due diligence and market information.

Note: An operating deficit reserve determined by the Bank will be set up as a condition of the final equity installment at stabilization.

***Construction Lender:*** Regions Bank will provide construction and permanent financing on the project.



At your convenience, please send an executed copy of this Letter of Intent to Regions Bank.

Again, thank you for your time and we appreciate the opportunity to work with you.

Very truly yours,

Marilyn L. Carl  
Vice President  
Regions Bank

*Agreed and Accepted this Day:*

*Hudson Affordable LLC*

*By: Hudson Manager LLC, its manager*

*By: SP and West Properties LLC, its manager*

By: \_\_\_\_\_ Date: \_\_\_\_\_

Its: \_\_\_\_\_

The purpose of this Letter is to generally describe an investment Regions Bank is considering. These terms are subject to change upon the completion of the Banks Due Diligence, and as may be required pursuant to the Bank's applicable investment criteria, credit policies, or underwriting standards as may be in effect from time to time, along with other factors relevant to making an investment decision. These terms may not be changed or otherwise modified orally. This Letter does not survive Closing of the transaction.

This correspondence is not a commitment to invest, and no commitment to invest will exist prior to the negotiation and execution of a mutually satisfactory letter of intent and Partnership Agreement.



**Pasco County Housing Finance Authority  
Multifamily Housing Revenue Bonds, Series 2016 - Hudson Estates  
July 31, 2015**

**SUMMARY OF FINANCING ASSUMPTIONS AND RESULTS**

The following Summary of Financing Assumptions and Results is provided for discussion purposes only and does not constitute a commitment to purchase or an agreement to issue a commitment. Its terms are not all-inclusive. Additions and changes may be made as the Purchaser and its counsel deem necessary, prudent or desirable. No agreement (oral or otherwise) that may be reached during negotiations shall be binding upon the parties until final purchase documents have been executed by all parties.

<b>Issue:</b>	\$3,000,000* (subject to change) Pasco County Housing Finance Authority (the "Pasco HFA") Multifamily Housing Revenue Bonds, Series 2016_ (Hudson Estates)
<b>Rating:</b>	Anticipated A-1+
<b>Denominations:</b>	\$5,000 or any integral multiple thereof.
<b>Method of Sale:</b>	Public Offering - Underwriting by RBC Capital Markets
<b>Financing</b>	The tax exempt bond financing has been sized to \$3,000,000* (subject to change). Funds will be held in cash or Eligible Investments that will secure the repayment of the bonds and will mature on or before the first optional call date. The release of the Bond proceeds to fund the acquisition and rehabilitation of the development will be restricted, contingent upon a like sum being funded to the Trustee and placed in a collateral account. Therefore the principal and interest of the Bonds will be secured by a cash source at all times until they are fully repaid. The Bonds will pay interest only until the maturity or their earlier date of redemption.
<b>Borrower:</b>	Hudson Affordable , LLC
<b>Structure:</b>	The Bonds will be issued as fully registered bonds in book entry form and will be issued in denominations of \$5,000 or any integral multiple thereof.



The Bonds will be collateralized by a cash source at all times with funds on deposit in the Project Fund, the Collateral Fund and Capitalized Interest Account, each held and administered by the Trustee. The Trustee will be restricted from releasing Bond Proceeds until a like sum is placed on deposit in the Collateral Fund. The anticipated source of collateralization is a FHA Insured 223F loan that will maintain a first lien position on the property. The Bonds, and the requisite documents/agreements will be subordinate to the FHA Loan.

- Dated Date:** The Bonds will be dated March 1, 2016 and interest will accrue from the closing date, currently anticipated to be on or before March 30, 2016.
- Maturity Date:** The Bonds will mature on April 1, 2017.
- Optional Redemption:** The Bonds will be subject to optional redemption on October 1, 2016 (the "Optional Redemption Date").
- Sinking Fund:** The Bonds will pay interest only throughout the term until maturity. There are no sinking funds anticipated in the structure.
- Interest Terms:** The Bonds will bear interest at a fixed rate payable semiannually on April 1 and October 1. Based on current market conditions, the bond interest rate is expected to be approximately 0.60% for the initial period through to the Maturity Date – April 1, 2017.
- Tax Status:** The Series 2016 Bonds are not subject to AMT.

**REQUEST FOR QUALIFICATIONS 2015-105**

**RFQ 2015-105 FOR THE MULTIFAMILY ENERGY RETROFIT PROGRAM**

**For**

**FLORIDA HOUSING FINANCE CORPORATION**

**Issued: \_\_\_\_\_, 2015**

**Due: \_\_\_\_\_, 2015**

## SECTION ONE INTRODUCTION

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

Responses will be accepted by the Corporation on a first come, first served basis beginning 10:00 a.m. on July \_\_\_, 2015. Responses will continue to be accepted until the earlier of the following two (2) events: the combined maximum eligible funding amount of all of the eligible Responses in the Response Queue is \$30 million; or December 31, 2015 ("Response Acceptance Period"). Any Responses that are submitted during the Response Acceptance Period will be placed in the Response Queue, based on the date and time of the electronic submission of the Response.

Under this program, the Corporation will select eligible Responses in the Response Queue on a first come, first served basis; however, for the for the first 20 Calendar Days, the Corporation will only choose one award per county. Any unreserved funding that remains after 20 Calendar Days have passed will be awarded to the first eligible unfunded Responses in the Response Queue that were submitted and that can be funded, regardless of the county.

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

The maximum available funding amount of \$15,000 per unit or \$3,000,000, whichever is less, may be awarded to any single Development. MERP funding may be used for the following improvements:

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

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

**SECTION TWO  
DEFINITIONS**

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

<p><b>“Affiliate”</b> means any person that:</p> <ul style="list-style-type: none"> <li>(a) Directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Respondent,</li> <li>(b) Serves as an officer or director of the Respondent of any Affiliate of the Respondent,</li> <li>(c) Directly or indirectly receives or will receive a financial benefit from a Development, with the exception of third party lenders, third party management agents or companies, third party service providers, Housing Credit Syndicators, credit enhancers regulated by a state or federal agency, or contractors whose total fees are within the limit prescribed in Exhibit F, Part II, B.14.;-or</li> <li>(d) Is the spouse, parent, child, sibling, or relative by marriage of a person described in paragraph (a), (b) or (c) above.</li> </ul>
<p><b>“Board of Directors”</b> or <b>“Board”</b> means the Board of Directors of the Corporation.</p>
<p><b>“Calendar Days”</b> means, the seven (7) days of the week.</p>
<p><b>“Completed”</b> – completed means that the temporary or final certificate of occupancy has been issued for at least one (1) unit in one of the residential apartment buildings within the Development.</p>
<p><b>“Compliance Period”</b> means a period of time that the Development shall conform to all set-aside requirements as described further in the rule chapter and agreed to by the Respondent in the Response.</p>
<p><b>“Contact Person”</b> means the person with whom the Corporation will correspond concerning the Response and the Development. This person cannot be a third-party consultant.</p>
<p><b>“Consent”</b> – consent means express written consent authorizing the utility or service provider to share customer-specific energy consumption data to a third party.</p>
<p><b>“Corporation”</b> means the Florida Housing Finance Corporation as defined in Section 420.503, F.S.</p>
<p><b>“Credit Underwriter”</b> means the independent contractor under contract with the Corporation having the responsibility for providing stated credit underwriting services.</p>
<p><b>“Development”</b> means Project as defined in Section 420.503, F.S.</p>
<p><b>“Document”</b> means electronic media, written or graphic matter, of any kind whatsoever, however produced or reproduced, including records, reports, memoranda, minutes, notes, graphs, maps, charts, contracts, opinions, studies, analysis, photographs, financial statements and correspondence as well as any other tangible thing on which information is recorded.</p>

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

**“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 D.1.a. and, if applicable, D.2.a.

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

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

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

**“Principal”** means:

- (a) With respect to a Respondent that is a corporation, any officer, director or shareholder of the Respondent corporation, and, with respect to any shareholder of the Respondent corporation that is:
1. A corporation, any officer, director or shareholder of the corporation,
  2. A limited partnership, any general partner or limited partner of the limited partnership, or
  3. A limited liability company, any manager or member of the limited liability company;
- (b) With respect to an Respondent that is a limited partnership, any general partner or limited partner of the Respondent limited partnership, and, with respect to any general partner or limited partner of the Respondent limited partnership that is:
1. A corporation, any officer, director or shareholder of the corporation,
  2. A limited partnership, any general partner or limited partner of the limited partnership, or
  3. A limited liability company, any manager or member of the limited liability company; and
- (c) With respect to an Respondent that is a limited liability company, any manager or member of the Respondent limited liability company, and, with respect to any manager or member of the Respondent limited liability company that is:
1. A corporation, any officer, director or shareholder of the corporation,
  2. A limited partnership, any general partner or limited partner of the limited partnership, or
  3. A limited liability company, any manager or member of the limited liability company.

**“Respondent”** means the person that (i) either currently owns the property or is a representative of the entity that currently owns the property; and (ii) is authorized to bind all Financial Beneficiaries to the cost associated with the retrofit work and other requirements outlined in this RFQ throughout the entire Compliance Period.

**“Response Acceptance Period”** means the period of time in which the Corporation will accept Responses for this RFQ. This period of time will begin 10:00 a.m. on July \_\_\_\_, 2015 and continue until the earlier of the following two (2) events: the combined Maximum Eligible Funding Amount of all of the eligible Responses in the Response Queue is \$30 million; or December 31, 2015.

**“Response Queue”** means the list of eligible Responses received during the Response Acceptance Period, in the order sequence of the date and time as electronically submitted by the Respondent.

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

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

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

### SECTION THREE PROCEDURES AND PROVISIONS

#### A. Submission Requirements

A complete Response for this RFQ consists of the following: (i) the Response found in Section Four (in Microsoft Word); (ii) an executed Respondent Certification found at Exhibit A ; and (iii) a PDF copy of the complete list of Principals of the Respondent as outlined in Section Four, B.3. To meet the submission requirements, the Respondent must do all of the following for each Response:

1. Download and complete the Response Form (Section Four) found on the Corporation’s Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-105/> (also accessible by clicking [here](#)). The download process may take several minutes. Respondents should save the file with a file name that is unique to that Response Form;
2. Download and execute the Respondent Certification and Acknowledgement found on the Corporation’s Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-105/> (also accessible by clicking [here](#)). The download process may take several minutes. Respondents should save the file with a file name that is unique to that Respondent Certification and Acknowledgement. The Portable Document Format (PDF) form must be printed, manually signed, then scanned into a PDF;

3. Create a complete list of Principals of the Respondent as described in Section Four, B.3. The document may be created in Microsoft Word and either uploaded as a Microsoft Word document or converted to a PDF document and then uploaded.
  4. Next, when the Respondent is ready to submit to the Corporation the completed Response, consisting of the Response Form, Respondent Certification and Acknowledgement, and list of Principals, the Respondent must go to the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-105/> (also accessible by clicking [here](#)) and click the link to login and upload the completed Response. To upload the Response, a username and password must be entered. If the Respondent has not previously created a username and password, the Respondent will need to create one prior to the upload process;
  5. After successfully logging in, click "Upload Response". The Respondent must also enter the Development Name, click "Browse" to locate the following completed documents on the Respondent's computer: (i) Response Form that was saved as Microsoft Word document; (ii) Respondent Certification and Acknowledgement saved as a PDF document or scanned into a PDF file; and (iii) list of Principals saved as a PDF document or scanned into a PDF file. Then the Respondent must click "Upload Selected File". The complete Response will be listed as an uploaded Response and its assigned Response Number will be visible in the first column;
  6. Next, to view and print the Uploaded Response, click "Print Response".
- B. This RFQ does not commit the Corporation to award any funding to any Respondent or to pay any costs incurred in the preparation or delivery of a Response.
- C. The Corporation reserves the right to accept or reject any or all Responses received as a result of this RFQ.
- D. Any person who wishes to protest the specifications of this RFQ must file a protest in compliance with Section 120.57(3), Fla. Stat., and Rule Chapter 28-110, F.A.C. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.
- E. By submitting this Response, each Respondent agrees to the terms and conditions outlined in the RFQ. By inclusion and execution of Respondent Certification and Acknowledgement (Exhibit A) of the RFQ, each Respondent certifies that:
1. Public Records. Any material submitted in response to this RFQ is a public record pursuant to Chapter 119, Fla. Stat. Per Section 119.071(1)(b)2.
  2. Requirements. Developments funded with MERP will be subject to the requirements of this RFQ, inclusive of all exhibits, applicable laws, rules and regulations, and the Corporation's generally applicable construction and financial standards.

- F. The Corporation expects to select one (1) or more Responses to award the funding contemplated by this RFQ. Any such Responses will be selected through the Corporation’s review of each Response, considering the factors identified in this RFQ.
- G. A Respondent may request withdrawal of its Response from this RFQ by filing a written notice of withdrawal with the Corporation Clerk. 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 RFQ.

**SECTION FOUR  
RESPONSE for RFQ 2015-105**

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

A. Respondent Certification and Acknowledgement

The Respondent must sign the Respondent Certification and Acknowledgement provided as Exhibit A acknowledging and certifying to all statements made in that exhibit, and submitted as outlined in Section Three.

B. Respondent Information:

- 1. State the name of the Respondent: [Click here to enter text.](#)
- 2. To qualify for up to 15 percent of the MERP award to be forgiven, the Respondent must, as of the Response submission date, qualify as a Non-Profit Respondent, or be certified by the Department of Management Services as a Women, Veteran or Minority-Owned Business. All other Respondents will qualify for up to 10 percent of the MERP award to be forgiven.

The forgivable portion of the loan is further explained in Section Five, C., 3. Non-Profit Respondent qualifications are outlined in A.1. of Exhibit F. Women, Veteran or Minority-Owned Business certification is established through the Department of Management Services.

- a. Is the Respondent a Non-Profit Respondent as of Response submission date?

Yes                       No

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

Yes                       No

Evidence of Non-Profit status and/or Women, Veteran or Minority-Owned Business certification from Department of Management Services as of the Response submission

date must be provided in credit underwriting as outlined in Items A.1 and A.2. of Exhibit F.

3. Principals for the Respondent:

All Respondents must provide a list identifying the Principals for the Respondent, as follows:

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

To assist the Respondent in compiling the listing, the Corporation has included additional information at Exhibit C.

4. Provide the Contact Person information requested below:

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

Last name: [Click here to enter text.](#)

Street address: [Click here to enter text.](#)

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

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

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

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

E-Mail address: [Click here to enter text.](#)

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

C. General Development Information

1. State the name of the Development: [Click here to enter text.](#)
2. State the address number, street name, and name of city or unincorporated area of county for the Development in the space provided. Note: The Development's location cannot be moved after the submission of the Response.  
[Click here to enter text.](#)
3. Indicate the County where the Development is located: [Choose a county.](#)
4. How many total units are in the Development? [Click here to enter text.](#)

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

## 5. Age of the Development

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

- Yes                       No

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

## a. Income restrictions:

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

- Yes                       No

- (2) If "No", does the Respondent commit that at least 70 percent of the total units will be restricted to households with incomes at or below 80 percent of AMI within \_\_\_ years?

- Yes                       No

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

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

## D. Utility Information

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

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

- Energy use in kilowatts
  - Dollars spent on energy
  - Gas use (if applicable) in BTUs
  - Dollars spent on gas
1. Electric Utilities - the Respondent must select the type of utility metering in place at the Development for electricity by selecting either a. or b. below. If the Respondent selects a., the Respondent must also select the appropriate box indicating the appropriate utility provider. If the Respondent does not select a. or b., or if a. is selected, but the Respondent does not select a utility provider, the Respondent will not be eligible for funding.

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

- City of Leesburg;
- City of New Smyrna Beach Utilities Commission
- City of Tallahassee;
- Clay Electric Cooperative;
- \*Florida Power and Light Company;
- Gainesville Regional Utilities;
- \*Gulf Power Company;
- Jacksonville Electric Authority;
- Kissimmee Utility Authority;
- Lakeland Electric;
- Orlando Utilities Commission; or
- \*TECO

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

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

- a. The property does not use gas.
- b. Property qualifies as a Master Metered Property for gas.
- c. Property qualifies as an Individually Metered Property for gas. If Units are individually metered, to be eligible for funding the Development must be located in the service area of and receive utility services from one or more of the following utilities. The utility providers listed below are those that have demonstrated a willingness to provide utility data for the data collection purposes stated above. Note: No other providers for Individually Metered Properties will be considered.

- City of Leesburg;
- City of Tallahassee;
- \*Florida Power and Light Company;
- Gainesville Regional Utilities
- Kissimmee Utility Authority; or
- Lakeland Electric.

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

E. Respondent's Preferences for the Retrofit

The Respondent must select one (1) or more of the following eligible improvements to indicate the Respondent's preferences for the retrofit.

- a.  Air infiltration (e.g., envelope sealing, duct sealing, weather stripping); and/or
- b. Replacement of any of the following:
  - Appliances with Energy Star qualified appliances
  - Lighting
  - Faucets/showerheads
  - HVAC systems

- Programmable thermostats
- Boilers/water heaters
- Insulation
- Window film
- High efficiency windows
- Other building improvements which will result in reduced energy and/or water consumption

If "Other building improvements which will result in reduced energy and/or water consumption", please describe:

[Click here to enter text.](#)

- F. **Determining the Maximum Eligible Funding Amount:** The Corporation will determine the Respondent's Maximum Eligible Funding Amount by multiplying \$15,000 by the total number of units stated in question C.4. above, up to \$3,000,000. The Maximum Eligible Funding Amount is the maximum amount of funding that can be used for both the retrofit work and the soft costs as further described in Section Five, C.4., and will be the amount of funding reserved for the Funding Selection Process described in Section Five, B.

Note: The actual amount of the MERP award may be less than the Maximum Eligible Funding Amount. The funding amount needed for the retrofit and the soft costs will be determined during the credit underwriting process as further explained in Section Five, C. 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.

#### **SECTION FIVE: RESPONDENT ELIGIBILITY AND FUNDING SELECTION**

- A. **Eligibility:** - Only Responses that are determined to be eligible for funding will be considered for funding selection. All information provided in the Responses received will be presumed to be correct for purposes of determining preliminary funding. The Corporation will review Responses for omissions. To be eligible, the Respondent must provide all of the criteria outlined in 1. and 2. below within the applicable deadlines. If a Response is selected for a reservation of funding, all information in the Response will be verified during the credit underwriting process.
1. The following Mandatory Items **must** be provided when the Response is submitted or the Response will not be eligible for funding and will be removed from the Response Queue; however, typographical or scrivener's errors may be corrected.
    - a. Respondent name provided in Section Four, B.1.;
    - b. Contact name and email address provided in Section Four, B.4.;
    - c. Development name provided in Section Four, C.1.;

- d. Development location (address) provided in Section Four, C.2. (Note: the location of the Development that is the subject of each Response may not change after the submission of the Response);
  - e. Development county provided in Section Four, C.3.
  - f. Electronic submission of Section Four (the "Response Form") in Microsoft Word format, as described in Section Three, A.1.;
  - g. Electronic submission of Exhibit A ("the Respondent Certification and Acknowledgement") in Portable Document (PDF) format, as described in Section Three, A.2.; and
  - h. Electronic submission of the Principals for the Respondent in either Microsoft Word or PDF format, as described in Section Three, A.3.
2. The following items should also be provided when the Response is submitted; however, Respondents may correct or supplement information within the time frame as outlined in 3.b. below.
- a. Contact information provided in Section Four, B.4.;
  - b. Total Units provided in Section Four, C.4.;
  - c. Completion of Development prior to January 1, 2005, confirmed in Section Four, C.5.a.;
  - d. Confirmation that the Development will commit to limiting at least 70 percent of the total units to households with incomes at or below 80 percent of AMI or less provided at Section Four, C.6.a.
  - e. Type of agreement with income set-asides that is in place selected in Section Four, C.6.b.;
  - e. Individually Metered Property or Master Metered Property for electricity and, if applicable, gas, selected in Section Four, D.;
  - f. If Individually Metered Property, utility provider selected from list of providers for electricity, and if applicable, gas, selected in Section Four, D.1.a. and D.2.a.;
  - g. No Respondent or Principal, Affiliate or Financial Beneficiary of the Respondent has any past due obligations or is in arrears to the Corporation, or any agent or assignee of the Corporation\*; and
  - h. No exclusions from receiving Federal contracts according to lists available on the System for Award Management (SAM) website\*\*.

\*Arrearages to the Corporation are published Past Due Report posted to the Corporation's Website under the link Property Owners & Managers/Past Due Reports (also accessible by clicking [here](#)).

\*\*Obligations to federal agencies are verified by searching records using the System for Award Management (SAM) located at [https://www.sam.gov/portal/SAM/?navigationalstate=JBPNs\\_r00ABXdcACJqYXZheC5mYWNlcy5wb3J0bGV0YnJpZGdlLlNUQVRFX0IEAAAAAQpdmlldzozNjYwMGUwOC03Mzk4LTQ2NmEtYmQ5YS0wMmM3MzRiZmU0MjMAB19fRU9GX18\\*&portal:componentId=6e0f1731-a8c7-4ce0-b010-7b6f589056e7&interactionstate=JBPNs\\_r00ABXc0ABBfanNmQnJpZGdlVmlld0kAAAAAQATL2pzZi9uYXZpZ2F0aW9uLmpzCAAHX19FT0ZfXw\\*\\*&portal:type=action#1](https://www.sam.gov/portal/SAM/?navigationalstate=JBPNs_r00ABXdcACJqYXZheC5mYWNlcy5wb3J0bGV0YnJpZGdlLlNUQVRFX0IEAAAAAQpdmlldzozNjYwMGUwOC03Mzk4LTQ2NmEtYmQ5YS0wMmM3MzRiZmU0MjMAB19fRU9GX18*&portal:componentId=6e0f1731-a8c7-4ce0-b010-7b6f589056e7&interactionstate=JBPNs_r00ABXc0ABBfanNmQnJpZGdlVmlld0kAAAAAQATL2pzZi9uYXZpZ2F0aW9uLmpzCAAHX19FT0ZfXw**&portal:type=action#1) (also accessible by clicking [here](#)). The most recent date of the Exclusion Extract Data Package found on the webpage will be used.

### 3. Notification

- a. After each Response is electronically submitted, an acknowledgement of the receipt of the Response and statement that the Mandatory Items described in A.1. were provided will be sent by the Corporation by 5:00 p.m. the next business day. If any of the Mandatory items described in A.1. were not provided, the Respondent will be notified via email that the Response will not be eligible for funding and will be removed from the Response Queue; however, the Response may be resubmitted, generating a new date and time that the Response is considered to have been electronically submitted.
- b. Respondents that do not provide all of the items described in A.2. when the Response is submitted will be notified via email of the Response's omissions and deficiencies. The Response will continue to be in the Response Queue and therefore, may be considered for funding, but must provide all of the items within 5 business days of the notification to continue to be eligible for funding. Responses that do not provide all items within the deadline will not be eligible for funding and will be removed from the Response Queue; however the Response may be resubmitted, generating a new date and time that the Response is considered to have been electronically submitted.

### B. Funding Selection

1. Response Queue: All Responses that are electronically submitted during the Response Acceptance Period will be listed in the Response Queue and ranked in the order of the date and time of the electronic submission. Responses that are deemed ineligible for funding by the Corporation will be deleted from the Response Queue. Responses that are deemed eligible for funding will be selected on a first come, first served basis, subject to the County Test and Funding Test as further described below.
2. Funding Test: There must be enough funding available to fund at least 75 percent of the Maximum Eligible Funding Amount as calculated per Section Four, F.

3. County Test: For the first 20 Calendar Days of the Response Acceptance Period, Responses will be considered for funding only if no preliminary funding reservation has been made for any other Response for the same county. At the conclusion of the 20 Calendar Day period, the County Test will no longer be applied.
4. Selection Process: Preliminary funding reservations will be made for eligible Response(s) in the Response Queue in the order the Responses were received, subject to the Funding Test and, if during the first 20 Calendar Days of the Response Acceptance Period, County Test.

If a Response that is considered for a preliminary funding reservation meets the Funding Test, and, if applicable, the County Test, but the unreserved funding available is less than the Response's Maximum Eligible Funding Amount, a preliminary funding reservation for that Response will be made for the remaining unreserved funding.

If a Response that is considered for a preliminary funding reservation meets the County Test, if applicable, but **does not meet** the Funding Test, the selection process will pause.

5. Returned Funding: Funding that becomes available due to a Respondent withdrawing its Response, a Respondent declining its invitation to enter credit underwriting, a reduction of the award amount during the credit underwriting process, or the Respondent's inability to satisfy a requirement outlined in this RFQ will be considered Returned Funding. Returned Funding will be first offered to any partial award, up to the Maximum Eligible Funding Amount, if needed based on the scope of work. The Returned Funding may be combined with unreserved funding to be used to continue the Funding Selection process as outlined above.

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

#### C. Award Process

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

1. Energy Audit/Critical Repairs Needs Analysis (CRNA): The Corporation will order an Energy Audit/CRNA for each Development awarded preliminary funding. The energy audit will be used to help identify possible retrofit work that will result in energy savings. The CRNA will help determine whether the Development has any deficiencies that must be addressed prior to the commencement of any retrofit work contemplated in this RFQ.
2. Scope of Work: The retrofit work will be based on a scope of work developed by the Corporation in consultation with the Respondent, using the Energy Audit/CRNA, and prioritizing the measures that result in the highest energy savings.

3. Technical Assistance: The Corporation reserves the right to assign a technical assistance provider (at no charge to the Respondent) for any Response that receives a preliminary award from the Corporation's Board of Directors. If assigned, the provider will assist the Respondent in formalizing the Development plans proposed in the response to this RFQ.
4. Forgivable Loan/Non-Forgivable Loan Funding Breakdown Methodology: As stated in Section Four, E. above, the Corporation will determine the Respondent's Maximum Eligible Funding Amount by multiplying the total number of units stated in Section Four, C.4 by \$15,000. If this number is less than \$3,000,000 this calculated number will be considered the Maximum Eligible Funding Amount. If the calculated number is more than \$3,000,000; \$3,000,000 will be the Maximum Eligible Funding Amount. The actual amount of the MERP award will be determined during credit underwriting and may be less than the Maximum Eligible Funding Amount.

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

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

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

- (1) Corporation Qualified Energy Audit fee. The Corporation will pay this expense directly and deduct the appropriate amount from the award.
- (2) Credit underwriting fee (\$12,956). The Corporation will pay this expense directly and deduct the appropriate amount from the award.
- (3) Federal Labor Standards Monitoring fees:
  - (a) Annual fee of 0.75% of the outstanding award amount, which will range from a minimum monthly charge of \$355 to a maximum monthly charge of \$1,261.
  - (b) Pre-construction conference fee: \$861.
  - (c) Per visit interview fee: \$323.
- (4) Annual MERP administrative fee: \$500/yr.
- (5) Davis-Bacon costs.
- (6) Construction Award Servicing fee:

- (a) \$169/hour for in-house review of draw request (Max of \$2,074).
- (b) \$169/hour for on-site inspection (Max of \$1,686 per inspection).
- (7) Corporation's attorneys' fees (estimated to be between \$5,000 and \$12,500).

The terms of the loan funding are described in Exhibit F.

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

#### **SECTION SIX AWARD PROCESS**

The Corporation shall provide notice of its decision, or intended decision, for this RFQ on the Corporation's Website the day of the applicable Board vote. After posting, an unsuccessful Respondent 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 RFQ 2015-105 - Respondent Certification and Acknowledgement**

- A. After the Board approves preliminary awards and any resulting litigation is resolved, the Corporation will order a Corporation Qualified Provider Energy Audit conducted on the property.
- B. The Respondent acknowledges and certifies that the information in Exhibit F, Part I will be provided by the due dates as outlined in Exhibit F, or as otherwise outlined in the invitation to enter credit underwriting. Failure to provide the required information by the stated deadline shall result in the withdrawal of the invitation to enter credit underwriting.
- C. By submitting the Response, the Respondent acknowledges and certifies that:
1. The Development will meet all appropriate state building codes, including the 2012 Florida Accessibility Code for Building Construction, adopted pursuant to Section 553.503, F.S., the Fair Housing Act as implemented by 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35, incorporating the most recent amendments, regulations and rules;
  2. The retrofit project will be completed within 180 Calendar Days from award closing;
  3. All change orders, budget amendments, or requests for deadline extensions must be approved by the underwriter and Florida Housing staff;
  4. Any contract funded by the proceeds of a MERP award as well as other concurrent rehabilitation work at the Development will be subject to the requirements of the Davis-Bacon Act, 40 U.S.C. §§ 3142 – 3144, 3146 and 3147 (2002), 24 CFR § 92.354, 24 CFR Part 70 (volunteers), and 40 U.S.C. § 3145 (2002), requiring any single contract for the rehabilitation to contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the United States Secretary, will be paid to all laborers and mechanics employed for the construction or rehabilitation of the Development, and such contracts must also be subject to the overtime provisions of the Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 3701 – 3706 and 3708 (2002), the Copeland Act (Anti-Kickback Act), 40 U.S.C. § 3145 (2002), and the Fair Labor Standards Act of 1938, as amended (29 U.S.C. § 201 et seq.);
  5. The Respondent agrees to comply with the federal requirements outlined in Exhibit B.
  6. The success of a Respondent in being selected for funding is not an indication that the Respondent will receive a positive recommendation from the Credit Underwriter, that the Development team's experience, or past performance or financial capacity is satisfactory. The past performance record, financial capacity and any and all other matters relating to the Development team will be reviewed during credit underwriting. The Credit Underwriter may require additional information from any member of the Development team including, without limitation, documentation on other past projects and financials. A Development team with an unsatisfactory past performance record,

- inadequate financial capacity or any other unsatisfactory matters relating to their suitability may result in a negative recommendation from the Credit Underwriter;
7. The Respondent commits to provide an affordability period on the Development's set-aside units for a term of 10 years from the date the MERP loan is closed which will be concurrent, if applicable, with any existing affordability period;
  8. The Respondent's commitments will be included in the Land Use Restriction Agreement and must be adhered to in order for the Development to remain in compliance, unless the Board approves a change;
  9. The applicable fees outlined in Exhibit E of the RFQ will be due as outlined in this RFQ and/or as otherwise prescribed by the Corporation and/or the Credit Underwriter;
  10. The Respondent acknowledges that any funding preliminarily secured by the Respondent is expressly conditioned upon any independent review, analysis and verification of all information contained in this Response 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;
  11. If preliminary funding is approved, the Respondent will promptly furnish such other supporting information, documents, and fees as may be requested or required. The Respondent understands and agrees that the Corporation is not responsible for actions taken by the undersigned in reliance on a preliminary commitment by the Corporation;
  12. The Respondent commits to participate in the statewide housing locator system;
  13. The Respondent commits to submit and implement a Property Management, Staff Education, and Resident Outreach Plan as outlined in Exhibit D of this RFQ. The Respondent's plans shall adhere to guidelines referenced in Exhibit D of this RFQ and shall be reviewed and approved by the Corporation during credit underwriting. In addition, the Respondent commits to provide an annual Certificate of Continuing Program Compliance, to the Corporation. The form can be found on the Corporation Website at <http://www.floridahousing.org/PropertyOwnersAndManagers/EnergyConsumptionModelProceduresAndForms/> (also available by clicking [here](#));
  14. For those Developments where the residents pay utility costs directly and not by or through the owner, the Respondent commits to adopting Development specific utility allowances such as those calculated using the Energy Consumption Model option;
  15. The Respondent commits to cooperate with any data collection efforts necessary to meet the reporting requirements of this program;
  16. The Respondent has read all applicable Corporation rules governing this RFQ and has read the instructions for completing this RFQ and will abide all requirements of this RFQ,

the applicable Florida Statutes and the credit underwriting provisions outlined in Exhibit F;

17. In eliciting information from third parties required by and/or included in this Response, the Respondent has provided such parties information that accurately describes the Development. The Respondent will review the third party information provided during the credit underwriting process and the information provided by any such party to ensure such information is accurate with respect to the Development in this Response; and
18. The undersigned is authorized to bind all Financial Beneficiaries to this certification and warranty of truthfulness and completeness of the Response.

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 Respondent

\_\_\_\_\_  
Name (Typed or Printed)

\_\_\_\_\_  
Title (Typed or Printed)

**Exhibit B to RFQ 2015-105 – OTHER FEDERAL REQUIREMENTS**

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

- A. Equal Employment Opportunity** - Compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
- B. Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c)** - All contracts in excess of \$2,000 for construction or repair shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The Respondent 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 Respondent 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 Respondent shall report all suspected or reported violations to the Corporation.

The Corporation will require, prior to the start of construction, certification by the Respondent 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 Respondent 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. Respondents 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 Respondent 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. Respondents should use the GIN/Notice of Non-Displacement, that is typically used for HOME funded Developments in accordance with Chapter 2 of the HUD Handbook 1378. The Handbook is available on the Corporation at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-105/> (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 Respondent 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 Respondent agrees to comply with sections 2 through 4 of the Act of March 3, 1933, popularly known as the "Buy American Act." The Respondent 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 RFQ do not:
    - a. Require or prohibit bidders, Respondents, 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, Respondents, 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, Respondents, 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** – Respondents 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** – Respondents shall promptly refer to the Corporation, DOE or other appropriate Inspector General any credible evidence that a principle, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity or similar misconduct involving those funds.

**Exhibit C of RFQ 2015-105 - Examples of Lists of Principals:**

As described in Section Four, C.4., the Corporation is providing the following charts and examples to assist the Applicant in providing the required list identifying the Principals for the Applicant. The term Principals is defined in Section Two.

a. Charts:

(1)

If the Respondent is a Limited Partnership:

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

and

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

and

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

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

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

Identify All Managers	and	Identify All Members
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and

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

and

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

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

(c) If the Respondent is a Corporation:

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

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

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

**Exhibit D to RFQ 2015-105 –Property Management, Staff Education, And Resident Outreach Plan**

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

All Respondents that receive a MERP award shall develop and implement a Property Management, Staff Education, and Resident Outreach Plan that includes 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 Respondent shall be required to submit this plan for the Corporation’s approval. The following are some resources that will assist MERP award recipients. Owners and property managers are encouraged to review the sample policies, practices and materials and tailor them to meet their needs.

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

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

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

**Exhibit E to RFQ 2015-105 – Fees**

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

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

B. Credit Underwriting Fees:

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

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

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

Based on the Respondent'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 Respondent 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 Respondent prior to the performance of the analysis by the Credit Underwriter.

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

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

D. Commitment Fees:

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

E. Award Closing Extension Fees:

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

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

F. Construction Award Servicing Fees:

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

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

Federal Labor Standards Monitoring fees include:

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

G. Assumption/Renegotiation Fees:

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

If the Respondent is requesting a renegotiation of the MERP loan, the borrower shall submit to the Corporation a non-refundable renegotiation fee of one-half of one percent of the loan amount.

If the Respondent 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 RFQ 2015-105 – Credit Underwriting and Program Requirements

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

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

- A. After the Board approves the preliminary awards, the Corporation will issue a preliminary letter of award and order an Energy Audit/CRNA prepared by a Qualified Energy Auditor previously procured by the Corporation. The Energy Audit/CRNA will be conducted on the property with the cooperation by the property owner and manager.
2. After the completion of the Energy Audit/CRNA, the Corporation will develop a scope of work, using the Energy Audit/CRNA and in consultation with the Respondent. After the scope of work is developed and agreed to by both the Corporation and the Respondent, the Corporation will invite the Respondent into credit underwriting.
- B. The Respondent acknowledges and certifies that the following information will be provided by the due date outlined below, or as otherwise outlined in the invitation to enter credit underwriting. Failure to provide the required information by the stated deadline shall result in the withdrawal of the invitation to enter credit underwriting. An extension may be requested as provided in Part II, paragraph B.18 below.
1. Within seven (7) Calendar Days of the date of the invitation to enter credit underwriting, the Respondent must respond to the invitation. The Corporation will then submit the credit underwriting fee as explained in Exhibit E, Item B.
2. A Respondent that indicates at question B.2.a. of the Response that it is applying as a Non-Profit will only be considered to be a Non-Profit, for purposes of this RFQ, if the Respondent meets the definition of Non-Profit as set out in Section Two and provides the following information for each Non-Profit entity within seven (7) Calendar Days of the date of the invitation to enter credit underwriting.
- a. The IRS determination letter;
  - b. A description/explanation of how the Non-Profit entity is substantially and materially participating in the management and operation of the Development (i.e., the role of the Non-Profit);
  - c. The names and addresses of the members of the governing board of the Non-Profit entity; and
  - d. The articles of incorporation demonstrating that one of the purposes of the Non-Profit entity is to foster low income housing.

Any Respondent that applies as a Non-Profit but is not considered to be a Non-Profit will still be eligible to be considered for funding as a for profit entity and will be eligible for up to 10 percent of its MERP loan to be forgiven.

3. A Respondent that indicates at question B.2.b. of the Response that it is applying as a Department of Management Services (DMS) Certified Women, Veteran or Minority-Owned Business will only be considered to be a DMS Certified Women, Veteran or Minority-Owned Business, for purposes of this RFQ, if the Respondent's status can be verified within seven (7) Calendar Days of the date of the invitation to enter credit underwriting.
  4. Within nine (9) months of the date of the invitation to enter into credit underwriting or within 120 Calendar Days of the date of the firm award commitment, whichever is first, the MERP award must close. In the event that the award does not close, an extension may be available with extension fees being assessed as outlined in Item E. of Exhibit E.
- C. The Credit Underwriter will provide an itemized due diligence list for additional documentation needed to complete the credit underwriting report such as the following:
1. Verification of the date that the Development was Completed;
  2. Verification of the existing LURA, EUA, or other non-Corporation restriction agreement;
  3. If the utility provider requires Consent from each tenant in order to provide such data, evidence that Consents from all tenants, through end of the Compliance Period, acceptable to the utility provider, are in place prior to the submission of the credit underwriting report to the Board for approval; and
  4. Audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications for the Respondent, general partner(s), guarantors, and General Contractor, if applicable, as further outlined in Part II, item 12 below.
- D. The Respondent must demonstrate it is meeting all of the criteria committed to within the RFQ either at time of application, credit underwriting, or executed closing agreements, as applicable.

## **Part II. Other Requirements and Procedures**

### **A. Miscellaneous Requirements**

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

If two or more Responses are considered to be submissions for the same Development site, the Corporation will reject all such Responses except the Response with the latest (worst) submission date/time. The Response(s) with the earliest submission date/time(s) (best) will still be rejected even if the Respondent withdraws the Response with the latest (worst) submission date/time.

2. If a Respondent or any Affiliate of a Respondent:
  - a. Has engaged in fraudulent actions;
  - b. Has materially misrepresented information to the Corporation regarding any present Response or Development or any prior Response 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 Respondent and any of the Respondent'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 Respondent or its Affiliates shall be suspended until the conclusion of such a proceeding.

3. If a Respondent or any Principal, Affiliate or Financial Beneficiary of a Respondent has any existing Developments participating in any Corporation programs that remain in non-compliance with any Corporation funded Programs, any competitive solicitations, or applicable loan documents, and any applicable cure period granted for correcting such non-compliance has ended as of the time of submission of the Response 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 Respondent will not be able to produce quality affordable housing, be denied and the Respondent and the Affiliates of the Respondent 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 RFQ, 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 RFQ.
5. For computing any period of time allowed by this RFQ, the day of the event from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday.

B. Credit Underwriting Procedures for MERP award:

Credit underwriting is a de novo review of all information supplied, received or discovered during or after the competitive solicitation scoring and funding preference process, prior to the closing on funding. The success of a Respondent in being selected for funding is not an indication that the Respondent 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 Respondent, the real estate, the economics of the Development, the ability of the Respondent 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 RFQ.

1. At the completion of any litigation and approval by the Board of all recommended orders with regard to this RFQ, the Corporation shall offer all Respondents 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 a Respondent after Board approval of the list of eligible Responses that is sorted from highest funding preference to lowest, where the Respondent's response is to decline to enter credit underwriting, the result shall be the removal of the Response from the list of eligible Responses for this RFQ and any other funding where that list of eligible Responses will be used.
4. If the invitation to enter credit underwriting is accepted:
  - a. The loan must close within nine (9) months of the date of the invitation to enter credit underwriting. Respondents may request one (1) extension of up to three (3) months. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The written request will then be submitted to the Corporation's Board for consideration. The Board shall consider the facts and circumstances of each Respondent's request and any credit underwriting report, if available, prior to determining whether to grant the requested extension. The Corporation shall charge a non-refundable extension fee of 1 percent of each loan amount if the Board approves the request to extend the commitment beyond the initial nine month closing deadline. In the event the loan does not close by the end of the three month extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated. There are separate loan closing deadlines related to the firm loan commitment and these are provided in paragraph 24 below.
5. The Credit Underwriter shall review all information in the Response and subsequently provided during the credit underwriting process, including information relative to the

Respondent 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 Respondent and any Financial Beneficiary of the Respondent, 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) A Respondent and any Financial Beneficiary of the Respondent , in connection with any other affordable housing development,
  - (2) Financial capacity of a Respondent and any Financial Beneficiary of the Respondent, or
  - (3) Any other relevant matters relating to a Respondent and any Financial Beneficiary of the Respondent , if, in the Credit Underwriter's opinion, one or more members of the Development team do not possess the ability to proceed.
  - (4) MERP funding cannot be used for the costs of a construction or renovation project that are not related to energy efficiency measures and water conservation. MERP funding may be used for retrofit work, an owner incentive fee, and other soft costs as further described in Section Five, C. Respondents may carry out these retrofits as part of a broader rehabilitation plan that has non-MERP financing associated with it; however, these Respondents should be aware that compliance all federal requirements outlined in Exhibit B, including with the Davis-Bacon Act, may apply to the entire rehabilitation.
7. The Credit Underwriter shall report any inconsistencies or discrepancies or changes made to the Respondent's Response during credit underwriting.
  8. The Respondent will be responsible for all fees in connection with the documentation submitted to the Credit Underwriter other than those fees identified in Section Five, C.4.a. which the Corporation will pay directly and deduct the appropriate amount from the MERP award.
  9. If the Credit Underwriter determines that special expertise is required to review information submitted to the Credit Underwriter which is beyond the scope of the Credit Underwriter's expertise, the fee for such services shall be borne by the Respondent.
  10. The General Contractor or, if no General Contractor is utilized, each contractor providing services, must provide a contract which itemizes the costs attributable to the Davis-Bacon Act activities separately from the other costs. When requesting a draw of funds on the MERP award, the draw request submitted for funding must also itemize the costs attributable to the Davis-Bacon Act activities separately from the other costs.
  11. The Corporation's assigned Credit Underwriter shall require a guaranteed maximum price contract if a General Contractor is being utilized, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree. In addition, the Corporation's assigned Credit Underwriter shall order a review of the Development's costs. The cost of the third-party review shall be part of the overall cost of th retrofit budget.
  12. The Credit Underwriter may request additional information, but at a minimum the following will be required during the underwriting process:

- a. For the Respondent, general partner(s), and guarantors, audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications. If financial statements that are either audited, compiled or reviewed by a licensed Certified Public Accountant are not available, unaudited financial statements prepared within the last 90 days and reviewed by the Credit Underwriter in accordance with Part IIIA, Sections 401 through 408 and 410, of Fannie Mae's Multifamily Selling and Servicing Guide, effective as of June 10, 2015, which is available on the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-105/> (also accessible by clicking [here](#)), and the two most recent years' tax returns. When the Multifamily Selling and Servicing Guide references the "Lender," it is to mean the "Credit Underwriter" and when it references "Fannie Mae," it is to mean "Florida Housing Finance Corporation." If any of the applicable entities are newly formed (less than 18 months in existence as of the date that credit underwriting information is requested), a copy of any and all tax returns with related supporting notes and schedules. The financial statements and information provided for review should be in satisfactory form (inclusive of the substitution of the Multifamily Underwriting Certificate referenced in Section 407 with a similar certification meeting the same criteria) and shall be reviewed in accordance with Part IIIA, Sections 401 through 408 and 410, of Fannie Mae's Multifamily Selling and Servicing Guide, in effect as of June 10, 2015 as referenced above.
- b. For the General Contractor, if one is being utilized, audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications. The audited or compiled statements may be waived if a payment and performance bond equal to 100 percent of the total retrofit cost whose terms do not adversely affect the Corporation's interest, and is issued in the name of the General Contractor by a company rated at least "A-" by AMBest & Co.
13. The Credit Underwriter shall consider the following when determining the need for retrofit completion guarantees:
- a. Liquidity of the guarantor(s);
  - b. Problems encountered previously with Developer or contractor; and
  - c. Exposure of Corporation funds compared to Total Retrofit Cost.

At a minimum, the Credit Underwriter shall require a personal guarantee for completion of retrofit from a principal individual of the borrowing entity. In addition, a letter of credit or payment and performance bond whose terms do not adversely affect the Corporation's interest will be required if the Credit Underwriter determines after evaluation of paragraphs a. - 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.

14. For any Development utilizing the services of a General Contractor, the General Contractor's fee shall be limited to a maximum of 14 percent of the actual contracted retrofit cost.
15. The General Contractor, if one is being utilized, must meet the following conditions:
  - a. Employ a Development superintendent and charge the costs of such employment to the general requirements line item of the General Contractor's budget;
  - b. Charge the costs of the Development retrofit trailer, if needed, and other overhead to the general requirements line item of the General Contractor's budget;
  - c. Secure building permits, issued in the name of the General Contractor;
  - d. Secure a payment and performance bond whose terms do not adversely affect the Corporation's interest (or approved alternate security for General Contractor's performance, such as a letter of credit), issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co.;
  - e. Ensure that none of the General Contractor duties to manage and control the retrofit of the Development are subcontracted;
  - f. Ensure that no retrofit cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor unless otherwise approved by the Board for a specific Development. With regard to said approval, the Board shall consider the facts and circumstances of each Respondent's request, inclusive of retrofit costs and ownership interests in the Development.
16. Contingency reserves which total no more than 15 percent of total actual retrofit costs (hard costs) and 5 percent of total general development costs (soft costs).
17. The Credit Underwriter will review and determine if the number of loans and construction commitments of the Respondent and its Principals will impede its ability to proceed with the successful development of each proposed Corporation-funded Development.
18. Respondents must provide the items required by the Credit Underwriter within 90 days of the Respondent'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 Respondent'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 Respondent's request for an extension, then prior to the withdrawal of the preliminary commitment, the Board shall consider the facts and circumstances of the Respondent's request, the Corporation's denial, and any credit underwriting report, if available, and make a determination of whether to grant the requested extension.

19. The Credit Underwriter shall complete its analysis and submit a written draft report and recommendation to the Corporation. Upon receipt, the Corporation shall provide to the Respondent the section of the written draft report consisting of supporting information and schedules. The Respondent 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 Respondent's comments. Then, the Credit Underwriter shall review and incorporate, if deemed appropriate, the Corporation's and Respondent's comments and release the revised report to the Corporation and the Respondent. Any additional comments from the Respondent 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 Respondent, to the Corporation.
20. The Credit Underwriter's loan recommendations will be sent to the Board for approval.
21. The Corporation shall issue a firm loan commitment within seven (7) Calendar Days after approval of the Credit Underwriter's recommendation for funding by the Board.
22. This loan and other mortgage loans related to the retrofit of the Development must close within time limits provided in Part I, B.2. above. A request for an extension of the firm loan commitment(s) may be considered by the Board for an extension term of up to 90 Calendar Days (subject to the closing deadlines established by the invitation to enter credit underwriting). All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Respondent's request, inclusive of the Respondent'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 RFQ.
23. At least five (5) Calendar Days prior to any loan closing:
  - a. The Respondent must provide evidence of all necessary consents or required signatures from first mortgagees or subordinate mortgagees to the Corporation and its counsel, and
  - b. The Credit Underwriter must have received all items necessary to release its letter confirming that all closing contingencies have been met, including the finalized sources and uses of funds and Draw schedule.

C. Terms and Conditions of MERP Loan:

1. The proceeds of all MERP awards shall be used to reduce energy use and cost in multifamily buildings which preserves affordable, safe and sanitary multifamily rental housing units that have a Corporation Land Use Restriction Agreement, a Corporation Extended Use Agreement, or a non-Corporation restriction agreement with income set-asides.
2. The MERP award may be in a first, second, or other subordinated lien position.
4. The MERP award shall be serviced either directly by the Corporation or by the servicer on behalf of the Corporation.
5. The Corporation shall monitor compliance of all terms and conditions of the MERP award and shall require that certain terms and conditions be embodied in the Land Use Restriction Agreement and recorded in the public records of the county wherein the Development is located. Violation of any material term or condition of the documents evidencing or securing the MERP award shall constitute a default during the term of the MERP award.
6. 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 IIIA, Section 322 of the Fannie Mae Multifamily Selling and Servicing Guide, effective February 3, 2014, which is available on the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-105/> (also accessible by clicking [here](#)).
7. The term of the MERP award shall be 15 years.
8. The documents creating, evidencing or securing each MERP loan must provide that any violation of the terms and conditions described in this RFQ 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.
9. The Compliance Period for a MERP Development shall be for 10 years.
10. By the date that is 151 Calendar Days after the Respondent's fiscal year end of each year of the MERP loan term, the Respondent shall provide the Corporation's servicer with audited financial statements and a certification. The initial submission will be due following the fiscal year within which the 12 month anniversary of the MERP loan closing is observed. The certification shall require submission of audited financial statements and the fully completed and executed annual reporting form, Financial Reporting Form SR-1. The SR-1 form (Rev. 05-14), which is available on the Corporation's Website at <http://www.floridahousing.org/Developers/MultiFamilyPrograms/Competitive/2015-105/> (also accessible by clicking [here](#)), shall be submitted to the Corporation's servicer in both PDF format and in electronic form as a Microsoft Excel spreadsheet. The audited financial statements are to be prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with

auditing standards generally accepted in the United States of America for the 12 month fiscal year period just ended and shall include:

- a. Comparative Balance Sheet with prior year and current year balances;
- b. Statement of revenue and expenses;
- c. Statement of changes in fund balances or equity;
- d. Statement of cash flows; and
- e. Notes to financial statements.

The financial statements referenced above should also be accompanied by a certification of the Respondent 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 Respondent's fiscal year end of each year of the MERP loan term. The Respondent shall furnish to the Corporation or its servicer, unaudited statements, certified by the Respondent'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.

11. The Respondent will be required to participate in the statewide housing locator system.
12. The Respondent shall submit Program Reports pursuant to the following:
  - a. The initial Florida Housing Finance Corporation Program Report, PR-1, which is available on the Corporation's Website at <http://www.floridahousing.org/PropertyOwnersAndManagers/Forms/> (also accessible by clicking [here](#)), shall be prepared as of the last day of the calendar month during which loan closing occurred. Subsequent PR-1's shall be prepared as of the last day of each calendar month. PR-1's are due no later than the 15th of each month throughout the regulatory period. Annually, on dates assigned by the Corporation, the monitoring agent's copy of each PR-1 shall be accompanied by TIC-1 copies for ten (10) percent of the executed TIC-1's that were effective during the reporting year. PR-1's shall confirm compliance as follows:
    - b. Compliance shall be confirmed by the first PR-1 submitted 12 months following the expiration of the last then-existing tenant lease, without regard to any extension of the term of any then-existing tenant leases. The calculation of the above 12-month period shall begin with the date of the loan closing.
    - c. The failure of the initial or any subsequent PR-1's to confirm compliance as required in this subsection, shall, upon written notice of such failure from the Corporation or its agent to the borrower, require correction of the failure within 90 days of such written notice. This shall be deemed the "correction period." During the correction period:

- (1) A borrower may request a 60-day extension of the correction period by submitting a written request to the Corporation's Compliance Monitoring Administrator. Such written request must be received by the Corporation's Compliance Monitoring Administrator at least 7 days prior to the expiration of the correction period.
  - (2) The Corporation shall consider the nature of the failure of compliance and the borrower's past compliance history in determining whether to grant a 60-day extension of the correction period. The Development shall not be deemed non-compliant prior to the expiration of the correction period. If the failure to comply is not, however, corrected within the correction period, or any extension of the correction period, such Development shall then be deemed to be in non-compliance and be reported to the Board.
13. The portion of the MERP award that is not forgiven shall have the following conditions:
- a. The interest rate shall be a fixed interest rate equal to one percent simple interest per annum deferred until maturity of the loan.
  - b. The amortization structure shall be non-amortizing with payments deferred until maturity of the loan.
  - c. After maturity or acceleration, the Note shall bear interest at the Default Interest Rate from the due date until paid. Unless the Corporation has accelerated the MERP loan, the Respondent shall pay the Corporation a late charge of 5 percent of any required payment that is not received by the Corporation within 15 days of the due date.
  - d. After accepting a preliminary commitment, the Respondent 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, a Respondent may reduce the interest rate on any superior or inferior mortgage loan without the Board's permission, provided that no other terms of the loan are changed. The Corporation must be notified within 30 days in writing of any such change.

Following retrofit completion, the Board shall deny requests to increase the amount of any superior mortgage, unless the criteria outlined below in 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.

14. The portion of the MERP award that is to be forgiven shall have the following conditions:
  - a. Be non-amortizing at 0 percent simple interest per annum until it qualifies for principal forgiveness, with the principal forgivable occurring after the final award disbursement has been made via correspondence from the Corporation acknowledging and identifying the final amount of the portion of the loan which is to be forgiven;
  - b. Be limited to either 10 percent or 15 percent, as applicable, of the total disbursed award amount, subject to being spent only for the qualifying items identified in Section Five, C.4.a. and the MERP award is not in default.

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

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

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

3. If the MERP award is not assumed since the buyer does not meet the criteria for assumption of the MERP award, the MERP award (principal and any outstanding interest) shall be repaid from the proceeds of the sale in the following order of priority:
  - a. Superior mortgage debt service, superior mortgage fees;
  - b. MERP compliance and loan servicing fees;

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

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

5. The Board shall approve requests for mortgage loan refinancing only if the Development's economic viability is maintained, the security interest of the Corporation is not adversely affected, and the Credit Underwriter provides a positive recommendation.
6. The Board shall deny requests for mortgage loan refinancing which require extension of the MERP loan term or otherwise adversely affect the security interest of the Corporation, unless the criteria outlined in 5. above, are met, the Credit Underwriter recommends that the approval of such a request is crucial to the economic survival of the Development, or unless the Board determines that public policy will be better served by the extension as a result of the Borrower agreeing to further extend the Compliance Period or provide additional amenities or resident programs suitable for the resident population. Further, the Board shall limit any approved extension to a minimum term which makes the Development feasible and which does not exceed an industry standard term.

The Board shall deny requests to increase the amount of any superior mortgage, unless the criteria outlined in 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:

1. MERP award proceeds shall be disbursed during the retrofit phase in an amount per Draw which does not exceed the ratio of the MERP award to the Total Retrofit Cost, unless approved by the Credit Underwriter.
2. Ten (10) business days prior to each Draw, the Respondent shall supply the Corporation's servicer, as agent for the Corporation, with a written request executed by the Respondent 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 Respondent may request disbursement of retrofit Draws via a wire transfer. The Respondent 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 Respondent 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 Respondent'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 Respondent shall pay to the Credit Underwriter a fee based on an hourly rate determined pursuant to the current contract between the Corporation and the Credit Underwriter.
8. Retainage in the amount of 10 percent per Draw shall be held by the servicer during retrofit until the Development is 50 percent complete. At 50 percent completion, no additional retainage shall be held from the remaining Draws. Release of funds held by the Corporation's servicer as retainage shall occur pursuant to the MERP award agreement.



# Attachment 15

# Pasco County HFA Bond Application

**Attached:**

1. Scope of Work
2. Multifamily Property Condition Report - PCR prepared by Orange Consulting LLC, a company independent of the Applicant.
3. Qualifications of Orange Consulting LLC

Please note: PCR completed as of 07/03/14, and a more recent one will be commissioned.

**SCOPE OF WORK - Hudson Estates**

**PROJECT INFORMATION**

PROPERTY NAME: Hudson Estates  
 DESCRIPTION: 52 units, Section 8 property located in Hudson, FL  
 UNIT MIX: 10, 1BR/1BA Units, 30, 2BR/1BA Units, 10, 3BR/1BA Units, 2, 4BR/1BA Units  
 BR-BA: 52-Units, 108 bedrooms; 52 bathrooms  
 ATTACHMENTS:

**SCOPE OF WORK**

**UNIT SCOPE OF WORK**

**MECHANICAL:**

Replace existing HVAC equipment with Carrier 14 SEER straight cool condenser and air handler units with programmable thermostat or equivalent.  
 Provide an allowance to patch, repair or replace existing condensate lines at exterior as needed.  
 Replace or repair supply/return vents and grills as needed  
 Replace or repair duct work as needed  
 Please refer to the attachments for Demolition/Installation instructions as well as additional specifications.

**PLUMBING:**

Replace existing toilets with Pro Flo, or equivalent water sense certified low flow 2-piece toilets that provide 1.6 gallons per flush or less. White china. Includes seat and supply. In ADA/Accessible/504 units only  
 Replace existing showerheads/handle with Pro Flo, or equivalent single handle faucet and trim that provides 1.75 gallons per minute at 80 PSI. Showerhead and trim in brushed chrome. Must be hand held showerhead with 60 inch cord. This is for ADA/Accessible/504 units only  
 Replace existing bathroom faucets with Pro Flo, or equivalent single handle Faucets with a 1.5GPM aerator. Brushed chrome with metal pop up. In ADA/Accessible/504 units only.  
 Replace existing bathroom lavatories with ADA/Accessible/504 compliant Pro Flo, or equivalent wall hung sinks. Vitreous china, white color. For ADA/Accessible/504 units only  
 Replace existing water heaters with Select or equivalent, 40-gallon, high efficiency electric water heater with 0.93 efficiency rating or better.  
 Demo existing ADA/Accessible/504 roll in shower. Install new roll in shower and surround.  
 Install new roll in shower and surround.  
 Please refer to the attachments for Demolition/Installation instructions as well as additional specifications.

**ELECTRICAL:**

Replace all existing indoor lighting in bedrooms and living areas with Energy Star rated flushed mount ceiling fixtures. Brushed chrome with frosted glass.  
 Install Energy Star ceiling fans with light kit in living rooms.  
 Replace existing bathroom exhaust fans with Energy Star model.  
 Install exhaust fans in ADA/Accessible/504 units  
 Install energy star outdoor light at every unit and include daytime sensors or timers on all outdoor lighting.  
 Please refer to Site Work, Security and Recreational Amenities categories below for additional Electric requirements.  
 Please refer to the attachments for Demolition/Installation instructions as well as additional specifications.

**DOORS & WINDOWS:**

Replace bedroom doors with 6 panel, solid core, white interior doors and door trim. Include brushed chrome, hinges, door stops and levered handles.  
 Replace metal closet and pantry metal bifold doors with wood/wood-like doors  
 Replace existing windows with Custom vinyl, hurricane rated, low-e, energy star windows and screen.  
 Install peep ADA/Accessible/504 peep holes on all exterior entry doors, and replace existing hardware with levered handles  
 Provide an allowance to repair all drywall associated with demolition/installation of doors and windows.  
 Please refer to the attachments for Demolition/Installation instructions as well as additional specifications.

**ROOFS & INSULATION:**

Remove existing shingles, and replace with CertainTeed, 30-year, asphalt shingle. Color to be chosen by Owner prior to installation.  
 Provide an allowance to replace damaged roof decking as encountered and approved by Contractor.  
 Install CertainTeed, InsulSafe Fiberglass blow-in insulation, R-30 rating. Refer to plans for square footage and attic access.  
 Allowance to repair existing soffits/fascia as needed  
 Allowance to repair gutter/downspouts on all buildings as needed

**APPLIANCES:**

Replace refrigerators with Frigidaire or equivalent, 18 cubic foot Top Freezer type. Energy Star Certified. White.  
 Replace range/stove with Frigidaire or equivalent, 30 inch Free Standing Electric Range, self cleaning type. Include Brogan or equivalent, non-ducted, two-speed range hood. White.

**FINISHER:**

Install new Shaw or equivalent vinyl plank ("wood look") flooring.  
 Replace/Repair mirrors and medicine cabinets as needed.  
 Paint exterior of buildings and trim. Color to be determined by owner

**MISC ALLOWANCES:**

Provide an allowance for demolition and disposal of all items and hardware being replaced not included in subcontractors proposals.  
 Provide an allowance for removal of mold encountered during construction.

% Repl	SOV Cost Code
80%	15402
10%	15407
N/A	N/A
4 units	15401
4 units	15403
4 units	15401
4 units	15402
4 units	15401
4 units	15401
N/A	N/A
100%	16100
100%	16100
95%	16100
4 units	16100
100%	16400
N/A	16100
N/A	N/A
100%	7111, 7600
N/A	7111
100%	7600
33%	6270
100%	7611
66%	11440
55%	11420, 11425
90%	12100, 6210
90%	12100, 6210
N/A	9480
N/A	6010
N/A	2300

**GENERAL EXTERIOR, AMENITIES**

**STAIRS & WALKWAYS:**

Provide allowance to clean, repair, paint any damaged railings.

**SECURITY:**

Supply and install underground conduits to include 120 volt power source for security cameras.  
 Replace existing perimeter fencing to east of the property. Install wall if possible to prevent trespassers.

**SITE WORK:**

Repair/Replace existing trash enclosures  
 Repair/Replace existing railroad tie retaining wall located in front of building 12, 13, 14.  
 Repair damaged parking lot areas, potholes, striping and curbing.  
 Upgrade existing sidewalks to be ADA/Accessible/504 accessible  
 Landscaper will need to significantly trim existing trees on site an remove any that threaten the buildings.  
 Clean and repair walkways and sidewalks throughout the site.

**AMENITIES/OFFICE:**

New sign package throughout the property to include 32 building signs, 52 entry door unit signs, common area directional signs, Handicap Signs and 2 new monument entrance sign.  
 Style/Design to be approved by the Owner prior to installation.  
 Remodel existing Office. Includes new vinyl plank wood look flooring, wood trim/molding, windows, interior doors, interior/exterior paint/texture. All materials to match unit specifications described above/attached. Furniture and equipment to be paid for and selected by the Owner.  
 Office needs to have ADA/Accessible/504 upgrades completed: Ramp for access, ADA/Accessible/504 bathroom, entry door, office turn radius, and any other upgrades deemed necessary by the architect.  
 Repair/Clean existing full size basketball court or install shuffle board court  
 Install new picnic area with cover. Include 3 picnic tables and at least 1 grill.  
 Replace existing playground with new equipment.

3100, 3200, 2400
10500
16500
5100
2275, 2630
2790
2900
2610
2800
3300
9370
2790
2731



**FINAL**  
**PROPERTY CONDITION REPORT**  
**FOR**  
**HUDSON ESTATES APARTMENTS**

**15902 HOMEWOOD LANE**  
**HUDSON, FLORIDA 34997**

**OC JOB NO. 14-022**

**PREPARED FOR:**  
**OAK GROVE CAPITAL**  
**1705 NORTHWEST HIGHWAY, SUITE 145**  
**GRAPEVINE, TEXAS 76051**

**JULY 3, 2014**  
**REVISED SEPTEMBER 30, 2014**

**REPORT PREPARED BY:**  
**ORANGE CONSULTING, LLC**  
**429 LENOX AVENUE, SUITE 5W23**  
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## 1.0 INTRODUCTION

### 1.1 BACKGROUND

Orange Consulting, LLC was retained by Oak Grove Financial to conduct this investigation to provide an objective, independent, professional opinion of the potential repair and deferred maintenance items associated with the subject property. Twenty-five percent (25%) of the dwelling units were sampled and inspected to assess the condition of the property. In addition, representative mechanical spaces, exterior and common areas were inspected. Photographs of the property were taken during the site inspection and the photographs have been included in Attachment A.

Inspector: Dennis Jones  
Inspection Date: June 9, 2014  
Weather: Partly Cloudy, 88 Degrees  
Access Limitations: None.  
Plans Available: Yes – As built.

### 1.2 SCOPE OF WORK

The purpose of this Property Condition Report (PCR) is to determine the current condition of the property and to ensure that the property will continue to serve the client's needs. This PCR is also intended to be used in support of a pending real estate transaction where the client has requested to obtain a detailed understanding of the current site condition and future capital requirements, for the purpose of underwriting or securing mortgage loans.

This report includes a description of the overall condition of the building components and systems and conditions that may limit the Expected Useful Life (EUL) of the property and its systems. This report includes a discussion regarding significant deficiencies, deferred maintenance items. The conclusions within this report are based upon a visual survey of the building and grounds, research of readily available documents, and conversations with people who have knowledge of the property. No destructive testing was performed as part of this report. All building components are assumed to have met the building code requirements at the time of construction. We believe information provided by others to be reliable and assume no responsibility for the accuracy of such information. The physical examination included a review of a building, foundations, roofs, exterior/interior walls, mechanical systems, doors and windows, interior elements, landscaping, paved areas and utilities. The scope of work included:

- The performance of a field inspection of the property conducted by individuals trained in the construction of buildings and construction practices.
- The interviewing of the staff regarding the condition of the facility, common areas and known physical/equipment deficiencies.
- The preparation and submittal of a written report containing information specific to observations, interpretations, and estimated cost of repairs, if any, and the computation of the required reserves to replace major components of the property.



- The reporting of findings in a format acceptable by Client.

### 1.3 TERMS AND CONDITIONS

The following definitions and reference standards are routinely utilized within the text of this report:

**Excellent:**

Component or system is in "as new" condition requiring no rehabilitation and should function with expected performance. Periodic maintenance may be required.

**Good:**

Component or system is of a capacity that is sound and performing its function satisfactorily, although it may show signs of normal wear and tear. Some minor repair work and periodic maintenance may be required.

**Fair:**

A component or system is of a capacity that is defined adequate for what is required, serviceable, conforms to standard construction practices, and/or is approaching the end of expected useful life. Replacement is projected within the term of the client's ownership.

**Poor:**

Repair or replacement is required of the component or system due to one or more of the following categories: (a) Evidence of previous repairs not in compliance with commonly accepted practices, (b) Material quality not in compliance with commonly accepted standards, and/or (c) Component or system is obsolete, and/or (d) Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected useful life, and/or (e) Evidence of excessive deferred maintenance, or state of disrepair, and/or (f) Present condition could contribute to or cause deterioration of other adjoining elements or systems, and/or (g) The component or system has failed and no longer functions, or (h) The component or system poses a threat to health or life safety of the tenants.



## 2.0 PROPERTY DESCRIPTION

PROPERTY DESCRIPTION	
<b>Name</b>	Hudson Estates Apartments
<b>Location</b>	15902 Homewood Lane Hudson, FL 34997
<b>Site Topography</b>	The site slopes down from west to east with a change in elevation of approximately five feet.
<b>Project Layout</b>	The site is visible and accessed by one entrance from Little Road. The property consists of a 32 one-story buildings containing 52 apartments and an office/manager's apartment. All units on all floors are accessed by grade level entrances. Also provided is a maintenance garage.
<b>Adjacent Properties</b>	
<b>North</b>	Vacant Land
<b>South</b>	Vacant Land
<b>East</b>	Multi-Family
<b>West</b>	Vacant Land

Comments/Additional Details: N/A

Property Type		Number of:		Project Scope	
Garden (dwellings located off common area breezeways or corridors)		Buildings (residential)	32	New Construction	
Mid-rise		Buildings (CH, Maint)		Gut Rehab	
High-rise		Stories	1	Substantial Rehab	
Duplex	X	Elevators	0	Moderate Rehab	
Townhomes (Two-story units with interior stairway)		Site - Continuous	X	Existing	X
Other (Single family)	X	Site - Scattered			



UNIT MIX						
Unit Type	Flat or TH	BR/BA	Total # Units	# of HC Units	Net Square Footage	Total SF
1BD/1BA	Flat	1BD/1BA	10	2	750	7,500
2BD/1BA	Flat	2BD/1BA	30	1	792	23,760
3BD/1BA	Flat	3BD/1BA	10	1	1,129	11,290
4BD/1BA	Flat	4BD/1BA	2	0	1,258	2,516
Subtotal			52	4		45,066
Common Area						
Clubhouse						
Other Bldgs						
TOTAL			52			45,066

Parking		
	Total number of Spaces	74
	Open/uncovered	74
	Carport	
	Garages	
	On Street Parking	
	Total Parking per Unit	1.42
<b>Parking (Zoning)</b>	Required Parking Per Zoning	Unknown
		<b>Car</b> <b>Van</b>
<b>Parking (Accessible)</b>	Required # of HC Parking Stalls	2    1
	HC parking provided	3    1

Amenity Package (X for common elements, A for all units, S for Select units, blank for not included)			
Unit Amenities		Project Amenities	
Air Conditioning	A	Security Gates	
Carpet	A	Carports	
Ceiling Fan	A	Garages - attached	
Dishwasher		Garages - detached	
Disposal		BBQ/Picnic Area	
Microwave		Tennis Courts	
Range	A	Basketball Court	X
Range Hood	A	Courtyard	
Refrigerator	A	Swimming Pool	
Fireplace		Playground	X
Patio/Balcony	A	Clubhouse	
Security System		On-site Mgmt Office	X
W/D Connections	A	Fitness Center	
W/D in Units		Business Center	
Walk-in closets		Common Laundry	
Window Coverings	A	Community Kitchen	
Vaulted Ceilings		Storage	
Other (Specify)		Trash Chutes	
		Security System	
		Other (Specify)	



Comments/Additional Details:

<b>Project Tenancy (Check Family or Senior)</b>		
<b>Family</b>	<input checked="" type="checkbox"/>	<b>Senior</b>
<b>Senior Projects - indicate Specific Features</b>		
Emergency Pull Cords Bathroom	Yes	
Emergency Pull Cords Bedroom	Yes	
Handrails in Corridors	N/A	
Lever Type Door Handles	Yes	
24-hr. Manned Security	No	
Emergency Generator	No	
Other		

Comments/Additional Details:

<b>Construction Summary</b>	
Exterior	The building exterior is painted stucco.
Roof	The roof is pitched with shingles and small area over the patio is flat with a built-up roof membrane. The roof shingles are 12 years old (15-year warranty).
Foundation	The foundations are conventional slabs-on-grade.
Windows/Doors	Entry doors are flush metal in wood frames. Windows are aluminum horizontal sliding with single glazing.
Kitchens	Kitchens are two-wall galley style with upper and lower cabinets, 30" electric range, range hood and refrigerator.
Interiors	Flooring is sheet vinyl or carpet. Walls are painted gypsum wallboard. Ceilings are painted gypsum ceiling board.
HVAC	The apartments are provided closet-mounted air handlers with exterior pad-mounted compressors.
Plumbing	Water piping is copper. Sewer piping is PVC.
Electrical	Master metering, wire is copper, 125 amps
Security Features	N/A.
Other	Each unit is provided with a 30- or 40-gallon electric water heater.



### 3.0 LIMITATIONS

This report has been prepared for, and can be relied upon by the Client. This report was prepared in accordance with generally accepted industry standards of practice for building inspection services, including the ASTM E-2018 Standard Guide for Property Condition Assessments. This report is not to be reproduced, either whole or in part, without consent from Orange Consulting, LLC.

The statements in the report are professional opinions about the present condition of the subject property. They are based upon visual evidence available during the inspection of reasonably accessible areas of the property. We did not perform any destructive testing or move any furnishings. The study is not an exhaustive technical evaluation. Such an evaluation would entail a significantly larger scope of work than was determined for this project. Accordingly, we cannot comment on the condition of systems that were not readily accessible, such as buried structures and utilities, nor are we responsible for conditions that could not be seen or were not within the scope of our services at the time of the inspection. We did not undertake activities that would assess the stability of the buildings or the underlying foundation soil since this effort would require excavation and destructive testing. Likewise, this is not a seismic assessment, nor do we make any conclusions or comments regarding wood destroying organisms/insects.

Our on-site observations pertain only to specific locations at specific times on specific dates. Our observations and conclusions do not reflect variations in conditions that may exist, in unexplored areas of the site, or at times other than those represented by our observations.



## 4.0 PROJECT INSPECTION

### 4.1 BUILDING OVERVIEW

<b>Project</b>	Hudson Estates Apartments	No. units:	52	No of Bldgs:	32
<b>Address</b>	15902 Homewood Lane	Stories:	2	Year built:	1983
<b>City, State</b>	Hudson, FL	Acres: <u>7.95</u>	Density <u>6.54</u> Units/Acre		
<b>Developer</b>	Unknown	Occupancy Profile:	Family <input checked="" type="radio"/>	Senior <input type="radio"/>	Other <input type="radio"/>
<b>Date of Review</b>	07/03/14	BY: Dennis L. Jones			

### 4.2 SITE LIGHTING

Component	Pole Mounted Lighting		
<b>Description</b>	Pole mounted lighting is provided throughout the site and parking areas. Site lighting is maintained by the local electric utility.		
<b>Age</b>	Varies	<b>EUL</b>	25+ years
<b>Condition</b>	The pole mounted lighting is reportedly in good condition and operating properly.		
<b>Recommendation</b>	The pole mounted lighting is maintained by the local electric utility.		

Component	Building Mounted Lighting		
<b>Description</b>	The building is provided with wall lighting at unit entrances.		
<b>Age</b>	Varies	<b>EUL</b>	6 years
<b>Condition</b>	The wall lighting is reportedly operating properly with no reported problems.		
<b>Recommendation</b>	We would anticipate replacement of the wall lighting as needed as part of routine maintenance.		



### 4.3 PAVING AND SIDEWALKS

Component		Drives	
<b>Description</b>			
The drives are asphaltic surface course over a paving base with concrete curbing at select areas.			
<b>Age</b>	32 years	<b>EUL</b>	25 years
<b>Condition</b>			
The asphaltic surface course is in fair condition with some cracking noted.			
<b>Recommendation</b>			
We recommend the asphaltic surface course be repaired, resealed and restriped in the coming year with a sealing and striping every five years.			

Component		Parking Lots	
<b>Description</b>			
The parking areas are an asphaltic surface course over a paving base with concrete curbing at select areas.			
<b>Age</b>	32 years	<b>EUL</b>	25 years
<b>Condition</b>			
The asphaltic surface course is in fair condition with some cracking noted. According to Ms. Rider the parking lots were last striped in 2005.			
<b>Recommendation</b>			
We recommend the asphaltic surface course be repaired, resealed and restriped in the coming year with a resealing and restriping every five years.			

Component		Sidewalks	
<b>Description</b>			
The sidewalks are of concrete of varying widths.			
<b>Age</b>	32 years	<b>EUL</b>	25 years
<b>Condition</b>			
The concrete sidewalks appeared to be in good condition.			
<b>Recommendation</b>			
We recommend the sidewalks be repaired as needed over the term as routine maintenance.			

#### 4.4 SITE UTILITIES

Component		Water	
<b>Description</b>			
The property is connected to Pasco County water line along Little Road.			
<b>Age</b>	32 years	<b>EUL</b>	50 years
<b>Condition</b>			
The water lines are reported operating properly with no reported problems			
<b>Recommendation</b>			
We would not anticipate any repairs/replacements to the water lines over the term.			

Component		Sewer	
<b>Description</b>			
The property is provided with sewer service by Pasco County connected at Little Road.			
<b>Age</b>	32 years	<b>EUL</b>	50 years
<b>Condition</b>			
The sewer lines are in reportedly good condition with no backups reported. Per Ms. Rider, there are no issues with the sewer lines.			
<b>Recommendation</b>			
We do not anticipate any sewer repairs/replacements over the term.			

Component		Storm Drainage	
<b>Description</b>			
The property is sloped to the municipal stormwater system at Little Road.			
<b>Age</b>	32 years	<b>EUL</b>	50 years
<b>Condition</b>			
The stormwater system is reportedly operating properly with no problems reported.			
<b>Recommendation</b>			
We would not anticipate any repairs/replacements to the storm drainage system over the term.			



Component	Electric		
Description	The electric service is provided underground from on-site grade level transformers by Withlacoochee Electric Co-op.		
Age	32 years	EUL	50 years
Condition	The electric service is reportedly operating properly with no problems reported.		
Recommendation	We would not anticipate any repairs/replacements to the electric service over the term.		

Component	Gas		
Description	No gas service is provided.		
Age	N/A	EUL	N/A
Condition	.N/A		
Recommendation	N/A		

Component	Cable, Telephone, Internet		
Description	Telephone service is provided underground by Brighthouse. The cable/internet service is provided by Brighthouse via an underground line.		
Age	32 years	EUL	50 years
Condition	The telephone and cable services are reportedly operating properly with no problems reported.		
Recommendation	We would not anticipate any repairs/replacements to the telephone and cable services over the term.		



## 4.5 LANDSCAPING AND IRRIGATION

Component	Landscaping		
Description	The property is provided with landscaping consisting of trees, shrubs and grassed areas.		
Age	32 years	EUL	50 years
Condition	The landscaping appears to be in fair condition with some mature trees/shrubs noted. We did note some trees too close to the buildings.		
Recommendation	We would anticipate routine maintenance to the landscaping over the term. We recommend the trees be trimmed/removed as part of routine maintenance.		

Component	Irrigation		
Description	An irrigation system is provided around the entry sign only.		
Age	9 years	EUL	20 years
Condition	The irrigation system is in good condition and operating properly.		
Recommendation	We do not anticipate any repairs/replacements to the irrigation over the term other than routine maintenance.		

## 4.6 SIGNAGE

Component	Signage		
Description	A property sign is provided along Little Road. The sign is constructed of wood and supported by two 4 x 4 posts.		
Age	Unknown	EUL	25 years
Condition	The sign appears to be in good condition.		
Recommendation	We would anticipate replacement of the sign over the term in year 5.		

## 4.7 FENCING, GATES AND SITE AMENITIES

Component	Fencing		
Description	The property is provided with chain link fencing around the east property line.		
Age	Unknown	EUL	20 years
Condition	The fence appears to be in fair condition with some minor damage noted.		
Recommendation	We would not anticipate replacement of the fencing over the term; however, repairs may be required as routine maintenance.		

Component	Gates		
Description	The property is not provided with gates.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

Component	BBQ/Picnic Area		
Description	The property is provided with barbeque grills and picnic tables.		
Age	Unknown	EUL	20 years
Condition	The picnic tables and BBQ grills appear to be in good condition.		
Recommendation	We would not anticipate replacement of the BBQ grills or picnic tables over the term.		

Component	Tennis Courts		
Description	The property is not provided with tennis courts.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

Component	Basketball Court		
Description	The property is provided with a half basketball court.		
Age	Unknown	EUL	20 years
Condition	The basketball court is in fair to good condition.		
Recommendation	We would not anticipate replacement of the basketball court over the term. Repairs may be required as routine maintenance		

Component	Swimming Pool		
Description	The property is not provided with a swimming pool.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		



<b>Component</b>		<b>Playground</b>	
<b>Description</b>	The property is provided with a playground.		
<b>Age</b>	Unknown	<b>EUL</b>	20 years
<b>Condition</b>	The playground equipment appears to be in good condition.		
<b>Recommendation</b>	We would not anticipate replacement of the playground over the term; however, some repairs may be required as part of routine maintenance.		

<b>Component</b>		<b>Miscellaneous (Retaining Walls)</b>	
<b>Description</b>	The property is provided with wooden retaining walls.		
<b>Age</b>	Unknown	<b>EUL</b>	25 years
<b>Condition</b>	The retaining walls are in fair condition.		
<b>Recommendation</b>	We would not anticipate replacement of the retaining walls over the term. However, repairs may be required as part of routine maintenance. We recommend the Owner consider replacing the wood retaining walls with masonry for ease of maintenance.		



## 4.8 TRASH COLLECTION

Component	Dumpster/Compactor Enclosure		
Description	The property is provided with four dumpster/compactor enclosures. The dumpster enclosures are constructed of wood.		
Age	Unknown	EUL	20 years
Condition	The dumpster enclosures are in fair condition.		
Recommendation	We would anticipate replacement of the dumpster enclosures over the term in year 3.		

Component	Trash Chute		
Description	The property is not provided with a trash chute.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

## 4.9 STRUCTURAL ELEMENTS

Component	Foundations		
Description	The building foundations were not readily observable during our observation. Based on our experience with building of a similar type and age, we assume the building rests on conventional slabs-on-grade.		
Age	32 years	EUL	50 years
Condition	The foundations appear to be in good condition with no cracking or settlement observed or reported.		
Recommendation	We would not anticipate any repairs/replacements to the building foundations over the term.		

Component	Floor/Wall Construction		
Description	The structure consists of wood-framed (2 x 4) load bearing walls. Non-load bearing walls are reportedly constructed of wood studs.		
Age	32 years	EUL	50 years
Condition	The building structure appears to be in good condition with no evidence of settlement and or cracking observed.		
Recommendation	We would not anticipate any repairs/replacements to the building structure over the term.		

Component	Roof Construction		
Description	The building roof structure consists of pre-engineered roof trusses with plywood decking.		
Age	32 years	EUL	50 years
Condition	The roof structure appears to be in good condition with no cracking or settlement noted or reported.		
Recommendation	We would not anticipate any repairs/replacements to the roof structure over the term.		

#### 4.10 EXTERIOR WALLS/WINDOWS/DOORS

Component	Siding		
Description	The building siding consists of painted stucco with aluminum fascia and soffit.		
Age	32 years	EUL	50 years
Condition	The exterior stucco appears to be in good condition.		
Recommendation	We would anticipate pressure washing of the exterior as part of routine maintenance and repainting of the exterior over the term every 7 years.		

Component	Windows		
Description	The building windows are horizontal sliding in an aluminum frame with single glazing.		
Age	32 years	EUL	25 years
Condition	The windows appear to be in fair to poor condition and are not operating properly. The windows appear to have exceeded their expected useful life.		
Recommendation	We would anticipate window replacement over the term beginning in year 1 extending through year 3.		

Component	Exterior Doors		
Description	The apartment entry doors are 6-panel metal doors in wood frames.		
Age	1 years	EUL	25 years
Condition	The building exterior doors appear to be in good condition and operating properly. Per Ms. Rider the exterior doors were replaced last year.		
Recommendation	We would not anticipate replacement of the exterior doors over the term.		

Component	Balconies		
Description	The buildings are one-story and are not provided with balconies.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

#### 4.11 ROOFING

Component	Roofing		
Description	The building roof consists of conventional roof shingles at sloped areas and a built-up roof membrane at flat areas. The roof is provided with gutters and downspouts. Per Ms. Rider, the roof is 12 years old and has a 15-year warranty.		
Age	12 years	EUL	15 years
Condition	The roof appears to be in good condition with no evidence of roof leaks reported or observed.		
Recommendation	We would anticipate replacement of the roof membrane over the term beginning in year 3 through year 5.		

## 4.12 COMMON AREA FINISHES

Component	Floors		
Description	There are no common area finishes.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

Component	Walls/Ceilings		
Description	N/A		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

Component	Trim		
Description	N/A		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

#### 4.13 DWELLING UNIT FINISHES

Component	Floors		
Description	The unit flooring consists of vinyl tile or carpet. Vinyl tile is provided in the kitchens and bathrooms. Handicap units are provided with ceramic tile in the bathrooms		
Age	Varies	EUL	7 to 15 years
Condition	The unit flooring appears to be in good condition. We noted new carpet in one unit.		
Recommendation	We would anticipate replacement of the vinyl flooring and all carpet over the term.		

Component	Walls/Ceilings		
Description	The wall finishes consist of painted gypsum wallboard. The ceilings painted gypsum wallboard.		
Age	Varies	EUL	7 years (Paint)
Condition	The wall and ceiling finished are in fair to good condition with some minor cracking and nail pops noted. We noted some minor water damage at some outdoor utility closets.		
Recommendation	We would anticipate repainting of the walls and ceilings as part of routine maintenance. We recommend the minor water damage at the utility closets be repaired as routine maintenance.		

Component	Trim		
Description	The trim consists of wood base and wood door frames with flush wood doors. Units are provided with metal bi-fold closet doors.		
Age	32 years	EUL	15 to 25 years
Condition	The doors and trim appear to be in fair to good condition. The metal bi-fold closet doors are in fair condition and operating properly.		
Recommendation	We would anticipate replacement of some closet and interior doors over the term. The Owner may wish to consider replacing the metal bi-fold doors for ease of maintenance.		

Component	Cabinets/Countertops		
Description	The kitchen cabinets consist of upper and lower cabinets constructed of wood cabinets with flat panel doors. The countertops are constructed of laminate over particleboard. Reportedly the cabinets were installed in 2007.		
Age	7 years	EUL	20 to 25 years
Condition	The cabinets and countertops are in good condition.		
Recommendation	We would not anticipate replacement of the cabinets over the term. We would anticipate replacement of the countertops in years 3 through 5.		

Component	Appliances		
Description	<p><b>Refrigerator:</b> 15 cu. ft. frost free (top freezer)</p> <p><b>Range:</b> 30" electric</p> <p><b>Range Hood:</b> 30" non-vented</p> <p><b>Dishwasher:</b> N/A</p> <p><b>Microwave:</b> N/A</p> <p><b>Garbage Disposal:</b> N/A</p>		
Age	7 years	EUL	15 years
Condition	The appliances appear to be in fair to good condition and all were reportedly working properly.		
Recommendation	We would anticipate replacement of all appliances over the term beginning in year 8 through year 10.		



#### 4.14 VERTICAL TRANSPORTATION

Component	Stairs and Rails		
Description	The buildings are single-story and not provided with stairs/rails.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

Component	Elevators		
Description	The buildings are not provided with elevators.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

## 4.15 HVAC SYSTEMS

Component	HVAC		
Description	The office and units are provided with closet-mounted air handlers with exterior pad-mounted compressors.		
Age	9 years	EUL	15 years
Condition	The air conditioners appear to be in fair to good condition with no problems reported. We did note some ductwork that was improperly routed and cutting off air flow at the office.		
Recommendation	We would anticipate replacement of the air conditioning equipment over the term. We recommend the ductwork be checked for leaks and repaired as necessary as part of routine maintenance.		

Component	Bath Exhaust Fans		
Description	Each unit (except handicap units) is provided with a ceiling mounted bath exhaust fan ducted to the building roof.		
Age	Varies	EUL	15 years
Condition	The exhaust fans appear to be in fair to good condition and operating properly.		
Recommendation	We would anticipate replacement of the exhaust fans as needed as part of routine maintenance. We recommend exhaust fans be provided in the handicap units.		

Component	Range Hood Vents		
Description	The kitchens are provided with non-vented range hoods.		
Age	7 years	EUL	15 years
Condition	The exhaust fans are in good condition although we did observe grease build up at some units.		
Recommendation	We would anticipate replacement of the range hoods over the term as part of routine maintenance.		

<b>Component</b>		<b>Dryer Vents</b>	
<b>Description</b>	Each apartment is provided with dryer vents ducted to the exterior.		
<b>Age</b>	32 years	<b>EUL</b>	50 years
<b>Condition</b>	The dryer vents appear to be in fair to good condition with no problems reported.		
<b>Recommendation</b>	We would not anticipate any repair/replacements over the term. We would anticipate periodic cleaning as part of routine maintenance.		

## 4.16 PLUMBING SYSTEMS

Component	Water Piping		
Description	The water piping consists of copper piping with risers extending up through the building with branch lines extended to the individual fixtures.		
Age	32 years	EUL	50+ years
Condition	The water lines are in good condition with no leaks or problems reported.		
Recommendation	We would not anticipate any repairs/replacements to the water piping.		

Component	Domestic Waste and Vent Piping		
Description	The building is provided with PVC sewer risers extending up through the building with branch lines extended to the individual fixtures.		
Age	32 years	EUL	50+ years
Condition	The sewer piping is reportedly in good condition with no backups reported.		
Recommendation	We would not anticipate any repairs/replacements to the sewer piping over the term.		

Component	Plumbing Fixtures		
Description	<p><b>Kitchen Sink:</b> Double bowl stainless steel</p> <p><b>Bath Sink:</b> Wall-mount vitreous china or vanity-mounted enamel</p> <p><b>Tub/Shower:</b> One-piece fiberglass</p> <p><b>Toilets:</b> Vitreous china floor-mounted (non-low flow)</p>		
Age	2 years	EUL	20+ years
Condition	The plumbing fixtures appear to be in fair condition with no problems reports. Per Ms. Rider, the bathroom fixtures were replaced in 2012.		
Recommendation	We would anticipate some replacement of plumbing fixtures as part of routine maintenance.		



<b>Component</b>		<b>Water Heaters/Boilers</b>	
<b>Description</b>	Each unit is provided with a closet-mounted 30- or 40-gallon electric water heater.		
<b>Age</b>	9 years	<b>EUL</b>	10 years
<b>Condition</b>	The hot water heaters are in fair condition with no problems reported.		
<b>Recommendation</b>	We would anticipate replacement of the water heaters over the term beginning in year 1 through year 3.		

## 4.17 FIRE PROTECTION

Component	Fire Protection Sprinkler System		
Description	The buildings are not provided with a fire sprinkler system.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

Component	Fire Alarm System		
Description	The buildings are not provided with a central fire alarm system.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

Component	Fire Extinguishers and Cabinets		
Description	The apartments are provided with fire extinguishers located in the closets.		
Age	Varies	EUL	Varies
Condition	The fire extinguishers appear to be in good condition. The fire extinguishers were last certified in February 2014.		
Recommendation	We would not anticipate any repairs/replacements to the fire extinguishers other than routine certifications and maintenance.		

<b>Component</b>		<b>Smoke Detectors</b>	
<b>Description</b>	The apartments are provided with smoke detectors in the hallways only.		
<b>Age</b>	Varies	<b>EUL</b>	Varies
<b>Condition</b>	The smoke detectors appear to be in fair to good condition.		
<b>Recommendation</b>	We would not anticipate replacement of the smoke detectors other than routine maintenance. We recommend the Owner consider installing smoke detectors inside each bedroom to comply with current codes.		



## 4.18 ELECTRICAL SYSTEMS

Component	Electric Service/Metering		
Description	The building is provided with underground electric service to the main electrical service at each building. The building is provided with individual meters for each unit. Each unit is provided with a 125 amp panel.		
Age	32 years	EUL	50+ years
Condition	The electric service /metering appear to be in good condition with no reported problems. Per Ms. Rider, the electrical system is operating properly.		
Recommendation	We would not anticipate any repairs/replacements to the electric service/metering.		

Component	Wiring/Devices		
Description	The building wiring appears to be all copper. The switches and receptacles appear to be standard residential grade. GFCI receptacles appear to be provided in the kitchens.		
Age	Varies	EUL	Varies
Condition	The wiring, outlets and switches appear to be in fair to good condition with no problems reported.		
Recommendation	We would not anticipate any repairs/replacements to the wiring/devices other than routine maintenance. We recommend GFCI outlets be added in the bathrooms to comply with code.		

Component	Emergency Generator		
Description	The building is not provided with an emergency generator.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

#### 4.19 LIGHTING SYSTEMS

Component		Common Area Lighting	
Description			
The property is not provided with common area lighting.			
Age	N/A	EUL	N/A
Condition			
N/A			
Recommendation			
N/A			

Component		Dwelling Unit Lighting	
Description			
The units are provided with ceiling-mounted incandescent lighting in the kitchen, bath and bedroom.			
Age	Varies	EUL	Varies
Condition			
The unit lighting appears to be in good condition and is reportedly operating properly.			
Recommendation			
We would not anticipate any replacements of the unit lighting other than routine maintenance. The Client may wish to consider replacing the unit lighting for marketability and energy efficiency reasons.			

## 4.20 COMMUNICATIONS SYSTEMS

Component	Intercom/Emergency Call System		
Description	The building is not provided with an emergency call unit; however, emergency call switches and horns are provided at the handicap units.		
Age	32 years	EUL	20 years
Condition	The emergency call system is in good condition and is reportedly operating properly.		
Recommendation	We would not anticipate any replacements of the emergency call system other than routine testing and maintenance.		

Component	Access Control		
Description	The building is not provided with a security system or access control.		
Age	N/A	EUL	N/A
Condition	N/A		
Recommendation	N/A		

## 4.21 ADA, Fair Housing, UFAS Compliance

The property was constructed prior to enactment of ADA, Fair Housing and UFAS. The property was constructed in an attempt to accommodate handicap residents. There are three units adapted for use by the handicapped including roll-in showers. We did note the following deficiencies:

1. Handicap parking signage, striping and ramps not in compliance with ADA. (Signs too low. Ramps with incorrect slope. Signage/striping inadequate.)
2. The office is not provided with an ADA compliant restroom.
3. The handicap unit bathrooms do not include sufficient grab bars or sink drain insulation.

## 5.0 REFERENCES

### 5.1 PERSONS INTERVIEWED

In the process of conducting the PCR and follow-up telephone calls, the following personnel were interviewed:

**Property Manager** Ms. Barbara Rider  
15902 Homewood Lane  
Hudson, FL 34997  
(727) 862-5753

**Maintenance Supervisor**

On Monday June 9, 2014 Mr. Dennis Jones of Orange Consulting, LLC visited the site to verify the current condition. On-site we met Ms. Barbara Rider, Property Manager. While on-site, we inspected the interiors of 11 apartments and the common areas.

Apartments Observed				
Unit #	Floor	Unit Type (#BR/BA)	Occupied or Vacant	Comments/Concerns
15818B	1	1BR/1BA	O	Handicap
15737	1	3BR/1BA	O	Handicap
15805B	1	2BR/1BA	O	Handicap
9820B	1	2BR/1BA	V	
15739	1	4BR/1BA	O	
15805A	1	2BR/1BA	O	
15819	1	3BR/1BA	O	
9529B	1	1BR/1BA	O	
15929B	1	1BR/1BA	O	
1529A	1	2BR/1BA	O	
15923	1	3BR/1BA	O	

## 6.0 PROJECT SUMMARY

The following is a summary of the immediate and long-term property needs. Please refer to the appropriate sections of the report for detailed information.

### Immediate Needs:

- Repair damaged parking/reseal/restripe \$ 4,610.00
- Trim/remove trees too close to buildings \$ Maintenance
- Repair water damaged gypsum wallboard at utility closets \$ Maintenance
- HVAC ductwork repair \$ Maintenance
- Install exhaust fans at handicap baths \$ 425.00
- Add smoke detectors in each bedroom \$ 20,005.00
- Add GFCI outlets in all bathrooms \$ 936.00
- ADA modifications (parking/public restrooms/  
/handicap units, public bath at office) \$ 40,000.00 to  
\$ 60,000.00

### Long-Term Property Needs:

#### CAPITAL RESERVE ITEMS OVER THE TERM INCLUDE:

	Inflated	Uninflated
Total Replacement Costs in 15 years	\$ 978,617.00	\$ 845,730.00
Total Per Unit	\$ 18,819.56	\$ 16,264.04
Total Per Unit Per Year	\$ 1,254.64	\$ 1,084.27

A breakdown of the costs is provided in Attachment C – Replacement Reserve.



## 7.0 CERTIFICATION

Orange Consulting, LLC has completed Property Conditions Report (PCR) inspections of the subject property. This investigation and report have been prepared in accordance with ASTM E-2018 Standard Guide for Property Condition.

The opinions expressed in this report were formed utilizing the degree of skill and care ordinarily exercised by any prudent consultant in the same community under similar circumstances. We assume no responsibility or liability for the accuracy of information contained in this report which has been obtained from the Client or the Client's representatives, from other interested parties, or from the public domain. The conclusions presented represent our professional judgment based on information obtained during the course of this assignment. Our evaluations, analyses and opinions are not representation regarding either the design integrity, structural soundness, or actual value of the property. Factual information regarding operations, conditions and test data provided by the Client or their representative has been assumed to be correct and complete. The conclusions presented are based on the data provided, observations made, and conditions that existed specifically at the time of the assessment.

We certify that we have no undisclosed interest in the subject property. Our relationship with the Client is at arms-length, and that our employment and compensation are not contingent upon the findings or estimated costs to remedy any deficiencies due to deferred maintenance and any noted component or system replacements.

Our PCR cannot wholly eliminate the uncertainty regarding the presence of physical deficiencies and the performance of a subject property's building systems. Preparation of a PCR in accordance with ASTM E-2018-99 is intended to reduce, but not eliminate, the uncertainty regarding the potential for component or system failure and to reduce the potential that such component or system may not be initially observed. This PCR was prepared recognizing the inherent subjective nature of opinions as to such issues as workmanship, quality of original installation, and estimating the remaining useful life of any given component or system.

Any questions regarding this report should be directed to Dennis Jones at (305) 439-3845.

Prepared by: Mr. Dennis Jones

## 8.0 ATTACHMENTS

<b>Attachment A</b>	<b>Photographs</b>
<b>Attachment B</b>	<b>Site Maps/Unit Plans</b>
<b>Attachment C</b>	<b>Replacement Reserve</b>



**ATTACHMENT A**  
**PHOTOGRAPHS**



1. Property Sign



2. Office Exterior



3. Mailboxes



4. Retaining Wall



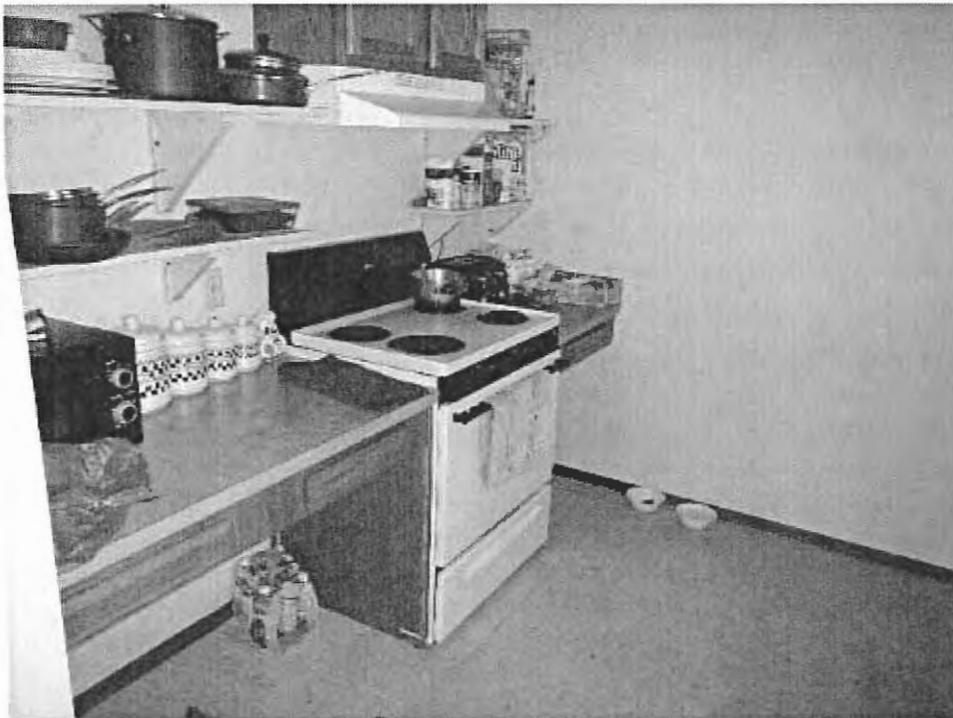
5. Dumpster Enclosure



6. Office



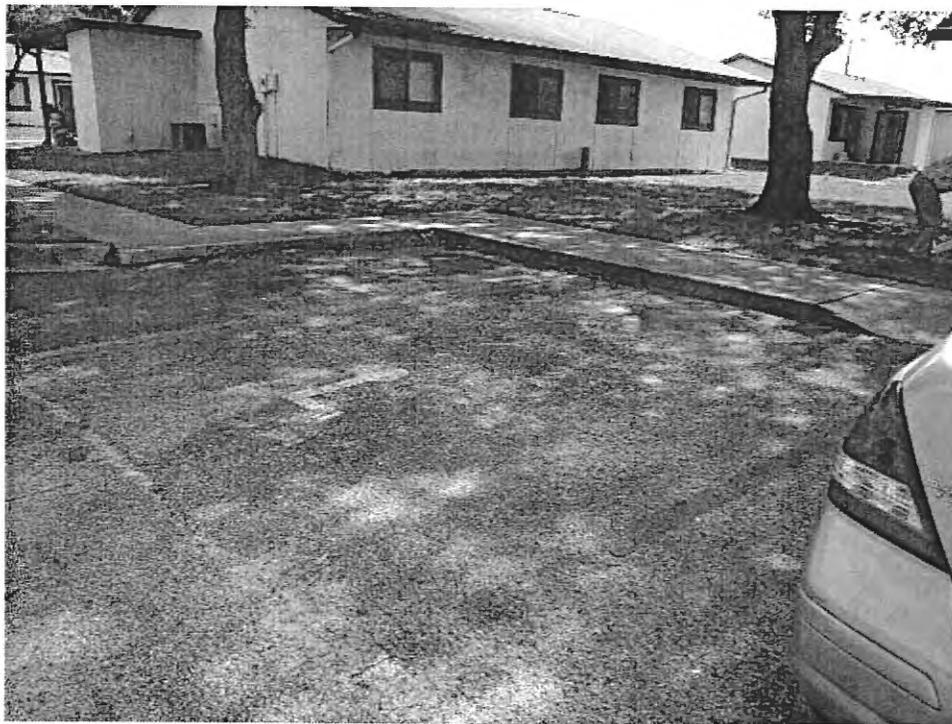
7. Ramp at Office (Non-ADA Compliant)



8. Apartment 15818B Handicap Kitchen



9. Apartment 15818B Handicap Bath



10. Handicap Parking – No sign (Non-Compliant)



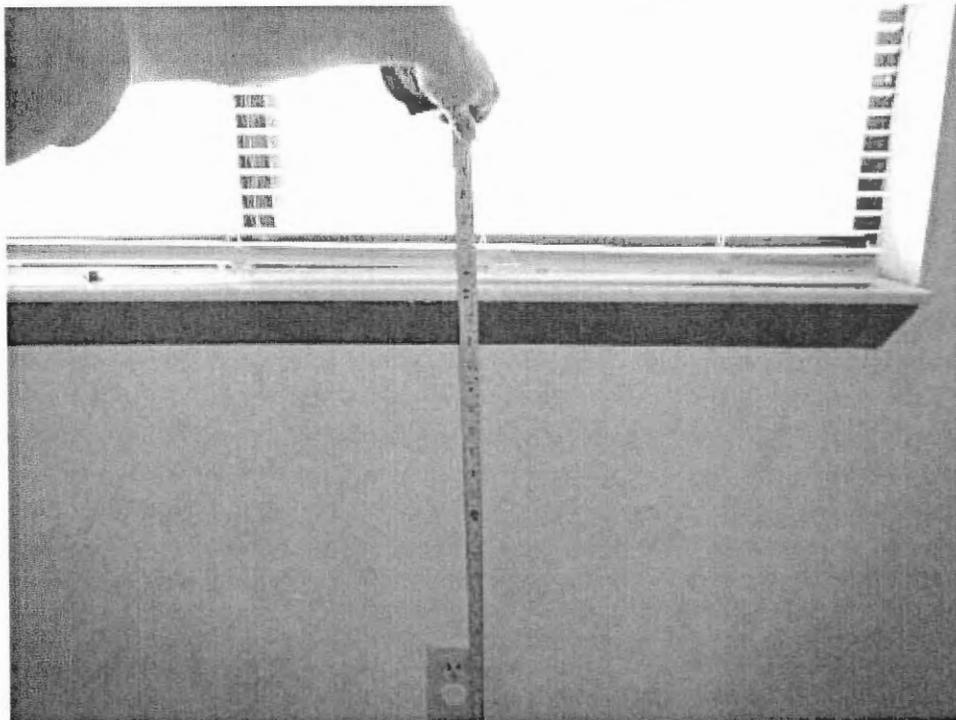
11. Handicap Ramp (Non-Compliant)



12. Typical Exterior



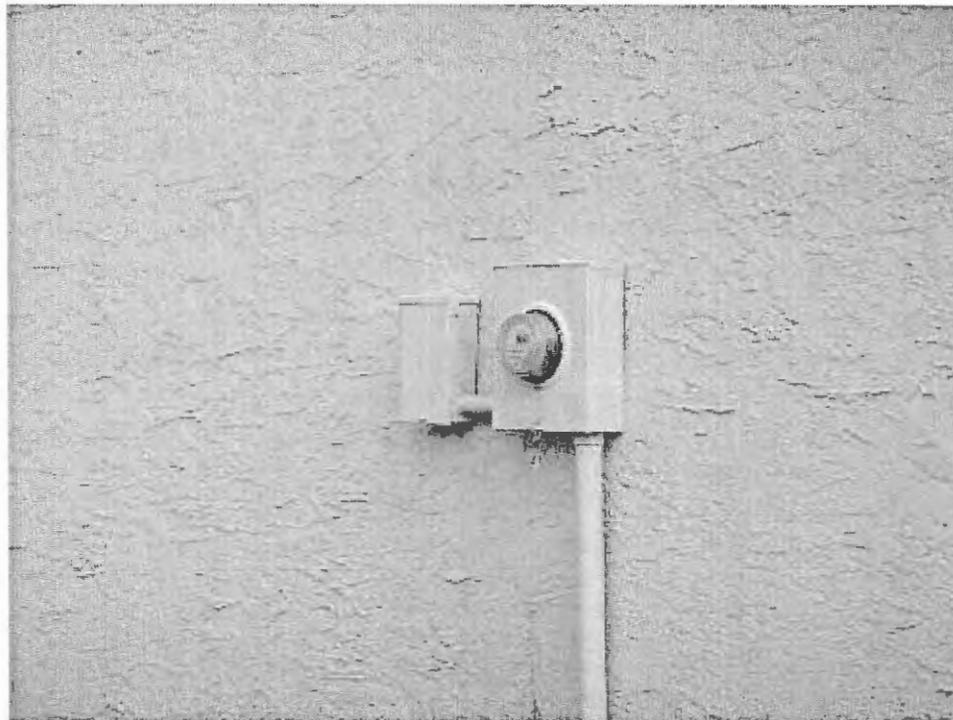
13. Apartment 15737 Laundry Room



14. Apartment 15737 Windowsill Height



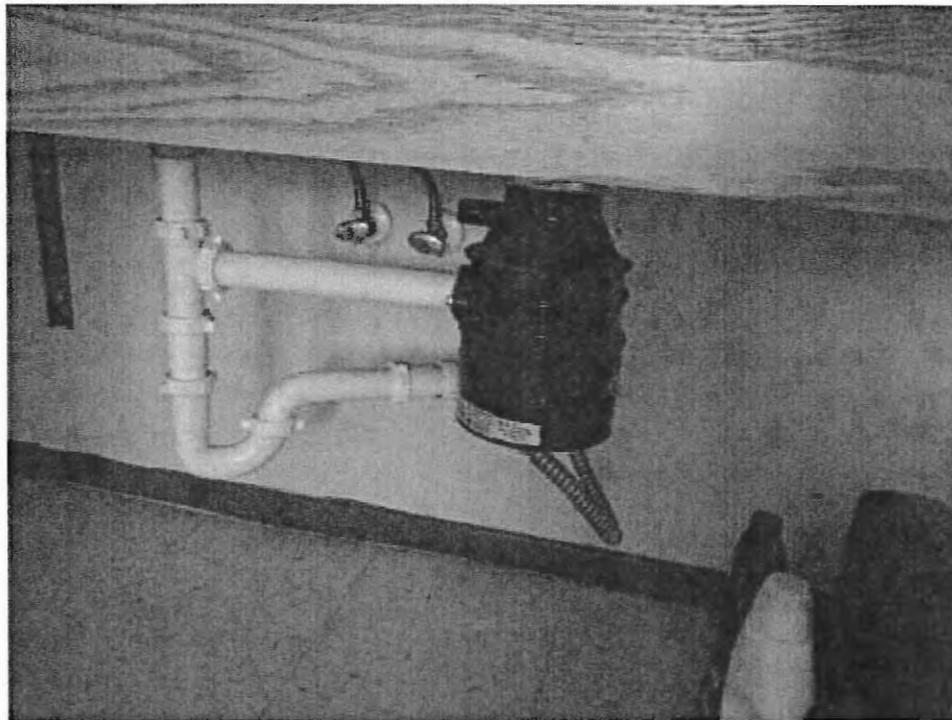
15. Typical Rear Elevation



16. Typical Electric Service



17. Property Fence



18. Apartment 15805 Sink Drain (No Insulation)



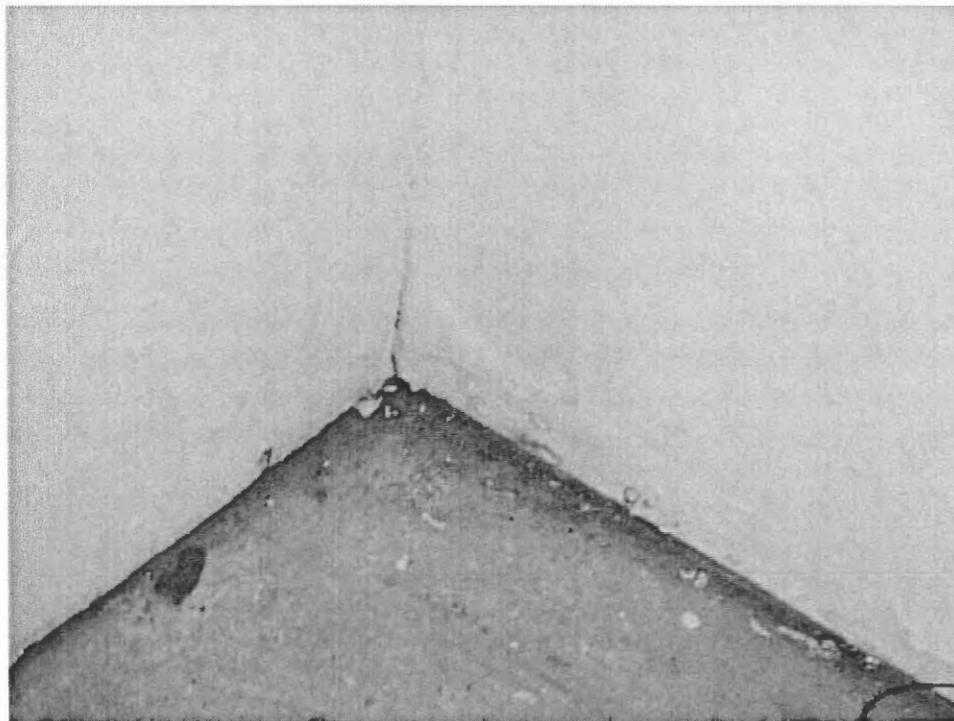
19. Apartment 15805 Bath Ceramic



20. Paving



21. Apartment 9520B Kitchen



22. Apartment 9520B Wall Damage at Outdoor Closet



23. Apartment 15739 Kitchen



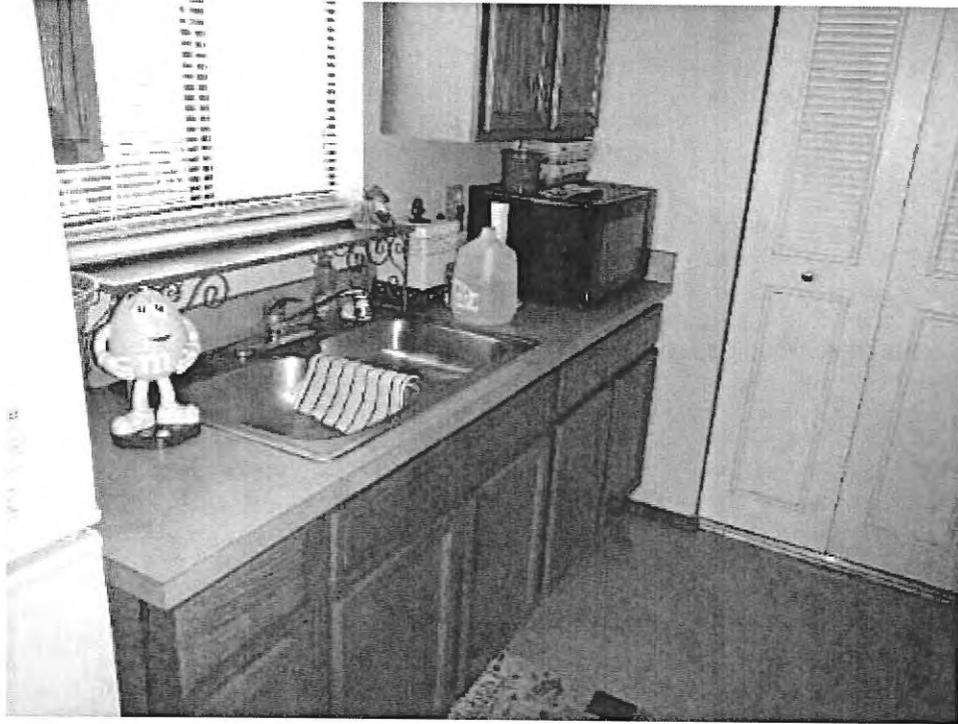
24. Apartment 15739 Bath



25. Apartment 15805 Living Room



26. Apartment 15819 Water Heater



27. Apartment 9529 Kitchen



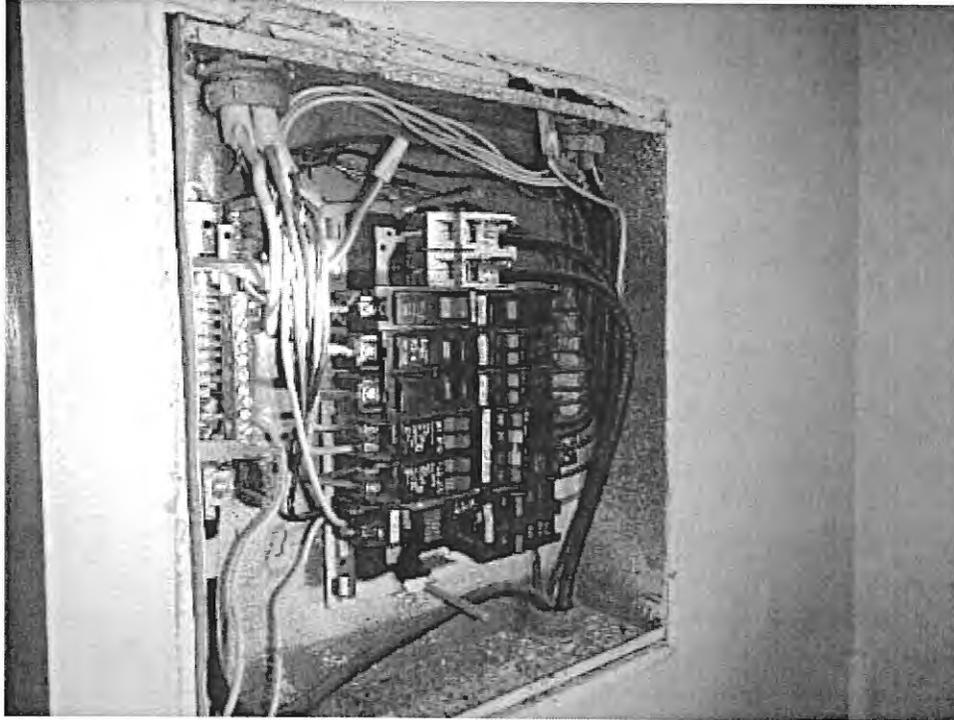
28. Office Attic



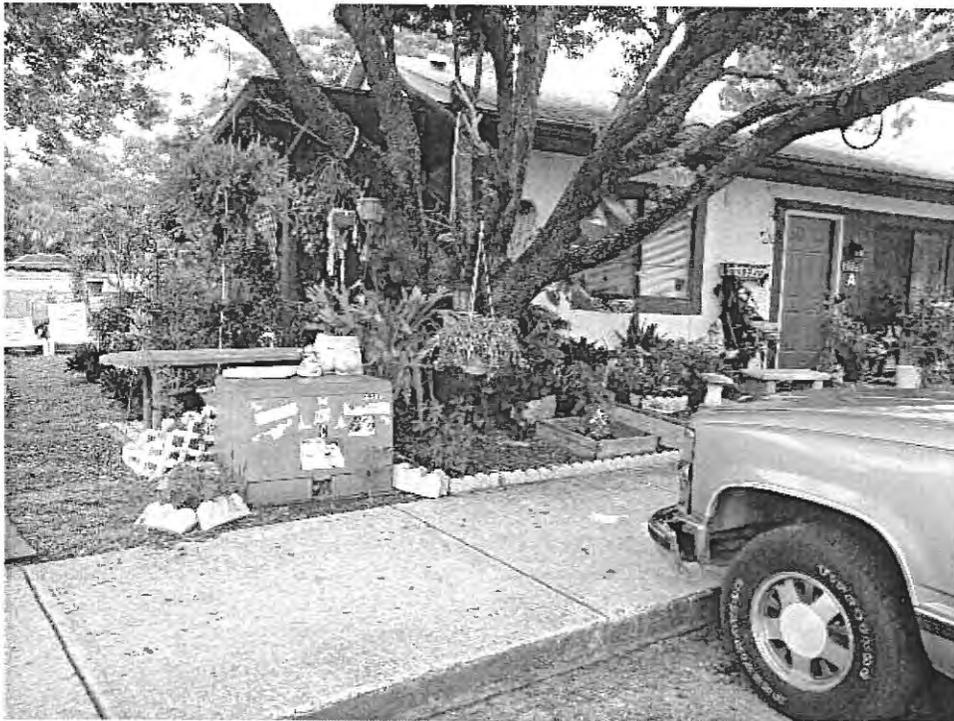
29. Apartment 1529B Bathtub



30. Apartment 1529A Kitchen



31. Apartment 15983 Electric Panel



32. Building 15825 Tree too Close to Building



33. Playground



34. Basketball Court

**ATTACHMENT B**  
**SITE MAPS/UNIT PLANS**



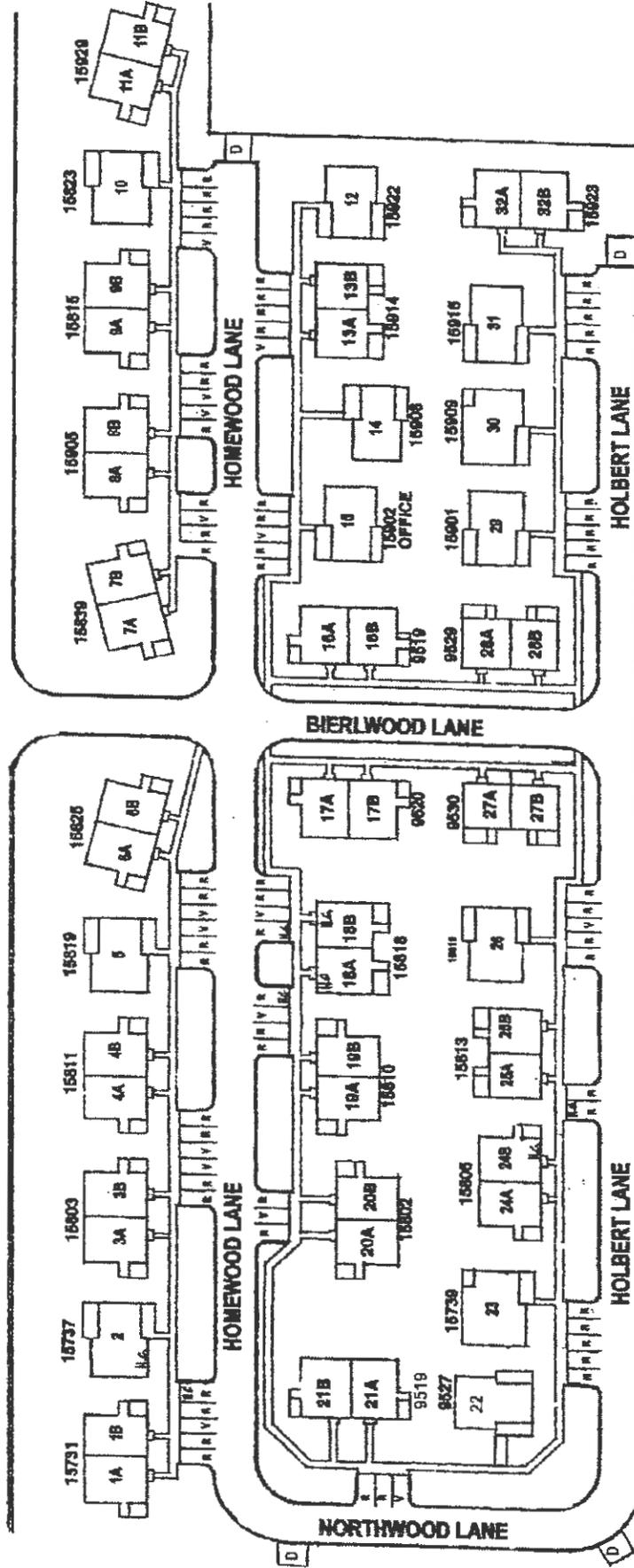


Address **15902 Homewood Ln**  
**Hudson, FL 34667**



**Hudson Estates**  
 15902 Homewood Lane, Hudson, Florida 34667  
 Phone & Fax: (727) 862-5753

## PROPERTY SPEED LIMIT - 10 MPH



Parking is very limited at Hudson Estates. There is no assigned parking, however, to try and provide nearby parking to our valued residents, this map labels the available spaces as either (R) for Resident Parking or (V) for Visitor parking. We ask our residents to use the Resident spaces and instruct their visitors to use the Visitor spaces. Spaces labeled with an H.C. arc for vehical owners with a Handicap Placard displayed. Parking in these spaces without a displayed placard or Handicap license plate can result in the vehical being towed at the owners expense without any advanced warning.

**PARKING ALONG ANY STREET CURBLINE IN HUDSON ESTATES IS STRICTLY PROHIBITED AS, IN THE CASE OF AN EMERGENCY, IT COULD PREVENT THE PASSAGE OF EMERGENCY VEHICLES.**

**ATTACHMENT C**  
**REPLACEMENT RESERVE**



## DENNIS JONES

**Education:** University of Tennessee  
Bachelor of Architecture

**Experience:** **Orange Consulting, LLC, Miami Beach, Florida**  
**Owner/Managing Member**  
**January 2012 to Present**

Performs Construction Document Reviews; performs Construction Monitoring Visits during construction on all building types to verify compliance with the project requirements and codes; evaluates construction progress, workmanship, and applications for payment; and reports finding to the client. Performs Property Condition Assessments on retail centers, multi-family housing projects, office buildings and health care facilities to determine the physical condition of the property and estimates the cost of needed improvements and replacement reserves. Conducts building evaluations for compliance with Americans with Disabilities Act requirements, fair housing guidelines and UFAS Section 504 compliance.

**New Perspective Florida, LLC, Tampa, Florida**  
**Director of Technical Administration**  
**March 2010 to December 2011**

Performs Plan and Cost Reviews; performs Site Observation Visits during construction on all building types to verify compliance with the project requirements and codes; evaluates construction progress, workmanship, and applications for payment; and reports finding to the client. Performs Property Condition Assessments on retail centers, multi-family housing projects, office buildings and health care facilities to determine the physical condition of the property and estimates the cost of needed improvements. Conducts employee interviews and reviews certified payroll records to verify compliance with Federal Labor Standards and Davis Bacon Act requirements. Conducts building evaluations for compliance with Americans with Disabilities Act requirements.

**Construction Analysis Systems, Inc. (CASI), Tampa, Florida**  
**Director of Technical Administration**  
**April 1998 to March 2010**

Performs Plan and Cost Reviews; performs Site Observation Visits during construction on all building types to verify compliance with the project requirements and codes; evaluates construction progress, workmanship, and applications for payment; and reports finding to the client. Performs Property Condition Assessments on retail centers, multi-family housing projects, office buildings and health care facilities to determine the physical condition of the property and estimates the cost of needed improvements. Conducts employee interviews and reviews certified payroll records to

verify compliance with Federal Labor Standards and Davis Bacon Act requirements. Conducts building evaluations for compliance with Americans with Disabilities Act requirements.

**Continuing**

**Education:**

ASTM Property Condition Assessment Training  
HUD Green Physical Needs Assessment (GPNA) Training  
Environmental Solution Association Mold Inspection and Assessment Training

**Certifications:**

Certified Construction Inspector, Association of Construction Inspectors  
Certified Construction Consultant, Association of Construction Inspectors  
Mold Inspection and Assessment, Environmental Solutions Association



# Attachment 16

**DETAILED DEVELOPMENT BUDGET**

Hudson Estates  
Hudson, FL

CONSTRUCTION COSTS	TOTAL	PER UNIT	AMOUNT ELIGIBLE	% of costs	PER SF
Hard Costs					
New Const Costs	0	0	0	0.00%	0.00
Rehab Costs	1,040,000	20,000	1,040,000	16.87%	24.53
Demolition	0	0	0	0.00%	0.00
Accessory Buildings	0	0	0	0.00%	0.00
Site Work	0	0	0	0.00%	0.00
LC/PP Bond	0	0	0	0.00%	0.00
Total Hard Costs	1,040,000	20,000	1,040,000	16.87%	24.53
Contractor Fees	145,600	2,800	145,600	2.36%	3.43
Construction Contract Amount	<b>1,185,600</b>	<b>22,800</b>	<b>1,185,600</b>	<b>19.23%</b>	<b>27.96</b>
Hard Cost Contingency	118,560	2,280	118,560	1.92%	2.80
Other	0	0	0	0.00%	0.00
<b>TOTAL CONSTRUCTION COSTS</b>	<b>1,304,160</b>	<b>25,080</b>	<b>1,304,160</b>	<b>21%</b>	<b>30.76</b>
FINANCIAL COSTS					
Financing Fees					
Perm Loan Orig	30,000	577		0.49%	0.00
Const Loan Orig	30,000	577	30,000	0.49%	0.71
Bond COI	185,000	3,558		3.00%	0.00
Application Fee	6,500	125	6,500	0.11%	0.15
Const Monitoring	10,000	192	10,000	0.16%	0.24
Miscellaneous FHA Costs	60,000	1,154	30,000	0.97%	0.71
Other	0	0		0.00%	0.00
Closing Costs					
One Mo Payment	5,000	96	0	0.08%	0.00
One Mo Reserves	1,000	19	0	0.02%	0.00
Perm Loan Closing Costs	5,000	96	0	0.08%	0.00
Const Loan Closing Costs	5,000	96	5,000	0.08%	0.12
Capitalized Interest	15,000	288	7,500	0.24%	0.18
Other	0	0	0	0.00%	0.00
<b>TOTAL FINANCIAL COSTS</b>	<b>352,500</b>	<b>6,779</b>	<b>89,000</b>	<b>5.72%</b>	<b>2.10</b>
GENERAL DEVELOPMENT COSTS					
General					
Accounting	10,000	192	10,000	0.16%	0.24
Architect - Design	25,000	481	25,000	0.41%	0.59
Architect - CA	5,000	96	5,000	0.08%	0.12
Architect - Landscape	0	0	0	0.00%	0.00
Appraisal	5,000	96	5,000	0.08%	0.12
Brokerage Fees	0	0	0	0.00%	0.00
Building Permits	19,562	376	19,562	0.32%	0.46
Building Permit Expeditor	0	0	0	0.00%	0.00
Engineering Fees	0	0	0	0.00%	0.00
Environ Report - Phase 1	2,500	48	2,500	0.04%	0.06
Environ -Other (LBP/Asbes/Etc)	12,500	240	12,500	0.20%	0.29
Impact Fees	0	0	0	0.00%	0.00
Inspection Fees	10,000	192	10,000	0.16%	0.24
Insurance - Builders Risk	10,000	192	10,000	0.16%	0.24
Insurance - Prop/Liab	25,000	481	12,500	0.41%	0.29
Insurance - Escrow	10,000	192	0	0.16%	0.00
Market Study/RCS	5,000	96	5,000	0.08%	0.12
Misc Costs	0	0	0	0.00%	0.00
Payment and Performance Bond	26,083	502	26,083	0.42%	0.62
PCR - Const Consultant	5,000	96	5,000	0.08%	0.12
Pre Dev Loan Interest	0	0	0	0.00%	0.00
Plan Review Fees	0	0	0	0.00%	0.00
Survey	6,000	115	6,000	0.10%	0.14
Taxes	12,500	240	6,250	0.20%	0.15
Taxes - Escrow	10,000	192	0	0.16%	0.00
Title/Recording Fees	40,000	769	40,000	0.65%	0.94
Utility Connection Fees	0	0	0	0.00%	0.00
Soft Cost Contingency	35,000	673	35,000	0.57%	0.83
Other - Contractor Bid Costs	0	0	0	0.00%	0.00
Legal					
Borrowers Council	45,000	865	33,750	0.73%	0.80
Borrowers HUD Council	35,000	673	17,500	0.57%	0.41
Borrower Bond Council	0	0	0	0.00%	0.00
Lender Legal	15,000	288	7,500	0.24%	0.18
Syndicator Legal	25,000	481	12,500	0.41%	0.29
Agency Legal	15,000	288	7,500	0.24%	0.18
Other - Local GA Counsel	0	0	0	0.00%	0.00
Agency Fees					
FHFC Application Fee	6,500	125	0	0.11%	0.00
FHFC Pre-Compliance	2,500	48	0	0.04%	0.00
FHFC Compliance Monitoring	100,000	1,923	0	1.62%	0.00
FHFC Admin Fee	0	0	0	0.00%	0.00
FHFC Credit UW Fee	11,511	221	11,511	0.19%	0.27
Reserves					
Reserves - ODR	100,000	1,923	0	1.62%	0.00
Collateral Reserve	0	0	0	0.00%	0.00
<b>TOTAL GENERAL DEVELOPMENT COSTS</b>	<b>629,657</b>	<b>12,109</b>	<b>325,657</b>	<b>10.21%</b>	<b>7.68</b>
ACQUISITION COSTS					
Building Acquisition (Enter Full Price)	3,000,000	57,692	2,700,000	48.66%	63.68
Brokerage Fee	0	0	0	0.00%	0.00
Land Value - New Construction	0	0	0	0.00%	0.00
Land Value - Acquisition/Rehab	300,000	0	0	0.00%	0.00
Other	0	0	0	0.00%	0.00
<b>TOTAL ACQUISITION COSTS</b>	<b>3,000,000</b>	<b>57,692</b>	<b>2,700,000</b>	<b>48.66%</b>	<b>63.68</b>
DEVELOPER FEE					
Developer Fee	879,537	16,914	879,537	14.26%	20.74
Consulting Fee	35,000	673	35,000	0.57%	0.83
Other	0	0	0	0.00%	0.00
<b>TOTAL DEVELOPER FEE</b>	<b>879,537</b>	<b>16,914</b>	<b>879,537</b>	<b>14.26%</b>	<b>20.74</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$6,165,854</b>	<b>\$118,574</b>	<b>\$5,298,354</b>	<b>100.00%</b>	<b>\$124.96</b>



# Attachment 17

**Hudson Estates  
Hudson, FL**

**PROJECT INFORMATION**

Project Name	Hudson Estates
City, State	Hudson, FL
Address	15902 Homewood Lane
County	Pasco
Number of Units	52
Construction Type	Frame
Project Type	Acq/Rehab
# of Buildings With Units	32
Demographic	Family
Section 8? (Yes/No)	Yes, 100%

**INPUTS**

Bond Deal (Yes/No)	Yes
Dev Fee Acq	18%
Dev Fee Rehab	18%
Management Fee	4%
GC Fee	14%
Hard Cost Conting	10%
Vacancy	5%
Rent Escalator	2%
Expense Escalator	3%
Residual Cap Rate	8%

**DEVELOPMENT TEAM**

Developer	Southport Development, Inc.
Partnership/Owner	TBD
General Partner	TBD
Management Company	Cambridge Management Inc
General Contractor	Vaughn Bay Construction

**TIMING**

Closing	Mar-16
25% Complete	May-16
50% Complete	Jun-16
75% Complete	Jul-16
99% Complete	Aug-16
Completion/CO	Aug-16
100% Occupied	Aug-16
Stabilization	Nov-16

**OPERATIONS SUMMARY**

Net Operating Income	\$218,114	4,195
Projected Cash Flow	\$53,903	1,037
DSCR to Hard Debt	1.36	
Breakeven PUPA Yr 1	6,587	
PUPA to 1.15DSCR Yr 1	6,158	
Value Year 15	2,643,447	

**TAX CREDIT SUMMARY (SEE DETAIL IN TAX CREDIT CALC TAB)**

DDA/QCT Boost	130%
Applicable %age (New/Rehab)	3.25%
Applicable %age (acquisition)	3.25%
Applicable Fraction	100.00%
Annual Tax Credit Eligible For	\$200,784
Annual Credit Reservation	\$197,800
Equity Pricing	\$0.960
Total Tax Credit Equity	\$1,898,690.11
Investor Share of Credits	99.99%
LP Asset Management Fee	\$5,000
Cash Flow Distribution - GP	90.00%
Residual Split - GP	90.00%
Credits Delivered	\$0
Credits Delivered	\$0
Credits Delivered	100%
	\$197,800

**OPERATING BUDGET SUMMARY (SEE DETAIL IN OPEX TAB)**

Payroll & Related	62,400	1200
Administrative	35,500	683
Maintenance & Security	35,000	673
Management Fee	24,557	472
RE Taxes	26,850	516
Utilities	63,721	1225
Insurance	25,000	481
Replacement Reserves	15,600	300

**UNIT/RENT INFORMATION**

Unit Type	Est SF	UA	Est Unit SF	AMI %	Gross LIHTC Rent	Net LIHTC Rent	Net Section 8	Est Mkt Rent	FMR's
1 BR	600	\$91	600	60%	\$663	\$572	\$723	\$765	\$765
2 BR	800	\$134	800	60%	\$796	\$662	\$789	\$959	\$959
3 BR	1000	\$164	1000	60%	\$921	\$757	\$967	\$1,280	\$1,280
4 BR	1200	\$220	1200	60%	\$1,027	\$807	\$1,037	\$1,533	\$1,533

**DEBT SUMMARY (SEE DETAIL IN DEBT ASSUMPTIONS TAB)**

Loan Position	Amnt	Per Unit	DSCR
1st Mortgage	\$2,700,000	\$1,923	1.36
2nd Mortgage	\$780,000	\$15,000	1.36
3rd Mortgage	\$200,000	\$3,846	1.36
Deferred Fee	\$591,794	\$11,381	

**RENT SCHEDULE**

BR Type	# Units	AMI %	Est Unit SF	Gross LIHTC Rent	Net LIHTC Rent	Net Section 8	% of Net LIHTC	Rent/SF	Monthly Rev	Annual Rev
1 BR	10	60%	600	\$663	\$572	\$723	126.40%	120.50%	\$7,230	\$86,760
2 BR	30	60%	800	\$796	\$662	\$789	119.18%	98.63%	\$23,670	\$284,040
3 BR	10	60%	1000	\$921	\$757	\$967	127.74%	96.70%	\$9,670	\$116,040
4 BR	2	60%	1200	\$1,027	\$807	\$1,037	128.50%	86.42%	\$2,074	\$24,888
	<b>52</b>			<b>875</b>					<b>\$42,644</b>	<b>\$511,728</b>

## SOURCES AND USES OF FUNDS

Hudson Estates  
Hudson, FL

### SOURCES OF FUNDS

	CONSTRUCTION PERIOD	PERMANENT PERIOD
Pasco County MMRBs	\$3,000,000	
First Mortgage	\$2,700,000	\$2,700,000
Second Mortgage	780,000	0
LIHTC Equity	1,519,503	1,899,300
MERP - FHFC	780,000	780,000
3rd Mortgage - Pasco County		200,000
Deferred Fee	290,091	591,794
	33%	66%
<b>TOTAL SOURCES</b>	<b>\$9,069,594</b>	<b>\$6,171,094</b>

### USES OF FUNDS

Acquisition Costs	\$3,000,000
Construction Costs	1,304,160
Financial Costs	340,500
General Development Costs	277,646
Legal Costs	135,000
Agency Fees	120,511
Reserves	0
MMRB Collateral Reserve	3,000,000
Developer Fee	891,777
<b>TOTAL USES OF FUNDS</b>	<b>\$9,069,594</b>

## DEBT ASSUMPTIONS

**Hudson Estates  
Hudson, FL**

<b>PERMANENT DEBT</b>	
<b>Permanent 1st Mortgage</b>	
Lender Name	FHA 223f
Loan Amount	\$2,700,000
Loan Amount/Unit	\$51,923
Interest Rate	4.20%
Amortizing (Yes/No)	Yes
Amortization Period (Yrs)	35
Term (Yrs)	17
DSCR Required	1.20
Actual DSCR	1.36
Origination Fee	2.00%
Monthly Payment	\$12,384
Funds at?	Closing
<b>Annual Payment</b>	<b>\$148,611</b>
<b>Permanent 2nd Mortgage</b>	
Lender Name	FHFC - MERP
Loan Amount	\$780,000
Loan Amount/Unit	\$15,000
Interest Rate	1.48%
Amortizing (Yes/No)	No
Amortization Period (Yrs)	35
Term (Yrs)	18
DSCR Required	1.20
Actual DSCR	1.36
Origination Fee	1.00%
Monthly Payment	\$0
Funds at?	Closing
<b>Annual Payment</b>	<b>\$0</b>
<b>Permanent 3rd Mortgage</b>	
Lender Name	Pasco County
Loan Amount	\$200,000
Loan Amount/Unit	\$3,846
Interest Rate	1.00%
Amortizing (Yes/No)	No
Amortization Period (Yrs)	30
Term (Yrs)	18
DSCR Required	1.20
Actual DSCR	1.36
Origination Fee	1.00%
Monthly Payment	\$0
Funds at?	Closing
<b>Annual Payment</b>	<b>\$0</b>

<b>CONSTRUCTION Bonds</b>	
<b>Construction Bonds</b>	
Lender Name	Pasco County
Loan Amount	\$3,000,000
Loan Amount/Unit	\$57,692.31
Interest Rate	0.75%
Amortizing (Yes/No)	N/A
Amortization Period (Yrs)	N/A
Term (Yrs)	1
DSCR Required	N/A
Actual DSCR	N/A
Origination Fee	1.00%
Monthly Payment	\$0
<b>Annual Payment</b>	<b>\$0</b>
<b>Equity Bridge Loan</b>	
Lender Name	TBD
Loan Amount	\$0
Loan Amount/Unit	\$0
Interest Rate	6.00%
Amortizing (Yes/No)	Yes
Amortization Period (Yrs)	35
Term (Yrs)	18
DSCR Required	1.20
Actual DSCR	
Origination Fee	1.00%
Monthly Payment	\$0
<b>Annual Payment</b>	<b>\$0</b>

<b>RATE STACK</b>	
Loan Type	Tax-Exempt Bond
Bond Rate	1.70%
Treasury Spread	0.06%
Enhancement	2.00%
Servicing	0.20%
Trustee	0.12%
Issuer	0.40%
Remarketing	0.20%
<b>All-In Rate</b>	<b>4.68%</b>

## OPERATING BUDGET PROJECTIONS - AS-STABILIZED

**Hudson Estates**  
**Hudson, FL**

COME

			PUPA
Potential Rental Income	511,728		9,841
Less: Vacancy/Collection Loss	5.00% -25,586		-492
Effective Rental Income	486,142		9,349
Utility Reimbursement	0		0
Interest Income	0		0
Laundry Income	0		0
Tenant Charges	0		0
Other Income	5,000		96
Total Other Income	5,000		96
TOTAL EFFECTIVE INCOME	491,142		9,445
Variable Expenses			
Payroll (Incl Mait, Tx, Benefits)	62,400		1,200
Maintenance Costs	35,000		673
Other Operating/Administrative	25,000		481
Audit Expense	7,500		144
Legal Professional Fees	2,500		48
Misc Taxes Licenses	500		10
SUBTOTAL VARIABLE EXPENSES	132,900		2,556
Fixed Expenses			
Management Fee	24,557		472
Real Estate Taxes	26,850		516
Utilities - Electric	11,481		221
Utilities - Water/Sewer	37,369		719
Utilities - Trash	12,724		245
Insurance (Property/Liability)	25,000		481
SUBTOTAL FIXED EXPENSES	140,128		2,695
TOTAL OPERATING EXPENSES	273,028		5,251
NET OPERATING INCOME	\$218,114		4,195
R/R Contribution	15,600		300
Adusted Net Operating Income	202,514		3,895
Debt Service - Must Pay	148,611		1.36
			DEBT SERVICE COVERAGE RATIO
Surplus Cash for Distribution	53,903		

**15-YEAR OPERATING PRO FORMA**

	Year 1	PUPA	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>Hudson Estates Hudson, FL</b>																
TOTAL EFFECTIVE INCOME	491,142	9,445	500,964	510,984	521,203	531,627	542,260	553,105	564,167	575,451	586,960	598,699	610,573	622,886	635,344	648,051
Payroll (Incl Mait, Tx, Benefits)	62,400	1,200	64,272	66,200	68,186	70,232	72,339	74,509	76,744	79,046	81,418	83,860	86,376	88,967	91,637	94,386
Maintenance Costs	35,000	673	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902	51,399	52,941
Other Operating/Administrative	25,000	481	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815
Audit Expense	7,500	144	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344
Legal, Professional Fees	2,500	48	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,564	3,671	3,781
Misc Taxes_Licenses	500	10	515	530	546	563	580	597	615	633	652	672	692	713	734	756
Security	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fee	24,557	472	25,294	26,053	26,834	27,639	28,468	29,322	30,202	31,108	32,041	33,003	33,993	35,013	36,063	37,145
Real Estate Taxes	26,850	516	27,656	28,485	29,340	30,220	31,127	32,060	33,022	34,013	35,033	36,084	37,167	38,282	39,430	40,613
Utilities - Electric	11,481	221	11,825	12,180	12,546	12,922	13,310	13,709	14,120	14,544	14,980	15,430	15,892	16,369	16,860	17,366
Utilities - Water/Sewer	37,369	719	38,490	39,645	40,834	42,059	43,321	44,621	45,959	47,338	48,758	50,221	51,727	53,279	54,878	56,524
Utilities - Gas	2,147	41	2,211	2,277	2,346	2,416	2,488	2,563	2,640	2,719	2,801	2,885	2,971	3,060	3,152	3,247
Utilities - Trash	12,724	245	13,106	13,499	13,904	14,321	14,751	15,193	15,649	16,118	16,602	17,100	17,613	18,141	18,686	19,246
Insurance (Property/Liability)	25,000	481	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815
R/R Contribution	15,600	300	16,068	16,550	17,047	17,558	18,085	18,627	19,186	19,762	20,354	20,965	21,594	22,242	22,909	23,596
TOTAL EXPENSES	288,628	5,551	297,286	306,205	315,391	324,853	334,598	344,636	354,976	365,625	376,594	387,891	399,528	411,514	423,859	436,575
Net Operating Income	202,514	3,895	203,678	204,779	205,812	206,775	207,662	208,469	209,192	209,826	210,366	210,808	211,145	211,372	211,485	211,476
Debt Service	148,611		148,611	148,611	148,611	148,611	148,611	148,611	148,611	148,611	148,611	148,611	148,611	148,611	148,611	148,611
Combined DSCR	1.36		1.37	1.38	1.38	1.39	1.40	1.40	1.41	1.41	1.42	1.42	1.42	1.42	1.42	1.42
Cash Flow for Distribution	53,903		55,067	56,167	57,201	58,163	59,050	59,858	60,581	61,215	61,755	62,196	62,533	62,761	62,873	62,865



# Attachment 18

## Hudson Estates

**1. Provide an explanation of why tax-exempt bond financing is needed for the project. Also, if appropriate, indicate why other sources of federal or local housing subsidies, including Low Income Housing Tax Credits, are needed to complete the proposed housing development.**

The transaction will be financed with the proceeds of tax-exempt private activity revenue bonds, 4% low-income housing tax credit equity, assumption of the existing subordinate financing as well as a contribution from the developer. We will apply for 4% tax credits from the Florida Housing Finance Corporation to be used in conjunction with the bonds. With these sources, Southport intends to rehabilitate the property in order to decrease operating expenses, modernize the units to ensure they are preserved as affordable units for the long term, and increase the energy efficiency of the units. The bonds and tax credits are a critical part of accomplishing those three goals.

## Hudson Estates

**2. Describe how the project will comply with federal and state laws regulating the use of tax-except bonds, Low Income Housing Tax Credits, and any other federal or state monies expected to be awarded in connection with the proposed development. Include any unit rent restrictions that will apply to specific units and indicate the current maximum rents that would be allowed for those units if applicable. Provide an explanation of how the marketing plan will address the need to meet low and moderate income leasing requirements. If applicable, indicate the extent to which any existing tenants will be affected by the proposed financing and explain the Applicant's plan for addressing the issue.**

- A. Southport Financial Services, Inc., a Washington State corporation, ("Southport"), has its administrative headquarters in Tacoma, Washington. J. David Page is President and sole shareholder. Other offices are in Tampa, Florida, Washington, DC and New York, New York. Southport has closed nineteen Mark to Market and six 236 Payoff transactions, it has built and acquired a substantial number of market rental housing projects and developed some 73 Low Income Housing Tax Credit ("LIHTC") properties. Southport is a national company with major projects from Hawaii to the Eastern Seaboard. Southport has a demonstrated capability of securing LIHTC allocations as well as tax-exempt volume cap bond allocations. Southport currently owns or has participation ownership in 14,252 units in 157 apartment properties nationwide as shown in the attached list of projects. With the experience Southport has with Low Income Housing Tax Credits and state and federal bond transactions Pinellas County can rest assured that we will work closely with all parties to maintain we are in compliance with all local and federal regulations. As a second degree surety of compliance all lenders involved with the transaction also have compliance specialists to insure we are in compliance at all times as well.
- B. The rents for this project will be governed by the property's HUD section-8 contract as well as the Florida Housing Low Income Housing Tax Credit maximum rents. Please see attached documentation of these rental restrictions.
- C. Hudson Estates currently has an approximately 6 month waiting list of qualified tenants waiting for available units at the property. As a HUD section 8 property we have to adhere by an Affirmative Fair Housing Marketing Plan (AFHMP) that will be submitted to the local HUD project manager. A few times a year the waiting list will be purged to remove any unqualified potential residents, or any potential residents that no longer have a low income housing need. At those times typically the management company will run advertisements in local paper and other local media outlets to let the public know about the property and their low income nature. With this project being a section-8 project all residents must pass a criminal background check, in addition to credit, and income checks. Attached is an example of an advertisement used by one of our management companies in the past.

## Hudson Estates

3. Indicate if a conflict of interest or potential conflict of interest exists between any principal or agent of the applicant or borrower (including all third parties engaged by the applicant or borrower) with any member of the Authority's board, staff, bond counsel, issuer's counsel or financial advisor, or with any elected representative of the Board of County Commissioners.

None