

Fiscal Year 2015 Pre-application for MFH Preservation and Revitalization Demonstration Program (MPR)

Instructions

Applicants are encouraged, but not required, to submit this pre-application form electronically by accessing the website: <http://www.rd.usda.gov/programs-services/housing-preservation-revitalization-demonstration-loans-grants>. Click on the Forms & Resources tab to access the "Fiscal Year 2015 Pre-application for MFH Preservation and Revitalization Demonstration Program (MPR)." Please note that electronic submittals are not on a secured Web site. If you do not wish to submit the form electronically by clicking on the **Send Form** button, you may still fill out the form, print it and submit it with your application package to the National Office. You also have the option to save the form and submit it on an electronic media to the National Office with your complete application package.

Supporting documentation required by this pre-application may be sent via email with your electronic pre-application. Under item **XIII. Documents Submitted**, check all supporting documents that you are submitting with this pre-application and the medium of submission.

I. Funding Track

Under this notice you may apply for one of three different funding tracks. Identify the funding track for this pre-application. Note the pre-application closing date for each track.

This is a request to be considered for all applicable MPR funding options as per this notice. Pre-application closing date: December 1, 2015 at 5:00 pm Eastern time.

This is a request for debt deferral **ONLY for a project where all agency loans on the property will mature on or before 12/31/2018. To avail of all funding tools select the first option.** Pre-application closing date: December 31, 2015 at 5:00 pm Eastern time.

This is a request for debt deferral **ONLY for a project transferred to a new owner.** Pre-application closing date: December 31, 2015 at 5:00 pm Eastern time.

II. Applicant Information

a. Applicant's Name:

b. Applicant's Address:

Address, Line 1:

Address, Line 2:

City:

State:

Zip:

c. Name of Applicant's Contact Person:

d. Contact Person's Telephone Number:

e. Contact Person's Email Address:

f. DUNS Number if applying for a grant:

III. Project Information

a. **Primary Project Name:**

b. **Project Address:**

Address, Line 1:

Address, Line 2:

City:

State:

Zip:

c. **Is this a Simple, Complex or Portfolio transaction? Check Notice for exact definition.**

Simple:

Complex:

Portfolio:

d. **If Portfolio, what is the Portfolio Name?** A separate pre-application must be submitted for each project and each Pre-application must have the same **“Portfolio Name.”** A portfolio transaction will be limited to a maximum of 15 projects.

e. **Consolidation of project operations:**

Check one below:

This proposal does not involve a consolidation of properties (0 points)

This proposal involves a consolidation of 2-4 properties (5 points)

This proposal involves a consolidation of 5 or more properties (10 points)

Points:

Note: All projects to be consolidated under Complex or Portfolio transactions must be submitted on one pre-application form and be located in the same market area as defined in the NOSA. List all properties being consolidated in f. below.

f. **Provide the following information for the projects being consolidated in this pre-application, starting with the Primary Project.**

	Borrower ID	Proj. ID	Project Name	Vacancy Percentage (for 515 Only)	Proj. ST	Project Type 515/514/516
List Primary Project:						
1.						
List Projects to be Consolidated with the Primary Project:						
2.						

	Borrower ID	Proj. ID	Project Name	Vacancy Percentage (for 515 Only)	Proj. ST	Project Type 515/514/516
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

For Section 515 RRH projects: If vacancy percentages, in the 12 months preceding this Notice’s publication date for any of the projects listed above, exceed 10.0% for projects with 16 or more revenue producing units, or exceed 15.0% for projects with less than 16 revenue producing units, attach required market survey documentation.

For Section 514/516 Off-Farm Labor Housing projects: If cash flow for the previous 3 full years of operation is not positive, attach required market survey documentation.

Year of Operation:

Cash Flow:

Year of Operation:

Cash Flow:

Year of Operation:

Cash Flow:

g. What is the age of the project? (For a project consolidation, including portfolio transactions, use the project with the earliest operational date.) **Check one.**

- **Was the initial project operational date(s) prior to December 21, 1979? (30 points)**
Yes

- Was the initial project operational date(s) on or after December 21, 1979; but before December 15, 1989? (20 points) Yes
- Was the initial operational date(s) on or after December 15, 1989; but before October 1, 1991? (10 points) Yes
- Was the initial operational date(s) on or after October 1, 1991? (0 points) Yes
 - If you answered “Yes” to the first three bullet points, provide the initial operational date of the project: (mm/dd/yyyy) **Points:**

h. Is there an Agency approved Capital Needs Assessment (CNA)? Yes No

If “Yes,” check one:

- Was the CNA approved on or after October 1, 2013 and prior to October 1, 2014? (10 points) Yes
- Was the CNA approved on or after October 1, 2014 but prior to publication of this Notice? (20 points) Yes
 - If “Yes,” provide the date of the most recent Agency approved CNA: (mm/dd/yyyy) **Points:**

IV. Funds

a. Are there contributions of other sources of funds? Yes No

If “Yes,” check one:

- Evidence of a commitment of at least \$3,000 to \$5,000 per unit/per project from other sources? (15 points) Yes
- Evidence of a commitment greater than \$5,000 per unit/per project from other sources? (25 points) Yes **Points:**

If “Yes,” provide the amounts obtained from the following sources. Note: only include amounts for a Rural Development (RD) Section 515 loan or Section 514/516 loan/grant if they have already been approved and obligated by RD.

<u>Source:</u>	<u>Amount:</u>
Tax Credits	
3 rd Party Loan	
3 rd Party Grant	
Tax Exempt Financing	
RD Section 515 Rehabilitation Loan	
RD Section 514/516 Off-Farm Rehabilitation Loan/Grant	
RD Section 538 Funds	
RD Preservation Revolving Loan Funds	
Owner Provided Capital Contributions	
Total Contributions:	

b. Does this proposal include an Owner Contribution of funds to pay transaction costs and/or hard costs of construction? Select all that apply.

- An owner contribution of \$10,000 per project to pay transaction costs. (20 points) Yes No Points:

These funds cannot be from the project's reserve, operating funds, tax credit equity, or be in the form of donated services provided by the applicant. Transaction costs are defined as those Agency-approved costs required to complete the transaction under this Notice and includes, but are not limited to, the CNA, legal and closing costs, appraisal costs and filing/recording fees. A minimum contribution of \$10,000 per project must be deposited into the respective project reserve account from the owner's non-project resources prior to closing the MPR transaction.

An owner contribution of \$1,000 per unit per project for the hard costs of construction. (10 points) Yes No Points:

These funds cannot be from the project's reserve account or project's general operating account or in the form of a loan. Hard costs of construction are defined as those costs for materials, inventory, equipment, property or machinery required to complete the proposal under this Notice. Hard costs of construction are itemized on Form RD 1924-13, "Estimate and Certificate of Actual Cost." Form RD 1924-13 can be found at

*<https://forms.sc.eqov.usda.gov/efcommon/eFileServices/eForms/RD1924-0013.pdf>. The minimum contribution required to receive these points is \$1,000 **per unit per project** which will be required to be deposited in the project reserve account or supervised/construction account, as directed by Rural Development, prior to closing. An increased RTO may be allowed for funds committed in accordance with 7 CFR section 3560.406(d)(14)(ii).*

V. Transfers and Sales

- a. Does this proposed transaction include a transfer of ownership? Yes No
If "Yes," select b. or c. below and attach an unexpired copy of the executed Purchase Agreement or other evidence of valid site control acceptable to the Agency.
- b. Has the Agency servicing classification been identified as "C" or "D" for 24 months or more? (20 points) Yes OR
- c. Has the Agency servicing classification been identified as "C" or "D" for less than 24 months? (15 points) Yes No to b. and c. Points:

If "No," (not involved in a transfer), select item d. or e. below:

- d. For stay-in-owners only, has the Agency servicing classification been identified as "B" as a result of a workout plan and/or transition plan approved by the Agency prior to April 1, 2015? (25 points) Yes OR

*NOTE: Projects with an Agency "C" classification for 24 months or longer with Open Findings at the time the MPR pre-application is filed **will not** be eligible to participate in the MPR program.*

- e. Has the sale of 515 properties to a Nonprofit/Public Housing Authority under the prepayment process closed? If so, submit a copy of the filed deed with this pre-application. (20 points)

Yes

No to d. and e.

Points:

VI. Maturing Mortgages

Will all existing RD loans on this project mature (i.e. make their final loan payment) on or before December 31, 2018? (10 points) Yes No Points:

Expected date of final loan payment:

(mm/dd/yyyy)

VII. Persistent Poverty Counties

Is this project located in a persistent poverty county? (10 points)

Yes

No

Points:

The Economic Research Service (ERS) (<http://ers.usda.gov>) has defined counties as being persistently poor if 20 percent or more of their populations were living in poverty over the last 30 years (measured by the 1980, 1990 and 2000 decennial census and 2006 – 2010 American Community Survey 5-year estimates).

VIII. Adverse Impacts and Physical Failures

Has this project been adversely impacted by natural causes where the damage could not have been prevented by foresight or caution over the previous 24 months?

OR

Has this project sustained physical property damage or failure not reimbursable by property liability insurance or any other form of third-party compensation such as disaster loans or grants from other agencies? (25 points)

Yes

No

Points:

IX. Tenant Service Provision

The Agency will award five points for applications that include new services provided by either a for-profit or a non-profit organization, which may include a faith-based organization, or by another Government agency. Such services shall be provided at no cost to the project and shall be made available to all tenants. Examples of such services may include transportation for the elderly, after-school day care services or after-school tutoring.

Will new tenant services be provided to all tenants at no cost to the project? (5 points)

Yes

No

Points:

X. Energy Conservation

You may answer “Yes” to either a. or b. below. You must also answer c. Note, if you are participating in the Green Communities program under a. you may not receive additional points for items listed under b.

- a. **Does this proposal include a written commitment to achieve participation in the Green Communities program by the Enterprise Community Partners (<http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities>)? (30 points)**

At least 30 percent of the points needed to qualify for the Green Communities program must be earned under the Energy Efficiency section of the Green Communities qualification program. Each applicant must provide a checklist establishing that the prerequisites for each program’s participation will be met. All checklists must be accompanied by a signed affidavit by the project architect or engineer stating that the goals are achievable.

Yes No Points:

OR

- b. If you are not enrolling in the Green Communities program then points can be accumulated for each of the following items up to a total of **20 points**. Provide documentation to substantiate your answers. Documentation may include a signed statement agreeing to replace the items when needed, with Energy Star rated items.

- i. **Does this proposal include the replacement of heating, ventilation and air conditioning (HVAC) equipment with Energy Star qualified heating, ventilation and air conditioning equipment? (3 points):**

Yes No Points:

- ii. **Does this proposal include the replacement of windows and doors with Energy Star qualified windows and doors? (3 points):**

Yes No Points:

- iii. **Does this proposal include additional attic and wall insulation that exceeds the required R-Value of these building elements for your area as per the International Energy Conservation Code 2012? Two points will be awarded if all exterior walls exceed insulation code and one point will be awarded if attic insulation exceeds code, for a maximum of three points.**

All exterior walls exceed insulation code (2 points):

Yes No Points:

Attic insulation exceeds code (1 point):

Yes No Points:

- iv. **Does this proposal include the reduction in building shell air leakage by at least 15 percent as determined by pre- and post-rehab blower door testing on a sample of units? Building shell air leakage may be reduced through materials such as caulk, spray foam, gaskets, and house-wrap.**

Sealing of duct work with mastic, foil-backed tape, or aerosolized duct sealants can also help reduce air leakage. (3 points):

Yes No **Points:**

v. Does this proposal include 100 percent of installed appliances and exhaust fans that are Energy Star qualified? (2 points):

Yes No **Points:**

vi. Does this proposal include 100 percent of installed water heaters that are Energy Star qualified? (2 points): Yes No **Points:**

vii. Does this proposal include replacement of 100 percent of toilets with a flush capacity of more than 1.6 gallons with new toilets having 1.6 gallon flush capacity or less, and with the Environmental Protection Agency (EPA) Water Sense label? (1 point):

Yes No **Points:**

viii. Does this proposal include 100 percent of new showerheads with EPA Water Sense label? (1 point): Yes No **Points:**

ix. Does this proposal include 100 percent of new faucets with EPA Water Sense label? (1 point): Yes No **Points:**

x. Does this proposal include 100 percent energy-efficient lighting including Energy Star qualified fixtures, compact fluorescent replacement bulbs in standard incandescent fixtures and Energy Star ceiling fans? (1 point): Yes No **Points:**

c. Does this proposal include a written commitment to achieve participation in local green/energy efficient building standards, such as a city, county or municipality program? (2 points): Yes No **Points:**

Name of Local Program:

Total Points for Energy Conservation:

XI. Energy Generation

Rehabilitation and preservation projects that participate in the **Green Communities program** by the Enterprise Community Partners, or receive at least **20 points** for Energy Conservation measures are eligible to earn additional points for installation of on-site renewable energy sources. Renewable, on-site energy generation will compliment a weathertight, well-insulated building envelope with highly efficient mechanical systems. Possible renewable energy generation technologies include, but are not limited to: wind turbines and micro-turbines, micro-hydro power, photovoltaics (capable of producing a voltage when exposed to radiant energy, especially light), solar hot water systems and biomass/biofuel systems that

do not use fossil fuels in production. Geo-exchange systems are highly encouraged as they lessen the total demand for energy and, if supplemented with other renewable energy sources, can achieve zero energy consumption more easily. Points under this section will be awarded as follows.

- a. Projects whose preliminary or rehabilitation building plans and energy analysis propose a 10 percent to 100 percent energy generation commitment (where generation is considered to be the total amount of energy needed to be generated on-site to make the building a net-zero consumer of energy) may be awarded points corresponding to their percent of commitment as follows:

0 to 9 percent commitment to energy generation (0 points)

10 to 20 percent commitment to energy generation (1 point)

21 to 40 percent commitment to energy generation (2 points)

41 to 60 percent commitment to energy generation (3 points)

61 to 80 percent commitment to energy generation (4 points)

81 to 100 percent or more commitment to energy generation (5 points)

Points:

Note: In order to receive **more than one point** for commitment to energy generation, an accurate energy analysis prepared by an engineer will need to be submitted with the pre-application. Energy analysis of preliminary building plans using industry recognized simulation software must document the projected total energy consumption of the building, the portion of building consumption which will be satisfied through on-site generation, and the building's Home Energy Rating System (HERS) score.

XII. Green Property Management Credentials

Projects will be awarded an additional five points if the designated property management company or individuals assuming maintenance and operations responsibilities upon completion of construction work have a Credential for Green Property Management. Credentialing can be obtained from the National Apartment Association (NAA), National Affordable Housing Management Association, the Institute for Real Estate Management, or the U.S. Green Building Council's Leadership in Energy and Environmental Design for Operations and Maintenance (LEED OM). This must be illustrated in the resume(s) of the property management team and submitted with this pre-application. (5 points)

I have submitted resumes of the designated property management company or individuals responsible for maintenance and operations that have a Credential for Green Property Management. (5 points) Yes No Points:

XIII. Documents Submitted

Below, please check all documents that you will be submitting as part of your complete application package. Hard copy submissions and electronic media should be mailed to the National Office address listed in the NOSA.

NOTE: You are only required to submit supporting documents for programs in which you will be participating as indicated in this pre-application. Points will be assigned for the items that you checked based on a review of the supporting documents.

Reference in Form	Item	Submission Mode	
	FY 2015 Pre-application for MFH Revitalization Demonstration Program (MPR) (this form).	Email Electronic Media	Hard Copy N/A
III. Project Information			
f.	Market Survey if vacancy rates are exceeded for Section 515 projects or if there is negative cash flow for Section 514/516 projects.	Email Electronic Media	Hard Copy N/A
IV. Funds			
a.	Evidence of commitment and sources of funds, showing that the funds have been committed or awarded.	Email Electronic Media	Hard Copy N/A
b.	Evidence of owner contribution of funds for transaction costs.	Email Electronic Media	Hard Copy N/A
b.	Evidence of owner contribution of funds for hard costs of construction.	Email Electronic Media	Hard Copy N/A
V. Transfer and Sales			
a. OR	Executed Purchase Agreement for a transfer of ownership	Email Electronic Media	Hard Copy N/A
a.	Other evidence acceptable to the Agency, such as evidence of site control for a transfer of ownership.	Email Electronic Media	Hard Copy N/A
e.	Filed Deed for a sale that has closed to a Nonprofit/Public Housing Authority under the prepayment process.	Email Electronic Media	Hard Copy N/A
VIII. Adverse Impacts and Physical Failures			
	Describe adverse impacts by natural causes or sustained property damage or failures not reimbursable by property liability insurance or any other form of third party compensation.	Email Electronic Media	Hard Copy N/A
IX. Tenant Service Provision			
	Description of Tenant Services provided and organizations providing the service.	Email Electronic Media	Hard Copy N/A
X. Energy Conservation			
a. OR	Certification in the Green Communities Program by the Enterprise Community Partners.	Email Electronic Media	Hard Copy N/A

Reference in Form	Item	Submission Mode	
X. Energy Conservation (cont'd)			
b.	Documentation substantiating Green Energy improvements outlined in items i. through x.	Email Electronic Media	Hard Copy N/A
c.	Certification in local green energy efficient building standards.	Email Electronic Media	Hard Copy N/A
XI. Energy Generation			
a.	Energy analysis of preliminary building plans documenting total energy consumption, energy consumption satisfied by on-site generation and the building's Home Energy Rating System (HERS) score.	Email Electronic Media	Hard Copy N/A
XII. Green Property Management Credentials			
	Resumes of the designated property management company or individuals responsible for maintenance and operations that have a credential for Green Property Management.	Email Electronic Media	Hard Copy N/A

XIV. MPR 2015 Scoring

PLEASE NOTE: The scoring below is based on the responses that you have provided on this pre-application form and may not match the final score that the Agency officially assigns upon evaluating the supporting documentation that you submit. Your score may change from what you see here if the supporting documentation does not adequately support your answer or, if any required documentation is missing.

	Scoring Items for MPR 2015	Points Earned
1.	Consolidation of Project Operations (5, 10)	
2.	Age of Project (10, 20, 30)	
3.	Agency approved Capital Needs Assessment (10, 20)	
4.	Contribution of Other Sources of Funds (15, 25)	
5.	Owner Contribution for transaction costs (20)	
6.	Owner Contribution for hard costs of construction (10)	
7.	Project classified as "C," or "D" for transfers (15, 20) OR	
8.	Project classified as "B" for stay-in owner (25) or sale to a non-profit (20)	
9.	All RD loans on project will mature on or before December 31, 2018 (10)	
10.	Project is located in a persistent poverty county (10)	

	Scoring Items for MPR 2015	Points Earned
11.	Project was adversely impacted by natural causes over the previous 24 months or sustained non-reimbursable physical damage or failure (25)	
12.	Tenant Service Provisions will be provided (5)	
13.	Participation in the Green Communities Program (30) OR items 14. thru 24.	
14.	Energy Star HVAC equipment (3)	
15.	Energy Star windows and doors (3)	
16.	Exterior wall insulation that exceeds code (2)	
17.	Attic insulation that exceeds code (1)	
18.	Reduction in building shell air leakage (3)	
19.	Energy Star appliances and exhaust fans (2)	
20.	Energy Star water heaters (2)	
21.	Reduced flush-capacity toilets (1)	
22.	New showerheads with EPA water-sense label (1)	
23.	New faucets with EPA water-sense label (1)	
24.	Energy Star light fixtures and ceiling fans (1)	
25.	Participation in local green energy standards (2)	
26.	Energy Generation (1, 2, 3, 4, 5)	
27.	Green Property Management Credentials (5)	
	Total Score:	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0190. The time required to complete this information collection is estimated to average 90 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.