

Terrebonne Parish Consolidated Government (“TPCG”)

REQUEST FOR PROPOSALS

For

**Hurricanes Ike-Gustav Community Development Block Grant (CDBG) Funds
To Support the Development of Multi-Family Rental Housing**

(CDBG funds combined with other funding sources)

FINAL: Issued December 19, 2012

REVISION #1: January 2, 2013

REVISION #2: March 11, 2013

Responses Due: June 28, 2013

4:00 PM CT

DISCLAIMER REGARDING THE HOUSING NEEDS ASSESSMENT: READ BEFORE PROCEEDING

In 2010, TPCG commissioned GCR Inc. to conduct a parish-wide workforce housing needs assessment illustrating the demand for affordable housing in Terrebonne Parish. The intent of this study was to a) illustrate the extent of housing demand in the parish and b) identify appropriate housing under the CDBG Program to meet this need. TPCG is providing this study on the TPCG website to support prospective developers in developing their proposals. However, the report is a work product created for TPCG, and GCR will not provide any interpretive support to other parties regarding this analysis. Developers who are considering responding to this RFP are advised to reference the GCR market study for overall market perspective and are advised to obtain their own project-specific market study as needed for specific transactional decisions.

PROHIBITED INFLUENCE: READ BEFORE PROCEEDING

Other than the formal process for public comment outlined below, any attempt to directly contact and/or influence any member of the Selection Committee, Terrebonne Parish elected officials, Senior Staff or TPCG consultants associated with this project regarding this Request for Proposals and prior to the selection decision will be grounds for disqualification.

PUBLIC MEETING AND WRITTEN COMMENTS IN RESPONSE TO THE DRAFT RFP, ISSUED NOVEMBER 16, 2012

Upon issuing the Draft RFP, the Parish provided a thirty (30) day public comment period. Following that, a public meeting was held on December 4, 2012. Comments were considered in producing the Final RFP that the Parish issued on December 19, 2012.

APPLICANT’S OBLIGATION TO RESPOND TO RFP AS AMENDED

The Parish reserves the right to amend this Request for Proposals prior to the last date for submission of CDBG applications to the Parish (see §II.G). Respondents are solely responsible for monitoring the publication of the RFP for amendments, and for submitting a proposal which conforms to this RFP, as amended.

REVISION #2 TO RFP

This version of the RFP extends the application deadline to June 28, 2013, amends some of the follow-on deadlines in the Timeline and adds provisions relating to applications that include as a funding source the use of 9% LIHTCs awarded by the Louisiana Housing Corporation (“LHC”).

I. PROGRAM OBJECTIVE

The Terrebonne Parish Consolidated Government (TPCG) is seeking proposals from developers to create one (1) multi-family rental housing development targeted to the local workforce. TPCG's objective is to provide attractive, quality housing affordable to households earning less than 80% of Area Median Income (AMI). The project selected should reflect current sustainability and universal design standards and designed to be comparable and competitive with recently developed market rate apartments. Projects should promote walkability and be accessible to public transportation, job centers, retail locations, community services and amenities. Projects should also be located in desirable communities to ensure marketability and promote diverse communities.

II. OVERVIEW

- A. **Terminology.** Capitalized terms not defined herein have the meaning given to them in the Parish's template legal documents for this program available on the Parish's Web Site.
- B. **TPCG Web Site.** References herein to the TPCG Web Site refer to the following URL: [http:// www.tpcg.org/workforcehousing](http://www.tpcg.org/workforcehousing)
- C. **Selection Process.** The TPCG will initially evaluate each proposal to determine whether it meets the minimum requirements of this RFP and whether there are any bars to participation in the TPCG CDBG financing program. ("Threshold Criteria") If a proposal meets these thresholds, the TPCG will measure the success of each proposal according to specific criteria described herein. ("Selection Criteria"). The TPCG reserves sole and absolute discretion to evaluate whether and to what extent a proposal evidences (a) the capacity of the sponsor and its team to successfully complete and operate its proposed project; (b) that the construction of the project including its design, location and population served meets or exceeds the standards set forth herein; and (c) the financial viability with respect to construction and operations. If the TPCG rejects a proposal as either not meeting the Threshold Criteria, (subject to the process described herein) or because it has not received the highest score on Selection Criteria described herein, the rejection is final and is not subject to appeal.
- D. **Eligible Project Costs.** CDBG Funds may be used to pay the following eligible costs:
 - 1. Development Hard Costs. These include acquisition of property, site improvements, construction, rehabilitation, conversion and demolition.
 - 2. Development Soft Costs. These include financing costs, such as building permits, legal and developer fees, property appraisals, credit and title costs, and professional services, including engineering, architectural, or related professional services, relocation costs, affirmative marketing, and fair housing information.
- E. **Program Funding.** Terrebonne Parish has set aside Five Million Seven Hundred Thousand Dollars (\$5,700,000) for a project sited in Terrebonne Parish. These

amounts are Community Development Block Grant (“CDBG”) funds, which must be utilized in combination with other sources of funding. All types of other funding sources may be used by sponsors. It is the TPCG’s intent to make a single award using all available funds.

- F. **Form of CDBG Funding.** CDBG funding is to be offered in the form of Gap Financing Loans (see § VII).
- G. **Timeline.** TPCG envisions the following timeline for awarding funds:

| DATE | EVENT |
|---------------------------|---|
| November 16, 2012 | Draft RFP published on TPCG Website |
| December 4, 2012 | Public Meeting held |
| December 17, 2012 | Final questions/comments due |
| December 19, 2012 | Final RFP published on TPCG Website |
| December 21, 2012 | Questions/Comments submitted to TPCG answered |
| December 27, 2012 | TPCG Responses to Frequently Asked Questions published on TPCG Website |
| January 2, 2013 | Revision #1 to the RFP issued |
| March 4, 2013 | Revision #2 to the RFP issued |
| June 28, 2013 | Last date for submission of CDBG applications to TPCG |
| July 12, 2013 | Parish preliminary review of applications complete; deficiency letters issued to Applicants |
| July 19, 2013 | Applicant response to deficiency letters due to TPCG |
| July 31, 2013 | Parish award letter issued |
| See LHC QAP timing | In the event awarded application was contingent on 9% LIHTCs and no reservation of credits was made for the awarded application(s), the Parish will cancel the award(s) and award funds to the next highest scoring applicant(s). |

H. **Method of Selection.**

1. **Threshold Criteria.** Each project will be evaluated to determine that it meets the minimum criteria and will be reviewed to establish that it is not disqualified pursuant to the requirements set forth in § III.
2. **Selection Criteria.** Once a proposal has been determined to meet the Threshold Criteria, the proposal will be evaluated to determine its compliance with TPCG priorities described in § IV. Proposals will be awarded points based on the established Selection Criteria.
3. **Clarification of Threshold Criteria.** If a project does not meet the Threshold Criteria based upon an initial review, the sponsor will be specifically advised of this decision and will be provided an opportunity to clarify its application to establish that such criteria are met.
4. **Funding Priority.** Complete applications received on or before **4:00 PM Central Time, June 28, 2013**, which provide complete responses to the TPCG's deficiency letter (if such a letter is issued) by July 19, 2013, will compete against each other for funding. The TPCG intends to allocate the full grant amount to one application. The TPCG will award to the application that best satisfies the TPCG priorities as evidenced by its scoring on the Selection Criteria, and such award may be contingent on funding commitments not currently in place at time of proposal submittal. In the event the awarded project does not receive the necessary funding commitments in a reasonable timeframe, the TPCG will award the CDBG funding to the next highest scoring application that best satisfies the Selection Criteria. It is TPCG's goal to maximize the leverage of the CDBG funds.

I. **CDBG Application Submission.** Applications must be submitted **to TPCG in accordance with the provisions** in §VII, CDBG Application Package, at the following address:

Hand Delivery

Angela Guidry, Purchasing Manager
301 Plant Road
Houma, LA 70363

Mail Delivery

Terrebonne Parish Consolidated Government
Purchasing Division
Attention: Angela Guidry, Purchasing Manager
P.O. Box 2768
Houma, LA 70361

Proposals shall be submitted at the time and place indicated and shall be enclosed in an opaque sealed envelope. The envelope shall be marked with the project title and the name and address of the Proposer.

J. Potential Supplemental Funding.

The TPCG does not envision making additional funding available for this Program, unless additional recovery funds are received by the TPCG, or unless other existing recovery funds can be allocated to this Program. Applicants should not assume or expect funding availability in excess of the amount stipulated in §II.E.

K. Housing Needs Assessment. In support of and to inform this RFP, the TPCG has provided a market assessment commissioned by the TPCG in 2010. This report is attached hereto for the benefit of prospective respondents. This assessment may in no way substitute for the market study requirements called for herein.

III. THRESHOLD CRITERIA

A. DEVELOPER EXPERIENCE Requirements.

Sponsor must have recent experience developing and managing multifamily projects of similar scope and nature to the project(s) submitted in response to this RFP. Applicant must provide evidence of at least two successful multi-family developments of a similar scale and using similar funding sources. Applicant must provide projected Sources and Uses and Pro Forma of the existing projects as submitted to lenders and/or State financing agencies, final cost certification of the project, a 2011 audit statement and verification of current occupancy. The sponsor must have the ability to serve as guarantor (completion and operating deficit guarantees, see §V.A.4.).

B. PRIMARY Requirements.

1. **9% LIHTCs, 4% LIHTCs and/or Non-LIHTC.** The award of CDBG under this RFP may coordinate with an allocation of LIHTCs through the LHC. If a project would be feasible with either 9% LIHTCs or 4% LIHTCs, the Parish encourages the sponsor to apply for both 9% and 4% LIHTCs through LHC. Accordingly, each sponsor may apply, for the same site, under as many as three scenarios: (1) without LIHTCs; (2) with 9% LIHTCs, and/or (3) with 4% LIHTCs. **Each scenario will be scored based on the scoring criteria described in Section IV of this RFP.** Applicants must submit a completed LIHTC application for either 4% credits or 9% credits under the 2014 QAP if available.
2. **Eligible Property Types.** Multi-family duplex, triplex, townhomes or multi-unit complexes of at least 55 units with no commercial or retail uses.
3. **Property Standards.**

- a. Housing that is constructed or rehabilitated with CDBG funds must meet all building code standards, rehabilitation standards, ordinances and zoning requirements applicable.
- b. Development must incorporate Universal Design standards. As part of the proposal, developer must provide a narrative description of how the development meets universal design principles.
- c. A minimum of 5% of project units must be accessible in accordance with the Fair Housing Act and are handicapped accessible; 2% of these units must be available and constructed for people with hearing or vision impairments.
- d. Project must provide for EnergyStar Appliances; WaterSense Fixtures; in-unit dishwasher; refrigerator; stove; garbage disposal; on-site laundry (minimum 1 washer and dryer for every 10 units); central heat and air conditioning; and cable, phone and internet hookups in living room and bedrooms.
- e. Units must meet the minimum size per unit type as outlined in the most recent Louisiana Housing Corporation Qualified Allocation Plan.

4. **Maximum Project Size.**

There is no maximum project size. However, the TPCG reserves the right to determine that a proposed development is larger than supportable by the market and/or is incompatible with the neighborhood.

5. **Scattered Site Projects.**

Scattered site projects, defined as a project with buildings located on a single contiguous lots and each building containing no more than two (2) units, or a project with non-contiguous buildings, is not eligible for CDBG funding. Projects with buildings of more than two units on contiguous lots or adjacent lots are not considered scattered site.

5. **Location.**

- a. Project must be located within ¼ of a mile and a reasonable walking distance to a bus stop along a regular service public transportation route.
- b. Project must not be located in close proximity to nuisance uses that will have a significant negative impact on the marketability of the project and/or the quality of life for residents. Potential nuisance uses include processing plants, refineries, active railroad tracks, freeways, manufacturing facilities, waste treatment facilities,

power plants and active farms. Project must not be located adjacent to blighted property.

- c. Project as designed meets current zoning requirements or, if not, there is evidence that the project can acquire appropriate permitting, or a variance of existing requirements. Evidence may include a support letter from the TPCG Planning and Zoning Department or the Houma-Terrebonne Regional Planning Commission.

C. FINANCIAL Requirements.

1. Cost Limitations/Debt Service

- a. If the applicant intends to use Low Income Housing Tax Credits (LIHTCs), costs per unit must follow Louisiana Housing Corporation (LHC) guidelines.
- b. If the applicant does not intend to use LIHTCs, then the costs per unit must be within HUD Total Development Cost (TDC) Limits for 2013 by unit type. Costs may exceed these limits if funded with historic credits, government grants and/or foundation support. Development may be eligible for 10% TDC boost if employing sustainable design practices as outlined in (§IV.B.3)
- c. Less than 15% Developer Fee Base as defined by LHC.
- d. Project must demonstrate a Debt Coverage Ratio (DCR) of 1.15 minimum over (15) year period. All operating revenue in excess of 1.4 DCR must be placed into replacement reserves.
- e. Sponsors should determine whether LHC, or other funders if any, impose such limits. Sponsors should also note that the per-unit CDBG funding limit and the CDBG Leverage Requirement may have a similar effect as a limit on development costs.

2. CDBG Award. The maximum CDBG award is Five Million Seven Hundred Thousand Dollars (\$5,700,000). Applications for a lower amount will be considered, however, project scoring will assume that the CDBG component will be maximized.

3. CDBG Leverage Requirement. CDBG funding cannot comprise more than 60% of the following: total uses of funds, minus any proposed initial reserves in excess of \$5,000 per residential rental unit.

4. CDBG Gap Funding. For purposes of structuring the CDBG application, sponsors should assume that CDBG funds will close any funding gap

(subject to the limitations on CDBG funding discussed herein). Sponsors should note that the TPCG will perform a post-construction-completion subsidy layering analysis to verify that CDBG funding does not exceed the amount needed to develop the project.

5. **The CDBG Award will be Subject to LHC-Approved Feasibility and Viability Analysis.** LIHTC projects will require processing by LHC. This processing requires:
 - a. If LHC determines that the proposed project has excess sources of funds, the CDBG award will be reduced by the amount of the excess sources determined by LHC, in coordination with the TPCG's subsidy layering review.
 - b. If LHC determines that the proposed project does not have sufficient sources of funds, the TPCG will not increase the CDBG award (unless the award was for less than the maximum available CDBG funding), and it is possible that LHC will reject the sponsor's LIHTC application.

D. **OCCUPANCY and USAGE Requirements.**

1. **Affordability Requirement.** All units must be affordable to households earning less than 80% AMI. This requirement must be satisfied over the entire term of the TPCG CDBG Regulatory Agreement (35 years). The majority of units must target households earning between 50% and 80% AMI. In accordance with CDBG requirements, the majority of units must be income restricted and must meet tenant income eligibility standards.
2. **Additional Affordability Required.** Sponsors must propose additional affordability to tax credit eligible families [regardless of whether unit is qualified as eligible for Low Income Housing Tax Credits], tenants must initially be certified as income eligible, and annual re-certifications must be done as required by the Low Income Housing Tax Credit program rules and regulations.

E. **Market Study.** Applications must include a market study (meeting LHC requirements). See § VII.D.

F. **On-site management requirement.** Projects must be configured for on-site property management presence, including management and maintenance functions.

G. **Lease to Own Not Eligible.** Because the TPCG will structure its investment (the CDBG Award) as a 35-year loan, there cannot be a lease-to-own option for tenants. The successful project will be structured as rental only.

- H. **Project Readiness Requirement.** The sponsor must demonstrate, to the satisfaction of the TPCG, in its sole discretion:
1. Site control. Site control must be in the form of either:
 - a. Ownership or ground lease (pre-dating the November 16, 2012 publication date of the Draft Application Guidelines¹), or
 - b. An option to purchase or lease (with the option period extending at least until January 31, 2014) acceptable to the TPCG in its sole discretion.
 2. Commitments for all non-CDBG sources of funding.
 - a. Commitments for construction/interim and permanent mortgage financing must be dated after November 16, 2012, must be from reputable lending institutions, must describe the proposed project, set out the major terms of the proposed loan (amount of loan, interest rate, loan term and any required security) and must explicitly indicate that the institution is willing to advance the referenced loan proceeds in the event that the applicant is awarded CDBG funding by the TPCG.
 - b. The TPCG reserves the right to require updated commitments as it deems necessary.
 - c. Commitments for LIHTC equity must provide for at least 10% pay-in prior to the first payment from the TPCG. In addition such commitments must be dated after November 16, 2012, must be from the tax credit investor or syndicator and must include the terms and conditions of the commitment including the equity amount, the price to be paid for each annual tax credit purchased, pay-in schedule, the amount of asset management fees, an indication of whether the equity for the project will be part of a fund or sold to a direct investor, and any other relevant terms and must amount to more than a letter of intent.
 - d. Conditions contained in commitments shall be subject to determination by the TPCG as to reasonableness. The TPCG may reject any commitment (and deem the application deficient) if, in the sole discretion of the TPCG, any condition is outside of market requirements and/or is unlikely to be satisfied.
 3. Projects that will utilize 4% LIHTCs need not have an LIHTC reservation from LHC but must submit to TPCG a completed LHC application for 4% credits and must have a syndication / investor commitment acceptable to the Parish.
 4. Projects that will utilize 9% LIHTCs need not have an LIHTC reservation from LHC, but must submit to TPCG a completed LHC application for 9% credits for the 2014 round and must have a syndication / investor commitment acceptable to the Parish. Any award under this RFP to an applicant proposing 9% credits will be contingent on reservation of credits by LHC. In the event an awarded application does not subsequently

¹ Purchase or lease of a site after this date would constitute a prohibited choice-limiting action that cannot take place until the Parish has issued environmental clearance to the sponsor of an awarded project.

receive a reservation, the Parish will cancel the award and make an award to the next highest scoring application.

- I. **Construction Has Not Started.** Projects for which construction has started are not eligible. In addition, sponsors should note that CDBG environmental requirements include a requirement that no choice limiting actions (for example, purchasing the project site, or starting construction) may occur until the TPCG has issued environmental clearance.
- J. **Other Compliance Requirements.** In addition to requirements discussed in this Section, all awardees must meet the CDBG regulatory compliance requirements contained in the template legal documents available on the TPCG's web site. These requirements include (without limitation) Davis-Bacon prevailing wage requirements, Section 504 accessibility requirements, and Section 3 low-income outreach requirements.
- K. **Non-compliance in Federal or Other Agency Programs.** Sponsors (including Affiliates) cited for non-compliance in federal housing programs or in a project/program administered by the TPCG shall not receive a reservation of CDBG funds from the TPCG unless or until such non-compliance is cleared. Key Principals of Sponsors (including Affiliates) who have been involuntarily removed as General Partner from any previous projects are also ineligible to participate in any project applying for CDBG in this program. All Key Principals of the Sponsor (including Affiliates) will be required to certify that they:
 - (a) Have not participated as an owner or manager in the development or operation of a project that has defaulted on a State's or other government or private sector loan in the previous five years;
 - (b) Have not been involuntarily removed within the previous five (5) years as a general partner or managing member from any affordable housing project whether or not financed or subsidized by the programs of the State;
 - (c) Do not have a current limited denial of participation from the U.S. Department of Housing and Urban Development (HUD);
 - (d) Have not been debarred, suspended or voluntarily excluded from participation in any Federal or State program;
 - (e) Have not been directly involved with any project placed on the State's defaulted loans watch list due to actions which, in the opinion of the State, are attributable to the sponsor or the development team;
 - (f) Have no conflicts of interest [*as determined at TPCG's sole discretion*]; and
 - (g) Are in compliance with and will continue to comply with all applicable non-discrimination, equal opportunity, and affirmative action, and local, small disadvantage business enterprise requirements of the federal and local governments with regard to all past and current projects.

- L. **Duration of Requirements.** All requirements will be applicable for the duration of the TPCG CDBG Regulatory Agreement (35 years).
- M. **Multiple Applications.** Sponsors may apply for funding for more than one project but if an applicant has multiple potential projects, a separate application is required for each project.
- N. **Flood Zones.** The submission must indicate the flood-zone determination of the site. Notwithstanding other requirements, living spaces must be constructed no less than one foot above the 100-year flood-zone determination. **Projects that are located in a floodway are ineligible for CDBG funding.**
- O. **Fair Housing.** In accordance with the fair housing laws, housing programs funded or assisted with federal funds such as under the Community Development Block Grant (CDBG) program must be administered in a manner that will affirmatively further fair housing. The successful project will be required to promote fair housing choices and foster compliance with the nondiscrimination provisions of the Fair Housing Act, U.S. Department of HUD, Office of Fair Housing and Equal Opportunity, Fair Housing Planning Guide.

IV. SELECTION CRITERIA. Once proposals have met the Threshold Criteria outlined in § III, the following elements will be evaluated to determine their degree of conformance to TPCG priorities and ascribed a score.

- A. **Development Team : 0 - 10 points**
 - 1. **Developer Experience / Capacity.**
Developer has experience with similar projects and capacity to successfully complete the proposed project. The submission must summarize the sponsor's relevant experience. Applicants should submit details of housing projects completed within the last 5 years, (including any projects with previous CDBG awards) along with a) LIHTC application as submitted, if applicable; b) final cost certification; c) most recent audit; d) current occupancy report; and e) a list of financial references, including telephone numbers and e-mail addresses of contacts that can verify the project's status.
 - 2. **Property Management Experience.**
The proposed management agent should have recent experience providing quality property management services to multifamily properties of similar scope and nature to the proposed project. Accordingly, the submission must summarize the sponsor and proposed management agent's recent, relevant experience. Developer must provide evidence of management experience with projects of similar size, construction and tenant population.

B. Quality/ Design Elements: 0 - 10 points

1. **Amenities.** Proposed developments are consistent with the quality features and amenities of competing market rate development. Proposal must include a summary of amenities, which may include recreational features; community room; computer center; upgraded in-unit surfaces, cabinetry and appliances; in-unit laundry; patios/balconies; and usable greenspace.
2. **Design.** Proposed developments are consistent with neighborhood design guidelines outlined by HUD. This may include connected street grids; outdoor lighting and sidewalks; landscaping; and developments that are compatible with the adjoining neighborhood. (Reference and guidelines available through HUD Affordable Housing Design Advisor available at <http://www.designadvisor.org/>)
3. **Sustainability.** Proposed development incorporates sustainable building practices, which may include LEED, Enterprise Green Building standards, National Home Building, Earthcraft, or other industry recognized standard satisfactory to TPCG.

Proposals must include a site plan, architectural renderings or equivalent illustrations of exterior design, floor plans and specification of interior and exterior finishes. Proposals must also include a narrative summary detailing the amenities, design features and planned sustainability model intended for this project.

C. Location: 0 - 10 points

1. **Neighborhood Amenities.** Project is in close proximity to community amenities and services, which may include full-service grocery stores, clinics, schools, parks and pharmacies.
2. **Access to Jobs.** Project is in close proximity to job centers, which may include hospitals, retail centers, and areas with a concentration of commercial office space.
3. **Walkability.** Project includes sidewalks, plantings, outdoor lighting, and connectivity with surrounding neighborhood.
4. **Compatibility.** Proposed development is the appropriate scale and density to be compatible with surrounding neighborhood.
5. **Reuse of Vacant Structures.** Project will reuse existing, vacant structures deemed suitable for residential development.

Proposals must include a map depicting the proposed development site in relation to neighborhood amenities and transportation routes along with a narrative summary describing the proposed project's walkability and compatibility with the surrounding neighborhood.

D. **Households Served:0 - 5 points**

1. **Household Size.** Project presents a unit mix that meets the needs of individuals and small families who represent the largest share of cost-burdened households, including predominantly one- and two-bedroom units.
2. **Workforce Mixed Income.** Project presents a unit mix targeted to households earning between 50% and 80% AMI.
3. **Deeper Affordability.** The project targets 10% of its units to households earning less than 40% AMI.
4. **Age in Place Design.** 5% of units are constructed with flexibility in mind so that units can be retrofitted as accessible units at a later date in a short period of time with unskilled or low skilled labor to accommodate a growing aging population.

E. **Leverage/Feasibility/Timeliness: 0 - 20 points**

1. **Leverage.** Project includes all financial commitments from lenders, investors, foundations, local organizations, or other State and Federal funding sources, including in-kind and land donations, to the effect that the CDBG allocation represents a smaller fraction of overall development cost.
2. **Feasibility.** Proposed funding sources, funding commitments, development costs, site control and other factors required for the development of the project are feasible and reasonable as determined by TPCG.
3. **Timeliness.** Proposed development can feasibly be placed in service within eighteen (18) months of the Parish's CDBG award pursuant to this RFP, as determined by TPCG based on proposed funding commitments, zoning, developer capacity and other factors as it relates to the project.
4. **Developer Fee.** Developer Fee will be less than 12% of Total Development Costs (excluding developer fee).

V. **GAP FINANCING LOANS**

A. **Loan Documents.**

1. **In General.** Gap Financing Loans will be documented using the TPCG's template legal documents available on the TPCG's web site ("CDBG Legal Documents"). By submitting an application, sponsors agree to execute the template legal documents without modification.
2. **CDBG Regulatory Agreement.** The CDBG Regulatory Agreement will be subject to only those liens and encumbrances specifically agreed to by

the TPCG. The CDBG Regulatory Agreement will be recorded to survive foreclosure or transfer of ownership.

3. **Mortgage.** The TPCG CDBG Gap Financing Loan will have either (a) first lien position, or (b) second lien position behind the lien of permanent financing acceptable to the TPCG (in which case, if the first lien lender so requests, the lender agrees to execute the TPCG's standard form of Subordination Agreement available on the TPCG's web site).
 4. **Guaranties.** Sponsors should note that the TPCG will require one or more Key Principals to give a Guaranty of Completion, an Operating Deficit Guaranty, and a Guaranty of Non-Recourse Carveouts, to the TPCG.
 5. **Loan Documents Control.** The summary below is provided for the convenience of sponsors. If the summary below differs from the Loan Documents, the Loan Documents will control.
 - a. **Closing Costs.** The sponsor will be responsible for all costs related to closing the loan, whether or not closing occurs, including all title costs, recording costs, legal fees, abstract fees, survey costs, or such other costs associated with the funding. These costs will include the TPCG's lender counsel fees. For proposal purposes, these may be estimated at \$65,000; however the actual cost may be higher or lower.
 - b. **Conflicts.** Conflicts between the CDBG Legal Documents and any other documents executed in connection with the project will be resolved in favor of the TPCG CDBG Legal Documents. Sponsors should note that the TPCG will not be a party to "operating agreements" and other agreements between the sponsor and its investor(s). In particular, sponsors should note that no agreements can be made between the sponsor and its investors and lenders regarding cash distributions, except as regards the share of Surplus Cash that is distributable to the project owner.
 - c. **Representations and Warranties.** Sponsors should note that the CDBG Legal Documents contain representations and warranties that are ongoing, and accordingly it is possible that a sponsor may receive an Award Acceptance Agreement ("AAA") but, because of subsequent non-compliance or other issues, be unable to close.
- B. **Interest Rate of CDBG Loan.** Zero percent. Sponsors may, however, request interest at the Applicable Federal Rate.
- C. **Loan Term.**
1. 35 year maturity date. The loan balance, if any, is due and payable at this time.
 2. Loans will be due on sale, refinancing, or if accelerated pursuant to the terms of the legal documents.
- D. **Timing for Funding.** Sponsors may request funding either:

1. At completion of construction (see TPCG template Loan Agreement (at completion)); or
 2. During construction (see TPCG template Loan Agreement (*pari passu*²)). *Pari passu* funding requires a construction lender or bridge lender, on whose inspection and oversight capabilities the TPCG, in its sole discretion, is willing to rely. *Pari passu* funding is subject to the TPCG reaching agreement with the other construction period funder(s) on a mutually acceptable intercreditor agreement.
- E. **Required Payments.** Gap Financing Loans will be payable from sale / refinance proceeds and from a defined share of Surplus Cash.
- F. **Required Payments From Surplus Cash.**
1. The TPCG will receive (“Tier A”) 1/3 of the first \$1,000 per unit of Surplus Cash.
 2. The TPCG will also receive (“Tier B”) 2/3 of all Surplus Cash in excess of \$1,000 per unit.
 3. If the sponsor can demonstrate in the CDBG application to the TPCG’s reasonable satisfaction, that the deferred developer fee (including interest at the Applicable Federal Rate), would not be reasonably likely to be repaid as a result of Tier B cash flow payments to the TPCG, the sponsor may request that the TPCG defer the beginning point for Tier B payments until deferred fees have been recovered in full. This request must be made and documented, with supporting pro forma, at the submission date of the CDBG application.
 4. The following must be paid solely from the sponsor’s share of Surplus Cash: deferred developer fee, any tax credit adjusters, any asset management fees or investor service fees greater than \$4,000 per year, and the replenishment of any reserves. However, normal monthly deposits to the Reserve for Replacements may be paid from operations as if they were operating expenses (ongoing deposits to other reserves, and replenishment deposits to any reserve account, may be made only from Surplus Cash that is distributed to the owner).

VI. CDBG AWARD PROCESS

- A. **Questions Regarding These Application Guidelines.** Stakeholders may submit questions by email to the TPCG Housing and Human Services Director, Darrel Waire, at dwwaire@tpcg.org, Answers to written questions received by 5:00 p.m. CST, June 14, 2013, will be answered by 5:00 p.m., CST, June 21, 2013.
- B.
- C. **Process for Reviewing Applications.**

² *Pari passu* basically means “in equal proportion”. In concept, if CDBG funding were 50% of total construction period funding, and if all funders agreed to fund based on percentage of completion, then the Parish would fund 50% of each draw.

1. **Communication with Contact Person.** The TPCG will communicate only with the contact person listed in the Application. Information received from persons other than the contact person will be disregarded by the TPCG.
 2. **Authority of Contact Person.** The sponsor must submit written authorization, signed by a duly authorized representative of the sponsor, delegating the contact person to represent the sponsor with the TPCG in all matters regarding the application.
 3. **Completeness.** The review process will begin with a review for completeness. Applications that are materially incomplete will be rejected without further review. The TPCG shall determine materiality in its sole and absolute discretion. See § V.C. below regarding rejected applications.
 4. **Potential TPCG Requests for Clarification.** The TPCG may, but shall not be obligated to, follow-up with one or more sponsors during the application review process in a telephone conversation in order to obtain clarification should the TPCG determine it to be advisable or necessary. Sponsors should endeavor, however, to provide thorough and complete applications as they may not have an opportunity for subsequent communications either oral or written other than the response to the deficiency letter.
 5. **Deficiency Letter.** Sponsors who submitted complete applications may receive a deficiency letter based on the TPCG's review of the application. If TPCG elects to send a deficiency letter to a Sponsor, the deficiency letter will include the TPCG's preliminary score. Sponsors must respond to the deficiency letter according to the timeframe indicated by the TPCG. If all deficiencies are not remedied (in the sole and absolute discretion of the TPCG) within the allowed period, the application will be rejected.
 6. **Order of Award.** Complete applications without deficiencies (including applications that cure deficiencies within the allowed response period), and that are determined to comply with the requirements hereof, will be awarded in descending order of point score (subject to availability of funding, and subject to the requirements hereof). See § V.C. below regarding applications that fail to address deficiencies within the allowed response period. See §§ I.H.2, and II.A. regarding the TPCG's funding priority.
- D. **Rejected Applications.** The TPCG may reject an application that is not materially complete by the due date, or if the sponsor fails to cure all deficiencies within the allowed period. All determinations regarding whether the application is complete, or whether the sponsor has adequately addressed any deficiencies, shall be determined by the TPCG in its sole and absolute discretion.
- E. **Award Acceptance Agreement (“AAA”).**
1. **Form of AAA.** The TPCG will issue an Award Acceptance Agreement to the sponsor of the awarded applications, substantially in the form of the TPCG template CDBG Award Acceptance Agreement that can be found

on the TPCG Web site. Sponsors should note that the AAA will require commencement of construction within six months after issuance of the AAA.

2. **Funding Reservation.** Funding will be reserved for the awarded project for the time period allowed in the AAA for the sponsor's execution and return of the AAA (30 days).
- F. **Recapture.** If the sponsor does not execute the AAA within the allowed time period, if the sponsor does not comply with the terms of the AAA, or if the sponsor relinquishes its AAA after executing it, the TPCG will reverse the funding reservation and may award to the next highest scoring applicant.
- G. **Reservation Pursuant to Federal Regulations.** The TPCG reserves the right to make and revise reservations in accordance with published federal regulations, rulings, guidelines and notices. The TPCG will not reserve funding until environmental clearance has been issued.
- H. **Funding Obligation.** The TPCG will not obligate funding to the project until the CDBG Legal Documents are executed.

VII. CDBG APPLICATION PACKAGE

- A. **PDF version of application,** including all pages from LHC electronic application, exhibits and addenda, with signatures where required. This PDF must have navigational utilities (bookmarks) to support the TPCG's review. *The entire application must be in one PDF file with navigational bookmarks to all sections and exhibits. The TPCG will appreciate organizational clarity of the materials submitted. The materials in the PDF must be arranged in conformance with Exhibit A hereof.*
- B. **LHC Electronic Application.** The TPCG will require an LHC electronic application as part of the CDBG application package. This package must be submitted on a CD-ROM, physically delivered to the TPCG at the address specified at § I.I.
 1. Sponsors must use the current LHC format (Version 1.4, 2013 funding round). This version includes 2012 FMRs and 2012 AMIs. The Excel version of LHC's application model is available through LHC.
- C. **Attachments, Appendices, Addenda, Exhibits and Certifications / Organization of Materials, and Checklist.** Materials should be presented in the order set forth in the checklist, found as Exhibit A to this RFP.
 1. A cover letter summarizing the proposal, indicating funding sources (including information on whether the developer has submitted an alternate scenario proposal for either 4% or 9% LIHTCs) and identifying and establishing the authority of the contact person.

2. A narrative summary specifically addressing how the project meets each of the Threshold Criteria and each of the Selection Criteria in the RFP.
3. All required certifications and appendices must be included and must be signed. The TPCG expects these documents as electronic PDF documents.
4. All required appraisals, the market study and the rent comparability study must be included with the application submission.
5. Certifications and appendices for projects must meet applicable LHC requirements. Required certifications and appendices for all other projects must include the following (Appendix numbers refer to LHC appendices):
 - a. Appendix 1 (ownership information). In the Previous Participation section, include any previous participation in projects funded by the TPCG and/or the State of Louisiana.
 - b. Appendix 2 (site control) – including a copy of the purchase option or other document evidencing site control.
 - c. Appendix 4 (zoning)
 - d. Appendix 5 (appraisal)
 - e. Appendix 7 (financing commitments)
 - f. Appendix 29 (community facilities)
 - g. Appendix 30 (amenities)
 - h. Appendix 40 (debarment / suspension). Also see the remainder of this § VII.
 - i. Appendix 46 (market study meeting LHC requirements for LIHTC market studies); also see § VII.D. below.
6. All exhibits and addenda required by the Underwriting Criteria in § IX.
7. If any real estate to be acquired will be purchased from an entity that has an identity of interest with the sponsor, a disclosure of the identity of interest relationship and an appraisal supporting the proposed acquisition price.
8. If there is a Developer Services Agreement, under which a third-party to the sponsor will perform development services, including application for funding under this RFP, the DSA must be included as an exhibit, disclosing all terms of the arrangement.
9. Any other exhibits and addenda required pursuant to this document.

D. Market Study.

1. All applications must include a market study meeting LHC requirements. See the LHC 2013 Per Capita QAP, Section Q.
2. For projects additionally applying for LIHTCs through LHC, the LHC may require the study to be commissioned through market analysts currently under LHC contract or approved by the LHC (see the 2013 QAP). For projects not applying for LIHTCs, the market study does not need to be ordered through LHC but must otherwise conform to the standards and requirements enumerated by LHC in its 2013 QAP.

VIII. CDBG COMPLIANCE REQUIREMENTS. Sponsors who are not already familiar with the full range of CDBG compliance requirements should review Section 3 of the template Loan Agreement and should ask their legal advisors to review it as well. The following is a brief summary of certain aspects of some of these compliance requirements.

- A. **Environmental Clearance.** Sponsors are required to obtain environmental clearance pursuant to 24 CFR Part 58 from the TPCG. Prior to receipt of environmental clearance from the TPCG, the sponsor or developer may not undertake, or commit any funds to, physical or choice-limiting actions, including property acquisition, demolition, tenant relocation, rehabilitation, conversion, repair or construction. Violations of this provision may result in the denial of any funds under this program. Sponsors are encouraged to ensure that site control exists for sufficient period of time to allow environmental clearance process to be completed before purchase must occur.
- B. **Accessibility.** Projects will be subject to accessibility requirements under Section 504 of the Rehabilitation Act of 1973, as well as the accessibility requirements of the Fair Housing Act, the Americans with Disabilities Act and the Architectural Barriers Act.
- C. **Davis-Bacon.** Construction will be subject to Davis-Bacon wage and record-keeping requirements³.
- D. **Formerly Occupied Properties.** For properties that were occupied at the time of Hurricanes Ike and/or Gustav but have not become re-occupied, sponsors must provide reasonable efforts to enable former tenants to return if they are otherwise eligible for a unit within the property. Unless waived by HUD, this is a Federal requirement pursuant to Section 414 of the Stafford Act.
- E. **Uniform Relocation Act (“URA”).** If the project site is not owned by the sponsor at the time the CDBG application is made, and the purchaser has the power of eminent domain the seller must receive the URA voluntary sale notice. If the project site is occupied at the time the CDBG application is made, the application must include an exhibit explaining either that no relocation of tenants will result, or that such relocation will be temporary (and including an adequately supported estimate of relocation costs). Projects that would result in permanent relocation of tenants (as such term is defined in the URA) are not eligible.
- F. **Lead Based Paint.** HUD’s lead based paint regulations at 24 CFR Part 35 will apply. Sponsors should be aware that HUD’s requirements differ from those of the Louisiana Department of Environmental Quality. The HUD regulations require, among other things, that lead hazard evaluation and reduction activities be carried out for projects originally constructed before 1978 and receiving

³ A possible exception is available if CDBG funds are used only for acquisition.

CDBG assistance. Capitalized terms in this paragraph are as defined in 24 CFR Part 35.

1. For any project that includes an existing building that was completed prior to January 1, 1978, the application must include an exhibit discussing whether the building is Target Housing.
2. For any proposed project that includes Target Housing:
 - a. Prior to commencement of construction, a Risk Assessment (to determine the existence of lead paint hazards, and to design a lead hazard control plan) must be completed by certified inspection personnel. The Risk Assessment must be prepared in accordance with HUD's regulations at 24 CFR Part 35. The Risk Assessment must also identify any lead paint Hazards.
 - b. An Inspection (to determine the location of any lead-based paint) is also required. The inspection must identify the components that contain lead paint in sufficient detail to permit construction personnel to formulate a hazard control plan.
 - c. A lead hazard clearance report, based on dust testing by a certified risk assessor or inspector, is required after completion of construction. Dust testing must be carried out, and evaluated, in accordance with HUD's regulations at 24 CFR Part 35.

G. **Section 3.** HUD's Section 3 requirements (for outreach to low-income individuals and to businesses owned by such individuals) apply, in connection with the construction of the project, and apply to any contract or subcontract in excess of \$100,000.

H. **Other.** Other applicable CDBG requirements will apply; see the template legal documents, available on the TPCG's web site.

IX. UNDERWRITING CRITERIA FOR PURPOSES OF SIZING THE CDBG REQUEST.

The TPCG will employ the following criteria when evaluating applications and requires sponsors to employ the following criteria in the electronic application.

A. In General.

1. The TPCG generally adopts the underwriting criteria used by LHC.
2. To the extent the criteria below differ from those of LHC, the TPCG understands that any application that the sponsor may make to LHC will comply with LHC criteria and therefore may differ from the CDBG application.

B. **Rents for Rent-Restricted Units.** Not less than 95% and not more than 100% of the maximum rent-restricted rent (for example, the 60% AMI rent for units restricted at the 60% AMI level).

- C. **Utility Allowances.** Sponsors should rely on the utility allowances for Terrebonne Parish, exhibited hereto. However Sponsor must provide information on the assumptions underlying underwritten utility amounts as they relate to the specific utilities that will be in use at the project – for example, type of cooking facilities (for example, electric or gas-powered), the availability and type of cooling facilities (for example the availability and type of air conditioning system) , the availability and type of heating facilities (for example electric or gas-powered), type of domestic water heating - electric or gas-powered) and proposed use of any energy efficient appliances and features (for example components, materials, systems, etc. that impact the building’s energy efficiency, including but not limited to the building envelope, heating systems, cooling systems, domestic hot water systems, and installed lighting systems) and discuss how the underwritten amount relates to the Utility Allowances that are currently in place. Note that costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.
- D. **Rent Loss.** 10.0% of gross potential rents (for vacancy loss, bad debt loss, and concession loss). Projects that are expected to incur rent loss in excess of 10.0% are not eligible to be funded.
- E. **Operating Expenses.** Below are the low- and high-range operating expenses (excluding replacement reserve deposits) per unit per year. If any category of proposed operating expenses is less than the low range shown below, or more than the high-range shown below, the application must include an exhibit providing adequate support for the amount proposed for that expense category.

| Operating expense category | Low Range | High Range |
|--|-----------------------|-----------------------|
| Real estate taxes | \$450 | \$800 |
| Property Insurance | \$775 | \$1375 |
| Project Paid Utilities | \$275 | \$550 |
| Management Fee | \$350 | \$425 |
| Other Operating Expenses | \$1,500 | \$2,000 |
| <u>Total Operating Expenses</u> | <u>\$3,350</u> | <u>\$5,150</u> |

- F. **Replacement Reserve Deposit.** A 20-Year replacement plan and schedule must be included in the Application. The calculations and assumptions used in the replacement plan should take into account the fact that over the life of the project, capital items such as building roofs, parking lots, HVAC systems, major appliances, etc., will need to be replaced. The proposed replacement reserve deposit must be not less than \$300 per unit per year or more than \$500 per unit per year. Replacement reserves must be inflated at a rate of 3% per year.
- G. **Inflation.** The Pro Forma page of the electronic application must reflect the following inflation rates: 3% annually for expenses and 2% annually for revenue.

- H. **Property Insurance.** The application must include an explanation of the amounts being budgeted for property insurance in the Pro Forma (including flood, if applicable, public liability, hazard, and fidelity bond insurance and any other applicable insurances) and must provide evidence, in the form of confirmatory letters from reputable insurance providers or brokers, that the budgeted amounts are reasonable.
- I. **Real Estate Taxes.** The application must include an explanation of the amount being underwritten for real estate taxes and must provide evidence, in the form of information from the local taxing authority regarding current property tax rates, that demonstrates that the underwritten amount is reasonable.
- J. **First Mortgage Terms.**
1. **In General.** The application must include a commitment from a lender, providing adequate support for the proposed first mortgage terms.
 2. **Debt Service Coverage Ratio (on 1st Mortgage).** The debt service coverage ratio on the Pro Forma Calculation page of the electronic application must be not less than 1.15:1 and not more than 1.40:1. If a sponsor determines that an initial debt service coverage ratio above 1.40:1 is necessary, the application must include an exhibit that supports the need for the higher initial DSCR (for example, a long term cash flow projection showing that the higher initial DSCR is needed in order to maintain an acceptable minimum DSCR over the compliance period).
 3. **First Mortgage Amount.** The actual amount of the first mortgage loan may not exceed the amount specified in the CDBG application. The debt service constant of the loan may not exceed the debt service constant in the application.
- K. **Operating Expense Cushion.** Operating expense cushion is operating expenses divided by Cash Flow available (row 90 on the Cash Flow Pro Forma page of the LHC electronic application) divided by Total Operating Expenses (row 78).
1. **Gap Financing Loan is in First Lien Position.** The operating expense cushion must be at least 10%.
 2. **Gap Financing Loan is in Second Lien Position.** There are two requirements:
 - a. The operating expense cushion must be at least 7%.
 - b. The sum of Cash Flow Available plus First Mortgage Debt Service must be at least 10% of Total Operating Expenses.
- L. **Developer Fee.**
1. The proposed developer fee in the CDBG Application is limited to (a) in the case of a project utilizing LIHTCs, the amount permitted by LHC in its QAP, or (b) in the case of a project not utilizing LIHTCs, 15% of the following amount: total uses of funds, minus developer fee, minus acquisition costs, minus reserves in excess of \$5,000 per unit.

2. In accordance with LHC policy, certain proposed soft costs such as consultant fees and contingency fees will be treated as part of the proposed developer fee.
3. The actual developer fee is limited to the proposed developer fee specified in the CDBG Application.
4. If more than 20% of the proposed developer fee is proposed to be deferred and the deferred amount must be collected to preserve LIHTC eligible basis, the application must include an exhibit demonstrating that the proposed deferred portion is reasonably likely to be repaid during the first 15 years of project operations post-construction-completion, from the portion of Surplus Cash that is distributable to the owner (i.e., after deducting the Tier A and Tier B payments).
5. If the *pari passu* funding option is selected for a Gap Financing Loan, no more than 17.5% of the cash (i.e., non-deferred) portion of the developer fee as projected on the final, pre-closing proforma, may be drawn at initial closing and no more than 35% (cumulative) may be drawn through completion of construction.

M. **Initial Reserves.** If a CDBG award is issued, the award will require the funding of any initial reserves that are specified in the CDBG Application.

1. The CDBG Application may include an initial deposit to the Reserve for Replacements.
2. The CDBG Application may include other initial reserves (such as a debt service reserve, lease-up reserve, or operating deficit reserve). If any such additional reserves are proposed:
 - a. During the term of the Gap Financing Loan, funds may be withdrawn only for (i) project operating expenses approved in advance by the TPCG and (ii) to repay the Gap Financing Loan.
 - b. Withdrawals may be replenished only from the portion of Surplus Cash that is distributed to the project owner.
 - c. Funds in any such reserve may be used to satisfy obligations under the TPCG Operating Deficit Guaranty.
3. Sponsors should note that some initial reserves are deducted for purposes of determining compliance with the CDBG Leverage Requirement. See § II.F.

X. **BOND AND LIHTC RELATED REQUIREMENTS.** For sponsors planning to utilize tax-exempt bond financing, the TPCG provides the following based on its undertaking of bond-related requirements that may be applicable and that sponsors should take into consideration:

A. **Fees.** Sponsors should determine any fees that the issuing agency may charge. No application fees or analysis fees are payable to TPCG in connection with this program.

- B. **Construction Timing Considerations.** Sponsors are reminded that the CDBG program's environmental review requirements prohibit sponsors from taking any choice limiting actions such as purchasing land or commencing construction prior to receiving environmental approval. Sponsors are reminded that the issuer and/or the IRS may have additional requirements (such as the IRS limitations on 'original expenditures') that may affect the sponsor's timing for commencing construction.

- C. **Type of Project.** The TPCG understands that the IRS regulations for tax-exempt bonds differ from normal LIHTC requirements in ways that may affect transitional housing projects and projects that may serve student populations. Sponsors and their legal advisors should pay particular attention to these issues in structuring their applications.

- D. **Public Notice Requirement.** Sponsors are reminded that bond financing includes a public notice requirement.

Exhibit A. Checklist of Submission Requirements

Applications must be submitted as a PDF file. Items should be numbered as indicated below. In addition to the materials below, the application must include the LHC LIHTC Electronic Application. The applicant is required to submit the LHC application electronically on CD-ROM in Excel format, except for appendices which require signature, which may be submitted as PDF files.

1. Cover Letter summarizing project (see §VII.C.1). The letter must address the following:
 - a. How the project addresses TPCG thresholds and priorities. (See §III and §IV)
 - b. Location of the project. (See §III.B.5 and §IV.C)
 - c. The requested funding amount and number of units. (See §III.C.2 and §III.B.1)
 - d. The identity of the sponsoring entity. If there is a DSA, or other third-party arrangement for development services, it must be disclosed. (See §IX.L.2, §VI.B.2 and §VII.C.9)
 - e. A disclosure regarding identity-of-interest land acquisition. (See VII.C.7)
 - f. Whether the proposed CDBG funding would be pari-passu or at-completion.
 - g. Anticipated sources of funds including whether the application relies on 9% LIHTCS, 4% LIHTCs, or whether it does not depend on LIHTCs. (See §V.D.)
 - h. A statement that the applicant will execute the TPCG legal documents in substantially the form provided on the TPCG website. (See §V.A.1)
 - i. A statement regarding the interest rate elected by the borrower on the CDBG Gap Financing Loan. See (§IV.B)
 - j. A statement regarding whether the borrower is requesting deferral of ‘Tier B’ surplus cash payments to TPCG, pursuant to §V.F.3, with required supporting documentation.
2. Narrative description of the project addressing the threshold criteria and selection criteria of the RFP in the order listed within the RFP. (See §III and §IV)
3. Narrative description of sponsor’s experience developing and managing similar projects and supporting documentation (see §III.A and §IV.A)
4. Market Study (see §III.E. and §VII.D)
5. Evidence of Site Control (see §III.H.1 and §VII.C.5.b)
6. Appraisal, if pursuant to §VII.C.5.d.
7. Commitments for all non-CDBG sources of funding. See §III.H.2, §IV.E.1 and §VII.C.5.f)
8. Complete LIHTC application ready for submission to the LHC (see §III.H.3)
9. Flood Zone Determination (see §III.N)
10. Zoning Determination (see §III.B.5.c)
11. Summary and documentation of physical design of proposed project (see §III.B, §IV.B and §VII.C.5.g-h)
12. Ownership summary, including Appendix 40 (see §§VII.C.5.j and documentation of any developer services agreement (see §VII.C.8, §VI.B.2 and §VII.C.9)

13. Documentation for Rehab Projects. If the project proposed is a rehab, include documentation pursuant to §VIII.
14. Underwriting. In addition to the submission of the LHC Electronic Application, applicants should include a narrative description of underwriting assumptions and any supporting documentation regarding rents, operating expense determinations, debt coverage requirements, cushions, escrows, reserves, developer fee, professional fees, and other factors. See §IX. Documentation regarding §IX.I.4 should appear here, if applicable.