



**Maryland
Department of
Housing and
Community
Development**

*Community Development
Administration*

*Multifamily Housing
Development Programs*

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COMBINED VIABILITY- COMMITMENT SUBMISSION PACKAGE

Multifamily Rental Financing

Revised June 2007



*The Maryland Department of Housing and
Community Development pledges to foster the
letter and spirit of the law for achieving equal
housing opportunity in Maryland.*

INSTRUCTIONS

Additional financial and construction information will need to be submitted to Housing Development Programs for **combined viability-commitment review**. This information is submitted after projects are selected for a reservation of funds. See next page for a flowchart illustrating stages in the underwriting and construction review process, including the combined viability-commitment submission and review stages. As part of the combined viability-commitment review, Department staff will underwrite the financing and review construction documents to ensure the financial feasibility and long-term viability of the project as affordable rental housing and compliance with the information and representations contained in the application.

- Applicants must submit the documentation described below within 90 – 120 days of the Kick-off Meeting held with Department staff. For more information concerning the Kick-off Meeting, please refer to the Multifamily Rental Financing Program Guide.

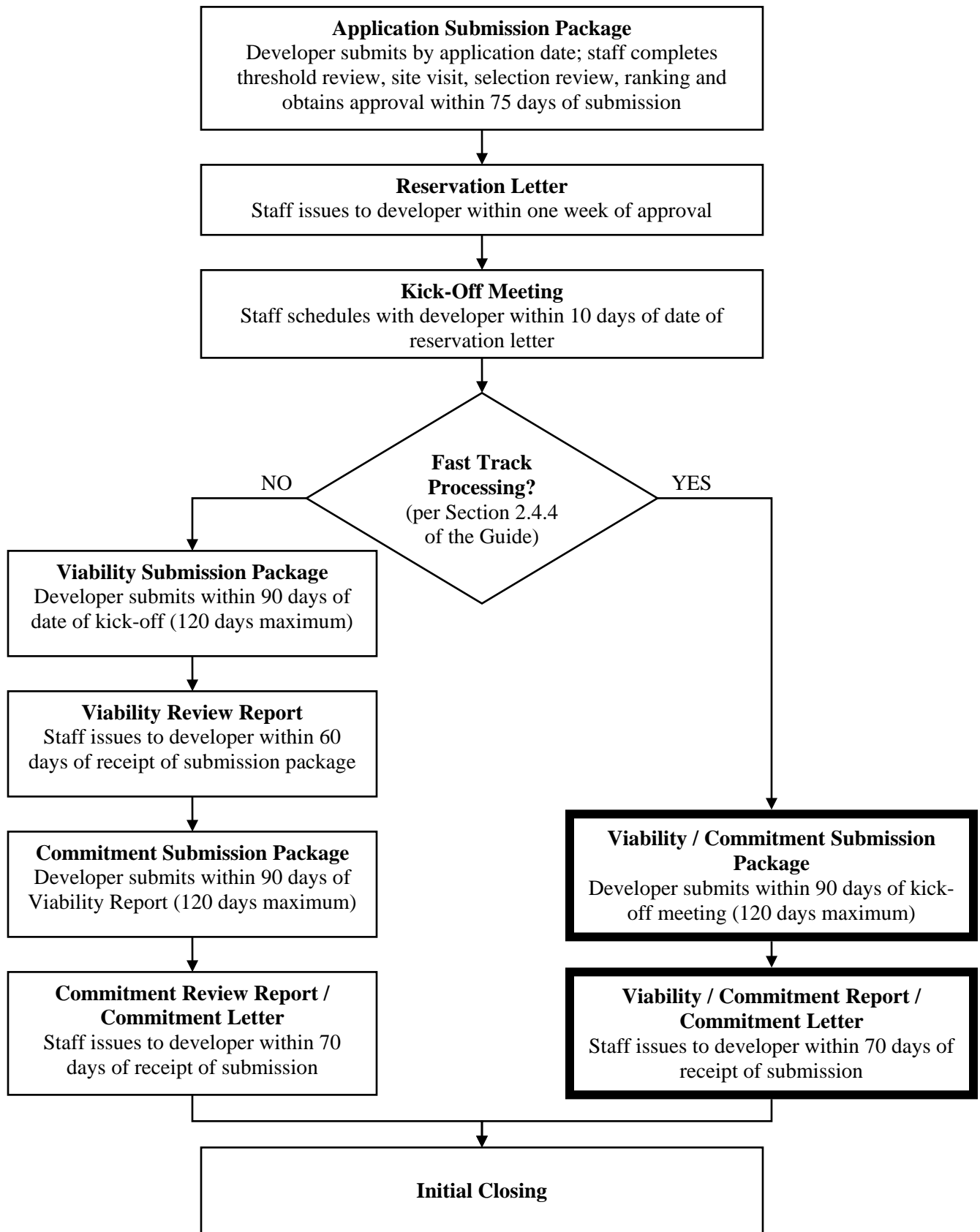
Applicants are to submit two copies of the combined viability-commitment review package, including all applicable exhibits and attachments, in separate three-ring notebook binders. Each exhibit must be clearly tabbed so that a reviewer may easily find the necessary material. Projects that do not have a complete combined viability-commitment review package submitted within 120 days may be withdrawn from active processing.

Department staff will complete its underwriting and construction review within 70 days of the receipt of a complete viability review submission package. After completing this review, the applicant will receive a combined viability-commitment review report from the Department. The report will address questions and concerns with the material submitted and outline additional material that may need to be sent prior to issuing a commitment letter or initial closing. If at any time the Department determines that the project is not financially feasible, is not viable as long-term affordable housing or that the project will not be carried out in accordance with the information and representations contained in the application, the reservation of funds may be withdrawn.

The documentation listed below is to be submitted by the applicant to initiate the combined viability-commitment review process. Details concerning the submission requirements for each exhibit are provided on the cover forms that follow. The required information is to be placed directly behind the applicable cover form. If the information is not applicable to the project, the cover form should be marked not applicable.

UNDERWRITING AND CONSTRUCTION REVIEW PROCESS

Multifamily Housing Development Programs



CHECKLIST

COMBINED VIABILITY-COMMITMENT REVIEW SUBMISSION PACKAGE

- Exhibit A: Application For Viability-Commitment Review

DEVELOPMENT TEAM INFORMATION

- Exhibit B: Notification of Changes

MARKET INFORMATION

- Exhibit C: Management Agent Experience and Marketing Plan
- Exhibit D: Management Agreement

FINANCIAL INFORMATION

- Exhibit E: Cost Estimates
- Exhibit F: Other Financing
- Exhibit G: Draw Schedule
- Exhibit H: Zoning

CONSTRUCTION INFORMATION

- Exhibit I: Contract Documents
- Exhibit J: Project Rehabilitation Manual
- Exhibit K: Final Building Evaluation Report
- Exhibit L: Capital Needs Assessment
- Exhibit M: Survey
- Exhibit N: Environmental Assessment
- Exhibit O: Geotechnical Study
- Exhibit P: Minority Business Enterprise Plan
- Exhibit Q: Construction Schedule
- Exhibit R: General Contractor's Contract
- Exhibit S: Architect's Contract
- Exhibit T: Civil Engineer's Contract
- Exhibit U: Insurance and Bonding

***EXHIBIT A: APPLICATION FOR
VIABILITY-COMMITMENT REVIEW***

A revised Multifamily Rental Financing Application – CDA Form 202 – must be submitted which reflects all changes in the project, including current development and operating budgets and pro forma, since the previous submission.

ATTACHMENTS

- CDA Form 202 – Multifamily Rental Financing Application (form provided on DHCD website)

EXHIBIT B: NOTIFICATION OF CHANGES

If there have been any changes in the development team members or their role in the project, the name of the project or the name of the ownership entity including a significant change which may impact their financial position, applicants must provide information concerning the changes. For changes in the role of a development team member, a synopsis of the change should be provided for evaluation.

ATTACHMENTS

- Overview of Changes in Project, if applicable
- Synopsis of Changes in Development Team Member Role(s), if applicable
- Developer Experience, if applicable
- General Contractor Experience, if applicable
- Architect Experience, if applicable
- Management Agent Experience, if applicable
- Not Applicable.** If there have been no changes in the project or development team members or their roles, no additional information needs to be submitted with the commitment review submission package.

DEVELOPER EXPERIENCE

For a new developer, the applicant must provide the following information:

- CDA Form 203—Developer’s Qualifications (form provided on the DHCD website) and supporting information
- Articles of Incorporation
- Articles of Organization
- Bylaws
- Partnership Agreement
- Operating Agreement
- Certificate of Good Standing
- Reports filed with the Federal Securities and Exchange Commission or other federal or state agency
- Resumes
- Form HUD 2530—Previous Participation Certification
- Development Team Member Current Workload (included as part of CDA Form 203)
- Financial Statements
- References

GENERAL CONTRACTOR EXPERIENCE

For a new general contractor, the applicant must provide the following information:

- Resume
- AIA Document A305—Contractor's Qualification Statement
- Supplement to the AIA Document A305—Contractor's Qualification Statement (form provided on the DHCD website)

ARCHITECT EXPERIENCE

For a new architect, the applicant must provide the following information:

- Resume
- AIA Document B431—Architect's Qualification Statement

MANAGEMENT AGENT EXPERIENCE

For a new management agent, the applicant must provide the following information:

- CDA Form 209 – Management Agent's Qualifications (form provided on DHCD website)
- Resumes
- HUD Form 2530—Previous Participation Certification
- Development Team Member Current Workload (form provided on the DHCD website)
- Sample Management Materials
- Sample Marketing Materials
- Current Financial Statements
- References

EXHIBIT C: MANAGEMENT AGENT EXPERIENCE AND MARKETING PLAN

A draft of the plan outlining the administrative and maintenance procedures for the development, proposed marketing plan for the units and plan to provide services for the tenants should be developed. The plan should also include copies of the proposed form of lease. The Department will use the management and marketing plan to evaluate the reasonableness of the proposed operating expenses, rent-up schedule and marketing costs. Issues that must be addressed in the management and marketing plan include the following:

- Roles and responsibilities of the owner and the management agent
- Staffing for the project including duties and responsibilities for each position
- Marketing and tenant selection procedures
- Procedures for determining tenant eligibility, initial certification of tenant income and re-certification of tenant income
- Rent structure, security deposits and other charges to tenants
- Maintenance procedures
- Policies and procedures for collecting rent and other charges
- Schedule and procedures for preparing and submitting periodic reports to the Department
- Administrative procedures and processes

Projects funded with Federal HOME funds must complete and submit an Affirmative Marketing Plan for HOME-Assisted Rental Projects on the form included in this Exhibit.

ATTACHMENTS

- Draft Management and Marketing Plan (guidelines provided);
- Form of Proposed Lease;
- Forms for Work Orders and Inspections;
- Sample Management Materials;
- Sample Marketing Materials; and
- Current Financial Statements.
- Affirmative Marketing Plan for HOME-Assisted Multifamily Rental Projects (form provided); Required for projects funded by Federal HOME funds only.

**GUIDELINES FOR DEVELOPING
A MANAGEMENT AND MARKETING PLAN**

To meet the Department's criteria, a management and marketing plan must address the administrative and maintenance procedures for the development, proposed marketing plan for the units and plan to provide services for the tenants. Specific issues that must be addressed in the management and marketing plan include the following:

ROLES AND RESPONSIBILITIES

Describe the roles and responsibilities of the owner and the management agent.

1. Who is responsible for representing the owner in matters relating to management of the project?

2. What are the lines of authority, responsibility and accountability within the management structure?

3. Are there any limits on the authority of the management agent and under what circumstances must the management agent secure the owner's approval before implementing any action affecting the project and not specifically addressed in the management agreement?

STAFFING

Address the management and maintenance staffing needs anticipated for the project.

4. Will the project include on-site management and maintenance staff?

5. What are the anticipated staffing needs for the project (specify the duties and responsibilities of each position and to whom each person reports)?

6. What are the salaries, wages and fringe benefits, including rent-free apartments, for each staff person assigned to the project?

7. What qualifications are required for each staff position including number of years of experience, specific type of experience and educational requirements?

8. What will be the management agent's hiring procedures and personnel policies (address any staff training programs, employee grievance procedures, employee termination procedures and procedures for complying with equal opportunity requirements)?

9. Are there any conditions or requirements that apply to employee apartments?

MARKETING AND TENANT SELECTION

Detail the proposed marketing and tenant selection procedures to be used for the project.

10. What affirmative marketing practices will be implemented (such as marketing strategy, advertising, timing for accepting applications, content of advertising and promotional material and cost)?

11. What methods will be used to market the units to any preference categories for low and very-low income families?

12. What are the procedures for instructing rental staff on the requirements of local, state and federal fair housing laws (including Title VIII of the federal Civil Right Act of 1968 and the Maryland Governor's Code of Fair Practices)?

13. What are the tenant screening criteria (such as credit standards, reference checks, income certification and verification and affordability standards)?

14. What are the tenant selection criteria (including any preference categories and family composition for various sizes or type of units)?

15. What are the methods for establishing, using and maintaining waiting lists?

16. For units subsidized under any federal Section 8 rent subsidy program, what procedures will be used for coordinating with the government agency responsible for administering the subsidy program?

TENANT ELIGIBILITY AND INCOME CERTIFICATIONS

Describe procedures for determining tenant eligibility, initial certification of tenant income, re-certification of tenant income and procedures for relocating over income tenants if the loan program requires over income tenants to vacate subsidized units.

17. What are the methods to be employed for verifying income and other eligibility criteria?

18. What measures will be undertaken to protect the confidentiality of personal data on tenants and applicants?

19. Who is responsible for performing the certification and re-certification of income and eligibility? Describe the training and certification, if any, provided to the staff responsible for income certification.

20. What are the re-certification schedule and procedures that will be implemented to ensure timely performance of re-certifications?

21. What procedures will be followed in relocating tenants who become ineligible to rent the units? For mixed-income projects, this can generally include renting the next available non-restricted unit to an income eligible family; however, the plan should provide for alternatives in the event too many over-income tenants occupy the project.

RENTS, SECURITY DEPOSITS AND OTHER CHARGES

Describe the rent structure for the project, security deposit requirements and other deposits and fees that will be charged to tenants.

22. What are the initial rents for each type of unit in the project?

23. What is the amount of security deposit that tenants must pay?

24. Are there any and other charges to tenants (such as, pet deposits, parking fees, utility charges and maintenance charges) and, if so, how much is it?

LEASES

Attach a copy of the proposed lease.

25. Who is authorized to execute leases on behalf of the management agent?

MAINTENANCE AND REPAIR PROGRAM

Describe the procedures for ensuring acceptable upkeep of the project. Attach copies of all forms for work orders and inspections.

26. How will the purchase of maintenance equipment, parts and supplies be controlled, who is authorized to make such expenditures and what is the maximum authorized expenditure?

27. What are the procedures for controlling inventory of maintenance equipment, parts and supplies and who is responsible for inventory control?

28. What procedures will be followed for servicing appliances and mechanical equipment and are there any contracts that have been executed for this purpose?

29. What are the procedures for regular inspection of units during occupancy to assess the condition of units and the need for maintenance or repairs, for inspection of units prior to a move-out and for pre-occupancy inspections?

30. What procedures will be employed for preparing vacant units for occupancy?

31. How will tenant billing and collecting for damages be handled?

32. What is the schedule for interior and exterior painting and redecorating?

33. What are the procedures and schedules for upkeep and maintenance of grounds and all common areas?

34. How will emergency repairs be handled?

35. What are the preventative maintenance schedules?

RENT COLLECTION

Address the policies and procedures the management agent will follow in the collection of rent and other charges.

36. Where will payments of rent be accepted?

37. What are acceptable forms of payment (for example, checks or money orders)?

38. What accounting controls to protect against loss of rental income will be put into place?

39. What is the method and frequency for preparing accounts receivable reports?

REPORTING AND ACCOUNTING

The Department requires a number of regular reports for different types of projects and financing. These reports include monthly operating reports, requests for subsidy payments, annual income and occupancy reports and annual financial statements.

40. What are the schedule and procedures for preparing and submitting periodic reports to the Department?

GENERAL ADMINISTRATION

In addition to the specific categories addressed above, the management of each project involves many ongoing administrative functions. Describe the general administrative functions that will be carried out at the project.

- 41. What general services will be provided at the project (for example, laundry, trash removal, exterminating)?

- 42. What procedures will be followed to ensure the provisions of the lease and other applicable rules and regulations are enforced?

- 43. What security measures will be incorporated at the project?

- 44. What are the staff and office hours of operation?

TENANT SERVICES

Describe the processes and procedures for carrying out the tenant service plan described in the application.

- 45. What are the tenant services that will be provided at the project?

- 46. How will the tenant services be financed?

- 47. What organizations will provide services or products and how will the services from other organizations be coordinated or delivered to the tenants?

- 48.** Which tenant services will be provided on-site? (Indicate what facilities are available at the project site for providing these tenant services.)

- 49.** Which tenant services will be provided off-site? (Indicate what facilities are available within the community for these tenant services and what access the tenants will have to these facilities.)

Affirmative Marketing Plan for HOME-Assisted Multifamily Rental Projects

Maryland Department of Housing and Community Development
Community Development Administration

1a. Applicant's Name, Address (including city, state & zip code) & phone number	1c. Project/Application Number	1d. Total Number of Units
	1e. Price or Rental Range	1f. Number of Accessible Units
	1g. Approximate Starting Dates (mm/dd/yy) of Advertising	
	Occupancy	

1b. Project's Name, Location	1h. Housing Market Area (Neighborhood)	1i. Census tract
	1j. Managing/Sales Agent's Name & Address (including city, state and zip code)	

<p>2. Type of Affirmative Marketing Plan (check all that apply)</p> <p><input type="checkbox"/> Project Plan ___ New ___ Updated</p> <p><input type="checkbox"/> Annual Plan</p> <p>___ White (non-minority) Area ___ Minority Area ___ Mixed Area (with ___ % minority residents)</p>	<p>3. Direction of Marketing Activity (Indicate which group(s) in the housing market area are LEAST LIKELY TO APPLY for the housing because of its location and other factors <i>without special outreach</i> efforts)</p> <p><input type="checkbox"/> White <input type="checkbox"/> Families with Children</p> <p><input type="checkbox"/> Black/African American <input type="checkbox"/> Persons with Disabilities</p> <p><input type="checkbox"/> Asian</p> <p><input type="checkbox"/> American Indian or Alaskan Native</p> <p><input type="checkbox"/> Native Hawaiian/Other Pacific Islander</p> <p><input type="checkbox"/> Hispanic</p>
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4a. Marketing Program: Commercial Media (Check the type of media to be used to advertise the availability of this housing)

Newspapers/Publications Radio TV Billboards Other (specify)

Name of Newspaper, Radio or TV Station	Group Identification of Readers/Audience	Size/Duration of Advertising

4b. Marketing Program: Brochures, Signs, and HUD's Fair Housing Poster

(1) Will brochures, letters, or handouts be used to advertise? Yes No If "Yes", attach a copy or submit when available.

(2) For project site sign, indicate sign size _____ x _____; Logo type size _____ x _____. Attach a photograph of project sign or submit when available.

(3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the

Sales/Rental Office Real Estate Office Model Unit Other (specify)

4c. **Community Contacts.** To further inform the GROUP(S) LEAST LIKELY TO APPLY and to know about the availability of the housing, the applicant agrees to establish and maintain contacts with the groups/organizations listed below that are located in the housing market area. If more space is needed, attach an additional sheet.

Name of Organization	Group Identification Primary ethnic group(s) serviced	Approximate Date (mm/dd/yyyy)	Person Contacted or to be Contacted

Address & Phone Number	Method of Contact	Indicate the specific function the Group/Organization will undertake in implementing the marketing program

<p>5. Future Marketing Activities (Rental Units Only) Mark the box(s) that best describe marketing activities to fill vacancies as they occur after the project has been initially occupied.</p> <p><input type="checkbox"/> Newspapers/Publications <input type="checkbox"/> Radio <input type="checkbox"/> TV</p> <p><input type="checkbox"/> Brochures/Leaflets/Handouts <input type="checkbox"/> Internet / fax blast (circle one)</p> <p><input type="checkbox"/> Site Signs <input type="checkbox"/> Community Contacts <input type="checkbox"/> Other (Specify)</p>	<p>6. Experience and Staff Instructions (See instructions)</p> <p>6a. On separate sheets, indicate staff experience in marketing to groups identified as least likely to apply for housing.</p> <p>6b. On separate sheets, indicate previous training or training to be provided to staff on Federal, State and local fair housing laws and regulations, as well as this AFHM Plan.</p>
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7. **Additional Considerations** Attach additional sheets as needed.

8. **Review and Update** By signing this form, the applicant agrees to review their AFHM Plan on a three to five year basis and update as needed to ensure continued compliance with DHCD's Affirmative Fair Housing Marketing policies.

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For DHCD Use Only

<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Name (type or print)
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Signature & Date (mm/dd/yyyy)	Title HOME Program Manager
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MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

INSTRUCTIONS: Affirmative Marketing Plan (AM Plan)

The Affirmative Marketing Plan form (attached) must be completed and included with "Exhibit C: Management Agent Experience and Marketing Plan" of the applicable Submission Package (either the 1) Viability/Design Development Review Submission Package; or 2) Combined Viability/Commitment Submission Package).

Each applicant is required to carry out an *affirmative program to attract prospective buyers or tenants of all minority and non-minority groups* in the housing market area regardless of their race, color, national origin, disability, familial status, religion, or sex. These protected groups in the housing market area who may be subject to housing discrimination include: White, Black or African American, Hispanic or Latino, Asian, persons with disabilities, families with children, or -- American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander-- where applicable by census data. The applicant shall describe in the AM Plan the proposed activities to be carried out during advance marketing, where applicable, and the initial sales and rent-up period. The affirmative marketing program also should ensure that ***any group(s) of persons ordinarily not likely to apply for this housing without special outreach (See Part 3), know about the housing, feel welcome to apply and have the opportunity to buy or rent.***

Part 1-Applicant and Project Identification. Blocks 1a thru 1f-Self-Explanatory. Block 1g-the applicant should specify the approximate date for starting marketing activities to the groups targeted for special outreach and the anticipated date of initial occupancy (if unoccupied). Block 1h-the applicant should indicate the housing market area, in which the housing will be (is) located (by Neighborhood name). Block 1i – the applicant may obtain census tract location information from local planning agencies, public libraries and other sources of census data. Block 1j the applicant should complete only if a Managing/Sales Agent (the agent can not be the applicant) is implementing the AM Plan.

Part 2-Type of Affirmative Marketing Plan:

Applicants for multifamily housing projects should check both the Project Plan and indicate the status of the AM Plan, e.g. new or update. All Project Plans should indicate the racial composition of the housing market area in which the housing will be (is) located by checking one of the three choices.

Part 3-Direction of Marketing Activity. Indicate which group(s) the applicant believes are least likely to apply for this housing without special outreach. Consider factors such as price or rental of housing, sponsorship of housing, racial/ethnic characteristics of housing market area in which housing will be (is) located, disability or familial status of eligible population, public transportation routes, etc.

Part 4-Marketing Program. The applicant shall describe the marketing program to be used to attract all segments of the eligible population, especially those groups designated in Part 3 of this AM Plan as least likely to apply. The applicant shall state: the type of media to be used, the names of newspaper/call letters of radio or TV stations; the identity of the circulation or audience of the media identified in the AM Plan (e.g., White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, persons with disabilities, and families with children) and the size or duration of newspaper advertising or length and frequency of broadcast advertising. Community contacts include individuals or organizations that are well known in the housing market area or the locality, that can influence persons within groups considered least likely to apply. Such contacts may include, but need not be limited to: neighborhood, minority and women's organizations, grass root faith-based or other community based organizations, labor unions, employers, public and private agencies, disability advocates, schools and individuals who are connected with these organizations and/or are well-known in the community.

Methods for informing the public and potential tenants/owners about federal Fair Housing laws and affirmative marketing policies could include:

- a. Visiting tenants/owners in buildings selected for rehabilitation (if applicable) and posting signs regarding the Program in each building project. The HUD Equal Housing Opportunity logo must appear on all postings;
- b. Using the Equal Housing Opportunity logo or slogan in press releases and other written communications used in the marketing of all units;
- c. Displaying fair housing posters in the sales/rental office or other places where it can be seen by potential tenants/residents.

Procedures to inform the public about vacant units or upcoming housing opportunities could include using such resources as:

- a. Advertising in the commercial media;
- b. Placing flyers in the local unemployment center, offices of the local housing authority, offices of any other local housing counseling agencies and other agencies serving low-income persons;
- c. Notifying applicants on the local housing authority's waiting lists about upcoming vacancies.

Special outreach procedures to inform and solicit applications from persons otherwise not likely to apply for the housing may include:

- a. Announcements in general circulation newspapers and/or ethnic, neighborhood, community, or school newspapers;
- b. Posters publicizing the housing placed in grocery stores, job center sites, community centers, schools, etc;
- c. Announcements and supportive outreach assistance provided by organizations such as social service agencies, housing counseling agencies, fair housing groups or religious organizations;
- d. Use of community organizations run by minorities or those who primarily serve minorities, minority churches, etc.

Part 5-Future Marketing Activities. Self-Explanatory.

Part 6-Experience and Staff Instructions.

6a. The applicant should indicate whether staff assigned to this project/program has previous experience in marketing housing to group(s) identified as least likely to apply for the housing. 6b. Describe the instructions and training previously provided or to be provided to the sales/rental staff assigned to this project. This guidance to staff must include information regarding Federal, State and local fair housing laws and this AM Plan. Copies of any written materials should be submitted with the AM Plan, if such materials are available.

Part 7-Additional Considerations.

In this section describe other groups to which the housing may be marketed and efforts not previously mentioned which are planned to attract persons least likely to apply for the housing. Such efforts may include outreach activities to grass root faith-based or other community based organizations and other ethnic groups with limited English proficiency (LEP).

Part 8-Review and Update.

By signing, the applicant assumes full responsibility for the AM Plans implementation and required reviews and updates. HUD may monitor the implementation of this AM Plan at any time and request modification in its format or content, where deemed necessary.

Project sponsors must keep records for the duration of the HOME period of affordability with regard to:

- a. The racial, ethnic, and gender characteristics of:
 - (1) Tenants/owners occupying units before rehabilitation;
 - (2) All tenants/owners-occupying units following completion.

- b. Activities they undertake to inform the general renter public, specifically:
 - (1) Copies of advertisements placed in the news media;
 - (2) Dates on which the owner contacted other agencies;
 - (3) Dates on which the owner contacted the local housing authority;
- c. Activities recipients undertake for special outreach; and
- d. All applicants for tenancy.

EXHIBIT D: MANAGEMENT AGREEMENT

The management agreement between the owner and the management agent must be submitted for review and approval. In those cases where the Department's form of Management Agreement is changed or not used, the Department's form of Management Certification must be used.

ATTACHMENTS

- Management Agreement
 - DHCD Form of Management Agreement
 - Other

EXHIBIT E: COST ESTIMATES

A breakdown of the construction or rehabilitation costs shown in the application's development budget must be provided on CDA Form 212—Summary Cost Estimate and CDA Form 215—Detailed Cost Estimate. Form 215 must be signed by the Sponsor/Borrower and General Contractor for the project.

ATTACHMENTS

- Form 212—Summary Cost Estimate (form provided on DHCD website)
- Form 215—Detailed Cost Estimate (form provided on DHCD website)

EXHIBIT F: OTHER FINANCING

LOANS AND GRANTS

Firm letters of commitment must be provided for all other loans and grants that will be provided. Evidence of other financing also includes subsidies and insurance that will be provided by other institutions (such as, the Federal Home Loan Bank Board or Federal Housing Administration). The evidence of financing must be specific and detailed concerning its terms and conditions and must include the following:

- Intention to finance the project
- Amount of financing
- Specific repayment terms and conditions (for example, interest rate, term of loan, use restrictions, repayment terms)
- Any conditions for receiving a commitment

LOCAL CONTRIBUTION

If available, the viability-commitment review submission package should include a copy of the executed agreement to provide the local contribution described in the application. If the agreement is not available, a letter from the local government's chief executive, council or manager indicating its intention to provide the contribution and a specific description of the contribution is acceptable. The agreement or letter must detail all the terms and conditions for providing the contribution including the following, as applicable:

- Type of contribution
- Amount of contribution
- Term, if the contribution is provided over a period of time (that is, monthly, annually)
- Terms and conditions (for example, interest rate, maximum term contribution is provided, use restrictions, lien position, repayment provisions)

EQUITY

If the project will be syndicated, applicants must provide a firm proposal from the firm that will syndicate the project. The proposal must clearly show the following terms:

- Amount of tax credits expected, if applicable
- Type of investor
- Gross equity generated from the syndication

- Net proceeds to the project
- Syndication related costs and charges
- Schedule for the payment of equity
- Interest and charges associated with any bridge loan
- Any other terms and conditions

ATTACHMENTS

- Commitment Letters for all Financing
- Letter of Intent or Agreement to Provide Local Contribution
- Syndication Proposal

EXHIBIT G: DRAFT DRAW SCHEDULE

The applicant must provide a schedule that shows the amount of funds to be requisitioned each month from closing to completion of the project. If more than one source of funds will be used, the drawn schedule should show projected disbursements for each funding source.

For transactions involving Rental Housing Funds, 25% of the total allowable developer's fee will be deemed "overhead" and disbursed as follows:

- 25% of the "overhead" amount may be disbursed at initial closing with no other disbursements until the project reaches 25% completion as measured by the expenditure of gross construction dollars approved.
- After the 25% completion, the "overhead" should be disbursed in proportion to the work in place. When the project is 100% complete, 100% of the "overhead" should be disbursed.

The remainder of the total developer's fee available from capital sources, equal to 75% of the total will be disbursed after the project is 100% complete and cost certified, unless the Department approved an alternative disbursement schedule. The developer's fee, including the "overhead" may only be paid from equity and cash flow.

The Department anticipates that Rental Housing Funds will be disbursed on a pro-rata or other basis that allows for withholding of a portion of Rental Housing Funds until Cost Certification and Final Closing.

ATTACHMENTS

- Draft Draw Schedule (form provided on DHCD website)

EXHIBIT H: ZONING

Evidence of the project's compliance with zoning requirements for the proposed use is required at this stage of processing. Acceptable forms of evidence of zoning compliance include a letter or certification from the local zoning office, appraiser's certification of zoning compliance or a current multifamily rental license for existing occupied projects.

ATTACHMENTS

- Letter or Certification from Local Zoning Office
- Appraiser's Certification of Zoning Compliance
- Current Multifamily Rental License

- Not Applicable.** If evidence of zoning compliance was submitted with the initial application package, no additional information needs to be submitted with the commitment review submission package.

EXHIBIT I: CONTRACT DOCUMENTS

Documents indicated in this section are considered minimum requirements and should be amended as required by the specific project requirements. These requirements follow generally those defined for the Construction Document Phase of the AIA Owner Architect Agreement. The contract documents shall reflect a project development of 90% - 95% of the completed construction documents. The submission shall incorporate changes required by all applicable Department comments from previous submissions. Where Department comments are not incorporated into the submission, provide a written explanation for each omitted item. Items that generally apply only to renovation projects are indicated.

ATTACHMENTS

- Contract Documents (guidelines provided)
- Written statement of changes in material quality, amenities or other items which are reviewed in the development quality scoring.

CONTRACT DOCUMENTS

DRAWING REQUIREMENTS

1. Civil Engineering Documents

- a) Site plan
- b) Grading plan
- c) Sediment and erosion control plan
- d) Storm water management plan
- e) Demolition plan (if applicable)*
- f) Landscape plan and schedule including benches, areas of seed and sod, etc.
- g) Utility plan(s)
- h) Utility profiles and structure schedule
- i) Site details sheet, including paving sections, sidewalk, curb sections, disabled accessibility features, dumpster pad sections, retaining walls etc.
- j) Public works standard details (reproduce in the construction documents)

2. Architectural Documents

- a) Title Sheet
 - Project information including project name and address
 - The names, addresses and telephone numbers of the Owner and all Consultants
 - The date
 - The submission level
 - The CDA project number
 - List of drawings
 - Project area breakdown
 - Unit mix and square footages
 - Vicinity map
- b) Code Analysis Sheets
 - Designate uses and fire areas on schematic floor plans
 - Provide written code analysis
- c) Phasing Plans (if required), which apply particularly to renovation projects especially if to be completed with partial or full building occupancy*
- d) Demolition Foundation Plan (1/8" scale min)*
- e) Foundation Plan (1/8" Scale min)
- f) Demolition Floor Plans for Each Building Level (1/8" scale min)*
- g) Floor Plans for Each Building Level (1/8" scale min)
- h) Demolition Roof Plan (1/16" scale min)*
- i) Roof Plan (1/16" scale min)
- j) Demolition Attic Plan (where applicable)*
- k) Attic Plan (where applicable), indicating draft-stopping, firewalls and attic access
- l) Demolition Plans of Individual Units (1/4" scale min)*

* Generally applies only to renovation projects.

- m) Individual Unit Plans (1/4" scale min)
- n) Detailed Demolition Plans of Common Areas (1/4" scale min)*
- o) Detailed Plans of Common Areas (1/4" scale min)
- p) Demolition Reflected Ceiling Plans for Each Building Level (1/8" scale min)*
- q) Reflected Ceiling Plans for Each Building Level (1/8" scale min)
- r) Demolition Reflected Ceiling Plans of Individual Unit (1/4" scale min)*
- s) Individual Unit Reflected Ceiling Plans (1/4" scale min)
- t) Detailed Demolition Reflected Ceiling Plans of Common Areas (1/4" scale min)*
- u) Detail Reflected Ceiling Plans of Common Areas (1/4" scale min)
- v) Exterior Building Elevations (1/8" scale min)
 - Provide elevations of all exterior wall areas
 - Provide schematic key plan indicating elevation locations
 - Include Demolition information as required. Note some projects will require a complete set of Demolition Exterior Elevations separate from the New Construction Exterior Elevations.*
- w) Interior Elevations (1/8" scale min)
 - Provide elevations of interior corridor and common space wall areas where necessary to describe the project
 - Provide schematic key plan indicating elevation locations
 - Include Demolition information as required. Note some projects will require a complete set of Demolition Interior Elevations separate from the New Construction Interior Elevations.*
- x) Kitchen And Bath Elevations and Details (1/4" scale min)
 - Demolition Information, elevations and details as required*

Include the following demolition information as required:

- y) Overall Building Sections (1/2" scale min)*
- z) Typical Wall Sections (1/2" scale min) in sufficient quantity to describe the varying building conditions*
- aa) Enlarged Construction Plan Details (3/4" scale min)*
- bb) Specific Building Details and Sections (3/4" scale min)*
- cc) Elevator Plans, Sections and Details (3/4" scale min)*
- dd) Stair Tower Plans and Details (3/4" scale min)*
- ee) Trash Chute and Compactor Details (1/2" scale min)*
- ff) Wall Type Schedules and Details (1/2" scale min)*
- gg) Floor and Ceiling Type Schedules and Details (1/2" scale min)*
- hh) Expansion Joint Details (1/2" scale min)*
- ii) Finish Schedules*
- jj) Door and Frame Schedules and Details*
- kk) Window Schedules and Details*
- ll) Hollow Metal and Aluminum Storefront and Curtain Wall Schedules and Details*
- mm) Louver, Panels and Vent Schedules and Details*
- nn) Additional Plans and Details as may be required by the Specific Project*

* Generally applies only to renovation projects.

3. Structural Documents

- a) Demolition Foundation Plan (1/8" scale min)*
- b) Foundation Plan (1/8" scale min)
- c) Demolition Framing Plan for Each Floor Level (1/8" scale min)*
- d) Framing Plan for Each Floor Level (1/8" scale min)
- e) Demolition Roof Framing Plan (1/8" scale min)*
- f) Roof Framing Plan (1/8" scale min)
- g) Enlarged Demolition Structural Plans (as required) (1/4" Scale min)*
- h) Enlarged Structural Plans (as required) (1/4" Scale min)

Include the following demolition information as required:

- i) Structural Schedules (as required)*
- j) Structural Sections (as required)*
- k) Typical Details (as required)*
- l) Structural Notes*

4. Plumbing Documents

- a) General Notes and Legends
- b) Plumbing Floor Plan for Each Building Level (1/8" scale min)
 - Include demolition information as required*
- c) Plumbing Unit Plans (1/4" Scale min)
 - Include demolition information as required*
- d) Enlarged Plumbing Plans (as required) (1/4" scale min)
 - Include demolition information as required*
- e) Riser Diagrams
 - Domestic
 - Waste
 - Heating/Cooling system piping
 - Condensate systems
 - Gas
 - Sprinkler including standpipes, valves and tamper switches
 - Include demolition information as required*
- f) Fixture Schedules
 - Include demolition information as required*
- g) Fire Pump Details (if required)
 - Include demolition information as required*
- h) Boiler, Chiller, Hot Water Heating and Other Systems Plans As Required
 - Include demolition information as required*

* Generally applies only to renovation projects.

5. HVAC Documents

- a) General Notes and Legends
- b) HVAC Floor Plan for Each Building Level (1/8" scale min)
 - Include demolition information as required*
- c) HVAC Unit Plans (1/4" scale min)
 - Include demolition information as required.
- d) Enlarged HVAC Plans (as required) (1/4" scale min)
 - Include demolition information as required*
- e) Riser Diagrams
 - Central duct systems (corridors, supply and exhaust, etc)
 - Flues
 - Kitchen and bath exhaust systems
 - Control systems
 - Include demolition information as required*
- f) Equipment Schedules
 - Include demolition information as required*
- g) Louver and Vent Schedules
 - Include demolition information as required*
- h) Boiler, Chiller and Other Systems Plans as required
 - Include demolition information as required*
- i) Enlarged Mechanical Room Plans and Details (1/4" scale min)
 - Include demolition information as required*

6. Electrical Documents

- a) General Notes and Legends
- b) Power Floor Plan for Each Building Level (1/8" scale min)
 - Include demolition information as required*
- c) Lighting Floor Plan for Each Building Level (1/8" scale min)
 - Include demolition information as required*
- d) Power and Lighting Unit Plans (1/4" scale min)
 - Include demolition information as required*
- e) Enlarged Power and Lighting Plans (as required) (1/4" scale min)
 - Include demolition information as required*
- f) Electrical Riser Diagrams
 - Power
 - Fire Alarm
 - Access Control
 - Systems Control
 - Cable TV and master antenna systems
 - Internet Access
 - CCTV
 - Dialers, intercoms and door entry systems
 - Security systems

* Generally applies only to renovation projects.

- Hearing Impaired systems
- Emergency call systems
- Include demolition information as required*
- g) Schedules
 - Lighting
 - Panels
 - Electrical equipment
 - Include demolition information as required*
- h) Fire Alarm and Other Systems Plans as required
 - Include demolition information as required*
 - Fire Pump and Emergency Generator Details, etc.
- i) Site Lighting Plan and Details

SPECIFICATION REQUIREMENTS

7. Construction Document Specifications

- a) The 100% Construction Documents Specification shall include all sections of the 16 Division CSI format applicable to project.
- b) The specification shall be in CSI/Master Spec format.
- c) The Specification cover shall include the following:
 - The names, addresses and telephone numbers of the Owner and all Consultants
 - The project name and address
 - The date
 - The submissions level
 - The CDA project number
- d) A complete table of contents shall be included at the front of the Specification
- e) Division I should include General Conditions and other project requirements, including those of the lender
 - Bind into the specification the AIA General Condition to the Construction Contract and the CDA Supplementary and General Conditions.
 - If Project is bid, bind in copies of all bidding documents.
 - Include Allowance, Alternate and Unit Price Sections.
 - Include Specific Renovation/Demolition related sections as required*
- f) Divisions II (where Division II is prepared by a separate Owner-retained Consultant, bind these sections into the single Project Specification)
- g) Divisions II through XVI
 - When products are specified three or more manufacturers shall be listed in addition to "or equal" clause
 - Include Specific Renovation/Demolition related sections as required*

* Generally applies only to renovation projects.

EXHIBIT J: PROJECT REHABILITATION MANUAL
Applicable to Rehabilitation Projects Only

For projects that involve the rehabilitation of existing buildings, applicants must provide an engineering assessment of the buildings. In rehabilitating properties, developers may encounter unforeseen issues that can delay, increase the cost of, or even halt rehabilitation. To avoid this, the Department requires that an engineer complete an assessment of the property.

The following rehabilitation manual is required for all renovation projects. Documents indicated below shall be considered minimum requirements and should be amended as required for specific project conditions and requirements.

ATTACHMENTS

- Project Rehabilitation Manual (guidelines provided)
- Not Applicable.** If the project does not include the rehabilitation of existing buildings, a building evaluation report is not applicable.

PROJECT REHABILITATION MANUAL GUIDELINES

Incorporate the results of the survey of 100% of the existing building and the final scope of work for the project into a complete Survey Manual, which includes the items listed below. Coordinate the development of the manual with the final scope of the completed work and the information contained in the 100% Construction Documents (drawings and specifications).

The format for the required Final Survey Manual should relate to the specific project and include elements such as the following:

- Arranged in unit-by-unit format.
- Include subsection for all public and common areas.
- Include building exterior subsection if applicable
- Provides a tabulation by subsection and section with project totals for each work element

***EXHIBIT K: FINAL BUILDING EVALUATION REPORT
AND PROJECT SCOPE OF WORK
Applicable to Rehabilitation Projects Only***

For projects that involve the rehabilitation of existing buildings, applicants must provide an engineering assessment of the buildings. In rehabilitating properties, developers may encounter unforeseen issues that can delay, increase the cost of, or even halt rehabilitation. To avoid this, the Department requires that an engineer or other qualified professional, complete an assessment of the property. The Department reserves the right to request a third party evaluation be conducted by a qualified professional outside of the Development Team.

The following reports are required for all renovation projects. Documents indicated below shall be considered minimum requirements. Amend as required for specific project conditions and requirements.

ATTACHMENTS

- Building Evaluation Report (guidelines provided)
- Not Applicable.** If the project does not include the rehabilitation of existing buildings, a building evaluation report is not applicable.

GUIDELINES FOR BUILDING EVALUATION REPORT

REVISED PRELIMINARY SCOPE OF WORK

Provide a further development of the written scope of work provided at the Schematic Design phase, delineating in narrative form the following:

- The existing conditions and systems
- Proposed work to the above elements
- New systems and structures and how they will be integrated into the existing work.
- Other information as may be required to describe adequately the project.
- The narrative shall be broken down in the 16 CSI construction Divisions.

ENGINEERING STUDIES AND EVALUATIONS

Update, revise and/or amend the engineering studies provided at the Schematic Design phase as required.

DRAFT SURVEY MANUAL

Incorporation of the results of the survey of 100% of the existing building (provided in the Schematic Phase) into a preliminary Draft Survey Manual, which includes the items listed below. Coordinate the development of the manual with the project scope of work.

The format for the required Draft Survey Manual should relate to the specific project and include elements such as the following:

- Arranged in unit-by-unit format
- Include subsection for all public and common areas
- Include building exterior subsection if applicable
- Provides a tabulation by subsection and section with project totals for each work element

EXHIBIT L: CAPITAL NEEDS ASSESSMENT
Applicable to Rehabilitation Projects Only

Multifamily rental projects financed by the Department must provide an extended period of affordable housing use. To ensure this long-term financial feasibility and viability of rehabilitation projects, the Department establishes replacement reserve standards for individual projects after evaluating the capital needs assessment. Replacement reserves must be sufficient to cover foreseeable capital expenditures. Adequate reserves are particularly important in affordable housing developments where rents are restricted and may not keep pace with operating, maintenance and replacement costs. A guideline for completing the capital needs assessment follows.

ATTACHMENTS

- Capital Needs Assessment (if applicable) (guidelines provided)
- Not Applicable.** If the project does not include the rehabilitation of existing buildings, a capital needs assessment is not applicable.

GUIDELINES FOR CAPITAL NEEDS ASSESSMENT

The capital needs assessment must cover a minimum of 20 years from the proposed date of project completion. It must include, at a minimum, the elements listed below (refer to the attached illustration for further clarification of each element). The illustration is intended only as a tool for understanding the basic minimal format. Values, elements and amortization periods indicated are for illustration purposes only and are not intended for actual use. This is a simplified schedule and represents only the minimal format acceptable. A more extensive schedule in a similar format is encouraged. This could take into account systems that have recently been only partially replaced and, therefore, will have different amortization periods for each part. Likewise, a new system to be installed in the future may have longer amortization periods than retained existing systems due to a higher quality intended to be used when the system is replaced.

- 1. Proposed New Construction/Renovation Element.** Indicate in a 16-division CSI format the anticipated elements that comprise the scope of the proposed renovation or new construction project. (Only a portion of several divisions has been included in the illustration with a dotted line indicating each area where a cut has occurred.)
- 2. Unit Cost.** Indicate the current unit price of the scope item. Refer to Total Units below.
- 3. Total Units.** Indicate the total number of units. The units can be the number of apartments in the project, the total square footage of a specific element, total cubic yards, total quantity of elements such as mechanical units, linear feet of various elements, etc.
- 4. Total New Construction/Renovation Cost.** This cost should be the total of the Unit Cost multiplied by the Total Units. It represents the total cost of replacement for the scope element in today's dollars. This can represent the total cost of a renovation element or new construction elements.
- 5. Amortization Period (years).** The life expectancy of the specific element before replacement will typically be anticipated.
- 6. Year "X" Cost.** The amount to be put away each year so that the total replacement value will be available at the time the system or element is anticipated to fail. The Total New Construction/Renovation Cost divided by the Amortization Period. (Only a sampling of the years has been included in the illustration with a dotted line indicating each area where a cut has occurred.)
- 7. Total.** This is the sum of all years. The total cost per year required to be put away so that the total replacement value of all systems and elements will be available at the time each system or element is anticipated to fail.

CAPITAL NEEDS ASSESSMENT ILLUSTRATION*

Proposed New Construction/ Renovation	Unit Cost	Total Units	Total New Construction/ Renovation Cost	Amortization Period (years)	Year 1 Cost (2001)	Year 2 Cost (2002)	Year 20 Cost (2020)	Remarks
Division I—General Conditions			\$88,401					
1. General Requirements								
a. Allow only 4%	\$270	291	\$78,570	25	\$3,143	\$3,143	\$3,143	
2. Permits								
a. Allow Only .25%	\$17	291	\$4,947	25	\$198	\$198	\$198	
Division II—Site Work			\$128,630					
1. Roads and Parking Areas								
b. Repairs to existing bituminous paving including new striping	\$3,000	34	\$102,000	15	\$6,800	\$6,800	\$6,800	
c. Scheduled seal coating of bituminous paving including new striping	\$35	291	\$10,185	4	\$2,546	\$2,546	\$2,546	
Division XV—Mechanical			\$493,245					
2. HVAC System								
a. Remove and replace existing gas fired furnaces and electric air conditioning with all new high efficiency units	\$800	291	\$232,800	12	\$19,400	\$19,400	\$19,400	Management indicates 146 compressors recently replaced in 1997. However, only 27 furnaces have been recently replaced. The Remainder of the Furnaces should be replaced immediately.
b. Clean all ductwork	\$50	291	\$14,550	12	\$1,213	\$1,213	\$1,213	
2. Water Heating								
a. Provide all new gas fired water heaters	\$375	291	\$109,125	10	\$10,913	\$10,913	\$10,913	
Total					\$256,000	\$256,000	\$256,000	

* The illustration is intended only as a tool for understanding the basic minimal format. Values, elements and amortization periods indicated are for illustration purposes only and are not intended for actual use.

EXHIBIT M: SURVEY

A draft boundary survey prepared by a registered surveyor must be submitted. The survey needs to include the following items:

- Lot lines and set-back lines
- Location of all existing easements, rights of way, improvements on or encroachments upon, over, to or from the property
- Location of all items that will be listed in Schedule B, Part II of the lender's title policy.

ATTACHMENTS

- Draft Boundary Survey

EXHIBIT N: ENVIRONMENTAL ASSESSMENT

PHASE I ENVIRONMENTAL ASSESSMENT

Each project must comply with applicable requirements of local, state and federal environmental laws and regulations. Developments will be screened by having a Phase I Environmental Assessment completed in the standard Federal National Mortgage Association format and that meets the requirements for “All Appropriate Inquiry” established by ASTM Standard E-1527-05 and 40 CFR 312. The assessment must be completed by a qualified Environmental Professional (as defined in 40 CFR 312) and include the following reviews:

- Examination of the method of water supply and sewage disposal for indication of problematic situations;
- Review of available documentation which describes existing and previous building uses and building materials;
- Interviews with previous owners of the building and owners or occupants of other properties in the area to determine any prior use of the building or neighboring land use to determine the probability of contaminants;
- Evaluation of the site for other pertinent environmental issues, including a review of foundation conditions, man-made hazards, storm water runoff, underground storage tanks, and potential for lead-based paint, radon gas, mold, PCBs and asbestos in existing buildings; and
- Particular physical conditions (e.g., the presence of wetlands or other specially-protected areas) or future site use requirements or conditions (e.g., deed restrictions imposing engineering or institutional controls, whether or not in connection with prior site remediation work).

PHASE II ENVIRONMENTAL ASSESSMENT

A Phase II Environmental Assessment will be necessary whenever the Phase I report indicates “Recognized Environmental Conditions” (as defined in ASTM Standard E-1527-00) or other potential environmental concerns on or reasonably likely to affect the site in question. All renovation projects require that a Phase II assessment be completed unless it can be demonstrated that there is a specific reason why one should not be provided. If the applicant requests that the Phase II assessment be omitted, a written statement from the Environmental Professional should be provided indicating the reasons for a waiver. If a Phase II Assessment is needed, a more detailed physical investigation and review of historical records will be required. The assessments must meet the basic requirements described in ASTM Standard E-1903-97(2002). Typical specialized studies under Phase II reviews include the following:

- Asbestos and lead paint samplings and testing;

- Site and record reviews of any underground storage tanks and associated supply lines
- Soil sampling and analysis;
- Ground water or aquifer sampling;
- Testing for PCB contamination;
- In depth investigation of neighboring sites;
- Radon testing; and
- Mold.

ATTACHMENTS

- Phase I Environmental Assessment
- Environmental Consultant's Statement for Waiver
- Phase II Environmental Assessment (if applicable)
- Environmental Professional Reviewer's Statement of Qualifications
- Environmental Professional Reviewer's Engagement/Reliance Letter

EXHIBIT O: GEOTECHNICAL STUDY

A written report based on traditional soil studies for the area should be provided that indicates how these may affect the proposed site. The report should give specific recommendations as to foundation type that is anticipated. Where there is reason to suspect potential for any unusual or costly soil conditions, appropriate additional investigations may be needed, including borings and test pits. As a result of these investigations, a written analysis with recommendations is to be prepared. A registered professional soils engineer must perform all work.

ATTACHMENTS

- Geotechnical Study

EXHIBIT P: MINORITY BUSINESS ENTERPRISE PLAN

A plan outlining the participation goals and procedures for the project should be developed at this stage. Issues that must be addressed in the minority business enterprise plan include goals for minority participation, monitoring and record keeping requirements and outreach and selection procedures.

ATTACHMENTS

- Minority Business Enterprise Plan (form provided)

MINORITY BUSINESS ENTERPRISE PLAN
Maryland Department of Housing and Community Development

Project: _____
Address: _____

1. The Developer/Owner of this Project is _____. The Contact person, Mr. /Ms. _____ shall be available at _____ . The General Contractor is _____ who shall be represented by Mr. /Ms. _____ who shall be available at _____.
2. The minimum MBE goal established for this project is **25%**. However, we will use our best efforts to achieve MBE participation above the minimum requirements.
3. These goals will be communicated to all our potential/actual vendors and subcontractors through the mechanisms of advertisements, solicitations of bids, discussion, negotiation and contract stipulation.
4. Our outreach efforts shall include a request for participation of MBE Associations located within the commutable vicinity and direct solicitation of identifiable minority subcontractors and vendors by mail. Notices shall be placed in local publications informing the public of these opportunities. Necessary contract documents shall be provided free to MBE Associations for the use by their members. We will maintain a "Bid Room" in our main office where those contract documents shall be made available for examination and use by any interested person during usual office hours.
5. It is expected that all contracts for this project be negotiated.
6. The Developer and the Contractor will monitor the success of these actions through a monthly review of the awarded contracts. At this time, a review of uncommitted contracts for possible participation will be conducted.
7. A monthly "Subcontractors and Vendors Report" will be submitted to CDA listing the MBE contracts awarded during the reporting period.

Developer/Owner	Date	General Contractor	Date
Signature, Authorized Executive		Signature, Authorized Executive	

I have reviewed this plan and certify that it conforms with the Department's requirements.

DHCD MBE Liaison	Date
MBE Liaison	

EXHIBIT Q: CONSTRUCTION SCHEDULE

At the commitment review stage, applicants should have developed a detailed schedule for completing construction of the project. Include in the commitment review submission package the construction schedule in bar chart format (Gantt chart type), which must include the following elements.

- Arrange in 16 division CSI format with detailed task breakdown below each division
- Where possible relate to the trade payment breakdown detail provided for the project, the anticipated Application for Payment categories and the Department Form 215
- Show start and end dates and duration of each task
- Show predecessors for major tasks
- Show critical relationship between major elements
- Show float for each division. Show float as belonging neither to the Owner or to the Contractor. Float shall be available by all parties as required by the project.
- Project time shall be shown in calendar days
- Produce schedule in color with critical elements indicated in red and all other elements indicated in black

ATTACHMENTS

- Construction Schedule

EXHIBIT R: STANDARD FORM OF AGREEMENT BETWEEN OWNER AND CONTRACTOR

An executed or final draft copy of the Owner/Contractor Agreement must be provided. The Department requires the Standard Form of Agreement Between Owner and Contractor/Cost Plus with negotiated maximum price, the AIA Document A111-1997 to be used. Only under certain circumstances and with prior approval of the Department will the Standard Form of Agreement Between Owner and Contractor Lump Sum, where the basis of payment is a stipulated sum, the AIA Document A101-1997 may be used. If a Lump Sum Contract is used three separate complete bids from qualified contractors are required. For all forms of contract, include the AIA Document A-201-1987, General Contractor's Conditions to the Contract for Construction and the CDA Supplementary General Conditions.

ATTACHMENTS

- Standard Form of Agreement Between Owner and Contractor/Cost Plus (AIA Document A111-1997)
- Standard Form of Agreement Between Owner and Contractor/Lump Sum (AIA Document A101-1997)
- General Conditions of the Contract for Construction (AIA Document A201-1987)
- CDA Supplementary General Conditions (form provided on DHCD website)

EXHIBIT S: STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ARCHITECT

An executed copy of the Owner/Architect Agreement must be provided. The form of agreement must be either the AIA Document B141–1994 or AIA Document B181–1994. In addition, the Department also requires its Attachment to the Owner/Supervising Construction Professional Agreement to be submitted.

AIA DOCUMENT B141—STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ARCHITECT WITH STANDARD FORM OF ARCHITECT'S SERVICES

Standard Form of Agreement Between Owner and Architect with Standard Form of Architect's Services (AIA Document B141—1994) are used on construction projects where services are based on the customary five phases: Schematic Design, Design Development, Construction Documents, Bidding or Negotiation and Construction Administration. It is used in conjunction with General Conditions of the Contract for Construction (AIA Document A201—1987). This form should be used for all projects that include significant components that are not housing and for complex housing projects.

AIA DOCUMENT B181—STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ARCHITECT FOR HOUSING SERVICES

Standard Form of Agreement Between Owner and Architect for Housing Services (AIA Document B181—1994) were developed with assistance of the U.S. Department of Housing and Urban Development (HUD) and other federal housing agencies. One feature of this agreement form is it includes only four phases: Design Phase, Construction Documents Phase, Bidding or Negotiation Phase, and Construction Administration Phase. Another unique feature of this agreement form is the owner, and not the architect, furnishes the cost estimating services. It is used in conjunction with General Conditions of the Contract for Construction (AIA Document A201—1987). This form should be used primarily for relatively standard and straightforward, single-family and multifamily housing projects.

ATTACHMENTS

- Standard Form of Agreement Between Owner and Architect with Standard Form of Architect's Services (AIA Document B141–1994)
- Standard Form of Agreement Between Owner and Architect for Housing Services (AIA Document B181–1994)
- Attachment to the Owner/Supervising Construction Professional Agreement (form provided on DHCD website)

EXHIBIT T: CIVIL ENGINEER'S CONTRACT

An executed copy of an agreement outlining the civil engineer's role is required for projects that involve new construction or when warranted by the scope of the rehabilitation of an existing building(s). The Department recommends that the work of the civil engineer be covered under the agreement between the owner and the architect. When the owner prefers to execute a separate agreement with the civil engineer, a form of agreement which clearly shows the scope of services and fee structure must be submitted.

ATTACHMENTS

- Contract or Form of Agreement

- Not Applicable.** If the work of the civil engineer is covered under the agreement between the owner and the architect, or the scope of rehabilitation of existing buildings does not warrant a civil engineer, an agreement between the owner and engineer is not applicable.

EXHIBIT U: INSURANCE AND BONDING

The Department requires documentation that projects are adequately insured during construction and the permanent loan period. Specifically, the Department requires the following insurance coverage and security during the construction phase of a project:

- 1) Owner's Liability Insurance
- 2) Contractor's Comprehensive General Liability Insurance
- 3) Architect's and Engineer's Errors and Omissions Insurance
- 4) Owner's Hazard or Builder's Risk Insurance
- 5) Flood Insurance, if applicable
- 6) Payment and Performance Bond or Letter of Credit

Section I: General Insurance Requirements

The applicant must submit evidence that the project will be properly insured. The Department accepts three (3) forms of evidence of insurance:

1. Certificate of Insurance -- a one or two page summary document outlining and summarizing the insurance policy. A guide for reviewing Insurance Certificates and sample copies are included in Section II.
2. Insurance Binder -- a multi-page overview of the insurance policy, in essence an executive summary. Binders are issued and valid for a 30 day period, and must therefore be reissued every 30 days until delivery of an Insurance Policy.
3. Insurance Policy -- the document which outlines all conditions of insurance coverage.

The applicant must also submit evidence that the Department will be adequately covered by the insurance by receiving the appropriate "endorsements" of coverage. Insurance coverage is issued to "Named Insured", i.e. the project's Owner, General contractor Architect and Engineer. There are several ways in which the Department receives an endorsement of coverage by a Named Insured:

1. Additional Insured -- An endorsement is added to an insurance policy naming the Departments as an Additional Insured in addition to the Named Insured. Additional Insured parties are not liable for premium payments.
2. Loss Payee and Mortgagee -- An endorsement is added to an insurance policy naming the Department as Loss Payee and Mortgagee to be paid in the event of loss or damage to the insured property. This endorsement is appropriate for Owner's Hazard and Builder's Risk policies.

Notice Rights -- Notice Rights show where the insurance policy says the Department will get notice as an Additional Insured, Mortgagee or Loss Payee, as applicable. Notice Rights must also provide an endorsement to the insurance

policy which states the Department will receive notice in the event that any changes or renewals are made to the policy and will be provided 30 days written notice prior to cancellation of the policy. A Certificate of Insurance which states that 30 day notice will be given are acceptable, but all endeavor language and limitation of liability language must be removed. .

As outlined in the table below, CDA requires the following evidence and endorsements of insurance coverage:

Type of Coverage	Evidence Required	Endorsements Required
Owner's Liability Insurance	Certificate of Insurance Insurance Binder Insurance Policy	Additional Insured Notice Rights
Contractor's Comprehensive General Liability	Certificate of Insurance Insurance Binder Insurance Policy	Additional Insured Notice Rights
Architect's and Engineer's Errors and Omissions	Certificate of Insurance	Notice Rights
Owner's Hazard or Builder's Risk	Certificate of Insurance Insurance Binder Insurance Policy	Additional Insured Loss Payee and Mortgagee Notice Rights

It is preferable to receive evidence of all required endorsements of insurance prior to Initial Closing. It is acceptable, however, to receive only a Certificate of Insurance and Insurance Binder (if required) prior to Initial Closing. In this case, a copy of the Insurance Policy and any endorsement must be received and approved by the Department prior to the next disbursement of funds following Initial Closing. A certified copy of the original Insurance Policy is acceptable. A producer's copy of the Insurance policy is not acceptable.

The types and limits of insurance coverage normally required by CDA during the construction phase of the project include:

1) Owner's Liability Insurance

- Comprehensive General Liability Coverage for single limit public liability coverage of not less than \$1,000,000.

2) Contractor's Comprehensive General Liability Insurance

- Comprehensive General Liability Coverage
- Comprehensive Automobile Liability written on vehicles owned or rented by the general contractor and used in connection with the Project in an amount for combined single limit public liability coverage of not less than \$1,000,000.
- Workmen's Compensation, broad form, all states for all persons engaged in the work on the Project.
- Excess Liability Coverage in the form of an umbrella endorsement over all of the above in an amount of not less than \$5,000,000.

3) Architect's and Engineer's Errors and Omissions Insurance

- The architect or engineer shall provide professional liability insurance coverage in an amount equal to the greater of 10% of the total aggregate dollar amount of construction, or \$1,000,000 for a period of not less than two years after the date of substantial completion.

4) Owner's Hazard or Builder's Risk Insurance

- Builder's Risk and Multi-Peril Insurance on an all-risk basis with an agreed amount endorsement providing completed value coverage such that for the full construction period the Project is insured in an amount not less than 100% of the face amount of project replacement costs.
- Boiler Insurance (where applicable) to become effective at such time that the boiler becomes operational in an amount equal to the greater of \$1,000,000 or 100% of the value of the system. Boiler Insurance coverage should cover all centralized systems, including heating, ventilation and air conditioning.

Other general requirements regarding insurance coverage are:

- Any additional insured should not be liable for premium payments.
- Insurance deductibles, if any, should generally not exceed \$5,000. Deductibles are applicable for property damage (PD) coverage, but not Bodily Injury (BI) coverage.
- CDA may require the Borrower to furnish additional insurance, at Borrower's expense, for any hazards involved in the Project or the Property which, in the opinion of CDA require special endorsements.

Section II: Flood Insurance Requirements

CDA also requires documentation of adequate Flood Insurance, if applicable.

If the project is located in an area which has been identified as a "Special Flood Hazard Area" (as such term is used in the Flood Disaster Protection Act of 1973, as amended), the borrower must provide an original copy of the policy to the Department. The policy must be acceptable to the Department, and evidence of payment for a period of at least one year must be received. The policy must be maintained until the Loan has been repaid in full.

If the project is located in a flood zone C or X, as certified by the surveyor on the survey, flood insurance is not required.

Section III: Payment and Performance Bonds or Letters of Credit

The Department must receive an assurance of completion, which is evidence that the construction can be completed if the general contractor defaults on the contract. Acceptable forms of assurance of completion include:

- Performance and payment bonds each in the amount of 100% of the construction contract. A copy of the form of the payment bond and performance bond, including the Department's Dual Obligee rider must be submitted. A copy of the Form of Dual Obligee Rider is included on the next page.
- Two (2) unconditional, irrevocable Letters of Credit each in the amount of 25% of the construction contract (to assure both completion and payment) and an assurance of completion agreement.

ATTACHMENTS

- Architect's Errors and Omissions
- Builder's Risk
- Contractor's Comprehensive General Liability
- Owner's Hazard and Liability
- Payment Bond and Performance Bond (AIA Document A312-1984)
- Dual Obligee Rider (form provided)
- Evidence of Letter of Credit

FORM OF DUAL OBLIGEE RIDER

TO BE ATTACHED TO A FORM A PART OF Performance Bond and Payment Bond Number [Bond Number] dated concurrently with the execution of this Dual Obligee Rider, issued by the [Name of Surety] as Surety, on behalf of [Name of Principal] as Principal, and in favor of [Name of Obligee].

IT IS HEREBY UNDERSTOOD AND AGREED that the above-described Bonds are hereby amended to include the following paragraphs;

1. The Surety shall not be liable under this Bond to the Obligee, or any of them, unless the Obligee, or any of them, shall make payments to the Principal strictly in accordance with the terms of said contract as to payments and shall perform all the other obligations to be performed under said construction contract at that time and in the manner therein set forth; provided, however, that neither the Principal nor the Surety shall assert a failure by an Obligee to make payments or perform obligations under said contract unless each of the Obligee has been given written notice by either the Principal or the Surety, of any such failure and 15 days opportunity to cure. In the event that the Principal or the Surety gives notice to each Obligee of a failure by any Obligee to make payments or perform obligations under said contract, the Principal's obligation to continue to perform services under said contract shall be stayed unless and until such failure is cured.
2. The aggregate liability of the Surety under this Bond to the Obligee is limited to the penal sum of this Bond.
3. The Surety may, at its option, make any payments under this Bond by check issued jointly to the Owner and the Mortgagees, as their interests may appear.

IT IS FURTHER UNDERSTOOD AND AGREED that except as set forth above, nothing contained herein shall be deemed to change, alter or vary the terms of the above described Bonds.

SIGNED, SEALD AND DATED this [Day] day of [Month], [Year].

[NAME OF PRINCIPAL]

[NAME OF SURETY]

[Signature of Representative]
[Name of Representative]
[Title of Representative]

[Signature of Representative]
[Name of Representative]
[Title of Representative]

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