



# APPLICATION EXHIBIT CHECKLIST

## FOR

# REINVESTMENT AND INNOVATION PROGRAM

**Revised September 9, 2009**

Note: August 25<sup>th</sup> revision added Initial Application #19, past 36 months of utility bills.  
September 9<sup>th</sup> revision attempted to clarify references to Combined Application Tab references on pages 6 & 7 and added Proforma as a submission requirement.

# EXHIBIT CHECKLIST

## REINVESTMENT & INNOVATION PROGRAM

Unless otherwise indicate, **two copies** of each of the following exhibits **MUST** be submitted, if applicable, for Initial Application processing. To indicate each exhibit submitted, place a check mark in the box provided and return a copy of this checklist with two copies of the Reinvestment & Innovation Program Application. Each submitted exhibit must be tabbed with the appropriate corresponding number from the checklist.

√	#	Initial Application Processing Documents
	1	<b>Program Application</b> signed by authorized representative of the owner
	2	<b>Check for Capital Needs Assessment:</b> Indicate whether requesting just a Preservation Capital Needs Assessment or an OSI Green Capital Needs Assessment that includes the required Energy Audit.
	3	<b>Request for consideration of alternative Energy/Green Audit (if applicable).</b> Such request should include the identity and qualifications of the proposed professional provider, a copy of the bid for the proposed Energy Audit outlining the scope of work and delivery date for the final report, and a copy of a similar report prepared by the proposed provider within the last 12 months.
	4	<b>Good Faith Effort to Syndicate/Obtain Capital Investment:</b> Narrative description (letter or memo) outlining sponsor's efforts to obtain and/or syndicate a credit award or other investment capital. Include information on specific syndicators/investors or lenders contacted, description of any offers considered, and rationale for determining that any offers to refinance and/or recapitalize the development were not feasible or otherwise unreasonable. (See Program Notice for more information.)
	5	<b>Documentation of Owner's Adjusted Basis:</b> Provide an original letter from the CPA that completed the development's most recent certified annual audit that identifies the ownership entities adjusted basis as of the end of the most recently completed tax year.
	6	<b>Site Information</b> – Proposal address, preliminary site plan, and a USB flash drive or CD containing pictures of the interior and exterior of the development in its current condition.
	7	<b>Documentation that Phase I Environmental Assessment</b> has been ordered. While the completed Phase I Environmental Assessment need not be submitted with the initial application package, applicants must submit evidence (executed contract, purchase order, or the like) that a Phase I Environmental Assessment has been ordered. <b><i>Phase I Assessment must be submitted to the Authority no later than October 15, 2009.</i></b>  <b>See Tab D of the Combined Application</b>

8	<p><b>Development Team Information</b> – Please provide copies of the following:</p> <ol style="list-style-type: none"> <li>1. Architects and Builders Licenses. Provide copies of the professional license for the architect and a current Michigan Residential Builders License for the contractor.</li> <li>2. Resumes for all members of the development team without previous MSHDA experience.</li> </ol>
9	<p><b>Initial Scope of Work</b> – Provide a copy of the owner's proposed scope of work.</p>
10	<p><b>Initial Cost Estimate/Bid from Contractor</b> – Provide an estimate of project costs by the contractor; include a description of how firm the pricing is and the timeline for getting firm bids.</p>
11	<p><b>Recent Capital Needs Assessment (if applicable)</b> – Provide a copy of any CNA produced in the last 24 months.</p>
12	<p><b>Rent Schedule</b> – Provide a copy of the development's most recently approved rent matrix indicating unit-by-unit (or unit type) breakdown of allowable rents, existing rent regulations (i.e. HOME, LIHTC, Tax-Exempt Bond, etc.), and current utility allowances. (Reference Tab E and Q)</p>
13	<p><b>Resident Information</b> – Provide a copy of the development's current rent roll and information on the current residents, including lease terms, family size, gross incomes, and unit size, as well as occupancy and turnover data for the previous three years.</p>
14	<p><b>Operating Budget Documents</b> – Please provide copies of the following:</p> <ol style="list-style-type: none"> <li>1. A proposed <b>2010</b> development-operating budget with notes and budget comparables based on existing operations without adjustments for rehab (it is expected that most Reinvestment Projects will take place primarily during 2010); and</li> <li>2. A proposed <b>2011</b> development operating budget with notes. The projected 2011 budget should be based on trended 2010 figures and adjusted, as appropriate, based on the completion of the rehabilitation during calendar 2010.</li> </ol> <p><b>(Tab II)</b></p>
15	<p><b>Temporary Tenant Relocation and Retention Plan:</b> Provide a narrative description of how temporary tenant relocation will be handled and how management will seek to retain current tenants who may otherwise consider leaving as a result of rehabilitation frustrations.</p>
16	<p><b>Leveraged Financing</b> – Updated documentation confirming all other sources of financing identified in the application (if applicable).</p>
17	<p><b>Contractor's Qualification Statement</b> (AIA Document A305) - available from MSHDA upon request.</p>
18	<p><b>Architects Errors and Omissions Professional Liability Insurance</b> - Include both the current certificate of insurance and a copy of the policy. <b>(Tab KK)</b></p>
19	<p><b>Utility information:</b> Provide 36 consecutive months of utility bills for energy consumed by the property (i.e. electricity, natural gas, propane, fuel oil, water/sewer, etc.). Depending on the property, this might also include one or more additional energy sources (e.g. purchased steam, wood, etc.). Identify whether the property is master-metered or individually metered, and who is responsible for which utility costs (property, residents, or a combination of both).</p>

	20	<b>Proforma:</b> Submit a hard copy of the MSHDA provided Reinvestment Program Proforma. In particular, pay special attention to completing the Costs portion of the Proforma as other worksheets within the Proforma can be filled out by MSHDA based on the submitted rent schedules and operating budgets. (Available on the Authority's website within the ARRA section.)
--	----	---

The following exhibits **MUST** be submitted, if applicable, during the Commitment processing phase. To indicate each exhibit submitted, place a check mark in the box provided and return a copy of this checklist with the exhibits. Each submitted exhibit must be tabbed with the appropriate corresponding number from the checklist. **Two copies of all exhibits are required.**

√	#	<b>Commitment Documents</b>
	1	<b>Environmental Assessment</b> – Because the Reinvestment Program will result in a new investment and be secured by a new mortgage lien, developments will be required to provide a new Phase I Environmental Assessment. Depending on the results of the Phase I, a Phase II, Baseline Environmental Assessment, and/or Due Care Plan may be required. To avoid delays in the initial application process, the Authority will accept Phase I reviews during the ongoing processing of Reinvestment Program application rather than at the initial application stage. Environmental Assessments must meet MSHDA standards as outlined in Tab D of the combined application.
	2	<b>Final Scope of Work</b> – Provide a copy of the owner's proposed scope of work.
	3	<b>Trade Payment Breakdown</b> – Please submit <b>four (4) original signed copies</b> of MSHDA's Trade Payment Breakdown form. <b>(Tab AA)</b>
	4	<b>Architectural Plans and Specifications</b> – Rehabilitation proposals require specifications. Plans may be required by the Authority's Chief Architect depending on the proposed scope of work.
	5	<b>Equal Employment Opportunity Plan</b> <b>(Tab F)</b>
	6	<b>Owner-Architect Agreement for Design and Administration Services</b> – Submit fully executed Legal Form 023. (If applicable) <b>(Tab BB)</b>

## INITIAL CLOSING PROCESSING PHASE

The following exhibits **MUST** be submitted, if applicable, during the Closing processing phase. To indicate each exhibit submitted, place a check mark in the box provided and return a copy of this checklist with the exhibits. Each submitted exhibit must be tabbed with the appropriate corresponding number from the checklist. **Two copies of all exhibits are required.**

√	#	Closing Processing Documents
	1	<p><b>Operating Agreements</b> – Three original copies of the following documents are required:</p> <ol style="list-style-type: none"> <li>1. Management Agreement (3 copies)</li> <li>2. Marketing Agreement (3 copies, not required for preservation transactions)</li> <li>3. Power of Attorney</li> <li>4. Certification of Owner and Management Agent (3 copies)</li> </ol> <p>Contact MSHDA's Office of Asset Management for formatted documents.</p>
	2	<p><b>Application for Disbursement (For occupied rehabilitation and preservation proposals only)</b> – An "Application for Disbursement" request with supporting documentation. <b>(Tab JJ)</b></p>

## Application for Reinvestment and Innovation Program

### APPLICATION FILING REQUIREMENTS

**Two copies** of the Reinvestment Program Application and the required exhibits must be submitted.

- All applications will be underwritten to meet the prescribed underwriting standards outlined in the 2009 QAP and in the Tax Exempt and Taxable Lending Parameters. Please see the parameters for further detail.

In addition, please reference Tabs A – NN for related information and/or forms on our website under MSHDA's Combined Application for Rental Housing Programs, including the following:

- "Income Limits & Rent Restrictions by Household Size by County," published by HUD **Tab "E"**
- Section 8 Fair Market and HOME Program Rents **Tab "Q"**
- Preliminary Equal Opportunity Plan Requirements **Tab "F"**

- Sample MOU and Inclusion Plan for Permanent Supportive Housing **Tab “G”**
- Utility Information by County and Region **Tab “V”**
- Capital Needs Assessment **Tab “Z”**
- Owner Architect Agreement **Tab “BB”**
- Modifications to the MSHDA Standards of Design **Tab “DD”**
- Certification by Architect **Tab “HH”**
- Budget Form Documents **Tab “II”**
- Application for Disbursement **Tab “JJ”**
- Requirements for Errors and Omissions Insurance for Architects and Engineers **Tab “KK”**
- Individual Financial Statement **Tab “LL”**
- Marketing Transition Plan **Tab “MM”**

Please note that not all Tabs from the Combined Application will be relevant to all Reinvestment Program transactions.

The form for Individual Financial Statement and the Contractor’s Qualification Statement (AIA Form A305-1986) are available upon request, as are various policy and program statements.

For more information please contact Rental Development and Homeless Initiatives at (517) 373-6880 in Lansing.