

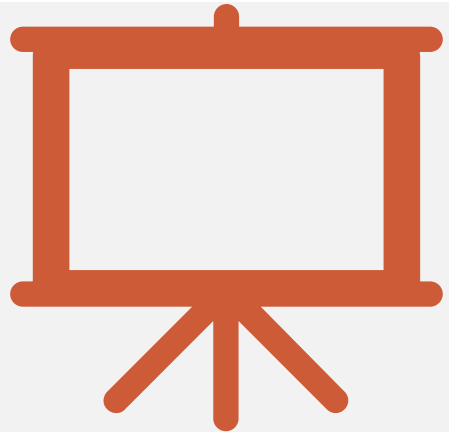


# Rural Rental Housing Preservation Academy

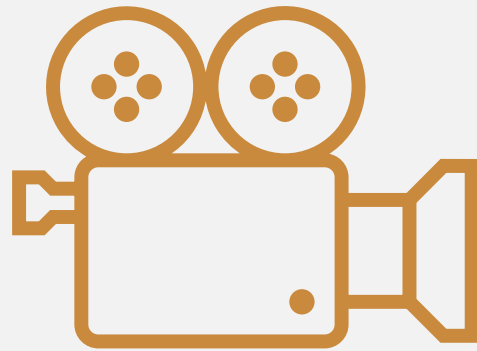
June 4, 2025



# Housekeeping



All registered attendees will receive the slides via email



This session is being recorded. You will receive a copy and it will be posted on the Enterprise website



We will answer questions throughout the presentation. Please submit them using the Q&A, chat or raise hand function



The link to register for upcoming sessions will be shared

# LAND ACKNOWLEDGMENT

## MISSION AND VISION

# Enterprise Community Partners

### OUR VISION

A country where home and community are steppingstones to more.

### OUR MISSION

To make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all. We focus on three pillars:

- Increase Housing Supply
- Advance Racial Equity
- Build Resilience and Upward Mobility

Unmatched **breadth, scale and expertise** across the entire spectrum of affordable housing...



...creating a positive feedback loop that does it **all under one Enterprise roof.**

# Team: Building Resilient Futures



**Mary Ayala**

DIRECTOR

MULTIFAMILY OUTREACH – BUILDING  
RESILIENT FUTURES

ENTERPRISE COMMUNITY PARTNERS



**Kiera Quigley**

SR. PROGRAM OFFICER,  
DECARBONIZATION – BUILDING RESILIENT  
FUTURES

ENTERPRISE COMMUNITY PARTNERS



**Building Resilient  
Futures Team**

Enterprise Green Communities, Climate Risk  
Reduction, Equitable Decarbonization, Policy  
& Advocacy, and Power Forward Communities  
- GGRF

ENTERPRISE COMMUNITY PARTNERS



An aerial photograph of a suburban neighborhood. The image shows a grid of streets with houses, lawns, and trees. A winding road runs along the right side of the image. The houses are mostly single-story with various roof colors. There are many green trees scattered throughout the neighborhood. A semi-transparent orange banner is overlaid on the top left portion of the image, containing white text.

**Buildings are responsible for  
nearly 40% of total green house  
gas emissions in the US.**

USEPA 2023





**Energy burden refers to the percentage of household income spent on energy costs, such as electricity and natural gas bills.**

**A household that spends more than 6% of its income on energy bills is considered to have a high energy burden.**

---

**25%**

OF U.S.  
HOUSEHOLDS

**67%**

OF LOW-  
INCOME  
HOUSEHOLDS

## BACKGROUND

# Energy Burden in Rural Communities

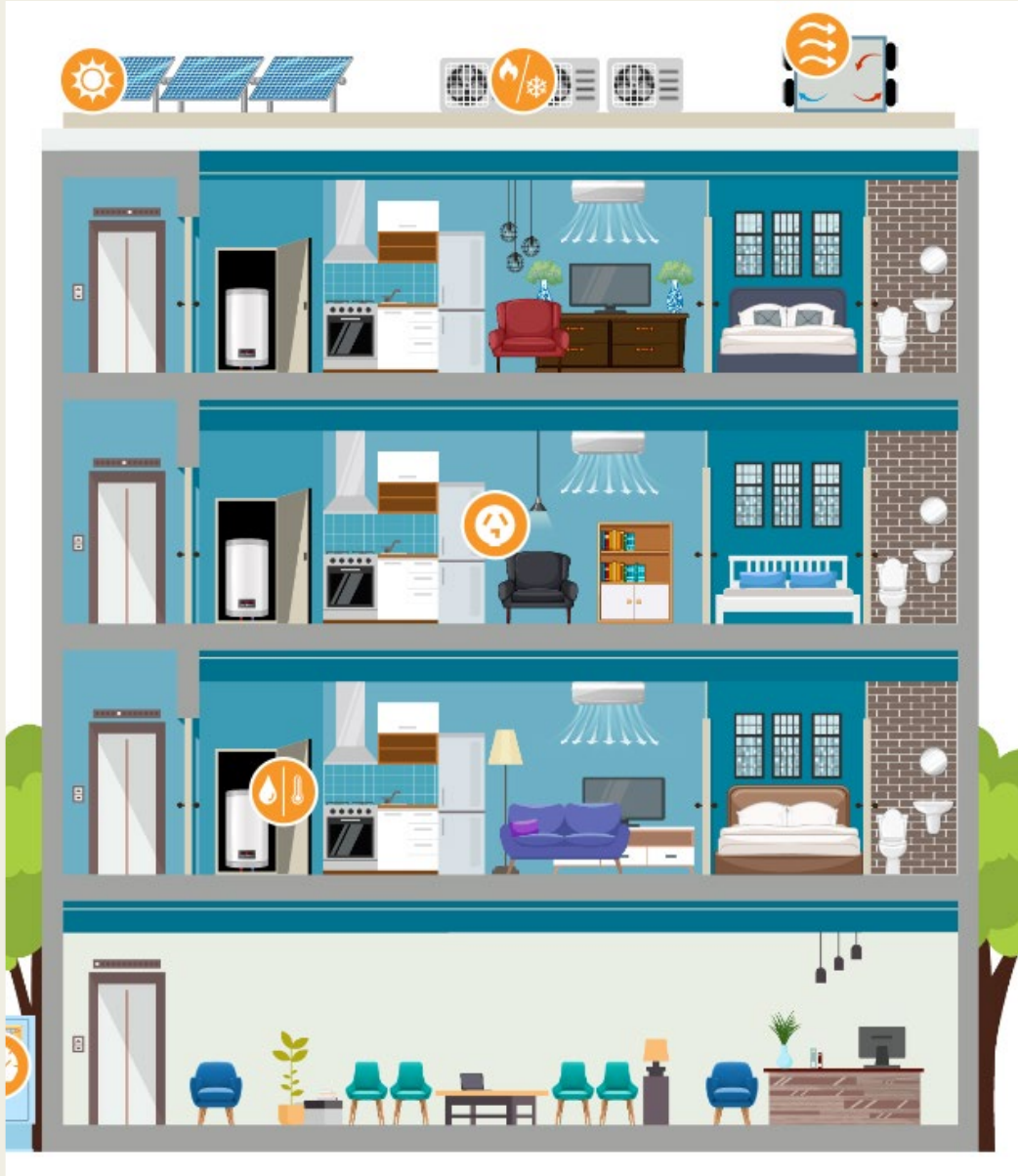
- Rural households throughout the US have a higher median energy burden than their overall region.
- Low-income, Black, and Hispanic households face higher energy burdens than the average household.
- Energy burden is tied to greater risk of respiratory disease, stress, and economic hardship.

Source: ACEE

| TABLE 7. NATIONAL MEDIAN RURAL ENERGY BURDEN BY DEMOGRAPHIC |                               |       |
|---|-------------------------------|-------|
| Demographic   |                               | Rural |
| Total   | Rural households              | 4.4%  |
|   | Metropolitan households       | 3.1%  |
| Income  | Low-income (<200% FPL)        | 9.0%  |
|   | Non-low-income                | 3.1%  |
| Housing type  | Manufactured                  | 5.8%  |
|   | Small multifamily (2–4 units) | 4.9   |
|   | Large multifamily (5+ units)  | 4.6%  |
|   | Single-family                 | 4.1%  |
| Age   | Elderly                       | 5.6%  |
|   | Non-elderly                   | 3.9%  |
| Housing tenure  | Renters                       | 5.3%  |
|   | Owners                        | 4.1%  |
| Race  | Nonwhite                      | 5.1%  |
|   | White non-Hispanic            | 4.3%  |







**Decarbonization is the reduction or elimination of greenhouse gas emissions from a system or process, such as building operations, mitigating the impact a building has on climate change.**

**Decarbonization strategies create a safer and healthier living environment and can lower operating and energy costs over time.**

# Decarbonization Strategies

|   |                   |   |
|---|-------------------|---|
| 1 | Energy Efficiency | Measures that lead to less energy use, including envelope improvements, system efficiency upgrades, or smart technologies.                                    |
| 2 | Electrification   | Replace fossil fuel building systems with electrified counterparts, including replacing boilers, gas stoves, or gas water heaters with electric alternatives. |
| 3 | Renewables        | Ensure power is generated by renewable sources such as on-site or community solar.  |



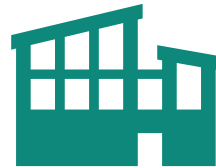
# Decarbonizing in Different Scenarios



## New Construction

For new construction, decarbonization strategies can be integrated from the beginning.

It is typically the most cost effective and yields the largest cost savings



## Retrofits

Must consider existing building conditions, impact on existing residents, and balance the emissions and costs of using existing systems vs. replacing with new.

Consider an over-time approach



## Portfolio Level

Similar considerations to the retrofit

Allows you to select a starting point where there is the highest need

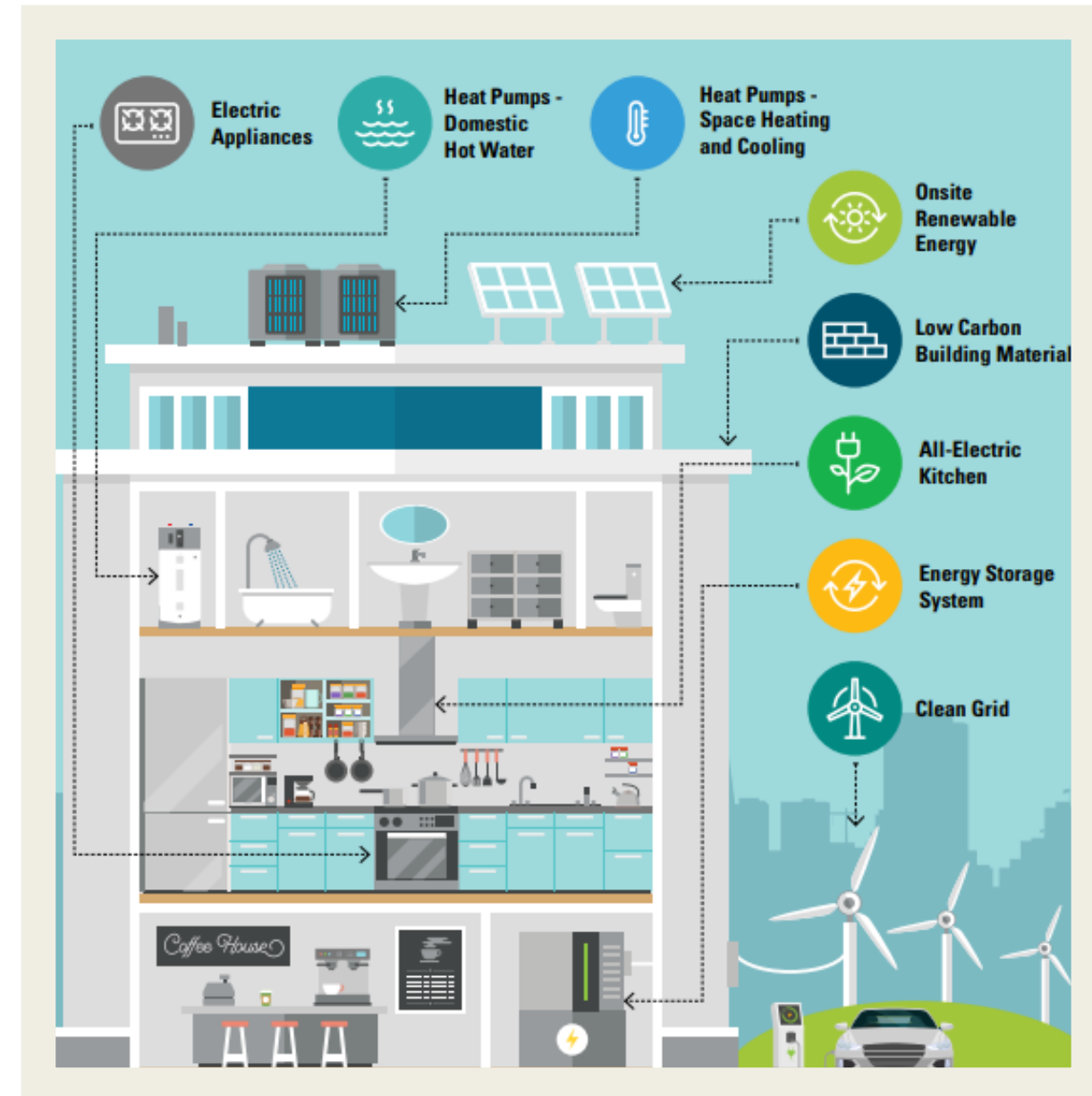
Consider if a property-by-property, goal-driven, or strategy-type approach is right for you

# Multi-Family Building Systems

Example systems and strategies to target for decarbonization strategies. Costs and savings will vary on your geography and existing conditions.

| BUILDING SYSTEM | STRATEGY                     | EXPECTED COSTS | EXPECTED ENERGY COST SAVINGS |
|-----------------|------------------------------|----------------|------------------------------|
| Envelope        | Roof Insulation              | \$\$           | \$\$                         |
|                 | Windows and Doors            | \$\$\$\$\$     | \$\$\$                       |
|                 | Air Sealing & Weatherization | \$             | \$\$                         |
|                 | Exterior Wall Insulation     | \$\$\$\$\$     | \$\$\$\$                     |
| HVAC            | Electrify Heating            | \$             | \$\$\$\$                     |
|                 | Pipe Insulation              | \$             | \$                           |
| Water Heating   | Electrify hot water heating  | \$\$           | \$\$                         |
|                 | Plumbing fixture upgrades    | \$             | \$\$                         |
| Electric Loads  | Appliance Upgrades           | \$\$           | \$                           |
|                 | Electrical stove             | \$\$\$\$       | \$                           |

Source: Decarbonization Roadmap for Multifamily Housing, Building Energy Exchange



Source: The Building Decarbonization Practice Guide, William J Worthen Foundation



# Zero-Over-Time Approach

- A phased approach to decarbonization, often called Zero-Over-Time, may be beneficial when upgrades are needed, but re-financing events are years away
- This approach allows building owners to sequence upgrades at a manageable pace
- Often, this approach prioritizes immediate-impact retrofits that pay back in the short term, while planning for larger retrofits to align with building life-cycle events, such as equipment upgrades
- Enterprise Green Communities' new Zero-Over-Time Standard positions developers to plan for deep energy retrofits over the course of 20 years or less



# Long-term Planning – The Timeline

## 4-10 YEARS

- Phase 2 priorities based on equipment end of life or cost saving opportunities.
- Ideally starts to integrate infrastructure upgrades and renewable energy production

## 1-3 YEARS

- Immediate actions based on initial retrofit plans and most cost-effective measures.
- Prioritizes energy load reduction.
- Energy efficiency first.

## 11- 20 YEARS

- Long term priorities that result in reaching optimal energy and cost saving goals.
- Connects renewable energy production to offset electrically fueled equipment.
- Track performance of equipment and usage goals



# Considerations

## Contractor Availability and Training

- Finding a qualified local contractor and other experienced consultants can be more difficult in rural communities
- Partnering with local workforce development initiatives can help address this in the long-run

## Upfront Costs

- **This is a larger consideration in existing building**
- **Check for incentives, consider financing while taking into account energy savings**
- Consider a phased approach

## Existing Conditions

- **Competing priorities or higher priority items**

## Resident needs

- Utility costs may increase if cooling is introduced or electric rates are not favorable
- **Displacement** during construction

# Funding



STATE OR LOCAL  
INCENTIVES OFFERED  
THROUGH THE  
GOVERNMENT OR  
UTILITIES (E.G., REBATES,  
INCENTIVES, OR REDUCED  
RATES)



FEDERAL PROGRAMS  
(IRA, HUD, DOE)



GRANTS (E.G., PILOT  
FUNDING, CAPACITY-  
BUILDING, BRIDGE  
FUNDING)



COMMUNITY  
DEVELOPMENT  
FINANCIAL INSTITUTIONS  
(FLEXIBLE LOANS,  
TECHNICAL ASSISTANCE,  
PREFERENTIAL  
FINANCING FOR GREEN  
UPGRADES)



LOW-INCOME HOUSING  
TAX CREDITS (MAY  
ENCOURAGE  
DECARBONIZATION OR  
GREEN FEATURES)

## CASE STUDY

# 556 23rd Apartments – Ogden, UT

## Background

- 28-unit affordable housing property
- Existing electric resistance heating system
- Residents complained of high utility costs and limited floor space in apartments

## Retrofit Approach

- Upgraded insulation
- Installed LED lighting
- Added programmable thermostats
- Replaced existing heating system with high-efficiency, high wall-head heat pumps

| Project Cost | Utility Cash Rebate | Annual Electricity Savings | Annual Utility Savings | Project Payback |
|--------------|---------------------|----------------------------|------------------------|-----------------|
| \$119,596    | \$39,278            | 130,926 kWh                | \$15,056               | 5 years         |



# Decarbonization Resources

Below are a series of resources and tools to help enable communities to implement beneficial decarbonization strategies.

|   |  |
|---|--|
| <a href="#"><u>Affordable Housing Decarbonization Hub</u></a>                       | This online resource hub brings together a broad array of tools and information – from the basics of understanding decarbonization to finding and accessing financial resources.                                     |
| <a href="#"><u>The Multifamily Portfolio Carbon Emissions Roadmap Tool</u></a>      | This free tool helps multifamily portfolio owners set portfolio targets for decarbonization and develop a list of prioritized decarbonization strategies.  |
| <a href="#"><u>SAHF Resident Benefits Fact Sheets</u></a>                           | Intended to serve as a resident engagement tool, these fact sheets introduce residents to various types of building upgrades, what to expect, and some key benefits that result from the energy efficiency upgrades. |
| <a href="#"><u>Database of State Incentives for Renewables &amp; Efficiency</u></a> | DSIRE is a database of incentives and policies that support renewables and energy efficiency in the United States.   |
| <a href="#"><u>Colorado Multifamily Affordable Housing Electrification Hub</u></a>  | This website provides in-depth technical explainers on the various systems that can be electrified in affordable multifamily buildings, as well as a funding/financing database and case studies.                    |

# Where Should I Start?

## Planning Journey

*A flexible approach for affordable housing developers to support planning their approach to decarbonization.*



# Reach out!

Mary Ayala

[mayala@enterprisecommunity.org](mailto:mayala@enterprisecommunity.org)

Kiera Quigley

[kquigley@enterprisecommunity.org](mailto:kquigley@enterprisecommunity.org)

Join our focus groups:

June 5, 1 pm ET (new to decarbonization)

June 6, 1 pm ET (already implementing)



# Q&A



# USDA RD Transfer Application

Construction Documents

# Stages of USDA Transfer Application Process

There are four stages to the approval process to know

## Stage 0 – Prepare

Unofficial, critical stage

- Concept call with USDA
- Request MFIS Reports
- Order appraisal
- Order C.N.A.'s; have As-Is C.N.A. reviewed w/ SOW
- Review 504 Plan; review and ensure current
- Plan SOW; start plans and specs
- Cost Estimate; involve GC
- Draft GC and Architect Contracts

## Stage 1 – Processing

### Initial Application Submission

All items to 7-B-1 submitted via CloudVault simultaneously.

Review will not begin until all items have been received.

Additionally, approved items are needed before Stage 2 – UW

- Appraisal
- C.N.A. (As-Is and Post)

Must submit SOW, Plans, Specs, AIA Contracts (drafts), & mgmt. documents for review.

## Stage 2 - Underwriting

### Underwriting review of Preliminary Assessment Tool (PAT)

Final review of the following:

- Operating expenses
- Rent levels
- Reserve requirements
- Tenant Protection Account
- Insurance
- Cost estimate
- Third party financing terms
- Third party loan documents
- Total Development Costs
- Narratives
- Letter of Conditions

## Stage 3 – Closing/OGC

Closer will be assigned and work with OGC to close.

Closer will prepare closing package for OGC review.

OGC will review:

- Organizational documents
- Third party loan documents
- Intercreditor Agreements
- Subordination Agreements
- Attorney Opinions

Upon approval OGC will issue the Closing Instruction and provide Agency Loan documents to close.



# Initial Application vs. Complete Application

Keep in mind that although you can read and refer to section 7-B-1 in Chapter 7, this does not signify a “Complete Application.” Additional guidance and materials must be submitted in accordance with Handbook 1924 - Construction Guide and Handbook 1970 – Environmental Guide.

## Chapter 7 – 3560; 7-B-1 Initial Application

- ❖ Basic deal items listing 45 checklist items.
- ❖ All items must be in final form and executed.
- ❖ Electronic signatures are okay.
- ❖ Label each item according to the number referenced when submitting.
- ❖ Do not submit piecemeal. Instead submit all completed items at one time. Review does not begin until all items have been received.

## Handbook 1924-A Construction Requirements

- ✓ Explains the various approaches to General Contractor and Borrower methods
- ✓ Requirements for GC Contracts
- ✓ Requirements for Architect Contracts
- ✓ Attachments to AIA Documents
- ✓ Development Standards
- ✓ Inspection Responsibilities
- ✓ Drawings, Specs, P&P Reqs., etc.

## Handbook 1970 Environmental Requirements

- Outlines Environmental Policies
- NEPA – National Environmental Policy Act of 1969
- 1970-B NEPA Categorical Exclusions (CATEX)
- If no footprints are moved or added on an existing 515; a CATEX is not required (subject to Agency review).
- If 538 Loan is involved, a NEPA is required.

**MFH\_515\_514\_516\_CONSTRUCTION DOCUMENT SUBMITTALS****Agency Use Only****For 515, 514, and 516 Multi-Family Housing Substantial Rehabilitation or New Construction**

| <b>Prior to Construction Submittals</b>   |  |  |
|---|--|--|
| <b>1</b>  | <b>Capital Needs Assessment (CNA)</b>                      | <b>MFH to confirm when CNA is required; 7 CFR 3560.103; 3560.406</b> |
| <b>2</b>  | <b>Architectural Services Agreement (ASA)</b>              | <b>7 CFR 1924.13(a)</b>  |
| <b>3</b>  | <b>Preliminary Design and/or Scope of Work</b>             | <b>7 CFR 3560.58-60</b>  |
| <b>4</b>  | <b>Construction Documents- Drawings and Specifications</b> | <b>7 CFR 1924.5; 1924.13</b>   |
| <b>Project Delivery Method: Choose ONE method 5, 6, 7 or 8 (only ONE method will apply per project): 7 CFR 1924.13 (3)(1)</b> |  |  |
| <b>5</b>  | <b>Contract Method: Competitive Bid</b>                    | <b>7 CFR 1924.13 (e)(1)(i)</b>                                       |
| <b>6</b>  | <b>Contract Method: Negotiated Contract</b>                | <b>7 CFR 1924.13 (e)(1)(vii)</b>                                     |
| <b>7</b>  | <b>Exception to Contract Method- Public Body</b>           | <b>7 CFR 1924.13 (e)(1)(viii)</b>                                    |
| <b>8</b>  | <b>Owner-Builder Method</b>                                | <b>7 CFR 1924.13 (e)(2)</b>  |
| <b>9</b>  | <b>Preconstruction Conference</b>                          | <b>7 CFR 1924.6(a)(11)(1)</b>  |
| <b>Construction Monitoring Submittals</b>   |  |  |
| <b>10</b>   | <b>Monthly Payment Estimate &amp; Application</b>          | <b>7 CFR 1924.6(12); 1924.13(3)(1)(iv)</b>                           |
| <b>11</b>   | <b>Change Orders</b>                                       | <b>7 CFR 1924.10</b>   |
| <b>12</b>   | <b>Closeout Documents</b>                                  | <b>7 CFR 1924.6(a)(12)(vi); 7 CFR 1924.13(a)</b>                     |

# Application Documents

Items below not in 7-B-1, but listed on internal RD checklist

- 47. Construction Documents - Architectural Services Agreement
  - Include Guide 4, Attachment 1 (Attachment to B101, Agreement Between Owner and Architect)
- 48. Construction Documents - Preliminary Design and/or Scope of Work
  - Narrative/bullet points describing the project scope
- 49. Construction Documents - Drawings and Specifications
  - See project manual guidance for items to prepare before Closing Phase
- 50. Construction Documents - Project Delivery Method
  - Typically Competitive Bid or Negotiated Contract
    - Include draft contract with General Contractor
    - Include Guide 1 Attachment 6 (Attachment to A101, Owner-Contractor Agreement)





## MFH\_515\_514\_516\_PROJECT MANUAL FRONT END DOCUMENTS

### Applicant Use

Following is a list of Bidding & Contract Documents which are to be included in the Project Manual for Rural Development Assisted Architectural Projects. A complete listing of Documents & Forms shall be included in the TABLE OF CONTENTS of the Project Manual, which is prepared by the Architect of Record. AIA Documents are to be provided by the Project Architect, in accordance with copyright laws.

| Item   | Document  |
|--|---|
| Plan Certification   | Form RD 1924-25 Plan Certification  |
| Advertisement for Bids <sup>1</sup>  | RD Instruction 1924-A, Guide 1, Attachment 1  |
| Instructions to Bidders <sup>1</sup>   | AIA Document A701-1997 or current edition   |
| Attachment to Instructions to Bidders <sup>1</sup>   | RD Instruction 1924-A, Guide 1, Attachment 2  |
| Bid Form <sup>1</sup>  | RD Instruction 1924-A, Guide 1, Attachment 3  |
| Bid Bond <sup>1</sup>  | RD Instruction 1924-A, Guide 1, Attachment 4  |
| Equal Opportunity Agreement Owner  | Form RD 400-1 signed by owner, identifies EOC requirements for contractor                           |
| Notice to Contractor and Applicant   | Form RD 400-3 (completed by RD loan specialist and provided to contractor)                          |
| Compliance Statement   | Form RD 400-6 (current form)  |
| Notice of Award  | RD Instruction 1924-A, Guide 1, Attachment 5  |
| Owner Contractor Agreement   | AIA Document A101 or approved alternate AIA agreement   |
| Attachment to Owner/Contractor Agreement   | RD Instruction 1924-A, Guide 1, Attachment 6  |
| Certificate of Owner's Attorney  | RD Instruction 1924-A, Guide 1, Attachment 7  |
| Payment Bond   | RD Instruction 1924-A, Exhibit F (or AIA with rider)  |
| Performance Bond   | RD Instruction 1924-A, Exhibit G (or AIA with rider)  |
| Notice to Proceed  | RD Instruction 1924-A, Guide 1, Attachment 9  |
| General Conditions of the Contract   | AIA Document A201-2017  |
| Attachment to the General Conditions of the Contract   | RD Guide 1, Attachment 10   |
| Lobbying Certification   | Certification for Contracts Grants & Loans (if fee amount exceeds \$100,000) RD 1940-Q, Exhibit A-1 |
| Application & Certificate for Payment  | Form RD 1924-18 or AIA Document G702/G703   |
| Contract Change Order  | Form RD 1924-7 or AIA G701  |
| Consent of Surety to Final Payment   | AIA Document G707   |
| Release of Liens   | Form RD 1924-9 or equivalent AIA Document with attached liens                                       |
| Release of Claimants   | Form RD 1924-10 or equivalent AIA Document with attached liens                                      |
| Builder's Warranty   | Form RD 1924-19   |
| Construction Sign Detail   | Rural Development template  |
| Labor Standards Provisions <sup>2</sup>  | RD Instruction 1940-C, Exhibit A  |
| Davis Bacon-DOL Wage and Hour Division <sup>2</sup>  | If applicable - Form wh-347 or approved alternate.  |
| Wage Rate Determination <sup>2</sup>   | Department of Labor   |
| <b>Notes:</b> <ol style="list-style-type: none"> <li>May be omitted when an exception to the competitive bidding requirements is granted or competitive bidding not required- must be confirmed with MFH Loan Specialist.</li> <li>Used in Contracts with Davis Bacon Wage rates when required by funding type.</li> </ol> |   |

| Name  | Description |
|---|-------------|
| 1924a-Exhibit F Payment Bond.pdf            |             |
| 1924a-Exhibit G Performance Bond.pdf        |             |
| Form RD 1924-10 Release by Claimants (r...  |             |
| Form RD 1924-13.pdf                         |             |
| Form RD 1924-16 Record of Precon.pdf        |             |
| Form RD 1924-18 Partial Payment Estima...   |             |
| Form RD 1924-19 Builder Warranty.pdf        |             |
| Form RD 1924-25.pdf                         |             |
| Form RD 1924-5 Invitation to Bid.pdf        |             |
| Form RD 1924-7 Change Order.pdf             |             |
| Form RD 1924-9 Release of Liens (rev 10-... |             |
| Form RD 1924-9-FMI.pdf                      |             |
| Form RD 3560-30.pdf                         |             |
| Form RD 3560-31.pdf                         |             |
| Form RD 400-1 Equal Opportunity Agree...    |             |
| Form RD 400-3.pdf                           |             |
| Form RD 400-6 Compliance Statement re...    |             |
| Guide 1 Attachment 1 Ad to Bid.pdf          |             |
| Guide 1 Attachment 10 1924-A Guide A201...  |             |
| Guide 1 Attachment 2 1924-A Guide A701...   |             |
| Guide 1 Attachment 3 Bid Form.pdf           |             |
| Guide 1 Attachment 4 Bid Bond.pdf           |             |
| Guide 1 Attachment 5 NOA.doc                |             |
| Guide 1 Attachment 5 NOA.pdf                |             |
| Guide 1 Attachment 6 1924-A Guide A101-...  |             |
| Guide 1 Attachment 7 Owner Attorney.pdf     |             |
| Guide 1 Attachment 9 NTP.pdf                |             |
| Guide 4 Attachment 1 1924-A Guide B101-...  |             |
| RD 1940-Q Exhibit A-1.pdf                   |             |
| RD 1940-Q Restrictions on Lobbying.pdf      |             |
| RDConstructionSignLandscape-Biden-Vils...   |             |
| wh347_Payroll Certification.pdf             |             |

## Contract Methods

- **Chose only one per project.**

1. Competitive Bid      7 CFR 1924.13 (e)(1)(i)
2. Negotiated Contract      7 CFR 1924.13 (e)(1)(vii)
3. Exception to Contract Method – Public Body  
7 CFR 1924.13 (e)(1)(viii)
4. Owner Builder Method      7 CFR 1924.13 (e)(2)

## **Construction Monitoring Documents**

Construction Monitoring is critical during construction.

All draws must be approved through the Agency and any other funders before disbursements are allowed.

- Monthly Payment Estimate & Application
- Change Orders
- Closeout Documents

# Questions?





# REGISTER FOR OUR NEXT SESSION

