

2009 MULTIFAMILY SOLAR FUNDING PILOT
PROGRAM GUIDELINES
New Jersey Housing and Mortgage Finance Agency
June 18, 2009

<p>Program Overview</p>	<p>The 2009 Multifamily Solar Funding Pilot provides a 0% loan to eligible affordable multifamily building owners for the installation of solar photovoltaic (PV) renewable energy systems.</p> <p>Applications will be reviewed based upon date of receipt of a complete application, as indicated in program application instructions, with all supporting documentation as determined by NJHMFA at its sole discretion.</p> <p><i>Rents paid by tenants shall not increase as a result of this program.</i></p>
<p>Eligible Applicants</p>	<p>Eligible applicants must meet all of the following:</p> <ol style="list-style-type: none"> (1) Own a multifamily building (5 units or more) that has an existing primary permanent mortgage (First Mortgage) with NJHMFA or has a proposed rental housing project to be constructed or renovated with an NJHMFA primary permanent mortgage (First Mortgage) (2) Agree to extend affordability controls on any income-restricted units for an additional 15 years (3) Certify that the applicant has no outstanding state or federal tax liens (4) Will start construction within 60 days of the award of this solar loan (5) Will pass final inspections of the solar PV system within (1) 12 months for projects that have an existing primary permanent mortgage with NJHMFA; (2) 24 months for projects that are applying for a new primary permanent mortgage with NJHMFA; and (3) within the time frame needed to meet ARRA federal and state funding deadlines <p>No application for this Pilot will be considered or approved if the applicant, any of its principals, any entity controlled by the applicant, any affiliates or any guarantor of an applicant's obligations:</p> <ul style="list-style-type: none"> • Is in default or in violation of any obligation to NJHMFA; or • Has been more than 60 days delinquent on any loan with NJHMFA in the past year or has been issued a notice of default or regulatory violation in the last six (6) months, unless an approved payment or workout plan is in place and in good standing; or • Was the owner of a NJHMFA financed property upon which NJHMFA filed a foreclosure complaint and obtained a judgment in foreclosure.
<p>Eligible Property</p>	<p>Eligible buildings must meet all of the following requirements:</p> <ol style="list-style-type: none"> (1) A roof that is structurally sound, has no leaks and is less than 10 years old (2) Have sufficient space to accommodate and install equipment in meter room and at least 20 kW solar panels on the roof (3) Will install at least 20 kW of solar renewable energy (4) Have at least 20 kW of common area electric loads – excluding exterior site lighting (5) Must be either ENERGY STAR certified, have participated in a State / Utility energy efficiency program in the last 10 years, or have implemented energy efficiency improvements within the last 10 years, with measureable results and data (6) Have no outstanding health and safety issues, even if there is an NJHMFA approved plan in place to correct the issues
<p>Solar Fund Terms and Repayment</p>	<p>In closing this loan, the applicant shall comply with NJHMFA's standard closing requirements. Solar Renewable Energy Certificates (SREC) shall be assigned to NJHMFA for 15 years, as repayment. The loan shall be based on expected SREC production for 15 years – at a maximum of \$400 / SREC. Expected SREC production shall be calculated using the free, online PV Watts tool developed by the National Renewable Energy Laboratory (found at http://rredc.nrel.gov/solar/codes_algs/PVWATTS/version1/).</p> <p>Applicants must participate in either of the following NJ Clean Energy Programs (www.njcleanenergy.com): the Renewable Energy Incentive Program or the SREC-only Pilot Program</p>

Maximum Solar Funding Amount	The sum of the NJHMFA Multifamily Solar Loan, Federal Incentives and NJ Clean Energy Program Incentives shall not be greater than the total cost to install a solar PV system. Specifically, the size of the NJHMFA Multifamily Solar Loan will not be more than what is needed to cover costs not addressed through Federal and NJ BPU Clean Energy Program Incentives; while NJHMFA will still collect all project SRECs for 15 years.
Leveraging	Eligible for-profit applicants shall apply for Federal Business Energy Investment Tax Credits / Renewable Energy Grants. Eligible applicants shall apply through the NJ Clean Energy – Renewable Energy Incentive Program
Eligible and Ineligible Uses of Solar Funds	Eligible uses of the Solar Funds are: <ul style="list-style-type: none"> • to reimburse the applicant for the cost of an independent engineering review and creation of bid specifications • solar PV equipment costs, labor, insurance during construction, and construction permits • structural roof work needed to support a solar PV system • the cost of a maintenance contract for the life of funding <u>OR</u> a set-aside of funds for annual maintenance and future inverter replacement • monitoring system Ineligible uses of the Solar Fund include: <ul style="list-style-type: none"> • roof replacement • structural upgrades not associated specifically with solar PV installation • insurance after construction
Bidding and Maximum Allowed Pricing	Applicants shall seek three (3) competitive bids prior to commitment of funds and follow established NJHMFA Property Management procedures for upgrades to existing buildings. The maximum cost is set at \$11/watt and will be subject to individual review and approval by NJHMFA.
Repair and Replacement Funds	If participating in the Multifamily Solar Funding Pilot <u>and</u> if NJHMFA determines that there are surplus project funds; then Repair and Replacement funds can be used to install the solar PV system.
Future Financing	Should the applicant apply for NJHMFA rehabilitation or preservation re-financing in the future – projected utility expenses will be lowered to reflect savings garnered through the installation of a solar PV system.
Program Funding, Monitoring and Reporting Requirements	The NJ Green Homes Office at NJHMFA will monitor funds received and expended for the Multifamily Solar Funding Pilot. Applicant shall comply with all State and Federal reporting and funding requirements, such as Davis-Bacon, etc. All applicants must participate in the NJ Green Homes Office’s Energy Benchmarking project. This shall include (1) signing data release forms for all meters, utilities, and sub-utilities; (2) assisting in the gathering of utility release forms from tenants; and (3) providing building data as needed.