

ILLINOIS ENERGY EFFICIENT AFFORDABLE HOUSING CONSTRUCTION PROGRAM

REQUEST FOR APPLICATIONS

Energy Efficient Residential Construction
-New and Rehab-

JUNE 2009

ILLINOIS ENERGY EFFICIENCY PORTFOLIO

ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY
BUREAU OF ENERGY AND RECYCLING
620 EAST ADAMS STREET
SPRINGFIELD, ILLINOIS 62701

Pat Quinn
Governor



Warren Ribley
Director



1.1 Purpose. The Illinois Department of Commerce and Economic Opportunity (the Department) is soliciting applications from Illinois based non-profit and for-profit affordable housing developers who are interested in receiving available grant funds through the *Illinois Energy Efficient Affordable Housing Construction Program* to help offset additional costs for including energy efficient building practices in residential construction. The program will support implementation of cost-effective energy efficiency measures that help meet annual energy savings targets. Implementing such measures will also enhance economic development in the State of Illinois through job creation and business development.

1.2 Authority. The Department is authorized by 20 ILCS 1105/3 to administer for the State any energy programs and activities under federal law, regulations or guidelines. The funding source for the *Illinois Energy Efficient Affordable Housing Construction Program* is the Illinois Energy Efficiency Trust Fund (20 ILCS 687/6 *et seq.*) and the Energy Efficient Portfolio (220 ILCS 5/12-103). The Department is authorized by the Energy Efficiency Section of the Public Utilities Act (220 ILCS 5/12-103) to administer a portion of the Illinois Energy Efficiency Portfolio (“EEP”). The statute provides funding for the EEP and sets certain statutory requirements to meet incremental annual energy savings goals, procure a minimum percent of the portfolio from local government, schools, and community colleges, and target low income households proportionate to their share of annual utility revenues. This program is one component of the Department’s total portfolio of measures to meet its obligations under the Act. Funding levels are determined each year by the Department under a plan approved by the Illinois Commerce Commission. The Department reserves the right to limit the total amount of funding for this program in any given fiscal year.

1.3 Definitions. The terms used in this document have the meanings set forth below. Words and terms not defined here, if defined in the Environmental Protection Act (415 ILCS 5), will have the meanings as defined therein.

“Act” means the Public Utilities Act.

“Applicant” means non-profit and for-profit affordable housing developers proposing an energy efficiency project in Illinois.

“Application” means a request for EEP or EETF funds by submitting the required information, on the Department’s approved forms and attachments as prescribed in these guidelines.

“Energy Efficiency” means measures that reduce the amount of electricity required to achieve a given end use.

“Entity” means any applicant submitting an application to the Department.

“Grantee” means an entity that has been awarded a grant.

“Performance Period” means the length of time the Grantee is required to operate the project and submit information/data to the Department.

“Project” means an eligible energy project that the Department agrees to fund through the EEP or EETF.

1.4 Background. The U.S. Department of Housing and Urban Development defines housing to be affordable if housing cost is no more than 30 percent of a household's income. Housing cost is defined as rent or mortgage, plus energy costs. Typically, affordable rents and mortgages are achieved by minimizing construction costs. Yet, in an effort to meet this goal, the developer often excludes energy efficiency. The result is housing with affordable rents or mortgages, but unaffordable energy costs. Energy efficient building practices are often excluded from affordable housing projects for two primary reasons. First, developers, architects and builders do not know or understand what constitutes energy efficient building practices. Second, it is a frequent misconception that energy efficient building practices cost too much.

In recognition of these issues, the Department established the *Illinois Energy Efficient Affordable Housing Construction Program*. The goal of the program is to promote the benefits that lower utility bills have on low-income households as a result of living in energy efficient buildings. An integral part of the program is also educating those involved in the development of affordable housing of the various cost effective energy efficient building practices that can be included in building construction.

The Department works with Illinois based affordable housing developers to integrate energy efficient building practices in the rehab and new construction of multi-family and single-family buildings. Grants are provided by the Department to help offset the incremental costs associated with increased energy efficiency.

Energy efficient building practices emphasized under the program include:

1. High Insulation Levels
2. Indoor Air Sealing
3. Controlled Ventilation
4. High Efficiency Heating Systems

A total of 107 multi-family building housing rehab projects (2,260 units) have received energy grants since inception in 1988. Energy grants were also provided for 44 new multi-family buildings (2,210 units) and 1,258 single-family homes.

1.5 Program Objectives. The *Illinois Energy Efficient Affordable Housing Construction Program* has the following objectives:

- Identify electric and gas saving opportunities in affordable housing projects to maximize energy savings.
- Demonstrate the impact that energy efficiency has on creating and maintaining affordable housing as a result of being energy efficient, that is, lower housing costs.
- Educate developers, architects and builders about various energy efficient building measures suitable for residential construction such that they begin using these measures on other projects not receiving grants from the Department.
- Educate affordable housing lending partners as to the benefits of energy efficient buildings.
- Stabilize low-income neighborhoods through energy efficient building rehabilitation and new construction.

For additional information about the *Illinois Energy Efficient Affordable Housing Construction Program*, contact Maureen Davlin, Program Manager, at 217/785-2373 or maureen.davlin@illinois.gov

SECTION 2

GRANT ELIGIBILITY CRITERIA

2.1 Eligibility. This program is open to Illinois based affordable housing developers building or rehabbing single-family, multi-family and Single Room Occupancy (SRO) buildings. Developers must meet the following:

- Projects must be targeted to households at or below 80% Average Median Income (AMI) ¹.
- Applicants will be required to indicate the number of units that will be targeted to households at or below 80% AMI.

Funding under this program may be requested to help offset additional costs of installing measures to meet the energy efficient standards. Applicants may request grant funding for more than one building. Grant applications may be requested at any time.

2.2 Grant Amounts.

REHAB

- Grant amounts of up to \$4,500 per living unit for multi-family buildings.
- Grant amounts of up to \$4.50/ft² of gross living space in SROs for buildings that will result in less than 80 units.
- Grant amounts of up to \$4.25/ft² of gross living space in SROs for buildings that will result in 80 units or more.

NEW CONSTRUCTION

- Grant amounts of up to \$4,000/living unit for new single-family homes.
- Grant amounts of up to \$6,500/building for new duplex construction.
- Grant amounts of up to \$7,500/building for new “3-flat” construction.
- Grant amounts of up to \$8,500/building for new “4-flat” construction.
- Grant amounts of up to \$11,000 for new “6-flat” construction.
- Grant amounts of up to \$4.25/ft² of gross living space in new SROs and new multi-family buildings with less than 80 units.
- Grant amounts of up to \$4.00/ft² of gross living space in new SROs and new multi-family buildings with 80 units or more.

The Department reserves the right to negotiate the grant amount with the grant applicant depending upon availability of grant funds, scope and size of project. The Department reserves the right to modify the grant amounts as needed to fulfill the Energy Efficient Portfolio Standard statutory requirements of based on current market development, technology development, evaluation, measurement and verification (EM&V) results and program implementation

¹ For information on Average Median Income (AMI), see <http://www.huduser.org/datasets/il.html>. Please note that pursuant to SB2150; currently awaiting the Governor’s signature, low income programs shall be targeted to “households at or below 80% of the area median income.” If the bill is not signed into law, the eligibility will revert to “households at or below 150% of the poverty level.”

experience. The Director reserves the right to waive funding limitations and other program parameters. The Director has the authority to implement pilot projects under this RFA.

2.3 Eligible Expenditures. Grant funds are to be used to offset the additional material and labor costs required to include energy efficient measures in residential construction. Eligible expenditures include items such as insulation, upgraded windows, lighting, ENERGY STAR® appliances, materials and labor to include air-sealing work, ventilation systems and upgrades to the heating, air conditioning and domestic hot water systems.

An administrative fee of up to \$750 per grant may be provided to the grant recipient in addition to the grant amount as determined Section 2.2.

2.4 Ineligible Expenditures. All non-living spaces are ineligible to receive program funds. Non-living spaces include, but are not limited to, administrative offices, commercial space and basement space (unless the basement will be finished as living units). Grant funds may not be used to purchase property, pay operating expenses or provide for grant recipient's personnel expenses. Additional architectural and/or engineering services that may be required as a result of meeting these standards are not eligible for funding.

SECTION 3 GENERAL PROGRAM INFORMATION

3.1 Payment Schedule. The payment schedule will be according to the structure shown below. However, the Department reserves the right to determine the appropriate payment structure on a project-specific basis.

- approximately 50 percent upon grant execution and initiation of construction at building site
- interim payments may be negotiated with the Department, subject to appropriations
- remaining grant upon substantial completion of energy measures

3.2 Grant Reporting/Monitoring. Grantees will be required to submit progress reports in accordance with the requirements of the grant agreement. The Department reserves the right to structure reporting requirements on a project specific basis.

As acceptance of the grant, the recipient agrees to assist with an energy consumption analysis for up to three years following occupancy of the building(s). The energy consumption analysis will be conducted by the Department in one of two fashions:

1. Run time meters will be installed on the heating system(s). Grant recipient will provide meter readings to the project manager on a periodic basis over the heating season, or
2. Grant recipient will sign a Fuel Bill Release form (if building is centrally heated) or have the tenants or owners sign Fuel Bill Release forms (if building units are individually heated). If tenants sign Fuel Bill Release forms, recipient agrees to have new tenants sign these forms for a period of up to three years.

The Department Program Manager will monitor the Grantee's compliance with the terms of the grant agreement.

3.3 Freedom of Information Act/Confidential Information. Applications that are funded are subject to disclosure, in response to requests received under provisions of the Freedom of Information Act (5 ILCS 140/1 et seq.). Information that could **reasonably** be considered to be proprietary, privileged or confidential commercial or financial information should be identified as such in the application. The Department will maintain the confidentiality of that information **only** to the extent permitted by law.

3.4 Authority/Approvals. The applicant's signature on compliance statement as set forth in this application is its certification that all authorizations required to perform the project have either been obtained or will be obtained. DCEO has the authority to rescind the grant if project has not begun within 270 days following the grant beginning date set forth in the Notice of Grant Award issued by DCEO.

3.5 Legal Compliance. The applicant must certify on the application that the project complies with all applicable state, federal, and local environmental and zoning laws, ordinances, and regulations and that all permits, licenses, etc., required to perform the project have either been obtained or will be obtained.

3.6 Dissemination of Information/Technology Transfer. Grantees will be contractually required to allow the Department access to the project site and the ability to obtain, publish, disseminate or distribute any and all information obtained from the project (except any data or information that has been negotiated as being confidential or proprietary), without restriction and without payment or compensation by the Department.

3.7 Grant Duration/Performance Period. The grant term/performance period will be determined on a project specific basis. Grantees will be required to certify the project commencement date to the Department. The Agreement may require up to 36 months of performance data following the project occupancy.

3.8 Prevailing Wage Requirements. Grantees are responsible for determining if their projects will trigger compliance with the Illinois Prevailing Wage Act (820 ILCS 130/0.01). The Department will not render a legal opinion as to the applicability of the Prevailing Wage Act to any project. Questions regarding the applicability of Prevailing Wage requirements may be referred to the Illinois Department of Labor at (312) 793-2800 or (217) 782-6206. Attorney General Opinion No. 00-018, which addresses applicability of Prevailing Wage requirements, may be accessed on the Attorney General's Web site at <http://www.ag.state.il.us/opinions/2000/00-018.html>.

3.9 State Not Liable. Grantee shall hold the State of Illinois harmless from any and all claims, demands, and actions based upon or arising out of any services performed by Grantee or by their agents or employees under a grant agreement. The Department, by entering into a grant agreement, does not pledge or promise to pledge the assets of the state nor does it promise to pay any compensation to the Grantee from any moneys of the treasury or the state except such moneys as shall be appropriated and paid to the Grantee by the Department.

3.10 Indemnity. The Grantee agrees to assume all risks of loss and to indemnify and hold the Department, its officers, agents and employees, harmless from and against any and all liabilities, demands, claims, damages, suits, costs, fees, and expenses, incidents thereto, for injuries or death to persons and for loss of, damage to, or destruction of property because of the Grantee's negligence, intentional acts or omissions. In the event of any demand or claim, the

Department may elect to defend any such demand or claim against the Department and will be entitled to be paid by the Grantee for all damages.

3.11 Insurance. The Grantee shall provide Workers' Compensation Insurance or the same, as required, and shall accept full responsibility for the payment of Unemployment Insurance, premiums for Workers' Compensation, Social Security, and retirement and health insurance benefits, as well as all income tax deductions required by law for its employees who are performing services specified by the grant agreement.

3.12 Return of Funds. The Grantee shall return to the Department any and all funds that are determined by the Department to have been spent in violation of the grant agreement.

SECTION 4 SUBMISSION OF APPLICATION

4.1 Application Format/Submittal. An application may be obtained by contacting the Department Program Manager shown below. Applicants are encouraged to discuss the project with the Program Manager prior to submitting their application. A pre-application meeting is highly recommended.

- 4.1.1 Each application submitted under these guidelines must include all of the information required in the grant application documentation set forth in the Appendices.
- 4.1.2 Applications under this program will be accepted on an ongoing basis subject to funding availability.
- 4.1.3 The Department will accept applications at the following address:
Maureen Davlin
Illinois Department of Commerce and Economic Opportunity
Bureau of Energy & Recycling
620 E. Adams Street
Springfield, IL 62701
217/785-2373
maureen.davlin@illinois.gov

4.2 Pre-Application Meeting. Prospective applicants are encouraged to set up a meeting between the Program Manager and the applicant's development team as early in the design process as possible. This meeting should occur before construction documents have been completed. If selected by the grant applicant, the project architect and general contractor should be in attendance. Schematic design drawings, if completed, should be made available to the project manager prior to the meeting.

Various methods for meeting the energy efficiency standards will be reviewed at the meeting. Modifications to the energy standards (Appendices A & B) may be made depending upon type of construction proposed for the development. Typical energy efficient building details and specifications will be made available to the applicant, architect and general contractor for review. Grant amount, payment and reporting schedule will be discussed. Attendance at a pre-application meeting confers no right upon any applicant. The Department is not obligated to

award a grant or to pay any costs incurred by the applicant as a result of the pre-application meeting.

4.3 Application Evaluation. All applications for funding will be reviewed for completeness and for compliance with the EEP statutory requirements by the Program Manager. The Department shall establish an evaluation team that will review the applications based upon the grant application. Applications will also be evaluated on the basis of previous construction experience, costs to include the energy efficient measures, construction start dates and availability of funding.

Upon recommendation by the evaluation team and Division Manager, negotiations between the Department and the applicant shall be authorized. During the negotiation process, the Department Program Manager shall conduct a technical review of the project and offer technical assistance to the applicant to ensure the cost effectiveness of the project. Applicants selected for funding will be those that demonstrate, through the negotiation process, the applicant's ability to integrate energy efficient building measures in building construction or rehab at a reasonable cost while meeting the program's objectives.

4.4 Rejection of Applications. The Department reserves the right to reject any and all applications submitted in response to this RFA. The submission of an application under these guidelines confers no right upon any applicant. The Department is not obligated to award any grants under this program, to pay any costs incurred by the applicant in the preparation and submission of an application, or pay any grant related costs incurred prior to the grant beginning date.

Appendix A
Illinois Department of Commerce and Economic Opportunity
New Residential Construction
Minimum Energy Standards
June 2009

I. Insulation

- Sidewalls R-21 full cavity blown insulation
- Attic R-49
- Foundations
 - Slab-on-grade R-10 full slab & perimeter insulation
 - Basement R-10 exterior or interior foundation insulation
 - Crawl Space (walls) R-10 exterior or interior foundation wall insulation, or
 - Crawl space (floor) R-21

II. Windows

- Double glazed with low-E coating (maximum U-value of 0.35 for window unit)

III. Air Sealing

- All penetrations through shell sealed with caulk or foam
- Seal drywall to framing members on exterior walls
- Caulk base of drywall to subfloor
- Completed units not to exceed 0.5 air changes/hour as measured with blower door

IV. Mechanical

- Furnace Sealed combustion/direct vent, minimum 90% AFUE with an electronically commutated motor or equivalent advanced air handler
- Boiler Sealed combustion/direct vent minimum 88% AFUE
- Water Heater Sealed combustion/direct vent, minimum 62% EF and ENERGY STAR rated or sealed combustion/direct vent 88% for central water heater
- Air Conditioner Minimum SEER 14.0.
- Duct Sealing All duct joints (supply & return) sealed with duct mastic
All ducts and pipes located in conditioned areas

V. Ventilation

- Bathroom exhaust fans must be ENERGY STAR rated
- Bathroom exhaust fans must provide a minimum 75 CFM at 0.25" of static pressure
- Bathroom exhaust fans must have a sone rating no higher than 1.5
- Bathroom exhaust fans must be controlled by a mechanical timer, fan-delay switch or other approved method
- Kitchen exhaust fans must provide a minimum of 150 CFM
- All exhaust fans must vent to outside the building

VI. Appliances

- Refrigerators must be ENERGY STAR rated (if provided)
- Dishwashers must be ENERGY STAR rated (if provided)
- Clothes washers must be ENERGY STAR rated (if provided)

VII. Lighting

- Minimum of 6 interior fluorescent fixtures. All interior fixtures must be fluorescent in units with less than 6 interior fixtures. All common area and exterior lighting to be fluorescent or approved equivalent.

Appendix B Multi-Family Building Rehab Minimum Energy Standards June 2009

I. Insulation

- Sidewalls R-19 full cavity blown insulation
- Attic R-49
- Basements R-19 full ceiling insulation over unconditioned basement
R-10 insulation in basement band joist if basement is heated
(Foundation walls insulated to R-19 if units are located in basement)

II. Windows

- Double glazed with low-E coating (maximum U-value of 0.35 for window unit)

III. Air Sealing

- Exterior drywall installed in subfloor of unit above
- Top of drywall caulked to subfloor and framing members
- Base of drywall caulked to subfloor
- All penetrations through shell sealed with caulk or foam
- Seal drywall to framing members on exterior walls
- Completed units not to exceed 0.5 air changes/hour as measured with blower door

IV. Mechanical

- Furnace Sealed combustion/direct vent, minimum 90% AFUE with an electrically commutated motor or equivalent advanced air handler
- Boiler Sealed combustion/direct vent minimum 88% AFUE
- Water Heater Sealed combustion/direct vent, minimum 62% EF and ENERGY STAR rated or sealed combustion/direct vent 88% for central water heater
- Air Conditioner Minimum SEER 14.0.
- Duct Sealing All duct joints (supply & return) sealed with duct mastic
All ducts and pipes located in conditioned areas

V. Ventilation

- Bathroom exhaust fans must be ENERGY STAR rated
- Bathroom exhaust fans must provide a minimum 75 CFM at 0.25" of static pressure
- Bathroom exhaust fans must have a sone rating no higher than 1.5
- Bathroom exhaust fans must be controlled by a mechanical timer, fan-delay switch or other approved method
- Kitchen exhaust fans must provide a minimum of 150 CFM
- All exhaust fans must vent to outside the building

VI. Appliances

- Refrigerators must be ENERGY STAR rated (if provided)
- Dishwashers must be ENERGY STAR rated (if provided)
- Clothes washers must be ENERGY STAR rated (if provided)

VII. Lighting

- Minimum of 6 interior fluorescent fixtures. All interior fixtures must be fluorescent in units with less than 6 interior fixtures. All common area and exterior lighting to be fluorescent or approved equivalent.

Energy Efficient Affordable Housing Construction Program

Rehab

New Construction

Complete the application shown below and submit to the Program Manager named in Section 4.1 of this RFA. Applications must be completed in their entirety before they will be reviewed. **Grant applications cannot be processed without this complete information. Zip + 4 required!**²

Developer Information

Developer name: _____

Developer address: _____

City: _____ State: _____ ZIP +4: _____ - _____

Name of Chief Executive: _____ Title: _____

Developer phone: _____ / _____ Fax: _____ / _____

Developer e-mail: _____

Name of project contact: _____ Title: _____

Contact phone: _____ / _____ Fax: _____ / _____

Contact e-mail: _____

Developer FEIN Number (9 digit)

Project Information

Multi-Family

Single Family

Project building address: _____

Total number of units: _____

Number of units targeted to households at or below 80% AMI: _____

Project's Electric Utility ComEd Ameren (IP, CIPS, CILCO) Other _____

County in which project is located: _____

Anticipated construction start date: _____ Planned completion date: _____

Architect name, address, phone and contact person: _____

General contractor name, address, phone and contact person: _____

Projects: IL Senate District # _____ IL House District # _____ Congressional District # _____

² <http://zip4.usps.com/zip4/welcome.jsp>

Applicant Certifications

Applicant hereby certifies that:

- The developer will meet grant requirements and program objectives.
- All authorizations required to perform the project, described in its application, have either been obtained or will be obtained no later than 180 days following the grant start date set forth in the Notice of Grant Award issued by the Department.
- The project complies with all applicable state, federal, and local environmental and zoning laws, ordinances, and regulations and that all required licenses, permits, etc., have either been obtained or will be obtained no later than 180 days following a grant award by DCEO.
- It is not in violation of the prohibitions against bribery of any officer or employee of the state of Illinois as set forth in 30 ILCS 505/10.1.
- It has not been barred from contracting with a unit of state or local government as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33 E-3 and 5/33 E-4).
- It is not in violation of the Educational Loan Default Act (5 ILCS 385/3).
- As of the submittal date, the information provided in its application is accurate, and the individuals signing below are authorized to submit this application.
- Projects will be targeted to households at or below 80% of Average Median Income (AMI).

Applicant (signature)

Project Manager (signature)

Typed/Printed Name

Typed/Printed Name

Title

Date

Title

Date

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

| | | |
|---|--|---|
| Print or type See Specific Instructions on page 2. | Name (as shown on your income tax return) | |
| | Business name, if different from above | |
| | Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶ | |
| | Address (number, street, and apt. or suite no.) | Requester's name and address (optional) |
| | City, state, and ZIP code | |
| | List account number(s) here (optional) | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

| |
|--------------------------------|
| Social security number |
| or |
| Employer identification number |

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

| | | |
|------------------|----------------------------|--------|
| Sign Here | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name” line.

Limited liability company (LLC). Check the “Limited liability company” box only and enter the appropriate code for the tax classification (“D” for disregarded entity, “C” for corporation, “P” for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner’s name on the “Name” line. Enter the LLC’s name on the “Business name” line.

For an LLC classified as a partnership or a corporation, enter the LLC’s name on the “Name” line and any business, trade, or DBA name on the “Business name” line.

Other entities. Enter your business name as shown on required federal tax documents on the “Name” line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the “Business name” line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the “Exempt payee” box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|--|--|
| Interest and dividend payments | All exempt payees except for 9 |
| Broker transactions | Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker |
| Barter exchange transactions and patronage dividends | Exempt payees 1 through 5 |
| Payments over \$600 required to be reported and direct sales over \$5,000 ¹ | Generally, exempt payees 1 through 7 |

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account ¹ |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor ² |
| 4. a. The usual revocable savings trust (grantor is also trustee) | The grantor-trustee ¹ |
| b. So-called trust account that is not a legal or valid trust under state law | The actual owner ¹ |
| 5. Sole proprietorship or disregarded entity owned by an individual | The owner ³ |
| For this type of account: | Give name and EIN of: |
| 6. Disregarded entity not owned by an individual | The owner |
| 7. A valid trust, estate, or pension trust | Legal entity ⁴ |
| 8. Corporate or LLC electing corporate status on Form 8832 | The corporation |
| 9. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 10. Partnership or multi-member LLC | The partnership |
| 11. A broker or registered nominee | The broker or nominee |
| 12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.