

THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY
MAKES UP TO \$30 MILLION DOLLARS AVAILABLE
FOR MULTIFAMILY RENTAL HOUSING DEVELOPMENT

Through this application, the Housing Finance Authority of Pinellas County (the "Authority"), Florida is accepting applications for tax-exempt bond financing for multi-family rental projects located in Pinellas County Florida. Applications from developers seeking allocation under the Bond Volume Cap will be accepted at any time, on a first-come basis. In addition, Applications from not-for-profit developers issuing 501(c) 3 bonds are accepted at any time. The Authority does not provide a form for multifamily proposals. To be considered, the Applicant must prepare and submit [15] copies of a clear and concise proposal that is bound, organized with tabs/dividers, and fully responds to the information requested in the **Application Information and Format Required for Inducement Request** section beginning on page 6 of this Notice.

The Authority will give priority in private activity bond financing to projects that:

- (a) serve families with children,
- (b) involve substantial rehabilitation, and
- (c) serve mixed-income residents

The Authority, through a partnership with Pinellas County, is also offering an additional subsidy of up to \$1,000,000 in HOME and/or SHIP funds in the form of a deferred second mortgage. HOME and/or SHIP funds are subject to the limits and requirements of the Home Investments Partnership Act ("HOME") and the State Housing Incentives Partnership Program ("SHIP"). A summary of those limits and requirements are available from the Authority upon request. This is a consolidated application process and separate application to Pinellas County will not be necessary. Not-for-profit applicants issuing 501(c) 3 bonds are also eligible to compete for the available subsidy. While applications from not-for-profit developers issuing 501(c) 3 bonds are accepted at any time, those not-for-profit applicants seeking HOME and/or SHIP subsidy, must apply for same during this consolidated application period. Pinellas County's HOME and/or SHIP subsidies are available to projects located anywhere in Pinellas County except within the city limits of St. Petersburg, Largo, or Clearwater. The Authority gladly issues private-activity bonds for projects located in those cities. But Applicants seeking information about HOME and/or SHIP subsidies for projects located within those cities should contact the City directly for information about accessing such funds.

The Authority is also accepting applications from not-for-profit applicants seeking to use bond financing to acquire Manufactured Housing communities for continued rental to eligible occupants. Applicants seeking manufactured housing community financing should contact the Authority directly for a separate application process. Applications for non-profit financed Manufactured Housing Communities are accepted at any time.

The Housing Finance Authority of Pinellas County (the "Authority") applies for allocations of private-activity "Bond Volume Cap" from the Florida State Board of Administration on the first business day of January of each year. It is possible that requests for multifamily tax-exempt financing under the State of Florida's annual Bond Volume Cap will exceed the amount the Authority is willing or able to make available for such projects. In that event, the Authority will evaluate and rank all qualified applications and may select one or more qualified multifamily

housing projects, which in the sole judgment of the Authority, best meets the housing needs of Pinellas County and the Authority's public purpose objectives.

To be minimally qualified, an applicant must (i) provide evidence of site control; (ii) provide evidence that the site is currently zoned for the use intended and the proposed development will meet all code requirements, land use designations and all other local ordinances; (iii) agree to a mixed-income development with no more than the minimum set-asides required by bond financing, except as noted below, (iv) agree to comply with the policies of the Authority and all federal and state laws relating to tax-exempt bonds; and (v) submit a complete application in the form and content described herein.

Note: With respect to item (iii) in the above paragraph concerning mixed-income developments, the Authority will make exception to its mixed-income policy only when one of the following conditions is present:

- (1) the property contains less than 50 units total, or
- (2) the property is in need of major rehabilitation to the extent that the cost of the rehabilitation is expected to exceed 30% of the current value of the property.

The Authority reserves the right to reject any and all applications. The Authority may reject any application that, in its sole discretion, does not meet the above threshold requirements. The Authority may reject any application for any reason it deems reasonable. The Authority may also decide to induce one or more projects for financing, or may decide not to induce any projects. The Authority may also decide to induce a project only subject to certain terms or conditions.

Applications will be evaluated by Authority, its staff and advisors, in accordance with the Public Purpose Criteria provided as Exhibit "A" to this letter. This criteria is intended to provide a higher possibility for selection to projects which, based on the information submitted, appear to be financially feasible and best meet the Authority's objectives for its multifamily program.

Application to the Housing Finance Authority of Pinellas County commits the Authority only to consider the applicable Project and does not create any rights or privileges in favor of the applicant or the Project.

Authority Policies Relating to Tax Exempt Bonds

1. Proper Zoning for Use Intended and Concurrence - For new construction, the subject property must be currently zoned for multifamily use, allow for the proposed number of units per acre, and must meet all state and local land use and concurrency requirements. The initial application must include letters or other official documentation from the county or local jurisdiction confirming (i) the current multifamily zoning, (ii) maximum units allowed per acre, and (iii) that concurrency requirements have been met.
2. Control of the Property - The Authority only considers a request for inducement when the Applicant can demonstrate control (or an immediate likelihood) of the real estate. Such control can be evidenced by proof of ownership or by an executed Purchase Contract, Option Agreement, or similar document. The instrument should clearly state the time period for which the agreement is effective, any extensions permitted, the terms under which those extensions will be granted, and the purchase price to be paid.
3. Financing Plan - The Authority must approve a financing plan for each project for which it adopts an inducement resolution. Elements of a financing plan include identification of a credit enhancement provider (if applicable) and the basic bond structure of the

proposed transaction. If third party credit enhancement is not proposed, then the method of obtaining an investment grade credit rating, if applicable, must be identified. If the Applicant proposes to have the Authority issue bonds without benefit of a credit rating, the Applicant must comply with the Authority's policy relating to non-rated bonds ("Exhibit B"). If the Applicant has applied, expects to apply and/or has received approval for any other local, state or federal subsidy, a description of the same must be included in the financing plan. Authority staff will analyze the financing plan submitted by an Applicant to determine the degree to which the financing plan is feasible and likely to be completed within the time frame proposed. The Authority reserves the right to utilize its financial advisor, counsel, third party real estate underwriter, or other professionals to evaluate the financial feasibility, readiness and risk characteristics of each proposed financing.

4. Non-Rated Bonds – The Authority will consider issuing bonds without long-term or permanent credit enhancement and/or without a rating in one of the three highest rating categories. The Authority's policies relating to such bonds are attached (Exhibit "B"). A real estate underwriting conducted by a third party firm selected by the Authority and using generally accepted underwriting guidelines for tax-exempt bond financed housing projects, may be required to be conducted by a qualified consultant selected by the Authority and paid for by the developer/sponsor. The Authority may also impose specific debt service coverage and other underwriting requirements above and beyond those that may be required by the underwriter or bond purchaser.

Authority's Bond Financing Team

1. Bond Counsel – The Authority has retained Bryant Miller & Olive P.A. to serve as bond counsel in connection with its single family and multi-family housing bonds. Bryant Miller & Olive P.A. is a nationally recognized firm and has significant experience serving as bond counsel in matters pertaining to tax-exempt housing revenue bonds.
Bond Counsel Fee – Bryant Miller & Olive P.A. charges a fee payable at closing in an amount equal to \$50,000 for up to \$10 million in the tax-exempt bonds issued plus 0.10% of the amount of bonds issued over \$10 million, payable by the Applicant at closing for its services as Bond Counsel. If more than one series of bonds are issued (e.g., taxable bonds, mezzanine bonds, etc.), Bryant Miller & Olive P.A. charges an additional \$5,000. A retainer in the amount of \$15,000 must be paid to Bryant Miller & Olive P.A. at the time of inducement.
2. Issuer's Counsel – The Authority has retained Johnson, Pope, Bokor, Ruppel & Burns as issuer's counsel. In the role of issuer's counsel, Johnson, Pope, Bokor, Ruppel & Burns authorizes the release of all offering documents, indentures, loan/financing agreements, regulatory agreements, and other bond or real estate related documents, as well as provides issuer opinions as necessary.
Issuer Counsel Fee – Johnson, Pope, Bokor, Ruppel & Burns charges a fee payable at closing of between \$12,000 and \$15,000, payable by the Applicant at closing for preparing all Issuer opinions and documents on behalf of the Authority, reviewing all documents prepared by Bond Counsel and other parties to the transaction, and providing legal opinions on matters relating to the Authority. A retainer in the amount of \$5,000 must be paid to Johnson, Pope, Bokor, Ruppel & Burns at the time of inducement.
3. Financial Advisor - The Authority has retained CSG Advisors Incorporated as its financial advisor in connection with its single family and multi-family housing bonds. CSG Advisors Incorporated represents the interests of the Authority by serving in an oversight capacity for multi-family bond transactions. The Applicant is expected to engage its own

investment banker (or financial advisor) to assist in obtaining and negotiating the terms of any credit enhancement, structuring the bonds, obtaining an investment grade rating on the bonds and managing the transaction to assure an orderly closing.

Issuer Financial Advisor Fee – For transactions approved for financing, CSG Advisors Incorporated charges a fee payable by the Applicant at closing in an amount equal to 0.15% of the first \$5 million and 0.10% of the principal amount of bonds issued in excess of \$5 million for its services as Financial Advisor to the Housing Authority (with a minimum fee of \$7,500). A retainer in the amount of \$5,000 must be paid CSG Advisors Incorporated at the time of inducement.

4. Trustee - The Authority has retained US Bank, National Association as its Trustee in connection with its multi-family housing bonds. The Authority reserves the right, at its discretion, to appoint a different Trustee.

Trustee Fees – For transactions approved for financing, US Bank charges an Acceptance Fee payable by the Applicant at closing in an amount equal to \$3,000, plus a first year administrative fee of \$3,000 to \$4,500 depending upon the size of the issue and fixed versus variable rate. The Trustee Annual Administrative Fee equal to 0.03% to 0.09% (depending upon the size of the issue and fixed versus variable rate) of the principal amount of bonds outstanding payable semi-annually in advance with a minimum fee of \$1,500. In addition the Applicant is responsible for paying all professional fees and expenses of Trustee's Counsel at closing.

5. Investment Banker/Underwriter - For bonds sold via public offering, the Applicant is required to provide the name of a qualified banking firm to underwrite and sell the bonds. The Authority reserves the right to approve/disapprove the securities dealer nominated by the Applicant to underwrite and sell its bonds. Applicants must provide a summary of the firm's experience underwriting housing bonds to the Authority with the application.

6. Third Party Underwriter Fee - If a third party mortgage underwriting of the project is required by the Authority, a check in the amount of between \$5,000 and \$7,500 must be paid to the independent firm designated by the Authority to provide real estate underwriting services.

7. Disclosure Reporting Service – The Authority has retained Digital Assurance Certification LLC (DAC) as a disclosure dissemination service. DAC will be responsible for providing continuing disclosure to the marketplace for the life of the bond issue.

Disclosure Reporting Service Fee – For transactions approved for financing, DAC charges a one-time fee of \$5,000. Applicant must pay Disclosure Reporting Service fee at closing.

Authority's Bond Financing Fees

1. Bond Related Fees

The Authority charges fees in connection with an application for an inducement resolution and, as applicable, for the subsequent issuance of housing revenue bonds:

- a.) **Application Fee** – At the time an application is submitted, the Applicant must include a check in the amount of 0.10% of the total bond principal (tax exempt and taxable) requested as a nonrefundable Application Review Fee. The Authority has established a minimum application fee of \$5,000. *The Authority's Application Fee is nonrefundable in the event an induced transaction does not close for any reason.*

- b.) **Inducement Fee** – Upon the adoption of an inducement resolution (the official action indicating an intent to provide financing upon meeting certain contingencies), the Applicant must submit an additional check to the Authority in the amount of 0.10% of the total tax-exempt and taxable bond principal induced. This initial amount must be paid in addition to the retainer fees of the Authority's bond financing team described above. These "up-front" portions of the fees are required before the Authority and the financing team engaged by the Authority will commence working on bond and regulatory documents relating to the transaction. *The Authority's Inducement Fee is nonrefundable in the event an induced transaction does not close for any reason.*
- c.) **Bond Closing Fee** – At the time of Bond closing, the Applicant must submit an additional check to the Authority in the amount of 0.10% of the total tax-exempt and taxable bond principal induced.
- d.) **Annual Administration Fee** – The Authority charges an Administration Fee in an amount equal to 0.25% per annum of the initial bonds issued payable in arrears in semi-annual installments. This is a non-declining fee over the life of the bonds.

Compliance with Federal and State Laws Relating to Tax Exempt Bonds

The proposed project must comply with all federal and state laws relating to the use of tax-exempt bonds, including (but not limited to) the following:

1. **Ninety-five Percent Test** – 95% or more of the net proceeds of the bonds must be used to provide exempt facilities such as a residential rental property.
2. **Residential Rental Property** – To qualify, the project must be classified as a residential rental property (i.e., a multifamily housing development) consisting of one or more similarly constructed units which (i) must be used on other than a transient basis, (ii) must be made available for rental to the general public, and (iii) satisfy the continuous rental and very low or low income occupancy requirements. Hotels, motels, dormitories, fraternity and sorority houses, rooming houses, hospitals, nursing homes, retirement homes, sanitariums, or rest homes are not residential rental properties. Each rental unit must contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.
3. **Low or Very Low Income Leasing** – The project must be continuously subject to Very Low or Low Income leasing requirements. The Borrower elects to set aside either (i) 20% of the units for rental to persons and families with household incomes of less than 50% of Area Median Income, or (ii) 40% of the units for rental to persons and families with household incomes of less than 60% of Area Median Income. In either case, household income limits are adjusted for family size.
4. **Private Activity Bond Allocation** – If the Applicant is a private person (not a governmental unit or a 501(c)(3) not-for-profit corporation), the issuance will be a "private activity bond" and, as such, will require an allocation of Private Activity Bond Volume Cap from the Florida State Board of Administration. Pursuant to state law, local housing finance authorities may apply for allocations of Bond Volume Cap on the first business day of each calendar year. If approved, the local authority has 90 days from the date of approval to issue tax-exempt bonds for the intended purpose, or the allocation must be returned to the State for reallocation to other projects or requests.
5. **Minimum Rehabilitation** - If the Applicant intends to acquire an existing housing project, at least 15% of the net tax-exempt bonds issued must be used for rehabilitation

expenditures that have been or are completed within a two-year period of the date of issuance. Rehabilitation expenditures generally is defined as any actual amount properly chargeable to a capital account and incurred in connection with the rehabilitation of the project.

Application Information and Format Required for Inducement Request

The Authority does not provide an application form for multifamily proposals. To be considered, however, the Applicant must prepare and submit [15] copies of a clear and concise proposal that is bound, organized with tabs/dividers and fully responds to the following:

1. Name, address, telephone number and form of organization (limited partnership, L.L.C., etc.) of the Applicant (the "Borrower" as it will appear in all bond documents).
2. Name, address, financial statements and resume for each of the key principals of the Applicant. The resumes should specifically address each principal's experience that is relevant to the proposed housing development. (Printed brochures on the parent development company should not be included in the body of the proposal but may be submitted apart from the bound proposal.)
3. Detailed description of the proposed housing development, including property address, acreage, present zoning status, type of construction, number of units, unit bedroom mix, current rental rates (if appropriate), expected stabilized rental rates (specify any charges for premiums), and any amenities to be provided (include any charges for amenities). Include a location map and, if available, preliminary site plan drawings, elevation renderings, unit layout drawings, etc.
4. Description of the various levels of services and care to be provided and, if available, evidence of the need for such services within the area. This section must specifically address whether the project will compete with other existing or planned rental housing in the immediate market. Include an "executive summary" of any market or feasibility studies or real estate appraisals that have recently been prepared by independent professionals relating to the development. Two copies of a complete market or feasibility study and appraisal must also be submitted.
5. Provide Evidence of Site Control and status of any site plan approvals.
6. Provide Evidence of Zoning and Proper Land Use. Describe any code or ordinance variances that must be approved before permitting will be authorized by the jurisdiction. If the proposed financing is for rehabilitation, describe the proposed rehabilitation and indicate the extent to which the proposed scope of work is expected to meet local building ordinances and code. Describe the status of any preliminary site plan approvals or building permits applied for prior to the date the application has been submitted.
7. Describe how the proposed development would be in concurrence with the jurisdiction's Comprehensive Plan (including the extent to which existing roads, utilities [i.e., water and sewer], fire, police, schools, transportation and other public services presently exist to service the project). Also describe the proximity of employment centers to the project.
8. Indicate if the Site is located in an IRS designated Targeted Area for tax-exempt bonds or other state or federal designated area including redevelopment district. Maps identifying these areas may be available from Authority staff.
9. Provide the name and experience of the Architect and General Contractor, if selected.

10. Provide the name and experience of the Property Manager, if selected.
11. Provide the name of the proposed Investment Banker/Underwriter(s) selected by the Applicant. Include a summary of the firm's related experience. If the proposed financing involves bonds that will be remarketed, provide the name of the proposed Remarketing Agent.
12. Provide a description of the proposed financing plan including the provider name and status of any anticipated credit enhancement at the time the application is submitted.
 - Include copies of any written confirmations relating to the proposed credit enhancement from lenders, mortgage underwriters, banks, or other institution expected to be a party to the credit enhancement structure. Such written confirmations will be reviewed by the Authority to determine the likelihood the proposed financing is feasible and can be completed in the timeframe proposed.
 - Indicated the anticipated investment grade rating expected on the bonds, and the rating Agency (or Agencies) expected to be used.
 - In the event the bonds are proposed to be placed or sold without an investment grade rating, provide the name and experience of the proposed Sophisticated Investor, if the bonds are to be privately placed. If non-investment grade bonds are to be underwritten and sold through a limited public offering, describe the preliminary proposed terms of the loan and bond structure, including any requirements for reserves and working capital to be funded at the time bonds are issued.
 - Indicated if any other sources of federal, state or local monies are expected to be applied for the project (include estimated equity funding expected to be raised through the sale of Low Income Housing Tax Credits, state SAIL, HOME, CDBG, etc.), and the current status of any pending requests for such funding. If tax credit equity is included, indicate the maximum percent of units that will be set aside for tax credits.
 - Indicate if any developer's equity will be "paid-in" at closing or by the time of completion/lease-up. Describe any completion guaranties, operating deficit guaranties or other guaranties or pledged assets that will be provided to the credit enhancer in connection with the real estate financing.
13. If the proposed development involves acquisition and rehabilitation of an existing property, provide a detailed description of the scope of extraordinary repairs and replacement that will be implemented during the rehabilitation period and the expected timing of such improvements. The application must also include an Architectural and Engineering report assessing the current condition of the project. Also provide the name and qualifications of the firm preparing the report and indicate if the firm is an independent third party or a related party to the Applicant.
14. Provide a detailed Development Budget for the project, including a cost breakout for any consultants and other professionals expected to be engaged by the applicant. Include preliminary Cost of Issuance Budgets for the Authority and Borrower, and Sources and Uses of Funds (for the time bonds are issued and upon completion of the development if additional sources are anticipated after the issuance of bonds).
15. Provide detailed pro forma operating statements including estimated rental rates for each type of unit. The pro forma should include estimated operating expenses from the time the bonds are closed through the estimated stabilized rent/expense period. The pro forma budgets must include both aggregate and per unit amounts by line item. Line items should be sufficiently detailed to allow the Authority and its consultants to evaluate

the reasonableness of the assumptions used (budgets without detail for normal and customary income and expense items are not acceptable). Multi-year projections (3 – 5 years) beyond the “stabilization period” should reflect the Applicants “pessimistic” scenario (e.g., assuming rents inflate at a rate that is less than expense inflation).

16. Quantify all estimated fees, including the estimated amount and timing of any developer fees, consultant’s fees, construction management fees, and other fees expected to be realized by the Applicant. Also include fees for related parties where the principals are the same persons as those working with or on behalf of the Applicant in connection with the proposed housing development. (All fees must be fully disclosed in the offering document.)
17. Provide an explanation of why tax-exempt bond financing is needed for the project. Also, if appropriate, indicate why other sources of federal or local housing subsidies, including Low Income Housing Tax Credits, are needed to complete the proposed housing development.
18. Describe how the project will comply with federal and state laws regulating the use of tax-exempt bonds, Low Income Housing Tax Credits, and any other federal or state monies expected to be awarded in connection with the proposed development. Include any unit rent restrictions that will apply to specific units and indicate the current maximum rents that would be allowed for those units, if applicable. Provide an explanation of how the marketing plan will address the need to meet low and moderate income leasing requirements. If applicable, indicate the extent to which any existing tenants will be affected by the proposed financing and explain the Applicant’s plan for addressing this issue.
19. Indicate if a conflict of interest or potential conflict of interest exists between any principal or agent of the applicant or borrower (including all third parties engaged or expected to be engaged by the applicant or borrower) with any member of the Authority's board, staff, bond counsel, issuer's counsel or financial advisor, or with any elected representative of the Board of County Commissioners.

Note: Prior to the project proceeding to approval by the Board of County Commissioners, the Applicant may be required to submit updated copies of his or her application if there are significant revisions, changes, or modifications made to the original proposal during the review period.

Timetable and Key Dates relating to the Competitive Cycle for Inducements

Bond financing applications are processed as expeditiously as possible on a first-come, first come basis. Inducements can often be provided in less than 45 days with full approvals commonly taking 90 days or less. The timetable below is an example of an application delivered on the final due date of this cycle.

- Applications Due - Applications are accepted at any time, on a first-come basis.
- Review by Staff - Authority staff and advisors will review and evaluate the applications before submitting recommendations to the Authority’s Board.
- Consideration by Authority’s Board - The Authority’s Board will consider the proposal(s) at a one of its meetings and may decide to adopt a resolution or resolutions to induce one or more projects for bond financing.
- Advertisement for TEFRA Hearing - If one or more projects are induced, Bond Counsel will prepare TEFRA notice and the Authority staff will place notice in local papers advertising the date and location of the TEFRA hearing.

- Conduct TEFRA Hearing – Authority staff will conduct the TEFRA hearing. The Applicant is encouraged to attend and be prepared to participate in the TEFRA hearing.
- Consideration by Board of County Commissioners – The matter will be brought before the Pinellas County Commission at a regularly scheduled meeting and following the TEFRA hearing.
- Interim Period – Applicants may wish to proceed at their own risk with the real estate or credit enhancement elements of the financing plan prior to Approval by the Board of County Commissioners. The Authority has no control over the allocation of private activity Bond Volume Cap and therefore accepts no liability for the final determination rendered regarding the availability of Bond Cap by the Florida State Board of Administration.
- Application to Florida State Board of Administration – Authority staff with the assistance of Bond Counsel will deliver applications for Bond Volume Cap in accordance with Florida State Board of Administration guidelines. A determination by the state agency generally takes one to two days after the application is received. Applicants will be notified immediately of the determination made by the State Board of Administration.
- Commence Bond Financing – The transaction manager may commence the bond financing process, pending approval of the proposed timetable by the Authority staff.
- Changes in Project or Financing Plan – Any changes in project design, use, structure, or in the proposed financing plan must be provided to the Authority in writing.
- Deadline for Closing – Private activity bonds must be issued by the Authority within 155 days of receiving notice from the Florida State Board of Administration.

Contact Information

The Authority appreciates your interest in submitting an application for multifamily bond financing. Do not hesitate to contact the Authority if you have any questions. Letters of interest, applications, and questions regarding this letter or the Authority's policies relating to multifamily financing using private activity tax-exempt bonds should be directed to:

Housing Finance Authority of Pinellas County
 Attn: Housing Program Administrator
 600 Cleveland Street, Suite 800
 Clearwater, FL 33755
 Phone: 727.464.8253
 FAX: 727.464.8245
 Email: housingfinanceauthority@pinellascounty.org

Exhibit "A"

MULTIFAMILY MORTGAGE REVENUE BOND
PROGRAM APPLICATION

Public Policy Criteria

Introduction

Assuming an applicant satisfies the threshold criteria set forth in the Application Letter, the Authority will consider compliance with the following public policy criteria in the evaluation and ranking of an applicant. The long-standing policy of the Authority is not to utilize a point system but rather to evaluate each application on a case-by-case basis. The Authority reserves the right to modify the public policy criteria of its multifamily housing bond program at any time.

Public Policy Criteria

1. Developments located in an area of Pinellas County with a demonstrated shortage of affordable housing as evidenced by an Authority approved market study.
2. Developments that preserve the existing affordable housing stock through substantial rehabilitation.
3. Developments with the lowest ratio of private activity bonds allocated per unit financed.
4. Developments marketed toward mixed-income renters. To this end, the Authority does not require, and in fact discourages, projects with set asides greater than the 20%@50% or 40%@60% set asides required by the IRS. Generally, the Authority requires applicants to reserve at least 20% of the set-aside units for households earning 35% of Area Median Income (AMI) or less. The applicant does **not** need to set rents at the 35% of AMI level if the applicant includes a plan to use alternate means, such as Housing Choice Vouchers, to fill these 35% of AMI slots.
5. Developments that benefit families with children.
6. Developments that include units with three (3) or more bedrooms.
7. Developments that do not discriminate against persons or families solely because they receive Federal rental assistance.
8. Developments in which the owners demonstrate a real long-term economic interest in the project as evidenced by a developer's significant equity investment or personal guaranties.
9. Developments in which owners demonstrate a commitment to projects through a history of continual ownership and involvement with their developments.
10. Mixed-income developments located in Redevelopment Districts located in Pinellas County.

PRIVATE PLACEMENT BOND POLICY

Bonds Without Long-Term or Permanent Credit Enhancement and Without a Rating in One of the Three Highest Rating Categories. Unless held by the borrower or a credit enhancer, or an affiliate of either of them, bonds without credit enhancement and without a rating in one of the three highest rating categories by a nationally recognized rating service (i) shall not be held in a book-entry only system, (ii) shall only be sold and subsequently transferred to a Sophisticated Investor or Investors and (iii) shall comply with the conditions set forth in paragraph (a) or (b), as determined prior to the issuance of the bonds:

(a) (i) The bonds shall be sold in minimum denominations of \$100,000; and

(ii) The bonds shall be sold only to Sophisticated Investors who have executed and delivered an "investor's letter", in form and substance satisfactory to the Authority including, among other things, (A) stating that the purchase of the bonds will be solely for its own account, (B) stating that such Sophisticated Investor can bear the economic risk of its investment in the bonds, (C) stating that such Sophisticated Investor has such knowledge and experience in financial business matters in general and tax-exempt obligations in particular, that it is capable of evaluating the merits and risks of purchasing the bonds, (D) stating that such Sophisticated Investor has made the decision to purchase the bonds based on its own independent investigation regarding the bonds, the borrower and the project and if a disclosure document has been prepared, it has reviewed such disclosure document, and has received the information it considers necessary to make an informed decision to invest in the bonds, and (E) acknowledging that the Authority, its counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the borrower and the project contained in any disclosure document related to the Sophisticated Investor's purchase of the bonds; and

(iii) The bonds shall bear a legend restricting subsequent transfers to other Sophisticated Investors who have executed and delivered an "investor's letter" complying with the preceding paragraph (ii).

or

(b) (i) The bonds shall be sold in minimum denominations of \$250,000; and

(ii) The bonds shall be sold initially only to Sophisticated Investors who have executed and delivered an "investor's letter", in form and substance satisfactory to the Authority including, among other things, (A) stating that the purchase of the bonds will be solely for its own account, (B) such Sophisticated Investor can bear the economic risk of its investment in the bonds, (C) stating that such Sophisticated Investor has such knowledge and experience in financial business matters in general and tax-exempt obligations in particular, that it is capable of evaluating the merits and risks of purchasing the bonds, (D) stating that such Sophisticated Investor has made the decision to purchase the bonds based on its own independent investigation regarding the bonds, the borrower and the project and if a disclosure document has been prepared, it has reviewed such disclosure document, and has received the information it considers necessary to make an informed decision to invest in the bonds, and (E) acknowledging that the Authority, its counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the borrower and the project contained in any disclosure document related to the Sophisticated Investor's purchase of the bonds; and

(iii) The bonds shall bear a legend restricting subsequent transfers to investors who by their purchase of the bonds represent that they (A) are purchasing the bonds solely for their own account, (B) can bear the economic risk of their investment in the bonds, (C) have such knowledge and experience in financial business matters that they are capable of evaluating the merits and risks of purchasing the bonds, and (D) have made the decision to purchase the bonds based on their own independent investigation regarding the bonds and have received the information they consider necessary to make an informed decision to invest in the bonds.

(c) The indenture related to such bonds shall provide that the trustee and the paying agent shall not authenticate or register a bond unless the conditions of this policy have been satisfied.

Bonds Without Long-Term or Permanent Credit Enhancement But With a Rating in One of The Three Highest Rating Categories. Unless held by the borrower, or an affiliate of the borrower, bonds without credit enhancement but with a rating in one of the three highest rating categories by a nationally recognized rating service:

(i) shall not be held in a book-entry only system;

(ii) shall be sold in minimum denominations of \$100,000;

(iii) in the event that the initial rating on the bonds is withdrawn or is downgraded to a rating lower than one of the three highest rating categories by a nationally recognized rating agency, transfers of the bonds shall be restricted to Sophisticated Investors; and,

(iv) the bonds at issuance and thereafter shall bear a legend stating that in the event the initial rating on the bonds is withdrawn or is downgraded to a rating lower than one of the three highest rating categories by a nationally recognized rating agency, transfers of the bonds shall be restricted to investors who by their purchase of the bonds represent that they (A) are purchasing the bonds solely for their own account, (B) can bear the economic risk of their investment in the bonds, (C) have such knowledge and experience in financial business matters that they are capable of evaluating the merits and risks of purchasing the bonds, and (D) have made the decision to purchase the bonds based on their own independent investigation regarding the bonds and have received the information they consider necessary to make an informed decision to invest in the bonds.

“Sophisticated Investor” as used herein means a “qualified institutional buyer” as that term is defined under Rule 144A of the Securities and Exchange Commission or an “accredited investor” as that term is defined in Regulation D of the Securities and Exchange Commission.