

**HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY
APPLICATION PROCEDURES AND PROGRAM GUIDELINES
FOR MULTI-FAMILY MORTGAGE REVENUE BONDS**

The Housing Finance Authority of Pinellas County, Florida (“Authority”) has adopted the following Application Procedures and Program Guidelines (“Guidelines”) to set forth the general requirements and procedures that apply to the financing of multi-family housing developments. The Authority may, in its sole discretion, waive specific provisions of these Guidelines where good cause is shown and adequate supporting documentation is provided. In addition, these Guidelines may be amended, revised, repealed or otherwise altered by the Authority, at any time, with or without notice, at any regular or special meeting of the Authority.

A. Timetable:

Bond financing applications are processed as expeditiously as possible on a first-come, first-served basis.

1. Submission of Application:
 - a. Applicant submits Application for review by Authority’s staff and professionals.
 - b. Applications are accepted at any time.
2. Application Review by Authority’s Staff and Professionals:
 - a. Application will be reviewed by the Authority’s staff and professionals to ensure the Applicant has supplied a complete Application, including all documentation required for inducement and the Application Fee, and the Application is in compliance with state, federal (if applicable) and Authority requirements as set forth in the Guidelines before submitting a recommendation to the Authority Board.
3. Authority Board Consideration of Application:
 - a. Following the Application review by Authority’s staff and professionals, the staff comments and recommendation are submitted to Authority Board for review at a regularly scheduled meeting.
4. Initial Inducement Resolution Adopted:
 - a. If the Authority Board determines the Application is sufficient and the development preliminarily meets the Authority’s requirements, the Authority may adopt a resolution declaring its Official Intent to issue bonds (an “Inducement Resolution”) specifying the terms under which the Authority will issue its bonds, authorizing the execution of a Memorandum of Agreement and the initiation of a public hearing. Forms of the Inducement Resolution and Memorandum of Agreement may be obtained from Bond Counsel. All developments which choose to proceed in the process shall be subject to credit underwriting by a qualified credit underwriter (“Credit Underwriter”), selected by the Authority, at the Applicant’s expense.
 - b. Adoption of an Inducement Resolution should be not construed as an assurance of private activity volume cap for the development, or an indication as to the

marketability of the bonds, or as the final approval of the bond financing structure by the Authority, Authority Counsel or Bond Counsel.

5. Memorandum of Agreement:

- a. The Authority and the Applicant will enter into a Memorandum of Agreement pursuant to which the parties will agree to move forward with the bond financing process in accordance with the terms and provisions set forth therein. Pursuant to the terms of the Memorandum of Agreement, the Applicant must submit a good faith deposit (“Inducement Fee”) as more particularly set forth below under “Authority’s Bond Finance Fees”. After adoption of the Inducement Resolution and execution of the Memorandum of Agreement, it is the Applicant’s responsibility to proceed with reasonable dispatch to complete the bond financing process in a timely manner.

6. Invitation to Credit Underwriting:

- a. Upon execution of the Memorandum of Agreement, the Applicant shall enter and complete credit underwriting in form and content with a credit underwriter approved by the Authority. A preliminary credit underwriting report (“CUR”) will be delivered to the Authority for consideration as part of the “Readiness to Proceed and Financing Approval Review” as described in Section B that follows. Upon receipt of the report the Authority may establish conditions and timetables for the remaining steps in the bond financing process after which the credit underwriter will finalize the CUR, or may elect not to go forward due to information provided in the CUR.

7. Public Hearing:

- a. A public hearing (generally referred to as a “TEFRA Hearing”) to comply with Section 147(f) of the Internal Revenue Code (“Code”) requirements will be scheduled at such time as the Applicant has provided all materials required in the Application (including such additional material as may be requested by the Authority at or subsequent to inducement). The public hearing will be noticed through an advertisement setting forth the location of the development, the principal amount of the bonds, the owner of the development and other relevant data about the proposed financing and citing the date, time and location of the public hearing. The notice must be published at least 14 days prior to the TEFRA Hearing. Minutes of the TEFRA Hearing must be taken and submitted to the Board of County Commissioners for their approval.
- b. Other than providing an opportunity for the public to be heard, no official action by the Authority is required to be taken at the TEFRA Hearing.
- c. The Applicant is encouraged to attend and be prepared to participate in the TEFRA Hearing.

8. County Commission Approval:

- a. The County Commission must approve the bond financing for the development and the issuance of the bonds within the meaning of the Code and approve the award of the Bonds after the TEFRA Hearing.
- b. The Authority will seek County Commission approval for the issuance of the Bonds and for the award of the Bonds at such times deemed appropriate by the Authority.

B. Readiness to Proceed and Financing Approval Review:

During the following 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 final approval by the Authority Board. The Authority has no control over the allocation of Volume Cap and therefore accepts no liability for the final determination rendered regarding the availability of Volume Cap by the Florida State Board of Administration's Division of Bond Finance ("Division").

1. Credit Enhancement or Bond/Note Purchase:
 - a. The Applicant has the responsibility of securing a lender/credit facility or bond purchaser to credit enhance or purchase the bond financing the development. Preliminary commitment/terms for credit enhancement or for the purchase of the bonds by a sophisticated investor must be obtained and evidence thereof submitted with the Application.
2. Financing Approval:
 - a. Prior to the approval of a Bond Authorizing Resolution, the Applicant, Credit Underwriter and Authority's professionals shall make a presentation to the Authority setting forth certain details of the development financing and ability to close and begin construction. If deemed ready to proceed, and all of the recommendations of the Credit Underwriter and the financing structure are acceptable to the Authority, Bond Counsel will be authorized to commence bond documentation.
3. Private Activity Allocation:
 - a. Once the development has received Financing Approval the Applicant shall request the Authority to file a notice of intent to issue such bonds with the Division to request an allocation of Volume Cap.
 - b. Written confirmation of allocation is issued by the Division subject to the availability of a sufficient amount of Volume Cap. The confirmation states the amount, if any, of the allocation made for such bonds and the date the allocation expires. At least ninety percent (90%) of the amount of the Volume Cap requested in the notice of intent to issue bonds must be issued.
 - c. Although the Authority will endeavor to make a good faith effort to obtain an allocation of Volume Cap for a qualified development, the Authority can make no representation as to its ability to obtain such an allocation.
4. Validation (if necessary):
 - a. The bonds of the Authority may be required to be validated in the manner provided by Section 159, Florida Statutes, as amended, and by Chapter 75, Florida Statutes, as from time to time amended and supplemented. Should the financing proposed by the Applicant necessitate a bond validation, Bond Counsel will prepare validation papers for filing by Authority Counsel in the Circuit Court in and for Pinellas County. All costs associated with validation are additional fees and expenses to be borne by the Applicant.

C. Bond Sale and Bond Closing:

1. Finalization of Transaction Documents/Authorizing Resolution:

- a. Assuming Volume Cap is allocated for the development, bond rating(s) or bond purchase commitments are obtained, recommendations and conditions of the Credit Underwriter are complied with, and bond sale offering and transaction documents are finalized, the Authority will adopt a resolution formally authorizing the issuance of the bonds, approving the bond financing documents, and authorizing the execution of such documents.
2. Bond Purchase Agreement/Bond Placement Agreement:
 - a. Unless waived by the Authority in its sole discretion, if the bonds are to be sold to a private purchaser, the Applicant and purchaser are required to execute a Bond Placement Agreement providing for the terms and conditions for the sale of the bonds to the purchaser. If the bonds are to be publicly sold, the Applicant is required to execute the bond purchase agreement awarding the sale of the Authority's bonds to the Investment Bankers. Either agreement shall contain provisions which obligate the Applicant to pay the costs of issuing such bonds as more fully described herein.
3. Investment Ratings:
 - a. *In Event of Public Sale.* If the bonds are to be publicly sold, the bond issue must be structured so as to receive an "A" or better by Standard & Poor's Corporation, and/or comparable ratings by Moody's Investors Service, and/or Fitch Investors Service. In such case, the Application must indicate the type and nature of the proposed credit enhancement or surety, and the name and telephone number of a contact person (if known at time of application) at such institution.
 - b. *In Event of Private Placement.* **Bonds Without Long-Term Ratings or Short-Term Ratings 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 (iv) The bonds shall be sold in minimum denominations of \$100,000; and (v) 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 development 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 development contained in any applicable 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

(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 development and if a disclosure document has been prepared, it has reviewed such applicable 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 development contained in any applicable disclosure document related to the Sophisticated Investor's purchase of the bonds; and (iii) The bonds shall bear a legend restricting subsequent transfers to sophisticated 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.

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 Ratings or Short-Term Ratings 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.

4. Environmental Assessment:

- a. Prior to the sale of the bonds, the Applicant will be required to conduct a Phase I environmental audit by an engineering firm acceptable to the credit underwriter and the Authority. At bond closing, the Applicant will be required to provide an environmental indemnity from a financially responsible entity in the form to be provided by Bond Counsel as recommended in the Credit Underwriting Report.

5. Marketing and Sale of Bonds:

- a. If the bonds are to be sold publicly, the Investment Bankers will market the bond issue. The sale of the bonds is awarded subject to all conditions precedent to closing being accomplished. The contact information for the Authority’s Investment Banking team is included in these Guidelines.

6. Closing:

- a. After authorization of the issue by the Authority, adoption of the approving resolution by the County Commission, evidence of a Volume Cap allocation, expiration of any appeal period relating to a validation proceeding, and completion of the credit underwriting/enhancement process the bond closing may be scheduled at such time and location acceptable to the Authority. A pre-closing session and a closing session are generally scheduled for consecutive days. The pre-closing is designed to allow the parties to review all final documentation and ensure that all is in order for the transfer of funds. Final documents are executed and the bonds are issued. All Costs of Issuance in excess of amounts to be paid from bond proceeds must be advanced by the Applicant not later than 2:00 p.m. on the business day next preceding the closing date. Upon closing of the bonds, the proceeds will be deposited with a trustee selected by the Authority to be disbursed for the acquisition, construction, and/or rehabilitation of the development and other costs as provided in the bond documents and pursuant to applicable law. Under the Code, only two percent (2%) of the proceeds from a “new money” bond issue can be used to pay “Costs of Issuance.” The Applicant is

responsible at the closing to pay any costs of issuance not payable from bond proceeds. Costs of Issuance include, but are not limited to, underwriters discount (or placement fee), the fees and expenses of Bond Counsel and Authority Counsel and Disclosure Counsel, printing/posting of the official statement for the sale of bonds, trustee and Authority fees and closing expenses, bond rating fees, negative arbitrage deposits if any, and the credit underwriting report . THE AUTHORITY DOES NOT CLOSE BOND ISSUES IN ESCROW.

D. Termination of Inducement:

The Authority Resolution with respect to its intent to issue bonds for the development will terminate nine (9) months from the date of its adoption (“Inducement Period”). The Authority may consider extending the Inducement Period upon the submission by the Applicant of a status report providing tangible evidence of the progress of the financing of the development.

E. Refundings and Remarketings:

The Authority will consider the issuance of current refunding bonds to redeem prior bonds. In such event, the Applicant may, in the sole and absolute discretion of the Authority, be required to provide a Redemption Indemnity Agreement from the credit enhancement provider or other financially responsible person or entity on the bonds in form satisfactory to the Authority prior to the sale of any refunding bonds. In addition, an Applicant for such refunding bonds shall comply with all other applicable provisions for the original issuance of bonds by the Authority, including, but not limited to, the filing of an Application under these Guidelines for same and the payment of the appropriate fees and costs provided therein and provide the following additional information:

1. Description of the bonds to be refunded.
2. Current status as to the multi-family development for which the bonds were issued, setting forth the stage of construction, the number of units, the number of units set aside for low-income persons, the occupancy level, the completion date of the development and the date the bonds were originally issued.
3. A written description of the proposed financing for the refunding of the bonds.
4. Debt service schedules for both existing debt service and restructured debt service.
5. A statement as to any net proceeds arising from or in connection with the restructuring for such purposes as improvements, reparations or repairs to the Development, or as a cash contingency fund, or as a cash payment to the Applicant or related persons or entities.
6. Applicant must state the current length of the Land Use Restriction Agreement, the income set-aside requirements and the total number of set-aside units.
7. The purpose to be served by the refunding of the bonds. The estimated cost savings, if any, to be provided by the refunding of the bonds.
8. Information regarding any undue economic hardship affecting the development which has the potential of causing a default under the loan and which would be alleviated by the proposed refunding.

The Authority shall review the Application at a duly scheduled Authority meeting and shall either approve or reject the Application based on the following factors:

1. The cost savings to be realized in connection with the refunding.
2. The public purpose to be served.
3. Market conditions.
4. The proposed financing structure.
5. Any undue economic hardship affecting the property which might be alleviated by the refunding bonds.
6. The protection and best interests of the Authority and the public.

Should the Authority approve the Application, the refunding shall proceed in the same manner as outlined above for an initial financing including a credit underwriting report, except that certain steps in the process (Public Hearing approval, Volume Cap, etc.) may not be required. The Applicant shall agree to execute or cause to be executed all of the program loan documents required by the Authority to ensure that the bonds are properly refunded and to ensure the unconditional repayment of the refunding bonds. A substantial re-drafting of the existing documents in connection with remarketing or sale of a development will be deemed to be a refunding.

F. Other Post-Issuance Transactions:

The Authority will consider requests for post-issuance transactions other than refundings and remarketings, including but not limited to development transfers, sales and assumptions and document amendments (collectively, "Post-Issuance Transactions"). Applicants seeking approval for such Post-Issuance Transactions shall comply with all applicable provisions contained in the then current documents relating to the bonds issued by the Authority and shall be subject to certain fees and costs in connection therewith, as set forth below. In addition, such Applicant shall provide information that the Authority, in its sole discretion, determines necessary in order to make a decision to proceed with the Applicant's request. Should the Authority approve consideration of a request for a Post-Issuance Transaction involving a transfer or sale, the Applicant shall execute a Memorandum of Agreement and also enter and complete an owner transfer review in form and content, and with a credit underwriter approved by the Authority. Upon receipt of the review the Authority may establish conditions for any transfer or sale, or may elect not to go forward due to information provided in the review. If approved the Authority shall direct the Authority Counsel, its Bond Counsel, and Executive Director, as applicable, to take the necessary action to follow through with the Applicant's request, including, but not limited to, drafting and amending documents as necessary. If professional services are required, the Applicant will also pay the fees of the Authority's Professionals, as applicable. The Applicant shall agree to execute or cause to be executed all documents required by the Authority to give effect to the Post-Issuance Transaction.

G. Non-Profit Financings:

The Authority may consider 501 (c) (3) non-profit corporation multifamily financings for those non-profit corporations proposing such developments. The provision of affordable housing

should be the primary purpose of the non-profit owner, or be an integral part of the non-profit's larger mission. To participate in the program, the non-profit corporation must qualify as an exempt organization under Section 501 (c) (3) of the Code, whose exempt purposes include the provision of housing for low and moderate income persons and families. The non-profit corporation or its parent shall be in existence for at least five (5) years and shall demonstrate financial stability and expertise in developing and managing multifamily housing. In the alternative, members of the board of directors or the staff of a non-profit corporation must demonstrate to the satisfaction of the Authority that they have substantial experience in developing and managing multifamily housing. However, the non-profit corporation or its parent must still demonstrate financial stability. The non-profit financing shall proceed in the same manner as outlined above for a for-profit Applicant, except that Volume Cap may not be required.

H. Authority's Bond Financing Team Fees and Expenses:

1. Bond Counsel – The Authority has retained Bryant Miller & Olive P.A. to serve as bond counsel. 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 and is non-refundable.

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 \$22,500, 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 \$7,500 must be paid to Johnson, Pope, Bokor, Ruppel & Burns at the time of inducement and is non-refundable.

3. Financial Advisor - The Authority has retained CSG Advisors Incorporated as its financial advisor. 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 one of the Authority's investment bankers 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 \$2,500 must be paid CSG Advisors Incorporated at the time of inducement and is non-refundable.

4. Trustee - The Authority has retained US Bank, National Association as its Trustee. 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/Placement Agent – The Authority has retained the following firms as part of their Investment Banking team:

RBC Capital Markets
100 Second Ave. S., Suite 800
St. Petersburg, FL 33701
Attn: Helen Feinberg
727-895-8892
Helen.feinberg@rbccm.com

Raymond James & Associates
880 Carillon Parkway, 3rd Floor
St. Petersburg, FL 33716
Attn: Don Peterson
727-567-1033
Donald.peterson@raymondjames.com

6. Credit Underwriter – The Authority has approved the following Credit Underwriters: AmeriNational Community Services, Inc., First Housing Development Corporation of Florida and Seltzer Management Group, Inc.

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. The Applicant must pay Disclosure Reporting Service fee at closing.

I. 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 non-refundable in the event an induced transaction does not close for any reason. If the Applicant is submitting an Application for SAIL funds through Florida Housing Finance Corporation's competitive cycle the application fee will be a non-refundable \$1,500. If the Applicant is successful in receiving SAIL funds the initial \$1,500 fee will be applied towards the 0.10% Application Fee referenced above.
- 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 and are nonrefundable. The Authority's Inducement Fee and upfront portions of retainer fees are non-refundable 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. For short-term bond issues with an average life of less than 3 years, the Applicant must submit an additional check to the Authority in the amount of 1.0% of the total tax-exempt 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.

The fees set forth herein are subject to revision at the discretion of the Authority.

J. Authority Policies Relating to Tax-Exempt Bonds:

- Proper Zoning for Use Intended and Concurrence - For new construction, the subject property must be currently zoned for multi-family 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 multi-family zoning, (ii) maximum units allowed per acre, and (iii) that concurrency requirements have been met.

- 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.
- Financing Plan - The Authority must approve a financing plan for each development for which it adopts an Inducement Resolution. Elements of a financing plan include identification of a credit enhancement provider or bond/note purchaser (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. 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.
- 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 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.

K. Compliance with Federal and State Laws Relating to Tax-Exempt Bonds:

The proposed development 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 development must be classified as a residential rental property (i.e., a multi-family 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 development 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 developments or requests.
5. **501(c)(3) Applicants** – If the Application involves the sale of Bonds not subject to the Volume Cap due to the 501(c)(3) status of the Applicant, the Applicant must demonstrate at a minimum that (i) the organization is a 501(c)(3) in good standing, with affordable housing as part of their charter, and with a legal opinion relating to the organization and its role in the transaction, (ii) the organization should have a role in the community beyond that as a conduit financing vehicle, and (iii) the organization should have a meaningful role in the development. Payment of a minimal fee with no real on-going role would not qualify as “meaningful”.
6. **Rehabilitation** - If the Applicant intends to acquire an existing housing development, at minimum, all deferred maintenance items and structural deficiencies identified in the Property Assessment/Condition Report provided by the Credit Underwriter must be corrected and all improvements must meet current code requirements after rehabilitation is completed. At a minimum, at least 15% of the net tax-exempt bond proceeds 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 development.
7. **Low Income Housing Tax Credits (“LIHTC”)** - If the Application involves the sale of LIHTC, the Applicant must conform to all federal and state requirements associated with those credits, including compliance with Section 42 of the Internal Revenue Code and compliance with the State of Florida’s Qualified Allocation Plan and associated administrative rules. The Applicant should consult with Florida Housing Finance Corporation on its application process for 4% LIHTC.

8. **Compliance Agent** – In order to ensure compliance with the income targeting required under Federal and State law and the Authority’s requirements, the Authority will retain an independent program compliance agent. The Applicant will be required to pay for the cost of this service. This compliance agent will be responsible for monitoring the resident income certification forms and period on-site inspections of the books and records of the development in order to ensure compliance with these requirements. The Authority has retained the services of First Housing Development Corporation as its compliance agent.
9. **Fair Housing Practices** – All applicable Federal, State and local fair housing requirements must be followed.

L. Expense and Indemnity Agreement:

In conjunction with the filing of the Application, the Applicant will be required to execute an Expense and Indemnity Agreement, in the form attached to the “Multi-Family Mortgage Revenue Bond Program Application” whereby the Applicant agrees to pay all bond issuance expenses, including, without limitation, the fees and disbursements of the Authority’s Bond Counsel, Financial Advisor, underwriters, and any other administrative charges or out-of-pocket expenses which relate to the bond issue, and to indemnify the Authority and its members, officers, agents, attorneys and employees against any and all claims and liability arising out of the issuance of the bonds.

M. Additional Program Guidelines:

The Authority reserves the right to amend, revise, repeal or otherwise alter the aforesaid Guidelines with or without notice.

N. Effective Date:

These Guidelines have been approved by the Authority Board and are effective for applications received after January 1, 2015.

MULTI-FAMILY MORTGAGE REVENUE BOND PROGRAM

Public Policy Criteria

Set forth below are various criteria the Authority may use in evaluating proposed multi-family housing developments. This list is not exclusive and many of the factors are necessarily subjective. Furthermore, the order in which the criteria is listed below shall not be deemed to be of more or less importance as each of the criteria may be of more or less value depending on the circumstances.

1. The impact of the development upon the County's housing shortage, and on any neighborhood development or redevelopment plan of the County.
2. Developments that preserve the existing affordable housing stock through substantial rehabilitation.
3. Economic impact of the development, including the impact of jobs created by substantial rehabilitation and new construction.
4. Applicant's agreement to provide resident income set-asides in excess of those required by State and Federal law.
5. Developments that do not discriminate against persons or families solely because they receive Federal rental assistance.
6. Developments in which the owners demonstrate a real long-term economic interest in the development as evidenced by a developer's significant equity investment or personal guaranties.
7. Developments in which owners demonstrate a commitment to developments through a history of continual ownership and involvement with their developments.
8. Applicant's agreement to extended low income compliance periods.
9. Applicant's agreement to serve residents with incomes at levels below the maximum "low income" levels established by Federal law.
10. Applicant's agreement to provide services to the residents relevant to the needs of the residents, such as day care, after school programs, financial and credit counseling or other services approved by the Authority.
11. Appropriateness of the development design, including the number of bedrooms per unit in developments targeted to family occupancy.
12. Development design and amenities that provide enhanced quality of life, energy efficiency, increased security, handicapped accessibility or other features.

13. Financial commitments for the funding of the development and the proposed financing structure for the bonds, including the proposed credit enhancement or private placement and its related bond rating and term.
14. Leveraging of the Authority tax-exempt Volume Cap allocation by providing a portion of the financing from non-county sources, including, but not limited to, taxable bonds and state or city loans or grants.
15. Impact of the proposed development on existing multi-family housing available in the affected market, i.e., market saturation.
16. Proximity of the proposed development to employment centers or transportation corridors.
17. Borrower long-term commitment and interest in the development.
18. The financial soundness of the Applicant and the development, including the experience of the Applicant and other development team members.