

# **HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA**

## **MULTI-FAMILY BOND PROGRAM APPLICATION PROCEDURES & PROGRAM GUIDELINES**

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**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 In addition, these Guidelines may be amended, revised, repealed, or otherwise altered by the Authority, at any time, with or without notice, at any regular or special meeting of the Authority. Compliance with these Guidelines does not and shall not guarantee an Applicant will be accepted or create any right by an Applicant to a commitment or assurance that the Authority will issue Obligations to provide the requested financing.

An applicant may submit the mini-application (“Mini App”) for developments that will be seeking SAIL funds through the competitive RFA process at Florida Housing Finance Corporation or the application (“Application”) for developments that will not be seeking SAIL funds through the competitive RFA process at Florida Housing Finance Corporation. The developments that submit the Mini App and receive a SAIL award and invitation to the credit underwriting process, the Mini App must be supplemented with the additional information requested in the Application. The Mini App application fee will be applied to the Application fee that is required as set forth below.

**A. Timetable:**

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

1. Submission of Application:
  - a. Applicant submits Application for review by Authority’s staff and professionals.
  - b. Applications are accepted at any time; subject to availability of private activity volume cap.
  - c. Completed applications must be received 30 days prior to a scheduled HFA board meeting for which inducement is potentially considered. For example, if the Authority has a board meeting on May 5, a completed application must be submitted no later than April 5 in order to be considered for potential inducement at such May 5 board meeting (subject to the Authority’s discretion, see below regarding Initial Inducement). Applications deemed incomplete will not be brought for inducement until all necessary information is received.
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. Inducements are valid for one year.
  - 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.
  - c. If the bond transaction has not closed within 18 months of the date of the Inducement Resolution, the Authority reserves the right to request a new application package for consideration or a withdrawal of application.
  - d. A non-refundable retainer in the amount of \$5,000 must be paid to CSG Advisors Incorporated at the time of application to cover the cost of application review and preparation of written analysis and recommendations for the Authority.
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. Such conditions may include, but are not limited to, personal guarantees by the principals of the general partner and development entity (and the

related corporate entities) of construction completion, operating deficits, environmental indemnity, and non-recourse obligations.

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. TEFRA approvals are valid for one year.

9. Credit Underwriting:

- a. Credit underwriting is performed by a firm selected by the Authority at the expense of the Applicant. Applicants will be invited to credit underwriting after Inducement. A preliminary and final credit underwriting report will be delivered to the Board for review and approval. Upon receipt of the reports, the Board may establish conditions and timetables for the financing. The Board may elect to not move forward with the financing due to information included in the credit underwriting report. In addition to any conditions established by the Authority, the Applicant shall comply with all conditions established by the credit underwriter within the preliminary and final credit underwriting reports. Failure to comply with such conditions shall result in rejection of the application. Such conditions may include, but are not limited to, personal guarantees by the principals of the general partners and development entity (and the related corporate entities) of construction completion, operating deficits, environmental indemnity, and non-resource obligations.

## **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. Credit Ratings and Investors

- a. Definitions. For the purposes of this section, the following terms shall have the following meanings:

“Approved Transferee” means (i) a Qualified Institutional Buyer that is a financial institution or commercial bank having capital and surplus of \$5,000,000,000 or more; (ii) an affiliate of the relevant funding lender; (iii) a trust or custodial arrangement established by the funding lender, one of its affiliates, or a Governmental Entity, in each case (a) the beneficial interests in which will be owned only by QIBs or (b) the beneficial interests in which will be rated in the “BBB” category or higher without regard to modifier (or the equivalent investment-grade category) by at least one nationally recognized rating agency; or (iv) a Governmental Entity.

“Governmental Entity” means any state or local government or any agency or entity which is a political subdivision of a federal, state, or local government.

“Investor Letter” means a letter from a Sophisticated Investor (i) stating that the purchase of the bonds will be solely for its own account; (ii) stating that such Sophisticated Investor can bear the economic risk of its investment in the bonds; (iii) 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; (iv) 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 (v) 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.

“Qualified Institutional Buyer” or “QIB” means a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on



the date hereof.

“Sophisticated Investor” means a Qualified Institutional Buyer or an “accredited investor” as that term is defined in Regulation D of the Securities and Exchange Commission.

- b. Credit Ratings in Event of Public Bond Sale. If the bonds are to be publicly sold, the bond issue must be structured so as to receive an “A” rating (or A-1 for short-term issues) or better by S&P Global Ratings, and/or comparable ratings by Moody’s Investors Service and/or Fitch Ratings (the “Required Minimum Rating”). Where applicable, the outlook on any such rating must be either “Stable” or “Positive.” The same rating and outlook requirements apply in the case of a substitution of existing credit support for securities already outstanding.
- c. Credit Ratings in Event of Private Bond Placement. Unless held by the borrower or a credit enhancer, or an affiliate of either of them, privately placed bonds without the Required Minimum Rating shall comply with at least one of the following criteria:
  - (i) The bonds shall be sold in minimum denominations of \$100,000 to one or more Sophisticated Investors each of whom have executed and delivered an Investor Letter and shall bear a legend restricting subsequent transfers to other Sophisticated Investors who have executed and delivered an Investor Letter, or
  - (ii) The bonds shall be sold in minimum denominations of \$250,000 to one or more Sophisticated Investors each of whom have executed and delivered an Investor Letter, but an investment letter shall not be required of subsequent purchasers of 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.

For avoidance of doubt, privately placed bonds carrying the Required Minimum Rating are not subject to the criteria described in sections 3(c)(i) and 3(c)(ii) above.

- d. Direct Loans. In some cases, Authority issues may be structured as direct loans rather than as publicly sold or privately placed bonds. Such structures do not require credit ratings as described above. However, lenders must be well-capitalized banking institutions or similarly sophisticated commercial lending institutions approved by the Authority that agree to limit the transfer of the associated instruments to Approved Transferees.
- e. Securitization Trusts and Custodial Arrangements. Transfer of bonds, notes, certificates, or other Authority-issued instruments to a securitization trust or custodial arrangement shall be limited to Approved Transferees. In the event any placement memorandum or other disclosure document is to be provided in

connection with such transfers, publicly available information regarding the Authority or the instruments may be disclosed, but the Authority will not be required to provide or review any such information. Any such placement memorandum or disclosure document shall also contain statements substantially as follows:

“NONE OF THE INFORMATION IN THIS DOCUMENT HAS BEEN SUPPLIED OR VERIFIED BY THE AUTHORITY.”

*and*

“These [Type of Instruments] are not a suitable investment for all investors. In particular, an investor should not purchase any such instruments unless it understands and is able to bear the credit and market risks associated with these instruments, including a total loss of its investment therein. The interaction of the risk factors discussed in this document and their effects will be impossible to predict and are likely to change from time to time. As a result, an investment in these instruments involves substantial risks and uncertainties and should be considered only by sophisticated investors with substantial investment experience with similar types of investments and who have conducted appropriate diligence with respect to these instruments and their underlying security.”

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. Closing Memorandum:

- a. In advance of closing, the Applicant or Investment Banker must provide a Closing Memorandum documenting the disbursement of funds at bond closing. If the bonds are to be sold publicly, the Closing Memorandum must be deemed final by all parties prior to bond pricing. If the bonds are privately placed, the Closing Memorandum must be deemed final by all parties prior to setting a closing date.

6. 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.

7. 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. Expiration of TEFRA:**

The TEFRA for the development will terminate twelve (12) months from the date of its adoption . The Authority may consider extending the TEFRA upon the submission by the Applicant of a status report providing tangible evidence of the progress of the financing of the development. Private activity allocation is not guaranteed for developments extending past the 12 month TEFRA period.

#### **E. Requirements for Applicants:**

Any Applicant or Affiliate, that (i) has been convicted or charged with a state or federal felony based on dishonesty, fraud, deceit, or misrepresentation, or that has been convicted of any crime involving theft of government property or (ii) otherwise falls under the categories described in 420.518(1)(a) through (f), Florida Statutes, with respect to any state or national affordable housing program, may not be considered for funding, at the sole discretion of the Authority.

“Applicant” includes any person that:

- Directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Applicant or Developer;
- Serves as an officer or director of the Applicant or Developer or of any Affiliate of the Applicant or Developer;
- Directly or indirectly receives or will receive a financial benefit from a Development except as further described in Rule 67-48.0075, F.A.C.;
- Is the spouse, parent, child, sibling, or relative by marriage of a person described in paragraph (a), (b) or (c) above.

“Affiliate” means: a predecessor or successor of a person convicted of a public entity crime; or an entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term “affiliate” includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an Affiliate.

No bond issue may be made for an Applicant to finance the acquisition of a Development from an affiliated party, without prior approval by the Authority and confirmation by the credit underwriter that the sales price reflects a fair market value for the property, without considering the benefit of the tax-exempt financing. The Authority’s bond counsel must review any affiliated party transaction to determine that it will not preclude delivery of bond counsel’s opinion that the interest on any Authority bonds intended to be issued as tax-exempt bonds is excluded from gross income.

#### **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 (please note that retainers are non-refundable and are applied toward the final closing fee):**

1. Bond Counsel/Disclosure 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:

\$65,000 minimum fee, plus \$1.25 per \$1,000 over \$20,000,000

\$7,500 per additional series (all types)

\$7,500 upon each structure change

\$75,000 minimum fee, if Bond Counsel also drafts the related real estate documents (all types)

65% of total Bond Counsel fee if separate trust indentures for each extra indenture;

\$35,000 for each subordinate bond issue not under an Indenture (such as self-sourced financing and seller purchase notes)

\$80,000 minimum fee, for 501(c)(3) bonds

\$12,000 for each additional series of 501(c)(3) bonds

For Disclosure Counsel:

50% of total Bond Counsel Fee with a minimum of \$35,000,

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,

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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 \$30,000, 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 \$7,500 must be paid to Johnson, Pope, Bokor, Ruppel & Burns at the time of inducement and is non-refundable. An additional fee of \$7,500 will be charged for any transaction that does not close within 18 months of Inducement.

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 0.20% of the first \$5 million and 0.15% 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 \$32,500 and a maximum fee of \$39,500). A retainer in the amount of \$5,000 must be paid to CSG Advisors Incorporated at the time of application 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](mailto:Helen.feinberg@rbccm.com)

Raymond James & Associates  
880 Carillon Parkway, 3<sup>rd</sup> Floor  
St. Petersburg, FL 33716  
Attn: Tim Wranovix  
727-567-5671  
[Tim.Wranovix@raymondjames.com](mailto:Tim.Wranovix@raymondjames.com)

6. Credit Underwriter – The Authority has approved the following Credit Underwriters: AmeriNat, 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 \$500. If the Applicant is successful in receiving SAIL funds the initial \$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 issued. 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 and taxable bond principal issued.

In the event the Bond issue is a Related-Party Financing, in lieu of the 0.10% fee described above, an issuance fee shall be paid to the Authority at the time of the Bond closing in the amount of 0.60% of the total tax-exempt bond principal amount issued (calculated as if all permitted advances of the principal amount are made at closing). A “Related-Party Financing” is a tax-exempt Bond issue where the initial or construction period lender is a related party (for federal tax purposes) to the Borrower (for example, when the tax credit investor is related to the construction period lender), and where a lender or bondholder that is not a related party to the Borrower acquires the ownership of the Bonds following an initial construction period to become the permanent loan lender.

- 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. In the event the Bond issue is a Related-Party Financing, the annual Administration Fee shall not begin to accrue until the date of conversion from the construction period to the permanent period and the ownership of the Bonds has transferred to a non-related party lender.

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. Please specify if Land Trust is being considered.
- 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. The affordability period shall be for a minimum of 50 years.
4. **Private Activity Bond Allocation; 25% Test** – 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” (“PAB”) and, as such, will require an allocation of PAB 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.

The 2025 fiscal reconciliation bill (H.R. 1), signed on July 4, 2025, which repeals and replaces 26 USC 42(h)(4)(B) and adds 26 USC 42(h)(4)(c), lowered the 50% private activity bond financing threshold test to 25% (the “25% Test”). This means there is an opportunity to finance more new units and preserve more existing affordable units than

ever before because less bond allocation is required to be committed to the financing of a transaction. In order to maximize the number of affordable housing units produced with the Volume Cap available, while providing sufficient cushion to meet the new 25% Test, the Authority will require any projects eligible by law to utilize the 25% Test to be structured so that no less than 27.5% and no more than 30% of the project's aggregate basis (i.e., land plus all depreciable assets) is financed by PAB Volume Cap.

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.
9. **Financial Monitoring Agent** – In order to provide the Authority with current information with respect to the performance of the development, the Authority will retain an independent financial monitoring agent. The Applicant will be required to pay for the cost of this service. The services of the financial monitoring agent shall be for the sole benefit of the Authority, and solely for the information of the Authority. The Authority shall have no responsibility to bondholders, credit enhancers, or others to monitor the financial

performance of the development or provide information with respect thereto.

10. **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 December 3, 2025.

## **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.