



ESCAMBIA COUNTY
HOUSING FINANCE AUTHORITY

**MULTI-FAMILY TAX EXEMPT
MORTGAGE REVENUE
BOND PROGRAM**

This package includes:

**Application Procedures and Program Guidelines
Exhibits A-F**

Application

www.escambiahfa.com

**Escambia County Housing Finance Authority
Multi-Family Tax-Exempt Bond Program
Application Procedures and Program Guidelines**

2015

Dear Applicant:

The Escambia County Housing Finance Authority (hereafter referred to as the “Authority”, “ECHFA”, or the “Board”) is interested in providing tax-exempt revenue bond financing for qualified housing developments which meet the goals of the Authority and comply with applicable federal and state law. The following describes the policies and application procedures established by the Authority for the financing of multi-family housing developments (hereinafter referred to as “Project” or “Development”). The Authority will only issue obligations to provide financing for a Development for which the Applicant has satisfied the general requirements set forth in these guidelines. The Authority may impose additional limitations in accordance with the policies, rules and regulations of the Authority. All Developments must satisfy all applicable state and federal requirements (the Authority will rely on Bond Counsel, Counsel to the Authority and its [Registered Municipal Advisor](#) (“Municipal Advisor”) to determine the applicable requirements with respect to each Development). In addition, all federal, state and local Fair Housing Requirements must be followed. The Authority may waive specific provisions of these guidelines where good cause is shown and adequate supporting documentation is provided. Likewise, the Authority reserves the right to impose additional requirements on any particular Development. Any waiver is at the sole discretion of the Authority. These policies and procedures may be amended, revised, repealed or otherwise altered by the Authority with or without cause or notice and are subject to changes in state and federal law.

The Authority is encouraging:

- Family developments located anywhere in the County (including Pensacola or Century),
- Elderly developments of 160 units or less located anywhere within the County (including Pensacola and Century),
- Rehabilitation developments located anywhere in the County (including Pensacola and Century),
- Redevelopments, conversions and/or mixed income developments that provide affordable housing as an integral component and incorporate green, enhanced energy efficiency or other innovate features.

All applications submitted will be reviewed by the Authority’s Municipal Advisor, who will make recommendations to the Board. The Board will decide if the Applicant will be invited into credit underwriting. Submission of an application does not entitle the Applicant to bond financing, even if sufficient bond allocation remains to fund the development. The Authority provides below market rate loans of bond proceeds for construction, rehabilitation and permanent financing of multi-family housing developments, including dormitories. **However, from time to time the**

Authority may approve other financing structures to the extent permitted by law. The funds are made available through the issuance by the Authority of revenue bonds (the “Bonds”). If the Authority requires credit enhancement on the Bonds, the borrower must arrange to secure or collateralize the Bonds. The Bonds are secured solely by the credit enhancement provided by the borrower and/or revenues from the development. The multi-family program has been undertaken by the Authority in order to alleviate the shortage of affordable housing available to persons and families in Escambia and other participating counties; to generate multi-family rental capital for investment in Escambia and other participating counties, to stimulate economic development; and to create jobs. The Authority may issue bonds to finance any multi-family development in Florida pursuant to an Interlocal Agreement with the applicable county or housing finance authority in which a proposed Project is located. Each development financed by the Authority, in whole or in part, will not interfere with but rather will contribute to the housing stock and economic stability of the County in which the development will be located.

To the extent private activity bond volume cap is required, the Authority may apply for allocations of private-activity “Bond Volume Cap Allocation” from the State Board of Administration’s Division of Bond Finance (the “Division”) on or after the first business day of January through June 30th of each year. The ECHFA currently has bond capacity available to provide financing for the development of rental properties which meet certain income and rent restrictions. If applications for multi-family tax-exempt financing exceed the available allocation, the Authority will select one or more qualified multi-family housing Projects located in the applicable county based on the various ranking criteria set forth in Exhibit “D”. **Please note that in no event shall the multi-family bonds issued by the Authority ever be secured by public revenues. The Authority is merely a conduit and shall not be liable on any bonds. The security for the bonds, including the source of revenue for repayment of the bonds, will be provided and pledged by the Applicant pursuant to a trust indenture and loan agreement, unless otherwise expressly approved by the governing board of the Authority for good cause shown.**

Applications are currently available and may be submitted anytime Monday through Friday. After an Application is approved by the Authority, the Authority has declared its official intent and the County has approved the Bonds after a public hearing, a request for Private Activity Bond Volume will be submitted to the Division of Bond Finance. All applications must be complete and all applicable fees paid at the time of submission to the Authority. If the bond financing is not completed within the time specified in Section 159, Part VI, Florida Statutes, and the Authority has not approved and initiated a validation proceeding, the allocation lapses and the Applicant may not proceed unless it reapplies for the Private Activity Bond Volume Allocation and provided that Allocation is then available. Questions relating to this application and the policies of the Authority should be directed to Ms. Karyn Norton, Executive Director and Mr. Randy Wilkerson, Director for Multi-Family Programs, and no other persons unless otherwise authorized by Ms. Norton.

Acceptance of an application by the Authority only commits ECHFA to **consider** the proposed Development and financing and compliance with these guidelines does not and shall not create any rights by an Applicant to a commitment or assurance that the Authority will provide the proposed financing. To assist Applicants in understanding the Authority’s expectations and procedures, it is highly recommended that Applicants contact the Authority’s Executive Director prior to submitting an application to discuss the nature of the proposed Development, the proposed financing structure, timetable, and other pertinent information.

SUMMARY OF PROCESS/AUTHORITY POLICIES

A variety of collateral techniques may be explored. The financial structure is subject to approval by the Authority's Municipal Advisor and Bond Counsel. The term of a bond issue is negotiable and interest rates cannot be determined until the sale of the Bonds. The bond issue is accomplished via the following financing steps:

Step #1. Selection Stage

Applicants submit applications for review by staff and Municipal Advisor. An application for the issuance of Bonds shall be made in the form attached hereto as "Escambia County Housing Finance Authority Multifamily Tax-Exempt Mortgage Revenue Bond Program Application". The application (original and five copies) must be submitted to the Authority at the addresses contained therein, and by the deadline established by the Authority, within a Notice of Funding Availability ("NOFA"). The application and NOFA is available at the ECHFA's website: www.escambiahfa.com.

The Authority's staff, Credit Underwriter (and/or Municipal Advisor, as applicable) will review and perform a development financial feasibility analysis, including but not limited to, a review of a developer's ability to proceed, public purpose and other selection factors included in these guidelines (the "Preliminary Analysis") and will make a written recommendation to the Board. The cost of the Preliminary Analysis shall be paid directly to the Authority at the time of application. Prior to the Board's consideration, Bond Counsel and Issuer's Counsel will provide a preliminary review of an application to ensure compliance with federal and state laws, regulations, court rulings and other mandates in effect at the time. The Board will consider public purpose and financial feasibility (including site control) and decide if an Applicant will be invited into credit underwriting and subsequent stages of the process to determine the amount of private activity bond allocation to be requested for the Development (subject to County TEFRA approval), and the total amount of bond financing to be considered for the development. The Board may establish conditions and timetables related to the financing as part of this selection process.

CONTROL OF THE PROPERTY

The Authority is not involved in site selection, but rather finances Developments that are proposed by Applicants. However, location of the proposed Development may be a factor utilized by the Authority in its determination of whether to finance a Development. The Authority only considers a request for initial inducement of a proposed Project (the "Inducement") when the Applicant can demonstrate control of the real estate. Control of the real estate can be evidenced by proof of ownership or by an executed purchase contract, deed or option agreement.

PROPER ZONING FOR USE INTENDED AND CONCURRENCE

For new construction, the subject site, at the time the application is submitted, must be zoned for multi-family use with the appropriate number of units per acre and must meet concurrency requirements. Letters from the applicable counties and/or municipalities confirming the multi-family zoning and concurrence requirements or other official documentation are required to accompany an application for it to be considered complete.

ACQUISITION AND REHABILITATION

All proposed Developments that involve acquisition and rehabilitation of existing properties must include a current comprehensive property assessment/condition report as part of the application **which must be ordered by the Credit Underwriter and prepared by a disinterested third party construction consultant, experienced in preparing such reports.**

PLEASE UNDERSTAND THAT SUBMISSION OF AN APPLICATION DOES NOT ENTITLE THE APPLICANT TO BOND FINANCING, EVEN IF SUFFICIENT BOND ALLOCATION REMAINS TO FUND THE DEVELOPMENT. INSTEAD, IT ALLOWS THE APPLICANT TO MOVE FORWARD INTO THE REMAINING DEVELOPMENT APPROVAL PROCESSES.

Step #2. Official Action (subsequent to written application)

Once it has been ascertained that Applicant understands and agrees to comply with state, federal and Authority requirements and has supplied all documentation required for inducement, the required notice of public hearing (the “TEFRA Hearing”) will be advertised and placed on the agenda of a regularly scheduled meeting, or in cases deemed exceptional by the Executive Director, at a specially scheduled Authority meeting. **The Board will consider an Inducement Resolution for a proposed development at such meeting.** (Note: **The advertisement of the TEFRA Hearing setting forth the location, description of the Development, the principal amount of bonds, the owner and/or manager of the Development and other relevant data about the proposed financing MUST be published at least 14 days prior to the public hearing date.**) Unless otherwise provided, the TEFRA Hearing will be held by the Authority and the public will be invited to be heard with regard to the Development. Bond Counsel and the Authority staff will be responsible for all arrangements with respect to the holding of the TEFRA Hearing and TEFRA approval. Applicant is required to attend and be prepared to participate in the TEFRA Hearing.

TO ENSURE ADEQUATE TIME FOR PROCESSING, THE INDUCEMENT RETAINER DESCRIBED IN EXHIBIT “B” AND ALL DOCUMENTATION REQUIRING AUTHORITY OFFICIAL ACTION MUST BE RECEIVED FOR REVIEW BY THE CHAIRMAN, BOND COUNSEL, MUNICIPAL ADVISOR TO THE AUTHORITY AND COUNSEL TO THE AUTHORITY BY THE DEADLINE ESTABLISHED BY THE AUTHORITY. PRIOR TO THE DRAFTING OF FINANCING DOCUMENTS OR APPLY FOR BOND VOLUME ALLOCATION, THE BORROWER MUST ENTER INTO FEE AGREEMENTS SATISFACTORY TO BOND COUNSEL, DISCLOSURE COUNSEL (IF APPLICABLE), ISSUER’S COUNSEL AND MUNICIPAL ADVISOR.

Following the public hearing (if applicable) and Board deliberation, the Board may decide to adopt an Inducement Resolution (the “Official Action”) before it, or it may decide to reject the application for any reason, including but not limited to changing market conditions or financial assumptions that render the proposed Development financially infeasible.

PLEASE NOTE: THE OFFICIAL ACTION OF THE AUTHORITY SHOULD NOT BE CONSTRUED AS INDICATING THE MARKETABILITY OF THE BONDS OR A GUARANTEE THAT THE BONDS WILL BE ISSUED. RATHER, IT IS AN INDICATION THAT THE AUTHORITY WILL ISSUE ITS BONDS IF A WILLING AND SUITABLE PURCHASER CAN BE FOUND AND ALL CONDITIONS PRECEDENT TO ISSUANCE OCCUR OR ARE MET.

Step #3. Execution of Inducement Letter/Agreement

Following adoption of an Inducement Resolution, the Applicant will be required to execute an Inducement Letter/Agreement (the “Inducement Agreement”) within ten (10) calendar days. The

Inducement Agreement will include the loan conditions included in the development feasibility analysis prepared by the Authority's Municipal Advisor, the credit underwriting report prepared by the Municipal Advisor and/or Credit Underwriter and any other conditions established by the Board as part of the initial selection process. The Inducement Agreement will also include the ability to recapture the Bond Volume Cap allocation if the Applicant does not meet all conditions in a timely manner.

After execution of an Inducement Agreement, it is the Applicant's responsibility to insure the financing process proceeds in an orderly and timely manner. The Bonds must be issued the earlier of (I) the deadline established in the initial approval by the Board, (ii) prior to the expiration of the bond allocation associated with the financing, or (iii) within twelve (12) months of the effective date of the Inducement Agreement, subject to an extension granted in the sole discretion of the Authority. The Authority will consider extending the Official Action upon the submission by the Applicant, no less than thirty (30) days prior to the end of the above referenced twelve month or earlier period, of (i) a written notice that the Applicant wishes to seek an extension, (ii) a status report providing tangible evidence satisfactory to the Authority of the progress of the financing of the Applicant's Development, and (iii) payment of an additional \$2,500 to the Authority. **The Authority reserves the right to terminate an Inducement at the end of twelve (12) months, or any earlier time as noted in this paragraph.**

THE AUTHORITY SHALL DEEM THE INDUCEMENT TERMINATED IN THE EVENT THAT THE APPLICANT FAILS TO MEET THE FOREGOING REQUIREMENTS.

Step #4. County Commission Approval

Upon receipt of an executed Inducement Agreement from Applicant, the Authority will submit the minutes (or applicable extracts thereof) of the TEFRA Hearing to the appropriate County Commission(s) for approval. Conduit Bonds for Developments located in Escambia County, Florida may be subject to Chapter 46, Article VII of the Escambia County Code of Ordinances (the "Escambia Code"). Applicants can view a copy of the Escambia Code at: [Escambia County Code of Ordinances, Chapter 46, Part VII](#).

FAILURE TO OBTAIN APPROVAL FROM THE APPROPRIATE COUNTY COMMISSION SHALL RESULT IN THE TERMINATION OF THE FINANCING WITH NO LIABILITY TO THE AUTHORITY.

Step #5. Application to State Board of Administration Division of Bond Finance

Following Commission approval, the Authority, with assistance of Bond Counsel, will make submission to the State Board of Administration's Division of Bond Finance (the "Division") for private activity bond volume cap (with priority designated by the Authority for competing Developments, if any). A determination by the state agency generally takes one to two days after the application is received. Applicants will be notified immediately of the determination made by the Division. Private activity bonds must be issued by the Authority within one hundred fifty-five (155) days of receiving an award of Private Activity Bond Volume Cap Allocation from the Division unless the Authority has authorized and commenced a validation proceeding. *THE AUTHORITY HAS NO CONTROL OVER THE BOND VOLUME CAP ALLOCATION AND, THEREFORE, ACCEPTS NO LIABILITY FOR THE FINAL DETERMINATION RENDERED REGARDING THE AVAILABILITY OF BOND VOLUME CAP BY*

THE DIVISION. NO ASSURANCE CAN BE GIVEN THAT A REQUESTED PRIVATE ACTIVITY BOND VOLUME CAP ALLOCATION WILL BE RECEIVED.

Step #6. Pre-Financing Stage

If Development is in the planning stage, a site plan is developed and submitted to appropriate authorities at which time other Development approval processes are put in motion, pending approval of a proposed timetable by the Authority staff. Credit underwriting (including but not limited to review of site plan, architectural design, and final construction contract) is to be performed by a firm under contract with the Authority, at the expense of the Applicant. Failure by the Applicant to meet such deadlines will result in rejection of the application. Validation proceedings, if required, are commenced and the financing structure (credit enhancement, etc.) is finalized. Applicant then contacts Bond Counsel for commencement of documentation.

Step #7. Validation (if necessary)

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. The determination as to whether bond validation is required shall be made by the Authority upon advice of its attorneys. If a bond validation is necessary, Bond Counsel will prepare and file validation pleadings in the applicable Circuit Court. Applicant shall bear any fees and expenses (including legal fees of the Authority's Issuer's Counsel and Bond Counsel) relating to any bond validation.

Step #8. Pre-Closing Stage

Ratings and insurance, as appropriate, are obtained and documentation is finalized. A preliminary and final credit underwriting report will be delivered to the Board for final review and approval. Upon receipt of the reports, the Board may establish conditions and timetables for the financing. 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 will include, but are not limited to, personal guaranties 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. The Board may elect to not move forward with the financing due to information included in the credit underwriting report, or may impose additional restrictions or requirements recommended in the credit underwriting report.

Prior to closing, the Authority must be in receipt of a Letter from Applicant that all deal points have been resolved and that documents are in substantially final form. Adoption by the Authority of Bond Resolution approving documents and authorizing the issuance of Bonds will then be placed on the agenda for a regularly scheduled meeting. Bonds may then be underwritten and sold to purchaser(s), subject to all conditions precedent to closing being accomplished. **THE AUTHORITY DOES NOT CLOSE BOND ISSUES IN ESCROW.**

Step #9. Process after Final Approval of Financing by the Authority

A. Preparation of Bond Package

After appropriate review and approval by the Authority, the Authority shall consult with Bond Counsel and initiate appropriate steps leading to the preparation of bond documents for the sale of the Bonds.

B. Bond Counsel and Preparation of Bond Sale Documents

1. It is the policy of the Authority that the legal firm serving as Bond Counsel to the Authority at the time of initial application for financing act as Bond Counsel for all multifamily housing revenue bond issues.
2. Following the execution of the Inducement Agreement by the Authority and the Applicant, Bond Counsel will prepare all documents necessary for the sale of Bonds and submit them for review and approval by the parties thereto.

C. Sale of the Bonds

1. The act of the Authority in entering into an Inducement Agreement with the Applicant for the issuance of Bonds shall not be construed as an indication of the marketability of the Bonds but rather that the Authority will issue its Bonds only if appropriate and willing purchasers can be found and upon the execution of bond sale documents mutually agreeable to all parties thereto.
2. Bonds issued and sold by the Authority shall not be deemed to constitute a debt, liability, or obligation of the Authority, the applicable County, or of the State of Florida, or of any political subdivision thereof, or a pledge of the faith and credit or taxing power of the Authority, the applicable County, or of the State or of any such political subdivision but shall be payable solely from the revenues and other resources pledged to the payment of the Bonds.
3. It is the policy of the Authority to select the investment banking firm(s) to act as senior managing underwriter(s) and remarketing agent(s), if required, for the issuance of the Authority's multifamily housing revenue bonds. These firm(s) are listed in Exhibit A. The Authority will consider requests by Applicants to add co-managing underwriters for an Applicant's bond financing and determine the division of fees among such underwriters, in the sole discretion of the Authority.
4. In general, prospective bond issues not considered of investment grade quality may be sold only at private sale or by limited public offering to sophisticated investors or qualified institutional buyers in bond denominations of not less than \$100,000 each (or \$250,000, as applicable). Prospective issues of investment grade quality may be sold at public or private sale in bond denominations of not less than \$5,000 each. For purposes of this paragraph, the term "limited public offering" shall be defined as an offering made only to sophisticated investors (not more than 35 in

number) or qualified institutional buyers,. The intent of this paragraph is applicable not only to the initial sale of the bonds, but also to resales, if any, in secondary markets and shall be incorporated in the bond sale documents. Investment grade quality shall be as determined by the accepted standards of the nationally recognized credit rating agencies. **See Exhibit “F” for the Authority’s Private Placement/ Unrated and Non-Credit Enhanced Bond Policy.**

Step #10. Closing

Closing shall be held at a time and place acceptable to the Authority. Any and all costs and expenses of the Authority incurred in connection with the issuance of the Bonds, including but not limited to the fees and expenses of the Authority's Bond Counsel, Issuer’s Counsel, Bond Underwriter, Credit Underwriter and Municipal Advisor shall be paid at closing, or such earlier time as outlined herein. The proceeds raised will be deposited with the Trustee for the bondholders in accordance with bond documents.

In accordance with bond documents, the Authority will be concerned with the use of the proceeds to the extent that they are used only for purposes allowed by governing statute and provisions of the Development as authorized in the Inducement Agreement and bond sale documents. To this end the Authority reserves the right to require that all construction and other disbursements and certain other matters related to the development be approved by a construction servicing agent.

AUTHORITY POLICIES RELATING TO TAX-EXEMPT BONDS

- 1) **Financing Plan** – As outlined above, the Authority must approve the financing plan for each Development for which it adopts an Inducement Resolution prior to the issuance of any Bonds. Elements of a financing plan include identification of a credit enhancement provider (if credit enhancement is part of the financing plan) and the basic structure of the proposed transaction. If a 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 unrated bonds (See Exhibit “F” attached hereto). Except for Bonds that will be secured by an agency of the United States Government or that carry an investment grade rating, the successful issuance of bonds is dependent to a large degree on the strength and ability of the Applicant to secure credit enhancement for, or an institutional purchaser of, the Bonds. Authority staff, with the assistance of its Municipal Advisor, 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 timeframe proposed. As described above, the Authority shall employ a third-party Real Estate Credit Underwriter under contract with the Florida Housing Finance Corporation to prepare an ECHFA Bond credit underwriting report.
- 2) **Unrated & Non-credit enhanced Bonds** – The Authority will consider issuing bonds without an investment grade rating on a “private placement” basis to a “Qualified Institutional Buyer” [as that term is defined by Rule 144A promulgated by the Securities and Exchange Commission (the “SEC”)] or via an underwritten “limited public offering” to one or more “Accredited Investors” (as that term is defined in Regulation D promulgated by the

SEC) (collectively referred to as “Sophisticated Investors” herein) under policies approved by the Authority and attached hereto as Exhibit “F”.

- 3) **Bond Counsel** – The Authority has retained Bryant Miller Olive P.A. as Bond Counsel in connection with its single-family and multi-family housing bonds. Bryant Miller Olive is a nationally recognized firm and has significant experience serving as Bond Counsel in matters pertaining to tax-exempt bonds. Bond Counsel prepares financing documents for the transaction and issues the legal opinion(s) on the tax exempt status of the bonds. 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 and may also provide other services as determined by the Authority.
- 4) **Issuer’s Counsel** – The Authority has retained Paula G. Drummond, P.L. as Issuer’s Counsel. Issuer’s Counsel prepares documents on behalf of the Authority, reviews all documents prepared by Bond Counsel and other parties to the transaction, and provides legal opinions on matters relating to the Authority.
- 5) **Disclosure Counsel** – The Authority has retained the firms of Bryant Miller Olive PA and Nabors, Giblin & Nickerson, P.A. as Disclosure Counsel (“Disclosure Counsel”). The role of Disclosure Counsel is to assist the Authority in ensuring the Authority satisfies its duties and responsibilities as a “conduit issuer” under all state and federal securities law disclosure requirements including but not limited to preparing, reviewing and advising, as appropriate, the Authority on the release of all offering documents, including Preliminary and Final Official Statements, Disclosure Agreements and any Limited Offering Statements or other Authority offering documents to ensure the Authority’s interests are protected and its liability minimized.
- 6) **Municipal Advisor** – The Authority has retained CSG Advisors Incorporated as its Independent Registered Municipal Advisor and has publicly posted the a written disclosure on its website that the Authority intends that market participants receive and use such disclosure for purposes of the Independent Registered Municipal Advisor Exemption (the “IRMA Exemption”) as provided in the Securities and Exchange Commission’s final rules adopted for municipal advisor registration (the “Final MA Rules”). CSG Advisors Incorporated represents the interests of the Authority and serves in an oversight capacity for multi-family bond transactions. The Applicant may also engage its own Municipal Advisor or consultant to assist in obtaining and negotiating the terms of any credit enhancement, structuring the bonds, obtaining an investment grade rating on the bonds, obtaining market pricing on the bonds, and managing the transaction to assure an orderly and timely closing.
- 7) **Investment Banker/Underwriter** – For bonds sold via public offering or limited public offering, the Applicant is required to utilize the investment banking firm selected by the Authority to underwrite and sell the bonds (the “Underwriters”) as set forth on Exhibit “A”.
- 8) **Real Estate Credit Underwriter** - As previously described, the Authority shall employ a third party Real Estate Credit Underwriter (“Credit Underwriter”) under contract with the

Florida Housing Finance Corporation (“FHFC”) to perform an ECHFA Bonds credit underwriting report on its behalf detailing the Development’s economic and market feasibility, including physical and location attributes, and the experience and financial wherewithal of the Development Team (collectively defined as the Applicant, general partner(s), guarantor(s), developer, general contractor, and management company). In its sole discretion, the Authority shall employ the Credit Underwriter firm to perform Financial Monitoring, and Compliance Monitoring and/or other services deemed necessary or appropriate for a development. The fees associated with Credit Underwriting and subsequent services performed by the Credit Underwriter on behalf of the Authority shall be consistent with industry standards, as amended from time to time, to be determined by the Authority and its Credit Underwriter. No fees for services performed by the Credit Underwriter shall be borne by the Authority but instead shall be paid by the Applicant.

- 9) **Continuing Disclosure Obligations** – The Applicant will comply with all secondary market disclosure requirements adopted by the Authority and all applicable regulatory bodies, which includes disclosure filings. The Applicant is responsible for all secondary market disclosure filings and will be required to execute a Continuing Disclosure Agreement with a dissemination agent acceptable to the Authority. The fees and costs of such dissemination agreement agent shall be paid by the Applicant. Where applicable, the Applicant will provide such reports to the Authority. Conduit borrowers are strongly encouraged to implement written tax compliance procedures to assist in fulfilling their responsibilities and to engage Digital Assurance Certification, LLC (“DAC”) as dissemination agent and to use the "DAC seal" on offering documents.

BOND TRANSACTION FEES AND EXPENSES

The Applicant will be responsible for all fees and expenses of the Authority and its professionals in connection with an application for inducement and the subsequent issuance of housing revenue bonds. Where eligible under the IRS Code, such expenses may be financed with bond proceeds. The Code provides that only two (2) percent of the proceeds of a tax-exempt bond issuance may be used to pay “Costs of Issuance.” The Applicant hereby commits to pay from other sources any costs of issuance not payable from bond proceeds. **THE AUTHORITY CHARGES AN APPLICATION FEE, AN INDUCEMENT RETAINER, A BOND FINANCING FEE AND AN ANNUAL ADMINISTRATION FEE FOR ALL FINANCINGS PAYABLE AT THE TIMES AND IN THE AMOUNTS DESCRIBED IN EXHIBIT “B”. ALL FEES ARE NON-REFUNDABLE.**

COMPLIANCE WITH FEDERAL AND STATE LAWS RELATING TO TAX-EXEMPT BONDS

Multi-family Projects qualified as exempt facilities under IRS Code Section 142(d), 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** - Ninety-five percent (95%) or more of the net proceeds of the bonds must be used to provide exempt facilities such as a residential rental property.
2. **Fair Market Value of Property** - No bond issue may be made for an Applicant to finance the acquisition of a development 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.
3. **Residential Rental Property** - To qualify, the Project 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 for other than on a transient basis; (ii) made available for rental to the general public; and (iii) satisfy the continuous rental and very low or low income occupancy requirements. Hotels, motels, 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.
4. **Qualified Resident Criteria** - The Authority has established criteria for resident selection that is based on cumulative annual household income. A minimum number of units must be Set-Aside for households that meet the Authority's income criteria. The Minimum Set-Aside determined by the Authority is shown in Exhibit "E". The Authority may include the Applicant's willingness to set-aside units beyond the minimum requirements in its decision on whether to induce or finance the Development. The Set-Aside requirement is based on cumulative current annual household income determined in accordance with Section 8 of the Housing Act of 1937, as amended. Each income amount associated with the number of persons per household reflects a percentage of the median gross income level for the Metropolitan Statistical Area in which the Development is located, as determined by the Secretary of the United States Department of the Treasury, in a manner consistent with Section 8 of the Housing Act of 1937, as amended, including adjustments for family size.
5. **Private Activity Bond Volume Cap Allocation** - If the Applicant is a private person (not a governmental unit or a 501(c)(3) not-for-profit corporation), or if any interest in the Project will be owned by private parties, the issuance will be a "private activity bond" and as such, will require an allocation of Private Activity Bond Volume Cap from the Division. 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. All applications that meet the threshold requirements of the Authority will be submitted to the Division. Proposals from ECHFA and other eligible entities will be randomly selected using procedures established by the Division. If approved, the local authority has one hundred fifty-five (155) days from the date of approval to issue tax-exempt bonds for the intended purpose, or the allocation must be returned to the State for reallocation to other Projects or requests.

6. **501(c)(3) Applicants** - If the Application involves the sale of Bonds not subject to the unified 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”. 501(c)3 bonds issued by the Authority for non-profit organizations for housing in Escambia County may be subject to fees imposed pursuant to the Escambia Code. 501(c)(3) Applicants are encouraged to review the Escambia Code pertaining to Conduit Bonds and contact the Authority if they have any questions.
7. **Rehabilitation** - If the Application involves acquisition and/or rehabilitation, rehabilitation must be consistent with the costs identified in a Physical Needs Assessment ordered by the credit underwriter.
8. **Low Income Housing Tax Credits** – If the application involves the sale of low income housing tax credits (“Housing Credits”), 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.
9. **Compliance Agent** - In order to insure 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 periodic on-site inspections of the books and records of the Development in order to insure compliance with these requirements. The compliance agent must have experience in compliance work with similar bond issues and must be appointed by the Authority.
10. **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.

FOR CLARIFICATION: THE FOREGOING IS NOT INTENDED TO SERVE AS LEGAL ADVICE TO ANY APPLICANT, BUT MERELY RECITES THE AUTHORITY'S UNDERSTANDING OF THE REQUIREMENTS OF THE TAX CODE. BOND COUNSEL SHALL PRELIMINARILY REVIEW ALL APPLICATIONS TO ENSURE COMPLIANCE WITH FEDERAL AND STATE LAWS, REGULATIONS, COURT RULINGS AND OTHER MANDATES IN EFFECT AT THE TIME AN APPLICATION IS APPROVED. FINAL APPROVAL OF BOND COUNSEL WILL BE REQUIRED AS A CONDITION OF ISSUANCE OF THE BONDS.

WAIVERS

The Authority reserves the right to waive or modify any of the guidelines and procedures contained herein, not otherwise required to be met by law, upon good cause shown by Authority staff or any corporation, firm or business concerned with the proposed financing. Any of the following shall constitute "good cause" for the purpose of such waiver or modification:

- A. That a particular guideline or application requirement is not applicable to a particular Applicant.
- B. That due to the nature of a proposed Development, Applicant or bond financing transaction, a particular guideline or application requirement is neither necessary for proper review and consideration of an application by the Authority nor practicable under the circumstances.
- C. That compliance by an Applicant with any guideline or application requirement would cause an undue hardship on said Applicant and compliance therewith is not essential, in the opinion of the Authority, to its review and considerations of the application.
- D. That compliance with any guideline or application requirement is not, in the opinion of the Authority, essential to its review and consideration of an application and that dispensing with, or modifying such requirement would facilitate the Authority's action upon the application. Any such waiver or modification shall be based upon evidence of the existence of good cause presented to the Authority at a public meeting and shall be by affirmative votes of not less than three (3) board members at such meeting. These guidelines may be amended from time to time by the affirmative votes of not less than three (3) board members taken at any meeting.
- E. The guidelines in effect at the time of execution of any Inducement Agreement shall be made a part thereof and incorporated therein by reference. In the event of conflict, the Inducement Agreement shall control.
- F. Notwithstanding fixed fee contracts that the Authority may have entered into with certain professionals, the Municipal Advisor, Bond Counsel, Issuer Counsel, and Credit Underwriter are authorized to charge Applicant additional hourly or fixed rates, in the Authority's discretion, if the Applicant and its representatives engage in excessive negotiation of program documents.

CONCLUSION

The Authority appreciates your interest in submitting an application for multi-family bond financing. For your convenience, these policies and guidelines and the attached application is also available on our website: www.escambiahfa.com. If you have any questions regarding this information or the Authority's policies and guidelines relating to the financing of Multi-Family Developments using private activity tax-exempt bonds, please do not hesitate to contact me at 850-432-7077.

Sincerely yours,

ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY

Karyn Norton

Karyn Norton
Executive Director

EXHIBIT A

Firms participating with the Escambia County Housing Finance Authority:

Investment Banking Firm acting as senior managing underwriter and remarketing agents for the issuance of the Authority's multifamily housing revenue bonds:

RBC Capital Markets

100 2nd Avenue S. Suite 800

St. Petersburg, FL 33701

Telephone: (727) 895-8892

Contact Person: Helen Hough Feinberg - helen.feinberg@rbccm.com

Registered Municipal Advisor

CSG Advisors Incorporated

1 Post Street, Suite 2103

San Francisco, CA 94104

Telephone: (415) 956-2454

Contact Person: Gene Slater – gslater@csgadvisors.com

Bond Counsel

Bryant Miller Olive P.A.

101 North Monroe Street

Suite 900

Tallahassee, FL 32301

Telephone: (850) 222-8611

Contact Person: Robert C. Reid - breid@bmolaw.com

Issuer's Counsel

Paula Drummond, P.L.

Attorney at Law

PO Box 2637

Pensacola, FL 32513-2637

Telephone: (850) 432-7555

Contact Person: Paula Drummond - pdrummond78@pgdpl.gccoxmail.com

FHFC Approved Credit Underwriters

AmeriNational Community Services, Inc.

First Housing Development Corporation of Florida

Seltzer Management Group, Inc.

EXHIBIT B

BOND TRANSACTION FEES AND EXPENSES

- a) **Application Fee:** At the time an Application is submitted, the Applicant must include a cashier's check payable to the ECHFA in the amount of five basis points (.05%) of the total tax-exempt and/or taxable bond principal requested. The minimum Application Fee charged to an Applicant is \$5,000. In addition, the cost, of the Municipal Advisor's Preliminary Analysis shall be paid directly to the Authority at the time of initial application. The Application Fee covers expenses incurred during the processing of the Application and structuring of the financing prior to closing such as TEFRA advertising expenses, publication expenses, filing fees, etc.). The Application Fee does not include travel expenses of the Authority's officers, counsels and advisors to attend out of town closings. **THE AUTHORITY'S APPLICATION AND THE PRELIMINARY ANALYSIS FEES ARE NON-REFUNDABLE.**
- b) **Inducement Retainer:** Prior to the Inducement Resolution being presented to the Board for Official Action, the Applicant must submit a cashier's check (or wire funds) in the amount of 10 basis points (0.10%) of the total tax-exempt and/or taxable bond principal requested as a retainer before the Authority authorizes professionals engaged by it to commence work on a bond transaction. If the bond closing takes place, the Retainer shall be credited against the Bond Financing Fee. If the Authority meets its obligation under the Inducement Resolution and the bond closing does not take place for any reason, the retainer shall be non-refundable.
- c) **Authority Bond Financing Fee:** The total Bond Financing Fee payable to the Authority is 25 basis points (.25%) of the principal amount of bonds issued or twenty thousand dollars (\$20,000), whichever is greater. On or prior to the date of closing, the Applicant (or Borrower) shall pay the balance of the Bond Financing Fee due (net of the 10 basis point (.10%) Inducement Retainer).
- d) **Annual Administration Fee:** The Authority charges an Administration Fee in an amount equal to 20 basis points (.20%) per annum of the total bonds outstanding payable, subject to a minimum fee of Five Thousand Dollars (\$5,000) per annum, plus (when applicable) the costs of any ongoing third party service provided to the Authority in conjunction with the bond issue, including but not limited to, loan servicing, development compliance monitoring, financial monitoring, trustee services, audit costs, DAC charges, material event disclosure and rebate analysis. For transactions that contemplate significant reduction in the amount of bonds within the first five (5) years after bond closing, the Annual Administration Fee will be based upon the original amount of Bonds issued or shall require a higher Bond Financing Fee, as determined at the sole discretion of the Authority.

The Administration Fee is exclusive of the trustee's fee, rebate analysts' fee, audit fee, compliance monitoring fee and any extraordinary costs as permitted under the respective bond documents. The Administration Fee is to cover administrative costs incurred by the Authority and to provide funds for the lawful purposes of the Authority. Payment

of the Administration Fee is to be covered by the bond credit enhancement and/or secured under the first mortgage on the Project assigned to the bond trustee. In the case of multi-family bonds insured by FHA, the Administration Fee should be included within the mortgage payment calculations and covered by the FHA policy. The Authority may require the payment of the Administration Fee to be guaranteed by the Project owner and or general partner(s). It is the Authority's intent that the Applicant indemnify and hold harmless the Authority and its officials and representatives from any liability arising directly or indirectly in connection with the Bonds requested by such Applicant.

- e) **Issuer's Counsel Fee:** Paula G. Drummond, P.L. charges an initial payment towards the fees charged by her firm in the amount of \$5,000 on approval by the Authority of an Inducement Resolution. This initial payment must be paid to Issuer's Counsel not later than the date the executed Inducement Agreement is delivered to the Authority. The initial payment is non-refundable; however, it will be credited toward the Issuer's Counsel fee upon closing of bond issue. Fees and expenses due on closing of a bond issue shall be invoiced by Issuer's Counsel to the Borrower prior to the closing date. Funds sufficient to pay Issuer's Counsel invoice shall be deposited by the Borrower with the Trustee to be wired to Attorney on the closing date. If there is no Trustee on a transaction, then Borrower shall wire funds directly to Issuer's Counsel. If an issue does not close or is abandoned, no further compensation is due except to the extent out of pocket expenses have been incurred which shall be paid to Issuer's Counsel by Borrower on receipt of an itemized invoice.

Fees for services of Issuer's Counsel on conduit financings are to be paid upon closing of an issue as follows:

1. **For all issues, regardless of size, rating or structure:** Fees will be based on the amount of bonds to be issued (not exceeding amount) and will be negotiated with the Borrower based on the nature and complexity of an issue's structure, plus a separate fee to cover travel expenses, as applicable. For all issues, the minimum Issuer's Counsel Fee is not less than \$7,500.
2. **For each additional series of bonds issued under the same indenture and closed on the same date:** \$2,500 per additional series, if such additional series is added after the fee for the original structure has been negotiated.
3. **For each change in bond structure after documents have been drafted based on another structure:** \$5,000 additional fee per each structure change.
4. **Post Issuance services at the request of a Borrower (not constituting a reissuance of the bonds) or upon the happening of certain events:** Fees may be charged as a flat rate or by the hour (\$275 per hour), at the option of Issuer's Counsel, and will be negotiated with or disclosed to the Borrower prior to commencing work, based on the nature of each request, and whether or not an opinion of Issuer's Counsel is required. Fees will be higher where an opinion is required and will typically be subject to a minimum of \$2,500. Types of post issuance services include, but are not

limited to: (i) Review of documentation required for requested action with no Issuer Counsel opinion or document changes required; (ii) Review of documentation required for requested action with Issuer Counsel opinion; (iii) changes or amendments to indenture and/or financing agreement requiring approval by Authority Board and no Issuer Counsel opinion; (iv) changes or amendments to indenture and/or financing agreement requiring approval by Authority Board and Issuer Counsel opinion; (v) change of ownership of financed project; and (vi) upon notice to the Authority of federal, state or local agency examinations or audits of a Borrower's outstanding bond issue(s), Borrower will be charged fees for services provided by Attorney to the Authority in connection with such examinations at the rate of \$275 per hour. Borrower may be required to pay a retainer in an amount to be determined by Issuer's Counsel before services are commenced. Issuer's Counsel may thereafter bill Borrower on a monthly basis for services rendered on an hourly rate basis, such as in IRS or other federal agency audits or examinations which continue for an extended period of time. In such cases, Borrower shall remit the monthly amount due within 15 days of receipt of an invoice from Issuer's Counsel.

- f) **Disclosure Counsel Fee:** Fees for the services of Disclosure Counsel range from 50% to 80% of the fees charged by Bond Counsel on the same issue (see paragraph (h) below plus actual expenses incurred and payable at closing.

- g) **Credit Underwriter Fee:** If invited to credit underwriting by the Authority, the Applicant must submit a non-refundable credit underwriting fee in the amount specified in the agreement between the Authority and the Credit Underwriter retained by the Authority. Such fee should be payable to the Credit Underwriter, and must be paid prior to commencement of credit underwriting. Applicant is also responsible for other costs of credit underwriting, including appraisal, capital needs assessment, pre-construction analysis, engineering studies, market study, etc.

(Remainder of Page Intentionally Left Blank)

- h) **Bond Counsel Fee:** Fees for services of Bond Counsel are payable by the Borrower at closing as follows:

New, Refunding and Reissuances:

a) For structures which do not require Bond Counsel to draft real estate Documents	\$55,000 Flat fee, plus \$1.25 per \$1,000 in excess of \$20,000,000
b) For each additional series of bonds issued under same Indenture	\$5,000 per additional series
c) For each change in bond structure after documents have been drafted on another structure	\$15,000 additional per each structure change
d) For structures which require Bond Counsel to draft real estate documents	\$10,000 additional fee

Post Issuance Services at request of a Borrower:

a) Bond Counsel Opinion required for requested action but no document amendments required (such as change in credit facility or conversion to permanent loan under Fannie Mae Program)	\$5,000 Flat fee per opinion
b) Bond Counsel Opinion required in connection with Indenture and/or financing agreement amendments to be drafted by Bond Counsel which do not rise to a reissuance of the Bonds	\$5,000 plus \$5,000 for each agreement amendment (includes any required Bond Counsel opinion)
c) Change in ownership of financed project; preparation of Assignment and Assumption Agreement but no document amendments	\$7,500 (includes any required Bond Counsel opinion)
d) Change in ownership of financed project; preparation of Assignment and Assumption Agreement with document amendments which do not rise to a reissuance of the Bonds	\$7,500 plus \$5,000 for each agreement amendment (includes any required Bond Counsel Opinion)
e) Additional services requested by the Borrower not described above	Firm will negotiate an hourly fee or fixed fee with Borrower prior to commencing work.

- i) **Issuer's Municipal Advisor Fee:** CSG Advisors Incorporated charges a fee payable at closing in an amount equal to twenty basis points (.20%) of the first Five Million Dollars (\$5,000,000) of bonds issued and fifteen basis points (.15%) of the principal amount of bonds issued in excess of Five Million Dollars (\$5,000,000), subject to a minimum fee of Ten Thousand Dollars (\$10,000) and a maximum of Thirty Five Thousand (\$35,000) respectively, for its services as Municipal Advisor to the Authority. An initial retainer equal to the greater of \$5,000 or 1/3 of the advisory fee must be paid by Borrower upon adoption by the Authority of an Inducement Resolution. The retainer is non-refundable; however, it will be credited toward advisory fee upon closing of the bond issue. If an issue does not close, no further compensation from the Borrower is due. A Preliminary Analysis Fee, in an amount to be determined by Municipal Advisor based on the complexity of a transaction, must be paid directly to the Authority at time of application. The Authority will not engage its Municipal Advisor to perform a Preliminary Analysis of a transaction until such fee is received by the Authority.

County Fees: Pursuant to Chapter 46, Article VII: Conduit Bonds of the Escambia County Code of Ordinances (the "Escambia Code"), conduit bonds issued by the Authority are subject to review by the Escambia County's Bond Counsel and Disclosure Counsel to determine whether or not they impose any financial or legal obligations on Escambia County, and in certain circumstances, are subject to review by Escambia County's Municipal Advisor to assure they do not impose any negative consequences to Escambia County's reputation in the financial markets, market access or credit rating. If any such additional fees are applicable to an Applicant's proposed financing, additional information on such fees will be provided by Issuer's Counsel and/or Bond Counsel.

For proposed Projects in counties other than Escambia County, Applicants should review the applicable county's policies and regulations with respect to review of conduit issues and applicable fees.

The Applicant is responsible for the payment of all professional fees and expenses of professionals (including any fees charged by the applicable Counties, if any) engaged on behalf of the Authority for services provided in connection with a conduit financing, including actual fees and costs incurred should an approved financing fail to close for any reason. In conjunction with the filing of the application, a financially responsible affiliate of the Applicant will be required to execute an Expense and Indemnity Agreement in the form attached hereto as Exhibit "C", whereby the Applicant agrees to pay all bond issuance expenses, including, without limitation, the fees and disbursements of the Authority's Bond Counsel, Issuer's Counsel, Disclosure Counsel, Municipal Advisor, Trustee and its counsel, the Bond Underwriter(s) and their counsel(s), credit enhancers, rating agencies, Credit Underwriter, Construction Servicing, Compliance Agent, Financial Monitoring Agents and any other administrative charges or out-of-pocket expenses which relate to the 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. The Authority reserves the right to charge fees for these services above the standard contract rate on deals of an unusual nature or with exceptionally complex structures.

EXHIBIT C

FORM OF EXPENSE AND INDEMNITY AGREEMENT

Escambia County Housing Finance Authority

**RE: ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS**

Ladies and Gentlemen:

The undersigned (the "Applicant") has requested that the Escambia County Housing Finance Authority of Escambia County (the "Authority") consider its application for the issuance of Bonds by the Authority for the benefit of the Applicant, and as an inducement to such consideration hereby agrees with the Authority as follows:

Section 1. Payment Expenses. Whether or not the Bonds are offered, sold or issued, the Applicant agrees to pay and be liable for, and to hold the Authority harmless against the payment of, any and all expenses related to the proposed Bond issue, including, without limitation, the fees and expenses of Bond Counsel, Issuer's Counsel, Disclosure Counsel, Bond Underwriters, Municipal Advisor, Credit Underwriters, including but not limited to any recording charges, expenses of printing offering circulars or official statements, the cost of printing the Bonds and advertising the sale thereof. The application fee is a separate fee that is non-refundable and shall be used for the payment of administrative and/or legal expenses of the Authority.

Section 2. Indemnity. Whether or not the Bonds are offered, sold or issued, the Applicant agrees to indemnify and hold harmless the Authority, and each of its members, officers, agents, attorneys and employees against any and all claims and liability whatsoever arising out of the Bonds issued, including, without limitations, alleged tortuous conduct or breach of contractual relationships, whether predicated upon federal or state statutes, common law, principles of equity or otherwise, excepting only claims based upon willful misfeasance or nonfeasance of the Authority. In furtherance of the foregoing, the Applicant agrees to pay any and all attorneys' fees and court costs, including those relating to appeals, incurred in the defense of any of the claims herein above enumerated upon your written demand thereof.

It is further understood and agreed that the Authority or any of the persons herein above indemnified shall be entitled to retain counsel acceptable to the Authority or the indemnified persons to defend any such claim, but that neither the Authority nor any such indemnified person will enter into any settlement of the same without the prior written approval of the Applicant.

Section 3. It is further understood and agreed that the above described indemnified persons are entitled to rely upon this instrument as if they were signatories hereto.

Section 4. Survival of Agreement. This Agreement shall survive the closing of the Bond issue and shall not merge into or be superseded by any other agreement other than by a written amendment hereto specifically denominated as such and executed by you and the Applicant.

Dated: _____

[NAME OF APPLICANT]

By: _____

Title: _____

ATTACH THIS FORM TO THE BOND APPLICATION AS EXHIBIT VI-1

AN ORIGINAL SIGNATURE IS REQUIRED ON THIS FORM. ATTACH AN EXECUTED VERSION OF THIS FORM WITH AN ORIGINAL SIGNATURE WITHIN THE ORIGINAL BOND APPLICATION.

PHOTOCOPIES OF THIS EXECUTED FORM MAY BE ATTACHED WITHIN THE 5 COPIES OF THE APPLICATION

Exhibit “D”

Items to be Considered by the Authority in the Selection Process

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

1. The financial soundness of the Applicant and the Development, including the experience of the Applicant and other Development team members.
2. Conformance of the Development with legal restrictions governing the issuance of the bonds.
3. The impact of the Development upon the housing shortage in the county in which the Project is located and on any neighborhood development or redevelopment plan of the respective county.
4. The relative affordability of the housing to those persons in the county of middle, moderate and lesser income.
5. Ability of the Applicant to complete financing and Development on a timely basis, including the status of a commitment for credit enhancement or private placement of the bonds, a commitment from the purchaser of any low income housing tax credits associated with the financing, and the status of the Applicant in the permitting process.
6. Economic impact of the Development, including the impact of jobs created by substantial rehabilitation and new construction.
7. Applicant’s formal agreement to abide by the loan conditions established in the credit underwriting report prepared by the credit underwriter and/or Municipal Advisor.
7. Applicant’s agreement to provide resident income set-asides in excess of those required by State and Federal law.
8. Applicant’s agreement to extend low income compliance periods beyond minimum requirements.
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, early literacy programs, homebuyer counseling, financial and credit counseling, or other services approved by the Authority. The Authority recognizes that many of these services are affordable only in large Developments and stresses that there is no intent to penalize smaller Developments because of lack of such services. The Applicant may suggest other services than those listed for consideration that enhance the project for the residents. Applicants are encouraged to provide these services through partnerships with local providers.
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 Project, 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's tax-exempt Bond 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. Use of a financing structure that is efficient in its use of tax exempt Bond Volume Cap allocation.
16. Impact of the proposed Development on existing multi-family housing available in the affected market, i.e., market saturation.
17. Proximity of the proposed Development to employment centers.
18. Borrower's long-term commitment and interest in Project.
19. Likelihood of being able to complete the financing (including the receipt of all permits) within one hundred fifty-five (155) days after receipt of Bond Volume Cap allocation, if applicable.

EXHIBIT “E”

Minimum Set-Aside Requirements
as of the 2015 application cycle

The Authority requires the following Minimum Set-Aside Structure:

Set-Aside requirements are based on cumulative current annual income per household determined in accordance with Section 8 of the Housing Act of 1937, as amended. Limits are based upon the then applicable income limitations established by federal guidelines.

20% Set-Aside for households whose income is 50% or less of the applicable area median income.

-OR-

40% Set-Aside for households whose income is 60% or less of the applicable area median income.

All set-aside units must meet the then applicable rent and income limitations in effect at the time of closing. Copies of the applicable guidelines can be obtained from the Florida Housing Finance Corporation website: [Income Limits](#)

In addition, Chapter 159, Part IV, Florida Statutes (the “Act”) requires that 60% of the units be leased to “eligible persons”, which shall not exclude any person making less than 150% of area median income, except that persons 65 years of age or older are considered eligible persons regardless of income (collectively “Eligible Tenant”), unless waived as provided in the Authority’s Application Procedures and applicable provision of the Act. These restrictions, along with other Development restrictions, will be reflected in a Land Use Restriction Agreement/Regulatory Agreement (“LURA”) which will be recorded in the Official Records of the County where a Development is located and shall remain in full force and effect during the Qualified Project Period.

EXHIBIT “F”

PRIVATE PLACEMENT/UNRATED & NON-CREDIT ENHANCED BOND POLICY

Bonds without Long-Term or Permanent Credit Enhancement or Without an Investment Grade Rating. Bonds without an investment grade rating 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 “Qualified Institutional Investor” (“QIB”); and (iii) shall comply with the conditions set forth in paragraph (a) or (b) below, as determined prior to the issuance of the bonds. The Authority reserves the right to allow the sale of bonds without and Investment Grade Rating to “Accredited Investors”.

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

(ii) The bonds shall be sold only to Sophisticated Investors who have executed and delivered an “investor’s letter”, in form and substance satisfactory to the Authority including, among other things: (1) stating that the purchase of the bonds will be solely for its own account; (2) stating that such Sophisticated Investor can bear the economic risk of its investment in the bonds; (3) stating that such Sophisticated Investor has such knowledge and experience in financial business matters in general and tax-exempt obligations, in particular, and that it is capable of evaluating the merits and risks of purchasing the bonds; (4) stating that such Sophisticated Investor has made the decision to purchase the bonds based on its own independent investigation regarding the bonds, the Borrower and the Project and, if a disclosure document has been prepared, it has reviewed such disclosure document and has received the information it considers necessary to make an informed decision to invest in the bonds; and; (5) acknowledging that the Authority, its counsels and its advisors bear no responsibility for the accuracy or completeness of information with respect to the Borrower and the Project contained in any disclosure document related to the Sophisticated Investor’s purchase of the bonds; and

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

Or

(b) (i) The bonds shall be sold in minimum denominations of Two Hundred and Fifty Thousand Dollars (\$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: (1) stating that the purchase of the bonds will be solely for its own account; (2) such Sophisticated Investor can bear the economic risk of its investment in the bonds; (3) 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; (4) stating that such Sophisticated Investor has made the decision to purchase the bonds based on its own independent investigation regarding the bonds, the Borrower and the Project and if a disclosure document has been prepared, it has reviewed such disclosure document and has received the information it considers necessary to make an informed decision to invest in the bonds; (5) acknowledging that the Authority, its counsels and its advisors bear no responsibility for the accuracy or completeness of

information with respect to the Borrower and the Project contained in any disclosure document related to the Sophisticated Investor’s purchase of the bonds; and (6) stating that such Sophisticated Investor has not relied upon any information or representations from the Authority, or its counsels and its advisors in making the decision to purchase the bonds; and

(iii) The bonds shall bear a legend restricting subsequent transfers to investors who by their purchase of the bonds represent that they: (1) are purchasing the bonds solely for their own account; (2) can bear the economic risk of their investment in the bonds; (3) have such knowledge and experience in financial business matters that they are capable of evaluating the merits and risks of purchasing the bonds; (4) 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; and (5) have not relied upon any information or representations from the Authority, or its counsels and its advisors in making the decision to purchase the bonds.

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

“Qualified Institutional Buyer” is defined under Rule 144A of the Securities and Exchange Commission and includes specified institutions that, in the aggregate, own and invest on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with such institutions. Banks and other specified financial institutions must also have a net worth of at least \$25 million. A registered broker-dealer qualifies as a QIB if it, in the aggregate, owns and invests on a discretionary basis at least \$10 million in securities of issuers that are not affiliated with the broker-dealer.

“Accredited Investor” is defined under Rule 501(a) of the Securities and Exchange Commission and includes any person who comes within one of the definition’s enumerated categories of persons, or whom the issuer “reasonably believes” comes within any of the enumerated categories, at the time of the sale of the securities to that person. For natural persons, Rule 502(a) defines an accredited investor as a person: (1) whose individual net worth, or joint net worth with that person’s spouse, exceeds \$1 million, excluding the value of the person’s primary residence (the “net worth test”); or (2) who had an individual income in excess of \$200,000 in each of the two most recent years, or joint income with that person’s spouse in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year (the “income test”).

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Third Party Credit Underwriter Fee

The Authority shall employ a third-party Credit Underwriter (“Credit Underwriter”) under contract with the Florida Housing Finance Corporation (“FHFC”) to prepare an ECHFA Bonds credit underwriting report (“CUR”). The Authority may, in its sole discretion, choose to employ a Credit Underwriter to perform construction/rehabilitation phase loan servicing, permanent phase loan servicing, financial monitoring, and/or compliance monitoring on its issuance(s) of Bonds. In any instance, no fees associated with the services provided by the Credit Underwriter shall be borne by the Authority but instead paid by the Applicant.



**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

**Multi-Family Tax-Exempt
Mortgage Revenue Bond Program
Application**

SUBMIT COMPLETED ORIGINAL APPLICATION (WITH FEES) AND FIVE (5) COPIES TO:

**ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY
ATTN: KARYN NORTON, EXECUTIVE DIRECTOR
700 SOUTH PALAFOX STREET, SUITE 310
PENSACOLA, FL 32502
Phone: 850-432-7077
Fax: 850-438-5205
E-mail: *karyn.norton@escambiahfa.com***

SUBMIT FOUR (4) COMPLETED COPIES AS FOLLOWS:

**UNDERWRITER (1)
MUNICIPAL ADVISOR (1)
BOND COUNSEL (1)
ISSUER'S COUNSEL (1)**

www.escambiahfa.com

SUMMARY OF PROPOSED DEVELOPMENT

GENERAL INFORMATION

NAME OF PROJECT	
Developer/Location	
Development Location	
Type NC/Rehab	
Units	
Bedrooms	
Total Square Feet	
Funds Requested Total and per unit	
Total Cost	
Land Cost	
Acquisition of Building Cost if applicable	
Hard Rehab Cost or Construction Cost	
General Contractor	
Credit Enhancement if utilizing Bonds	
Set Aside Period	
Set Aside Levels	

Tax Exempt Bond Amount Requested: \$ _____

Taxable Bond Amount Requested: \$ _____

Total Bond Amount Requested: \$ _____

Total Project Cost: \$ _____

I. APPLICANT INFORMATION

A. Applicant Name: _____

Must be a legally formed entity (i.e., limited partnership, corporation, etc.) qualified to do business in the State of Florida at the time of submission of Application. Include a copy of the certificate of good standing from the Florida Secretary of State. If the Applicant is a general partnership or joint venture, provide a copy of the partnership/joint venture agreement. Documentation can be found behind tab labeled "Exhibit I- _____"

Note: If four percent tax credits will be sought and it is contemplated that the tax credits will be syndicated, the Applicant entity must be a limited partnership or a limited liability company at the time of application for the tax credits. The Applicant entity will be the recipient of the tax credits and CANNOT BE CHANGED until after a Final Allocation of tax credits has been issued.

Address: _____

Telephone: _____ Email and/or Fax: _____

B. If partnership, name of general partner(s): _____

If corporation, name and title of executive officer: _____

Address: _____

Telephone: _____ Email and/or Fax: _____

C. Designated Contact Person: Person with decision making authority with whom the Authority will correspond concerning the Application and Development for Applicant/Borrowing Entity (not a consultant). Who is the Designated Contact Person for this Development?

Relationship to Applicant: _____

Address: _____

Telephone: _____ Email and/or Fax: _____

D. Is there a Consultant? No _____ Yes _____; If yes, provide the following:
Name: _____

Company Name: _____

Address: _____

Telephone: _____ Email and/or Fax: _____

E. Applicant's Federal Taxpayer Identification Number: _____

F. Nonprofit Status

1. Is the Applicant a 501(c)(3) non-profit organization pursuant to the Internal Revenue Code?

No _____ Yes _____ If "yes" provide the following items:

a. Attach evidence of non-profit status behind tab labeled "Exhibit I-_____."

b. Attach attorney's opinions as required by the Code and evidence that the nonprofit has not exceeded its allocation cap behind tab labeled "Exhibit I-_____."

2. Is the Authority's Bond Allocation being requested? Yes _____ No _____

If "No", attach evidence of the federal minimum set aside requirement. Evidence can be found directly behind tab labeled "Exhibit I-_____."

II. DEVELOPMENT INFORMATION

A. Development Name: _____

Note: After Final Board Approval, Development name MAY NOT BE CHANGED OR ALTERED WITHOUT CONSENT OF THE AUTHORITY. If available, provide the actual trade, "marketing" or d/b/a name.

B. Development Street Address/Zip Code (if new construction, give street names, city and zip code).

Legal description is attached behind tab labeled "Exhibit II - _____."

C. Development Category and Population:

1. a. Choose all that apply:

New Construction

Acquisition*

Remarketing

Rehabilitation

Refunding

Acquisition/Rehab

b. If acquisition, rehabilitation, or acquisition/rehab was selected, is the Development occupied?

No _____ Yes _____

Note: If an acquired Development is occupied, it must be in compliance with program rules at the time of the Bond Closing. This will be determined in credit underwriting.

2. Choose the category that describes the population to be served:

Family

Elderly

Other such as homeless/veterans/special needs: _____

D. Has construction begun? No _____ Yes _____ Date permits issued: _____

Is the Development complete? No _____ Yes _____ Date CO issued: _____

If certificates of occupancy were issued on more than one date, attach a listing of issue-dates for each building directly behind tab labeled "Exhibit II-_____."

If not, what is the anticipated placed-in-service date? _____

E. Number of Units:

Total Number of Units _____ (Market rate, Set-aside, and manager units)

Number of Set-Aside Units: _____

Percent of Set-Aside Units: _____ (# Set-Aside Units/#Residential Units)

(Remainder of Page Intentionally Left Blank)

F. Breakdown of units by square footage and monthly rent charged. All units in the Development must be listed INCLUDING all manager/employee units. Indicate manager/employee units with an asterisk.

# of Bedrms/ Unit	# of Baths Per Unit	Square Feet Per Unit	# of Units Per Bedrm type	% of Area Median Income	Monthly Gross Rent for Set-Aside Units*	Less Utility Allowance (for HC Developments)	Net Rent for Set-Aside Units	Monthly Market Rent+
Efficiency								
Efficiency								
One Bedroom								
One Bedroom								
Two Bedroom								
Two Bedroom								
Three Bedroom								
Three Bedroom								
Four Bedroom								
Four Bedroom								

* NOTE: For any Development anticipating the use of tax credits, gross rents include the rent *plus* the allowance for resident-paid utilities for set-aside units. These rents may not exceed the allowable rents for the chosen set-aside as shown on the applicable rent charts included in the Tax Credit Application Package. Rents will be capped based on set-aside chosen.

+ NOTE: Answer for market rate units only.

G. Minimum Set-aside required for Tax Exempt Bond Financing. CHOOSE ONLY ONE:

- 20% of units at 50% of area median income
- 40% of units at 60% of area median income

H. Public Policy Issues.

1. The Applicant agrees to abide by the set-asides described in this application for _____ years with a minimum of 30 years.

2. Describe in detail all resident programs and activities that will be provided by the Applicant. The Authority reserves the right to require an Applicant’s selection be made a part of the Land Use Restriction Agreement. Each Program must be described behind tab labeled “Exhibit II-_____.” Developments that include a mix of elderly and non-elderly units must provide all resident programs provided for both elderly and non-elderly Developments. The resident programs encouraged to be provided are:

- a. **All Applicants** are encouraged to provide a reasonable number of Resident programs from the following list. The Authority reserves the right to negotiate resident services to be provided based on the characteristics/needs of a particular Development:

Health Care – (Strongly Encouraged) - Regularly scheduled visits by health care professionals such as nurses, doctors, or other licensed care providers. At a minimum, the following services must be provided at no cost to the resident: health screening, flu shots, vision and hearing tests. Regularly scheduled is defined as not less often than once each quarter. On-site space must be provided.

Resident Activities – (Strongly Encouraged) - Regularly scheduled, specified activities, planned, arranged, managed, and paid for by the Applicant or its management agent as an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities such as holiday or special occasion parties, community picnics or cookouts, newsletters, children’s special functions, etc., to bring the resident together, foster a sense of community, and encourage community pride.

On Site Voter Registration – (Strongly Encouraged) - The Applicant or its Management Agent shall work with the County Supervisor of Elections to arrange on-site voter registration. The registration shall be at least quarterly, and shall be during weekend and other traditionally non-work times.

Financial Counseling – (Strongly Encouraged) - If provided, this service must be provided by the Applicant or its Management Agent at no cost to the resident. Financial counseling must include the following components; must be regularly scheduled, not less often than once each quarter; must be free of charge to the residents; must include tax preparation assistance by qualified professionals; must include educational workshops on such topics as “Learning to Budget”, “Handling Personal Finances”, or “Comparison Shopping for the Consumer”.

Computer Training (Strongly Encouraged) – This training is made in conjunction with the requirement that the Applicant commit one computer for every 50 units, with software and internet access. The Applicant must provide quarterly, on-site training classes, on basic computer skills such as word processing and spreadsheets to the residents.

English as a Second Language (Optional) – Applicant shall make available, at no cost to the resident, a literacy tutor(s) to provide weekly English lessons to residents in private space on-site.

Swimming Lessons (Optional) – The Applicant or its Management Agent shall provide on-site swimming lessons for children or adults, at no cost to the resident, at least three times each year.

Life Safety Training (Optional) – The Applicant or its Management Agent shall provide on-site courses such as fire safety, first aid (including CPR), etc. at least twice each year, at no cost to the resident.

Health and Nutrition Classes (Optional) – The Applicant or its Management Agent shall provide on-site classes, at no cost to the resident, at least 8 hours per year.

Day Care (Optional) – either:

Day care facility for children or adults on-site, or

A discount of at least 20% at a day care facility for children or adults within 3 miles of the Development.

Case Management/Residential Stabilization/Services (Optional) – This service must be provided by a qualified social worker at no cost to the resident. This program requires that the following services be made available on-site no less often than once a week: crisis intervention, individual and family needs assessment, problem solving and planning, appropriate information and referral to community resources and services based on need, monitoring of ongoing ability to retain self-sufficiency, and advocacy to assist clients in securing needed resources.

Smoking Cessation Classes (Optional) – The Applicant or Management Agent shall provide on-site classes, at no cost the resident, at least 8 hours per year.

b. **Applicants in connection with Elderly Developments** are encouraged to provide the following Resident programs but must provide a minimum of two (2) programs. The Authority reserves the right to negotiate resident services to be provided based on the characteristics/needs of a particular Development:

Resident Assurance Check-In Program – (Strongly Encouraged) - Applicant must provide and use an established system for checking in with each resident on a predetermined basis not less than once per day. Residents may opt out of this program with a written certification that they chose not to participate.

Daily Activities – (Strongly Encouraged) - Applicant or its Management Agent must provide supervised, structured activities at least five days per week. Activities must be on-site and at no charge to the residents.

Meals – Applicant must pay for daily, at least one meal per day, delivery and cost of meals to the residents or provide for the daily preparation and serving of meals in a designated common on-site facility. Programs such as “Meals on Wheels” will not qualify for points because Applicant is not providing the service.

Applicant will provide for delivery and cost of daily meals (at least one meal per day) to be served in a designated common facility located on-site; or

Applicant will arrange for daily meals, at least one meal per day, to be delivered to the residents at no cost to the residents.

Private Transportation for the Development – The Applicant or its Management Agent, at no cost to the resident, must provide a qualified driver and have a safe and serviceable vehicle that can transport residents to off-site locations for such things as medical appointments, public service facilities, and/or educational or social activities. A nearby bus stop or access to programs such as “Dial a Ride” will not be acceptable for purposes of this commitment.

Assistance with Light Housekeeping, Shopping and/or Laundry – Applicant must provide weekly assistance with at least two of the following: (1) light housekeeping, and/or (2) grocery shopping, and/or (3) laundry, at a rate which is at least 25% lower than market.

Manager On-Call 24 Hours Per Day – Applicant must provide a manager and/or security guard on the Development’s premise at all times who is available and accessible to the residents 24 hours per day, seven days per week.

c. **Applicants in connection with Non-Elderly Developments** are encouraged to provide the following Resident programs but must provide a minimum of three (3) programs which will be approved by the

Authority and Municipal Advisor (Authority reserves the right to negotiate resident services to be provided based on the characteristics/needs of a particular Development):

Homeownership Opportunity Program – (Strongly Encouraged) - If offered, Applicant must provide a homeownership opportunity program available to all residents in compliance with their current lease. The program must set aside 5% of the resident’s gross rent toward a downpayment for that resident when the resident moves from the Development into homeownership. The resident may be suspended from the program during the period of a lease if the resident violates any provision of the lease. Upon renewal of the lease, the resident must be reinstated into the program for the period of that renewal, with suspension permitted under the same terms as discussed above. The homeownership opportunity program must also include financial counseling for all residents, with emphasis on credit counseling and other items necessary for successful purchase of, and maintenance of a home.

First Time Homebuyer Seminars – (Strongly Encouraged) - Applicant must arrange for and provide at no cost to the resident, in conjunction with local realtors or lending institutions, semiannual on-site seminars for residents interested in becoming homeowners.

Welfare to Work or Self-Sufficiency Programs – (Strongly Encouraged) - Applicant must participate in welfare to work or self-sufficiency programs by implementing marketing strategies that actively seek residents who are participating in or who have successfully completed the training provided by these types of programs.

After School Program for Children – Applicant or its Management Agent must provide daily, supervised, structured, age-appropriate activities for children during the after-school hours. Activities must be on-site and at no charge to the residents.

Literacy Training – Applicant must make available, at no cost to the resident, a literacy tutor(s) to provide weekly literacy lessons to residents in private space on-site.

Job Training – Applicant must provide, at no cost to the resident, regularly scheduled classes in typing, computer literacy, secretarial skills or other useful job skills. Regularly scheduled means not less often than once each quarter.

Homeless, Veterans or Special Needs Housing – Applicant may propose appropriate Resident Programs. Attached as Exhibit II-_____.

3. Describe in detail all design and other physical amenities that provide enhanced quality of life, energy efficiency, increased security, handicapped accessibility, or other features. The Authority reserves the right to require selected feature(s) be made a part of the Land Use Restriction Agreement, and must be described behind tab labeled “Exhibit II - ____.” Developments that include a mix of elderly and non-elderly units must provide design features for both elderly and non-elderly units must provide design features for both elderly and non-elderly Developments. The design and amenity features to be provided are:

- a. In addition to meeting all building code, Fair Housing Act, and Americans with Disabilities Act Requirements, the following items are required:
 - **Air conditioning** (window units are not allowed), in all units
 - **Dishwasher**, in all new construction units
 - **Garbage Disposal**, in all new construction units

- **Cable TV Hook-Up**, in all units
- **At least two full bathrooms** in all **3 bedroom or larger** new construction units
- **At least 1 and ½ bathrooms** (one full bath and one with at least a toilet and sink) in all new construction **2 bedroom units**
- **Full sized appliances** in all units
- **Bathtub** in at least one bathroom in new construction non-elderly units

b. **For New Construction Units**, the Applicant may select items from the following list. The selected items must total 25 points:

- Window Treatments (mini-blinds, curtains, vertical blinds) inside each unit- identify treatment _____ (3 points)
- 30 Year Expected Life Roofing on all Buildings (5 points)
- Gated community with “carded” entry or security guard, or if mid-or-high-rise, “carded” secure entry to building (2 points for gated community; 4 points for secure building entry)
- Exterior Finish - stucco or cementitious siding or brick exterior finish (3 points – check choice)
- Ceramic tile Bathroom Floors (2 points)
- Microwave Oven (3 points)
- Marble Window Sills (3 points)
- Fire Sprinklers in All Units (5 points)
- Steel entry door frames (2 points)
- Termite prevention/detection system (2 points)
- Exterior lighting (3 points)
- Double compartment kitchen sink (1 point)
- Laundry Hook-ups and space for washer/dryer inside each unit (3 points)
- Non-smoking units (may not choose with Non-Smoking Building (4 points)
- Non-smoking building (5 points)

c. For **Rehabilitation of Existing Development**, the Applicant may select items from the following list. The selected items must total 25 points:

- Laundry Hook-ups and space for washer/dryer inside each unit (3 Points)

- Window Treatments (mini-blinds, curtains, vertical blinds) inside each unit – identify treatment: _____ (3 points)
- 30-Year Expected Life Roofing on all Buildings (4 points)
- Gated community with “carded” entry or security guard, or if mid-or-high rise, “carded” secure entry to building (3 points)
- Ceramic Tile Bathroom Floors (2 points)
- Microwave Oven (3 points)
- Marble Window Sills (3 points)
- Fire Sprinklers in All Units (4 points)
- Dishwasher inside each unit (3 points)
- Steel entry door frames (2 points)
- Termite prevention/detection system (2 points)
- Exterior lighting (3 points)

d. For **Elderly Developments** or Developments with elderly units, the Applicant may select from the following list. The selected items must be on-site and total 16 points (2 points each):

- Emergency call service in all elderly units
- Hairdresser Shop or Barber Shop on site
- Laundry facilities available on every floor
- All bathrooms in elderly units handicapped accessible with grab-bars per ANSI requirements
- Public transportation within 150 feet of property (or elderly building if mixed family-elderly)
- Exercise room with appropriate equipment
- Community center or clubhouse
- Swimming pool
- Covered picnic area with at least three permanent picnic tables and a permanent outdoor grill
- Outside recreation facility (such as shuffleboard court, putting green, tennis court). Identify facility: _____
- Library consisting of a minimum of 100 books and 5 magazine subscriptions
- Craft Room
- Walking Trail

- e. For **Non-Elderly Developments**, or Developments with non-elderly units, the Applicant may select from the following list. The selected items must be on-site and total 16 points (2 points each):

- Exercise room with appropriate equipment
- Community center or clubhouse
- Swimming pool
- Playground/tot lot (must be sized in proportion to Development's size and expected resident population with age-appropriate equipment)
- Car care area (for car cleaning/washing)
- Childcare facility located within three miles of the property
- Public transportation located within one-half mile of the property
- Library/study room consisting of a minimum of 100 books and 5 magazine subscriptions
- Two or more parking spaces per unit
- Outside recreation area for older children (such as basketball court, tennis court, volleyball court, etc.). Identify facility:
_____.

- f. Energy Conservation Features for all units in the Development (Maximum available points for this category is 9 points):

Mandatory Features:

- Energy Star qualified refrigerator
- Energy Star qualified dishwasher
- Energy Star qualified washing machines, if provided by Applicant;
- Minimum SEER of 14 for unit air conditioners (excluding buildings with a central chiller system);
- Low-VOC paint for all interior walls (50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - Toilets: 1.6 gallons/flush or less
 - Faucets: 1.5 gallons/minute or less
 - Showerheads: 2.2 gallons/minute or less

Optional Green Building Features:

Applicant must choose at least five (5) items from the following list:

- Programmable thermostat in each unit
- Energy Star ceiling fans in all bedrooms and living areas
- Energy Star qualified roofing material or coating
- Energy Star exhaust fans in bathrooms
- Energy Star rating for all windows
- Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings
- FL Yards and Neighborhoods certification of all landscaping
- Eco-friendly flooring – Carpet and Rug Institute Green Label certified carpet and pad, bamboo, cork, recycled content tile, and/or natural linoleum
- Eco-friendly cabinets – formaldehyde free, material certified by the Forest Stewardship Council

I. Development Buildings.

1. Give number of buildings with dwelling units: _____
2. Total number of buildings in Development: _____
3. Describe ALL non-residential buildings, including size (square feet) of each, including specific size of clubhouse: _____

4. Total square feet in Development (all buildings): _____

J. Development Design. Check the one design that best describes this Development:

- Garden Apartments High Rise Mid-Rise with elevator
 Townhouses Quadraplexes Other: _____

K. Development Size. Identify acreage or lot size of entire Development: _____
(NOTE: If Development is a phased Development, include only the acreage for this phase.)

L. Development Location.

1. If applicable, give name of incorporated municipality: _____
2. Name, title and address of chief elected official of jurisdiction that must issue permits:

Telephone: _____ Email and/or Fax: _____

3. County Commission District and name of Commissioner for this Development's location: District _____ Commissioner _____

(Remainder of Page Intentionally Left Blank)

III. Development FINANCING AND PROPOSED STRUCTURE

A. Proposed Finance Summary: Utilize the pro-forma provided with the application to show a detailed sources and uses. Attach the pro-forma as Exhibit III-_____.

Explanation of SAIL, HOME, CDBG and/or SHIP funding: _____

If SAIL, HOME, CDBG and/or SHIP funding is shown as already committed, **attach a letter from the appropriate governmental entity detailing the commitment**, including the dollar amount, source of funding, conditions of funding (including income and/or rent restrictions), whether the funding is a loan or a grant, and if a loan, the interest rate, loan term, amortization, and payback schedule. Attach the letter(s) as “Exhibit III-_____.”

B. If SAIL, HOME, CDBG and/or SHIP funding is shown and is not firmly committed, attach an explanation of how the Development will be completed without those funds. Attach the explanation as “Exhibit III-_____.”

Does the Applicant firmly commit to complete the bond financing if those funds are not received?

Yes _____ No _____

C. If SAIL or HOME funding from Florida Housing is not shown, does the Applicant intend to apply for such funding? If so, how much: \$ _____.

D. Tax Credits. If the Development receives Bond financing, will HC be used? No _____ Yes _____

1. If yes, HC Requested Amount \$ _____.

2. If yes, name of Syndicator: _____
A preliminary commitment letter is included as “Exhibit III-_____”. The letter must include a description of how the syndication funding will be paid out during construction and following completion. At least 50% of the amount needed to complete construction must be paid at bond closing. **A firm commitment letter must be provided during the Credit Underwriting.**

E. Rental Assistance. Is Development-based rental assistance **anticipated** for this Development?

No _____ Yes _____ If yes, check all that apply:

- Moderate Rehab RD 515
- Section 8 Other _____

Number of units receiving assistance: _____

Number of years remaining on rental assistance contract: _____

F. Credit Enhancement

- Letter of Credit: _____
Term: _____ Rating: _____
- Third Party Guarantor: _____
Term: _____ Rating: _____
- Private Placement/Name of Placement Agent: _____
Term: _____ Rating: _____
- FHA-Insured loan
Name of Lender: _____ Term: _____ Rating: _____
- FannieMae
Name of DUS Lender: _____ Term: _____
Name of Interim Construction LOC Bank: _____ Rating: _____
- Other
Name: _____ Term: _____ Rating: _____

A copy of the Commitment or Letter of Interest for the above checked credit enhancer(s) and/or placement agent, including a contact person's name, address and telephone number; credit underwriting standards; and an outline of proposed terms, must be attached as "Exhibit III-_____."

- G. 50% Bond Test: For purposes of meeting the 50% bond test to receive automatic HC, tax-exempt bonds represent ____%. Attach a detailed 50% test calculation as Exhibit III-_____.
- H. Proposed Structure. The outline of the proposed structure must include, at a minimum, the following: whether a combination of tax-exempt and taxable bond financing expected, whether a fixed or floating interest rate is expected, mortgage term, amortization schedule, interest terms, description of the credit enhancement or placement structure, and additional financing or equity sources. **Material changes in the proposed structure after submittal of the application may result in delay of consideration by the Authority or loss of priority.** A description of the proposed financing structure is attached as "Exhibit III-_____."
- I. Economic Feasibility of the Development. A description of the Development feasibility structure must be attached as "Exhibit III-_____" and include, at a minimum, the following:
1. 15-year Pro forma cash flow
 2. Maximum interest rate at which the Development will work
 3. Detailed sources and uses, including a breakout for each line item on a per unit cost basis.

IV. ABILITY TO PROCEED

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Development.

A. Site Control

Site Control must be demonstrated by the APPLICANT. At a minimum, a Contract for Purchase and Sale must be held by the Applicant for the proposed site. The contract may not expire before June 30th of application year and the remedy for default on the part of the seller must include or be specific performance, and the buyer **MUST** be the Applicant. Site is controlled by:

- _____ Contract for Purchase & Sale, and Title Insurance Commitment showing marketable title in the name of the Seller
- _____ Recorded Deed, and Title Insurance Policy Showing marketable title in the name of the Applicant
- _____ Long-Term Lease: If site control is demonstrated by long-term lease, a copy of the executed lease must be provided. The lease may be contingent only upon the receipt of Bond Financing. Also, a Title Insurance Commitment showing marketable title in the name of the lessee must be included.

IMPORTANT: If site control is not held by the Applicant, a fully executed, enforceable **contract for purchase and sale or assignment of contract** must be provided which obligates the seller or assignor to transfer the site to the Applicant contingent **ONLY** upon the award of Bond Financing. If site control is evidenced by contract for purchase and sale, the Authority may give preference to those contracts that evidence ability to extend through December 31st of application year. Evidence of Site Control can be found directly behind tab labeled "Exhibit IV-_____."

B. Zoning and Land Development Regulations

1. a. Is the site appropriately zoned for the proposed Development: No _____ Yes _____
- b. Indicate zoning designation (s) _____
- c. Current zoning permits _____ units per acre, or _____ for the site (PUD).
- d. total Number of Units in Development: _____

Note: at a minimum, the current, applicable Future Land Use Map Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions must permit the proposed Development.

2. New Construction Zoning and Land Development Regulation Development Requirements:
 - a. Applicant must provide a letter from the appropriate local government official that the Development is consistent with zoning and land development regulations, which verifies that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use. **To meet minimum requirements, attach a letter from the appropriate local government official verifying that the current, applicable Future Land Use Map**

Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions permit the proposed Development. The local government verification letter can be found directly behind tab labeled “Exhibit IV-_____”; **OR**

- b. Applicant must provide copies of building permits for vertical construction for all buildings in a multi-building Development or a letter stating that except for payment of fees, permits would be issued. A copy of the permits or letter can be found directly being tab labeled “Exhibit IV-_____.”
3. Rehabilitation Zoning and Land Development Regulation Development Requirements:
- a. Applicant must provide a letter from the appropriate local government official that the Development is consistent with zoning and land development regulations, which verifies that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use. **To meet minimum requirements, attach a letter from the appropriate local government official verifying that the current, applicable Future Land Use Map Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions permit the proposed Development.** The local government verification letter can be found directly behind tab labeled “Exhibit IV-_____.”; **OR**
 - b. Applicant must provide copies of rehabilitation/building permits or a letter stating that except for payment of fees, permits would be issued. A copy of the permits or letter can be found directly behind tab labeled “Exhibit IV-_____.”; **OR**
 - c. Applicant must provide a letter form the appropriate local government official that verifies that permits are not required for the Development. A copy of the letter can be found directly behind tab labeled “Exhibit IV-_____.”

C. Site Plan

1. New Construction: Has the preliminary or conceptual site plan been approved by the appropriate local government authority?

Yes _____ No _____

If yes, a copy of the approved site plan is attached as “Exhibit IV-_____.”

If no, local approval is expected on _____ and, if available, a copy of the preliminary or conceptual site plan and description of status in the local government review process is attached as “Exhibit IV-_____.”

2. Rehabilitation: Was site plan approval required by local governmental authorities at the time this Development was originally placed in service?

Yes _____ No _____

If yes, a copy of the approved site plan must be attached as “Exhibit IV-_____.”

If no, a copy of an “as-built” survey of the Development must be attached as “Exhibit IV-_____.”

D. Other Permits

- 1. Does the Development require permits from the appropriate water management district?

No ____ Yes ____ If yes, attach evidence that the permitting process has been initiated or a description of status in the permitting process as "Exhibit IV- ____" and give the estimated date for issuance: ____

- 2. Does the Development require permits from the U.S. Army, Corps of Engineers?

No ____ Yes ____ If yes, attach evidence that the permitting process has been initiated or a description status in the permitting process as "Exhibit IV- ____" and give the estimated date for issuance: ____.

E. Environmental Safety:

- 1. Has a Phase I Environmental Report been completed? If so, provide a copy ("Exhibit IV- ____"). If not, complete, will be required as part of credit underwriting.

- 2. Does the Phase I Report recommend that a Phase II Report be completed? If so, attach the Phase II Report ("Exhibit IV- ____") or disclose the date that the report will be completed: _____,

- 3. Does either the Phase I or Phase II Report recommend any remedial action? If yes, attach a remedial action plan, which includes timing and costs (which must be reflected in the detailed sources and uses. If applicable, the plan is attached as "Exhibit IV- ____".

F. Concurrency. Attach a letter or letters from the local government or provider verifying availability of infrastructure and capacity for the proposed Development. Letters must be Development-specific and dated within 3 months of the date of the Application.

Electricity	Exhibit IV- ____
Water	Exhibit IV- ____
Sewer capacity, Package Treatment, or Septic Tank	Exhibit IV- ____
Roads	Exhibit IV- ____

G. Experience of the Development Team – SEE NOTE ON PAGE 54 RELATED TO CHARTS.

Note: If team member has served on Authority bond transaction closed in the last five (5) years, list name of team member, BUT THERE IS NO NEED TO FILL OUT ATTACHED CHART.

The past performance record of the Development team (which consists of Developer, Management Agent, General Contractor, Architect/Engineer, Attorney, and Accountant) will be carefully reviewed.

1. Experience of Developer: Name: _____
Principal(s): _____

- a. Fill out the attached chart.
- b. Has the Developer, or any of the principals of the Developer been associated with any development that has gone into default or given “troubled development” status?
Yes _____ No _____
If “Yes”, attach a detailed explanation of the situation(s) and resolution as “Exhibit IV-_____.”
- c. Has the Developer or any principal of the Developer been associated with any Development that has been found in non-compliance with program requirements; i.e. an incurred 8823?
Yes _____ No _____
If “Yes”, attach a detailed explanation of the situation(s) and resolution as “Exhibit IV-_____.”

2. Experience of General Partner. Name: _____
If entity, name of principal(s): _____

- a. Fill out the attached chart.
- b. Has the General Partner, or any of the principals of the General Partner been associated with any Development that has gone into default or given “troubled development” status?
Yes _____ No _____
If “Yes”, attach a detailed explanation of the situation(s) and resolution as “Exhibit IV-_____.”
- c. Has the General Partner or any principal of the General Partner been associated with any Development that has been found in non-compliance with program requirements?
Yes _____ No _____
If “Yes”, attach a detailed explanation of the situation(s) and resolution as “Exhibit IV-_____.”

3. Experience of Management Agent. Name: _____
Principal(s): _____

- a. Fill out the attached chart.

- b. Has the Management Agent, or any of the principals of the Management Agent been associated with any Development that has gone into default or given “troubled development” status?

Yes _____ No _____

If “Yes”, attach a detailed explanation of the situation(s) and resolution as “Exhibit IV-_____”

- c. Has the Management Agent or any principal of the Management Agent been associated with any Development that has been found in non-compliance with program requirements?

Yes _____ No _____

If “Yes”, attach a detailed explanation of the situation(s) and resolution as “Exhibit IV-_____”

4. Experience of General Contractor. Name: _____

- a. Fill out the attached chart.

5. Experience of Architect. Name: _____

- a. Fill out the appropriate attached chart.

6. Experience of Engineer. Firm Name: _____

- a. Fill out the appropriate attached chart.

7. Experience of Attorney. Name: _____

- a. Fill out the attached chart.

8. Experience of Accountant. Name: _____

- a. Fill out the attached chart.

V. Development SUMMARY AND TIMELINE

A. Provide a short narrative description of the Development, including all amenities, unit features and scope of work to be performed. MAJOR Development AMENITIES WILL BE INCLUDED IN THE LAND USE RESTRICTION AGREEMENT AND/OR THE LOW INCOME HOUSING AGREEMENT, IF APPLICABLE. Also attach as Exhibit V-_____ a timeline for the completion of the Development which includes all key dates, including anticipated timing of permits and credit underwriting, bond closing date, completion of construction, rent up, and stabilization.

(Attach additional sheet labeled Exhibit V-_____, if necessary).

B. **TO BE CONSIDERED COMPLETE**, the Application must include a map showing the Development’s location, and the location, age, number of units and current occupancy of competing bond and HC Developments within a five mile radius (info on age, number of units and occupancy can be shown on chart attached to the map). The map should also include any bond or HC Developments within the same radius that are under construction or in credit underwriting either at the ECHFA or FHFC. Additionally, the map should show the Development’s proximity to community services, medical facilities, schools, shopping, major business and employment centers, and availability of public transportation. This may be found directly behind tab labeled “Exhibit V-_____”.

VI. FORM OF EXPENSE AND INDEMNITY AGREEMENT

Attach as Exhibit VI-1 the “Form of Expense and Indemnity agreement found as Exhibit C within the “Application Procedures and Program Guidelines” handbook. An ORIGINAL SIGNATURE must be included on the form contained within the original application. Photocopies of the executed form may be utilized within the 9 copies of the application.

VII. REHABILITATION APPLICANTS ONLY SECTION

Attach as Exhibit VII-1, a detailed description of the rehabilitation activities and the status and plans for existing residents. At a minimum, the attachment should describe (i) a detail of all rehabilitation, including the rehabilitation cost per unit and the cost for each item, (ii) the current rents at the Development compared to the proposed rents, (iii) the plans for the existing residents, both during and after rehabilitation, (iv) the income levels of the current residents, and whether the current residents will qualify as residents after rehabilitation, (v) a copy of any third party physical needs assessment, or explanation for why the document is not available.

VIII. CERTIFICATION AND TOTAL BOND REQUEST (Original Signatures Required)

Tax Exempt Bond Amount Requested: \$ _____

Taxable Bond Amount Requested: \$ _____

TOTAL BOND AMOUNT REQUESTED: \$ _____

The undersigned Applicant certifies that the information in this Application is true, correct and authentic.

THE APPLICANT FURTHER ACKNOWLEDGES HAVING READ ALL APPLICABLE AUTHORITY RULES GOVERNING THE PROGRAM, ACKNOWLEDGES HAVING READ THE INSTRUCTIONS FOR COMPLETING THIS APPLICATION AND AGREES TO PAY ALL FEES AS OUTLINED ABOVE IN CONNECTION WITH THIS FINANCING.

THE APPLICANT UNDERSTANDS AND AGREES TO ABIDE BY THE PROVISIONS OF THE APPLICABLE FLORIDA STATUTES AND AUTHORITY PROGRAM POLICIES, RULES AND GUIDELINES.

THE UNDERSIGNED REPRESENTS AND WARRANTS THAT THE INFORMATION PROVIDED HEREIN IS TRUE AND ACCURATE. THE PERSON EXECUTING THIS DOCUMENT REPRESENTS THAT HE OR SHE HAS THE AUTHORITY TO BIND THE APPLICANT AND ALL INDIVIDUALS AND ENTITIES NAMED HEREIN TO THIS WARRANTY OF TRUTHFULNESS AND COMPLETENESS OF THE APPLICATION.

THE APPLICANT ACKNOWLEDGES THAT THE AUTHORITY'S INVITATION TO SUBMIT AN APPLICATION DOES NOT CONSTITUTE A COMMITMENT TO FINANCE THE PROPOSED DEVELOPMENT. **BEFORE THE AUTHORITY CAN APPROVE THE PROPOSED DEVELOPMENT FOR FINANCING, IT MUST RECEIVE STATE BOND ALLOCATION AND APPLICANTS MUST SUCCESSFULLY COMPLETE CREDIT UNDERWRITING AND OBTAIN ALL NECESSARY APPROVALS FROM THE AUTHORITY BOARD, ISSUER'S COUNSEL, BOND COUNSEL, THE CREDIT UNDERWRITER AND APPLICABLE COUNTY COMMISSION AND STAFF.**

Applicant Date

Signature of Witness

Name and Title (typed or printed)

Name (typed or printed)

NOTE: ORIGINAL APPLICATION MUST CONTAIN AN ORIGINAL SIGNATURE PENNED IN BLUE INK, OR THE APPLICATION WILL BE REJECTED AUTOMATICALLY

