



**St Johns County Housing Finance Authority
Bond Multifamily Mortgage Revenue Program
Application and Guidelines**

**HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY MULTIFAMILY
REVENUE BOND ISSUES**

Application Guidelines

The Housing Finance Authority of St. Johns County, Florida (the “HFA” or “Authority”), may issue revenue bonds to provide construction and permanent financing for multifamily rental housing units, which meet certain requirements. Financing provided by the HFA must be secured by a financial guarantee that will result in the Bonds sold by the Authority achieving a rating of A or better from Standard & Poor’s, Moody’s or Fitch. The Authority may also consider private placements, which require no bond ratings, but it is the policy of the HFA to prioritize credit-enhanced transactions.

Prior to financing, the development must meet all development requirements of St. Johns County and the relevant city. Before bonds are actually sold, the development must be at a point where a building permit can be pulled.

The HFA will only focus on those multifamily rental housing developments which adhere strictly to its requirements.

General Requirements

The Housing Finance Authority of St. Johns County (“HFA of SJC” or the “Authority”) has as one of its purposes the provision of housing opportunities at rents affordable to St. Johns County residents of low and moderate income. The Multifamily Housing Revenue Bond Financing Program (the “Multifamily Housing Bond Program”) was developed to stimulate the production of affordable housing by providing low interest loans and to the housing credits allocated by Florida Housing Finance Corporation for Applicants who will produce new or rehabilitated housing.

The program is intended to:

- Encourage the acquisition, construction, renovation and rehabilitation of housing and of the real and personal property and other facilities necessary and incidental to such housing;
- Provide bond financing for qualified multifamily rental housing developments which meet the goals of the HFA of SJC and comply with applicable federal and state laws;
- Provide affordable housing in areas of the County that demonstrate need but have lower saturation of affordable housing.

The general purpose of these guidelines is to assist the HFA of SJC and the Applicant in (1) having a reasonably clear, concise and consistent approach to all requests for financing and, (2) exercising due diligence in securing, reviewing and disseminating information.

The HFA of SJC reserves the right to impose such additional requirements as it deems appropriate, and to waive such requirements as it deems unnecessary or inapplicable. These guidelines shall in no way restrict the HFA of SJC in the performance of its duties. Any request to waive a requirement by the Applicant must be made to the HFA of SJC at the time of application. These guidelines use the term “bonds” broadly to refer to any debt obligations issued by the Authority in order to finance housing.

The HFA of SJC financing team, which includes Issuer’s Counsel, Bond Counsel, Underwriters and Financial Advisor in addition to the Executive Director will be used on all bond issues, either publicly or privately placed, and all amendments to or restructures of outstanding bond issues, and their reasonable fees and expenses shall be

assumed and paid by the Applicant. The documents will provide that other parties and their successors, such as remarketing agent, trustee, paying agent, fiscal agent, credit underwriter, construction servicer and compliance monitor will be appointed by the HFA of SJC.

The Authority will not approve any transaction for an Applicant if the Authority is aware that Applicant has not properly maintained previously funded multifamily developments or has not complied with bond reporting requirements on a regular basis for any development financed through any Florida local housing finance authority or the Florida Housing Finance Corporation.

Furthermore, the Authority will not approve any transaction for any Applicant, that has been convicted of a felony based on dishonesty, fraud, deceit, or misrepresentation, or that has been convicted of any crime involving theft of government property in violation of Title 18, United States Code, Section 641, or any Applicant against whom a criminal information charging the company with a violation of Title 18, United States Code, Section 641 was filed and has entered into a Deferred Prosecution Agreement, or any Applicant that has been convicted of or pled nolo contendere to a felony based on dishonesty, fraud, deceit, misrepresentation, or that has been convicted of or pled nolo contendere to any crime involving the theft of government property, in violation of the law(s) of the State of Florida, or any Applicant against whom a criminal indictment or information was filed and alleged either dishonesty, fraud, deceit, misrepresentation, or theft of government property, and has entered into a plea agreement, pretrial intervention program, or deferred prosecution agreement, will not be considered for funding. For purposes of this Section, "Applicant" includes any person that:

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

Approval by Board of County Commissioners

All bonds are subject to review and approval by the Board of County Commissioners (the BCC) as described in Section 11 of Ordinance 80-70. Approval by the Authority in no way constitutes approval by the BCC. The Authority advises the Applicant that the BCC may impose additional fees and/or requirements.

Development Requirements

The developer must, at a minimum, meet the federally mandated set aside requirements set forth in Internal Revenue Code Section 142(d):

- a) Forty percent (40%) or more of the development units must be occupied by person(s) having an income of sixty percent (60%) or less of the area median gross income, whose income must be adjusted according to family size; or
- b) Twenty percent (20%) or more of the development units must be occupied by person(s) having an income of fifty percent (50%) or less of the area median gross income, whose income must be adjusted according to family size.
- c) The remainder of the units must be subject to income requirements that satisfy the HFA of SJC and State law.

The area median gross income is determined by the U.S. Department of Housing and Urban Development (HUD). The Authority will require that a Land Use Restriction Agreement be in force for 40 years, and that any additional restrictions required by the Authority, the BCC or state law be in force throughout the time any bonds are

outstanding. If a bond issue is refunded or restricted, or if bond maturities are extended, the Authority will require an appropriate extension of the term of the restrictions.

The Authority shall require as part of any financing or refinancing, suitable independent compliance monitoring and monthly compliance reporting to the Authority during the entire remaining term of the Land Use Restriction Agreement. The selection of the Compliance Monitor and its successor will be selected by the HFA of SJC and the cost of compliance monitoring and reporting shall be borne by the Developer.

Application Process

The Applicant may choose to submit a Mini Application (please see website for details). However, the Applicant must submit a complete Full Application prior to Board approval and reservation of Volume Cap as stated in the next paragraph and the information that follows.

The Applicant must submit a complete application including all attachments (*See Attachment A, B, and C*) and fees at least three weeks in advance of an Authority meeting. The Application should be sent to the Authority with copies to Issuer's Counsel, Bond Counsel and the Financial Advisor at the addresses shown in the Professional Team section of these guidelines. The submission may be electronic, but the Authority does require that 2 hard copies be provided to the Executive Director no later than two days after the electronic submission.

After receipt of Application, Executive Director will review and process the application as follows:

- a) Authority staff review Application and notify Applicant for forward electronic copies along with initial review fees to Authority's Professional Staff.
- b) Authority staff and Professional Staff forward recommendations to Authority's Board for consideration of Inducement Resolution.
- c) Applicant pays Authority Fee as described in the Fees section of these guidelines.
- d) Authority publishes notice for TEFRA hearing and holds TEFRA hearing.
- e) Application is submitted to credit underwriter selected by the Authority. Applicant pays Credit Underwriter Fee directly to the underwriter.
- f) Credit Underwriting Report is submitted to the Authority for review. Authority adopts Authorizing Resolution.
- g) Bond Resolution and findings of TEFRA hearing are sent to BCC for consideration and approval.

The order of the process above may change; however, the application will not be reviewed, and no documents will be produced until all applicable fees have been paid.

Initial Application

Applications for financing should be received by September 15 of the year preceding the year for which the financing is being requested. The application must contain the Application Form (Attachment A), and the material described in Attachment B. Instructions for submittal are on the form.

Preliminary Project Selection

Applications may be reviewed by the HFA professional team and recommendations, if any, will be submitted to the HFA board members at or prior to October 30 or their next scheduled meeting. The Authority will make a final determination as to the amount of the funds it wishes to allocate to multifamily projects. If more than one application is received, the HFA will at the same time rank projects. Determination of "ability to proceed" will be a primary selection criteria. Ability to proceed consists of development readiness, i.e. zoning, platting, concurrency and financing feasibility and readiness. Again, the HFA has stated a clear preference for A or better rated transactions.

Pre-Submission Phase

If any readiness conditions are not met at the time of project ranking, such conditions must be met prior to project submission for private activity cap allocation. If by December 1, the HFA determines that the project is not ready to proceed, a second ranked project could replace the first ranked project.

Submission for Private Activity Cap

If allocation under the private activity cap is available after HFA approval, the HFA will submit a request to the State Division of Bond Finance for funding. However, on or after the first business day of January, the HFA will submit the first ranked project to the State Division of Bond Finance for funding under the private activity cap. On or after the second business day of the year, one or more backup projects may be submitted by the HFA to the Division of Bond Finance.

Inducement

Only development costs incurred 60 days prior to the date of an inducement resolution passed by the HFA may be financed. An inducement resolution will be scheduled for consideration by the HFA no less than fourteen (14) days prior to a meeting. The HFA is willing to induce an acceptable application at any time, but it should be remembered that inducement is not a commitment to further the project.

TEFRA Hearing

A TEFRA public hearing must be scheduled in accordance with federal law. The hearing must be advertised two weeks in advance.

Developer Fees, Expenses and Penalties for Authority Multifamily Housing Financing Program

The fees and expenses shown below will be applicable for each type of financing approved by the Authority for multifamily rental developments. All fees are to be in the form of a cashier's or certified check. Each check is to be made payable to the appropriate party.

Application Fee \$10,000 to be paid as follows

- a) \$3,000 is due to the Authority at the time of application for financing. For purposes of determining the application fee, applications for financing of Developments on noncontiguous sites require the submission of separate applications and fees for each site. If financing for Developments on noncontiguous sites is done simultaneously with one set of offering documents, one bond resolution, and, if applicable, a single credit enhancement (e.g. letter of credit), the application fee may be adjusted based on one combined bond issue. Such determination will be made at the sole discretion of the Authority. If an adjustment to the fee is determined by the Authority that amount will be added to the cost of issuance.
- b) The applicant is responsible for payment to Authorities Counsel, of a non-refundable \$2,000 initial review fee prior to recommendation to Board of Directors
- c) The applicant is responsible for payment to Bond Counsel of a non-refundable \$2,500 initial review fee prior to recommendation to Board of Directors.
- d) The applicant is responsible for payment to the Financial Advisors of a non-refundable \$2,500 initial review fee prior to recommendation to the Board of Directors.
- e) The applicant will be responsible for all fees and expenses of the Authority's Bond Counsel, its Financial Advisors, and the Authority's Counsel in connection with each bond issue.

- f) If the applicant withdraws the application at any time during the process and at a future date re-submits the same application for consideration, all application fees must again be paid to the Authority, Bond Counsel, and Financial Advisors to restart the process.

Developer Deposit

Prior to the credit underwriting, the Applicant will pay the Authority 1% of the requested bond amount. This fee will be held by the Authority to cover costs, including fees of bond counsel, Authority counsel and financial advisors, in the event the financing does not close. If the transaction closes, this fee will be credited against the costs of issuance and any excess will be refunded to the applicant. No documents will be prepared until the one percent 1% fee is paid.

Credit Underwriter Fee

At the time the application is submitted for credit underwriting, the Applicant will be responsible for payment to the Credit Underwriter of a preliminary review fee at the Underwriter’s prevailing rate, plus a deposit to cover the cost of the appraisal.

At closing, the Applicant will be responsible to pay the Credit Underwriter the balance of the Credit Underwriting Fee in the amount agreed upon at the time the application was submitted for review.

Closing Costs

At closing, the Applicant will be responsible to pay Authority’s closing fee equal to 50 basis points of the principal amount of the bonds issued. The Applicant will also be responsible for the Authority’s closing costs including, but not limited to, printing of bonds, printing of any Official Statement, rating agency fees, cash flow verification, title insurance premium, and the fees and expenses of Bond Counsel, Issuer’s Counsel, and Financial Advisor.

Ongoing Fees

The Applicant will also be responsible for the following ongoing fees and costs:

- a) Annual Authority Fee
25 basis points of the original principal amount of bonds, paid annually in advance
- b) Annual Trustee Fee
Amount to be negotiated, paid annually.
- c) Compliance Monitoring Fee
Amount to be negotiated, paid annually.
- d) Short Term Redemption Fee
If bonds are structured to be redeemed in whole upon conversion to permanent financing, there will be a Short Term Redemption Fee as shown below. The minimum Short Term Redemption Fee shall be \$20,000.

Bond Amount	Redemption Date		
	18 months or less	Longer 18 months but less than 24 months	Greater than 24 months through 36 months
\$15 million or less	0.31%	0.24%	0.18%

Above \$15 million, but less than \$20 million	0.30%	0.23%	0.17%
Above \$20 million, but less than \$25 million	0.29%	0.22%	0.16%
Above \$25 million, but less than \$30 million	0.28%	0.21%	0.15%
Above \$30 million, but less than \$40 million	0.27%	0.20%	0.14%
Above \$40 million	0.26%	0.19%	0.13%

Professional Team

The Authority works with the following: Emily Mcgee currently serves as Bond Counsel, and Richard Komando, Bradley, Garrison & Komando, P.A. currently serves as Issuer’s Counsel. Public Resources Advisory Group serves as Financial Advisor. RBC Capital Markets will serve as Investment Banker or placement agency for any transaction. Contact persons are as follows:

Executive Director

Priscilla Howard

Housing Finance Authority of St.

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Issuer’s Counsel

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EVERY EFFORT IS MADE BY THE HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY TO WORK CLOSELY AND COOPERATIVELY WITH DEVELOPERS IN SOLVING THE AFFORDABLE HOUSING PROBLEMS. ALL OF THE LIMITED REQUIREMENTS ABOVE ARE BORNE OUT OF LEGAL REQUIREMENTS, SET PUBLIC POLICY, OR THEY ARE NEEDED TO AVOID PAST DIFFICULTIES. THESE POLICIES ARE NOT SUBJECT TO NEGOTIATION.

THE AUTHORITY RESERVES THE RIGHT TO ACCEPT OR REJECT ANY OR ALL PROPOSALS IN ITS SOLE AND ABSOLUTE DISCRETION.

ATTACHMENTS

Attachment A -- Housing Finance Authority of St. Johns County, Florida Multifamily Rental Apartments Bond Program Application

Attachment B -- Exhibits to the Housing Finance Authority of St. Johns County Multifamily Program Application.

Attachment C -- Additional Requirement For Underwriting the Housing Finance Authority of St. Johns County Multifamily Program Initial Application

(Attachment A)

**Housing Finance Authority of St. Johns County, Florida
Multifamily Rental Apartments Bond Program
Application**

1. Developer's Name: (as it should appear in Inducement Resolution)

Address:

Developer General Company Name: _____

Contact Person: _____

Phone Number: _____

Fax Number : _____

Project Name: _____

Project Address: _____

Number of Units: _____

Total

_____ 1 Bedroom

_____ 2 Bedroom

_____ 3 Bedroom

_____ Studio

_____ Other

2. Project Location – City:

[Description of Location]

3. Status of Site Plan Approval:

4. Status of Platting:

5. Status of Site Acquisition:

6. Developer Construction Timetable:

7. Estimated Total Construction Cost:

8. Amount of Financing Requested: Tax Exempt _____
 Taxable _____
 Total _____

9. Please describe the Proposed Credit Enhancer (or Bond Purchaser). Please provide the name of the Lender, Address, Phone Number and Contact Person:

Name of Credit Enhancer or Bond Purchaser: _____

Address: _____

Phone Number: _____ Fax Number: _____

Contact Name: _____

10. Is the Project a Tax Credit Deal:

 Yes No
 _____ _____

11. Percentage of Low Income Set Aside::

 _____ % at _____ % of Median Income

Please submit an electronic copy and two (2) hard copies of all materials to the Executive Director and electronic copies to Emily McGee, Helen Finberg, Marianne Edmonds, and Richard Komando

Addresses for submitting materials are as follows:

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Certificate of Understanding

I, _____, representing _____, have read and understand the federal requirements and the program policies and requirements of the Housing Finance Authority of St. Johns County, Florida (the “Authority”), which outline the policies of the Authority and the requirements of the Tax Act as applied to multifamily housing revenue bonds, and hereby adhere to the stated policies and requirements. I understand the application fee and inducement fee are non-refundable regardless of whether or not the project is selected for financing by the Authority, or actually financed and further have read and understand all other fees and charges of the Authority. I also understand that inducement of the project or the holding of a TEFRA hearing is not a commitment to finance the project. I understand that more projects may be submitted for financing than funds available and that the Authority reserves the right to select and/or rank projects in whatever manner it sees fit. I understand that the Authority reserves the right to accept or reject any or all proposals in its sole and absolute discretion, and may allocate some or all of its private activity cap allocation to single family housing programs. I understand that the Authority may or may not receive private activity cap allocations.

Signature

Name (Print)

Applicant Name

(Attachment B)

**Exhibits to
Housing Finance Authority of St. Johns County
Multifamily Program Application**

1. Location map and aerial photo identifying site
2. Evidence of status of site control
3. Information on Developer and principals including list of:
 - (a) Existing rental projects managed or owned by borrowers
 - (b) A chart of projects in the pipeline, showing units, location, status (applied for, funded, under construction, leasing up) and projected completion date
4. Resumes and experience of borrower and general contractor
5. Proformas
 - (a) Cost
 - (b) Income, expense, rent and occupancy projections
6. Preliminary plans and specifications
7. Evidence of site plan, plat, and zoning
8. Identification of and resume of managing agent
9. Outline of terms of financing requested and commitment from credit enhancer (or status)
10. Market data supporting demand for the proposed project including information on competing tax-credit and market rate projects.

Prior to November 1

1. Appraisal
2. Phase I Environmental
3. Final Financing Committee Commitment B-1

B-1

(Attachment C)

**Additional Exhibits Required For Underwriting Applications under
Housing Finance Authority of St. Johns County
Multifamily Program**

Sale or Placement of Unrated or Unsecured Bonds

The Authority has clearly stated preference for “A” or better transactions. If the Authority is to consider any unrated transaction, they must meet the minimum criteria set forth below. Bonds without an investment grade rating may be privately placed with a qualified institutional investor under the following conditions:

- a. The purchaser of unrated bonds must sign a sophisticated investor letter addressed to the Authority stating, among other things, that the investor has made the decision to purchase the bonds based on his or her own independent investigation. There must be a travelling letter.
- b. A statement shall appear on the face of the bonds restricting the subsequent transfers of such bonds to a qualified institutional investor and such language shall be continued in the trust indenture or other appropriate documents restricting the trustee or bond registrar in the authentication and registration of such bonds.
- c. The bonds must be sold in one denomination and may not be book entry.
- d. An independent underwriting has been conducted by a consultant selected by the Authority and paid for by the developer, and all requirements of this independent underwriter have been met.
- e. Additional restrictions may be imposed by the Authority on any transactions rated below “A”.