

**Jacksonville Housing Finance Authority
2018 Multifamily Bond Allocation
Policies and Procedures
&
PROGRAM GUIDELINES HANDBOOK**

Revised December 2017

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PART I: OVERVIEW

The Jacksonville Housing Finance Authority (JHFA) is authorized by Part IV, Chapter 159, Florida Statutes, as created by the City of Jacksonville (pursuant to Ordinance 2014-185-E), and has as one of its core objectives the provision of housing opportunities at rents affordable to persons or families of low, middle and moderate income. In order to accomplish this objective, the Multifamily Revenue Bond Financing Program (the "Bond Program") was developed as a tool to stimulate the production of affordable housing units by providing low interest loans to for profit and not for profit Applicants who will produce new or rehabilitated rental housing units (the "Development"). JHFA will not issue obligations to provide Multifamily Revenue Bond financing for any development unless the Applicant has satisfied the program guidelines, goals of JHFA and comply with applicable federal and state law.

The Bond Program provides for below market rate loans of bond proceeds for construction, rehabilitation and permanent financing of multifamily housing developments. The funds are made available by JHFA's issuance of revenue bonds (the "Bonds"). If JHFA 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 by revenues from the development. In no event shall the Bonds ever be secured by public revenues. JHFA is merely a conduit and shall not be liable on any Bonds. From time to time JHFA may approve other financing structures to the extent permitted by law.

The multifamily revenue bonds issued by JHFA under the Bond Program can be combined with other financing including second mortgage programs, local and state grants and the Low Income Housing Tax Credit Program. The Applicant must independently secure, at its cost, all secondary financing.

The Bond Program is intended to:

- Encourage the acquisition, construction, and rehabilitation of affordable rental housing;
- Provide bond financing for qualified multifamily rental housing developments, which meet the goals of the JHFA and comply with applicable federal and state laws; and
- Provide affordable housing in neighborhoods of Duval County, which demonstrate the need for affordable housing, but lack adequate inventory of affordable housing opportunities, as well as preserve existing affordable housing in established neighborhoods which without further reinvestment may choose to end their affordability periods
- Encourage the use of Small and Emerging Businesses in Duval County (see chapter 126, City of Jacksonville Ordinance Code).

All proposed developments and financial structures will be assessed by JHFA's Financial Advisor. After the development has received a preliminary assessment by JHFA's Financial Advisor, it shall be reviewed by JHFA and Bond Counsel for consistency with housing policies at the Federal level, as determined by the U.S. Department of Housing & Urban Development (HUD), and at the local

level, as determined by the Jacksonville City Council. The term of the bond issue is subject to negotiation. Interest rates cannot be determined until Bond sale.

Each development financed by JHFA, in whole or in part, will not interfere with but rather will contribute to the housing stock, housing market, and economic stability of City of Jacksonville.

JHFA has adopted the following policies, procedures and guidelines to set forth the general requirements and procedures for an Applicant to apply for Multifamily Revenue Bond Financing. JHFA may waive specific provisions of these guidelines where good cause is shown and adequate supporting documentation is provided. Any waiver is at the sole discretion of JHFA. In addition, these guidelines may be amended, revised, repealed or otherwise altered by JHFA with or without notice.

JHFA reserves the right to impose additional requirements on any particular development. Compliance with these guidelines does not and shall not create any right by an Applicant to a commitment or assurance that JHFA will provide the requested financing.

ALL DEVELOPMENTS ARE SUBJECT TO THE REQUIREMENTS OF JHFA'S POLICIES AND PROCEDURES AND PROGRAM GUIDELINES. THE JHFA RESERVES THE RIGHT TO CONSIDER FUNDING APPLICATIONS ON A FIRST-COME, FIRST-EVALUATED BASIS AFTER THE CLOSE OF THE CURRENT APPLICATION CYCLE IF FUNDING ALLOCATION REMAINS WITHOUT FURTHER PUBLIC NOTIFICATION.

Interested Applicants may request additional information from:

Financial Advisor:

The Hendrickson Company and The Community Concepts Group

1404 Alban Avenue

Tallahassee, Florida 32301

850.671.5601

Contact: Mark Hendrickson - mark@thehendricksoncompany.com

Part II. Summary of Program Requirements for the Development and Financing

The JHFA has adopted these guidelines to set forth the general requirements and procedures for the financing of Developments. The JHFA may waive specific provisions of these guidelines where good cause is shown and adequate supporting documentation is provided. Any waiver is at the sole discretion of the JHFA. In addition, these guidelines may be amended, revised, repealed or otherwise altered by the JHFA with or without notice, and are subject to changes in federal and state law.

The JHFA shall not take official action for financing any Development unless the Applicant has satisfied the general requirements set forth in these guidelines. The JHFA reserves the right to impose additional requirements on any particular Development. Compliance with these guidelines does not and shall not create any obligation, commitment or assurance that the JHFA will provide the requested Multifamily Bond allocation.

1. General Requirements

- A. The summary set forth herein is subject in all respects to the financing documents, JHFA requirements and applicable state and federal law.
- B. JHFA will only take official action on Multifamily Bond financing for Developments located entirely within the boundaries of the City of Jacksonville and/or Duval County, Florida (“the City/County”).
- C. Developments must satisfy all applicable state and federal requirements. JHFA will rely on Bond Counsel, Issuer’s Counsel, and the Financial Advisor to determine the applicable requirements with respect to each development. There may be additional limitations imposed by JHFA in accordance with the policies, rules and regulations of JHFA.
- D. JHFA will not issue obligations to provide financing for any multifamily rental housing development unless the Applicant complies with the requirements set forth in these Program Guidelines.
- E. The JHFA will only take official action on Multifamily Bond financing for Developments which are in compliance with the provision of Chapter 159, part IV, Florida Statutes (the “Act”), Section 142(d) of the Internal Revenue Code of 1986, (the “Code”) and Section 11(b) of the U.S. Housing Act of 1937, as amended (the “Housing Act”) and other applicable provisions of the Code. Pursuant to the provision of Section 142(d) of the Code and the regulations there under, the Applicant must demonstrate to the satisfaction of the JHFA that at all times during the Qualified Project Period (as defined in the Code).

- F. The Applicant must always demonstrate that either of the following "Set-Aside Requirements" will be continuously met:
- i. 20% or more of the rental units are occupied by persons whose incomes are no greater than 50% of the area median gross income as increased or decreased, adjusted for family size (see Exhibit B) or
 - ii. 40% or more of the rental units are occupied by persons whose incomes are no greater than 60% of the area median gross income as increased or decreased, adjusted for family size (see Exhibit B).

Persons meeting either of the foregoing set-aside requirements are hereinafter referred to as "lower-income tenants".

- G. In addition, the Act requires that, unless waived, all remaining 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 under Part VI of the application package. 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 Duval County, Florida and shall remain in full force and effect during the Qualified Project Period.
- H. To comply with federal requirements, net Bond proceeds expended on land acquisition must be less than 25%. For rehabilitation Developments, no less than 15% of the cost of acquiring the Development shall be expended on "rehabilitation expenditures" as defined in the Code.
- I. The Applicant must have a proven record of maintaining the physical appearance of at least two developments and compliance with reporting requirements for previously or currently owned affordable housing developments.
- J. Applicant must agree to participate in the Crime Free Multi-Housing Program sponsored by the Jacksonville Sheriff's Office for the life of the bond issuance. Terms are included at the end of this document. Proof of participation must be provided to the JHFA semi-annually.
- K. Presently owned Developments must have been current for the past 24 months on the payments of all principal and interest on all outstanding indebtedness and fees and clear of any past or present event of default.
- L. Applicant must demonstrate the economic feasibility of the Development.
- M. Mixed-use Developments are encouraged and will receive preference for financing approval. Since bond financing can be used to finance only the housing portion of a mixed-use Development, the JHFA will look favorably at those

proposals in which the Applicant combines other acceptable funding sources to finance the commercial or non-residential uses within the mixed-use Development.

- N. Mixed-income and in-fill location Developments shall receive preference for financing approval.
- O. Developments located in Neighborhood Action Plan and Seeds of Change Areas of the City of Jacksonville which demonstrate need for affordable housing, as demonstrated by the JHFA's need study or to preserve existing affordable housing, will receive preference for financing approval.
- P. Developments must provide services for target population as feasible - e.g. on-site childcare, after school programs, early literacy programs, homebuyer counseling, homebuyer incentive programs, elderly services, computer facilities, business center, tot-lots, etc. The JHFA 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 the 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.
- Q. Proposed developments must be located in a sub-market where there is a shortage of quality affordable housing in the income segment they are proposing to serve and where the Development will not adversely impact the distribution of affordable housing in the area.
- R. Developer must demonstrate experience in developing at least 2 affordable housing Developments and demonstrate the ability to complete Developments in a timely manner. Management Company must demonstrate 2 years of experience in managing affordable housing developments.
- S. Applicant must include in application proof of conditional commitment for credit enhancement in connection with the proposed bond financing.
- T. Applicant must distribute low-income units on a pro rata basis among unit types within the development.
- U. Applicant must agree to extend the Qualified Project Period to at least 50 years.
- V. The Architectural design should enhance the surrounding community, as well as the quality of life of the Development's tenants.
- W. The Development must be in full compliance with applicable ADA requirements.
- X. Applicant must provide a plan for utilizing local small and emerging businesses in

the City/County as approved by the City Council for the City of Jacksonville in Chapter 126, Ordinance Code.

- Y. Fair Housing Practices: All applicable Federal, State, and Local Fair Housing requirements must be followed.

2. Other Requirements

- A. No bond issue may be made for an Applicant to finance the acquisition of a development from an affiliated party, without prior approval by JHFA 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.
- B. An Applicant must, upon delivery of the Bonds, execute an agreement which provides that the Applicant agrees to comply with the Program Guidelines in all respects. This agreement contains the Applicant's covenants, which run with the land and binds the Applicant's successors and assigns. In addition, the Applicant will be required to deliver, following completion of the development, periodic certifications with regard to continuing compliance with the Program Guidelines.
- C. If the Application involves the sale of low income housing tax 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.
- D. If the Application involves the sale of Bonds created under the Tax Reform Act of 1986 due to the 501(c)(3) status of the Applicant, these bonds are not subject to the State Private Activity bond Volume Cap. Qualifying 501(c)3 developments using Tax Credits will require Private Activity Cap. The JHFA refers all non-profit Applicants to IRS Revenue Procedure 96-32, "Low Income Housing" for reference. The JHFA reserves the right to review the public purpose of providing financing to a 501(c) (3) corporation for the sole purpose of acquiring an existing development without rehabilitation. 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, (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", (iv) the non-profit or its parent organization shall have been in existence for at least five years and shall demonstrate financial stability acceptable to the JHFA, and (v) the non-profit shall provide evidence of expertise in the development and management of multifamily affordable housing.

- E. If the Application involves the sale of Taxable Bonds, these bonds are not subject to the State Private Activity bond Volume Cap created under the Tax Reform Act of 1986
- F. All Applicants must provide a homeownership opportunity program available to all residents living in non-elderly developments in compliance with their current lease. The program must provide for the payment of 5% of the resident's gross rent towards 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.
- G. If the Application involves acquisition and/or rehabilitation, rehabilitation expenditures must exceed \$20,000 per unit. However, the Board may approve on a case by case basis a lower expenditure amount, if the development meets other targets that may be set by the Board for preservation.
- H. Elderly developments may not exceed 160 units, unless they development involves the rehabilitation of an existing elderly development.
- I. JHFA's bond counsel must review any affiliated party transaction to determine that it will not preclude delivery of bond counsel's opinion that the interest on any JHFA bonds intended to be issued as tax-exempt bonds is excluded from gross income.

Part III. FINANCING PROCESS

The bond issue is accomplished via the following Financing Steps:

1. Submission of Application

The Applicant must submit to the JHFA a complete original Application and one copy, along with all applicable fees. Application for the issuance of Bonds shall be made in the form attached hereto as Exhibit A. Additionally, the Applicant must submit one copy of the Application to The Hendrickson Company, 1404 Alban Avenue, Tallahassee, Florida 32301. The Applicant will be required to file a complete original application, including the required copies, and pay all applicable fees, by the time and date noticed in the Notice of Fund Availability. If JHFA decides to consider funding applications on a first-come, first-

evaluated basis, then applications are due at least 2 weeks prior to a scheduled JHFA Board of Directors' meeting. Failure to comply will result in a rejection of the application.

A request for the application and NOFA can be made by contacting:

Financial Advisor:

The Hendrickson Company and The Community Concepts Group

1404 Alban Avenue

Tallahassee, Florida 32301

850.671.5601

Contact: Mark Hendrickson - mark@thehendricksoncompany.com

www.jaxhfa.net

In conjunction with the filing of the application, the Applicant will be required to execute an Expense and Indemnity Agreement, in the form attached hereto as Exhibit G, whereby the Applicant agrees to pay all bond issuance expenses, including, without limitation, the fees and disbursements of JHFA's Bond Counsel, Issuer's Counsel, Financial Advisor, administrative staff, underwriters, credit underwriters, and any other administrative charges or out-of-pocket expenses which relate to the issue, and to indemnify JHFA and its members, officers, agents, attorneys and employees against any and all claims and liability arising out of the issuance of the bonds.

2. Initial Review by Financial Advisor

After the Applicant submits a completed application, the application is reviewed by JHFA's Financial Advisor. The review shall include an analysis of the proposed development and financing, including but not limited to, financial feasibility, ability to proceed, public purpose, site control and all other selection factors included in this document. The Financial Advisor will review the Applications based upon the then current established criteria. This analysis is presented by the Financial Advisor to the JHFA Board.

The cost of the Financial Advisor's analysis shall be paid directly to JHFA at the time of initial application. See Part IV, page 17, for details.

3. Preliminary Selection by JHFA Board

- A. The Board, upon review of the Financial Advisor's analysis, and upon independent review of the applications, may select one or more Applicants to move forward into the remaining process to determine the amount of private activity bond allocation to be requested for the Development 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. If the JHFA Board wishes to proceed with the Development, it will announce its initial selection of developments that are being invited to continue the Financing Process. The Board shall adopt an "Inducement Resolution" at this time.

The JHFA resolution with respect to its intent to issue Multifamily Bonds for the Development (the "Inducement Resolution") is a non-binding expression of intent by the JHFA formally acknowledging the proposed Development and permitting reimbursement of certain costs of the Development from tax-exempt bond proceeds pursuant to the Code. The current form of JHFA's Inducement Resolution is attached hereto as Exhibit F. The Inducement Resolution does not obligate the JHFA to issue Multifamily Bonds for the Development and will terminate 12 months from the date of its adoption ("Intent Period").

The JHFA will consider extending the Intent Period upon the submission by the Applicant of the following:

- (1). status report providing tangible evidence of the progress of the financing of the Development
- (2). payment of an additional \$2,500 to the JHFA, which fee shall be credited against the final administrative fee of the JHFA;

IF THE STATUS REPORT AND FEES DESCRIBED ABOVE ARE NOT RECEIVED WITHIN TEN (10) WORKING DAYS PRIOR TO THE CLOSE OF THE INTENT PERIOD AND THESE REQUIREMENTS HAVE NOT BEEN WAIVED BY THE JHFA, THE JHFA SHALL DEEM THE INDUCEMENT RESOLUTION TERMINATED.

JHFA shall deem the inducement terminated in the event that the Applicant fails to meet the foregoing requirements.

This initial "selection" by the Board does not bind JHFA to finance any or all of the proposed development. Instead, it allows the Applicant to move forward into the remaining process that will determine if the Board elects to finance any or all of the proposed development.

B. The Board may consider any or all of the items listed below in the initial selection process:

- (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 County's housing shortage, and on any neighborhood development or redevelopment plan of the 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 Financial Advisor and the credit underwriter.
- (8) Applicant's agreement to provide resident income set-asides in excess of those required by State and Federal law.
- (9) Applicant's agreement to extended low income compliance periods.
- (10) Applicant's agreement to serve residents with incomes at levels below the maximum "low income" levels established by Federal law.
- (11) Applicant's agreement to provide services to the residents relevant to the needs of the residents, such as day care, financial and credit counseling, or other services approved by JHFA.
- (12) Appropriateness of the development design, including the number of bedrooms per unit in developments targeted to family occupancy.
- (13) Development design and amenities that provide enhanced quality of life, energy efficiency, increased security, handicapped accessibility, or other features.
- (14) The proposed financing structure, including the proposed credit enhancement or private placement and its related bond rating and term.
- (15) Leveraging of JHFA's tax-exempt bond allocation by providing a portion of the financing from non-County sources, including, but not limited to taxable bonds, and state loans or grants.
- (16) Use of a financing structure that is efficient in its use of tax exempt bond allocation.

- (17) Impact of the proposed development on existing developments, i.e., market saturation.
- (18) Proximity of the proposed development to employment centers.
- (19) To qualify, the Development must meet or alleviate local specialized needs in the area where the Development is located. The needs to be met or alleviated must have been verified by a recent third-party market study using the minimum criteria as detailed in Exhibit H.
- (20) Additional guidelines as listed in this document.
- (21) The proposed development will address the workforce housing needs for persons making up to 140 percent of median income in Duval County.

4. TEFRA Approval; Private Activity Bond Allocation

After adoption of the Inducement Resolution, the JHFA will schedule a TEFRA hearing for the Development.

Pursuant to the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), a public hearing on the tax-exempt financing of the development must be held and the minutes of that meeting or applicable extracts thereof, submitted to the Jacksonville City Council (the "City Council"). A notice setting forth the location and description of the development, the principal amount of the bonds, the owner of the development and other relevant data about the proposed financing and containing the date, time and location of a TEFRA public hearing must be published in a timeframe approved by Bond Counsel. Unless otherwise provided, the TEFRA public hearing will be held by JHFA at a regularly scheduled meeting time. At the TEFRA hearing, the development will be discussed and the public will be invited to be heard with regard to the development. Following the holding of the public hearing, a resolution with the results of the hearing will be introduced at the next scheduled meeting of the City Council. Additional information on the City Council's process and schedule is available on request. Bond Counsel and JHFA staff will be responsible for all arrangements with respect to the holding of the public hearing and obtaining TEFRA approval. Failure to obtain TEFRA approval from the City Council shall result in termination of the financing with no liability to JHFA or the City of Jacksonville. Following receipt of approval by the City Council, JHFA will submit to the state a private activity bond volume cap allocation request in the amount and in the order of priority determined by JHFA. No assurance can be given that a requested private activity bond volume cap allocation will be received.

After approval, the Applicant must remit to the JHFA the appropriate fees.

Note: Validation - The bonds of JHFA 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. If a bond validation is necessary, Bond Counsel will prepare validation pleadings for filing in the Circuit Court in and for Duval County. Applicant shall bear any fees and expenses (including legal fees of JHFA's bond counsel and Issuer's counsel) relating to any bond validation.

5. Enter into a Memorandum of Agreement ("MOA")

The JHFA Board will consider approval of the financing plan project after presentation of the Financial Advisor's report.

After deliberation, JHFA may authorize execution of a Memorandum of Agreement specifying the terms under which JHFA will issue its Bonds and inducing the Applicant, contingent upon the Applicant's execution of such agreement within ten (10) calendar days. The Agreement will include the loan conditions included in the development feasibility analysis and the credit underwriting report prepared by the Financial Advisor and the credit underwriter (if available), and any other condition established by the Board as part of the initial selection process. The Agreement will also include the ability to recapture the bond allocation if the Applicant does not meet all conditions in a timely manner.

The MOA with JHFA 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 JHFA will issue its Bonds if a willing and suitable purchaser can be found by RBC Capital Markets, and all conditions precedent to issuance occur or are met.

JHFA may, at its sole discretion, enter into an MOA with the Applicant prior to completion of credit underwriting. If done in this manner, the MOA shall require that the Applicant meet all conditions established in the credit underwriting report prior to issuing bonds.

6. Credit Underwriting

Credit underwriting is performed by a firm selected by the Financial Advisor, at the expense of the Applicant.

Applicants will be invited to credit underwriting during the JHFA Board initial selection process. Dates by which the Applicant must enter and complete credit underwriting will be established by JHFA Board. Failure by the Applicant to meet such deadlines will result in rejection of the application.

A preliminary and final credit underwriting report will be delivered to the Board for review and approval. Upon receipt of the reports, the Board may establish conditions and

timetables for the financing. The Board may elect to not move forward with the financing due to information included in the credit underwriting report.

In addition to any conditions established by JHFA, 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 guarantees by the principals of the general partner and development entity (and the related corporate entities) of construction completion, operating deficits, environmental indemnity, and non-recourse obligations.

7. Preparation of Bond Documents

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

It is the policy of JHFA that the legal firm serving as bond counsel to JHFA at the time of initial application for financing act as bond counsel for all multifamily housing revenue bond issues.

Following the execution of the Memorandum of Agreement by JHFA 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. The Applicant will be required to submit to Bond Counsel their retainer plus post a deposit with the JHFA in the amount set out in the Fee Section of this document. This deposit will be held until the closing of the Multifamily Bonds, at which time it will be used to pay costs of issuance, with any excess returned to the Applicant. In the event the financing does not close, the deposit will be used to pay fees and expenses incurred by the JHFA and its professionals. Upon payment of this deposit by the Applicant, the financing team will begin the preparation and review of the applicable Bond Documents.

When JHFA's bond team is prepared to submit substantially complete forms of the applicable Bond Documents, the JHFA will consider the adoption of an authorizing/award resolution at its next scheduled meeting.

If a Development does not receive a private activity bond allocation during the application year, the Applicant may resubmit the Application in a subsequent bond cycle/RFP. Resubmitted Applications will be considered along with all other new Applications and will not receive preferential treatment.

If a Development does not receive funding during a bond cycle, then the Applicant may request that the JHFA place the Development on any "pending list" approved by the JHFA with the Division of Bond Finance for that cycle (if the JHFA so determines in its sole

discretion to create said “pending list”). If any “pending list” is approved by the JHFA, then it may in its sole discretion rank/order the Developments thereon for that cycle.

The JHFA may also determine that in lieu of or in addition to the alternatives described in the paragraph above and below, it may thereafter receive and evaluate applications during cycle year on a first-come, first-served basis if allocation remains for that cycle.

The JHFA may also determine that in lieu of or in addition to the alternatives described in section 7 and 8 above, the JHFA may allocate the Private Activity Allocation or any unused portion thereof to Single Family Bonds.

8. Sale of Bonds and Rating

The JHFA’s policy is to issue bonds under one of the following conditions:

- A. Bond transactions may receive the highest long term rating by either Standard and Poor’s Corporation, Moody’s Investors Service or Fitch, Inc., or
- B. Bonds may be issued in a variable rate mode. The transaction must be rated in the highest short term rating category by Standard & Poor’s, Moody’s Investors Service or Fitch, Inc., or
- C. JHFA 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.
- D. Bonds issued and sold by JHFA shall not be deemed to constitute a debt, liability, or obligation of JHFA, the 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 JHFA, the 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.
- E. It is the policy of JHFA to select the investment banking firms to act as senior managing underwriters and remarketing agents for the issuance of JHFA’s multifamily housing revenue bonds. JHFA will not consider any requests by Applicants to add co-managing underwriters for the said Applicant’s bond financing.
- F. The Applicant will comply with all secondary market disclosure requirements adopted by the JHFA and/or 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 JHFA; the fees and costs of such dissemination agreement agent to shall be paid by the Applicant. Where applicable, the Applicant will provide such reports to the JHFA.

- G. Unless held by the borrower or a credit enhancer, or an affiliate of either of them, unrated bonds or bonds not rated in one of the three highest rating categories or not rated in one of the two highest short term rating categories by a nationally recognized rating agency shall be issued only if the following criteria are met.
- i. There will be a credit underwriting report prepared by an independent credit underwriter. The credit underwriter shall be an underwriter approved by the Authority.
 - ii. The bonds shall be sold in minimum denominations of at least \$250,000. Prospective issues of investment grade quality may be sold at public or private sale in bond denominations of not less than \$5,000 each.
 - iii. The bonds shall be sold initially only to Sophisticated Investors (as defined below) who have executed and delivered an "investor's letter," in form and substance satisfactory to the Authority including, among other things, (a) stating that the purchase of the bonds will be solely for its own account, (b) such Sophisticated Investor can bear the economic risk of its investment in the bonds, (c) stating that such Sophisticated Investor has such knowledge and experience in financial business matters in general and tax-exempt obligations in particular, that it is capable of evaluating the merits and risks of purchasing the bonds, (d) stating that such Sophisticated Investor has made the decision to purchase the bonds based on its own independent investigation regarding the bonds, the borrower and the project and if a disclosure document has been prepared, it has reviewed such disclosure document, and has received the information it considers necessary to make an informed decision to invest in the bonds, (e) acknowledging that the Authority, its counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the borrower and the project contained in any disclosure document related to the Sophisticated Investor's purchase of the bonds, and (f) stating that such Sophisticated Investor has not relied upon any information or representation from the Authority, its counsel and its advisors in making the decision to purchase the bonds.
 - iv. The bonds shall bear a legend restricting subsequent transfers to investors who by their purchase of the bonds represent that they (a) are purchasing the bonds solely for their own account, (b) can bear the economic risk of their investment in the bonds, (c) have such knowledge and experience in financial business matters that they are capable of evaluating the merits

and risks of purchasing the bonds, (d) have made the decision to purchase the bonds based on their own independent investigation regarding the bonds and have received the information they consider necessary to make an informed decision to invest in the bonds, and (e) have not relied upon any information or representation from the Authority, its counsel and its advisors in making the decision to purchase the bonds.

- v. The Authority will require that the payment of its Administrative Fee be covered by the mortgage. The Authority may require that the payment of the annual fee be guaranteed by the Developer and one or more affiliate or principal of the developer whom the Authority deems to be financially worthy.
- vi. The indenture related to such bonds shall provide that the trustee and the paying agent shall not authenticate, transfer or register a bond unless the conditions of this policy have been satisfied.

Note 1: "Sophisticated Investor" as used herein means a "qualified institutional buyer" as that term is defined under Rule 144A of the Securities and Exchange Commission or an "accredited investor" as that term is defined in Regulation D of the Securities and Exchange Commission.

Note 2: If credit enhancement is used in connection with the issuance of bonds, the Applicant must also provide a firm commitment letter evidencing the credit enhancer's intent to supply such credit enhancement prior to the award and sale of the Multifamily Bonds by the JHFA.

- H. Following the sale of the Bonds, the proceeds raised will be deposited with the Trustee for the bondholders in accordance with bond documents.

In accordance with bond documents, JHFA will be concerned with the use of the proceeds to the extent that they are used only for purposes allowed by provisions of the development as authorized in the Memorandum of Agreement and bond sale documents as approved by JHFA. To this end JHFA requires that all construction and other disbursements and certain other matters related to the development be approved by its construction servicing agent.

9. Closing of Multifamily Bond Financing

Ratings and insurance, as appropriate, are obtained. Bond documentation is finalized. Applicant must provide to JHFA a Letter from Applicant that all deal points have been resolved and that documents are in substantially final form.

JHFA shall adopt a Bond Resolution approving documents and authorizing the issuance of Bonds. The Bonds are underwritten and sold to purchaser(s) subject to all conditions precedent to closing being accomplished.

Closing shall be held at a time and place acceptable to JHFA. Any and all costs and expenses of the JHFA incurred in connection with the issuance of the Bonds, including but not limited to the fees and expenses of JHFA's bond counsel, Issuer's counsel, underwriter and financial advisor shall be paid at closing, or such earlier time as outlined herein

THE JHFA DOES NOT CLOSE BOND ISSUES IN ESCROW.

Part IV. Fees and Expenses

The Applicant will be responsible for all fees and expenses in connection with each bond issue on its behalf. Such expenses, where eligible under the Code, may be financed with Bond proceeds. The Code provides that only two (2) percent of the proceeds of a tax-exempt bond issue 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 following fees are payable at the times and in the amounts as described below. ALL FEES ARE NON-REFUNDABLE.

1. Each application submitted to JHFA for Multifamily Bond Financing must be accompanied by the following fees (fees should be included with original application):
 - A. a non-refundable application fee of \$7,500. The fee must be payable to the Jacksonville Housing Finance Authority, Florida in the form of a cashier's check.
 - B. a non-refundable Development Feasibility Analysis Fee in the amount of \$3,000, payable to The Hendrickson Company, in the form of a cashier's check.
2. If invited to credit underwriting by JHFA, the Applicant must submit a non-refundable credit underwriting fee in the amount specified by the credit underwriter. 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 appraisals, pre-construction analysis and engineering studies.
3. After The JHFA Board takes official action during its initial selection process, the Applicant must remit to the JHFA a deposit of \$500 to cover the initial cost of publishing the TEFRA notice and conducting a hearing, along with a \$10,000 retainer to JHFA's Bond Counsel, which retainer will be applied to the final Bond Counsel Fee to be paid at bond closing. Any cost in excess of the initial deposit, including fees for credit underwriting or for other third-party reports must be remitted to the JHFA at the time of inducement.

4. Before any bond documents are prepared, a deposit in an amount equal to one half of one percent (0.5%) not to exceed \$40,000 of the aggregate estimated principal amount of the Bonds to be issued must be paid (in addition to the \$10,000 Bond Counsel retainer). The payments must be in the form of cashier's checks only. This deposit will be held until the closing of the Multifamily Bonds, at which time it will be used to pay costs of issuance, with any excess returned to the Applicant. If JHFA meets its obligations under the Memorandum of Agreement and the bond closing does not take place, this fee shall be non-refundable. Additionally, if the sale and closing does not take place for any reason, the fee is refundable only in the amount remaining after JHFA pays all hourly and out of pocket costs of JHFA, Bond Counsel, Issuer's Counsel, Underwriters, and the Financial Advisor. The out of pocket costs of JHFA may include, but are not limited to, costs of printing the Bonds and official statement, drafting and distribution of bond and loan documents, review of bond and loan documents, travel and rating agency fees. If the bond issue closes, this fee will be credited against the total costs of issuing the bonds, all of which the Applicant is required to pay.
5. At the closing of the Bonds an Administrative Fee equal to twenty thousand dollars (\$20,000), or twenty-five one-hundredths of one percent (25/100 of 1.00% or 25 basis points) of the principal amount of the Bonds, whichever is greater, will be due. This fee applies to all closing, including refunding.
6. JHFA will charge to the Applicant an annual administrative fee in the amount of 0.20% of the outstanding principal amount of the Multifamily Bonds (the "Administrative Fee"). The JHFA will require that the payment of the Administrative Fee be covered by the credit enhancement device used in connection with the guaranty of principal and interest on the Multifamily Bonds or other acceptable credit device. In the case of Multifamily Bonds insured by FHA, the Administrative Fee should be included within the mortgage payment calculations and covered by the FHA policy. The Developer, its General Partner, members and/or certain other credit worthy individuals (as determined by the JHFA Financial Advisor) will be required to execute a Guaranty of Recourse Obligations in form and substance satisfactory to JHFA and its counsel. If a refunding occurs on a transaction that did not previously pay this ongoing fee, the full 0.20% Administrative Fee shall be applied beginning as of the date of the refunding.
7. In addition JHFA will annually charge the costs of all ongoing or one-time third party service provided to JHFA in conjunction with the bond issue, including, but not limited to, loan servicing, development compliance monitoring, financial monitoring, trustee services, audit costs, and rebate analysis.
8. The Applicant shall be responsible for payment of all fees and expenses in connection with the proposed financing, including, without limitation, the fees and expenses of JHFA's Financial Advisor, Bond Counsel, Issuer's Counsel, Credit Underwriter, Construction Servicing, Compliance, Monitoring Agent, and Financial Monitoring Agent, Trustee and its counsel, the Bond Underwriters and their counsel, the credit enhancers,

and the rating agencies. JHFA reserves the right to charge fees for these services above the standard contract rate, on deals of unusual nature or with exceptionally complex structures.

9. The Applicant shall pay \$2,500 to the JHFA if they want JHFA to consider extending the Inducement Resolution past the initial 12 month period. The fee shall be credited against the final administrative fee of the JHFA;

Payment of all fees charged by any participant in the bond issue is the responsibility of the Applicant and must be paid in full upon the closing of the Multifamily Bonds, unless other prior arrangements have been made.

PART V. DEVELOPMENT COSTS AND PROFIT

In order to ensure the affordability of its Developments, the JHFA, and its Financial Advisor reserve the right to review the Development's sources and uses of funds and to engage a third-party credit underwriting firm, if the JHFA so desires, which expense shall be paid by the Applicant. Developer fees, which include developer overhead, developer profit and any contingency reserve, will be limited as follows:

1. New construction: Fees shall be limited to **18%** of total Development costs, excluding land costs and any reserves required by lenders.
2. Acquisition and rehabilitation: Fees shall be limited to **18%** of total Development costs excluding land costs and any reserves required by lenders or credit enhancers.

Note: In order to be competitive with the Florida Housing Finance Corporation's Multifamily programs, the JHFA may amend its policies, including those related to allowable developer fees, at its sole discretion and at any time during the annual cycle without having to re-issue the RFP.

In addition, in cases where an identity of interest exists between the Applicant or Developer (or any affiliated person or entity) and general contractor, the applicable fees shall in no case exceed those described above.) In the event that the Developer is using the Guaranty Fund of the Florida Housing Finance Corporation, or is participating in the HUD Risk-Sharing Program, the rules of those programs will apply to limits on Developer fees. The JHFA will not allow fees for duplicative services or overhead as determined by the third-party credit underwriters.

VI. WAIVER

The Finance Authority reserves the right to waive any of the aforesaid guidelines and procedures, not otherwise required to be met by law, upon good cause shown by JHFA personnel or any corporation, firm or business concerned with the proposed financing showing of any of the following shall constitute "good cause" for the purpose of such waiver:

- 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 JHFA nor practicable under the circumstances.
- C. That compliance by an Applicant with any guideline or application requirement would work an undue hardship on said Applicant and compliance therewith is not essential, in the opinion of JHFA, to its review and considerations of the application.
- D. That compliance with any guideline or application requirement is not, in the opinion of JHFA, essential to its review and consideration of an application and dispensing therewith would facilitate JHFA's action upon the application. Any such waiver shall be based upon evidence of the existence of good cause presented to JHFA at a public meeting and shall be by majority vote of the quorum of JHFA taken at such meeting. These guidelines may be amended from time to time by majority vote of the quorum of JHFA taken at any meeting.
- E. The guidelines in effect at the time of execution of any Memorandum of Agreement shall be made a part thereof and incorporated therein by reference. In the event of conflict, the Memorandum of Agreement shall control.
- F. Notwithstanding fixed fee contracts that JHFA may have entered into with certain professionals, the Financial Advisor, Bond Counsel, Issuer's Counsel, and Credit Underwriter are authorized to charge Applicant at an hourly rate if the Applicant and its representatives engage in excessive negotiation of program documents.

VII. PROGRAM COMPLIANCE REQUIREMENTS

In order to insure compliance with the income targeting required under Federal and State law and JHFA's requirements, JHFA 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 onsite 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 JHFA.

In order to provide JHFA with current information with respect to the performance of the development, JHFA 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 JHFA, and solely for the information of JHFA. JHFA shall have no

responsibility to bondholders, credit enhancers, or others to monitor the financial performance of the development or provide information with respect thereto.

It is the responsibility of the Applicant to comply with all applicable state and federal laws, as well the policies, procedures, and guidelines set forth in this document.

The Applicant must remain in compliance with but not limited to the following:

1. Occupancy

As a condition of occupancy, each person who intends to be a Lower-Income Tenant or Eligible Tenant shall be required to sign and deliver to the Applicant the Income Certification (or some other form as JHFA shall determine-see Exhibit C in which the prospective Lower Income Tenant or Eligible Tenant certifies as to certain information. In addition, such person shall be required to provide any other information, documents or certifications as deemed necessary by the JHFA or the Trustee to substantiate the Income Certification.

The form of lease to be utilized by the Applicant in renting any units in the Development to a person who presents himself/herself to be a Lower-Income Tenant or Eligible Tenant shall provide for termination of the lease for failure to qualify as a Lower-Income Tenant or Eligible Tenant as a result of any material misrepresentation made by such person with respect to the Income Certification.

Income Certifications must be maintained on file at the Development with respect to each Lower Income Tenant or Eligible Tenant who resides in a Development unit or resided therein during the immediately preceding calendar year, and the Applicant will promptly, upon receipt, file a copy thereof with the JHFA and the Trustee. The Applicant shall not discriminate on the basis of race, creed, color, sex, age or national origin in the lease, use, or occupancy of the Development or in connection with the employment or application for employment of persons for the operation and management of the Development.

The occupancy restrictions referenced above will remain in effect during the Qualified Project Period.

2. Development

The Development must be acquired and developed (new construction, or rehabilitation or renovation) for the purpose of providing multifamily residential rental property as such phrase is utilized in Section 142(d) of the Code, and the Treasury Regulations promulgated there under. Preference shall not be given in renting dwelling units in the Development to any particular class or group of persons, other than Lower Income Tenants and Eligible

Tenants, unless specifically determined permissible by the JHFA for a particular program, such as elderly or handicapped Developments. The Applicant shall be subject to such other restrictions as may be set forth in the LURA and certain other documents executed in connection with the issuance, sale and delivery of the Multifamily Bonds (the "Bond Documents").

3. Multifamily Site Amenities Compliance

To ensure that Developments receive the site amenities and benefits proposed by the Development. Applicant must check the appropriate box in the application for bond financing under the proposed section that pertains to their Development. If the completed Development does not conform to the site amenities and benefits as described in the Applicant's application to the JHFA, the Applicant may be prohibited from seeking funding bond allocation from the JHFA. The JHFA reserves the right to inspect the Development on an on-going basis as a means of ensuring compliance.

4. Applicant Record

The Applicant, Developer and its affiliates must demonstrate a proven record of maintaining the physical appearance of the Development and compliance with affordable housing program reporting requirements on a regular basis for previously or currently owned Developments. Developments presently owned by the Applicant or its affiliates must be current on the payment of loan obligations and clear of any past or present event of default.

5. Jacksonville Small Emerging Business Program

The JHFA encourages Applicants to utilize, to the extent practical, the services of firms that qualify as small and emerging businesses pursuant to Chapter 126, City of Jacksonville Ordinance Code, for the construction and/or rehabilitation of the Development funded through the Program.

6. Other Compliance Requirements

In addition to the criteria cited above, Bond Counsel shall review all applications to insure compliance with Federal and State law, regulations, court rulings, and other mandates in effect at the time an Application is approved.

EXHIBIT B - UPDATE

PROGRAM INCOME AND RENT LIMITS

Please refer to applicable limits as published by HUD and shown on the FHFC website.

EXHIBIT C

INCOME CERTIFICATION

The undersigned hereby (certify) (certifies) that:

1. This Income Certification is being delivered in connection with the undersigned's application for _____ occupancy of _____ apartment # _____ in the _____, in the City of Jacksonville, Duval County, Florida.

2. List all occupants of the apartment, the relationship (if any) of the various occupants, their ages, and indicate whether they are students (for this purpose, a student is an individual who is or will be, a full-time student at an educational institution during five (5) months of the year in which this application is submitted, other than correspondence school, with regular facilities and students).

The total anticipated income as acceptable with the Housing Finance Authority and consistent with income determinations under Section 8 of the United States Housing Act of 1937, as amended for each person listed below during the 12-month period commencing with the date occupancy will begin.

Name	Relationship	Age	Student Yes or No	Anticipated Annual Income
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
TOTAL INCOME				\$

Are any of the students listed above eligible to file a joint return for Federal Income Tax purposes? Yes: _____ No: _____

DEFINITION OF INCOME: Full amount, before payroll deductions, of wages, salaries, overtime, commissions, fees, tips and bonuses; net income from operation of a business or profession; interest and dividends and other net income from real or personal property; periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or

death benefits and other similar types of periodic payments; payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; public assistance income, where payments include amount specifically designated for shelter and utilities; periodic and determinable allowances such as alimony and child support, and regular contributions or gifts from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; but excluding: casual, sporadic or irregular gifts; amounts which are specifically for reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses; amounts of educational scholarships paid directly to the student of the educational institution, and amounts paid by the government to a veteran for use in meeting costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a servicemen head of family who is away from home and exposed to hostile fire; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purposes of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; payments received pursuant to participation in ACTION volunteer programs; and income from the employment of children (including foster children) under the age of eighteen (18) years.

4. If any of the occupants listed in Section 2 has any savings, bonds, or equity in real property, or other forms of capital investment (but do not include necessary items such as furniture or automobiles) * enter the following amounts:

- (a) The total value of all such assets owned by all persons: \$_____.
- (b) A percentage of the value of such assets based on the current passbook savings rate, as determined by HUD (applicable passbook savings rate _____%): \$_____. NOTE: If assets do not exceed \$5,000 and resident is not Low, do not impute assets.
- (c) The amount of income expected to be derived from such assets in the 12 month period commencing with the occupancy of the unit: \$_____.

* Include the value over and above actual consideration received, except in foreclosure or bankruptcy, of any asset disposed of for less than fair market value within two (2) years of the date of this Income Certification.

5. RESIDENT'S STATEMENT: The information on this form is to be used to determine maximum income for eligibility. I/We have provided, for each person set forth in Section 2, either (a) An Employer's Verification of current anticipated annual income, if the occupant is currently employed, or (b) if the occupant is currently unemployed, such other evidence of current anticipated income as is consistent with income determinations under Section 8 of the United States Housing Act of 1937, as amended, or (c) copies of the occupants most recent Federal Income Tax Return, if a return was filed for the most current year. I/We certify that the

statements above are true and complete to the best of my/our knowledge and belief on the date hereof and are given under penalty of perjury.

Name	Date
(a) _____	_____
(b) _____	_____
(c) _____	_____
(d) _____	_____
(e) _____	_____
(f) _____	_____

6. APPLICANT/DEVELOPER STATEMENT: The family or individual(s) named in Section 2 of the Income Certification attached hereto is/are eligible under the provisions of the Land Use Restriction Agreement, to live in a unit in the Development, as defined in the Loan Agreement, between the owner and the Housing Finance Authority, and based upon the aggregate anticipated annual income set forth in Section 2 and, if applicable, the greater of the amounts in Section 4 (b), or (c), which in the aggregate will be \$ _____, constitutes (check one):

- ___ a. A Very Low Income Tenant (maximum income \$ _____); or
- ___ b. A Lower-Income Tenant (maximum income \$ _____); or
- ___ c. An Eligible Tenant other than a Lower-Income Tenant (Maximum income \$ _____).

Signature of Owner's Authorized Representative

Date

EXHIBIT D

CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE

Witnesseth that on this _____ day of _____, 201____, the undersigned, having borrowed certain funds from the Jacksonville Housing Finance Authority of the City of Jacksonville, Duval County, Florida (the "Authority") for the purpose of acquiring or constructing apartments, does hereby certify that such multifamily rental housing Development is in continuing compliance with the Land Use Restriction Agreement executed by the undersigned and filed in the official public records of Duval County, Florida (including the requirement that all units be and remain rental units), that an Income Certification has been submitted for each new tenant in such multifamily rental housing Development since the filing of the last such certification and that the same are true and correct to the best of the undersigned's knowledge and belief. As of the date of this Certificate, the following percentages of completed residential units in the Development are occupied by Lower-Income Tenants (as such term is defined in the Loan Agreement), Eligible Tenants, Non-Revenue Units and Vacant Units:

Total number of units available for occupancy as of _____, 201____

	Percentage	Number
Low/Moderate Income Residents	_____ %	_____
Eligible Residents	_____ %	_____

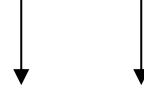
Authorized Representative

Development Name

EXHIBIT E

MULTIFAMILY SITE AMENITIES COMPLIANCE FORM

For HFA Use Only



	<u>Proposed</u>	<u>Yes</u>	<u>No</u>
1. Child Care	?	?	?
2. Swimming Pool	?	?	?
3. Clubhouse with community/meeting rooms	?	?	?
4. Central Laundry Facility	?	?	?
5. Volleyball Court, and/or Basketball Court	?	?	?
6. Picnic Area	?	?	?
7. Gated community with carded entry	?	?	?
8. Tot Lots, playground	?	?	?
9. Gym or Exercise room	?	?	?
10. Gazebos	?	?	?
11. Mail Building	?	?	?
12. Computer Center Internet access, facsimile, telephone and tenant e-mail)	?	?	?
13. After School Program for Children including early literacy programs	?	?	?
14. Financial Incentive for Assisting Homeownership	?	?	?
15. Homebuyer Counseling	?	?	?
16. Tenant Activities	?	?	?
17. Various Programs Operated by Head Start on property within walking distance	?	?	?
18. Immediate Access to Mass Transit Pick-Up and Drop-Off Location	?	?	?
19. Access to School Bus Pick-Up and Drop-Off Location. State proximity to project site.	?	?	?
20. Other (Must Specify)	?	?	?

Signature

Date

EXHIBIT F
FORM OF INDUCEMENT RESOLUTION
RESOLUTION

RESOLUTION REGARDING THE OFFICIAL ACTION OF THE JACKSONVILLE HOUSING FINANCE AUTHORITY RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$_____ IN AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (_____ APARTMENTS), SERIES _____, FOR THE PURPOSE OF ACQUIRING, REHABILITATING AND EQUIPPING OF A MULTIFAMILY RESIDENTIAL HOUSING FACILITY FOR PERSONS OR FAMILIES OF LOW, MIDDLE OR MODERATE INCOME; AND FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT BY AND BETWEEN THE AUTHORITY AND _____ OR ITS PERMITTED SUCCESSORS AND ASSIGNS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, _____ or its permitted successors and assigns (the "Company") has applied to the Jacksonville Housing Finance Authority (the "Authority") to: (i) issue its Multifamily Housing Mortgage Revenue Bonds (_____ Apartments), Series 200__ in a principal amount not to exceed \$_____ (the "Bonds") for the purpose of financing all or a portion of the costs related to the acquisition, construction and equipping of a multifamily residential housing facility located at _____, Jacksonville, Duval County, Florida (the "County") consisting of approximately _____ units to be commonly known as _____ Apartments (the "Project"), to be occupied by persons or families of low, middle or moderate income in accordance with the Company's application submitted to the Authority and (ii) loan the proceeds of the Bonds to the Company pursuant to Chapter 159, Part IV, Florida Statutes, or such other provision or provisions of Florida law as the Authority may determine advisable (collectively, the "Act"); and

WHEREAS, a determination by the Authority to issue the Bonds under the Act, if so requested by the Company, in one or more issues or series not exceeding an aggregate principal amount of \$_____ and to loan the proceeds thereof to the Company to finance the Project under a loan agreement or other financing agreement which will provide that payments thereunder be at least sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds and such other costs in connection therewith as may be incurred by the Authority, will assist the Company and promote the purposes provided in the Act; and

WHEREAS, the Company has submitted the Preliminary Agreement (the "Preliminary Agreement") relating to the issuance of the Bonds, attached hereto as Exhibit "A;" and

WHEREAS, in order to satisfy certain of the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, the Authority has scheduled a public hearing on

the proposed issuance of the Bonds for the purposes herein stated, which hearing is scheduled fourteen (14) days following the first publication of notice of such public hearing in a newspaper of general circulation in the County (a true and accurate copy of the notice of such public hearing is attached hereto as Exhibit B), which public hearing will be conducted in a manner that provides a reasonable opportunity for persons with differing views to be heard, both orally and in writing, on both the issuance of such Bonds and the location and nature of the portion of the Project to be financed with the proceeds therefrom.

WHEREAS, it is intended that this Resolution shall constitute official action toward the issuance of the Bonds within the meaning of the applicable United States Treasury Regulations.

NOW, THEREFORE, BE IT DETERMINED AND RESOLVED BY THE JACKSONVILLE HOUSING FINANCE AUTHORITY THAT:

SECTION 1. APPROVAL OF THE PROJECT. The acquisition, construction and equipping of the Project and the financing thereof by the Authority through the issuance of the Bonds, pursuant to the Act, will promote the health and welfare of the citizens of the County and will thereby serve the public purposes of the Act.

SECTION 2. EXECUTION AND DELIVERY OF THE PRELIMINARY AGREEMENT. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute, for and on behalf of the Authority, the Preliminary Agreement attached hereto as Exhibit "A" between the Authority and the Company providing understandings relative to the proposed issuance of the Bonds by the Authority to finance the Project in an aggregate principal amount not to exceed the lesser of: (a) \$_____ or (b) the cost of the Project, as determined by the Authority with such changes, modifications, deletions and insertions as the Chairman or Vice Chairman, with the advice of Authority's counsel and bond counsel, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Authority.

SECTION 3. AUTHORIZATION OF THE BONDS. There is hereby authorized to be issued and the Authority hereby determines to issue the Bonds, if so requested by the Company and subject to the conditions set forth in the Preliminary Agreement attached hereto and any subsequent resolution of the Authority related to the Bonds, in one or more issues or series in an aggregate principal amount not to exceed \$_____ for the purpose of financing the Project. The Bonds shall be designated "Jacksonville Housing Finance Authority Multifamily Housing Mortgage Revenue Bonds (_____ Apartments), Series 200__." The Bonds shall not be issued unless such Bonds, if publicly offered, are rated "AAA" by one or more of the three nationally recognized rating agencies. The rate of interest payable on the Bonds shall not exceed the rate permitted by law.

SECTION 4. RECOMMENDATION FOR APPROVAL TO CITY COUNCIL OF THE CITY OF

JACKSONVILLE, FLORIDA. The Authority hereby recommends the issuance of the Bonds and the financing of the Project for approval to the City Council of the City of Jacksonville, Florida (the "City"). The Authority hereby directs the Chairman or Vice Chairman, at the expense of the Company, to seek approval for the issuance of the Bonds and the financing of the Project by the City as the applicable elected representatives of the County under and pursuant to the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended.

SECTION 5. GENERAL AUTHORIZATION. The Chairman, the Vice Chairman, the Secretary and counsel for the Authority, the Authority's financial advisor and bond counsel, are hereby further authorized to proceed, upon execution of the Preliminary Agreement, with the undertakings provided for therein on the part of the Authority and are further authorized to take such steps and actions as may be required and necessary in order to cause the Authority to issue the Bonds subject to the terms and conditions set forth in the Preliminary Agreement authorized hereby.

SECTION 6. AFFIRMATIVE ACTION. This Resolution is an affirmative action of the Authority toward the issuance of the Bonds, as contemplated in the Preliminary Agreement, in accordance with the purposes of the laws of the State of Florida and the applicable United States Treasury Regulations.

SECTION 7. APPROVAL OF NOTICE OF PUBLIC HEARING. The form of notice of public hearing attached hereto as Exhibit B is hereby approved and the publishing thereof ratified by the Authority.

SECTION 8. LIMITED OBLIGATIONS. The Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of the City, the County, the State of Florida or any political subdivision or agency thereof but shall be payable solely from the revenues pledged therefor pursuant to, among other things, an Indenture of Trust, a Loan Agreement and a Land Use Restriction Agreement prior to or contemporaneously with the issuance of the Bonds.

SECTION 9. LIMITED APPROVAL. The approval given herein shall not be construed as an approval of any necessary zoning applications nor for any other regulatory permits relating to the Project and the Authority shall not be construed by reason of its adoption of this Resolution to have waived any right of the City or estopping the City from asserting any rights or responsibilities it may have in that regard.

SECTION 10. EFFECTIVE DATE. This Resolution shall become effective immediately upon its passage.

APPROVED AND ADOPTED by the Jacksonville Housing Finance Authority this _____ day of _____, 200__.

**JACKSONVILLE HOUSING
FINANCE AUTHORITY**

__ATTEST:

By: _____

William I. "Tripp" Gulliford III

Title: Chair

By: _____

Name: Jim Pellot

Title: Secretary

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____

Office of the General Counsel

EXHIBIT G

EXPENSE AND INDEMNITY AGREEMENT

Jacksonville Housing Finance Authority
214 N. Hogan Street, 8th Floor

Jacksonville, FL 32202

Ladies and Gentlemen:

The undersigned (the "Applicant") has requested the Jacksonville Housing Finance Authority, Florida (the "Authority"), to consider its application for the issuance of the Bonds referred to below (the "Bonds") for the benefits of the Applicant and as an inducement to such consideration hereby agrees with the Authority as follows:

Section 1: Payment of 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 relating to the Bond issue, including, without limitation, administrative charges and out-of-pocket expenses, recording charges, expenses of printing offering circulars or official statements, and the cost of printing the Bonds and advertising the sale thereof and expenses of registering the Bonds with the securities commission of any state. The fees of the Authority's bond counsel, financial advisor, administrative staff, and Issuer's counsel shall be payable only if the Bonds are issued and delivered, but the Applicant shall in all events be liable for the payment of the disbursements and out-of-pocket expenses of such personnel. It is further agreed that the applicant fee is a separate fee, which shall not be used for the payment of the expenses delineated herein.

Section 2. Indemnity. Whether or not the Bonds are offered, sold or issued, the Applicant agrees to indemnify the Authority, and each of its members, officers, agents, attorneys or employees against any and all claims and liability of whatsoever nature arising out of the Bond issue, including without limitation, claims based upon actual or alleged misrepresentation, fraud or other tortious 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. In furtherance of the foregoing the Applicant agrees to pay any and all attorney's fees and court costs incurred in the defense of any of the claims here above enumerated upon the Authority's written demand thereof. It is further understood and agreed that the Authority or any of the persons here above indemnified shall be entitled to retain counsel acceptable to the Authority or them to defend any claim, but that neither the Authority nor any such person will enter into any settlement of the same without the prior written approval of the Applicant. It is further understood that

the Authority will give reasonable notice to the Applicant of the pendency of any such claims or liability and the Applicant shall have the opportunity to recommend counsel for selection by the Authority or its members. The actual selection of counsel, however, will be solely within the discretion of the Authority or its members.

Section 3. 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 the Authority and the Applicant.

Dated: _____ Name of Applicant: _____

By: _____ Title: _____

Description of Bond: _____

(Florida) Jacksonville Housing Finance Authority

By: _____

EXHIBIT H

MARKET ANALYSIS OUTLINE

The market study should include these key points: The analysis should present demand/supply relationships in sufficient detail to support the Development for which financing is requested. As the provision of JHFA financing for multifamily rental development is resulting in a significant number of new units, special attention should be given to accuracy in demand calculations in housing market areas.

Suggested Content

- I. Purpose of the analysis
- II. Summary
Summarize the key findings of the analysis as they relate to Applicant's Development
- III. Development Description
Location (provide area and parcel map)
Size
Physical description of proposed new construction or rehabilitation
Amenities provided Proximity to shopping, schools, day care, etc.
Major transportation routes
- IV. Housing Market Area & Demographic Information
Identify housing market area (attach map)
Population data and trends
Employment data and trends
Economic character of area
Other general characteristics of the area
Present comparison of market area data to countywide data wherever possible.
Note that there may be instances when the market areas extend beyond jurisdictional boundaries.
- V. Housing Supply Factors
Describe current housing stock (number, tenure, size, type, vacancies, etc.)
Describe housing trends such as units authorized and condominium conversion activity where appropriate
Provide listing of present or known future comparable or competitive Developments and characteristics of each within market area (such as - number of units, mixes, square footage, rent per square foot, vacancies, amenities, age, etc.)

Map with distances to comparable competitive Developments.

VI. Housing Demand Factors

Housing growth trends

Employment growth trends and locations

Conversions (if applicable)

Household size

Income levels (be as detailed as possible)

Waiting lists at comparable developments

Turnover experience at comparable developments

Quality demand

VII. Conclusion

Supportable rents (state whether rents are the maximum obtainable)

Absorption rate anticipated (cite examples of others)

Projected income and household size of occupants

Necessary or recommended Development amenities and features

Anticipated Development turnover rate

Projected displacement if acquisition with rehabilitation

Present and explain any limiting conditions or factors assumed in the preparation of analysis

EXHIBIT I

QUALIFIED CENSUS TRACTS

DUVAL COUNTY TRACTS:

See list as published by HUD/Us Treasury and shown on the FHFC website.

EXHIBIT J

DEFINITIONS

“Annual Household Income” means the gross income of a person, together with the gross income of all persons who intend to permanently reside with such person in the Development to be financed by the JHFA, as of the date of occupancy shown on the Income Certification promulgated by the JHFA.

“Applicant” means any person or legally formed entity that is seeking a loan or funding from the JHFA by submitting an Application.

“Application” means the forms and exhibits created by the JHFA for the purpose of providing the means to apply for JHFA bond financing. A completed Application may include additional supporting documentation provided by an Applicant.

“Board” or “Board of Directors” means the Board of Directors of the JHFA.

“Bond Counsel” means the attorney or law firm retained by the JHFA to provide the specialized services generally described in the industry as the role of bond counsel.

“Bond Trustee” or “Trustee” means a financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bond holders, and in some instances the JHFA, in enforcing the terms of the Program Documents.

“Contact Person” means the person with whom the JHFA will correspond concerning the Application and the Development.

“Cost of Issuance Fee” means the fee charged by the JHFA to the Applicant for the payment of the costs and expenses associated with the sale of Bonds and the loaning of the proceeds, including a fee for the JHFA.

“Credit Enhancement” means a letter of credit, third party guarantee, insurance contract or other collateral or security pledged to the JHFA or its Trustee for a minimum of ten years by a third party Credit Enhancer or financial institution securing, insuring or guaranteeing the repayment of the Mortgage Loan or Bonds.

“Credit Enhancer” means a financial institution, insurer or other third party which provides a Credit Enhancement or Guarantee Instrument acceptable to the JHFA securing repayment of the Mortgage Loan or Bonds issued by the JHFA.

“Credit Underwriter” means the independent contractor under contract with the Financial Advisor having the responsibility for providing Credit Underwriting services.

“Credit Underwriting” means an in-depth analysis by the Credit Underwriter of all documents submitted in connection with an Application.

“Credit Underwriting Report” means the report that is a product of Credit Underwriting.

“Difficult to Develop Area or “DDA” means areas designated by the Secretary of Housing and Urban Development as having high construction, land, and utility costs relative to area median gross income in accordance with Section 42(d)(5), or the IRC.

“Developer” means the individual, association, corporation, joint venture or partnership, which possesses the requisite skill, experience, and credit worthiness to successfully produce affordable housing as required in the Application.

“Developer Fee” means the fee earned by the Developer.

“Development Cost” means the total of all costs incurred in the completion of a Development excluding Developer Fee and total land cost as shown in the Development Cost line item on the development cost pro forma within the Application.

“Financial Advisor” means, with respect to an issue of Bonds, a professional who is either under contract with the JHFA who advises on matters pertinent to the issue, such as structure, timing, marketing, fairness of pricing, terms, bond ratings, cash flow, and investment matters.

“General Contractor” means a person or entity duly licensed in the state of Florida with the requisite skills, experience and credit worthiness to successfully provide the units required in the Application.

“HC” or “Housing Credit Program” means the rental housing program administered by the Florida Housing Finance Corporation in accordance with section 42 of the IRC and Section 420.5099, F.S., under which the Corporation is designated the Housing Credit agency for the state of Florida within the meaning of section 42(h)(7)(A) of the IRC, and Rule Chapter 67-48, F.A.C.

“HUD” means the United States Department of Housing and Urban Development.

“IRC” is the Internal Revenue Code of 1986, as in effect on the date of these policies, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the Treasury Department or Internal Revenue Service of the United States.

“Issuer” means the Jacksonville Housing Finance Authority.

“Lower Income Residents” means Families whose annual income does not exceed either 50

percent or 60 percent of the area median income as determined by HUD with adjustments for household size depending on the minimum set-aside elected. In no event shall occupants of a Development unit be considered to be Lower Income Residents if all the occupants of a unit are students as defined in section 151(c)(4) of the IRC or if the residents do not comply with the provisions of the IRC defining Lower Income Residents. (See section 142 of the IRC.)

“LURA” or “Land Use Restriction Agreement” means an agreement among the JHFA, the Bond Trustee and the Applicant which sets forth certain set-aside requirements and other Development requirements.

“Loan Agreement” means the Program Documents or Loan Documents wherein the JHFA and the Applicant agree to the terms and conditions upon which the proceeds of the Bonds shall be loaned to the Applicant and the terms and conditions for repayment of the Loan.

“Note” means a unilateral agreement containing an express and absolute promise to pay to the JHFA a principal sum of money on a specified date, which provides the interest rate and is secured by a Mortgage.

“Principal” means an Applicant, any general partner of an Applicant, and any officer, director, or any shareholder of any Applicant or shareholder of any general partner of an Applicant.

“Private Placement” or “Limited Offering” means the sale of the JHFA Bonds directly or through an underwriter or placement agent to 35 or fewer initial purchasers who are not purchasing the Bonds with the intent to offer the Bonds for retail sale and who are Qualified Institutional Buyers.

“Program Documents or Loan Documents” means some or all of the following: the Loan Commitment, Loan Agreement, Note, Mortgage, Credit Enhancement, Land Use Restriction Agreement, Trust Indenture, Preliminary and Final Official Statements, Intercreditor Agreement, Assignments, Bond Purchase Agreement, Compliance Monitoring Agreement, Mortgage Servicing Agreement and such other ordinary and customary documents necessary to issue and secure repayment of the Bonds and Mortgage sufficient to protect the interests of the Bond owners and the JHFA.

“QCT” or “Qualified Census Tract” means any census tract which is designated by the Secretary of Housing and Urban Development as having either 50 percent or more of the households at an income which is less than 60 percent of the area median gross income, or a poverty rate of at least 25 percent, in accordance with section 42(d)(5)(C) of the IRC.

“Qualified Institutional Buyer” is sometimes called a “sophisticated investor” and specifically includes the following:

- (a) Any of the following entities, acting for its own account or the accounts of the Qualified Institutional Buyers that, in the aggregate, own and invest on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity:
 1. Any insurance company as defined in section 2(13) of the Securities Exchange

- Act, which is adopted and incorporated herein by reference;
2. Any investment company registered under the Investment Company Act of 1940 or any business development company as defined in section 80a-2(a)(48) of that Act, which is adopted and incorporated herein by reference;
 3. Any Small Business Investment Company licensed by the U.S. Small Business Administration under sections 301(c) or (d) of the Small Business Investment Act of 1958, which is adopted and incorporated herein by reference;
 4. Any plan established and maintained by a state or state agency or any of its political subdivisions, on behalf of their employees;
 5. Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, which is adopted and incorporated herein by reference;
 6. Trust funds of various types, except for trust funds that include participants' individual retirement accounts or H.R. 10 plans;
 7. Any business development company as defined in section 80b-2(a)(22) of the Investment Advisors Act of 1940, which is adopted and incorporated herein by reference;
 8. Any organization described in section 501(c)(3) of the IRC, corporation (except a bank or savings and loan defined in section 3(a)(2) or 3(a)(5)(A) of the Securities and Exchange Act, which is adopted and incorporated herein by reference, or a foreign bank or savings and loan or similar institution), partnership, Massachusetts or similar business trust, or any investment adviser registered under the Investment Advisors Act, which is adopted and incorporated herein by reference.

(b) Any dealer registered under section 15 of the Securities Exchange Act, which is adopted and incorporated herein by reference, acting on its own behalf or on the behalf of other Qualified Institutional Buyers who in the aggregate own and invest at least \$10 million of securities of issuers not affiliated with the dealer (not including securities held pending public offering).

(c) Any dealer registered under section 15 of the Securities Exchange Act, which is adopted and incorporated herein by reference, acting in a riskless principal transaction on behalf of a Qualified Institutional Buyer.

d) Any investment company registered under the Investment Company Act, which is adopted and incorporated herein by reference, that is part of a family of investment companies that together own at least \$100 million in securities of issuers, other than companies with which the investment company or family of investment companies is affiliated.

(e) Any entity, all of whose equity owners are Qualified Institutional Buyers.

(f) Any bank or savings and loan defined in section 3(a)(2) or 3(a)(5)(A) of the Securities Exchange Act, which is adopted and incorporated herein by reference, or foreign bank or savings and loan or similar institution that, in aggregate with the other Qualified Institutional Buyers, owns and invests in at least \$100 million in securities of affiliates that are not affiliated with it and that has an audited net worth of at least \$25 million as

demonstrated during the 16 to 18 months prior to the sale.

“Qualified Lending Institution” means any lending institution designated by the JHFA.

“Qualified Project Period” means Qualified Project Period as defined in Section 142(d) of the IRC.

“Single Room Occupancy” or “SRO” means housing consisting of single room dwelling units that is the primary residence of its occupant or occupants. An SRO does not include facilities for students.

“Taxable Bonds” means those Bonds on which the interest earned is included in gross income of the owner for federal income tax purposes pursuant to the IRC.

“Tax Exempt Bond-Financed Development” means a Development which has been financed by the issuance of tax-exempt bonds subject to applicable volume cap pursuant to Section 42(h)(4) of the IRC.

“Tax-exempt Bonds” means those Bonds on which all or part of the interest earned is excluded from gross income of the owner for federal income tax purposes pursuant to the IRC.

“TEFRA Hearing” means a public hearing held pursuant to the requirements of the IRC and in accordance with the Tax Equity and Fiscal Responsibility Act (TEFRA), section 147(f) of the IRC, at which members of the public or interested persons are provided an opportunity to present evidence or written statements or make comments regarding a requested application for Tax-exempt Bond financing of a Development by the JHFA.

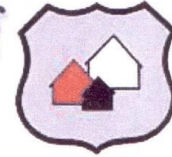
“Total Development Cost” means the sum total of all costs incurred in the construction of a Development all of which shall be subject to the review and approval by the Credit Underwriter and the JHFA.



Office of the Sheriff

Jacksonville, Florida

Crime Free Multi-Housing Program



The Jacksonville Sheriff's Office has implemented a community program called the **Jacksonville Crime Free Multi-Housing Program**. The program, which is endorsed by Sheriff John Rutherford, is a partnership between the Jacksonville Sheriff's Office, owners, managers and residents of our apartment communities. Our goal is to keep drugs and other illegal activity out of our communities.

Crime Free Multi-Housing Program Overview

The program was successfully developed by the Mesa Arizona Police Department in 1992. The International Crime Free Multi-Housing Program has spread to nearly 2,000 cities in 44 states, 5 Canadian Provinces, and other countries.

The program consists of three phases that must be completed under the supervision of the Jacksonville Sheriff's Office.

- **Phase 1 – Management Training**
 - Property Managers, owners and staff receive eight hours of training in the operation of the Crime Free Multi-Housing Program.
 - Training consists of the following:
 - Crime Prevention Techniques
 - CPTED (physical security of their communities)
 - Benefits of resident Screening
 - Lease agreements and eviction issues
 - Crime Free Lease Addendum
 - Addressing drug activity and crime on their property
 - Training the community in crime awareness
- **Phase 2 – CPTED Survey**
 - A general CPTED (Crime Prevention through Environmental Design) survey is conducted on the apartment property.
 - A minimum safety standard must be met to participate in the Crime Free Multi-Housing Program. The following items are the minimum standards;
 - 180 degree eye viewers in all front doors
 - One inch deadbolts on all exterior doors
 - Minimum of two inch screws in strike plates on exterior doors (exception; steel framed door jambs)
 - Lift and slide protection on windows (accessible)
 - Lift and slide protection on sliding doors (accessible)
 - Adequate security lighting in working order (throughout the property)

- Properly trimmed landscaping throughout the property (3 and 7 foot rule – bushes and shrubbery trimmed below 3 feet and trees trimmed up to 7 feet)
 - Inoperable or expired vehicles tagged and removed from the property
 - A visible display of property address, seen from the roadway
- **Phase 3 – Resident Crime Prevention Meeting**
 - The apartment management must conduct an annual crime prevention meeting with their residents.
 - Community awareness and continuous participation is encouraged
- **Certification**
 - Apartment communities that successfully complete all three phases of the training are permitted to post signs on their properties (see example sign below).
 - Certified properties will also be given the following:
 - Authorization to use the Crime Free Logo in advertising and marketing of their property.
 - Once operable, apartment managers will receive daily e-mail notifications from JSO, providing calls for service information on their property.
 - JSO will place a list of certified properties on the JSO website.
 - If a property fails to keep their standards, at our minimum level, their certification will be revoked

Sample Certified Membership Sign

