



## **Tax-Exempt Financing Procedures**

### SECTION 1: Tax-Exempt Bond Issues

It is the policy of the Hampton Redevelopment and Housing Authority that all projects financed by the Authority and issued tax-exempt notes or bonds will be assessed equitable fees as outlined herein.

1. Application Fees:
  - a. A one-time non-refundable fee in the amount of \$2,500 to cover routine administration costs incurred by the Redevelopment and Housing Authority personnel must accompany all applications. The application should be received at least three (3) weeks prior to the scheduled approval/inducement date. This occurs at the Authority's regular month Board of Commissioners meeting which is usually held on the fourth Wednesday at 9:00 a.m.
  - b. The application fee(s) shall be paid to the Hampton Redevelopment and Housing Authority prior to the Board's consideration of the inducement resolution. Fees are non-refundable.
2. Origination Fees: New, Refunded/Refinanced Issues
  - a. For tax-exempt issues of \$500,000 or less, a one-time origination fee of \$2,500 will be assessed for all applicants.
  - b. For new and refunded tax-exempt issues exceeding \$500,000, a one time origination fee of one-half of one percent on the total bond issue amount is due up front at closing, or remittance of one-eighth of one percent payable annually on the bond balance over the term of the issue. This fee is due at closing and annually thereafter.
  - c. The origination fee payment option shall be selected by the applicant within 30 days upon formal notification of the Board's favorable consideration and subsequent acceptance by the applicant. This fee will be due and payable to the Hampton Redevelopment and Housing Authority at the loan or bond closing. All legal fees, including advertising costs, the Authority's attorney and bond counsel attorney, shall be borne directly by the applicant.

3. An extension fee of \$250 shall be assessed for all inducement resolutions extended beyond a one-year period.
4. A \$200 closing fee shall be assessed for new and refunding bond issues.
5. The Authority's general counsel's fee shall also be the responsibility of the Applicant and the amount will vary depending on the extent of the required services and complexity of the Revenue Bond issuance.
6. All amendment modifications to existing Bond issues will be assessed a \$500 fee.
7. Any action by the Authority which requires a special meeting to accommodate the needs of a bond recipient or bond applicant shall cause an additional fee of \$700 to be charged to the applicant. (The Board is not obligated to schedule special meetings at an applicant's request.)
8. All fees are subject to arbitrage limitations by the applicable laws governing tax-exempt issues.
9. Applicants requiring bond validations proceedings by the Circuit Court of the City of Hampton shall pay all costs, expenses and fees incurred, including Hampton Redevelopment and Housing Authority's legal costs.

## SECTION 2: Monitoring of Multi-Family Mortgage Bond Projects

The applicant is responsible to submit quarterly occupancy reports on a regular basis for the term specified in the bond documents. These reports evidence tenant income data, required certifications and are reviewed by Authority staff for compliance.



## GENERAL INFORMATION ON TAX-EXEMPT FINANCING

The Hampton Redevelopment and Housing Authority considers applications for tax-exempt financing needed to acquire land and/or improve, construct or rehabilitate proposed or existing apartment projects. These projects are not owned, operated or managed by the Authority or is financing provided by the Authority. The Authority acts as a conduit for the developer to obtain a lower interest rate thus strengthening the financial feasibility of a project. The Internal Revenue Service (IRS) requires that developers choose to rent at least twenty percent of the apartment units proposed or existing to persons making less than 50% of the area's median income or forty percent of the apartment units to persons making less than 60% of the area's median income. The reference to "tax-exempt" applies to the interest paid by the project developer to the "bond holders" for Federal income tax purposes and does not exempt or shelter the project from any usual and customary tax assessments.

While many projects may be approved, actual closings do not always occur. The developer must arrange financing and must also secure approvals on site plans, construction drawings and specifications as well as satisfy any applicable zoning ordinances. Further information regarding these approvals may be obtained from the appropriate City departments.

Any further questions? Please call:

Ms. Nancy Burleson  
Finance Director  
Hampton Redevelopment and Housing Authority  
E-mail Address: [nburleson@hrha.org](mailto:nburleson@hrha.org)

(757) 727-6337  
(757) 727-6368 – FAX

