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DEPARTMENT OF HOUSING AND LAND MANAGEMENT
KA 'OIHANA HO'OLĀLĀ KŪKULU HALE A ME KA HO'OKELE 'ĀINA
CITY AND COUNTY OF HONOLULU

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November 17, 2025

The Honorable Val Okimoto, Chair
and Members
Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Okimoto and Councilmembers:

SUBJECT: Support for Bill 55 (2025), Relating to Multi-Family Rental Housing Program Fees

The Department of Housing and Land Management (DHLM) **strongly supports** Bill 55 (2025).

Bill 55 is a critical step in ensuring the success of the City's Private Activity Bond (PAB) program, which provides access to below-market financing that makes deeply affordable rental housing possible in our high-cost market. PABs deliver substantial value to developers and, ultimately, to our communities—lowering project financing costs, enabling more units to be delivered, and helping projects remain affordable to local families over the long term. The City's program rules already authorize fees to cover the cost of administering this complex federal financing tool. Bill 55 would establish the amount of these fees by ordinance, ensuring that we can "keep the lights on" for the program—providing the staffing, legal, compliance, and financial oversight necessary to responsibly manage hundreds of millions of dollars in affordable housing financing without drawing on the general fund.

To provide further background on the PAB program and the purpose of the fees proposed by Bill 55—and to clarify issues raised in testimony at first reading—DHLM prepared the attached *Primer on Private Activity Bonds and Bill 55*. The primer explains in detail the legal framework for PABs, how they leverage below-market financing to support affordable rental housing, and why program fees are necessary to ensure responsible administration.

We appreciate the Proposed CD1 (OCS2025 0833/10/20/2025), which improves upon DHLM's Proposed CD1 dated September 16, 2025 (D-706) in several important ways including:

DEPT. COM. 834 BUD

- Streamlining the ordinance by placing program fees and related provisions into a single existing article, avoiding the need to create a new one.

- Clarifying that DHLM—not the Department of Community Services (DCS)—is the department responsible for administering the Multi-Family Rental Housing Program.

- Clarifying and refining language throughout the bill.

We appreciate the intent behind the provisions of the CD1 that would ensure the fees are used solely to administer the program by directing them into a newly created Multi-Family Rental Housing Program account within the Housing Development Special Fund. However, the Department of Budget and Fiscal Services has shared concerns regarding the additional accounting complexity of establishing and managing a separate account for these revenues. Given that we anticipate little risk of fee revenues exceeding program costs, we believe the administrative burden of a stand-alone account outweighs the potential benefit. Accordingly, we respectfully request that the fees be deposited into the general fund.

For these reasons, we respectfully urge the Committee on Budget to recommend passage of Bill 55. Mahalo for your continued leadership and for the opportunity to testify. If you have any questions, please feel free to contact Gavin Thornton, Director of Housing Policy, at (808) 768-4277.

Sincerely,

Kevin D. Auger
Director Designate

Attachment: Primer on Private Activity Bonds and Bill 55

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director

Primer on Private Activity Bonds and Bill 55

Background on Private Activity Bonds (PABs)

A bond is a loan. Instead of borrowing money from a single bank, governments or companies sell bonds to many investors. The investors get regular interest payments and, at the end of the bond term, their money back. The borrower receives a large lump sum up front to pay for a project.

For *Public Bonds*, the government is the borrower, securing funds to finance public infrastructure such as roads, schools, or water systems. Bond purchasers/investors are repaid using taxes or other public revenue.

Private Activity Bonds (PABs) are different. The borrower is a private party–such as an affordable housing developer–who is responsible for repaying the bond from project revenues (for example, from tenant rent). A governmental entity issues the bonds but is not responsible for paying back the bonds. The government serves as a conduit between the borrower and investors.

Projects that meet certain requirements are eligible for tax-exempt PABs, meaning investors don't have to pay taxes on interest. As a result, investors are willing to earn a lower rate of interest, making it easier for affordable housing projects to "pencil out"--that is, to cover both development and operating costs.

The IRS limits how much tax-exempt PAB financing can be issued each year through a statewide volume cap. Hawai'i's cap is divided among the State (50%) and the counties (50% distributed among the counties based on population; Honolulu receives 37.55%). Any unused cap can be reassigned or may expire. The State and the counties use their allocations primarily to finance affordable multifamily rental housing, which must be paired with 4% Low-Income Housing Tax Credits (LIHTC)--one of the main tools for producing affordable housing in the United States.

For many years, Honolulu allowed the State to allocate Honolulu's share of the PAB cap (37.55%). However, in 2020, Honolulu chose to run its own PAB program. Doing so gives the City control to fully use its PAB cap for Honolulu projects, which helps ensure better alignment between bond financing and O'ahu's housing priorities. Although the exact amount changes from year to year, Honolulu's annual allocation is always in excess of $100,000,000.00 per year, which is a significant resource that will be directed into Oahu affordable housing projects (vs. being distributed across the State).

What Bill 55 Does (the Proposed Fee Ordinance)

The low-interest debt offered by tax-exempt PABs provides a significant benefit to affordable housing developers, but administering the program carries real costs. These include staff time for reviewing applications, coordinating transactions, and monitoring compliance, as well as external costs such as bond counsel and other professional fees. It is standard practice for government agencies to charge fees to recover these administrative costs.

The proposed fees include the following key elements:

- **$5,000 Application Fee (plus $5,000 for extensions or major modifications):** Covers the City's initial review of the application — assessing developer experience, sponsorship and borrowing capacity, proposed tenant eligibility, and project feasibility–and helps deter incomplete or frivolous applications. The extra $5,000 for extensions or changes compensates for additional review and encourages applicants to be prepared.

1. **0.5% Issuance Fee at Closing (minimum $50,000, maximum $100,000):** A one-time fee at bond closing to recover the City's costs of bringing a bond to market, including legal review, staff time for due diligence and financial management, and general deal administration. Federal law allows issuance fees of up to 2% of the bond amount to be paid with bond proceeds, so the City's proposed fee is well within that limit.[1]

- **Annual Administration Fee (0.125% of the bond allocation amount):** An annual charge to cover the City's ongoing role as bond issuer — maintaining records, filing reports, and processing amendments or requests during the life of the bonds.

- **Compliance Monitoring Fee ($35 per unit per year):** Pays for annual oversight of affordable units — reviewing tenant eligibility, rents, and property records to ensure projects deliver the promised public benefit.

Bill 55 proposes directly aligning Honolulu's PAB fees with the PAB fees charged by the Hawai'i Housing Finance and Development Corporation (HHFDC). Developers are already familiar with HHFDC's fee schedule, so mirroring it avoids confusion, prevents "fee shopping" between issuers, and allows the City and State to coordinate smoothly on bond allocations and project approvals.

While PAB fee structures vary across jurisdictions—making exact comparisons difficult—Bill 55's fees are broadly in line with peer jurisdictions.[2]

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[1] Internal Revenue Code (IRC) §147(g).

[2] *Appendix A – PAB Fee Schedules from Other Jurisdictions* compiles publicly available fee schedules from comparable housing finance agencies (including California, Texas, Colorado, Florida, and Pennsylvania) to provide examples for comparison.

The Legal Basis for PABs and Assessing Fees

Honolulu's authority to issue PABs and assess fees is built on several layers of law–federal, state, and local.

At the federal level, Section 146 of the Internal Revenue Code (IRC) establishes the framework for tax-exempt PABs and sets an annual limit—called the volume cap—on how many bonds each state may issue. The IRS updates this limit annually to reflect inflation. Hawaii's 2025 limit is the small-state minimum amount of $388,780,000.[3]

At the state level, HRS Chapter 39B determines how that federal limit is divided among the State itself and the four counties. Under HRS § 39B-2(a), the City and County of Honolulu receives 37.55% of the statewide cap—roughly $145.99 million in 2025—and may issue bonds from that allocation or assign unused portions back to the State.

Authority to issue and administer PABs for housing comes primarily from HRS Chapter 201H, which created HHFDC. The statute gives HHFDC broad powers to finance housing, including authority to contract, borrow, and issue revenue bonds.

HRS § 201H-4(a)(5) authorizes HHFDC to "establish and collect fees for administrative expenses incurred by the corporation to process applications for loans, grants, services, and real-estate documents related to the corporation's functions." Acting under that authority, HHFDC adopted Hawaii Administrative Rules § 15-312-4, which sets the fee schedule for its PAB program. These rules codify the application, issuance, annual administration, and compliance-monitoring fees that HHFDC charges to recover program costs–the same structure mirrored by Bill 55.

Counties have parallel authority under HRS § 46-15.1, which allows them to exercise "the same powers as the HHFDC" for developing and financing affordable housing within their jurisdictions. This provision enables Honolulu to issue its own PABs from its allocated volume cap and to administer a program modeled after HHFDC's.

At the city level, Honolulu's own laws require both the collection of PAB program fees and that the specific amounts be established by ordinance. The City's Administrative Rules, Title 20, Chapter 27 (Multi-Family Rental Housing Program), § 20-27-4, directs that the City shall charge program fees and that the fee amounts must be set by ordinance–a requirement of the City Charter, Section 3-112, which provides that the City Council "shall by ordinance fix the fees and

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[3] Internal Revenue Service, *Revenue Procedure 2024-40, Section 3.19 — Private Activity Bond Volume Cap for Calendar Year 2025*, published in Internal Revenue Bulletin 2024-44 (Oct. 28, 2024) (available at: https://www.irs.gov/pub/irs-drop/rp-24-40.pdf).

charges for all services rendered by the city, except as otherwise provided by this charter."

Summary

PABs provide developers with below-market financing that helps make affordable housing projects possible. Bill 55 ensures that the City recovers the costs of issuing PABs so the program can operate without drawing on the general fund. The fees are set well below IRS limits, align with the practices of comparable jurisdictions, and mirror HHFDC's fee schedule to ensure consistency and fairness.

Appendix A:

PAB Fee Schedules from Other Jurisdictions

CALIFORNIA PUBLIC FINANCE AUTHORITY

CalPFA

California Public Finance Authority Fees

Bond Program	Issuance Fee Deposit*	Issuance Fee		Annual Administration Fee****
		Up to $20 Million	Over $20 Million	
Affordable Housing	$5,000	17.5 bps (min. $15,000)	$35,000 plus 10 bps on amount over $20 Million	5 bps**
501(c)(3) Nonprofit***	$5,000	17.5 bps (min. $15,000)	$35,000 plus 5 bps on amount over $20 Million	1.5 bps
Other Exempt Facilities / Airports / Solid Waste	$5,000	17.5 bps (min. $15,000)	$35,000 plus 10 bps on amount over $20 Million	5 bps
Industrial Development (IDBs)	$5,000	$20,000	Not Applicable	10 bps
Taxable	$5,000	15 bps (min. $20,000)	$30,000 plus 5 bps on amount over $20 Million	1.5 bps
Municipal	$5,000	12.5 bps (min. $7,500)	$25,000 plus 2.5 bps on amount over $20 Million	1.5 bps

Bond Program	Issuance Fee Deposit*	Issuance Fee	Annual Administration
Public Private Partnerships (Ownership)	$5,000	45 bps (min. $100,000)	20 bps*****

* **Issuance Fee Deposit is due and payable upon submission of application and will be applied to the issuance fee paid at closing. Note the Authority reserves the right to retain the issuance fee deposit for projects that do not complete the bond issuance process.**

** **Annual Administration Fee for affordable housing bonds assessed against outstanding bond principal on interest payment date. Minimum fee for each affordable housing project is $5,000 (note a $1,000 annual compliance monitoring fee will replace the existing annual administration fee throughout the CDLAC compliance period after the qualified project period has expired).**

*** **501(c)(3) Nonprofit Healthcare Financings: issuance fee will be capped at $100,000 per issuance and the annual administration fee capped at $150,000 per issuance.**

**** **<u>California Public Finance Authority Community Benefit Program</u>**

CalPFA shares a portion of its annual administrative fee with each public agency that facilitates public hearing proceedings ("TEFRA") on behalf of CalPFA. CalPFA will share 10% of its annual administrative fee for affordable housing, industrial development or other exempt facility bond projects with each public agency over the life of the bond term. CalPFA will also share 15% of its annual administration fee for 501(c)(3) nonprofit bond projects with each public agency over the life of the bond term. See CalPFA Community Benefit Program under Policies and Fees for more details.

***** **Annual Administration Fee assessed against original bond amount.**

<u>Kings County Based Transactions</u>

All bond financed projects located within Kings County, CA will receive a 25% discount off the standard CalPFA Issuance Fee as stated above.

SCHEDULE OF FEES – PRIVATE ACTIVITY BONDS

Type of Fee	Private Activity Bonds – New Issuance	Private Activity Bonds – Refunding
Pre-Application Inducement Fee	$1,000	$1,000[1]
Bracewell LLP (TDHCA Bond Counsel) Pre-Application Fee	$5,000	$5,000[1]
Texas Bond Review Board Application Fee	$5,000	$5,000[1]
TDHCA Bond Full Application Fee	$20/Unit	$10,000[2]
Tax Credit Application Fee	$30/Unit	N/A
Origination Fee	0.50% (of Closing Bond Amount)	0.25% (of Closing Bond Amount)
Texas Bond Review Board Issuance Fee	0.025% (of Reservation Amount)	0.025% (of Reservation Amount)
Texas Attorney General Fee	$9,500	$9,500
TDHCA Bond Counsel Fee (Bracewell LLP)	Approx $140,000	Varies
TDHCA Disclosure Counsel Fee (McCall, Parkhurst & Horton LLP)	$6,500	Varies
TDHCA Financial Advisor Fee (Stifel Public Finance)	Greater of $38,000 or $1.50 per $1,000 bond	Varies

Annual Fees	Private Activity Bonds – New Issuance	Private Activity Bonds – Refunding
Bond Administration	0.10%	0.10%[3]
Bond Compliance Fee	$25/Unit	$25/Unit[3]
Tax Credit Compliance Fee	$40/Unit	$40/Unit[3]

NOTES:

[1]fee only applicable if requesting additional volume cap.

[2]fee will be $10,000 if a TEFRA hearing will be required or $5,000 if no TEFRA hearing will be required.

[3]administration and compliance fees due at closing for a refunding may be prorated based on current billing period.

Multifamily Financing
Program Parameters & Fees

CONNECTICUT HOUSING FINANCE AUTHORITY

CHFA offers a fixed rate financing program which includes construction, construction-to-permanent and permanent-only financing options along with a "Rate Lock" featur
In conjunction with financing approval by its Board, CHFA will establish maximum loan ceilings and commit to a "not-to-exceed" rate for the development. Rates are provided bas
on the loan and amortization term and are posted on the CHFA website, www.chfa.org. These rates are indications only and are subject to change.

Program Parameters[1,2]	
Description	The program allows borrowers to access long-term, fixed rate permanent financing at competitive and timely interest rates based on the current rate environment. Once CHFA has determined that a closing can occur within 30 days, the interest rate can be locked. The interest rate will remain locked for 30 days. Closing cannot occur during the initial 7 days of the rate lock period.
Construction & Permanent Rates	Visit www.chfa.org for current rates
Not-to-Exceed Rates	Established at the time of Board approval; generally, 0.50% higher than the prevailing Construction and Permanent Rates
Resolution Expiration	CHFA Board Resolutions expire 9 months after approval of financing by CHFA's Board of Directors
Max Loan Term & Amortization	Not to exceed 40 years as shown in each product description (see product descriptions on CHFA's website here: https://www.chfa.org/developers/financing-products/)
Underwriting Terms	See "CHFA Multifamily Underwriting Standards Summary"

Fees			
Loan Application Fee	Nonprofit $1,250	For profit $2,500	Note: This fee is non-refundable, and not credited against the Loan Commitment fee.
LIHTC Application Fee	Nonprofit $250	For profit $1,000	Note: This fee is non-refundable and is to be paid at the time of application submission for 9% or 4% LIHTC.
Loan Commitment Fee	Equal to 50% of Loan Origination fee; Due upon Commitment Letter acceptance; credited against the Origination fee at Initial Closing		
Loan Origination Fee Due at Initial Closing	2.00% for Loan Amount ≤ $1.0MM 1.75% for Loan Amount > $1.0MM but ≤ $2.5MM 1.50% for Loan Amount > $2.5MM but ≤ $5MM 1.25% for Loan Amount > $5.0MM but ≤$15.0MM 1.00% for Loan Amount > $15.0MM but ≤ $25.0MM Call CHFA for Loan Amount > $25.0MM		NOTE: CHFA reserves the right to adjust loan origination fees in respons to the complexity of the deal.
Bond Cost of Issuance Fee	Option A: 1.25% of Loan Amount Due at Initial Closing Option B: 0.25% will be added to the Permanent Interest Rate Option C: 0.625% will be added to the Construction Interest Rate (provided no CHFA permanent debt)		
Tax Credit (LIHTC) Administrative Fee	LIHTC Administrative fee = 8% of Annual Credit 9% LIHTC Unless otherwise noted, 25% of the tax credit administrative fee to CHFA is due at the reservation acknowledgement. The balance the fee is due upon final execution of the Carryover Allocation Agreement. 4% LIHTC The tax credit administrative fee is due at the earlier of the construction loan closing or the close of syndication, or prior to issuance of a final Extended Low Income Housing Commitment (ELIHC). Tax Credit transactions that do not involve CHFA financing are subject to discrete fees based on services provided.		
Initial Rate Lock	Once CHFA has determined that a closing can occur within 30 days, the interest rate can be locked without a fee. The interest rate v remain locked for 30 days. Closing cannot occur during the initial 7 days of the rate lock period.		
Initial Rate Lock Extension fee	Rate will remain locked for an additional 30 days subject to the payment of a fee equivalent to 0.25% of the Loan Amount		
Rate Reset fee	Equal to 0.25% of the Loan Amount. If Initial Closing is not achieved at the end of the Initial Rate Lock Extension period, rate will rese to the current prevailing rate based on market conditions and may be higher than original "not-to-exceed" rate, which could impact th maximum supportable loan amount. Rate will be set for 30 days.		
Resubmission fee	CHFA reserves the right to charge fee(s) in the event that an application needs to go to the Board for approval more than once anc new commitment letter is issued.		
Resolution Extension fee	Subject to CHFA approval, an extension to the board resolution may be available for a period not greater than six (6) months with the payment of a fee equal to 0.25% of the Loan Amount payable prior to receiving the extension.		
Final Closing Extension fee	CHFA Construction Loan Only – the monthly extension fee beyond the original term is the higher of 1) $2,500 or 2) 1/12 of the extension fee of 0.25% of the Loan Amount CHFA Construction-to-Permanent Loan Only – the monthly extension fee beyond the original term is the higher of 1) $2,500 or 2) 1/12 of the extension fee of 0.25% of the Loan Amount CHFA (Forward) Permanent Loan Only – the monthly extension fee beyond the original term to convert is 0.25% x Loan Amount		

[1]Please refer to CHFA Multifamily Rental Housing Program Guideline for full requirements.

[2]Changes in interest rate during underwriting are the risk of the Borrower.

Rates posted on the website are subject to change and do not constitute CHFA's commitment to lend at these rates. Actual interest rates will be set forth in a written commitment letter from CHFA.

Terms and features are subject to change without notice. Please note: Tax-exempt bonds are subject to availability.

Requests outside of these parameters will be evaluated on a case-by-case basis.

Effective: March 1, 20

COMPARISON OF MULTI-FAMILY BOND ISSUE FEES: ALL ACTIVE FLORIDA HFA'S										
	Pre-TEFRA Approval Fees			Fees Paid after TEFRA to Bond Closing					Ongoing Fees	
HFA	**Application Fee(s)**	**Initial Review by FA**	**TEFRA Fee**	**Good Faith Deposit***	**Closing Fee**	**County Attorney**	**Credit Underwriting**	**Professionals (Bond Counsel, Financial Advisor, Trustee, Investment Banker, etc.**	**Ongoing Professional Fees**	**Ongoing Annual Fee**
Broward	$2,000		$5,500	Greater of 50 bp of bond amount or $25,000	50 bp of bond amount	$5,000 at closing	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by developer in addition to HFA Fee	18 bp of outstanding bond amount
Escambia	0.05% of bond amount, not to exceed $5,000	Yes, $1,000-$3,000 paid by ddeveloper	Included in Application Fee	0.1% of bond amount	Greater of 25 bp of bond amount or $20,000	No	No	Yes, paid by developer at closing or from good-faith if not closed	Paid by developer in addition to HFA Fee	20 bp of outstanding bond amount, not less than $5,000/year
Hillsborough	Greater of 10 bp of requested bond amount or $7,500	Yes, $5,500 paid by developer	Included in Application Fee	Greater of 1% of bond amount or $50,000	Greater of 25 bp of bond amount or $20,000	$10,000	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by developer in addition to HFA Fee	20 bp of outstanding bond amount
Jacksonville	$7,500	Yes, $3,000 paid by developer	$500	0.5% of bond amount, not to exceed $50,000	Greater of 25 bp of bond amount of $20,000	Yes, hourly fee.	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by developer in addition to HFA Fee	20 bp of outstanding bond amount
Lee	Greater of $10 per unit or $1,500 plus $2,000 each to bond and issuer counsels	Yes, $2,000	Included in Application Fee	$35,000	75 basis point of bond amounts	No	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by developer in addition to HFA Fee	15 bp of outstanding bond amount, not less than $5,000/year
Leon	$7,500	Yes, $5,500 paid by developer	Cost of TEFRA publication	$50,000	Greater of 25 bp of bond amount or $20,000	Cost	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by developer in addition to HFA Fee	20 bp of outstanding bond amount
Manatee	Greater of 10 bp of requested bond amount or $7,500	Yes, $5,500 paid by developer	Included in Application Fee	$25,000	Greater of 25 bp of bond amount or $20,000	No	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by developer in addition to HFA Fee	20 bp of original amount of bonds issued

Miami-Dade	Greater of $15/unit or $1,000 plus $2,000 fee to bond counsel	Yes, 2,500 paid by developer	Included in Application Fee	1% of bond amount	25 bp of bond amount plus $30/unit	$10,000	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by HFA from ongoing fee	25 basis point of outstanding bond amount plus $30/unit for compliance
Orange	10 bp of requested bond amount	No	Require good faith fee to be paid prior to TEFRA	30 bp of bond amount, paid at inducement	.75% of bond amount, less App Fee	No	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by HFA from ongoing fee	30 bp of outstanding bond amount, not less than $10,000/year
Palm Beach	$1,500	No	$6,000	$55,000	20 bp of bond amount	No	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Trustee paid by developer in addition ot HFA Fee	15 bp of original amount of bonds issued
Pinellas	10 bp of requested bond amount, but not less than $5,000	No	10 bp of requested bond amount, refunded if issue closes	$25,000	10 bp of bond amount induced	No	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by developer in addition to HFA Fee	25 bp of original amount of bonds issued
Florida Housing Finance Corporation	$3,000	No	$500	100 bp of bond amount, minimum $75,000, maximum $175,000	40 bp of bond amount	NA	Yes, Paid by developer	Yes, paid by developer at closing or from good-faith if not closed	Paid by developer in addition to HFA Fee	24 bp of outstanding bond amount, not less than $10,000/year

* Good faith deposits are applied to HFA Fee and professional costs if bonds issued. Professional costs paid from these funds if deal does not close

AGENCY FEE SCHEDULE

New and existing developments – Revised 12-16-2024

The fees outlined herein are applicable to all applicants seeking Agency resources and should be included in the development budget of the Application except for fees that are charged or assessed as a result of Agency requirements, missing and/or deadlines not being met (i.e. missing document fee, extension fee, late fee, modification fee, reallocation (SWAP) fees). These types of fees assessed by the Agency will not be recognized in Total Development costs, and they should not be included in an application or any subsequent budget. The following fees should be used for budgetary purposes only and may not contain all fees and costs applicable to a transaction. The Agency reserves the right to increase fees for complex transactions. Additionally, fees may apply to existing developments per occurrence currently in their regulatory and/or compliance period. Interest rates and annual expenses are determined during underwriting based upon market conditions. All fees are non-refundable, non-transferable and due as designated in this schedule. Please check the Agency's website for updates.

Application Fees		
9% Tax Credits, PennHOMES, Taxable Bond Loans		
9% Application Electronic Portal Opening Fee	$5,000	Due at Intent to Submit stage to open portal for electronic application upload. This fee covers the application fee for 1st application submitted by developer
Multifamily Application Fee 2nd application	$2,500	Submitted with hard copy application (This $2,500 is in addition to the $5,000 Portal Opening fee - Total fee for 2nd application is $7,500.)
Multifamily Application Fee 3rd application	$5,000	Submitted with hard copy application (This $5,000 is in addition to the $5,000 Portal Opening fee - Total fee for 3rd application is $10,000.)
Multifamily Application Fee 4th application	$10,000	Submitted with hard copy application (This $10,000 is in addition to the $5,000 Portal Opening fee - Total fee for 4th application is $15,000.)
4% Tax Credits - Tax-Exempt Bonds Portal Opening fee	$5,000	Due at Intent to Submit stage to open portal for electronic application upload. This fee covers the application fee for 1st application submitted by developer. (an additional $2,500 application fee is due for each project included in a combination preservation, submitted with hard copy of application.)
4% Tax Credits – Tax Exempt Bonds 2nd application fee	$2,500	Submitted with hard copy of application (an additional $2,500 application fee is due for each project included in a combination preservation, submitted with hard copy of application.)
PHARE Funding Fee	$5,000	For all applications requesting PHARE Funding which includes Housing Trust Funds (HTF), Realty Transfer Tax (RTT), Marcellus Shale (MS) and Health for Housing Initiative (HHI) a $5,000 fee will be collected at Reservation

Tax Credit Program Fees		
9% Tax Credits		
Credit Reservation	7%	Of annual credit, due 2 weeks after reservation date
Carryover Allocation	$2,500	Due with submission of Executed Carryover Agreement
Cost Certification	$2,500	Due with submission of placed-in-service package
Cost Certification 30 Day Extension		See Placed-in-Service package for required extension fees
4% Tax Credit w/ Tax-Exempt Bonds		
Cost Certification	$2,500	Due with submission of placed-in-service package
Credit Allocation	7%	Of annual credit. 50% of the estimated fee is to be submitted with the application, 25% of the fee is due at closing and the remaining 25% is due two weeks after completion of Cost Certification review

PA State Housing Tax Credits (PHTC)		
Credit Allocation	5%	Of total credit amount, due 2 weeks after reservation

Construction, Equity Bridge, Agency PHARE and PennHOMES (non-HOME)		
Agency Legal	$15,000	minimum, due at Initial Closing

Conduit Loans based on Agency-issued Tax-Exempt Bonds directly purchased by third-party lender		
Origination	0.50%	One-half due two weeks after the tax-exempt bond approval letter is issued, with the balance due at Initial Closing. This fee will include PHFA's processing and allocation of the private activity volume cap for the bonds, board resolution and governmental approvals, the processing and issuance of the 42(m) letter and related PHFA expenses.
Agency Legal	$15,000	Due at Initial Closing. The Agency may ask for additional legal fees for portfolio projects or other complexities.
Cost of Issuance	**Varies**	All professional fees and costs of the transaction will be paid directly by the Borrower (including, as applicable, bond counsel, real estate counsel, lender fees, placement and consulting fees, trustee fees, equity provider fees and costs, ratings agency, credit enhancement, structuring agent, title and due diligence costs, etc.). A good faith deposit will be required prior to engagement (Reimbursement Agreement will also be executed).
Ongoing Lender Fee	$1,000	Per year, due at Initial Closing based on the term of the Borrower Loan. Rating Agency inquiries and IRS filings will be billed separately.

Additional Program Fees		
Modification Fees (all programs)	$1,000	Per requested change (max.$4,000 per submission), due with submission at any point from application to placed-in-service. Acceptance of a modification does not waive the Agency's ability to reject or deny a modification or assess negative ranking points in the future.
Missing Documents Fees (all programs)	$1,000	Per missing item (max.$4,000 per submission), due with submission of missing item(s) from application to placed-in-service

Construction Monitoring, Compliance & Asset Monitoring Fees (all programs)		
Construction Monitoring – All Programs except PennHOMES	$10,000	Per project, due at closing
Construction Monitoring - PennHOMES		This fee will not be charged on the HOME-assisted units. The $10,000 per project charge will be pro-rated between the HOME-assisted and non-HOME-assisted units
Construction Monitoring – Tax Credit Program – Combination Preservation		$10,000 for the first development, $2,000 for each additional development
Compliance & Asset Monitoring Fee - Tax Credit Program	$1,500	Per unit, due at Cost Certification
Compliance & Asset Monitoring Fee - Tax Credit Program – Average Income Properties	$2,000	Per unit, due at Cost Certification (*subject to change)
Compliance & Asset Monitoring Fee - Loan Programs (without Tax Credits)	$1,800	Per unit, due at Initial Closing
Compliance & Asset Monitoring Fee – Tax Credit Program – Combination Preservation	$1,800 $2,000 $2,200	Per unit combining 2-3 Developments Per unit combining 4-5 Developments Per unit combining 6 or more Developments
Non-Compliance	$35	per unit, due with submission of resolution package

Document Review and Modification Fee	$2,000	This initial fee will be assessed for Agency consent and modification of existing loan documents or specific program or third-party approvals. Recording fees and other third-party fees are separately billed. Additional fees may be assessed.
Late Fee (all programs except for Tax Exempt Bond projects)	$1,500	Per occurrence of failure to submit a document or package by deadline date. This does not include extension request fees for the submittal of the cost certification
Tax Exempt Bond Projects		
TEFRA Notice (Agency Issued Bonds)	$2,500	If the Agency is required to republish the TEFRA Notices, a second fee will be assessed
Agency Legal (Local-Issuer Bonds)	$7,500	Fee to cover legal cost where the Agency is only providing an allocation of volume cap

42(m) Review Fee	$8,000	Due for projects utilizing a tax-exempt Bond Issuer other than the Agency but requesting the Agency to make the 42(m) determination
Closing Extension Fee	$3,000	For a seven (7) day extension at the discretion of the Agency upon the showing of good cause. $3,000 for every 30 days after initial extension.
Other Fees		Reimbursement for other third-party costs incurred as part of the bond issuance
Energy Benchmarking Fee (all programs)	$2,500	Fee for the upfront and annual monitoring of utility consumption of the project. Due with the submission of the cost certification package.
Subsidy Layering (all programs)	$5,000	Due with request from Housing Authority to perform a subsidy layering review. An Additional $5,000 fee will be collected for reviews involving a RAD Conversion.