



Exhibit H

MEMORANDUM

TO: Potential Development Partners
FROM: Dwayne Alexander, President & CEO
DATE: February 1, 2023
RE: Additional items we will be looking for in new partnership PFC deals

Annual Report, Annual Audit and Compliance Reviews.

JHA will periodically monitor and audit compliance with this QBS and any and all subsequent MOU's, term sheets, agreements, lease agreements and regulatory agreements. Each year after project completion, a successful firm shall submit a Compliance Report for all affordable units to JHA that includes the tenant's name, unit number, household size, age (only in Senior Living, and sex of each household member, number of bedrooms, initial date of occupancy, lease renewal date, tenant gross income and percentage of Area Median Income (AMI) adjusted by family size, income source, rent, utility allowance (if applicable) and date of last income review. This Compliance Report must certify that tenant income and rents are in compliance with the terms of this QBS and any and all MOU's, term sheets, agreements, lease agreements and regulatory agreements in addition, JHA will have the right to conduct compliance monitoring or an independent audit of compliance with income and rent restrictions in its sole discretion. Further, an annual audit prepared by an independent CPA firm in accordance with Generally Accepted Accounting Principles (GAAP) is required.

Affordability Standards

Rents on affordable units shall be capped at 30% of 80% of AMI adjusted by family size. Income screening for the affordable units shall consider the income of everyone living in the unit and not just the person listed on the lease. In addition, rent levels must be reduced to accommodate a utility allowance for any tenant-paid utilities in accordance with the utility allowances established by the JHA, which are generally updated on an annual basis. If a household's income is reduced by 20% or more over its income at initial occupancy, the JHA will consider the use of a Housing Choice Voucher on a case-by-case basis, provided that the household meets all eligibility requirements. A successful firm will provide that at least five (5) units will be made available for Housing Choice Voucher Program (HCVP) voucher holders, and that if the applicable HCVP payment standard as published by JHA is lower than the rents being charged at the project, the project will reduce the rent for those five (5) units (or more) to allow HCVP voucher holders to occupy the units and pay no more than 30% of adjusted income as their share of the rent.

Fair Housing and Tenant Protections

Successful firms must certify that they will not discriminate based on a tenant's source of income. Source of income means lawful, regular, and verifiable income including, but not limited to, Housing Choice Vouchers, TANF and other subsidies provided by government or non-governmental entities, child support, and/or spousal maintenance. In addition, successful firms shall include a Lease Addendum in all leases that covers tenant protections related to termination of tenancy, prohibited lease terms, lease renewal requirements, notice prior to entry, right to conduct activities related to a tenant organization, hazardous health conditions, relocation and the cost of repairs.

Affirmative Marketing Plan

Successful firms must prepare, have in their onsite records, and submit to JHA a written Affirmative Marketing Plan. The Affirmative Marketing Plan will require the successful firm to include in all public



marketing materials and websites for the project a reference to the affordability provisions and voucher acceptance set forth above in both English and Spanish. The purpose of the Affirmative Marketing Plan is to ensure equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. It is designed to effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. In addition, firms must notify JHA of available vacancies on a monthly basis, so that JHA can make Housing Choice Voucher holders aware of available units.

Minimum Financial Return to JHA

All proposals should include a minimum financial return to JHA of 1) an annual compliance fee of at least \$25,000 to cover costs of administering and overseeing compliance; and 2) a minimum return of cash flow in each calendar year of the greater of (a) 15% of cash flow after payment of the return to the investor or b) 10% of the amount of savings to the project from the property tax exemption. To the extent that in any calendar year JHA does not receive this minimum return, the amount will accrue and be payable in future years or from sale proceeds project.

This is the minimum financial return to JHA. Projects that offer a higher percentage of cash flow or a higher percentage of tax savings will be viewed more favorable. Any party responding to the RFQ will be assumed to have agreed to this minimum financial return to JHA.

Proof of Site Control

We require that the developer evidence proof of site control as a threshold requirement for being considered in response to the QBS. This evidence of site control can be accomplished through any of the following:

- a. A deed showing ownership of the property in the applicant or an affiliate entity;
- b. A purchase and sale contract or option agreement between the property owner and the applicant or an affiliate; or
- c. A binding letter of intent to enter a purchase and sale agreement between the property owner and the applicant or an affiliate.

Ten Year LURA Requirement

There will be a requirement that the LURA remain in place for at least 10 years, regardless of whether the property is sold at a sooner date.

Sale of Leasehold Interest

Sale of the leasehold interest will be allowed once construction of the property is complete (for new construction) and the property has reached stabilization. For acquisitions, sale of the leasehold will be allowed once the property has reached compliance with the income and rental restrictions. In all cases, transfer of the leasehold interest will be subject to approval of the housing authority of the proposed new owner of the leasehold estate. Any such approval of JHA will be in its reasonable discretion. Upon transfer of the leasehold interest, a 1% transfer fee shall be paid to JHA starting with the second such transfer of the leasehold interest. The 1% transfer fee shall be calculated on the purchase price of the leasehold interest. All subsequent transfers shall also require a transfer fee in the amount of 1% of the purchase price. On the first transfer of the leasehold interest, no transfer fee will be charged as long as JHA receives proceeds from the sale at least equal to 1% of the purchase price. If not, the JHA will receive a transfer fee on the first transfer of the leasehold estate equal to 1% of the purchase prices less the amount received by JHA as sale proceeds. Upon transfer of the leasehold estate, the Lease Agreement



shall require the purchaser of the leasehold interest to make an annual lease payment to the Lessor in the amount of 15% of the savings generated to the project as a result of the property tax exemption.

Calculation of Sales Proceeds

In calculating the distribution of capital proceeds, any amount received by the developer as cash flow distributions in excess of their preferred return (“Excess Return”) will be taken into account at the time of the distribution of capital proceeds. In the event that the developer partner has received an Excess Return, an amount equal to the Excess Return, multiplied by the percentage of cash flow payable to the housing authority in the cash flow waterfall shall be included in the capital event waterfall, after the developer preferred return, as a priority to the Housing Authority.

Asset Management Fee

The Housing Authority will receive an annual asset management fee on all transactions equal to the greater of (i) 0.50% of gross revenues or (ii) \$25,000, with such fee to be paid monthly.

JHA’s Goal for MBE and WBE Participation

Per the current JHA M/WBE goal in all solicitations regarding subcontracting with minority business enterprises (“MBEs”) and women business enterprises (“WBE’s”), JHA’s Goal, as adopted by its Board of Commissioners, is that when Subcontracts are being let, at least 30% of the Prime Contract’s total dollar amount is subcontracted to MBEs or WBEs, with at least 15% of the Prime Contract’s total dollar amount being subcontracted to MBEs, and at least 15% being subcontracted to WBEs.

A developer must document its use of best efforts to meet JHA’s Goal notwithstanding whether the developer is engaging in new construction or acquisition of an existing development. Documentation of the use of best efforts to meet JHA’s Goal for new developments and the acquisition of existing developments may include a developer providing evidence that it implemented a community-centric action plan in which the developer engages with members of the community where the development is located to provide information about the development and the developer’s commitment to subcontract with MBEs and WBEs. A developer may also include on its internet website information that keeps potential bidders for subcontracts apprised of the development’s project schedule and the bidding timeline to ensure MBEs and WBEs can be successful in their bids for such subcontracts.

For acquisitions, a developer may demonstrate its use of best efforts to meet JHA’s Goal by providing written evidence that on and after the first anniversary of closing on the acquisition, or immediately after the expiration or termination of existing contracts for the maintenance and operation of the development, the developer made significant community output efforts to reach a goal of providing subcontracts to MBEs and WBEs providing work costing an amount that is at least 30% of the development’s total annual operating budget, with at least 15% of the development’s total annual operating budget being subcontracted to MBEs, and at least 15% of the development’s total annual operating budget being subcontracted to WBEs.

A community-centric action plan or significant community output efforts to meet JHA’s Goal should include best efforts to achieve participation from MBEs and WBEs in all of the following areas: (i) predevelopment services such as banking, inspections and design services; (ii) construction services with general contractors and subcontractors; and (iii) operational services such as maintenance and property management for the development along with the provision of goods associated with such services.