**Section 365.601 Maximum Loan Amount for Developments**

a) Establishing Amount. The maximum Loan amount shall be an amount which can be repaid out of the Development's expected net operating income after deductions for operating expenses, reserves and escrows, as determined by the Authority in its sole discretion, and without taking into account any income from any Commercial Tenant, based upon a debt service coverage ratio of not less than 1.10 to 1.0 or such higher amount as may be required by the Resolution or applicable Series Resolution.

b) The Owner shall invest as Equity in the Development an amount no less than 10% of the total estimated replacement cost of the Development or 10% of the total cost of the Development, as those costs may be determined and approved by the Authority in its sole discretion, whichever cost is less. The Authority may, in its discretion, require the Owner to invest Equity in an amount greater than the minimum amount required pursuant to this Section. In calculating the total estimated replacement cost of the Development, the Authority shall consider: the design architect's fees; the supervisory architect's fees; legal, accounting and other organizational fees; marketing, consulting and purchasing agent fees; construction interest; the Authority's service and Development fees; real estate and other taxes; title and recording fees; financial contingency and construction contingency; the development cost escrow, if any; BSPRA; relocation costs; off-site improvements; land costs; carrying charges; and any other costs approved by the Authority. In calculating the total cost of the Development, the Authority shall consider trade payments to contractors and subcontractors, general overhead, bond premiums, insurance, builder's profit (if any), change orders, discounts, rebates and any other costs approved by the Authority.

c) Troubled Affordable Housing. The Authority may, at the Authority's election, restructure Loans made from the proceeds of Bonds or Notes under the Program that the Authority determines, in its sole discretion, are in jeopardy of not being repaid or that have been made to Developments in jeopardy of not being completed. In any such restructuring, the Authority may, subject to any covenants contained in the Resolution or applicable Series Resolution, reduce the principal amount of or interest rate on the Loan upon such terms and conditions as the Authority may determine in its sole discretion. In making such election to restructure a Loan, the Authority shall consider whether the financial strength of the Program would be enhanced more by restructuring the Loan than by pursuing and enforcing the Authority's rights and remedies under the Mortgage and the Mortgage Note.