



OHIO HOUSING
FINANCE AGENCY

MULTIFAMILY BOND GUIDELINES



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Introduction

The Ohio Housing Finance Agency (OHFA) provides financing for housing for low- and moderate-income Ohio residents. The Multifamily Bond Program furthers that mission when the bond proceeds are used to fund construction loans and mortgage loans that create affordable multifamily rental housing units.

While this document provides guidance for utilizing OHFA's Multifamily Bond Program, it is not a substitute for assembling a development team of housing finance professionals, including legal counsel. OHFA strongly recommends that advice from these professionals be sought before proceeding with a proposed development.

Tax-exempt multifamily housing bonds have been found to be useful by combining the bond proceeds with OHFA's Housing Credit Program. Therefore, potential users are provided with guidance for utilizing the Multifamily Bond Program exclusively, as well as in combination with non-competitive Housing Credits. Specific guidelines for the Housing Credit Program are available on OHFA's website at www.ohiohome.org.

Requirements for Multifamily Tax-Exempt Bond Financing

A. Internal Revenue Code Requirements

Section 142 of the Internal Revenue Code (IRC) stipulates that a "qualified residential rental project" must elect that either 20% of the units will be occupied by households at or below 50% of the area median gross income (AMGI), or 40% of the units will be occupied by households at or below 60% of the AMGI for the entire "qualified project period". This period generally means the period beginning on the 1st day on which 10% of the residential units in the project are occupied and ends on the later of 15 years from the time in which 50% of the project is occupied, or the first day no private activity bond issued for the project is outstanding.

IRC Section 147(d) specifies that the rehabilitation costs for the proposed project must be equal to or greater than 15% of the portion of the acquired building's value (building and equipment costs) financed by bond proceeds.

The proposed residential rental project must consist of units that are available to the general public and contain separate and complete facilities for living, sleeping, eating, cooking, and sanitation.

Ineligible uses of multifamily bond proceeds include acquisition only or refinancing of existing mortgages. Applicants should work with legal counsel to determine eligibility. Additionally, OHFA reserves the right to request a legal opinion addressing eligibility issues.

When combining multifamily bonds with housing credits, compliance with IRC Section 42(h)(4)(B) requires that each building in the project and the land on which it is located be financed fifty percent (50%) or more by the proceeds of the bonds.

B. State of Ohio Private Activity Volume Cap Requirements

The Ohio Department of Development, Economic Development Division, administers Ohio's private activity volume cap. Applicant's should contact the Department of Development, Economic Development Division, Office of Credit and Finance at (614) 466-4551 or (800) 848-1300 or visit www.odod.state.oh.us/edd/vc/ for current information regarding volume cap availability, application requirements, and application deadlines.

C. OHFA Requirements

The Ohio Revised Code (ORC) permits the issuance of bonds for construction or acquisition and improvement of existing buildings. ORC Section 175.01(J) defines "improvement" as any alteration, remodeling, addition, or repair that protects or improves basic livability or energy efficiency of housing. In the event the bonds are to be used for the rehabilitation of existing buildings, the bond proceeds can cover the land and acquisition costs and the expenditures to rehabilitate or improve the existing buildings. Should Housing Credits be a part of the financing, rehabilitation or improvement costs must be a minimum of \$6,000 per unit, or 10% of the adjusted basis of the building, whichever is greater.



The applicant must submit statements demonstrating that:

1. The housing development serves a public purpose;
2. The housing development will be decent, safe, and sanitary;
3. The occupants of the housing development will benefit from the savings resulting from the tax-exempt bond financing; and
4. Obtaining this type of financing is critical to the success of the project.

Applicants are required to provide evidence of their ability to develop, construct, market and manage multifamily rental housing projects and to be in compliance with all laws and regulations on all housing developments previously financed directly or indirectly by OHFA

Before a project can receive final approval by OHFA's Board, the owners must conduct a public hearing in the county in which the project is located.

Application Submission and Processing

A. OHFA Process

There are two phases in OHFA's review of multifamily bond applications: preliminary approval (inducement) and final approval. Preliminary approval entails all components of OHFA's Housing Credit threshold review as described in OHFA's most current Qualified Allocation Plan ("QAP"). Once the project meets all Housing Credit threshold requirements, the project will be presented to the OHFA Board for consideration of an inducement resolution.

After a project has received an inducement resolution, the applicant may then apply for a reservation of tax-exempt private activity volume cap. The project may receive a volume cap reservation for an amount up to 110% of its inducement amount without seeking further OHFA Board approval. Prior to requesting final approval, applicants should have received a volume cap reservation

During the final approval stage OHFA will perform an additional review.

B. Planning and Scheduling Approval

While applicants may submit Multifamily Bond Program applications year-round, it is critical to plan the submission of the application so that the timing of the OHFA Board's approval coincides with other facets of the development and benefits to the applicant such as dates affecting real estate closings, option expirations, interest rates, etc.

Since there are multiple phases of review, timing of application submission is key. OHFA requires adequate time to review the application so as to make a recommendation to the OHFA Board. Therefore, the Multifamily Bond Program application must be received no later than the middle of the month preceding the month in which Board action is requested. For example, to have the Board consider an inducement resolution in August, the application must be received no later than July 15. OHFA conducts an internal review meeting the first Wednesday of the month to determine which projects should be placed on that month's agenda for the Multifamily Committee of OHFA's Board. Normally the Multifamily Committee of the Board meets the second Wednesday of the month with the full Board meeting the third Wednesday of the month. Applicants must prepare submissions for inducement and final approval that coincide with the above monthly schedule. Furthermore, inadequate information or incomplete applications may cause delays, thus deferring Board approval to a later month.

Negative issues regarding the project may be communicated to the Board's Multifamily Committee and possibly the OHFA Board and may prevent the project from proceeding. Furthermore, OHFA reserves the right to impose additional requirements on an applicant at any time prior to approval or closing of the bond transaction.

C. Bond Refunding Applications

Owners who wish to refund previously issued OHFA tax-exempt bonds must seek approval by the OHFA Board, and must meet the above application review timelines. Please see the requirements for a bond refunding application on page 8.



Preliminary Approval (Inducement)

The following procedures represent a substantial step toward receiving a recommendation to OHFA's Board for Inducement.

A. Pre-Application Meeting

Prior to submission of a Multifamily Bond application, applicants are encouraged to schedule a meeting with OHFA to present a brief overview of the proposed project. At that time any complex or technical aspects of the project, or its proposed financing, and any anticipated difficulties that may be expected during the approval process should be highlighted so that arrangements can be made to most effectively address them.

B. Assembly of the Development Team

Prior to formally applying to OHFA for inducement approval, it is strongly recommended that the applicant have already assembled a development team. Among those essential to OHFA's evaluation are the applicant, contractor, bond underwriter, trustee and bond counsel. While the trustee and bond counsel are selected by the applicant subject to OHFA's approval, OHFA will select issuer's counsel.

C. Application

The applicant must submit an application for Multifamily Bonds using the most current version of the OHFA Affordable Housing Funding Application ("AHFA"). A printed copy of the application with appropriate signatures must be submitted, along with a diskette or CD containing the application information. To ensure timely processing the application should include all required attachments. Applications must be submitted in a three-ring binder utilizing the index provided with the AHFA, including appropriate tabs. Applications must be complete and consistent with all supporting documentation. The appropriate application fee is \$2,000 for new projects and \$1,000 for refunding projects. If a check is returned for insufficient funds, the application may be rejected and a \$25 NSF fee will be collected for each returned check. Projects seeking other forms of OHFA funding should submit separate fees for those programs.

D. Threshold Review

Threshold review is a basic review of the application to determine if it is complete; all necessary forms and supporting evidence are included, and the project meets the threshold requirements of the applicable year's Qualified Allocation Plan ("QAP") as found on OHFA's website at www.ohiohome.org.

E. Credit Enhancement

For bonds to be publicly offered, they must be rated "A" or better on either a stand-alone basis or with credit enhancement. FHA Mortgage Insurance programs, Fannie Mae multifamily programs, bond insurance and letters of credit from financial institutions with at least an "A" rating are acceptable credit facilities.

A conditional commitment or letter of interest for credit enhancement will need to include the amount guaranteed, anticipated bond rating, term of the credit enhancement, bond amortization period, conditions, securities required, fees required for providing the credit enhancement, how fees will be paid, any conditions to be imposed upon the recipient of the credit enhancement, and any required reserves. In addition to the enhancement commitment, the credit enhancement provider, mortgage banker, or bond underwriter must provide a letter outlining the bond amount, term, and expected interest rate. Credit enhancement commitments should have a five-year minimum term and the conditions for renewal should be clearly outlined in the conditional and final commitments. All representations for credit enhancement must be consistent with the application submitted to OHFA.

Should the bonds be structured as variable-rate bonds, the applicant is encouraged to consider the use of financial derivatives.



F. Private Placement

In lieu of a public offering, OHFA will consider, on a case-by-case basis, a private placement or direct purchase of one or more series of bonds without a credit rating. The applicant is required to submit, with the inducement application, a Letter of Intent, from the investor(s), to purchase the securities, or on behalf of the investor(s) by their legal counsel. Prior to Final Approval, the applicant is required to submit written assurance from the investor(s), or from their legal counsel, that the bonds will be purchased. Furthermore, the investor(s) must agree to take the bonds only after signing a letter indicating that as purchaser, the investor(s) qualifies as a sophisticated investor for purposes of Regulation D of the Securities Act of 1933, and that the bonds will only be sold to sophisticated investors who will sign a similar letter for purposes of Regulation D of the Securities Act of 1933.

At a minimum, the Letter of Intent and the Letter of Assurance must include the following information regarding the bond issue:

1. Bond amount;
2. Bond term;
3. Expected bond interest rate and, if variable rate, the index used to calculate such rate;
4. Mortgage rate and amortization period, if applicable;
5. Bond amortization period;
6. Any interest rate hedge;
7. Conditions which would lead to the conversion of variable-rate bonds to fixed-rate bonds and the security to be used as the basis for rating such fixed-rate bonds; and
8. Any required reserves or conditions to be imposed upon the borrower

G. Indemnity Letter

A signed, notarized Indemnity Letter (see Appendix A, page 11) is required prior to inducement. This is an agreement that the applicant indemnifies and holds harmless OHFA and the OHFA Board. It is also the applicant's agreement to pay all OHFA fees, Counsels' expenses, and other out-of-pocket expenses.

H. Resumes of all Development Team Members

Resumes of each development team member, including the applicant, general partners, various counsels, and controlling entities are to be submitted with the inducement application. The resumes should state professional experience of the participant and the number of multifamily projects completed or in process. Principal participants such as controlling partners, bond underwriters, lenders, trustees, or servicers, unknown or less familiar to OHFA, may be required to submit further documentation evidencing experience or background. The trustee must 1) administer the trust from an office located within the State of Ohio, 2) make its records reasonably available to OHFA upon request, and 3) provide OHFA with a Tier 2 Service Report, prepared by an independent auditor, upon the Trustee's controls in place and the tests of the Trustees' effectiveness, in accordance with SAS 70/88 of the Statement Standards as issued by the American Institute of Certified Public Accountants.

I. Financial Qualifications

OHFA reviews the last three consecutive years of audited financial statements of the general partner or controlling entity. If audited statements are not available, the applicant should submit an explanation and a copy of the financial statements that are available. Exceptions will be considered on a case-by-case basis. Once such information is submitted, it may be deemed public information.

For acquisition and rehabilitation projects, OHFA reviews the last three consecutive years of the project's audited cash flows. Assessment of operating and maintenance reserves, utilities, etc., provides insight into the project's management practices and possible needs. If audited statements are not available, the applicant should submit an explanation along with a copy of the information that is available. Exceptions will be considered on a case-by-case basis.





J. Rent Rolls

To document current occupancy and average occupancy of the project, acquisition and rehabilitation projects are required to submit the current year's and past two years' rent rolls. To the extent such information is not available; the information available should be submitted with an explanation. Exceptions will be considered on a case-by-case basis.

K. Construction Wages

Any applicant receiving financing from OHFA may be required to pay laborers and mechanics employed on the project prevailing wages as established by the Ohio Department of Commerce Bureau of Wage and Hour, as covered under Ohio Revised Code Section 176.05. OHFA recommends that applicants consult with legal counsel to determine the impact of this provision on the proposed project. All applications must include a statement acknowledging the requirement to comply with the prevailing wage statute.

L. Relocation

While OHFA encourages the substantial rehabilitation of existing structures, particularly when it assists in neighborhood and community revitalization, it seeks to minimize any undesirable impact on existing residents and businesses by requiring the applicant to address the issue of relocation.

When the displacement of tenants is not covered by federal regulations, OHFA requires the applicant to present a relocation plan that addresses assistance to residents and/or businesses being displaced by the proposed housing plan. The relocation plan is to address the following:

1. Reasonable written notice to current residents.
2. Provision of assistance in locating rental units of comparable price and quality.
3. Provision of assistance in moving and/or reimbursement of moving expenses.

In instances of acquisition and rehabilitation projects, if residents are to remain in the units during rehabilitation, a statement from the applicant addressing how work will be completed with the current occupancy is required. If temporary relocation is necessary, the points outlined above must be addressed.

Final Approval

When a project is ready to begin the process for final approval, it must supply a written request to OHFA along with the required supplemental information discussed below, no later than the middle of the month preceding the month in which Board approval is requested. The request for final approval should include a narrative on any changes or developments with the project. If there are significant changes to the project, particularly in the financial structure, the applicant may be required to submit a revised application.

A. Public Hearing

In order for the bonds to be considered tax-exempt, the Internal Revenue Code requires that a public hearing be held. Furthermore, the Ohio Revised Code requires that the public hearing be held in the county in which the project is located. The following requirements apply to the public hearing:

1. The hearing will be preceded by at least 14 days advance notice to the public (newspaper of general circulation in area) in the county where the property is located;
2. The notice will provide information about the project, including its name, location, identity of the owner and approximate size of the bond issue as well as the time and place of the public hearing;
3. The hearing will be held in the county where the project is or will be located. The location of the hearing must be acceptable to OHFA. The applicant is required to notify persons in the following jurisdictions:
 - a. The political jurisdiction(s) in which the project will be located; and
 - b. Any political jurisdiction(s) whose boundaries are located within one-half mile of the project's location;





4. Applicants must state their intent to develop a project using OHFA bond financing. The notification (see Appendix B page 12) must be in writing via certified mail, return receipt requested, and dated no later than fifteen days prior to the date of the public hearing. A copy of the letter and receipt for certified mail should be included with the request for final approval. The letter must include:
 - a. The project's address;
 - b. The number of units;
 - c. The nature of the project;
 - d. All state programs utilized in the project;
 - e. A statement regarding the recipient's right to submit comments;
 - f. The address of OHFA and person to whom to direct comments; and
 - g. The date, time, and location of the public hearing.

The persons to be notified are:

- a. Chief executive officer and the clerk of the legislative body of any municipal corporation in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries;
- b. The clerk of any township in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries;
- c. The clerk of the board of county commissioners of any county in which the project is proposed to be constructed or that is within one-half mile of the project's boundaries;
- d. State Representative(s);
- e. State Senator(s);
- f. Governor's Regional Economic Development Representative

Minutes of the public hearing will be prepared and retained in OHFA's files. An attendance sheet documenting speakers and presentations during the public hearing shall also be maintained in OHFA's files.

B. Project Appraisal

All projects seeking bond financing must submit an "as improved" appraisal of the proposed project. The following are minimum requirements for the submitted appraisal:

1. Must be prepared by an independent, third party, licensed appraiser. The report should include the name, address and license number of the appraiser.
2. The appraisal must be prepared in accordance with the Uniform Standards of Appraisal Practice and must so state in the appraisal document.
3. The appraisal must have been prepared within one year of the request for final approval. Exceptions to this requirement will be considered on a case-by-case basis.

Projects that have obtained a commitment for an FHA credit facility may utilize the FHA appraisal. Projects with a Fannie Mae enhancement may utilize a copy of the Fannie Mae appraisal.

OHFA will limit the maximum amount of bond issuance to entities controlled by for-profit applicants to the lesser of 90% of the replacement cost or 90% of the appraised value of the project plus the debt service reserve. For entities controlled by nonprofit applicants, the maximum bond issuance will be limited to the lesser of 100% of the replacement cost or appraised value plus the debt service reserve. The amount of the required debt service reserve should be stated in the financing commitments in order to be included in the calculation.





C. Executed Financing Commitments

Firm commitments for all financing sources and credit enhancements must be submitted for final approval. Bonds which are to be privately placed or a direct purchase will be considered on a case-by-case basis. In order to receive consideration, a letter from the placement agent or direct purchaser detailing terms of the placement/purchase must be included. In addition to the terms outlined, the letter must include the following terms:

- a. Minimum denominations of \$100,000 on the bonds;
- b. Each bond purchaser will execute a letter indicating that they are sophisticated investors for purposes of Regulation D of the Securities Act of 1933.

D. Underwriter's Debt Service Schedule

The bond underwriter of each series of bonds must submit a debt service schedule showing project deposits into the trust account and payment of bond principal and interest over the term of the bonds. It is expected that the schedule will show that bond principal and interest will be paid in full at the end of the term.

E. Construction Contract

An executed construction contract with the general contractor must be provided. Discussion of the scope of work and anticipated costs should be included.

F. Other Documentation

An executed management contract, management plan and sample lease are required. For rehabilitation or improvement projects that are occupied at the time of acquisition, a tenant relocation plan acceptable to OHFA must be submitted. The OHFA compliance monitoring staff may review these documents prior to approval.

Bond Refunding Applications

Owners who wish to refund previously issued OHFA tax-exempt bonds do not need a preliminary inducement resolution or a volume cap reservation as long as they are refunding an amount equal to or less than the outstanding balance of the original bonds. In order to apply for OHFA Board approval of the refunding, owners must submit the following to OHFA no later than the middle of the month preceding the month in which Board action is requested:

1. New Application. The applicant must submit a request for bond refunding using the most current version of the OHFA Affordable Housing Funding Application (AHFA).
2. Project Narrative. Information regarding changes to the Project since original bond transaction.
3. New Financing Commitments and Credit Enhancement Commitments. Owners must provide commitment letters for any of the permanent sources that may have changed from the original bond transaction, and information on the credit enhancement for the new bonds. See page 4 for the information needed for the credit enhancement.
4. Underwriters Debt Service Schedule. The underwriter of each series of refunding bonds must submit a debt service schedule showing project deposits into the trust account and payment of bond principal and interest over the represented term of the bonds. It is expected that the representation will show that bond principal and interest will be paid in full at the end of the term.
5. Other Updated Documentation. Owners must provide new information to the Agency regarding changes to the market study, zoning, etc.
6. Application Fee. The amount of the bond refunding application fee is \$1,000.

OHFA Board and staff reserve the right to impose additional requirements on an applicant at any time prior to approval or closing of a bond-refunding project.





Preparation for Closing on the Bond Financing

A. Calendar

In anticipation of closing the transaction, a proposed calendar must be furnished to the OHFA Director of Debt Management outlining the dates for document review and closing. In addition, it is the responsibility of the applicant to contact OHFA to arrange for closing and execution of the appropriate documents.

B. Draft Documents

Prior to execution of closing documents by designated OHFA representatives, OHFA, bond counsel, and issuer's counsel must have reviewed and approved the closing documents. One copy of each of the required draft documents must be furnished to OHFA, bond counsel, and issuer's counsel and the opportunity to participate in a document review conference must be permitted. Among the documents that must be furnished are all offering statements, the trust indenture, the loan agreement, the tax regulatory agreement, the investment agreement, and the land use restriction agreement. OHFA and issuer's counsel will review the draft documents for compliance with OHFA program requirements. In addition, OHFA will verify that the trustee is obligated to furnish the OHFA Office of Finance monthly statements and a Tier 2 Service Report prepared by an independent auditor upon the Trustee's controls in place and the tests of the Trustees' effectiveness, in accordance with SAS 70/88 of the Statement Standards as issued by the American Institute of Certified Public Accountants. Timely payment of fees and provision for OHFA fees will also be reviewed.

Post-application Agency fees are as follows:

1. Closing Fee - The greater of 1/10th of 1% of the bond amount or \$2,000. This fee is due and payable at the time of closing.
2. Annual Fee - 1/10th of 1% of the outstanding principal amount of the bonds is due and payable in advance to the Agency on each anniversary of the first debt service payment until the later of the end of the qualified project period or the term of the bonds.
3. Termination Fee - If a bond issue is retired prior to the end of the qualified project period, the applicant will pay a fee to the Agency equal to the present value, calculated at a rate of 10%, of the annual fees which would have been payable until the end of the project period.
4. Monitoring Fee - Currently the Agency does not require the payment of a bond monitoring fee but it reserves the right to do so at a later time.
5. NSF Fee - \$25 will be collected by the OHFA Office of Debt Management for all returned checks

Post Closing Activity

A. Documentation

By the last day of the month of closing, the applicant must furnish to the OHFA Office of Debt Management the offering statement, the trust indenture, the investment agreement, and the letter of instruction to the trustee. In addition, the applicant must forward the name, address, and contact person for the trustee, loan servicer and investment banker.

B. Monitoring

The OHFA Office of Program Compliance monitors owner compliance with federal, state and Agency requirements for bond financing. For projects that have combined bond financing with Housing Credits, compliance with the OHFA bond program is in addition to the OHFA Housing Credits monitoring program. For projects seeking Housing Credits, please contact the Office of Program Compliance at (614) 644-7702 to set up a pre-occupancy meeting.





1. Prior to completion of the project, the applicant must schedule a pre-occupancy meeting with the bond monitoring staff. If the buildings are unoccupied, the meeting should take place prior to rent-up. For occupied rehabilitation projects, the meeting should coincide with the estimated completion date.
2. Certificates of occupancy or completion for each building must be furnished to the OHFA Office of Program Compliance and the OHFA Office of Preservation, Planning and Development.
3. Upon completion, the monitoring staff must receive monthly occupancy reports until a 95% occupancy level is reached. Following that, occupancy reports are due quarterly. The reporting obligation continues for the term of the bonds.
4. OHFA Office of Program Compliance staff may periodically visit sites to review tenant files to verify income eligibility, compliance with the set-aside requirement, and occupancy levels. Both vacant and occupied units will be inspected to determine condition of the property and compliance with health and safety requirements.

C. Other Reporting Requirements

The OHFA Office of Finance maintains Agency accounting records on each project financed with OHFA bonds. In connection with maintaining those records, the finance staff requires the following reports be furnished without fee to OHFA:

1. Trustee's reports must be furnished to the OHFA Office of Finance 10 days following the end of each month.
2. Investment statements indicating the investment balance, interest rate, and accrued earnings at the end of each month.
3. Quarterly operating statements are to be forwarded within 30 days of the end of the quarter if occupancy at any time during the quarter is less than 85%.
4. Annual audited financial statements must be provided within 120 days following the tax or fiscal year end of the project.
5. Annual trustee statements that recap transactions for the fiscal year ending June 30.
6. The trustee and loan servicer must agree to confirm balances annually as of June 30 and at other times as requested.
7. The Trustee shall prepare annually, no later than three months after the end of the Trustee's annual reporting period, a Tier 2 Service Report and a copy of such report shall be furnished to the Issuer annually upon its receipt by the Trustee. The Tier 2 Service Report shall cover at least six months of OHFA's fiscal year, which ends on June 30.

D. Agency Information Sources

OHFA's website contains important, easily accessible program information such as important program dates, general bond information, and downloadable files such as the Multifamily Bond Program Guidelines, Housing Credit Guidelines, Affordable Housing Funding Application ("AHFA"), and Compliance Handbook. The website is www.ohiohome.org. It is the applicant's responsibility to regularly browse the site to obtain current information on OHFA's programs.



APPENDIX A

Inducement and Indemnity Agreement Letter

(Date)

Ohio Housing Finance Agency
57 E. Main Street
Columbus, OH 43215-5135

RE: (Project Name)

Colleagues:

We have this day filed with the Ohio Housing Finance Agency (OHFA) an Application for financing pursuant to Chapter 175 of the Ohio Revised Code, and in accordance with your guidelines and requirements in effect on the date hereof.

As an inducement to OHFA to accept, review and favorably consider and approve said Application and to issue the bonds therein contemplated, and whether or not all or any part thereof are ever actually approved or issued by you, we hereby irrevocably agree that we will:

(a) Pay all OHFA fees as and when they become due.

(b) At all times indemnify and hold harmless OHFA and its members, officers, and employees and the State of Ohio against all losses, costs, damages, expenses and liabilities whatsoever nature or kind (including, but not limited to attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgment) directly or indirectly resulting from, arising out of or related to the acceptance, consideration and approval or disapproval of such Application or the issuance, offering, sale, delivery or payment of any such bonds and interest thereon, or the design, construction, installation, operation, use, occupancy, maintenance or ownership of the referenced project.

It is understood and agreed that this Inducement and Indemnity Agreement shall be continuing and shall survive and continue to be effective after any approval or disapproval of said Application and the issuance or failure to issue any such obligations and the construction and operation of the project. It is also understood that additional indemnity agreements may be required by you from others such as guarantors, prior to the final approval of such Application.

This Inducement and Indemnity Agreement shall be effective upon execution by you where indicated below as of the date hereof.

Sincerely,

(Name of Ownership Entity)

By: Authorized Representative

Approved, accepted and agreed to this _____ day of _____, 20____, Ohio Housing Finance Agency.

By: Executive Director

APPENDIX B

Model Language for Public Hearing

(Date)

Certified Mail Return Receipt Requested (Attach copies)

Applicable Person

Title

Name of Political Jurisdiction

Address

City, State Zip

RE: Name of Project

Dear Applicable Person:

The purpose of this letter is to apprise your office that (Name of General Partner, Managing Member, etc.) will be the (general partner, managing member, etc.) of a multifamily residential development located in or within a one-half mile radius of your political jurisdiction. A Public Hearing will be held regarding this project on (date)_____ at (time)_____AM/PM at (location)_____.

The following describes the project and the multifamily funding programs of the Ohio Housing Finance Agency (“OHFA”) that will be utilized for the project and notifies you of your right to submit written comments to OHFA:

- Project Address: Be as specific as possible; note city or township location as well as county location.
- Number of Units: Total number of units; you may wish to do a breakdown on unit types, i.e. 1BR, 2BR, 3BR.
- Nature of Project: Such as new construction, acquisition & rehabilitation, substantial rehabilitation, adaptive reuse. Note any other distinguishing characteristics.
- Program(s) Utilized in the Project: Indicate that the project will utilize funding from the Housing Credit, Affordable Housing Loans, Multifamily Bond Programs and/or Housing Development Assistance Program.

Right to Submit Comments: You have the right to submit comments to OHFA regarding the project’s impact on the community. If you intend to submit a statement of disapproval or objection, you must submit a written statement that is signed by a majority of the voting members of the legislative body governing your jurisdiction. The written objection must be forwarded separately to the Chairman of OHFA and to the Agency’s Executive Director and be delivered by certified mail, return receipt requested. The persons and addresses to be notified at OHFA are:

Kimberly A. Zurz, Chairperson	Douglas A. Garver, Executive Director
Ohio Housing Finance Agency	Ohio Housing Finance Agency
57 East Main Street	57 East Main Street
Columbus, OH 43215	Columbus, OH 43215

Sincerely,

Name

Title of Writer