



Housing Development Assistance Program 2011-2012 Multifamily Bond Gap Financing Guidelines

The Ohio Housing Finance Agency (OHFA) is pleased to announce the availability of gap financing for multifamily tax-exempt bond projects through the Housing Development Assistance Program. The source of funds for this program will be the Ohio Housing Trust Fund (OHTF) and Financial Adjustment Factor (FAF) program. A minimum of \$4.5 million in funds will be available. The current requirements for OHTF projects found in the 2010 HDAP - Housing Credit Gap Financing Guidelines (<http://www.ohiohome.org/lihtc/HDAPguidelines10.pdf>) will be enforced with the following exceptions:

Guideline Exceptions

1. Funds are available only to projects that receive volume cap in 2011 and 2012.
2. The maximum HDAP award will be up to \$1,000,000 per project based on need, and OHFA reserves the right to limit the amount awarded to projects combined under one bond issuance. OHFA's goal is to fund at least five projects with this pool of resources.
3. Recipients will have until December 31, 2012 to close all financing, including the bonds and Housing Credit equity.
4. Projects must be completed and placed in service no later than two years after the date of the OHFA Board approval.



Application Process

Applicants seeking gap financing must submit the following:

1. A letter of intent no more than ten (10) pages in length that adequately addresses the following:
 - a. A Description of the proposed project and target population(s) to be served;
 - b. A 2012 Experience & Capacity Review application, if not previously submitted;
 - c. For rehabilitation projects, a brief description of the scope of work (in a bulleted list) and information regarding the current owner;
 - d. Project development and construction timeline; and
 - e. A narrative that outlines how the project compares with the Selection Criteria outlined below.
2. A copy of the preliminary sources and uses, rent and operating budget and 15-year cash flow projection (use the Excel form provided at: www.ohiohome.org); and
3. A letter from the project's Bond Underwriter that outlines the proposed bond structure and all steps required, including a timeline, for closing the financing for the project.

Information must be submitted to OHFA no later than 5:00 p.m. on **February 21, 2012**. Staff recommendations will be presented to the Multifamily Committee of the OHFA Board on **March 14, 2012**.

Selection Criteria

OHFA will consider the following criteria in the selection process:

1. Projects that have not yet received or applied for a Letter of Eligibility for Housing Tax Credits.
2. The development history and present capacity of the development team with regard to Multifamily Bonds, Housing Tax Credits, and HDAP.
3. The development team's ability to proceed quickly and close all financing in 2012 based on previous experience.
4. Ability to leverage other soft resources as permanent financing.
5. Projects that contribute to a community redevelopment initiative, or that serve a special needs population and/or extremely low-income households.



6. Need for rehabilitation and items to be addressed.
7. Acquisition cost per square foot in comparison to other proposals.

OHFA reserves the rights to limit the number of HDAP awards per organization and to not allocate the entire amount of funds available. OHFA will also consider the geographic dispersion of the gap financing among regions of the state and to Participating and Non-Participating Jurisdictions (PJ & Non-PJ).

OHFA will also consider total project costs and investment of its resources that are reasonable in an effort to produce at least three thousand (3,000) units of affordable housing in all OHFA multifamily programs in 2012. OHFA's goal is to fund at least five projects with the 2011-2012 HDAP Multifamily Bond Gap Financing program.

Next Steps

At a minimum, the following must be submitted by **April 16, 2012** (see the 2012 Qualified Allocation Plan (QAP) for more information regarding each item) for a limited, expedited financial evaluation:

1. Completed 2012 Affordable Housing Funding Application (AHFA)
2. Evidence of Public Notification (letters must be mailed by Friday, March 30, 2012)
3. Evidence of Site Control
4. Phase I Environmental Site Assessment
5. Preliminary Architectural Plans & Specifications
6. Scope of Work (rehabilitation projects only)
7. As-Is Appraisal
8. Capital Needs Assessment (rehabilitation projects only)
9. Conditional Financial Commitments
10. Evidence of Zoning
11. Market Study
12. Relocation Plan (if necessary)
13. Supportive Services Plan (if necessary)
14. For locally issued bonds (non-OHFA), the inducement resolution or final approval resolution from the issuer of the bonds.

Projects will be presented to the Multifamily Committee of the OHFA Board for final commitment in **June, 2012**.

Additional information required for final approval of OHFA-issued bonds or a Letter of Eligibility for Housing Tax Credits will be required to be submitted at a later date.

