



**Housing Finance
Agency**

Multifamily Bond Financing Guidelines

Draft 1

Office of Multifamily Housing | October 16, 2025

Seeking to provide Input?

OHFA will be accepting comments on these draft guidelines beginning October 16 through November 17, 2025. Comments may be submitted via e-mail to 4percentcomments@ohiohome.org Please do not combine comments related to these draft guidelines with other draft guidelines.

Program Information

The Ohio Housing Finance Agency (OHFA) provides financing and resources to develop housing for low- and moderate-income Ohio residents. By issuing multifamily bonds, proceeds fund construction and mortgage loans that create and preserve affordable multifamily rental housing units.

These Multifamily Bond Financing Guidelines inform developers who will use multifamily bonds exclusively, or in combination other Agency resources. Multifamily bonds may be utilized in conjunction with OHFA's Low Income Housing Tax Credits (LIHTC) program, including 4 % LIHTC and Housing Development Assistance Program (HDAP) resources like Bond Gap Financing (BGF) . Projects financed by multifamily bonds are ineligible for 9 % LIHTC.

LIHTC program requirements are provided in the most recent Qualified Allocation Plans (QAP) available on OHFA's website at www.ohiohome.org and in Section 42 of the Internal Revenue Code (IRC). Additionally, [Public Law 119-21, Section 70422\(b\)](#) updates the tax-exempt Bond Financing Requirements.

Applicants seeking 4% LIHTC or other OHFA financing, including Housing Development Gap Financing, must consult the guidelines and requirements for those programs. All guidelines are available on the OHFA's website.

OHFA requires Applicants retain an experienced development team, including legal counsel, in all multifamily bond financing phases.

If tax-exempt bonds are issued, issuance of bonds may require use of private activity volume cap (see below).

A. State of Ohio Private Activity Volume Cap Requirements

To promote private activities benefiting the public, IRC Section 142(d) permits issuing tax-exempt multifamily bonds for new construction or acquisition/rehabilitation multifamily housing projects. The Ohio Department of Development (ODOD) administers Ohio's private activity volume cap.

Additional volume cap is available from OHFA; upon depletion of OHFA's volume cap, additional volume cap may be available from ODOD. Applicants should consult legal counsel regarding the need for and availability of volume cap.

B. Agency Private Activity Volume Cap

OHFA currently holds carry-forward volume cap for housing purposes and may choose to allocate bond volume cap for the issuance of its multifamily bonds. By separate letter accompanying the Affordable Housing Funding Application (AHFA) submission, the Applicant may seek a volume cap allocation from OHFA. OHFA will permit the reservation of volume cap in an amount up to 120% of the anticipated amount of the bonds. The Applicant should consult with legal counsel regarding the volume cap requested.

C. Construction Wages

Any housing 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. State prevailing wage is 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 Applicants must submit a statement acknowledging the requirement to comply with the prevailing wage statute.

Application Process

There are three phases in OHFA's review of requests for the issuance of multifamily bonds:

- Preliminary approval of multifamily bond issue pursuant to an Inducement Resolution (if required or desired);
- Application submission; and
- Final approval of multifamily bond issue pursuant to a Bond Resolution.

Additional processes may vary depending on the resources being requested.

A. Inducement Resolution

If the applicant is seeking the issuance of multifamily bonds by OHFA, the applicant may request an Inducement Resolution. The Inducement Resolution is a document indicating an entity's intent to issue bonds for a specific activity. It enables the applicant to be reimbursed from bond proceeds for any qualified expenditures that may have been paid up to 60-days prior to the date of the Inducement Resolution. Any expenditures occurring earlier than 60 days prior to the OHFA Board's approval of an Inducement Resolution cannot be reimbursed with the bond proceeds, with the exception of certain predevelopment expenses.

If an Inducement Resolution is desired or needed, the Applicant must submit a project executive summary to OHFA no later than the 15th day of the month preceding the desired OHFA Board approval date. A template for the Executive Summary is available on the OHFA website. Applicants should consult with their legal counsel to determine whether an Inducement Resolution is required.

Upon OHFA's review of the Executive Summary, OHFA Issuer counsel shall prepare an Inducement Resolution for OHFA staff to present at the next available Multifamily Committee and OHFA Board meetings for consideration and approval.

OHFA does not commit to issue bonds by adopting an Inducement Resolution. OHFA retains discretion to issue multifamily bonds and any such issuance depends on the Applicant's successful OHFA submission and the OHFA Board's final Bond Resolution adoption.

B. Affordable Housing Funding Application

Multifamily Bonds Only

Applicants seeking multifamily bonds final approval without LIHTC must provide written notice to OHFA and its Issuer Counsel at least 60 days before the desired OHFA Board approval date. OHFA may require the Applicant to conduct a planning meeting with OHFA staff describing the project and giving an estimated AHFA submission date. **Applicants must include OHFA Issuer Counsel on all correspondence related to the multifamily bond transaction.**

OHFA will provide contact information for the OHFA Issuer Counsel.

The Applicant must submit a complete application package no less than 45 days before the desired OHFA Board approval date. For purposes of this section, a complete application package shall mean compliance with the following items:

- Completed [**Affordable Housing Finance Application**](#) (AHFA), including all applicable tabs as noted on the Instructions tab
- Proposal Summary PDF
- Public Notification
- Capital Needs Assessment (Rehab Only)
- Scope of Work (Rehab Only)
- Project Executive Summary (template available on OHFA's Website)
- Experience & Capacity
 - Evidence of the Applicant's ability to develop, construct, market, and manage multifamily rental housing, including resumes of all development team members.
- Statement of Development, confirming that the housing development:
 - Will serve a public purpose;
 - Will provide safe, decent and sanitary housing;
 - Will benefit its occupants through savings resulting from multifamily bond financing; and,
 - Depends on obtaining this financing as critical to the success of the project.
- Letter detailing the bond financing structure.
- Calendar outlining anticipated actions and responsible parties for closing the transaction; and
- Applicable fees payable to OHFA at application.

OHFA staff will review application materials within 30 days of receipt of a complete application package. Staff reviews may include a site visit.

Multifamily Bonds and 4% Low Income Housing Tax Credits

Application deadlines and submission requirements for developments leveraging 4% Low Income Housing Tax Credits are established in the [4% LIHTC QAP and program guidelines](#) utilizing 4% LIHTC.

When an Applicant is ready to seek final approval, they must contact the OHFA underwriting analyst assigned to the project application no less than 45 days before the desired OHFA Board meeting for final bond approval.

Applicants must include OHFA Issuer Counsel on all correspondence related to the multifamily bond transaction.

Applicants should evaluate preparedness before submitting an application for review and consideration. Applications that are not able to move forward in a timely fashion may be returned to the Applicant for submission at a later date.

Upon receipt of a complete AHFA, including all supporting documentation, OHFA staff will review application materials as detailed in the program guideline calendar. Staff will prepare a presentation for the OHFA Board using the information from their review and the site visit.

Final Bond Resolution Phase

Once review of the application is complete, OHFA staff will work with the applicant to determine the date the project and Final Bond Resolution will be presented to the OHFA Multifamily Committee and Board for approval. The Applicant may request the month in which they wish to be scheduled for OHFA Board approval. The OHFA Multifamily Committee meets the second Thursday of each month and the OHFA Board meets the third Thursday of each month.

Bond counsel is responsible for timely distribution all bond and closing documents to Issuer Counsel and the other transaction participants. All bond and closing documents, must be substantially final no later than the first business day of the month preceding the desired OHFA Board approval date.

Minimum Requirements OHFA Review

The following sections set forth the minimum requirements for multifamily bond financing. Additional requirements for developments combining LIHTC and HDAP resources with multifamily bonds can be found in [the applicable program-specific guidelines and in the most current QAP](#), all of which can be found on the OHFA website, www.ohiohome.org.

A. Program Fees

Applicants should anticipate payment of the following fees in conjunction with a bond issuance:

Fee	Amount	Due
Application Fee	New applications with LIHTC: <i>See QAP</i> New applications without LIHTC: \$2,000	At submission
Closing Fee	One-Tenth of 2% of the bond amount or, \$3,000, whichever is greater	At closing
Program Compliance Monitoring Fee	New applications with LIHTC: <i>See QAP</i> New applications without LIHTC: One-Tenth of 1% of the bond amount	Initial payment up-front, payments annually thereafter

The Applicant are responsible for all other issuance costs including Underwriter, Trustee, Rating Agencies, Lender, Compliance Administrator, Bond Counsel, and any other party fees required to complete the issuance. There is no application fee for refunding applications.

B. Conduit Financing

The Applicant must specify at application whether the multifamily bonds will be publicly offered, privately placed, or directly purchased by the bond investor.

Public Offerings

To publicly offer multifamily bonds, they must receive an investment-grade rating (BBB or better) from a nationally recognized rating agency.

Private Placements & Direct Purchase

OHFA will only permit private placement or direct purchases bonds which do not carry an investment grade rating if i) the bonds are issued in minimum denominations of \$100,000 and ii) the bond purchasers have delivered an investor letter certifying that they qualify as accredited investors for purposes of SEC Regulation D of the Securities Act of 1933 (Rule 501) and agree not to transfer the bonds unless the transferee signs a similar investor letter

At a minimum, the letter detailing the bond financing structure delivered to OHFA prior to consideration by the OHFA Board 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.

OHFA retains all discretion to accept or reject such letters.

c. Public Notice Procedures

Prior to consideration by the OHFA Board, Applicants must satisfy both of the following public notice requirements.

TEFRA Notice of Public Hearing

Applicants must provide notice of the Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing as follows:

1. The TEFRA notice of public hearing 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;
2. In accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, Section 175.07 of the Ohio Revised Code, and Revenue Procedure 2022-20, OHFA (or its designee) must conduct a public hearing to provide a reasonable opportunity for public comment regarding the proposed issuance of tax-exempt private activity bonds and the related project.

Revenue Procedure 2022-20, issued by the Internal Revenue Service in March 2022, provides permanent guidance for meeting the public approval requirement under IRC § 147(f), specifically as it relates to the use of teleconferences for public hearings. This procedure supersedes earlier temporary guidance and establishes that a teleconference hearing accessible to the public through a toll-free telephone number satisfies the requirement that the hearing be held at a “convenient location” for residents, as defined in Treasury Regulation § 1.147(f)-1(d)(2). In addition, issuers may provide alternative or supplemental means of access, such as internet-based virtual hearings or in-person attendance, provided that the format chosen ensures meaningful public participation and transparency.

The Applicant is responsible for notifying the following jurisdictions of the date, time, and location—or teleconference details—of the public hearing:

1. The political jurisdiction(s) in which the project will be located; and
2. Any political jurisdiction(s) whose boundaries are located within one-half mile of the project's location.

Public Notification Letter

Applicants must also issue public notification letters as follows:

1. Applicants must state their intent to develop a project using OHFA bond financing. The notification letter must be sent 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 financing structure;
 - 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.
2. The persons to be notified are:
 - a. The chief executive officer and the clerk of the legislative body for any city or village (i.e. mayor and clerk of council);
 - b. The clerk of the board of trustees for any township;
 - c. The clerk of the board of commissioners for any county;
 - d. State Representative(s);
 - e. State Senator(s).

Applicants must consult with Bond Counsel to determine any additional requirements pursuant to Section 147 of the Internal Revenue Code.

D. Indemnification

All bond issuances indemnify OHFA including its members, directors, officers, agents, and employees such that they are held harmless from any claim or suit of whatever nature. In addition to the indemnification, the Applicant will be responsible for any costs including but not limited to fees assessed by OHFA, legal fees, reasonable counsel's expenses, and other expenses incurred. A clear statement of OHFA's indemnification must appear in resolutions and all relevant bond documents.

E. Financing Commitments

Firm commitments for all financing sources and credit enhancements are not required for the OHFA Board's consideration of a Bond Resolution. The Bond Resolution will expire six months after its adoption, provided that OHFA, in its sole discretion, may permit an extension of up to three months.

F. Bond Refunding Applications

To apply for refunding approval, Applicants must submit a letter detailing the bond financing structure (meeting all requirements of the application) no later than 45 days preceding the month in which action is requested.

Preparation for Closing on Multifamily Bonds

Calendar

In anticipation of closing the transaction, the applicant must review and update the Calendar of Actions submitted with the application as necessary. In addition, the applicant must arrange for closing and execution of the appropriate documents with OHFA.

Before final bond resolution approval, OHFA, Bond Counsel, and Issuer's Counsel must review and approve all major financing documents. Bond and Underwriter's Counsel must coordinate with OHFA Issuer Counsel in preparing these documents. OHFA and Issuer's Counsel will review the draft documents for compliance with OHFA program requirements.

Post-Closing Activity

A. Final Documents

No more than 30 days after the multifamily bond closing date, the Applicant must provide OHFA a final transcript relating to the multifamily bonds, including, but not limited to, any offering statement copies, all documents executed by OHFA, and all opinions delivered in connection with the multifamily bond issuance or sale. The Applicant must also provide the contact information for the development team identified in the “Minimum Requirements for Agency Review” section above.

B. Monitoring

OHFA requires all owners submit an Annual Owner Report and Operating Survey. [Forms and information](#) necessary to comply with this requirement are on the OHFA website, including the [DevCo Online Management System](#). OHFA reserves the right to conduct site visits upon reasonable notice to the owner at any time in the transaction process.

In addition to meeting the requirements set forth in these Multifamily Bond Financing Guidelines, Applicants must also meet the requirements of the LIHTC program and the other program guidelines, if utilizing those resources.

C. Other Reporting Requirements

OHFA maintains Agency records on each project financed with multifamily bonds. In connection with maintaining those records, OHFA requires owners furnish the Trustee’s (or owner of the bonds if the bond structure does not involve a Trustee) confirmation of bond balances outstanding annually as of June 30 and at other times as requested following reports without fee to OHFA:

The Trustee must make its records reasonably available to OHFA upon request.

D. Agency Information Sources

[OHFA’s website](#) contains important, easily accessible program information such as program dates, general multifamily bond information, and downloadable files such as the Multifamily Bond Guidelines, LIHTC QAP, HDAP guidelines, AHFA, and Compliance Monitoring resources. It is the Applicant’s responsibility to regularly visit the website to obtain current information on OHFA’s programs.