



OKLAHOMA HOUSING FINANCE AGENCY
Multifamily Housing Bond Program
Application Package

100 N.W. 63rd St., Suite 200
Oklahoma City, OK 73116 or
P.O. Box 26720
Oklahoma City, OK 73126-0720

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Multifamily Bond Application

Oklahoma Housing Finance Agency (OHFA) is authorized to issue Multi-Family Bonds (MF Bonds). Title 330, Chapter 30, Multifamily Housing Bond Program, are the Oklahoma Administrative Rules that govern this program. The Rules can be accessed on OHFA's website, www.ohfa.org.

This Application Package, the Application Form, and the information contained herein are **effective October 1, 2016**. This will remain in effect until updated.

IF APPLYING FOR 4% TAX CREDITS, IN ADDITION TO OHFA'S MF BONDS, THEN THE REGULAR 4% TAX CREDIT APPLICATION MUST BE USED.

Purpose

OHFA provides tax exempt and taxable financing for, acquisition, rehabilitation, and/or new construction of rental housing Developments which satisfy the goals and requirements of OHFA, and comply with applicable federal and State law.

Borrower Qualifications

- Various types of entities are eligible.
- If a business, then must be in good standing with the State.
- Borrower must have legal authority to incur obligations.
- Creditworthiness and repayment ability must be demonstrated.
- Capability to achieve successful completion.

Development Qualifications

- Development must be multifamily (in excess of one unit) housing. A Development may consist of detached housing, row houses, high-rises, or the residential portion of a mixed-use Development.
- Economic feasibility of the Development and the independent creditworthiness of the Borrower must demonstrate the OHFA MF Bonds can reasonably be expected to be paid in full in accordance with the terms of the Bond Documents.
- The Development will have a remaining useful life at least equal to the term of the regulatory agreement(s) and/or the Bond Documents.

Geographic Distribution

OHFA's MF Bonds can be used throughout the entire State.

Award Maximums

There is no limit to the amount of MF Bonds that can be requested. However, the ability of OHFA to provide tax-exempt financing for Developments is contingent upon receipt by OHFA of a tax-exempt bond allocation from the Council of Bond Oversight (COBO), through the State of Oklahoma annual private activity allocation.

Application Questions

Questions regarding any information contained in this Application Package may be directed in writing to:

Oklahoma Housing Finance Agency
Housing Development Team
P.O. Box 26720
Oklahoma City, Oklahoma 73126-0720

All OHFA/Housing Development Team (HDT) Staff can be accessed by email or phone. The area code is 405 and individual fax number for each Staff member is 419.9 last three digits (extension number).

darrell.beavers@ohfa.org	HDT Leader	419.8261
darcy.green@ohfa.org	HDT Program Supervisor	419.8145
rhonda.watson@ohfa.org	HDT Compliance Supervisor	419.8104
jody.glaze@ohfa.org	HDT Secretary	419.8133

alicia.thomas@ohfa.org	Housing Financial Analyst	419.8137
brandi.muse@ohfa.org	Housing Financial Analyst	419.8201
danette.carr@ohfa.org	Housing Financial Analyst	419.8136
gerda.elpedes@ohfa.org	Housing Financial Analyst	419.8269
pamela.miller@ohfa.org	Housing Financial Analyst	419.8134

Program Compliance:

tricia.braden@ohfa.org	AHTC Compliance Specialist	419.8272
bethany.rogers@ohfa.org	AHTC Compliance Specialist	419.8131
syleste.johnson@ohfa.org	AHTC Compliance Specialist	419.8120

Staff is available to provide technical assistance regarding a variety of housing issues as they relate to individual development applications. Interested parties seeking technical assistance regarding affordable housing development are encouraged to make written requests citing the specific topics of interest. This allows Staff to perform appropriate research and prepare copied materials applicable to the meeting.

Drop-in technical assistance requests are not allowed.

Application Delivery & Due Dates

Hand delivered Applications must be submitted to one of the HDT staff members listed in this Application Packet, at OHFA's physical address below. Applications should not be left with the OHFA receptionist unless no HDT Staff member is available. Persons delivering Applications should ensure that the Applications are date-stamped, and obtain a receipt.

Applications sent by Federal Express, United States Postal Service, United Parcel Service or other parcel service must be sent to OHFA's physical address:

OKLAHOMA HOUSING FINANCE AGENCY
Attention: Housing Development Team
100 NW 63rd Street, Suite 200
Oklahoma City, OK 73116

IT IS THE RESPONSIBILITY OF THE APPLICANT TO VERIFY TIMELY RECEIPT OF THE APPLICATION BY DESIGNATED STAFF.

While Applications **may be submitted at any time**, it is essential to discuss any proposal with OHFA to establish a timeline. The State's approval process for allocating the State's annual private activity bond volume cap may affect timing and should also be taken into consideration.

The last date Applications will be accepted, in order to guarantee consideration at a current year's Trustee meeting, is **August 1**. OHFA will accept Applications after that date, but no guaranteed consideration in current year. The Application will be considered at the Trustees Board meeting that is at least sixty (60) days past the Application submission date. OHFA encourages Applicant to be mindful of timing restraints of other programs, sources, and/or COBO.

Fees

When notified by OHFA the Applicant shall remit to OHFA a nonrefundable inducement Application fee in an amount equal to **the greater of:**

Ten basis points (.10%) of the dollar amount of OHFA MF Bonds requested; **OR**

Five Thousand Dollars (\$5,000).

If an Inducement Resolution is sought before an Application is submitted to OHFA, then a One Thousand Dollars (\$1,000) deposit is due before the Trustees consider the Inducement Resolution. The remaining balance of the fee would be due two weeks after the Trustees consideration.

When notified by OHFA the Applicant shall remit to OHFA a nonrefundable final financing fee in an amount equal to **the greater of:**

Forty basis points (0.40%) of the dollar amount of OHFA MF Bonds requested; **OR**

Twenty Thousand Dollars (\$20,000).

OHFA will engage a team of professionals, according to State procedures. OHFA may require an Applicant to make payments to third parties who provide services relating to OHFA's review and evaluation of the Application. A list of current professionals are on OHFA's website. If a professional substitution is approved, the amount of fees charged cannot exceed those outlined through the State process.

Fees for the final financing stage and/or the fees due to third parties may be incorporated into the closing process.

Other fees, such as Administrative/Compliance, are outlined in the Chapter 30 Rules.

Format

Applications must be submitted in the following format:

- All sections are to be tabbed according to the Document & Tab Requirements Format list in the Application Form.
- All pages are to be numbered sequentially within each tab. Handwritten numbering is acceptable.
- Do not modify Application attachment forms that are marked as "DO NOT MODIFY THIS FORM."

Applicants are only required to submit one (1) original Application. Use of large, three ring loose-leaf binders are required.

Fully Responsive Application

It is the responsibility of the Applicant to provide a full and complete Application that contains sufficient information and documentation relevant to all Threshold Criteria to allow HDT Staff to make a factual determination whether an Application satisfies each of the applicable Threshold Criteria.

No blanks should be on the Application Form. If the information does not apply to your Application, then type N/A.

Failure to provide a complete and fully responsive Application may result in denial of the Application for funding. Prior to submission, Applicant should

verify that numbers as identified in the Application Form agree with the supporting documentation located in the individual Tabs.

Communications with OHFA during Application Review

Following submission of an Application, neither the Applicant nor any representative or Affiliate of the Applicant shall contact any OHFA employee, concerning the Application. OHFA reserves the right to contact the person(s) identified by the Applicant for the purpose of clarifying any matter.

Submission of an Application does not guarantee a full and complete review of all Threshold Criteria. OHFA may refuse to review any Applications that clearly fail to meet one of the Threshold Criteria. Applicants will be notified in writing of OHFA's decision not to review their Application. No refund of the Application fee will be due to the Applicant based upon the lack of a full and complete review of the Application.

Failure to comply may result in termination of the review process and denial of the Application.

Communications with the Board of Trustees of OHFA

Neither an Applicant nor members of the public shall communicate, directly or indirectly, with the Trustees regarding an Application under consideration by OHFA, except upon notice and opportunity for all parties to participate.

Failure to comply may result in termination of the review process and denial of the Application.

Preliminary Review Report

Upon completion of review the Application, HDT Staff will forward the preliminary Review Report to the contact person(s) identified by the Applicant in the Application. Staff will make every effort to highlight areas that need a response, but Applicant should read the Reports in their entirety.

Following the release of the preliminary Review Report, the Applicant may submit questions or request clarification concerning the preliminary Review Report. All such questions or inquiries must be in writing and addressed to the Staff member designated in the cover letter accompanying the preliminary Review Report. These questions must be submitted electronically. OHFA suggests that emailed questions are sent to at least two Staff members. OHFA reserves the right to grant or deny requests for meetings with the Staff of OHFA at any time during the Application process. Any and all requests must be in writing stating the purpose and reason,

supplying sufficient documentation necessary for OHFA Staff to grant or deny the request.

When providing documentation, the Applicant should make every effort to highlight, mark, note, or in some way bring attention to any and all information that is new and/or changed from that of the originally submitted document.

Final Review Report

The HDT Staff will consider Applicant's response to the preliminary Review Report prior to issuing the final Review Report. The Applicant will be informed of Staff's recommendations prior to the meeting of the Trustees when the Application is being considered. Staff will forward a copy of the final Review Report and Staff's recommendations to the contact person identified by the Applicant in the Application.

In the event the Applicant disputes any matter contained in the final Review Report, Applicants must file ten (10) copies of any response(s) to the final Review Report or other information they wish the Trustees to consider not less than forty-eight (48) hours prior to the commencement of the meeting when the Application will be considered.

In addition to the hard copies, Applicants must submit an electronic version of the response. If both the hard copy and the electronic version are not received, the responses will not be accepted or considered by the Staff or the Trustees.

Other Laws and Regulations

The Applicant, the Development, the Owner(s), Development Team and the Affiliates of each, must comply with all applicable federal, State and local laws, rules, regulations and ordinances, including but not limited to, the Code and regulations promulgated thereunder, the Oklahoma Landlord Tenant Act, Titles VI and VII of the Civil Rights Act of 1964, as amended and Title VIII of the Civil Rights Act of 1968, as amended, all disclosure requirements promulgated by the Securities Exchange Commission and/or the Municipal Securities Rulemaking Board. Neither the Applicant, the Owners(s), the Development Team nor the Affiliates of each shall discriminate on the basis of race, creed, religion, national origin, ethnic background, age, sex, familial status, or disability in the lease, use or occupancy of the Development or in connection with the employment or application for employment of Persons for the operation and/or management of any Development. Owners(s) of a Development will be required to covenant and agree in the regulatory agreement to comply fully with the

requirements of the Fair Housing Act as it may from time to time be amended, for the time period promised in the Application.

Any issuance of MF Bonds by OHFA is subject to compliance with all applicable federal and State laws and all rules and regulations promulgated thereunder and all local ordinances, rules and regulations applicable to the Development, its financing, or any portion or aspect thereof.

For any Development to be financed by the issuance of MF Bonds, the interest on which is intended to be excluded from federal income tax under the Code, the Borrower shall be responsible to insure that all applicable requirements of the Code concerning the design, construction and operation of the Development, and the use of any proceeds of such MF Bonds, are and remain satisfied for the requisite period of time.

Application Process/Stages

PreApplication

Prior to submission of an Application, it is advisable for the Applicant to schedule a meeting with OHFA's Executive Director or his designees to present a brief overview of the proposed Development. Any technical aspects of the Development or its proposed financing should be explained to OHFA at this meeting. OHFA should be advised of any anticipated difficulties or contingencies.

OHFA requires adequate time to review any proposal. No proposal will be taken to the Trustees unless OHFA has had adequate review time.

Inducement

An Inducement Resolution may be issued before an Application is filed with OHFA. In order for Staff to present to the Board, the following items must be received:

1. A one thousand dollar (\$1,000) deposit on the inducement fee.
2. One page Development description, including location, number of units, if an existing OHFA property, etc.
3. A one page description of the Development Team, including basic information about experience, especially with MF Bonds.
4. An estimated list of sources and uses, including amount of MF Bonds that will be requested.

The Inducement Resolution may not be combined with the Final Resolution.

Final

Following OHFA's review, only Applications meeting all requirements will be submitted to the Trustees for their consideration for approval of a Final Resolution.

OHFA shall not be obligated to close on the financing on a Development unless the Board of Trustees in their respective complete discretion, are satisfied that all the requirements and standards imposed by federal and Oklahoma laws, rules and regulations and local ordinances, rules, regulations, and other applicable restrictions, and this Chapter, and the terms and conditions of all resolutions adopted by the OHFA Trustees pertaining to the Development have been, and at the time of the Closing remain, fully completed and satisfied.

OHFA or one of its bond professionals shall prescribe the form and content of all **Closing documents**, including without limitation, the Bond Documents, construction facility documents and the regulatory agreement(s).

Any **amendment or changes** to information filed with OHFA must be disclosed immediately. This is a continuing disclosure requirement. Any amendments or changes not immediately brought to the attention of OHFA, in writing, may result in the Application being rejected.

The Borrower must comply with all insurance requirements of OHFA relating to the Development.

Application Requirements

1. **Application Form** – includes Development name, Borrower name and contact information, contact information of other Development Team members.

2. Capacity and Organizational Experience

General

- a. Development Team means the Applicant, architect, attorney, Consultant, Developer, co-Developer, general contractor, market analyst/appraiser, property management company, co-management company, management consultant, Owner, tax professional, and the principals of each.
- b. The Applicant and all members of the Development Team and the Affiliates of each must be in compliance with, and good standing under, any OHFA program in which any may participate.
- c. Applicants must demonstrate and document the extent of the capacity of their Development Team in developing, managing, and operating the type of housing Development being proposed. If

- sufficient capacity is not demonstrated the Application may Fail Threshold.
- d. Staff will use the documentation provided in the Application and any outside knowledge of the Development Team to determine capacity.
 - e. Owners, general partners, managing members, Developers, and principals of each, who are new to Oklahoma's MF Bond Program, are ineligible to apply for more than one (1) Development until they have been awarded MF Bonds, the Development is placed in service, and compliance staff has conducted their first visit. The exceptions are if (1) MF Bond experience in other states OR (2) partner with an entity as general partner/managing member/Developer that has MF Bond experience OR (3) once the first Development has closed with the Bonds and construction has started. These exceptions allow a second Development to be awarded. In no case will a third Application be accepted until a Development is placed in service, and compliance staff has conducted their first visit
 - f. Owners, general partners, managing members, Developers, and principals of each, who are not new to Oklahoma's MF Bond Program may not have open, at any one time, more than five (5) Oklahoma Developments. Open means from award to the last Building placed-in-service date. Staff will measure open Developments when preliminary Review Responses are returned to OHFA.
 - g. If an entity is "to be formed" regardless of its role, complete Tab 1 and list "to be formed" as the Tax ID number. Also a statement informing Staff which entities are "to be formed".
 - h. Please do not provide any Social Security numbers or personal identification numbers.

Documentation Requirements:

Please verify which team members need to submit which documents.

- a. All Development Team members must be listed in **Tab 1** on the Application Form.
- b. **Organization charts** of Ownership entity and general partner/managing member entity, including the principals.
- c. **Attachment #1 – Previous Participation** - Developers, co-Developers, general partners, managing members, management companies, co-management companies, management consultants, must document their performance in MF Bond Developments in Oklahoma as well as other states. The list must include current and past Developments that received federal or State assistance. Include newly awarded Developments, Developments under construction, and Developments that were in their Compliance or

Extended Use Periods within the last seven (7) years, regardless of continued involvement. If the Applicant uses their own list it must include all of the information requested in Attachment #1.

- d. **Attachment #2 Development Team Member Certificate** - Owner, Developer, co-Developer, general partner, managing member, Management Company, Co-management Company, management consultant, general contractor, indicating there have been no instances of nonperformance as stated in Attachment #2. All Certifications must be notarized.
- e. If for some reason a Development Team member cannot complete an Attachment #1 or Attachment #2 for professional ethical reasons, provide a statement from the team member to that effect.
- f. **Attachment #3 Identity of Interest Certification** - Signed and Notarized by the Owner or Representative of the Ownership Entity.

3. **Financial Feasibility and Viability & Underwriting**

Failure to meet any of these requirements, including those in **Attachment #4** Program Underwriting Standards is a Failed Threshold item.

General

- a. OHFA MF Bonds shall meet all reasonable underwriting requirements, and will be subject to adjustment if necessary.
- b. Applicants must provide appropriate Commitments that demonstrate the Development's financial feasibility and viability as a qualified Low-Income Housing Development.
- c. Applicants must demonstrate to OHFA's satisfaction that the Application has firm financing Commitments in place for 100% of the Development's total construction and permanent financing.
- d. Commitment letters must include the loan amount, interest rate, loan term, debt service coverage ratio (permanent lender), loan amortization period (permanent lender), borrower loan fees, collateral, and conditions precedent to funding.
- e. All permanent Commitments must include a fixed interest rate. The interest rate must be locked in at the time of Application. If the rate is not fixed and locked, then the Applicant must provide documentation on a rate ceiling. To ensure that the required debt service coverage ratio is met, Staff will underwrite the Development at the rate specified in the Commitment if it is locked. Otherwise, the Development will be underwritten at the ceiling rate.

Documentation Requirements:

- a. **Completed Application Form**, including sources, Development budget, Unit Distribution & Rents, Operating Expenses, and Pro forma.
- b. **Letters of funding Commitment** for ALL funding sources, including construction and permanent.
- c. For Acquisition/Rehabilitation utilizing **HUD, RD**, or other funding source and any properties with rental assistance subsidies provide documentation from HUD, RD, or other source indicating they are aware of the transfer of ownership and do not reasonably foresee any problems occurring with the transfer.

4. **Market Study.**

Market analyses must clearly demonstrate and document the status of the market demand for the type and number of Housing Units proposed to be developed. All market analyses must contain specific minimum levels of information. The minimum content requirements for market analyses are delineated in **Attachment #5**.

Documentation Requirements:

Third party independent market analysis. Both a hard copy and an electronic copy must be submitted.

5. **Capital Needs Assessment**

General

- a. Capital Needs Assessment (CNA) means a qualified professional's opinion of a property's current physical condition determined after a physical inspection of the interior and exterior of the units and structures.
- b. Applications for rehabilitation require a CNA performed by a qualified independent third-party (architect, engineer, contractor, Rural Housing Services) which considers the proposed rehabilitation activities to ensure that the proposed improvements plus reserves have a useful life that meets the full term of affordability based on extended use agreements as presented in the Application.
- c. The assessment should also demonstrate the need for the rehabilitation work and in the degree proposed and include a review of proposed rehabilitation costs by an independent 3rd party.
- d. The physical inspection should include an interview with the onsite manager and maintenance personnel. This assessment should identify deferred maintenance, physical needs, remaining useful life, material building code violations that affect the property use, structural and mechanical integrity, and the future physical and financial needs.

- e. The assessment must include the cost of labor and materials identified in detail and the extent of future expenditures contemplated to ensure the costs will be addressed through operating and replacement reserves. Components which should be examined and analyzed in this assessment include but are not limited to:
- Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utility lines;
 - Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system and drainage;
 - Interiors, including unit and common area finishes (carpeting, vinyl or tile flooring, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors; and
 - Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, and elevators.
- f. In addition, all Developments that have existing tenants must include a complete, detailed tenant income audit that identifies all existing tenants and their income. The audit shall separately identify those tenants whose income exceeds applicable Income limits. The Applicant should further ensure that all tenants who will continue to reside in the property comply with the applicable Income limits. This can be completed by the Applicant or others.

Documentation Requirements:

- a. **Attachment #6** Capital Needs Assessment Certification.
- b. **Third-party independent CNA.** The assessment may be prepared no more than eighteen (18) months prior to Application submission. Updates are not allowed.
- c. Either the CNA or a narrative should separately present discussions of those **amenities** that are being provided. This can be provided be the Applicant, Developer, or CNA provider.
- d. **Tenant audit** for all Developments with existing tenants.

6. Readiness to Proceed

Applicants must document their ability to proceed in a timely manner should they receive an award.

Documentation Requirements:

- a. **Site Control** evidenced by deed, purchase contract, option to purchase, or lease for a term which exceeds the term of affordability and is not revocable by seller. The costs must be identified for the purchase of the property. If purchasing or leasing Land and/or Building(s) from **self or related parties**, must provide a current independent third party **appraisal** of value. The appraisal shall not be older than twelve (12) months.
- b. **Preliminary versions of the floors plans and site plans.**
- c. Documentation indicating proper **zoning** in place at the time of Application with type and authorization date.

7. Certification

Attachment #7-Fair Housing and ADA Certification.

8. Supplemental Information.

Any and all additional information OHFA may require in order to analyze the Development and Application at any stage of its review.

Attachment #1 – Previous Participation Form

Name: _____

List all current and past Developments, regardless of continued involvement, for **Oklahoma**, as well as other States.

Incomplete forms and lack of full disclosure may result in disqualification of the Application.

If this funding source involved, indicate with an X or ✓. _____

Property ID:	Property Name and Address	Total # of Units	LIHTC	HOME	MF Bonds	Principal's Role	Status (Active, Sold, Expired)

Signature of Representative

Make copies as needed.

Attachment #2 – Development Team Member Certificate

Development Name: _____

Team Member Role: Check box/all boxes that apply

Accountant/Tax Professional Architect Attorney Developer

Consultant General Contractor Owner Mgmt. Company

Gen. Partner/Managing Member Co-Developer Co-Mgmt. Company

Other (please specify) _____

The undersigned Development Team Member for the referenced Applicant and Development hereby affirms to Oklahoma Housing Finance Agency and its Trustees that the undersigned has not:

- Been involved in uncured financing defaults, foreclosures, or placement on HUD's list of debarred contractors;
- Had events of material uncorrected noncompliance with any Federal or State assisted housing programs within the prior seven (7) year period;
- Had Appointment of a Receiver or bankruptcy within the prior seven (7) year period;
- Been removed as a general partner/managing member.
- Failed to meet and maintain any material aspect of a Development as represented in an Application;
- Failed to meet and maintain minimum property standards;
- Failed to bring any Development back into compliance after receiving written notice from OHFA's Compliance Staff.
- Failed to comply with OHFA's requests for information or documentation on any Development funded or administered by OHFA;

Intends to participate in the Development proposed by the Application.

By: _____

Printed Name: _____

Company: _____

Tax ID Number: _____

SUBSCRIBED AND SWORN to before me on this the _____ day of, _____
_____ 20____.

NOTARY PUBLIC

(SEAL)

My commission expires: _____

DO NOT MODIFY THIS FORM

Attachment #3 – Identity of Interest Certification

Development Name: _____

OHFA has determined the following constitutes an Identity of Interest:

Identity of Interest between of the parties to this Application and general contractors, subcontractors, materials suppliers, or equipment lessors (hereinafter "Contractors") will be construed as existing under any of the following conditions:

- When there is any financial interest of the Applicant and any other member of the Development Team, management team, or any Contractors.
- When one or more of the officers, directors, stockholders, members, or partners of the Applicant is also an officer, director, stockholder, member, or partner of any other member of the Development Team, management team, or any Contractors.
- When any officer, director, stockholder, member, or partner of the Applicant has any financial interest whatsoever in any other member of the Development Team, management team, or any Contractors.
- When any member of the Development Team, management team, or Contractors advances any funds to the Applicant.
- When any member of the Development Team, management team, or Contractors provides or pays, on behalf of the Applicant, the cost of any materials and/or services including architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by any other member of the Development Team, management team, or Contractor in connection with its obligations under its contract with the Applicant.
- When any member of the Development Team, management team or Contractors takes stock or any interest in the Applicant entity as part of the consideration to be paid him/her.
- When any relationship exists which would give the Applicant or any other member of the Development Team, management team or Contractors Control or influence over the price of the contract or the price paid to any other member of the Development Team, management team or to Contractors.
- When there exists or comes into being any side deals, agreements, contracts or understandings entered into thereby altering, amending, or cancelling any of the management plan/management agreement documents, organization documents or other legal documents pertaining to the property, except as approved by OHFA.

IDENTITY OF INTEREST DISCLOSURE

The following list constitutes a listing of those who have an Identity of Interest to this Application.

Do any of the following have an Identity of Interest in any other party to this Development?

General Partner/Managing Member:

No Yes

Developer:

No Yes

Management Company:

No Yes

Sponsor:

No Yes

Contractor:

No Yes

Sub-contractors:

No Yes

Tax Attorney:

No Yes

CPA:

No Yes

Material Suppliers:

No Yes

Equipment Lessors:

No Yes

Other Service Providers: Please identify: No Yes

Describe relationship, identifying percentage of any Ownership, percentage of materials or services to the Development and all financial matters in the Development.

I, _____ (please print name), hereby Certify that I have read the Identity of Interest statement above and understand what OHFA has determined constitutes an Identity of Interest.

The undersigned _____ (please print) hereby

Certifies that,

- No Identity of Interest relationship exists. OR
 An Identity of Interest relationship exists and hereby disclosed on the following page(s) of this qualification form those entities with which an Identity of Interest relationship exists.

I hereby Certify, under penalty of law, and with knowledge that this information may be verified, that the information submitted is true and accurate.

I further understand that failure to disclose any Identity of Interest to OHFA will also subject me to any administrative remedies available to OHFA. Such remedies may include suspension and debarment from participating in any OHFA programs.

I further understand and agree that I will update this Identity of Interest if my circumstances change, and I agree to provide a new Identity of Interest at any time requested by OHFA.

IN WITNESS THEREOF, I have set my hand this ____ day of _____, _____.

Signature of General Partner/Managing Member (or Principal thereof)

Title of Officer

The Identity of Interest Affidavit was acknowledged before me this _____ day of _____, by _____ known to me to be the person described in and who executed the foregoing instrument and acknowledge that he/she executed the same as his/her free and voluntary act of deed.

Notary Public

My commission Expires: _____

DO NOT MODIFY THIS FORM

Attachment #4 – Program Underwriting Standards

FAILURE TO MEET ANY OF THESE REQUIREMENTS IS A FAILED THRESHOLD ITEM.

If a lender, or other program has more stringent requirements for any of these criteria, those must be satisfied as well OHFA's requirements.

Cost Limits

OHFA encourages a realistic cost limitation for Developments, while encouraging cost efficient production and shall not give preference solely for lowest construction costs. Developments that have high cost may be ineligible for an award. OHFA will use the HOME Program Maximum Per Unit Subsidy. Per Unit Subsidy for the Development will be calculated using a pro rata share per bedroom size.

The ONLY exception to these limits will be for Historic Rehabilitations. Applicants must demonstrate to OHFA's satisfaction that the cost per unit is realistic. OHFA Staff in their best judgment will determine the cost reasonableness. In no case will the cost per unit of a Historic Rehabilitation be allowed to exceed more than fifteen percent (15%) of the current Maximum per Unit Subsidy (or other per Unit Subsidy calculation) in effect at the time of the Application.

OHFA will award only the amount of MF Bonds necessary for financial feasibility of a Development and its viability as a qualified Low-Income Housing Development throughout the extended use period.

Cost per square foot will be considered as part of the feasibility analysis for all Applications. High costs per square foot may result in a failed threshold item, even if maximum per unit limits are not exceeded.

Minimum Rehabilitation Cost per Unit

A minimum rehabilitation investment is required to assure meaningful, rather than simply cosmetic, substantial rehabilitation of properties. A threshold of no less than \$30,000 in hard costs per unit or hard costs of at least twenty percent (20%) of Eligible Basis, whichever is greater.

Developer and Contractor Fee Limitations

These are the maximum amount of fees allowed for costs and Eligible Basis. Round down to avoid overages.

Developer Fees may not exceed **fifteen percent (15%)** of the Eligible Basis (before any boost) of the Qualified Low-Income Building(s), excluding the Developer Fees.

For Acquisition and Rehabilitation, the Developer Fee must be prorated between the acquisition and the rehabilitation based upon the percentage of Eligible Basis represented by each.

Contractor fees may not exceed **sixteen percent (16%)** of the Hard Construction Costs. Contractor fees are further limited as follows:

- a. General requirements shall not exceed **six percent (6%)** of the Hard Construction Costs.
- b. General overhead shall not exceed **two percent (2%)** of the Hard Construction Costs.
- c. Builders profit shall not exceed **eight percent (8%)** of the Hard Construction Costs.

Hard Construction Costs

The following types of activities, but not limited to, earthwork, site work, on-site utilities, roads and walks, concretes, masonry, metals, carpentry (rough and finish), moisture protection, doors/windows/glass, insulation, roofing, sheet metal, drywall, tile work, acoustical, flooring, electrical, plumbing, elevators, blinds and shades, appliances, lawns and planting, fence, cabinets, carpets, heat & ventilation, demolition and off-site. A reasonable construction contingency only can also be included.

No other contingencies are allowed. Adjust the budget accordingly.

Reserves

- Minimum total reserves must equal six (6) months of each:
- Projected operating expenses,
- Debt service payments, and
- Annual replacement reserve payments.

Maximum total reserves cannot equal more than one (1) year of each.

In lieu of such reserves, Developer guarantees or letters of credit may be accepted, taking into account the Developer's demonstrated financial capacity and liquidity, its program record, and the number of other guarantees it has outstanding. The guarantee for reserves only relates to the Development budget, not operating or DCR.

If the Applicant has reserves over the maximum allowed amount Staff will underwrite using the maximum allowed amount. This may reduce the amount of MF Bonds the Applicant is eligible for.

Minimum replacement reserves should equal \$250 per unit annually for new construction and \$300 for substantial rehabilitation Developments. If there

is interest income on reserves it must be clearly defined and separated from other income.

Utilities

Utility allowances are to be calculated by the Applicant. The utility allowance used must be appropriate for the type of unit. These allowances may be derived from only one of following sources: HUD Utility Schedule Model or Energy Consumption Model (both estimates must be approved in advance by OHFA), a local service provider, a local public housing authority, or OHFA's utility charts. They can be found on the OHFA's website, www.ohfa.org, as Appendix B to the AHTC Compliance Manual.

Source Documentation of the utility allowance as well as the calculation must be included in the Application. If the property is receiving project based rental assistance support from HUD, RD, or other source, the Applicant must use the approved allowance. If proposed utility allowances have not been approved by HUD, RD, or other funding source the Applicant must utilize the currently approved utility allowance. For changes in allowances after the Placed-In-Service date, please contact compliance staff.

Rents

Developments often take advantage of multiple types of funding. Applicants are advised that the maximum rents permitted will be based upon the most restrictive rent limits.

If the property is receiving project based rental assistance support from HUD, RD, or other source the Applicant must provide the approved rents and the number of units and bedroom size receiving assistance. The Applicant must use the approved rents. If proposed rents have not been approved by HUD, RD, or other funding source the Applicant must utilize the currently approved rents. Source documentation must be included in the Application.

If the Applicant is claiming "National Non-Metro" rents, appropriate documentation from RD must be provided.

Developments must set aside at least forty percent (40%) of the units for households with incomes of sixty percent (60%) of Area Median Gross Income, or less, or twenty percent (20%) for households with incomes of fifty percent (50%), or less per Treasury (IRS) regulations (Code) as modified from time to time.

Operating Expenses

Some type of maintenance expenses must be shown. Either maintenance salaries or an estimate for the cost of contracting out the work should be included.

Debt Coverage Ratio

Debt service coverage is defined as the ratio of a property's net operating income to debt service obligations. Rental income, any subsidies, and reserve funds should be sufficient to cover the property's debt and operating expenses over the period of Low-Income use. DCR must meet all lender requirements as well. A minimum debt service coverage ratio of 1.15 is required for all debt financing which would foreseeably result in foreclosure if not repaid. The debt coverage ratio must be maintained each year for 15 years.

Projections and Pro-Formas

Applicants are required to express realistic operating expense and vacancy rate projections in pro formas that are indicative of prevailing market conditions. The pro forma provided by OHFA must be provided. A reasonable cash flow must be exhibited throughout the 15 years. No negative cash flow is allowed in any year.

If other income is not increasing at the same rate as income or not increasing at all, then it must be shown separately on pro forma.

Deferred Developer Fee

OHFA does not allow interest to accrue on deferred Developer fees. All Deferred Developer Fees must be repaid through cash flow by the end of year 12. The Eligible Basis will be reduced by any Deferred Developer Fee that has not been removed through cash flow after year 12, could cause a reduction in the amount of MF Bonds a Development is awarded.

Cash Contributions

Actual Cash contributions should be included in the Sources and Uses (Section VI of the Application Form).

Other Tangible non cash contributions

Any other tangible (but not cash) contributions, including discounted materials, fee waivers, etc. should not be included in the Sources and Uses (Section VI of the Application Form).

Attachment #5 – Program Market Study Requirements

A market study prepared by a Person/firm with expertise and demonstrated experience in the preparation of market studies related to residential rental properties must be submitted with the Application. This market study shall be utilized by OHFA to determine whether the Development meets housing needs and demands.

The study cannot have been prepared more than twelve (12) months prior to the date of filing the Application.

Even though a market study may address all of the elements required below, OHFA may reject the market study if it is determined, in OHFA's sole discretion, that the information presented will not enable OHFA to make a decision regarding need and the viability of the proposed Development, or if OHFA determines that a demand and/or need for the Development is not demonstrated.

Applicants are also required to submit an electronic copy of their full Market Study along with their regular Application materials. This electronic version may be in the form of a CD, stick/flash drive, or other electronic storage device. E-mail attachments will not be accepted. (Note that this is in addition to, and not substituted for, the regular hard copy of the study)

The Market Study must provide:

1. A Market Study Summary Page. Form is after this attachment.
2. A map delineating the primary market area (PMA) for the proposed Development. The PMA should be realistic and not too large.
3. A full description of the site accompanied by a photograph of the site. A discussion of the appropriateness of the location.
4. A demographic summary of the market area, including incomes, households, growth trends, economic factors relating to employment, labor force, and community facilities (i.e. parks, schools, etc.).
5. An evaluation of the current affordable housing stock existing in the market area, including an identification of geographical location, occupancy levels, age of stock, upkeep condition, bedroom mix, amenities and rents being charged. Include comparable rental residential Developments in the primary market area.
6. A discussion of any relevant information regarding existing rent overburden statistics. Rent overburdened would be those households paying over 30% of their income for housing. An evaluation of the need for affordable housing within the primary market area. (This criterion is not applicable to rehabs with current occupancy of 90% or more.)

7. A discussion of whether or not the proposed Development, in light of vacancy and absorption rates for the applicable market areas, is likely to result in an increased vacancy rate for comparable units within such market area, (i.e., standard, well-maintained units within such market area that are reserved for occupancy by low and very low Income tenants).
8. Provide a projection of the time necessary for the Development to achieve sustaining occupancy. (This criterion is not applicable to rehabs with current occupancy of 90% or more.)
9. Provide the recommended vacancy rate.
10. Discuss the capture rate for the primary market area. The capture rate is an important component of the market study. Capture rate is defined as, "The percentage of age, size, and Income Qualified Renter Households in the Primary Market Area that the property must capture to achieve the Stabilized Level of Occupancy. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size, and Income Qualified Renter Households in the Primary Market Area." This is the National Council of Affordable Housing Market Analysts (NCHAMA) definition. OHFA requires 1.5 persons per bedroom for determining income and household size. A residential unit is rent-restricted if the gross rent with respect to such unit does not exceed 30 percent of the imputed income limitation applicable to such unit. A 30% affordability factor must be used when calculating the number of Income Qualified Renter Households.
11. An evaluation of whether the projected initial rents for the Development are/are not reasonably affordable by low and very low-Income tenants and within the rental range for the comparable Developments within the market area. Include market advantage/disadvantage analysis.
12. A summary of qualifications for the individuals who participated in the Development of the market study.
13. A signed written statement is required from the preparer of the market study which certifies that the market study is true and correct to the best of the professional's knowledge and belief, and that there is no identity of interest between the professional and the Applicant, Developer, Owner or the entity for whom the report is prepared.

Market Study Summary

To be included at the beginning of the market study.

Development Name: _____

Market Study prepared by: _____

Date of Study: _____

Page # of specific answers requested below. Please do not list a large range of pages.

1. An electronic copy of this Market Study submitted for OHFA. _____
2. A map delineating the primary market area (PMA). _____
3. A photograph of the site. _____
4. A full description of the site. _____
5. Discussion of the appropriateness of the location. _____
6. A demographic summary of the market area, including incomes, households, growth trends, economic factors relating to employment, labor force, and community facilities (i.e. parks, schools, etc.). _____
7. An evaluation of the current affordable housing stock existing in the market area, including an identification of geographical location, occupancy levels, age of stock, upkeep condition, bedroom mix, amenities and rents being charged. _____
8. Include comparable rental residential Developments in the primary market area. _____
9. A discussion of any relevant information regarding existing rent overburden statistics. (Not applicable to rehabs with current occupancy of 90% or more.) _____
10. An evaluation of the need for affordable housing within the primary market area. (Not applicable to rehabs with current occupancy of 90% or more.) _____
11. A discussion of whether or not the proposed Development, in light of vacancy and absorption rates for the applicable market areas, is likely to result in an increased vacancy rate for comparable units within such market area, (i.e., standard, well-maintained units within

such market area that are reserved for occupancy by low and very low Income tenants). _____

12. A projection of the time necessary for the Development to achieve sustaining occupancy. (Not applicable to rehabs with current occupancy of 90% or more.) _____
13. Provide the recommended vacancy rate. _____
14. Discuss the capture rate for the primary market area. A 30% affordability factor must be used when calculating the number of Income Qualified Renter Households. _____
15. An evaluation of whether the projected initial rents for the Development are or are not reasonably affordable by low and very low-Income tenants and within the rental range for the comparable Developments within the market area. Include market advantage/disadvantage analysis. _____
16. A summary of qualifications for the individuals who participated in the Development of the market study. _____
17. A signed written statement is required from the preparer of the market study which certifies that the market study is true and correct to the best of the professional's knowledge and belief, and that there is no identity of interest between the professional and the Applicant, Developer, Owner or the entity for whom the report is prepared. _____

Attachment #6 – Capital Needs Assessment Certification

Development Name: _____

The undersigned hereby certifies:

1. That the proposed improvements plus reserves have a useful life that meets the full term of affordability.
2. That an interview was conducted with either the owner or onsite personnel to assist in determining the historical and current physical condition of the Development.

List the Names and titles of all onsite personnel interviewed

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____

Representative of the Ownership Entity

Date

Printed Name

Individual who performed CNA

Date

Printed Name

DO NOT MODIFY THIS FORM

Attachment #7 – Fair Housing and ADA Certification

Development Name: _____

Team Member Role

_____ Owner _____ Architect _____ General Contractor

Name: _____

The undersigned hereby Certifies the Development will comply with all Fair Housing and Americans with Disabilities Act (ADA) requirements including those dealing with accessibility.

Signature

Printed Name

Title

Date

The Fair Housing and ADA Certification was acknowledged before me this _____ day of _____, _____ by _____ known to me to be the person described in and who executed the foregoing instrument and acknowledge that he/she executed the same as his/her free and voluntary act of deed.

Notary Public

My commission Expires: _____

DO NOT MODIFY THIS FORM