

LINKED DEPOSIT FUND POLICY AND GUIDELINES

I. Purpose:

To incent private sector lenders to invest in economically distressed communities by providing a subsidy mechanism that targets low-income populations.

II. Eligible Applicants:

A. In order to apply to the program an organization must meet all of the following minimum requirements:

1. Prior to the date of application, be incorporated as a private, nonprofit organization with the Secretary of State of the State of Ohio under Chapter 1702 of the Ohio Revised Code for a **minimum of two (2) years**, as evidenced by a Certificate of Good Standing.
2. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986, as evidenced by a 501(c)(3) Certificate from the IRS.
3. Is created and maintained as a community-based organization, and has among its purposes the provision of meeting the needs of a **geographically defined low-and-moderate-income neighborhood**, community or target area, as evidenced by that statement in the Charter or Articles of Incorporation or by-laws, or Board Resolutions.
4. Maintains at least one-third (1/3) of its governing board memberships for residents of low-income neighborhoods, other low-income community residents, or elected representatives, or low-income neighborhood organizations, as evidenced by the organization's by-laws, Charter, or Articles of Incorporation.
5. Show evidence of **financial capacity** (i.e., how the organization raises funds and manages resources to maintain itself as a viable organization).
6. Have a **development focus** as evidenced by the applicant's by-laws, Charter or Articles of Incorporation and experience that indicate the organization's purpose and focus to be specifically related to economic development, housing, commercial revitalization, or energy conservation.
7. On an exception basis, Finance Fund may entertain requests by for-profit and nonprofit developers who go into partnership with an "eligible" applicant. Consideration will be given in cases where the "eligible" applicant is unable to secure financing; however, based on a developer's expertise and creditworthiness is able to assist the "eligible" applicant in developing a project that will benefit a low-income community.

III. General Program Parameters:

- A. All applicants must consult with Finance Fund staff prior to the submission of an application.
- B. Rates and terms of linked deposits will be determined by Finance Fund.
- C. Linked deposits must be placed in existing financial institutions located in Ohio.
- D. Applications for use of a linked deposit in a Low Income Housing Tax Credit (LIHTC) project must show evidence of the award of tax credits for the project.
- E. Applications will be accepted on a continual basis until all available funds have been exhausted.
- F. Non-housing projects must show the economic benefits (in no particular order):
 - 1. jobs for low-income residents
 - 2. revitalization of real estate that is key to further development of the neighborhood/community
 - 3. other evidence of a net gain in the economics of the community
- G. Linked Deposits are made with lending institutions for the benefit of nonprofits, limited partnerships, or other corporations substantially related to the nonprofit applicant.

IV. Eligible Activities:

- A. Eligible project types are housing construction and rehabilitation, commercial revitalization, and economic development. No priority shall be given for eligible project type.
- B. Projects may be nonprofit or for-profit ventures owned in whole or in part by the applicant organization.

V. Ineligible Activities:

- A. Financing rolling stock.