



**AGENDA**  
**CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING**  
**COMMITTEE MEETING**  
**MONDAY, APRIL 15, 2019**  
**CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS**  
**C. ELLEN CONNALLY COUNCIL CHAMBERS – 4<sup>TH</sup> FLOOR**  
**3:30 PM**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**
- 4. APPROVAL OF MINUTES FROM THE APRIL 4, 2019 MEETING**
- 5. MATTERS REFERRED TO COMMITTEE**
  - a) R2019-0099: A Resolution authorizing the issuance of not-to-exceed \$25,000,000.00 Multifamily Housing Mortgage Revenue Bonds, Series 2019 (Hamlet Hills LLC) by the County of Cuyahoga, Ohio, the proceeds of which shall be loaned to Hamlet Hills LLC to (i) refund and retire certain indebtedness incurred to finance the acquisition, renovation, and equipping of a multifamily residential rental housing facility, (ii) finance certain additional capital improvements, (iii) fund certain working capital needs for the hereinafter defined Borrower, (iv) fund interest reserve funds, and (v) pay all or a portion of the costs of issuing such bonds; providing for the pledge of revenues for the payment of such Bonds; authorizing a Loan Agreement and Trust Indenture appropriate for the protection and disposition of such revenues and to further secure such Bonds; authorizing a Tax Regulatory Agreement and a Land Use Restriction Agreement; authorizing other actions in connection with the issuance of such Bonds; rescinding Resolution No. R2018-0217 dated

11/13/2018; and declaring the necessity that this Resolution become immediately effective.

**6. MISCELLANEOUS BUSINESS**

**7. ADJOURNMENT**

*\*Complimentary parking for the public is available in the attached garage at 900 Prospect. A skywalk extends from the garage to provide additional entry to the Council Chambers from the 5th floor parking level of the garage. Please see the Clerk to obtain a complimentary parking pass.*

*\*\*Council Chambers is equipped with a hearing assistance system. If needed, please see the Clerk to obtain a receiver.*



## **MINUTES**

**CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING  
COMMITTEE MEETING  
THURSDAY, APRIL 4, 2019  
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS  
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4<sup>TH</sup> FLOOR  
3:00 PM**

**1. CALL TO ORDER**

**Chairman Schron called the meeting to order at 3:00 p.m.**

**2. ROLL CALL**

**Mr. Schron asked Assistant Deputy Clerk Johnson to call the roll. Committee members Schron, Tuma and Stephens were in attendance and a quorum was determined. Committee member Simon entered the meeting after the roll call was taken. Committee member Baker was absent from the meeting.**

**3. PUBLIC COMMENT**

**There were no public comments given.**

**4. APPROVAL OF MINUTES FROM THE MARCH 4, 2019 MEETING**

**A motion was made by Mr. Schron, seconded by Mr. Tuma and approved by unanimous vote to approve the minutes of the March 4, 2019 meeting.**

**5. MATTERS REFERRED TO COMMITTEE**

- a) R2019-0083: A Resolution authorizing the issuance and sale of County economic development revenue bonds in an aggregate principal amount not-

to-exceed \$39,500,000.00 for the purposes of (i) refunding the outstanding principal amount of the County of Cuyahoga, Ohio Economic Development Revenue Refunding Bonds, Series 2003 (The Cleveland Orchestra Project) in the aggregate original principal amount of \$28,150,000.00, and (ii) paying or reimbursing the costs of constructing, reconstructing, refurbishing, renovating, upgrading, improving and equipping Severance Hall, together with appurtenances and work incidental thereto, and for the purpose of paying any capitalized interest on the bonds and paying the costs of issuance in connection therewith; authorizing the preparation and use of a preliminary official statement and an official statement; approving and authorizing the execution of a trust indenture, a loan agreement, a tax agreement and related documents; authorizing other contracts and other actions related to and necessary for the issuance of the bonds; and declaring the necessity that this Resolution become immediately effective.

**Ms. Sara Parks Jackson, Development Administrator for the Department of Development; Mr. Rich Helm, Partner with Thompson Hine, LLP; and Mr. James Menger, Chief Financial Officer for The Cleveland Orchestra; addressed the Committee regarding Resolution No. R2019-0083. Discussion ensued.**

**Committee members asked questions of Ms. Parks Jackson, Mr. Helm and Mr. Menger pertaining to the item, which they answered accordingly.**

**On a motion by Ms. Simon with a second by Mr. Tuma, Resolution No. R2019-0083 was considered and approved by unanimous vote to be referred to the full Council agenda with a recommendation for passage under second reading suspension of the rules.**

#### 6. MISCELLANEOUS BUSINESS

**There was no miscellaneous business.**

#### 7. ADJOURNMENT

**With no further business to discuss, Chairman Schron adjourned the meeting at 3:19 p.m., without objection.**

# County Council of Cuyahoga County, Ohio

## Resolution No. R2019-0099

Sponsored by: **County Executive Budish/Department of Development**

**A Resolution** authorizing the issuance of not-to-exceed \$25,000,000.00 Multifamily Housing Mortgage Revenue Bonds, Series 2019 (Hamlet Hills LLC) by the County of Cuyahoga, Ohio, the proceeds of which shall be loaned to Hamlet Hills LLC to (i) refund and retire certain indebtedness incurred to finance the acquisition, renovation, and equipping of a multifamily residential rental housing facility, (ii) finance certain additional capital improvements, (iii) fund certain working capital needs for the hereinafter defined Borrower, (iv) fund interest reserve funds, and (v) pay all or a portion of the costs of issuing such bonds; providing for the pledge of revenues for the payment of such Bonds; authorizing a Loan Agreement and Trust Indenture appropriate for the protection and disposition of such revenues and to further secure such Bonds; authorizing a Tax Regulatory Agreement and a Land Use Restriction Agreement; authorizing other actions in connection with the issuance of such Bonds; rescinding Resolution No. R2018-0217 dated 11/13/2018; and declaring the necessity that this Resolution become immediately effective.

WHEREAS, the County of Cuyahoga, Ohio (the “Issuer”), by virtue of the laws of the State of Ohio, including Article VIII, Section 16 of the Constitution of Ohio, and Section 133.51 of the Ohio Revised Code, is authorized and empowered among other things (a) to make a loan to assist in the financing and refinancing of the acquisition, construction, renovation and equipping of housing facilities within the boundaries of the Issuer, (b) to issue and sell its revenue bonds to provide moneys for such loans and (c) to enact this resolution (this “Bond Legislation”) and execute and deliver the agreements and instruments hereinafter identified; and

WHEREAS, this Council (the “Issuing Authority”) has been presented with a proposal by Hamlet Hills LLC, an Ohio limited liability company (the “Borrower”), with

respect to the refinancing of a certain 138-unit multifamily residential rental housing facility located in Chagrin Falls, Ohio (the “Project”); and

WHEREAS, the sole member of the Borrower is Hamlet Operator Holding LLC, an Ohio nonprofit limited liability company, the sole member of Hamlet Operator Holding LLC is AE Hamlet Holding LLC, an Ohio nonprofit limited liability company, and the sole member of AE Hamlet Holding LLC is American Eagle LifeCare Corporation, a Tennessee nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Issuing Authority has determined, based solely upon representations of the Borrower, and does hereby confirm that the refunding and retirement of certain indebtedness previously incurred to finance the acquisition, renovation and equipping of the Project (the “Prior Indebtedness”), the funding of certain capital improvements to the Project, the funding of certain working capital needs of the Borrower, the funding of interest reserve funds, and the paying of all or a portion of the costs of issuing such bonds, will promote the welfare of the people of the Issuer and the State of Ohio, provide residential rental housing to the benefit of the people of the Issuer, and that the Issuer, by assisting with the financing of the Project through the issuance of revenue bonds in the aggregate principal amount not to exceed \$25,000,000 to be designated Multifamily Housing Mortgage Revenue Bonds, Series 2019 (Hamlet Hills LLC), or such other designation as provided in the hereinafter defined Indenture, consisting of Multifamily Housing Mortgage Revenue Bonds, Tax-Exempt Series 2019A, Multifamily Housing Mortgage Revenue Bonds, Taxable Series 2019B (collectively, the “Bonds”), will be acting in the manner consistent with and in furtherance of the provisions of Article VIII, Section 16 of the Constitution of the State of Ohio, and the laws of the State of Ohio, particularly Section 133.51 of the Ohio Revised Code (the “Act”); and

WHEREAS, the Issuing Authority expects to sell all of the Bonds to First Midwest Bank, or an affiliate thereof (the “Initial Purchaser”), pursuant to the Indenture; and

WHEREAS, proposed forms of the following documents have been presented to the Issuer for approval in connection with the issuance, sale, and delivery of the Bonds:

1. Trust Indenture (the “Indenture”) between the Issuer and UMB Bank, N.A. and its successors in trust, as trustee (the “Trustee”), with respect to the proposed Bonds, including the proposed form of the Bonds;
2. Loan Agreement (the “Loan Agreement”) between the Issuer and the Borrower, with respect to the Bonds;
3. Tax Regulatory Agreement and No-Arbitrage Certificate (the “Tax Regulatory Agreement”) among the Issuer, the Borrower, American Eagle LifeCare Corporation, Hamlet Operator Holding LLC, AE Hamlet Holding LLC and the Trustee; and

4. Land Use Restriction Agreement (the “Land Use Restriction Agreement”) among the Issuer, the Borrower, American Eagle LifeCare Corporation and the Trustee.

WHEREAS, in accordance with the applicable provisions of the Act, the Issuer proposes to enter into the Indenture, the Loan Agreement, the Tax Regulatory Agreement, and the Land Use Restriction Agreement (collectively, the “Issuer Documents”);

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:**

**SECTION 1. Definitions.** All defined terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Indenture.

Any reference herein to the Issuer or the Issuing Authority, or to any officers or members thereof, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms “hereof,” “hereby,” “hereto,” “hereunder,” and similar terms, mean this Bond Legislation.

**SECTION 2. Determination of Issuer.** Pursuant to Section 133.51 of the Act, this Issuing Authority hereby finds and determines, based solely upon representations of the Borrower and the advice of Bond Counsel, that the Project to be refinanced with the proceeds of the Bonds through the refunding and retirement of the Prior Indebtedness, the financing of certain capital improvements to the Project and the funding of certain working capital needs of the Borrower is consistent with the provisions of Section 16 of Article VIII, Ohio Constitution.

**SECTION 3. Authorization of Bonds.** It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided herein and pursuant to the authority of the Act, the Bonds for the purpose of (i) refunding and retiring the Prior Indebtedness which financed the acquisition, renovation and equipping of the Project, (ii) financing the acquisition, construction, renovation and equipping of certain capital improvements to the Project, (iii) funding certain working capital needs of the Borrower, (iv) funding interest reserve funds, and (v) paying all or a portion of the costs of issuing the Bonds, all in accordance with the provisions of the Loan Agreement. The maximum amount of all Bonds to be outstanding at any one time is not to exceed \$25,000,000.

**SECTION 4. Terms and Execution of the Bonds.** The Bonds shall be designated, shall be issued in the forms and denominations, shall be numbered, dated and payable as provided in the Indenture. The Bonds shall mature as provided in the Indenture, and have such terms, bear such interest, and be subject to mandatory and optional redemption as provided in the Indenture. The Bonds shall initially bear interest

at a variable rate at a weighted average interest rate not to exceed 7.00% per annum (subject to the Maximum Rate as defined in the Indenture) and shall mature over a period not to exceed 38 years. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the County Executive or designee and, if determined by the Issuer to be appropriate, the Fiscal Officer of the Issuer. In case any officer whose signature or a facsimile thereof shall appear on the Bonds shall cease to be such officer before the issuance or delivery of the Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until after that time.

The form of the Bonds submitted to the Issuer, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture, is hereby approved, and when the same shall be executed on behalf of the Issuer by the appropriate officers thereof in the manner contemplated hereby and by the Indenture, in aggregate principal amounts not to exceed \$25,000,000, shall represent the approved form of Bonds of the Issuer.

The Bonds initially shall be issued only in fully registered form as described in the Indenture.

**SECTION 5. Sale of the Bonds.** In accordance with a request of the Borrower that the sale of the Bonds be made privately upon a negotiated basis, the Bonds are hereby awarded to the Initial Purchaser at the purchase price set forth, and on the terms and conditions described in, the Indenture. The County Executive, the Fiscal Officer, the Director of Law or the Clerk of the Issuing Authority each are hereby separately authorized and directed to make on behalf of the Issuer the necessary arrangements to establish the dates, location, procedures and conditions for the delivery of the Bonds to or at the order of the Initial Purchaser and to take all steps necessary to effect due execution and delivery to or at the order of the Initial Purchaser (or temporary bonds delivered in lieu of definitive Bonds until their preparation and delivery can be effectuated) under the terms of this Bond Legislation, the Loan Agreement and the Indenture. It is hereby determined that the prices for and the terms of the Bonds, and the sale thereof, all as provided in the aforesaid documents, are in compliance with all legal requirements.

**SECTION 6. Arbitrage Provisions.** The Issuer covenants in the Loan Agreement that it will require the Borrower to restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the times the Bonds are delivered to the Initial Purchaser so that they will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Fiscal Officer or any other officer having responsibility with respect to the issuance of the Bonds, is authorized and directed, alone or in conjunction with any other officer, employee, consultant or agent of the Issuer, to deliver certificates prepared by Bond Counsel and approved by the Issuer's counsel, based upon representations of the Borrower, as provided in such certificates, for inclusion in the transcripts of proceedings for the Bonds, setting forth the facts, estimates and



circumstances and reasonable expectations pertaining to said Section 148 and regulations thereunder, all as of the date of delivery of and payment for the Bonds.

**SECTION 7. Authorization of Issuer Documents and All Other Documents to be Executed by the Issuer.** In order to better secure the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable, the County Executive is authorized and directed to execute, acknowledge and deliver in the name and on behalf of the Issuer, the Issuer Documents in substantially the forms submitted to the Issuer, which are hereby approved, with such changes therein not inconsistent with this Bond Legislation and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officer executing the same on behalf of the Issuer. The approval of such changes by said officer, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of such Issuer Documents by such officer.

The Issuer has not confirmed, and assumes no responsibility for the accuracy, sufficiency or fairness of any statements in any reports, financial information, disclosure documents or other information relating to the Bonds, the Initial Purchaser, the Project or the Borrower, or any other documents, or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrower.

The County Executive, the Fiscal Officer, the Director of Law, the Clerk of the County Council and/or their respective designees are each hereby separately authorized to take any and all actions and to execute such financing statements, assignments, certificates and other instruments that may be necessary or appropriate in the opinion of Dinsmore & Shohl LLP, as Bond Counsel, in order to effect the issuance of the Bonds and the intent of this Bond Legislation. The Clerk of the Issuing Authority, or other appropriate officer of the Issuer, shall certify a true transcript of all proceedings had with respect to the issuance of the Bonds along with such information from the records of the Issuer as is necessary to determine the regularity and validity of the issuance of the Bonds. The Fiscal Officer or other appropriate officer of the Issuer is authorized to collect and receive, on behalf of the Issuer, application, administrative and related fees in connection with the issuance of the Bonds.

**SECTION 8. Covenants of Issuer.** In addition to other covenants of the Issuer in this Bond Legislation, the Issuer further covenants and agrees as follows:

(a) **Payment of Principal, Premium and Interest.** The Issuer will, solely from the sources herein or in the Indenture provided, pay or cause to be paid the principal of, premium, if any, and interest on each and all Bonds on the dates, at the places and in the manner provided herein, in the Indenture and in the Bonds.

(b) **Performance of Covenants, Authority and Actions.** The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Bonds and the Issuer Documents, and in all proceedings of the Issuer pertaining to the Bonds. The Issuer warrants and covenants that

it is, and upon delivery of the Bonds will be, duly authorized by the laws of the State of Ohio, including particularly and without limitation the Act, to issue the Bonds and to execute the related Issuer Documents and all other documents to be executed by it, to provide for the security for payment of the principal of, premium, if any, and interest on the Bonds in the manner and to the extent herein and in the Indenture set forth; that all actions on its part for the issuance of the Bonds and execution and delivery of the Issuer Documents and all other documents to be executed by it in connection with the issuance of the Bonds, have been or will be duly and effectively taken; and that the Bonds will be valid and enforceable special obligations of the Issuer according to the terms thereof. Each provision of the Bond Legislation, the Issuer Documents and each Bond, and all other documents to be executed by the Issuer in connection with the issuance of the Bonds, is binding upon each officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision; and each duty of the Issuer and of its officers and employees undertaken pursuant to such proceedings for the Bonds is established as a duty of the Issuer and of each such officer and employee having authority to perform such duty, specifically enjoined by law and resulting from an office, trust or station within the meaning of Section 2731.01 of the Ohio Revised Code, providing for enforcement by writ of mandamus.

**SECTION 9. No Personal Liability.** No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Bond Legislation, or in any Bond, or in the Issuer Documents, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to any holder of any Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any of the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Issuer or any receiver thereof, or for or to the owner or any holder of any Bond, or otherwise, of any sum that may remain due and unpaid upon any Bond, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the Issuer Documents and the issuance of the Bonds.

**SECTION 10. No Debt or Tax Pledge.** Neither the Bonds nor any of the Issuer Documents constitute an indebtedness or pledge of the faith and credit or taxing powers of the Issuer within the meaning of the Constitution of the State of Ohio. The Bonds shall be payable solely from the revenues and security interests pledged for their payment as provided in the Indenture, and neither moneys raised by taxation nor any other general or special revenues of the Issuer shall be obligated or pledged for the payment of principal of, premium (if any) or interest on the Bonds, and each Bond shall contain on the face thereof a statement to that effect and to the effect that the Bonds shall be paid solely from the revenues received by the Issuer pursuant to the Loan Agreement and in accordance with the Indenture.

**SECTION 11. Severability.** If any section, paragraph or provision of this Bond Legislation shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Bond Legislation.

**SECTION 12. Sunshine Law.** This Issuing Authority hereby finds and determines that all formal actions relative to the adoption of this Bond Legislation were taken in open meetings of this Issuing Authority, and that all deliberations of this Issuing Authority and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22, Ohio Revised Code.

**SECTION 13. Retention of Counsel.** This Issuing Authority hereby retains the legal services of Dinsmore & Shohl LLP as Bond Counsel to the Issuer and Tucker Ellis LLP as special counsel to the Issuer, each in connection with the authorization, sale, issuance and delivery of the Bonds, pursuant to the authority in Ohio Revised Code Section 133.51; provided, that any fees and charges of such firms for the provision of such services shall be payable solely from the proceeds of the Bonds or funds otherwise made available by the Borrower, and the Issuer shall not have any responsibility for the payment of any of those fees and charges. In providing those legal services, as independent contractors and in attorney-client relationships, such counsel shall not exercise any administrative discretion on behalf of the Issuer in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, or of the Issuer, or of any other political subdivision of the State, or the execution of public trusts.

**SECTION 14. Repeal of Prior Bond Legislation.** This Issuing Authority has previously adopted Resolution No. R2018-0217, adopted November 13, 2018, authorizing the issuance of revenue bonds of the Issuing Authority for the benefit of the Borrower (the "Prior Bond Legislation"). The Prior Bond Legislation is hereby repealed in its entirety.

**SECTION 15. Effective Date.** It is necessary that this Bond Legislation become immediately effective for the usual daily operation of the Issuer; the preservation of public peace, health, or safety in the Issuer; and any additional reasons set forth in the preamble. Provided that this Bond Legislation receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (i) its approval by the County Executive through signature, (ii) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Charter, or (iii) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

On a motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was duly adopted.

Yeas:

Nays:

\_\_\_\_\_  
County Council President

\_\_\_\_\_  
Date

\_\_\_\_\_  
County Executive

\_\_\_\_\_  
Date

\_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
Date

First Reading/Referred to Committee: April 9, 2019

Committee(s) Assigned: Economic Development & Planning

Bond Counsel: Dinsmore & Shohl LLP

Journal \_\_\_\_\_  
\_\_\_\_\_, 2019

Dinsmore and Shohl, LLP on behalf of **Hamlet Hills, LLC** has requested Cuyahoga County to issue one or more tax-exempt series of County of Cuyahoga, Ohio Multifamily Housing Revenue Refunding Bonds, Series 2019 (Hamlet Hills LLC) (the “Series 2019 Bonds”), in the maximum aggregate principal amount of \$25,000,000, pursuant to Article VIII, Section 16 of the Ohio Constitution and Section 133.51 of the Ohio Revised Code (collectively, the “Act”).

**The Hamlet Hills transaction approved in 2018 (r2018-0217) did not end up closing. That deal was structured as a public offering with an underwriter and, for varying reasons, just did not move forward. However, the transaction is being revived as a private placement transaction with a bank out of Chicago, First Midwest Bank. This means that the existing approval from the County Council will need to be revised and re-approved for the private placement structure,**

Municipal Bonds may be issued for governmental purposes and certain non-governmental purposes by governments or government authorities. Subject to general requirements, the interest on governmental purpose bonds is tax-exempt pursuant to Section 103(a) of the Internal Revenue Code (the Code). The interest on certain non-governmental bonds, also sometimes called “conduit bonds” or “private activity bonds,” can also be tax-exempt if certain federal tax requirements and state law requirements are satisfied.

**No Issuer Liability**- The issuing government’s credit and debt limitation are not affected by the issuance of private activity bonds, as the bonds issued are in the name of the County but **are not backed or secured** by its taxing authority or any other public revenue source.

The proceeds of private activity bonds are provided by the underwriter or purchaser and are loaned by the conduit issuer through the bond trustee to the borrower and used by the borrower for nongovernmental purposes. Bonds are issued to qualified private or non-profit organizations with a stated public benefit. Bonds are either sold publicly or privately placed.

The proceeds of the Series 2019 Bonds will be loaned by the Issuer to Hamlet Hills LLC, an Ohio limited liability company and an organization described under Section 501(c)(3) of the Internal Revenue Code (the “Borrower”), in order to (a) refund and retire certain indebtedness incurred by the Borrower to acquire the **136**-unit senior independent living complex known as Hamlet at Chagrin Falls located at **200 Hamlet Hills Drive, Chagrin Falls, Ohio 44022**, (b) fund a debt service reserve for the payment of principal and interest on the Series 2019 Bonds, and (c) pay certain expenses incurred in connection with the issuance of the Series 2019 Bonds, all as permitted by the Act. The borrower will be required to maintain 20% of the units (26) as affordable to those whose income does not exceed 50% of the area median income.

Hamlet at Chagrin Falls is a full-service rental, senior community which includes not only the aforementioned independent living units, but also includes assisted living units and a nursing home facility all located on the same campus.