

**STATE OF OREGON  
HOUSING AND COMMUNITY SERVICES DEPARTMENT**

**MULTIPLE AWARD OPPORTUNITY**

**NOTICE OF FUNDING AVAILABILITY (NOFA) #3071**

**Affordable Housing Projects with 9% Low Income Housing Tax Credits (LIHTC)**

NOFA Issued Date: **June 21, 2013**

Application Due Date: **August 23, 2013**

Application Due Time: **4:00 PM PST**

**Version 5.7**



725 Summer St NE Suite B, Salem, OR 97301-1266  
(503) 986-2000 FAX (503) 986-2002 TTY (503) 986-2100

[www.oregon.gov/ohcs](http://www.oregon.gov/ohcs)



## TABLE OF CONTENTS

### 1.0 INTRODUCTION

- 1.1 Purposes
- 1.2 Funding Sources
- 1.3 Definitions
- 1.4 Application Parameters
- 1.5 Minimum Project Qualifications
  - A. Serves a Geographic Priority
  - B. Leverages Significant Other funds
  - C. Preserves Federal Rent Subsidies
  - D. Meets Multiple Public Priorities
- 1.6 Regions, Needs, and Allocations
- 1.7 Reservation Process
  - A. Application Ranking
  - B. Tie Breaking Rule
  - C. Reissuing Returned Reservation
  - D. Re-evaluation of Reservation

### 2.0 APPLICATION REQUIREMENTS

- 2.1 Application Submission
- 2.2 Application Checklist
- 2.3 NOFA Questions

### 3.0 EVALUATION CRITERIA

- 3.1 Application Pass/Fail Review
- 3.2 Project Qualification Worksheet Review
- 3.3 Minimum Threshold Qualifications
  - A. Asset Management Compliance Review
  - B. Program Compliance Review
  - C. Resident Services Review
  - D. Readiness to Proceed
  - E. Financial Feasibility
  - F. Development Team Capacity
  - G. Ownership Integrity
- 3.4 Competitive Scoring
  - A. Need for Project
  - B. Impact of Project

### 4.0 APPLICATION EVALUATIONS

- 4.1 Evaluation Process
- 4.2 Evaluation Criteria
- 4.3 Notice of Intent to Issue Reservation Letter

## 5.0 GENERAL NOFA TERMS

### ATTACHMENTS:

- Attachment 1: NOFA Cover Sheet
- Attachment 2: Owner/Board of Director's Authorization and Acceptance Form
- Attachment 3: Organizational Documents
- Attachment 4: Application and Charge Transmittal Form and Payment
- Attachment 5: Minimum Project Qualification Worksheet
- Attachment 6: Complete NOFA Application with Required Exhibits

## **1.0 INTRODUCTION**

### **1.1 Purpose**

The State of Oregon, acting by and through its Housing and Community Services Department (Department), is seeking Applications on a regional basis in this Notice of Funding Availability (NOFA) with respect to Affordable Housing Projects (Projects) whose development, *inter alia*, will require 9% Low Income Housing Tax Credits (LIHTC) in order to serve qualifying low income populations.

All entities submitting Applications responsive to this NOFA are herein referred to as Applicant(s). Applicants, if any, that the Department determines to provide a reservation of Funding (Reservation) pursuant to this NOFA will be designated as Grantee in the conditional commitments (Reservation Letter) issued to them by the Department. All Reservations are conditional in nature, contingent upon the terms upon which they are made, the continuing availability to the Department of the described funds or tax credits (collectively or individually without distinction Funds), the continuing authority of the Department to disburse or allocate such Funds, and the successful negotiation, execution, and recording (if required) of relevant documents in a manner satisfactory to the Department at its sole discretion.

### **1.2 Funding Sources**

Funds for this NOFA may derive from federal, state, or other funds or tax credits, which may include:

9% Low Income Housing Tax Credits (LIHTC);  
Home Investment Partnership Program (HOME) funds;  
General Housing Account Program (GHAP) funds;  
Oregon Affordable Housing Tax Credits (OAHTC);  
HELP Program Financing Adjustment Factor Savings (FAFS) funds; and  
Low Income Weatherization Program (LIWP) funds.

The above-described funding sources are subject to their respective set of standards (Programs) and all Program requirements for funding (Program Requirements) relevant to an Application must be satisfied by that Applicant to qualify for such funding.

### **1.3 Application Parameters**

- A. Applicants must identify the region in which the Project is to be located and the amount of requested Funds in each category.
- B. Applications consisting of multiple sites in different counties that cross between Geographic Regions will be evaluated in and funded from the Geographic Region where the greatest numbers of units are sited.
- C. Applicants may only apply for one phase of a multi-phase Project in each funding cycle of this NOFA.

### **1.4 Definitions**

In addition to terms defined elsewhere in this NOFA, the following words and phrases have the meanings indicated below:

“Allocations” are the amounts of specific Funds available in each funding cycle for each Region or statewide pools.

“Impact of Project” is a competitive scoring category that identifies and measures the potential social, economic and financial benefits that a particular Project will provide to its community for the purpose of selecting the highest benefit Projects for Reservations.

“Need for Project” is a competitive scoring category that identifies and measures the severity degree of need for a particular Project in its community for the purpose of selecting the highest need Projects for Reservations.

“Need” is the level of demand for affordable housing in a given Region, county or city based on low income population, rent burden, funding history and affordable housing inventory that is identified and measured for the purpose of allocating Funds.

“Geographic Regions” are areas of the state that are grouped by contiguous counties for the purpose of identifying needs and allocating Funds to Projects through the Department’s NOFA process. The boundaries are similar to the state Regional Solutions Centers (“RSCs”). The “Geographic Regions” are further identified herein by county as:

- **Central Oregon** (Crook, Deschutes, Hood River, Jefferson, Klamath, Lake, Sherman, and Wasco Counties);
- **Eastern Oregon** (Baker, Gilliam, Grant, Harney, Malheur, Morrow, Umatilla, Union, Wallowa, and Wheeler Counties);
- **Metro Oregon** (Clackamas, Multnomah, and Washington Counties);
- **Southern Oregon** (Coos, Curry, Douglas, Jackson, and Josephine Counties); and
- **Valley/North Coast** (Benton, Clatsop, Columbia, Lane, Linn, Lincoln, Marion, Polk, Yamhill and Tillamook Counties)

“Underserved Region” is a Region, county or city whose affordable housing needs are identified as underfunded relative to its historical distribution of funds and affordable housing needs.

**1.5 Minimum Project Qualifications**

In addition to Application Requirements hereinafter described, in order to submit a qualifying Application for a Reservation of Funds, **the request for Funds in the Application shall not exceed the Allocation of available Funds** for the Region in which the Project is located and the Project must meet **one of these four** conditions:

**A. Serves a Geographic Priority Region:** The Project is in an Underserved Region.

Is the Project for which Funds are requested located within one of the identified 2013 Underserved Regions noted below?

<b>Regional Solutions Center</b>	<b>County/City</b>
Central Oregon	Crook County
Central Oregon	Deschutes County
Central Oregon	Klamath County
Central Oregon	Lake County
Central Oregon	Sherman County
Eastern Oregon	Baker County
Metro (PJ)	Clackamas County
Metro (PJ)	Washington County

Southern Oregon	Coos County
Southern Oregon	Jackson County
Southern Oregon	Josephine County
Valley/North Coast	Benton County
Valley/North Coast	Clatsop County
Valley/North Coast	Columbia County
Valley/North Coast	Lane County
Valley/North Coast	Linn County
Valley/North Coast	Marion County
Valley/North Coast	Polk County

**B. Leverages Significant Other Funds.**

The Application demonstrates a significant investment from local, state, or federal entities, in addition to the Department funding sources requested in the Application. The judgment as to whether or not such investment is “significant” will be made by the Department considering factors that may include, but are not limited to: (i) the amount of other funding received compared to what the entity has to offer; (ii) the amount of such funding relative to the amount of requested funds; (iii) the amount of such funding relative to total funding costs of the project; (iv) the amount of such funding relative to funding in other Applications within the same Geographic Region; and (v) the contribution of such investment to the sustainability of the Project for its intended affordability period.

Investment may take a form, including but not limited to: (i) land donation; (ii) cash grant or loan; (iii) property tax exemption; (iv) system development charge waivers; (v) U.S. Department of Housing and Urban Development (“HUD”), U.S. Department of Rural Development (“RD”), Veterans Administration (“VA”) Rental Assistance Contracts (RAC) or Project-Based Rental Assistance (PBRA) vouchers; and (vi) investment or other tangible financial contribution from a local, State or federal governmental entity.

Will this Project receive one or more form of significant non-Department governmental investment?

**C. Preserves Federal Rent Subsidies**

The Project has a federal PBRA that meets the following criteria:

- i. There must be an existing “at risk” PBRA contract for the Project that will be preserved or renewed.
- ii. At least 25 percent of the units in the Project must be subject to the PBRA contract.

Does the Project meet both criteria?

**D. Meets Multiple Public Priorities**

The Project demonstrates a meaningful public priority as indicated by meeting multiple local, RSC, State, the Department, or legislative goals.

Is there a local, State Department or legislative effort that has identified this Project as a public priority?

Failure of the Applicant to satisfy at least one of the minimum project qualifications will result in disqualification. **Please attach the Project Qualification Worksheet, see Attachment 3.**

## 1.6 Regions, Needs and Allocations

**Regions:** In 2012/2013, through a process of focused outreach and statistical analysis, the Department reviewed the need for additional Projects throughout the State of Oregon. Through this process, the Department identified the needs of the five Geographic Regions.

### Identification of Regional Needs and Underserved Regions:

In order to allocate funds commensurate with need around the State, the Department evaluated:

- i. The number of renter households in each county earning 60% or less than the county median family income.
- ii. The number of extreme rent burdened households in each county with a rent burden of 50% or more total household income.

The results were summarized by Geographic Region and weighted evenly when determining the percent of the State's need. The percentage of the state's LIHTC allocation targeted to each Region in the Notice of Funding Availability is based on the Region's percentage of need.

Special adjustments may be made to each Notice of Funding Availability to establish an allocation floor by Geographic Region to promote adequate resources for at least one project in each Region.

**Region-by-Region Funding Allocations:** Based on the findings, the Department has allocated the following amounts for this NOFA:

Programs	Central	Eastern	Metro	Southern	Valley/ N. Coast	Totals
9% LIHTC*	\$ 523,600 6.80% \$ 870,000 Floor	\$ 284,900 3.70% \$ 870,000 Floor	\$ 3,472,700 45.10%	\$ 954,800 12.40%	\$2,464,000 32.00%	\$8,631,500
HOME**						\$1,156,275
GHAP***						\$2,000,000
OAHTC****						\$15,000,000
HELP						\$150,000
LIWP						\$1,000,000
<b>TOTAL</b>						

\* In order to assure enough tax credits for a minimum one project in each Region, a Floor of \$870,000 has been allocated to the Central and Eastern Regions. There is also an LIHTC Program set-aside for qualified non-profits that is 10% of the total tax credits or \$863,150/

\*\* These Funds can only be utilized within the designated HOME Regions of the State's HOME Program. The following Participating Jurisdictions maintain their own HOME Program and are not eligible for funding: Clackamas County, Washington County, City of Beaverton, City of Portland, City of Gresham, City of Corvallis, City of Eugene, City of Springfield, City of Salem/Keizer and Multnomah County.

In accordance with Federal Regulation, 15% of HOME funding must be awarded to state Certified Community Housing Development Organizations (CHDOs) that meet specific requirements for development capacity. The approximate amount of 2013 funding for CHDOs is \$305,524.

\*\*\* There is a cap of \$200,000 per Project for GHAP funds when combined with 9% LIHTCs.

\*\*\* \*There is a \$1.8 MM per Project cap for OAHTCs for purposes of this NOFA.

## 1.7 Reservation Process

**A. Application Ranking Process:** Funds are reserved on a competitive basis to Projects of qualifying Applicants that first, pass the Application Review; second, meet the minimum project qualifications; third, meet the minimum threshold requirements; and fourth, score and rank the highest in overall scoring.

Applications are first ranked by Geographic Region. Applications with the highest overall scoring within each Geographic Region will be given a Reservation Commitment for LIHTC's and other related department funding until the balance of available LIHTCs or other Department funding sources are insufficient to support any other Applications within the Geographic Region.

If there are remaining LIHTCs in any of the Geographic Regions, the remaining LIHTCs will be pooled, along with any remaining Department funding sources, for further consideration of unfunded Applications. Applications will then be ranked by overall score and additional reservations may be issued until the balance of available LIHTCs or other Department funding sources are insufficient to support any other Applications. In the event of a tie throughout the ranking process, Tie Breaking Rules will be applied.

If LIHTCs and/or other Department funding sources remain after the all Reservation processes are complete, the Department may choose, at its sole discretion to not make a reservation commitment of any resources or part of any remaining resources, or it may decide to allocate remaining resources to the HOME NOFA to fully fund additional Projects.

- B. Tie Breaking Rule:** If the total evaluation scores of two or more Applications result in a tie and LIHTC availability is insufficient to fund all tied Applications, the following scores, in order of priority, will break the tie:
- Priority 1: Projects that score the highest in Impact of Project.
  - Priority 2: Projects that score the highest in Need for Project.
- C. Reissuing Returned Reservations:** In the event an Application being considered for an LIHTC Reservation or final release of funding is withdrawn, is cancelled, or was not originally allocated during the funding cycle, the Department, at its sole discretion, may do any of the following:
1. If needed and available, fill Project gaps for previously funded projects that have not met Carryover;
  2. Fund the next highest ranking Application from the current funding cycle that matches or is closest to the amount of LIHTCs and other Department funding sources available. The Applicant will be given 30 days to reevaluate the financial feasibility and determine whether or not the proposed Project can move forward. Once the Department has published the Application Rankings, such rankings will be used to reserve LIHTCs during the annual funding cycle until a subsequent 9% LIHTC NOFA has been published; or
  3. The Department may issue a Request for Proposals, or special application process for Projects to compete for the unused LIHTCs.

The Department will endeavor to maintain the desired funding split between Geographic Regions.

Applications will remain eligible for the funding cycle for which they applied for LIHTCs only if:

- The Applicant has not applied as a 4% non-competitive LIHTC project and received a reservation of non-competitive LIHTCs
- If a funded Project cannot meet Carryover requirements, or becomes ineligible for the LIHTC for any other reason, the next highest ranking and eligible Project will be notified. Other Department funding sources for possible replacement Projects may also be reserved based upon any availability.

**D. Re-Evaluation of Reservation:** The following events will result in a re-evaluation of a previously issued Reservation:

- a. Failure to close within 240 days of the Reservation.
- b. A material adverse change so that the Project or Applicant no longer meets the Minimum Qualification Threshold or any of the competitively scored criteria.
- c. The proposed Project will not be placed in service by the date mutually agreed upon.
- d. Other causes at the Department's discretion.

In the event of a re-evaluation of Reservation, the Department, at its sole discretion, may do any of the following:

- Revoke or modify the Reservation.
- Approve requested changes to the original Application as proposed.
- Take no action.

## **2.0 APPLICATION REQUIREMENTS**

**2.1 Application Submission:** Applications must be submitted no later than:

### **APPLICATION DUE DATE AND TIME:**

**August 23 2013, by 4:00 PM PST**

### **DELIVERY ADDRESS:**

**Oregon Housing and Community Services  
Attn: Diana Koppes  
725 Summer Street NE, Suite B  
Salem, OR 97301**

**Applications must be received and date and time stamped by the Department receptionist no later than the Application closing date and time. Applications must be delivered in a sealed envelope that clearly identifies the NOFA number, the Applicant's name, the name of the contact person for the Applicant, the Department name and address, and the Application closing date and time. Mis-deliveries and late submittals will not be accepted or considered. Post-marked dated Applications will not be considered. Only Applications actually received by the Department by the Application closing date and time specified herein will be processed.**

Faxed, electronically transmitted, late or incomplete Applications will not be accepted or reviewed. All Applications and any accompanying documentation become the property of the Department, subject to Oregon Public Records Law, and will not be returned. Application Charges will not be refunded.

All costs associated with Applicant's submission of its Application are the sole responsibility of the Applicant and will not be borne by the State of Oregon.

The Department is not responsible for any errors or omissions resulting from the Applicant obtaining the NOFA electronically. The official version of the NOFA is the one held at the Department.

Those Applications that are incomplete or that do not meet all requirements of the NOFA will be deemed by the Department as "non-responsive" and rejected. Applications considered complete or "responsive" by the Department will be evaluated to determine if they comply with the administrative and technical requirements of the NOFA. If the Application is unclear, the Applicant(s) may be asked to provide written clarification to assist Department in determining the issue of the Application's responsiveness.

## **2.2 Application Checklist**

Applicants may use this section of minimum requirements as a checklist to ensure the Application is complete:

### **[ ] NOFA Application Cover Sheet: See Attachment 1**

The Application must include a completed and signed NOFA Application Cover Sheet

### **[ ] Owner/Board of Director's Authorization and Acceptance Form: See Attachment 2**

Applicant must complete and sign the attached Form.

### **[ ] Organizational Documents: Include as Attachment 3**

The Applicant must provide evidence of authority to submit the Application, including:

1. Certified copy of the official organizational document, such as, (for a corporation) Certificate of Incorporation, (for a limited liability company) Articles of Organization, (for a limited partnership) Certificate of Limited Partnership; and
2. Copy of other organizational documents, such as, by-laws, operating agreement, or partnership agreement, certified by an authorized official of Applicant as being true and complete.

### **[ ] Application and Charge Transmittal and Check: See Attachment 4**

The Applicant must fill out the attached Application and Charge Transmittal and pay the required amount by check.

### **[ ] Minimum Project Qualification Worksheet: See Attachment 5**

The Applicant must completely fill out the attached form and be sure to identify one of the four minimum project qualifications that make them eligible to apply for this funding round.

### **[ ] Complete NOFA Application with Required Exhibits: Include as Attachment 6**

The Application and all its required exhibits, forms and addenda should be organized as detailed in the Application Instructions and Application submittal Checklist provided by the Department with directions on

how to fill out the Application. The number of exhibits, forms and addendum will vary depending on the mix of Program funding requested by the Applicant.

The Competitive Scoring Narrative shall be limited to 10 single-sided pages, using 12 point font and 1" margins. This 10-page limit does not include required exhibits, forms, or special addenda with respect to particular Program Requirements.

Applicant must submit one (1) original signed Application and five (5) copies, each including all attachments.

### **2.3 NOFA Questions**

All inquiries relating to the NOFA process, administration, deadline or reservation, or to the substantive technical portions of the NOFA, must be directed to the individual listed below:

**Oregon Housing and Community Services**

**Attn: Diana Koppes**

**725 Summer Street NE, Suite B**

**Salem, OR 97301**

**Fax: 503-986-2020**

**Email: [OHCS.Contracts@state.or.us](mailto:OHCS.Contracts@state.or.us)**

All questions regarding the intent of the NOFA must be submitted in writing (by mail, fax, or e-mail). When appropriate, revisions, substitutions, or clarifications shall be issued as addenda to this NOFA. Changes or modifications to the NOFA requirements will **ONLY** be recognized if in the form of written addenda issued by the Department. The Department shall provide copies of any addenda to all known NOFA recipients as well as post the addenda at [www.oregon.gov/OHCS](http://www.oregon.gov/OHCS).

### **3.0 EVALUATION CRITERIA**

After passing Application Review for timeliness and completeness, a Threshold Review Team will evaluate each Application. The Applicants must pass each criterion below to proceed to the next level of review. If at any point between the criteria listed in sections 3.1 through 3.3 an Application fails, the Application will be deemed nonresponsive and will not be reviewed further.

**The Department may employ, but is not limited to, the following selection criteria upon which to base its decisions:**

#### **3.1 Application Pass/Fail Review**

Each Application will be reviewed for timeliness and completeness of the NOFA requirements. The following are Pass/Fail criteria:

- A. NOFA Cover Sheet submitted by due date and time.
- B. Owner/Board of Director's Authorization and Acceptance Form
- C. Organizational Documents
- D. Application and Charge Transmittal Form
- E. Minimum Project Qualification Worksheet
- F. Complete NOFA Application with Required Exhibits

### **3.2 Project Qualification Worksheet Review**

As part of the Application Review, the Project Qualification Worksheet will be reviewed to ensure (i) the amounts requested are within the specified amount of funding allocations for the applicable Region, and (ii) the Project meets one of the four Minimum Project Qualifications (see Section 1.5) criteria. These are Pass/Fail criteria.

### **3.3 Minimum Threshold Qualifications**

After passing Application Review, in order to qualify for Competitive Scoring, all of these Minimum Threshold Qualifications must be met. The following are Pass/Fail criteria:

#### **A. Asset Management Compliance Review**

Each Applicant will be evaluated using a standardized internal process reviewing asset management and compliance categories with portfolio thresholds. Portfolio thresholds are evaluated based on the size of the portfolio.

Compliance categories evaluated will include the following:

- Most recent rating received for management reviews;
- Physical inspections;
- Tenant file reviews;
- Real Estate Assessment Center (REAC) scores;
- Submission of required reporting including financial audits and certifications of Program compliance (Program Compliance);
- Owner and Management cooperation with reporting and communication; and
- Need or outcome for a community evaluation within the last year.

Is the Applicant's current portfolio of projects monitored by the Department in compliance with the required Program and Department regulations?

#### **B. Program Compliance Review**

Applicants must satisfy the Program Requirements for all applicable Department funding sources requested as necessary for the financial feasibility. Each Department funding source has separate requirements within the Application, including forms and exhibits that must be submitted simultaneously with the Application. These Applications, forms and exhibits are more specifically described and available in the NOFA Application Instructions.

Is the Application in compliance with all relevant Program Requirements?

#### **C. Resident Services Review:**

The Applicant must provide a Resident Services Description at the time of the Application responsive to the following goals and guidelines below:

**Resident Services Description Goals:** The anticipated outcomes and overall goals of the Resident Services Description and subsequent plan are as follows:

1. Through coordination, collaboration, and community linkages, the residents will be provided the opportunity to access appropriate services that promote self-sufficiency, independent living, and positive life choices.
2. To maintain the fiscal and physical viability of the Project, the ongoing management will incorporate the appropriate services to address resident issues as they arise.

**Resident Services Description Guidelines:** A Resident Services Plan must include these general guidelines:

- Will support and serve the general low-income population by improving residents' ability to maintain lease obligations, enhancing quality of life through programs for employment, education, income/asset building, child and youth development, community building and access to services.
- Will support and serve the elderly by improving residents' ability to uphold the lease during the aging process through better access to health care and other services, enhanced quality of life through community building, socialization, and other programs.
- Will support and serve the special needs population by focusing on the strengths and needs of the target population to provide for their daily support and promote participation in the larger community.

**D. Readiness to Proceed:** Application must demonstrate the Project's readiness to proceed based on the following information:

#### **1. Site Control and Zoning**

##### **Site Control**

Will the Applicant have control of the land necessary for the Project by the Application deadline and submit evidence of that control with the Application?

By the time of Equity Closing, the Applicant must have final control satisfactory to the Department. Acceptable evidence of site control is a document that has a complete and accurate legal description and is either:

- a recorded deed or conveyance showing that the Applicant has Ownership;
- a valid purchase and sale agreement;
- a valid option to purchase;
- a valid option for a long-term lease; or
- other evidence satisfactory to the Department.

The Applicant must be sure that the name on the evidence of site control and the Application is exactly the same. The site control document should also identify the exact same area as the Project site listed in the Application and the exact same cost for the land and/or existing buildings for the Project referenced in the development budget provided with the Application. If the site description in the Application and the site control document are not exactly the same, the Applicant must

provide a narrative description and supporting documentation to clarify how the area and cost for the Project were established.

### **Zoning**

Is the Project properly zoned for the type of intended Project?

The Applicant must provide the Certification of Zoning executed by the appropriate zoning authority to verify this.

### **2. Additional Federal Project Resources Status**

Will the Applicant be able to provide satisfactory documentation of their progress on their applications for federal resources?

If the Applicant has identified additional federal resources, such as rental or capital assistance from HUD, RD, or VA, as part of the funding structure, the Applicant must provide evidence satisfactory to the Department that an application for these resources has been submitted and remains active.

### **3. Adequacy of Development Schedule**

Within the development schedule provided, will the Applicant be able to meet the required deadlines for applicable LIHTC, HOME, GHAP, OAHTC, HELP, and LIWP Programs?

The Applicant's development schedule must clearly demonstrate that funds will be invested and the project will be constructed, leased and stabilized within all required Program time frames. These deadlines are published in the appropriate Department program manuals.

### **4. Adequacy of the Environmental Checklist**

Is there any adverse Environmental or site information indicated on the Environmental Checklist that was revealed during the RAD visit to the site?

The Department's Environmental checklist contains questions regarding the suitability of the site, the distances to services, transportation and schools, the nature of existing structures, soil suitability, environmental hazards, safety concerns, noise problems, air quality issues, historic preservation, flood plain and wetlands issues and finally solid waste, waste water and storm water concerns. Depending on the impact to the Project, the Applicant must provide a satisfactory mitigation plan for any material adverse information revealed in the Environmental Checklist.

## **E. Financial Feasibility:**

### **1. Sources and Uses:**

- Are the sources and uses well-documented, balanced and accounted for?
- Is it likely that all sources will be committed, closed and funded within 240 days?

## **2. Operating Pro Forma:**

- Does the operating Proforma contain growth assumptions for a Project of this size and scope that are in conformance with the Department and industry norms?
- Are the income and expenses well documented either by actual amounts, Applicant market assessment, or [What]?
- Are the benchmarks, such as, vacancy ratio, expense ratio, expenses per units, and replacement reserves in conformance with the Department guidelines and industry norms?

## **3. Debt Underwriting:**

- If there is mortgage debt, are the loan-to-value, debt service coverage, and breakeven ratios in conformance with the Department guidelines and industry norms?
- If there is no mortgage debt, does the Project have a reasonable cash flow after all expenses?

## **4. Investment Guidelines:**

- Is the structure of the developer fee, equity price and amount, operating reserves, repayment of partnership loans, asset management fee and other material investment components in conformance with Department guidelines and industry norms?
- Does the operating proforma predict stable long-term performance with a reasonable expectation that the Project can be properly redeveloped or ownership be restructured at the end of the 15-year tax credit period?

## **5. Construction Guidelines:**

- Is the development budget complete and does it meet the Department guidelines and industry norms for percentage of architectural fees, builder overhead and profit, soft costs, construction contingency and other typical percentages for cost items?
- Is the percentage of land and acquisition cost in conformance with the Department guidelines and industry norms for the market in which this Project is located?
- Do the preliminary plans and specifications generally meet the Department minimum new construction or rehabilitation architectural guidelines for a Project of this type, size and scope?
- Does the Project meet the Department guidelines for the projected 30-year economic life of the Project?

## **F. Development Team Capacity:**

- Construction Experience: Does the Applicant have a successful history of leading construction development Projects of similar (or larger) size and scope, such as, mid-rise versus high-rise, wood frame versus steel, and new construction versus rehabilitative construction? If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern?
- Financing Experience: Does the Applicant have a successful history of closing the requested combination of financing, such as tax credit, mortgage financing, HOME funds, and other grant or government loan programs such as GHAP? If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern?

- Management Experience: Does the Applicant have a successful history of managing existing Projects with similar population and programs, size and scope? If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern?
- Development Team Experience: Has the Applicant managed similarly comprised development teams? Are the development team members appropriate for a Project of this type, size, and scope? If an Applicant has applied for multiple Project reservations, does the development team have the capacity to administratively and financially support all Projects simultaneously?
- Financial Capacity: As disclosed in the Application or other required information, does the Applicant's financial condition indicate any adverse conditions that might materially impair the Applicant's ability to perform the financial obligations as sponsor during the construction or stabilization of the Project? As disclosed in the Real Estate Owned Schedule, is the Applicant's existing real estate portfolio stable and self-supporting? If there are any significant problem projects, is there a reasonable mitigation plan in place?

**G. Ownership Integrity:**

- Single-Asset Ownership: The Project will be owned by a single-asset entity duly organized under the laws of the State of Oregon, or if allowed, duly authorized to conduct business in the State of Oregon.
- Neither Applicant nor any member or principal within the Project ownership or management will have been convicted of fraud, misrepresentation, theft or other moral turpitude within the previous ten (10) years.
- Neither Applicant nor any member or principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five (5) years.
- Neither Applicant nor any member or principal within the Project ownership or management will have been debarred or otherwise sanctioned by the Department.

**3.4 Competitive Scoring**

If the Application passes the tests set out in Sections 3.1 through 3.3 above, then a Scoring Committee will competitively score these sections of the Application by the Scoring Criteria described below. These sections are:

- (A) Need for Project;
- (B) Impact of Project

The Department is committed to investing taxpayers' dollars in a way that makes best use of the funds considering all benefits to the community. It is also committed to ensuring that resources are invested in a way that is geographically equitable, and responsive to the diversity of low-income housing needs around the State.

The scoring criteria are designed to measure the nature and extent of the need in the applicant's community for the Project and the overall impact to the community. A total of 100 points are possible, weighted 30 points to Need for Project, and 70 points to Community Impact. A minimum of 75 points is required to meet the threshold. Both quantitative and qualitative factors are considered in the scoring process. In its scoring process the Scoring Committee will rank projects within regions after evaluating each Project as follows:

**A. Need for Project: 30 points**

**In the context of the Region: 0-15 points**

***Applicable criteria:***

What is the equity of affordable housing distribution in the Region?  
What are the population needs compared to other areas of the Region?  
What are the housing condition needs compared to other areas of the Region?  
What is the demand for affordable housing compared to other areas of the Region?

**In the context of the community: 0-15 points**

***Applicable criteria:***

What is the equity of affordable housing distribution in the community?  
What are the population needs compared to needs of other populations in the community?  
What are the community housing needs addressed by project?  
What is the demand for affordable housing of the specified population in the community?

**B. Impact of Project: 70 points**

**Project Type and Population Served: 0-25 points**

***Applicable criteria:***

Does the Project serve the lowest income households?  
Does the Project serve a target population for housing?  
Does the Project provide preservation of federally-assisted affordable housing?  
What is the integration of the Project with other community housing needs?

**Location & Building Features: 0-15 points**

***Applicable criteria:***

Does the Project include fee ownership of the real property, including any improvements?  
What is the accessibility of the Project location?  
What is the complementary or responsive building design?  
Is the Project an area that serves to de-concentrate poverty?  
Is the Project In a Qualified Census Tract (QCT)?

**Community Impact: 0-30 points**

***Applicable criteria:***

Is the Project responsive to a community need?  
Is a Project responsive to State or local policy direction?  
Is the Project collaborative?  
Does the Project leverage other [public?] resources?  
Does the Project provide innovative ways to overcome obstacles?

## **4.0 APPLICATION EVALUATIONS**

### **4.1 Evaluation Process**

After Application Review, Applications will be subject to a threshold review. The Department reserves the right to request clarification or changes to the Application and budget as necessary. Applications submitted will be reviewed to determine that all NOFA threshold requirements (see Sections 3.1 through 3.3) have been met. Applications meeting those criteria will be forwarded to the Scoring Committee for competitive scoring against the Scoring Criteria described in Section 3.4.

The final selection for Reservations, if any, will be of those Applications that best meet the competitive scoring requirements set forth in this NOFA, based on the recommendation from the Scoring Committee, as approved by the Director and the Housing Council, and as required by the Funding Sources applicable to the various Applications.

### **4.2 Evaluation Criteria**

Each Application must clearly address Application requirements and all selection criteria in the NOFA (see Section 3.0).

### **4.3 Notice of Intent to Issue Reservation Letter; Protests:**

Applicants will be notified in writing of the Department's Notice of Intent to Issue a Reservation Letter which will also be posted on the Department's website.

## **5.0 GENERAL NOFA TERMS**

- 5.1 The Department reserves the right and option to amend any Reservation Letter and other related documents that result from a Reservation made pursuant to this NOFA. All amendments shall be in writing and signed by relevant authorized parties.
- 5.2 ORS 60.701 requires that foreign corporations be registered by the State of Oregon, Office of the Secretary of State, before conducting business in the state. A foreign corporation (ORS 60.001) means a for-profit corporation incorporated under a law other than the law of the State of Oregon. If a foreign corporation is selected for the Agreement because of this NOFA, it must register to do business in Oregon.
- 5.3 The Department reserves the right, at its sole discretion: (i) to amend the NOFA prior to the closing date; (ii) to amend the deadline for submitting Applications; (iii) to determine whether an Application does or does not substantially comply with the requirements of this NOFA; (iv) to waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA; (v) to obtain from and/or provide to other public agencies, upon request, references, regarding the Applicant's performance; (vi) at any time prior to Agreement execution (including after announcement of the apparent Reservation): (a) to reject any Application that fails to substantially comply with all prescribed NOFA procedures and requirements including the executing and recording of documents satisfactory to the Department; and, (b) to reject all Applications received and cancel this NOFA upon a finding by Department that such cancellation would be in the best interests of the State; and (vii) to seek clarification on any or all Applications.
- 5.4 This NOFA and one copy of each original Application received, together with copies of all documents pertaining to the Reservation of a Reservation, shall be kept by Department and made a part of a file or

records, which shall be open to public inspection. If an Application contains any information that is considered a trade secret under ORS 192.501 (2), each sheet containing such information must be marked with the following:

“This Application constitutes a trade secret under ORS 192.501 (2), and shall not be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192.”

- 5.5 The Oregon Public Records Law exempts purported trade secrets from disclosure only so far as they qualify as bona fide trade secrets, and the exemption in ORS 192.501(2) from disclosure applies only “unless the public interest requires disclosure in the particular instance”. Therefore, non-disclosure of a document or any portion of a document submitted as part of an Application may depend upon official or judicial determination made pursuant to Oregon law.
- 5.6 If an Application contains any information that may be considered exempt from disclosure under the various grounds specified in Oregon Public Records Law, ORS 192.430 through 192.505, Applicants must clearly designate as exempt any portion of its Application it considers exempt, along with a citation to the authority relied upon. Application of the Oregon Public Records Law will determine whether any information is actually exempt from disclosure. Identifying an Application in whole as exempt from disclosure is not acceptable. Failure to identify with specificity the portion(s) of the Application claimed to be exempt from disclosure, and the authority used, shall be deemed a waiver of any future claim of exemption from disclosure of that information.
- 5.7 The Applicant will be required to assume responsibility for performance required by the Agreement, whether performed by the Applicant, a representative, assignee or subcontractor. The Department considers the Applicant responsible for any and all contractual matters.
- 5.8 An Applicant aggrieved by a final determination made by the Department during the Application Review or Minimum Threshold Qualifications with respect to the success of its NOFA Application must request review by the Department of such determination within ten (10) days of its receiving notice from the Department of that determination.

The request for review must be in writing, contain an explanation of the basis for challenging the Department’s determination and include any supporting information. The envelope containing the request for review MUST be marked PROTEST, and MUST identify the NOFA number, the closing time and date for acceptance of Applications, the Department contact person, and be received by the Department at its main Salem Office, 725 Summer Street NE, Suite B, Salem, OR 97301, not later than 4:00 PM on the tenth day after the Applicant’s receipt of notice from the Department.

The Applicant will be deemed to have received such notice upon the sooner of (i) three (3) days after the Department’s determination is mailed to the Applicant, (ii) two (2) days after such determination is posted to the Department’s website, (iii) two (2) days after the list of successful NOFA Applicants is posted to the Department’s website, or (iv) one (1) day after such determination is emailed to the Applicant. The Department may request additional information from the Applicant with respect to its request and consider such other information as it deems appropriate. The Department will endeavor to provide a written response to a qualifying request within thirty (30) days.

The Department will provide written responses to all timely filed protests. Failure to timely provide a qualifying protest will be deemed a failure to exhaust administrative remedies and terminate further rights by an unsuccessful applicant to challenge any related department actions.

- 5.9 Reservations, Allocations or Awards (collectively, Determinations) subject to State Housing Council review under ORS 456.561, and Determinations where additional Department funding supporting such Determinations are subject to Council review, are contingent, *inter alia*, upon Council approval of those Determinations or supporting funding. The Council may approve, reject, modify, or further condition funding awards submitted for its review, thereby directly or indirectly impacting Department Determinations.
- 5.10 All Reservations made pursuant to this NOFA are subject to the successful negotiation, execution, and recording (if required) of Agreement documents satisfactory to the Department in its sole discretion. Projects that have only a leasehold interest in relevant real property must include documented commitments executed and recorded by the landlord satisfactory to the Department, including but not limited to covenants respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to the Department.
- 5.11 The Department may charge, and the Applicant shall pay, legal and administrative costs incurred by the Department in negotiating Agreement and other related documents.
- 5.12 Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.

ATTACHMENT 1

NOFA COVER SHEET

NOFA# 3071 For Reservation of Funding

Legal name of Applicant: \_\_\_\_\_

DBA: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Oregon Secretary of State Business Registration No. \_\_\_\_\_ (type; check one):
[ ] Corporation [ ] Professional Corporation [ ] Partnership [ ] Limited Partnership
[ ] Limited Liability Company [ ] Limited Liability Partnership [ ] Sole Proprietorship
[ ] Other \_\_\_\_\_

Voluntary information:

- a. Office of Minority, Women, and Emerging Small Business Registration No. \_\_\_\_\_ (type; check one):
[ ] Women Owned Business [ ] Minority Owned Business [ ] Emerging Small Business
b. Disabled Veteran Owned Business: [ ] Yes [ ] No

Oregon Resident Applicant: [ ] Yes [ ] No

DUNS # (if applicable): \_\_\_\_\_

\_\_\_\_\_  
(insert Applicant name)

- accepts all the terms and conditions contained in Notice of Funds Availability #\_\_\_\_
• certifies to having a formal Affirmative Action policy;
• is an equal employment opportunity employer;
• is a legal entity and is authorized to accept a Reservation Letter.
• is currently or will be authorized to do business in the State of Oregon at the time of Reservation;
• has authority to represent the entity and answer questions or provide clarification concerning the Application.

\_\_\_\_\_  
Signature of authorized representative Date

\_\_\_\_\_  
Print name of authorized representative Title

Contact Person \_\_\_\_\_ Title \_\_\_\_\_

Telephone # \_\_\_\_\_ Fax# \_\_\_\_\_

Email address \_\_\_\_\_

**Attachment 2:**

**Authorization and Acceptance Form**

Owner/Board of Directors of: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Address: \_\_\_\_\_

**By this action the Owner/Board of Directors accepts the responsibilities and requirements of all tax credit, grant and loan programs applied for in this Application. In accordance with the corporation's by-laws, effective this date, authorization has been given by the Owner/Board of Directors to the following named parties to apply for programs, grants or loans in this application:** The undersigned, being duly authorized to submit this application on behalf of the named Applicant, hereby represents and certifies that all required documents have been submitted in this application packet, and that the information provided in this application, to the best of his/her knowledge, is true, complete, and accurately describes the proposed project. The undersigned further authorizes the release of project information to Oregon Housing and Community Services ("Department," "OHCS") from all financial partners listed in the Application and authorizes the Department to verify any Application information, including financial information, as required to complete its due diligence.

**Primary**

\_\_\_\_\_  
Signature Title

\_\_\_\_\_  
Print Name Date

**Secondary**

\_\_\_\_\_  
Signature Title

\_\_\_\_\_  
Print Name Date

**Signed:**

\_\_\_\_\_  
Owner/Board Chair Name Signature

\_\_\_\_\_  
Organization Date

**ATTACHMENT 3: A COPY OF THE ORGANIZATION DOCUMENTS OF THE APPLICANT**

APPLICATION AND CHARGE TRANSMITTAL

Project Name: \_\_\_\_\_

Project Address: \_\_\_\_\_

Applicant Name: \_\_\_\_\_

Applicant Address: \_\_\_\_\_

Contact Name, Address: \_\_\_\_\_

<b>Multifamily Housing Section (MHS) Programs and NOFA: (259)</b>		
Minimum NOFA Application charge:	=	(a) \$100.00
# units in your proposed project: _____	x 25	= (b) \$
Maximum NOFA Application charge:		
Total of all NOFA sources requested*: _____	x .5% (.005)	= (c) \$
*includes all grant funds, amount of OAHTC requested, and equity generated by the LIHTC allocation.		
<ul style="list-style-type: none"> <li>• If the total of (b) is less than \$100, you must pay the minimum charge of \$100.</li> <li>• If the total of (b) is more than \$100, you must pay the lesser of (b) or (c).</li> </ul>		
Amount Due:		\$

Applicant is requesting the following Amounts:

Funding Request	\$ Amount	Grant Request	Loan Request	Recipient will loan to limited partnership
GHAP		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOME		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LIWP (Weatherization)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HELP		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OAHTC (loan amount)				
LIHTC (annual allocation)				
Other				

Applicant is applying under one of the following Minimum Qualifications:

	Brief Description
1. Geographic Priority Region	
2. Leverages Significant Other Funds.	
3. Preserves Federal Rent subsidies	
3. Meets Multiple Public Priorities	

Applicant is applying within the following Allocations:

Funding Type	Amount Requested	Allocation Test	
GHAP			
HOME			
LIWP (Weatherization)			
HELP			
OAHTC (loan amount)			
LIHTC (annual allocation)			
Other			

**ATTACHMENT 6: ORIGINAL AND FIVE COPIES OF NOFA APPLICATION**