

STATE OF OREGON

HOUSING AND COMMUNITY SERVICES DEPARTMENT

NOTICE OF FUNDING AVAILABILITY (NOFA) # 4190

Affordable Housing Projects for Veterans Supportive Housing

NOFA Issued Date: **May 26, 2015**

Application Due Date: **August 21, 2015**

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

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

TABLE OF CONTENTS

1.0 INTRODUCTION..... 3

- 1.1 Purpose 3
- 1.2 Funding Sources..... 3
- 1.3 Available Funds 3
- 1.4 Minimum Project Qualifications 3
- 1.5 Reservation Process 4
 - A. Application Ranking
 - B. Re-evaluation of Reservation

2.0 APPLICATION REQUIREMENTS..... 5

- 2.1 Application Submission..... 5
- 2.2 Application Submission Checklist 6
- 2.3 NOFA Questions..... 6

3.0 EVALUATION CRITERIA..... 7

- 3.1 Application Pass/Fail Review 7
- 3.2 Project Qualification 7
- 3.3 Minimum Threshold Qualifications 7
 - A. Asset Management Compliance Review
 - B. Program Compliance Review
 - C. Readiness to Proceed

4.0 Competitive Scoring..... 10

- A. Financial Feasibility
- B. Impact of Project
- C. Need in the Community
- D. Development Team Capacity

APPLICATION EVALUATIONS..... 13

- A. Evaluation Process
- B. Evaluation Criteria
- C. Notice of Intent to Issue Reservation Letter

GENERAL NOFA TERMS..... 14

1.0 INTRODUCTION

1.1 Purpose

The State of Oregon, acting by and through its Housing and Community Services Department (Department), is seeking Applications for this Notice of Funding Availability (NOFA) with respect to Affordable Housing Projects (Projects) whose development, *inter alia*, will require funding in order to serve qualifying low income Veteran 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 funds (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 which they are made, the continuing availability to the Department of the described funds (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 will be derived from state funds, which include:

- General Housing Account Program, Veterans (GHAP) funds.

1.3 Available Funds

- Funds will be available state wide,
- Department will allocate up to \$3,000,000 through this NOFA.

1.4 Minimum Project Qualifications

In order to submit a qualifying Application for a Reservation of Funds, the request for Funds shall not exceed the available Funds and must address the following:

Creative and innovative small, community oriented projects that are either Acquisition Rehabilitation or New Construction Projects that serve Veterans; including appropriate supportive services for the target population.

Note: The Definition of Veterans for the purposes of this NOFA is found at ORS 408.224.

Notes to applicants:

- *Projects funded under this NOFA will not be allowed to request additional Department funding for five (5) years after the project is placed in service*
- *No more than ten percent (10%) of funds can be used for replacement reserves and no operating reserves can be funded with funds.*
- *No additional Department funds are available under this NOFA.*

Failure of the Applicant to satisfy the minimum project qualifications will result in disqualification.

1.5 Reservation Process

A. Application Ranking Process

Funds are reserved on a competitive basis to Projects of qualifying Applicants that:

1. Pass the Application Review,
2. Meet the minimum Project Qualifications,
3. Meet the minimum Threshold Requirements,
4. Score and rank the highest in overall scoring.

Applications with the highest in overall score will be allocated resources until the balance of available Veterans GHAP Funds are insufficient to support any other Applications.

In the event of a tie throughout the ranking process:

1. First, Projects that allow the Department to realize geographic distribution of funds,
2. Second, Projects that score the highest impact score will be applied to break ties.

If any Department funding sources remain after all the reservation processes are complete, the Department may choose, at its sole discretion, not to reserve any or part of the remaining resources.

B. Re-Evaluation of Reservation

The following events will result in a re-evaluation of a previously issued Reservation:

- Failure to meet all reservation conditions **within 180 days** of the Reservation.
- A material adverse change so the Project or Applicant no longer meets the Minimum Qualification Thresholds or any of the competitively scored criteria.
- 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 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 21, 2015, by 4:00 PM PST

DELIVERY ADDRESS:

**Oregon Housing and Community Services
Attn: Lisa Goonan
725 Summer Street NE, Suite B
Salem, OR 97301-1266**

- Applications must be received with a date and time stamp by the Department receptionist **no later than the Application closing date and time.**
- Applications must be delivered in a sealed container that clearly identifies the following:
 - NOFA number,
 - Applicant's name,
 - Name of the contact person for the Applicant,
 - Department name and address,
 - Application closing date and time.
- Mis-deliveries and late submittals will **not** be accepted or considered.
- Post-marked 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 are nonrefundable.**

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.

Department is not responsible for any errors or omissions resulting from the Applicant downloading the NOFA. The official version of the NOFA is the one (1) held at the Department.

Those Applications that are incomplete or 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 the Department in determining the issue of the Application's responsiveness.

2.2 Application Submission Checklist

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

[] Application Submission Checklist

Submit the Application pages in the following order using the appropriate tabs and page numbers provided by the checklist.

[] NOFA Application Cover Sheet: See Part 1 of Application Submission page 2.

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

[] Application and Charge Transmittal: See Part 1 Application Submission page 3.

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

[] Owner/Board of Director's Authorization and Acceptance Form: See Part 1 Application Submission page 6.

Applicant must complete and sign the attached Form.

[] Organizational Documents: Part 1 See Application Submission page 7.

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

[] Complete NOFA Application with Required Exhibits.

The Application and all its required exhibits, forms and addenda should be organized as detailed in the Application Instructions and Application Submission 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 Program funding requested by the Applicant.

Applicant must submit one (1) original signed Application and three (3) copies, each including all attachments. Please submit the Application materials and the excel spreadsheets on one (1) disc with the paper copies.

2.3 NOFA Questions

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

Oregon Housing and Community Services

Attn: Lisa Goonan

725 Summer Street NE, Suite B

Salem, OR 97301-1266

Fax: 503-986-2020

Email: OHCS.Contracts@oregon.gov

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.

3.0 EVALUATION CRITERIA

There are three (3) parts to the evaluation criteria. 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. Application Submission Checklist,
- B. NOFA Cover Sheet submitted by due date and time,
- C. Application and Charge Transmittal Form,
- D. Authorization and Acceptance Form,
- E. Board of Directors Resolution,
- F. Organizational Documents [if applicable],
- G. Project meets the Minimum Project Qualifications (see Section 1.4),
- H. Complete NOFA Application with Required Exhibits.

3.2 Project Qualification

The Project Qualification will be reviewed to ensure:

- A. The amounts requested are within the specified amount of funding allocations, and
- B. The Project meets one (1) of the Minimum Project Qualifications (see Section 1.4) criteria.

These are Pass/Fail criteria evaluated as part of the Minimum Project Qualifications.

3.3 Minimum Threshold Qualifications

After passing Application Pass/Fail 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,
- 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 the Veterans GHAP funding source:
<http://www.oregon.gov/ohcs/HD/MFH/2015-LIHTC-HOME-NOFA/GPGM-2015.pdf>

C. Readiness to Proceed

Application must demonstrate the Project's readiness to proceed based on the following information:

1. Site Control and Zoning

Site Control

The Applicant will have control of the land necessary for the Project by the Application deadline and submit evidence of that control with the Application.

At the time of Construction closing, the Applicant must have control of the site satisfactory to the Department. Acceptable evidence of site control at Application is a document that has a complete and accurate legal description and is either:

- a recorded deed or conveyance showing 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 will make sure the name on the evidence of site control and the Application is *exactly* the same. The site control document will 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 will provide the Certification of Zoning executed by the appropriate zoning authority to verify this.

2. Additional Federal Project Resources Status

If the Applicant has identified additional federal resources, such as rental or capital assistance from Housing of Urban Development (HUD), U.S. Department of Agriculture Rural Development (RD), or Veteran's Administration (VA) as part of the funding structure, the Applicant will be required to provide evidence that an application for these resources has been submitted and remains active.

3. Development Schedule

The Applicant's development schedule must clearly demonstrate that funds will be invested and the Project will be constructed, leased and stabilized within acceptable time frames.

4. Completed Environmental Review Checklist

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 adverse material information revealed in the Environmental Checklist.

5. Architectural Guidelines

All architectural and construction guidelines are now located in one (1) of two (2) manuals. The Architectural Design, Construction and Inspection Guidelines (ADCIG) and the Building Enclosure Rehab Guide (BERG) are OHCS minimum quality standards (MQS) on all projects receiving funding from the Department. They are being provided as an aid for owners/developers, architects and contractors for the design and construction of quality affordable housing. The Department will use these guidelines to evaluate the plans, specifications and other relevant data of the proposed housing development, including new construction, and rehabilitation of existing buildings. We encourage users to exceed these minimum requirements whenever possible, making Projects more functional and extending their longevity. By increasing items such as the building's energy efficiency, utilizing environmentally friendly materials, and insuring Projects are more cost effective to construct and operate, the owner/developer, taxpayer and the end-user all benefit.

The Department's design review will be based in-part on the following broad policy objectives:

- Compliance with the MQS to the greatest extent feasible per the scope of work, funding sources and Capital Needs Assessment.
- The quality of the building(s) and other improvements must be consistent with the underwriting and program requirements.
- The Project must comply with all local, state, and federal codes or regulations (including any applicable lead-based paint, mold, and asbestos regulations and any other Department requirements).
- The development must be consistent with the demands of the marketplace.
- The design and construction must be consistent with recognized standards and accepted practices in the construction industry.
- The Department reserves the right to object to any proposed building system or material selection.

The MQS are subject to change and modification, this version supersedes and replaces any prior versions. The Department will also evaluate certain aspects of the Guidelines that may require modification in order to meet the unique site, design or use of the development. In this event, the Department will consider modification requests on a case by case basis.

A registered architect currently licensed in the State of Oregon is required to design any new construction project. There may be cases where a Project is deemed to be exempt from the Oregon Architects and/or Engineer's Law. If someone other than a licensed architect designs a Project, the Applicant must request a pre-approval from the Department prior to the Application deadline.

4.0 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 sections of the Application by the Scoring Criteria described below.

A. Financial Feasibility: 10 points

1. Sources and Uses, Operating Proforma:

- Are the sources and uses well-documented, balanced and accounted for?
- Is it likely all sources will be committed, closed and funded within **180 days**?
- Does the operating Proforma contain growth assumptions for a Project of this size and scope in conformance with the Department and industry norms?
- Are the income and expenses well documented by actual amounts?
- Are benchmarks such as; vacancy ratio, expense ratio, expenses per units, and replacement reserves in conformance with the Department guidelines and industry norms?

2. Debt Underwriting

- If there is first mortgage debt, are the loan-to-value, debt service coverage, and breakeven ratio 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?
- Does the operating Proforma predict stable long-term performance?

3. Construction Feasibility

- 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?

B. Impact of Project: 60 points

1. Project Type, Population Served, and Resident Services: 0-40 points

Applicable criteria:

- Does the Project serve veterans population?
- Does the Project serve the lowest income veterans households?
- What is the integration of the Project with other community housing?
- Does the Project provide innovative ways to overcome obstacles or deliver better outcomes for Veterans?
- Does the project leverage other resources, either cash or in-kind?
- The Applicant must provide a Resident Services Description that is specifically aimed at the Veteran population targeted for this offering, 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:

- a. 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.
- b. 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.

2. Location & Building Features: 0-20 points

Applicable criteria:

- What is the accessibility of location?
- What is the accessibility of the units?
- What is the complementary or responsive building design?

C. Need in the Community: 20 Points

Applicable criteria:

- What community housing needs for Veterans are addressed by the Project?
- What is the demand for affordable housing of the specified population in the community?

D. Development Team Capacity: 10 points

Applicable criteria:

- *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 mortgage financing, HOME funds, and other grant or government loan programs? 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 a Veterans 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?

APPLICATION EVALUATIONS

A. Evaluation Process

After passing 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 4.0.

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 State Housing Council, and as required by the Funding Sources applicable to the Application.

B. Evaluation Criteria

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

C. 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.

An unsuccessful Applicant may protest the selection process, application reservation or, if applicable, rejection of its Application. The protest must be **in writing**, and must be received at the address set forth in Section 2.3, within **thirty (30)** calendar days of written notification date of the pending Reservation to another Applicant or notice of Application rejection. The protest must state with clarity the issue protested, and the rationale and basis for such protest. The envelope containing the protest **MUST** be marked **PROTEST**, and **MUST** identify the NOFA number, the closing time and date for acceptance of Applications, the Department contact person, and address as listed in Section 2.3 of this NOFA.

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.

GENERAL NOFA TERMS

The Department reserves the right and option to amend any Reservation Letter or other related documents (collectively, the Agreement) that result from a Reservation made pursuant to this NOFA. All amendments shall be in writing and signed by relevant authorized parties.

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.

The Department reserves the right at its sole discretion:

- (A) to amend the NOFA prior to the closing date,
- (B) to amend the deadline for submitting Applications,
- (C) to determine whether an Application does or does not substantially comply with the requirements of this NOFA,
- (D) to waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;
- (E) to obtain from and/or provide to other public agencies, upon request, references regarding the Applicant's performance;
- (F) at any time prior to Agreement execution (including after announcement of the apparent Reservation):
 - (1) 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,
 - (2) 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
- (G) to seek clarification on any or all Applications.

This NOFA and one (1) copy of each original Application received, together with copies of all documents pertaining to the 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."

The Oregon Public Records Law exempts from disclosure only bona fide trade secrets, and the exemption from disclosure applies only *"unless the public interest requires disclosure in the particular instance,"* ORS 192.501 (2). 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 the Oregon Public Records Law.

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.

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.

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 97301-1266, 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:

- (A) three (3) days after the Department's determination is mailed to the Applicant,
- (B) two (2) days after such determination is posted to the Department's website,
- (C) two (2) days after the list of successful NOFA Applicants is posted to the Department's website,
- or
- (D) 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.

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.

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 with respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to the Department.

The Department may charge, and the Applicant shall pay, legal and administrative costs incurred by the Department in negotiating Agreement and other related documents.

Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.