

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

MULTIPLE AWARD OPPORTUNITY

NOTICE OF FUNDING AVAILABILITY (NOFA) #4390

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

NOFA Issued Date: **June 29, 2016**

Application Due Date: **September 12, 2016**

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

Version 1.2

Updated July 7, 2016



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



1.0	INTRODUCTION.....	4
1.1	Purpose	4
1.2	Funding Sources.....	4
1.3	Application Parameters.....	4
1.4	HUD 811 Project Rental Assistance Demonstration	5
1.5	Definitions.....	5
1.6	Regions and Set-Asides	6
1.7	Reservation Process	9
	A. Application Ranking Process.....	9
	B. Tie Breaking Rule	9
	C. Reissuing Returned Reservations	10
	D. Re-Evaluation of Reservation	10
2.0	APPLICATION REQUIREMENTS	11
2.1	Application Submission	11
2.2	Application Submission Information	11
2.3	NOFA Questions	12
3.0	EVALUATION CRITERIA.....	12
3.1	Administrative Review	12
3.2	Minimum Threshold Requirements (Part 3 Submission)	12
	A. Program Compliance	13
	B. Funding Request	13
	C. Resident Services	13
	D. Relocation Plan.....	13
	E. Minority, Women, and/or Emerging Small Business (MWESB) Engagement.....	13
	F. Readiness to Proceed.....	14
	1. Site Control and Zoning.....	14
	2. Additional Federal Project Resources Status	14
	3. Adequacy of Development Schedule.....	15
	4. Adequacy of the Project Site Checklist	15
	G. Development Team Capacity	15
	H. Ownership Integrity.....	16
	I. Total Development Cost-Per-Unit.....	16
	J. Program Compliance Review.....	17
3.3	Competitive Scoring (Part 4 Submission).....	18

(A) Need: 20 points	19
(B) Impact: 40 points.....	20
(C) Preference: 10 points	25
(D) Financial Viability: 15 points	26
(E) Capacity: 15 points	27
4.0 APPLICATION EVALUATIONS.....	28
4.1 Evaluation Process	28
4.2 Evaluation Criteria	28
4.3 Notice of Intent to Issue Reservation Letter	29
5.0 GENERAL NOFA TERMS	29

1.0 INTRODUCTION

1.1 Purpose

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

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

1.2 Funding Sources

The Allocation of 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,
- Gap Funds (General Housing Account Program (GHAP), Housing Development Grant Program (HDGP))
- Oregon Affordable Housing Tax Credits (OAHTC),
- HELP Program Financing Adjustment Factor Savings (FAFS) funds,
- Low Income Weatherization Program (LIWP) funds

The above-described funding sources are subject to their respective set of standards (Program) and corresponding Program requirements (Program Requirements). Program Requirements governing funding and relevant to a particular Application must be satisfied by the corresponding Applicant in order to qualify for funding under this NOFA.

1.3 Application Parameters

- A. Applicants must identify the Geographic Region in which the Project is to be located and the amount of requested funding from each above-described source.
- B. Applications consisting of multiple sites in different counties that cross Geographic Regions will be evaluated in and funded from that portion of the Allocation of Funds set aside for the Geographic Region where the greatest numbers of units in the proposed Project are sited, however scoring will incorporate information from all sites and will be based on a weighted average based on unit distribution.

- C. Any Project for which an Applicant is applying for more than ten percent (10%) of the total OHCS annual tax credit allocation made available in this NOFA is required to submit a 4% LIHTC/tax-exempt bond pro forma to evaluate potential feasibility for that funding source. Failure to submit a 4% LIHTC/tax-exempt bond pro forma will result in failure of the threshold review.
- D. No Applicant or ultimate Project owner (Sponsor) may receive more than twenty percent (20%) of any annual OHCS tax credit allocation. If Applications for additional Projects have been submitted by an Applicant and score such that they are eligible for funding and the combined total of the Projects are in excess of twenty percent (20%) of the total LIHTC funds available, the lower scoring Project(s) will not be funded so as not to exceed the 20% limitation.
- E. No Applicant or Sponsor (collectively, Sponsor) may receive more than an average of fifteen percent (15%) of annual tax credits over any two sequential year's allocations. For example if a Sponsor receives twenty percent (20%) of funds in year one, they would only be eligible for ten percent (10%) in year two. OR, if a Sponsor receives fifteen percent (15%) of funds in year one, they would only be eligible for fifteen percent (15%) in year two. If Applications for additional Projects have been submitted and score such that they are eligible for funding and are in excess of the percentage of the LIHTC available, the lower scoring Project(s) will not be funded so as not to exceed the funding limitation.
- F. Projects that have been funded with 9% LIHTCs in 2016 or thereafter are not eligible to apply for additional 4% or 9% LIHTC within 20 years of Project's placed-in-service date. Exceptions may be granted at the sole discretion of OHCS in cases where it is determined by OHCS that there is a risk of physical, affordability or other loss.

1.4 HUD 811 Project Rental Assistance Demonstration

All Applicants for 9% LIHTC may be required, at the discretion of OHCS, to implement a HUD 811 Demonstration, including the use of HUD's Tenant Rental Assistance Certification System (TRACS) to submit tenant certifications and electronic vouchers for payment. More information can be found at the HUD 811 Demonstration website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/grants/section811ptl/demoNOFA

1.5 Definitions

Terms defined in this NOFA (including those provided in this subsection), as well as terms defined in other Program Requirements, shall be construed in this NOFA consistently with those definitions unless the context clearly indicates otherwise. The following terms shall have the following meanings:

"Affordable Housing Gap" means the difference between the supply of funded Affordable Housing units for a specified population and the Need for Affordable Housing units by that population.

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

"Need for Project" means a competitive scoring category that identifies and measures the degree of need for a particular Project in its community (its Project Need Severity) for the purpose of selecting the highest-need Projects for Reservations.

“Need” or “Need Distribution” means the percentage of the State’s demand for affordable housing based on low income, 60% county median family income or less, households and rent burdened households; used at the county and city level in comparison with the State’s affordable housing inventory to assess the equitable distribution of housing; used at the Geographic Region level in order to allocate LIHTC resources across regions. Data is published on OHCS’ multifamily housing data resources page.

“Preservation” means any Project with at least twenty-five percent (25%) of the units having existing federal project-based rent subsidies and the contracts are expiring; or the USDA Rural Development loans are maturing within seven (7) years; or the USDA Rural Development restrictive use covenants have expired; or the Project needs recapitalization, per capital needs assessment, of at least thirty thousand dollars (\$30,000) per unit; or Projects with public housing units undergoing a preservation transaction involving a comprehensive recapitalization.

“Public Policy” means a policy, principal or standard defined in a public document, created by a legitimate process, that guides decision making and aids in planning efforts at any level of government (including, local, statewide or regional).

“Qualified Nonprofit Organizations” means an organization described in Section 501(c)(3) or Section 501(c)(4) of the Code and have as one (1) of its exempt purposes the “fostering of low-income housing.” Furthermore, the organization must materially participate in the development and operation of the Project throughout the compliance period. The organization must not be affiliated with or controlled by a for-profit organization, entity, or individual as determined by OHCS.

“Set-Aside” means the portion of the Allocation of Funds available in this funding cycle of this NOFA for the respective Geographic Regions and, thereafter, the related statewide pools.

“Special Needs Populations” means categories of people with particular needs related to housing including, but not limited to, veterans, elderly, people with the presence of a disability, previously incarcerated persons, and survivors of domestic violence.

“Underserved Geography or Underserved Area” means counties or cities, or parts of same, whose affordable housing needs are identified as underfunded based on their proportion of the state’s affordable housing relative to other areas and their proportion of the state’s population materially challenged in accessing or maintaining safe, sanitary and affordable housing (based on low income and rent-burdened criteria) relative to other areas.

1.6 Regions and Set-Asides

Regions: OHCS established **Geographic Regions** (Regions) based on areas with similar ability to leverage federal HOME funds as well as having the greatest Project comparability. They are:

- **Metro Oregon** (Clackamas, Multnomah, and Washington Counties);
- **Non-Metro HUD HOME Participating Jurisdictions** (the cities of Eugene, Springfield, Salem, Keizer, and Corvallis); and
- **Balance of State Oregon** (Baker, Clatsop, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Gilliam, Grant, Harney, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lincoln, Linn, Malheur, Morrow,

Polk, Sherman, Tillamook, Umatilla, Union, Wallowa, Wasco, Wheeler, and Yamhill Counties as well as the balance of Benton, Lane, and Marion counties).

From the Allocation Funds for this 2016 NOFA, portions of the available LIHTC resource will first be set aside for each of the three (3) described Regions based on Need for separate consideration of corresponding Project Applications. The amount of other resources awarded to successful Applicants within each Region will follow. These Regions were identified to best allow for assessment of like-Projects to like-Projects, as well as to group those areas with a comparable ability to leverage local jurisdiction HOME funds or State of Oregon HOME funds.

Identification of Regional Needs:

In order to make the regional Set-Asides commensurate with Need, OHCS, *inter alia*, evaluated:

1. The number of renter households in each region earning sixty percent (60%) or less county median family income as a percentage of the total state renter households earning sixty percent (60%) or less county median family income.
2. The number of severe rent burdened households in each Region with a rent burden of fifty percent (50%) or more total household income as a percentage of the total State severe rent-burdened households.

The results were summarized by Region and weighted evenly when determining the percent of the State's Need within each Region. The percentage of the State's LIHTC available under this NOFA is targeted to the respective Regions based on their determined percentage of Need.

Region-by-Region Funding Set-Asides:

A thirty-five percent (35%) soft set aside has been established for Preservation Projects, where at least twenty-five percent (25%) of the units have federal Project-based rent subsidies where either the Section 8 contracts are expiring, or the Rural Development loans are maturing within seven (7) years or Projects with public housing units undergoing a preservation transaction involving a comprehensive recapitalization. This thirty-five percent (35%) set aside will be calculated out of each region's LIHTC allocation; if no Preservation Projects meet the minimum requirements of Administrative Review, Minimum Threshold Requirements, and Competitive Scoring minimum of seventy-five (75) points, the credits will be returned to the regional pool.

For Balance of State a soft target of 50% of State funds is established for Projects located in communities with fewer than 25,000 people. If no Projects meet the minimum requirements of Administrative Review, Minimum Threshold Requirements, and Competitive Scoring minimum of seventy-five (75) points or if the remaining soft target funds are not enough to fund the next high scoring Project, the funds will be returned to the regional pool and the next highest scoring Project will be funded.

Based on the regional Need proportions, OHCS has set aside the following funding amounts for this NOFA:

Programs	Metro	non metro PJ region	Balance of State	Totals
9% LIHTC*	\$4,002,000 46%	\$1,479,000 17%	\$3,219,000 37%	\$8,700,000**
<i>35% soft-set-aside</i>	<i>\$1,400,700</i>	<i>\$517,650</i>	<i>\$1,126,650</i>	
<i>Remaining funds</i>	<i>\$2,601,300</i>	<i>\$961,350</i>	<i>\$2,092,350</i>	
HOME***				\$2,000,000
Gap****				\$4,000,000
OAHTC*****				\$10,000,000
HELP				\$150,000
LIWP				\$1,500,000
TOTAL				\$26,350,000

* In 2016, ten percent (10%) of the total 9% LIHTC OHCS annual allocation amount is determined to be: \$870,000; twenty percent (20%) is determined to be: \$1,740,000.
 - No applicant may receive more than twenty percent (20%) of the total 9% LIHTC annual allocation in any one year, or more than thirty percent (30%) in any two (2) sequential years.
 - Any applicant applying for more than ten percent (10%) of the total 9% LIHTC annual allocation is required to submit a 4% LIHTC/tax-exempt bond pro forma to evaluate potential feasibility for that funding source. Failure to submit a 4% LIHTC/tax-exempt bond pro forma will result in failure of the threshold review.

** Total federal annual allocation for 2017 minus credits previously allocated.

*** There is a minimum \$500,000 HOME request per Project for this NOFA. HOME funds allocated will be redistributed across the two NOFA if successful projects warrant, in order to commit all available funds.

These HOME funds can only be utilized within the designated HOME Regions of the State's HOME Program. The areas within the Metro Region and the non-metro Participating Jurisdiction Region maintain their own HOME Programs and Projects within those areas are not eligible for HOME funding from the State's HOME Program.

In accordance with Federal Regulations, fifteen percent (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 CHDO funding for is \$946,939.

Projects awarded 2015 HOME funding must meet all requirements for funding (which includes firm commitment of all funding sources in the Project) prior to April 1, 2017.

Projects awarded 2016 HOME funding must meet all requirements for funding (which includes firm commitment of all funding sources in the Project) prior to April 1, 2018.

**** Gap financing will be awarded from one or more of the following sources: GHAP, HDGP. In Metro and non-Metro PJ regions there is a cap of \$400,000 in gap funding. In the Balance of State there is a cap of \$200,000 in additional gap funds when used in conjunction with State HOME funds, and a cap of \$400,000 in additional gap funds when used without State HOME funds.

***** There is a cap of \$1.8 MM per Project for OAHTC funding in this NOFA.

OHCS will reserve at least ten percent (10%) of the total 9% LIHTC annual allocation for a calendar year for Projects in which **Qualified Nonprofit Organizations** have an ownership interest and materially participate, as defined in IRC §469(h), in the development and operation of the Project throughout the compliance period.

1.7 Reservation Process

A. Application Ranking Process: Funds are reserved by OHCS through a Reservation process on a competitive basis to Projects of qualifying Applications that:

1. Pass the Administrative Review,
2. Meet the Minimum Threshold Requirements; and
3. Receive the highest scoring rank.

OHCS, at its sole discretion, may choose not to award all available resources.

Qualifying Applications first will be identified by Region. Qualifying Applications within each Region will be given a Reservation for LIHTC's and other related OHCS funding based on relative scoring rank within that Region until the balance of available LIHTCs or other related resources under this NOFA are insufficient to support any other qualifying Applications within the Geographic Region or OHCS determines not to award remaining funds.

After regional competitive awards have been established, any remaining resources that OHCS determines it will still award under this NOFA will be pooled on a statewide basis. Unfunded qualified Applications will then be ranked by overall score and additional Reservations may be issued by OHCS until the balance of available resources available in the NOFA are not sufficient to support additional qualified Applications or OHCS determines not to award remaining resources.

During the funding process, limits on the remaining available resources may result in lower-ranked Applications receiving a funding Reservation if higher-ranked Applications would require combinations of resources that exceed relevant funding source amounts that remain available for award purposes. In addition, the use of HOME funds for potential or actual awards to qualified Projects in this NOFA are potentially used in conjunction with the concurrent HOME NOFA which may limit the availability of this resource.

In the event of a tie in the regional or pooled ranking processes, and assuming sufficient funding for either of the tied Applications, OHCS will apply the following tie breaking rules in making funding awards.

- B. Tie Breaking Rule:** If the total evaluation scores of two (2) or more Applications result in a tie and LIHTC allocation availability is insufficient to fund all tied Applications, the following scores, in order of priority, will break the tie:
- If the tied Projects are in different Regions and more than fifty percent (50%) of the remaining funds comes from one of those Regions; that Project will be funded
 - If the tied Projects are in the same Region, or from Regions whose allocation contributes less than fifty percent (50%) of the remaining funds, the Project with the lowest Area Median Family Income served will be funded.
 - If the Area Median Family Income is tied, the Project with the lowest cost (excluding acquisition and reserves) will be funded.

C. Reissuing Returned Reservations: In the event an Application being considered for a LIHTC Reservation or Allocation either withdraws or is cancelled; or available credits were not originally allocated during the funding cycle, or a Project can't make its carryover requirements, or National Pool is awarded above current allocations, OHCS, at its sole discretion, may do any of the following:

1. If needed and available, fill Project funding gaps in previously awarded 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 OHCS funding sources available. The Applicant will be given thirty (30) days to reevaluate Project financial feasibility and determine whether or not the proposed Project can move forward. Once OHCS has published the Application Rankings, such rankings will be used to allocate LIHTCs during the annual funding cycle until October 1. At that time, funding order will be relinquished until re-established in a subsequent Notice of Funding Availability. Any returned credits after Sept. 30 of any year will be treated as if received in the following year, and will be allocated as part of that future allocation year.
3. OHCS may issue a Request for Proposals (RFP), or special application processes for Projects to compete for the unused LIHTCs.
4. Add the amount to the total available to the following calendar year's application-award cycle.

OHCS 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 also applied as a four percent (4%) non-competitive LIHTC Project.

OHCS may waive or adjust any aspect of this NOFA, including Section 1.7, as it determines to be in the best interest of its Programs, statutory purposes or duties.

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

1. Failure to close construction within two hundred forty (240) days of the Reservation ("Reservation Period"),
2. A material change so that the Project, Applicant, or Sponsor no longer meets the Minimum Qualified Threshold or any of the competitively scored criteria of this NOFA,
3. The proposed Project will not be placed in service by the date mutually agreed upon,
4. The failure to execute or record Affordability Agreements or other documents to the satisfaction of OHCS; or
5. Other causes at OHCS' discretion.

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

1. Revoke or modify the Reservation,
2. Approve requested changes to the original Application as proposed,
3. Take no action; or
4. Take such other action as OHCS determines to be appropriate.

2.0 APPLICATION REQUIREMENTS

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

APPLICATION DUE DATE AND TIME:

September 12, 2016, by 4:00 PM PST

DELIVERY ADDRESS:

Oregon Housing and Community Services

Attn: Lisa Cimino

725 Summer Street NE, Suite B

Salem, OR 97301

Applications must be received and date and time stamped by OHCS receptionist no later than the Application closing date and time. Applications must be delivered in a sealed envelope or container that clearly identifies the NOFA number, Applicant's name, name of the contact person for the Applicant, OHCS 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 OHCS 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 OHCS, 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.

OHCS 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 OHCS.

Applications determined by OHCS to be incomplete, to not meet all submission requirements of the NOFA, or otherwise fail to satisfy Administrative Review requirements will be deemed by OHCS as "non-responsive" and rejected without further review. Applications considered complete, meeting all submission requirements, and otherwise satisfying all Administrative Review requirements by OHCS will then be evaluated to determine if they comply with the Minimum Threshold Requirements. Applications determined by OHCS as failing to meet any of the Minimum Threshold Requirements also will be deemed as "non-responsive" and rejected without further review. The remaining "responsive" or "qualifying" Applications will be evaluated for ranking and award purposes as provided hereafter.

2.2 Application Submission Information

The *Instruction document for 2016 NOFA Applications* (<http://www.oregon.gov/ohcs/Pages/nofa-2016-low-income-housing-tax-credits.aspx>) contains detailed information about the format and content of the required submission.

2.3 NOFA Questions

Inquiries relating to the NOFA process, its administration, or the substantive technical portions of the NOFA should be directed to the individuals listed below:

General NOFA questions should be sent in writing to:
MFNOFA@oregon.gov

Programmatic Questions:

About LIHTC Program contact: Teresa Pumala, Teresa.Pumala@oregon.gov; 503.986.2112

About HOME Program contact: Carole Dicksa, Carole.Dicksa@oregon.gov; 503.986.2137

For A Project Site Checklist Review, contact OHCS Representative to schedule:

Email: Site.Review@oregon.gov

Frequently Asked Questions will be posted with applicable answers on the OHCS website. 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 OHCS. OHCS shall provide copies of any addenda to all known NOFA recipients as well as post the addenda at:

<http://www.oregon.gov/ohcs/Pages/multifamily-housing-announcements.aspx>

3.0 EVALUATION CRITERIA

After passing Application Administrative Review, including for timeliness and completeness, a Threshold Review Team will evaluate each Application for its satisfaction of the Minimum Threshold Requirements. The Applications 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 farther.

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

3.1 Administrative 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. Application and Charge Transmittal Form and Payment of Application Charges,
- C. Owner/Board of Director's Authorization and Acceptance Form,
- D. Organizational Documents,
- E. Complete NOFA Application with Required Exhibits.

3.2 Minimum Threshold Requirements (Part 3 Submission)

After passing Administrative Review, all of these Minimum Threshold Requirements must be met. The following are Pass/Fail criteria:

A. Program Compliance

Applicants must satisfy all Project requirements including, but not limited to, the Program Requirements for all applicable OHCS funding sources. Each OHCS funding source has separate requirements within the Application, including forms and exhibits that must be submitted simultaneously. These forms and exhibits are more particularly described and available in the Applications, General Policy and Guideline Manual and individual Program Manuals.

B. Funding Request

Any Project applying for more than ten percent (10%) of the total annual tax credit allocation, made available in this NOFA, is required to submit a 4%LIHTC/tax-exempt bond pro forma to evaluate potential feasibility for that funding source. Failure to submit a 4% LIHTC/tax-exempt bond pro forma will result in failure of the threshold review.

C. Resident Services

The Applicant is required to provide a Resident Services Description at the time of Application in accordance with the goals and guidelines in Appendix D of the Qualified Action Plan and correspond with what is submitted in Section 4 of the Application.

D. Relocation Plan

If any relocation or displacement of existing tenants might occur as a result of an Allocation, the Application must contain a relocation plan satisfactory to OHCS including all of the following:

1. A complete survey of existing tenants using the format provided by OHCS. This survey must be augmented to include third party income verification and be completed and approved by OHCS prior to the Equity Closing.
2. Type of displacement that will occur (permanent or temporary).
3. Proposed relocation/displacement process. Indicate compensation and advance notice provided to those subject to displacement.
4. Availability of comparable units in the community.
5. Describe the local jurisdiction displacement/relocation policies, if applicable.
6. Describe how tenants with disabilities will be assisted regarding relocation or displacement.
7. Provide regular updates on each resident to be relocated or displaced; and
8. For Projects receiving federal funds, the URA may apply. URA requirements, if inconsistent with any other requirements, will supersede any of the above.

E. Minority, Women, and/or Emerging Small Business (MWESB) Engagement

Minority, Women, and / or Emerging Small Businesses (MWESB) contractors are those registered with the State. (<http://www.oregon4biz.com/How-We-Can-Help/OMWESB/>)

All Applicants will be required to identify ways and/or targets that they will utilize to contract with MWESB contractors/subcontractors in the construction and operation of the proposed Project. Awardees will be required to submit a report to OHCS demonstrating outcomes of their efforts to contract with MWESB contractors/subcontractors, using state registry, in their final application prior to the issuance of the Form 8609.

F. Readiness to Proceed

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

1. Site Control and Zoning

Site Control

Applicant must have control of the land necessary for the Project by the Application deadline as evidenced by one (1) of the following:

- a. a recorded deed or conveyance showing the Applicant has Ownership,
- b. a valid purchase and sale agreement,
- c. a valid option to purchase,
- d. a valid option for a long-term lease, or
- e. any other evidence satisfactory to OHCS.

The Applicant must be sure 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.

OHCS will only accept one Application for a specific site or for any part of the same site, regardless of whether Applications are submitted by the same Applicant or by multiple Applicants. If there is more than one (1) Application received for the same site, or any part of the same site, OHCS may disqualify one (1) or all of the Applications. The *non-refundable* Application charge for each Applicant will be retained by OHCS.

Zoning

The Project must be 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

The Applicant must 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 OHCS that an application for these resources has been submitted and remains active. For RD this would mean a pre-Application Consultation Letter that includes a summary of the contact and understanding established to-date as well as expectations about the next steps in the process.

3. Adequacy of Development Schedule

Within the development schedule provided, the Applicant must be able to meet the required deadlines for applicable LIHTC, HOME, Gap, 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 OHCS program manuals.

4. Adequacy of the Project Site Checklist

Applicants must identify if there is any adverse environmental or site information indicated on the Project Site Checklist revealed during the OHCS Representative visit to the site or otherwise. The deadline for initiating scheduling the site visit is Thursday, June 30 2016 at 5:00 pm. In order to initiate scheduling a site visit, send an email to Site.Visit@oregon.gov. If you do not contact an OHCS Representative before the deadline, the OHCS Representative has no obligation to view the Project site or sign the Review Checklist

OHCS' Project Site checklist contains questions regarding:

- a. the suitability of the site,
- b. the distances to services,
- c. transportation and schools,
- d. the nature of existing structures,
- e. soil suitability,
- f. environmental hazards,
- g. safety concerns,
- h. noise problems,
- i. air quality issues,
- j. historic preservation,
- k. flood plain and wetlands issues,
- l. solid waste, waste water and storm water concerns, and
- m. Federally Listed Species and/or Designated Critical Habitat

Depending on the impact to the Project, the Applicant must provide a satisfactory mitigation plan for any materially adverse information revealed in the Project Site Checklist or subsequently identified.

G. Development Team Capacity

1. Construction Experience:

- a. 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?

- b. If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern?

2. Financing Experience:

- a. 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?
- b. If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern?

3. Development Team Experience:

- a. Has the Applicant managed similarly comprised development teams?
- b. Explain the development team experience with Projects of this type, size, and scope?
- c. If an Applicant has applied for multiple Project reservations, does the development team have the capacity to administratively and financially support all Projects simultaneously?

4. Financial Capacity:

- a. 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?
- b. 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?

H. Ownership Integrity

1. 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.
2. Neither Applicant nor any member or principal within the Project ownership, management or development team is currently under investigation or will have been convicted, whether in civil or criminal proceedings, of fraud, misrepresentation, theft or other moral turpitude within the previous ten (10) years.
3. Neither Applicant nor any member nor principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five (5) years.
4. Neither Applicant nor any member nor principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

I. Total Development Cost-Per-Unit

In order to begin assessing and containing costs, the following cost-per-unit limits have been established. The costs are based on the total development and construction costs (excludes acquisition). The limits are established using recently funded (five (5) year) history of OHCS Projects and based on unit size.

Once completed, the OHCS pro forma will calculate the cost per unit using the correct methodology on the Summary page of the Excel document.

Most Project units should have costs well below the listed limits. However there are occasionally exceptions. If the Applicant’s Project costs exceed those listed in the table, a letter explaining the costs will need to be submitted in the Application. Exceptions will not need to be approved to meet Minimum Threshold Requirements, just submitted.

2016 Oregon LIMIT cost / unit	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Urban	\$200,000	\$240,000	\$280,000	\$320,000	\$355,000
Balance of State	\$155,000	\$190,000	\$235,000	\$270,000	\$300,000

Urban definitions apply in the Metro Region and to any Project where the Project meets two (2) urban project criteria (e.g. more than four (4) stories, elevator, required structured parking, located on urban infill site).

J. Program Compliance Review

Applicants must satisfy the Program Requirements for all applicable OHCS funding sources requested. Each OHCS funding source has separate requirements, including supplemental forms and exhibits that must be submitted simultaneously with the Application.

**** New Requirement for 2016****

Utility Allowance Requirements

A single utility allowance (such as that established by the local PHA) is no longer permitted for use in HOME projects. This requirement was established by HUD because as more projects are constructed or rehabilitated to higher energy-efficiency standards, the use of a standard utility allowance that may not represent actual utility costs and is difficult to justify.

HOME recipients are now required by HUD to determine an individual utility allowance for each HOME funded rental project, either by:

- 1) Using the HUD Utility Schedule Model, located at: <http://huduser.org/portal/resources/utimodel.html>, OR
- 2) Otherwise determining the allowance based upon the specific utilities used at the project.

Note: OHCS requires HOME recipients to utilize the Energy Consumption Model when not utilizing the HUD Utility Schedule Model.

Energy Consumption Model: HOME recipients may retain the services of a qualified professional or properly licensed engineer to calculate utility allowances based on an energy consumption model (also known as an energy and water/sewage consumption and analysis model). The energy consumption model must, at a

minimum, take into account specific factors including but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location.

The use of the energy consumption model is limited to the buildings consumption data for the 12-month period ending no earlier than 60 days prior to the date the utility allowance will change. For newly constructed or rehabbed buildings with less than 12 months of consumption data, consumption data for the 12-month period for similarly sized and constructed units in the geographical area in which the building is located will be used. Utility rates must be the rates in place 60 days prior to the date the allowance will change and must be provided by the utility company that will service the property.

Owners using this model must maintain and provide documentation providing the source and content of all factors considered when computing the utility allowance calculation. A list of approved qualified professionals and licensed engineers can be found on the OHCS website at http://www.oregon.gov/ohcs/APMD/PCS/pdf/Approved_UA_Calculator_Contacts.pdf

All qualified professionals must be approved by OHCS prior to the property implementing calculations. Licensed Engineers do not need prior approval to calculate allowances if they are not requesting to be included on the OHCS approved and published list, however the agency retains the authority to approve or disapprove an energy consumption modeling method or require more information before approving of any method or calculation calculated by a licensed engineer.

Projects are no longer permitted to use a single utility allowance (such as that established by the local PHA) for every HOME-assisted rental project. This is because as more projects are constructed or rehabilitated to higher energy-efficiency standards, the use of a standard utility allowance that may not represent actual utility costs.

The model can be found at: <http://huduser.org/portal/resources/utimodel.html>.

3.3 Competitive Scoring (Part 4 Submission)

A Scoring Committee will competitively score five (5) sections of the Application by the Scoring Criteria described below. These sections are:

- (A) Need,
- (B) Impact,
- (C) Preferences,
- (D) Financial Viability,
- (E) Capacity.

OHCS is committed to investing public resources in a way that makes best use of the funds considering all benefits to the community as well as the viability of the Project. OHCS is also committed to ensuring 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 severity of need, and overall impact to the community as well as to prioritize those Projects that best meet established preferences, demonstrate dynamic partnerships and outcome based service delivery, and who involve sponsors, owners, and management agents with demonstrated high levels of performance.

A total of 100 maximum points is possible, weighted twenty (20) for Need, forty (40) for Impact, ten (10) for Preferences, fifteen (15) for Financial Viability, and fifteen (15) for Capacity. Any Application that does not have the minimum overall score of seventy-five (75) points will be disqualified, and the Application charge will not be refunded.

Both quantitative and qualitative factors are considered in the scoring. The criteria to be used, and the scoring group, for each scored section will be as follows:

(A) Need: 20 points

1. Target Population – 5 points

Applicable Criteria:

- a. Five (5) points: 30% of units for households with children OR 25% for special needs populations,
- b. Four (4) points: 25-29% of units for households with children OR 20-24% for special needs populations,
- c. Three (3) points: 20-24% of units for households with children OR 15-19% for special needs populations,
- d. Two (2) points: 15-20% of units for households with children OR 10-14% for special needs populations,
- e. One (1) point: 10-14% of units for households with children OR 5-9% for special needs populations.

2. Severity of Need - 9 points

Applicable Criteria:

- a. Population Growth Rate; three (3) points if 1.5 times that of the State, two (2) points if 1.1-1.5 that of the State, one (1) point if equal to that of the State, negative one (-1) point if population decreases by one (1) percentage point or more.
- b. Rental Housing Age; three (3) points if rate more than 1.5 times that of the State, two (2) points if 1.1-1.5 that of the State, one (1) point if rate equal to that of the State;
- c. Severe Housing Burden (spending 50% or more of household income on housing expenses) Rate; three (3) points if 1.2 times that of the State, two (2) points if 1-1.2 that of the State, one (1) point rate equal to that of the State;
- d. If New Construction or Acquisition / Rehab: Affordable Housing Gap (difference between the supply of affordable housing and the target population in need of housing) three (3) points if fewer than 5% of the target population is represented with the currently funded affordable housing, two (2) points if 5-10%, one (1) point greater than 10%;
- e. If Preservation: Community Affordable Housing Percent (the percentage of the community's affordable housing stock the Project represents) three (3) points if

project is more than 30% of the community affordable housing stock, two (2) points if 15-30%, one (1) point 10-15%.

3. Equitably Served Geography – 6 points

Need Distribution of Affordable Housing Units vs. Actual Distribution of Affordable Housing Units; Six (6) points if community has fewer than 30% of the units merited by the Need Distribution, five (5) points if 31-45%, four (4) points if 46-50%, three (3) points if 61-85%; two (2) point if 86-100%, one (1) point if 101-105%.

(B) Impact: 40 points

New Construction and Acquisition / Rehabilitation project Impact Criteria

1. Plan Alignment – 6 points

Project Applicants are asked to identify connections between the proposed Project and the State’s Consolidated Plan, as well as established local and regional plans, including but not limited to planning efforts of Regional Solutions Teams, Coordinated Care Organizations, Early Learning Hubs, or Workforce Investment Boards, Oregon Consumer Advisory Council, the Mental Health Planning and Advisory Council, or State Olmstead Plan.

Applicable Criteria: Maximum points will be awarded to Applications for Projects that demonstrate alignment with deliberate planning efforts; examples will be included in questionnaire.

2. HOME Leverage– 2 points

In Metro and Non Metro PJ Region projects, committed leverage of HOME and/or CDBG Funds; this also includes those Projects in Participating Jurisdictions that award Tax Increment Financing (or another OHCS approved place-based economic development funds) that are awarded by Participating Jurisdictions in lieu of HOME for gap funding sources. For Balance of State Region projects, HOME funding may be requested in this application, and must be a minimum of \$500,000.

Applicable Criteria: Two (2) points if HOME / CDBG +2 points if HOME / CDBG commitment of any level in participating jurisdiction regions; in the Balance of State HOME request must be at least \$500,000

3. State initiative / policy alignment – 5 points

Project Applicants are asked to identify the way in which the proposed Project advances long-term statewide human service policy priorities as articulated by the Governor or in enacted legislation and can demonstrate a specific plan for improving human service outcomes.

Applicable Criteria:

Maximum points will be awarded to projects that demonstrate alignment with State initiatives and policies; examples will be included in questionnaire.

4. Service Delivery – 6 points

Project Applicants are asked to identify resident service delivery information. This information will include the partners involved, the division of responsibilities and accountability for service provision, referral, and outcome tracking.

Applicable Criteria:

Maximum points will be awarded to projects that demonstrate thorough understanding of tenant needs and have fully developed service plans in place to address the needs; examples will be included in questionnaire.

5. Affirmative Fair Housing Marketing – 5 points

Project Applicants are asked to identify ways that their anticipated Affirmative Fair Housing Marketing Plan achieves above and beyond the elements required by HUD. Additional actions should include, but not be limited to, using detailed demographic factors in designing outreach strategies; including partner agencies in marketing; a language access plan; preparing reports on identified outcomes; and continuous outreach programs that would be conducted to maintain a well-balanced waiting list that will assure the meeting of the affirmative marketing goals at all times.

Applicable Criteria:

Maximum points will be awarded to projects that demonstrate comprehensive plans to affirmatively market the proposed housing units; examples will be included in questionnaire.

6. Location Efficiency – 8 points

Applicable Criteria:

- a. Walk-ability; score from <http://www.walkscore.com/cities-and-neighborhoods/> ; two (2) points if 70+, one (1) point if 50-69;
- b. Food Access; two (2) points if grocery store within a half a mile / within 5 miles if rural, one (1) point if not in a USDA Food Desert <http://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas.aspx#.Uw9-EOOwI5I> ,
- c. Medical Access; two (2) points if available within 1 mile / within 5 miles if rural, one (1) point if within 5 miles / 10 miles if rural,
- d. Public Transit; two (2) points if available within ¼ mile or a Transit Score from <http://www.walkscore.com/cities-and-neighborhoods/> of 70+ / within 5 miles if rural, one (1) point if within ½ mile or Transit Score of 50+ / within 10 miles if rural,
- e. Education for family housing; two (2) points if schools or libraries are within ½ mile / within 5 miles if rural, one (1) point if schools or libraries are within 1 mile / 10 miles if rural.

7. Location Preferences – 8 points

Applicable Criteria:

Applicants may receive points using the Vulnerable Gentrification Area criteria OR the Opportunity Area criteria (not both).

1. Vulnerable Gentrification Areas

- a. Revitalization Plan; existing planning efforts are required to get points in this section. Describe the Revitalization Plan in effect for the project site area; this will be reviewed by Scoring Committee to determine eligibility for Vulnerable Gentrification Area points. Preference is for established and documented plans, though accommodation for concerted revitalization efforts in rural communities without significant planning efforts may be made at Scoring Committee discretion,

- b. Qualified Census Tract; Two (2) points,
- c. High Percentage Communities of Color; Two (2) points; Concentration of race / ethnicities; rates of non-white-non-Hispanic in Tract above that in the Region,
- d. High Percentage Low Educational Achievement; Two (2) points; Concentration of low educational achievement; rates of non-college degree higher in Tract than that in the Region,
- e. High Percentage Renters; Two (2) points; Concentration of renters; rates of renters in Tract higher than that in the Region.

2. Opportunity Areas

- a. Low Poverty Census Tract; 2 points: Low Poverty Census Tract; poverty rate in Tract lower than the region,
- b. High Ratio of Jobs to Population; 2 points: High Ratio of Jobs to Population; ratio of jobs to population in Tract higher than that in the region,
- c. Below Average Unemployment; 2 points: Below Average Unemployment; unemployment rate in Tract lower than the region,
- d. High Scoring Schools; 2 points: High Scoring Schools; assigned Elementary school has a score of 4 or 5.

Preservation Project Impact Criteria

1. Tenant Impact – 15 points

Applicable Criteria:

- a. Vulnerable Tenant Displacement; Five (5) points, more than 60% of the project units occupied by a vulnerable population (frail elderly, disabled, large families, special needs populations, service dependent) who would face hardships from relocation; Three (3) points, if 40-60% of the project units; One (1) point, if 20-40% of the project units.
- b. Extremely Low Income; Five (5) points, Greater than 60% of the units at 30% of Area Median Family Income or below; Three (3) points, 40-60% of the units at 30% of Area Median Family Income or below; One (1) point, 25- 40% of the units at 30% Area Median Family Income or below.
- c. Percentage of Rent Assisted Units; Five (5) points, Greater than 75% of the units have new or existing Project Based assistance; Three (3) points, 50-75% of the units; One (1) point, 30-50% of the units.
- d. Tenant Protections if federal rent subsidy expires; Three (3) points, Change of use requires relocation. Enhanced Vouchers issued only for the residents under the Section 8 contract - no EVs for HUD maturing mortgages. Limited vouchers issued for RD prepayments.
- e. Voucher Utilization of the community's housing authority; Three (3) points, High voucher turn back, porting rate or likelihood of relocating more than 20 miles.
- f. Alternative available and affordable rental housing options in the community; Three (3) points, Limited MF housing exists in the community or very low vacancy rates: 0%-3%.

2. Risk of Loss – 6 points

Applicable Criteria:

- a. Opt-out / Market Conversion Risk; Four (4) points, Strong rental market with no Use Restrictions in place once contract expires. Project rents are generally below market. For RD, this would be projects that are prepayment eligible. Owner has filed one-year opt-out Notice and/or has opted out in the past. Projects located in gentrified or rapidly gentrifying neighborhoods; Two (2) points, Owner intent unclear - may have executed multiple short term contract renewals. Weak market or inability of project to compete for market rate tenants. Project rents above market, in poor physical condition or lacks desired amenities, services, infrastructure, etc.
- b. Physical Condition Risk; Four (4) points, Proposed rehabilitation scope, replacement reserve analysis and proposed reserve capitalization address long-term project physical needs and improves resident quality of life. Building envelope is adequately addressed; Two (2) points, Project is in good physical condition needing only very light rehabilitation. Minimal rehab scope presents other viable financing options.

3. Prudence of Investment – 6 points

Applicable Criteria:

- a. Total Cost per Unit; Three (3) points, total development cost per unit (excluding acquisition) are 70% or less of the published Total Development Costs Per Unit Limits; Two (2) points, 71-90% of the published Total Development Costs Per Unit Limits; One (1) point, 91-100% of the published Total Development Costs Per Unit Limits.
- b. Narrative Description of Costs; Applicants are asked to describe the cost of the Preservation Project including providing context for the investment and assessing the Prudence of Investment for preserving the Project as compared to building new units.

4. Plan Alignment – 2 points

Project Applicants are asked to identify connections between the proposed Project and established local, regional and/or state published plans, including but not limited to Consolidated Plans and planning efforts of Regional Solutions Teams, Coordinated Care Organizations, Early Learning Hubs, or Workforce Investment Boards, Oregon Consumer Advisory Council, the Mental Health Planning and Advisory Council, or State Olmstead Plan.

Applicable Criteria:

Maximum points will be awarded to projects that demonstrate alignment with deliberate planning efforts; examples will be included in questionnaire.

5. HOME Leverage in Balance of State – 1 point

In Metro and Non Metro PJ Region projects, committed leverage of HOME and/or CDBG Funds; this also includes those Projects in Participating Jurisdictions that award Tax Increment Financing (or another OHCS approved place-based economic development funds) that are awarded by Participating Jurisdictions in lieu of HOME for gap funding sources. For Balance of State Region projects, HOME funding may be requested in this application, and must be a minimum of \$500,000.

6. Service Delivery – 3 points

Project Applicants are asked to identify service delivery information. This information will include the partners involved, the division of responsibilities and accountability for service provision, referral, and outcome tracking.

Applicable Criteria:

Maximum points will be awarded to Applications for Projects that demonstrate thorough understanding of tenant needs and have fully developed service plans in place to address the needs; examples will be included in questionnaire.

7. Affirmative Fair Market Housing – 3 points

Project Applicants are asked to identify ways that their adopted Affirmative Fair Housing Marketing Plan achieves above and beyond the elements required by HUD. Additional actions should include, but not be limited to, using detailed demographic factors in designing outreach strategies; including partner agencies in marketing; a language access plan; preparing reports on identified outcomes; and continuous outreach programs that would be conducted to maintain a well-balanced waiting list that will assure the meeting of the affirmative marketing goals at all times.

Applicable Criteria:

Maximum points will be awarded to projects that demonstrate comprehensive plans to affirmatively market the housing; examples will be included in questionnaire.

8. Location Efficiency – 2 points

Applicable Criteria:

- a. Walk-ability score from <http://www.walkscore.com/cities-and-neighborhoods/>; two (2) points if 70+, one (1) point if 50-69;
- b. Food Access; two (2) points if grocery store within a half a mile / within 5 miles if rural, one (1) point if not in a USDA Food Desert <http://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas.aspx#.Uw9-EOOwl5I>;
- c. Medical Access; two (2) points if available within 1 mile / within 5 miles if rural, one (1) point if within 5 miles / 10 miles if rural;
- d. Public Transit; two (2) points if available within ¼ mile or a Transit Score <http://www.walkscore.com/cities-and-neighborhoods/> of 70+ / within 5 miles if rural, one (1) point if within ½ mile or Transit Score of 50+ / within 10 miles if rural;
- e. Education for family housing; two (2) points if schools or libraries are within ½ mile / within 5 miles if rural, one (1) point if schools or libraries are within 1 mile / 10 miles if rural.

9. Location Preferences – 2 points

Applicable Criteria:

Applicants may receive points under the Vulnerable Gentrification Area criteria OR the Opportunity Area criteria (not both).

A. Vulnerable Gentrification Areas

1. Revitalization Plan; existing planning efforts are required to get points in this section. Describe the Revitalization Plan in effect for the project site area; this will be reviewed by Scoring Committee to determine eligibility for Vulnerable Gentrification Area points. Preference is for established and documented plans, though accommodation for concerted revitalization efforts in rural communities without significant planning efforts may be made at Scoring Committee discretion,
2. Qualified Census Tract; One (1) point,
3. High Percentage Communities of Color; One (1) point, concentration of race/ethnicities; rates of non-white-non-Hispanic in Tract above that in the Region,
4. High Percentage Low Educational Achievement; One point (1), Concentration of low educational achievement; rates of non-college degree higher in Tract than that in the Region,
5. High Percentage Renters; Concentration of renters; rates of renters in Tract higher than that in the Region.

B. Opportunity Areas

1. Low Poverty Census Tract; One (1) point, Low Poverty Census Tract; poverty rate in Tract lower than the region,
2. High Ratio of Jobs to Population; One (1) point, High Ratio of Jobs to Population; ratio of jobs to population in Tract higher than that in the region,
3. Below Average Unemployment; One (1) point, Below Average Unemployment; unemployment rate in Tract lower than the region,
4. High Scoring Schools; One (1) point, assigned Elementary school has a score of 4 or 5.

(C) Preference: 10 points

1. Serving Lowest Incomes – 7 points

- a. Average Gross Median Income Restrictions on qualified units – 5 points
 1. In High Income Counties; five (5) points if AGMI is 45% or less, four (4) points if 46-50%, three (3) points if 51-59%, two (2) points if 60-69%, one (1) point if 70-79%;
 2. In Low Income Counties; five (5) points if AGMI is 50% or less, four (4) points if 51-59%, three (3) points if 60-69%, two (2) points if 70-79%.
- b. Rental Assistance such as Project Based Subsidy – 2 points
 1. Two (2) points if project based assistance for more than 25% of the affordable units, one (1) point if project based assistance on 1-25% affordable units or voucher commitment.

2. Federal Preferences – 3 points max

- a. Intended for eventual tenant ownership – One (1) point,
- b. Energy efficient measures employed – One (1) point,
- c. Evidence of historic value for the community – One (1) point,
Historic value for the community is limited to the restoration of registered historical landmarks or the identification within an historic district undergoing revitalization.

Scoring committee will review applicant provided explanation to make a determination.

- d. Established commitment to marketing to public housing wait lists – One (1) point.

(D) Financial Viability: 15 points

1. Development pro forma review

- a. Pro forma includes only realistic and available resources on the Sources of Funding. Capital fundraising campaigns are not considered realistic and available resources. Any inclusion of resources that are unrealistic or unavailable will result in a score of minus fifteen (-15) points in this category.
- b. Explanation of how the development budget will still be valid at the start of construction.
- c. Relocation Plan completed if warranted and aligns to development budget.
- d. Developer Fee is within the OHCS maximum allowable.
- e. If Uniform Relocation Act (URA), the budget line item accurately reflects the Project cost based on the sufficient Relocation Plan.
- f. If Commercial Real Estate is included in the Project, Sources and Uses are provided on a separate pro forma page.

2. Operating pro forma review

- a. Affordable rents at least ten percent (10%) below estimated market rents.
- b. Debt coverage ratio is a minimum of 1.15:1 for hard amortizing debt. When utilizing OAHTC funds, the minimum debt coverage ratio is required to be met after the OAHTC pass through is applied.
- c. Cash flow within OHCS guidelines or adequately explained (1.30 or below, unless adequately explained or declining cash flows require a higher debt coverage).
- d. Vacancy rate at seven percent (7%) or adequately explained if different.
- e. Submitted reserves for replacement analysis and included adequate amount for replacement items in pro forma as detailed in IV.E.ii Operating Pro forma of the QAP.
- f. Income inflation factor is less than expenses inflation factor.

3. Reasonable request and demonstrated need for resources

- a. Eligible basis requested is analyzed to determine accuracy (land, commercial, ineligibles are not supporting annual allocation, and there will not be a material gap in finances).

4. Well documented and explained construction costs

- a. Construction documents, including CNA, if required, provide enough detail to adequately calculate Project hard costs.
- b. Construction and rehabilitation estimates substantially agree with the pro forma.
- c. Green building costs reflected in construction costs.
- d. Contractor overhead, profit and general conditions are within the required range for LIHTC as specified in IV.E Financial Feasibility section of the QAP.

5. Explained exit strategy at year 15

- a. Exit strategy explanation adequate and acceptable; plans imparted with strategies for success for the year 15 transfer to the general partner / managing member.

(E) Capacity: 15 points

1. Owner, sponsor, management performance – 9 points

Applicants with Projects in the OHCS portfolio will be reviewed on the performance of all Projects in the portfolio, the average score of all Projects will be used; Applicants without Projects in the OHCS portfolio will be asked to submit a letter indicating their compliance status with any existing Projects (if unreported noncompliance is discovered later, it may be grounds for rescinding awarded credits or negatively impact future applications for funding).

Portfolio Project criteria will be calculated for each relevant Project and summed and apportioned based on portfolio size.

A. Federal Reporting – 3 points

1. All 8823s status; three (3) points if all resolved; two (2) points if Pending or NA; - three (3) points if Not resolved.

B. OHCS Portfolio Compliance – 3 points

Based on a percentage average of the following criteria; if receive 67 percent or more of the possible points, 3 points; if 50-66 percent of possible points, two (2) points; if 25-49 percent of possible points, one (1) point, if less than 25 percent of possible points, zero (0) points

1. Most recent Real Estate Assessment Center (REAC) score; three (3) points if 80 and above, two (2) points if 70-79 or N/A, one (1) point if 60-69, zero (0) points if below 60.
2. Most recent Physical Review; three (3) points exceeds expectations, two (2) points if meets expectations, pending or N/A, zero (0) points if does not meet expectations corrected, negative 3 (-3) if does not meet expectations uncorrected.
3. Most recent File Review; three (3) points exceeds expectations, two (2) points if meets expectations, pending or N/A, zero (0) points if does not meet expectations corrected, negative 3 (-3) if does not meet expectations uncorrected.
4. Most recent Resident Services Review; three (3) points exceeds expectations, two (2) points if meets expectations, pending or N/A, zero (0) points if does not meet expectations corrected, negative 3 (-3) if does not meet expectations uncorrected.
5. Most recent Response Review; three (3) points exceeds expectations, two (2) points if meets expectations, pending or N/A, zero (0) points if does not meet expectations corrected, negative 3 (-3) if does not meet expectations uncorrected.
6. Certification of Continuing Program Compliance (CCPC) submission received for current year shows compliance; 1 point if Yes, -3 points if No

C. OHCS portfolio Viability Criteria – 3 points

Based on a percentage average of the following criteria; if receive 67 percent or more of the possible points, 3 points; if 50-66 percent of possible points, two (2) points; if 25-49 percent of possible points, one (1) point, if less than 25 percent of possible points, zero (0) points

1. Financial submission as requested; three (3) points if Yes, two (2) points if N/A, negative 3 (-3) points if No.
2. Most recent financial audit is closed; three (3) points if Yes, two (2) points if N/A, negative 3 (-3) points if No.
3. Most recent audited financials Debt Coverage Ratio; three (3) points if 1.25 or above, two (2) points if 1.15-1.24 or N/A, one (1) point if 1.00-1.14, zero (0) points if below 1.00.
4. Asset management community evaluation completed satisfactorily; three (3) points if yes, two (2) points if N/A or Improved, one (1) point if Performance Improvement Plan in Place, zero (0) points if Performance Improvement Plan in Place Not Improved, negative 3 (-3) points if non-compliant.

2. Minority Women and Emerging Small Business Utilization – 2 points

- a. Identification of plans to engage MWESB contractors and subcontractors during the development process; full points to comprehensive plan and targets.
- b. Evaluation of performance against previous MWESB plans, when available.

3. Readiness to proceed – 4 points

- a. Funding commitment for planned Project funds.
- b. Explanation of when other sources of funds will be available to the Project if not already committed is reasonable.
- c. Demonstrated ability to begin construction within 12 months.
- d. Proposed Project schedule appears adequate and reasonable.
- e. Explanation of why Project must be funded now as opposed to future NOFAs is reasonable.

4.0 APPLICATION EVALUATIONS

4.1 Evaluation Process

After Administrative Review (see Section 3.1) and Minimum Threshold Requirements Review (see Section 3.2), remaining Applications will be reviewed and scored competitively (see Section 3.3). Applications that have met Administrative Review, Minimum Threshold Requirements, and Competitive Scoring 75-point hurdles will be ranked by the Scoring Committee based on the Scoring Criteria described in Section 3.3.

The final selection for Reservations, if any, will be from 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 Stability Council (as applicable), in accordance with available 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

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

5.0 GENERAL NOFA TERMS

- 5.1 OHCS may require clarification to understand whether or not an Application satisfies relevant criteria. Any necessary clarifications or modifications normally will be made before OHCS makes any Reservation and may become part of the final Agreement documents.
- 5.2 Submission of an Application by Applicant or acceptance by OHCS of a submitted Application neither constitutes an agreement of any kind between OHCS and Applicant nor does it secure or imply that Applicant will be selected for receipt of a Reservation of funds.
- 5.3 All costs associated with Applicant's submission of an Application are the sole responsibility of the Applicant and shall not be borne to any degree by the State of Oregon.
- 5.4 Successful Applicants, *inter alia*, will be required to maintain appropriate levels of insurance and to comply with other Program Requirements.
- 5.5 OHCS 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 such amendments will be in writing and must be signed by relevant authorized parties.
- 5.6 ORS 60.701 requires 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.
- 5.7 OHCS 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 execution of Agreement documents (including after announcement of the apparent Reservation) 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 OHCS;
 - G. to reject all Applications received and cancel this NOFA upon a finding by OHCS that such cancellation would be in the best interests of the State;
 - H. to use adherence with components of the Applicant's Application and this NOFA as scoring criteria in future multifamily funding solicitations;
 - I. to withdraw any identified funding from this NOFA; and

- J. to waive any term or condition of this NOFA for good cause as determined by OHCS subject to applicable law.
- 5.8 This NOFA and one (1) copy of each original Application received, together with copies of all documents pertaining to a Reservation, will be kept by OHCS and made a part of a file or record, and be available for disclosure pursuant to the Oregon Public Records Law.
- 5.9 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.
- 5.10 The Applicant will be required to assume responsibility for performance required by the Agreement documents, whether performed by the Applicant, a representative, assignee or subcontractor. The Applicant is responsible for performance of any and all Agreement documents.
- 5.11 An Applicant or potential qualifying applicant may protest or otherwise challenge the NOFA process by first requesting administrative review as herein specified. An Applicant may protest or otherwise challenge any OHCS determination or order (collectively hereinafter, “determination”) related to this NOFA by first requesting administrative review as herein specified.
- A. A timely, qualifying request for administrative review is necessary to satisfy the conditions of this section and a condition precedent to judicial review consistent with ORS 183.480.
 - B. Failure to file a timely, qualifying request for administrative review with OHCS will constitute a failure to exhaust administrative remedies and terminate further rights to protest or otherwise challenge the solicitation process or any related department determination, including judicial review thereof.
 - C. An Applicant under this section is a person or entity that makes an Application (including delivery to the department under the terms of this NOFA) for an OHCS funding award pursuant to this NOFA.
 - D. A potential qualifying applicant is a person or entity that qualifies to make an Application for a department funding award under the terms of this NOFA with respect to the process of which it requests administrative review consistent with the terms of this section.
 - E. An Applicant or potential qualifying applicant seeking to protest or otherwise challenge any aspect of a this NOFA process (other than an OHCS determination related thereto) must request review by OHCS within fourteen (14) days of the NOFA Application due date.
 - F. An Applicant seeking to protest or otherwise challenge a determination by OHCS related to this NOFA must request review by OHCS of such determination within fourteen (14) days of the Applicant receiving notice from OHCS of that determination.
 - G. Any request for review must be in writing, specifically identifying:
 - 1. the nature of the requestor’s interest, including the facts showing how the requestor is adversely affected or aggrieved by the NOFA process or an OHCS determination related thereto;

2. the relief sought;
3. each of the grounds for review;
4. an explanation of each of the grounds upon which relief should be granted; and
5. any supporting information the requestor desires to have considered by OHCS.

H. The envelope containing the request for review **MUST**:

1. be marked **PROTEST**;
2. identify the NOFA number;
3. identify the closing time and date for acceptance of NOFA Applications;
4. identify OHCS' contact person for the NOFA; and
5. be received by OHCS at its main Salem Office,

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

not later than **4:00 PM** on the fourteenth(**14th**) day after the solicitation closing date or the applicant's receipt of notice from the department of the department determination from which review is requested, whichever due date is applicable under this section.

I. The Applicant will be deemed to have received notice of an OHCS determination upon the sooner of:

1. three (3) days after OHCS' determination is mailed to the Applicant;
2. two (2) days after such determination is posted to the OHCS website;
3. two (2) days after the list of successful NOFA Applicants is posted to the OHCS website; or
4. one (1) day after such determination is emailed to the Applicant.

J. OHCS may request additional information from the requestor with respect to its request and consider such other information as it deems appropriate.

K. OHCS will endeavor to provide a written response to a timely, qualifying request for review within thirty (30) days.

L. Judicial review of the OHCS response to a timely, qualifying request for review shall be limited to those grounds the requestor raised with OHCS in its request for review.

M. The filing of a request for review, or subsequent judicial review (if any), will not preclude OHCS from moving forward with the NOFA or the award of funding assistance thereunder. However, OHCS reserves

the right to delay, terminate, modify, or take other action it determines to be appropriate with respect to the NOFA or any related award of funding assistance in response to a request for review or subsequent judicial review.

- 5.12 Reservations, Allocations or Awards (collectively, Determinations) subject to State Housing Council review under ORS 456.561, and Determinations where additional OHCS 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 OHCS Determinations.
- 5.13 All Reservations made pursuant to this NOFA are subject to the successful negotiation, execution, and recording (if required) of Agreement documents satisfactory to OHCS 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 OHCS including, but not limited to, restrictive covenants with respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to OHCS.
- 5.14 OHCS may charge, and the Applicant shall pay, legal and administrative costs incurred by OHCS in negotiating and preparing Agreement documents and other related documents.
- 5.15 Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.
- 5.16 OHCS reserves all other rights not specifically identified herein.

[The balance of this page is intentionally left blank.]