STAGE OF OREGON

HOUSING AND COMMUNITY SERVICES DEPARTMENT
AND
OREGON HEALTH AUTHORITY

Notice of Funding Availability (“NOFA”) #4474

Funding for: Mental Health Affordable Housing Projects.
Includes Capital Development funds to Acquire, Construct, and / or Rehabilitate Supported or Supportive Housing for persons with Serious Mental Illness or Substance Use Disorders.

NOFA Issued Date: February 15, 2017
Application Due Date: April 21, 2017 by 4:00pm PST
Application Due Time: 4:00 PM PST

Version 1.0

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1.0 INTRODUCTION

The State of Oregon, acting by and through its Housing and Community Services Department ("Oregon Housing and Community Services" or "OHCS") is pleased to announce the availability of funds through this Notice of Funding Availability #4474 ("NOFA") for eligible affordable multifamily residential rental housing developments ("Projects") that, inter alia, appropriately serve the statewide need for supported housing ("Supported Housing") or supportive housing ("Supportive Housing") for persons with a serious mental illness ("Serious Mental Illness" or "SMI") or a substance use disorder ("Substance Use Disorder" or "SUD").

This NOFA is being issued to reserve available capital development ("Capital Development") funds to NOFA applicants ("Applicants") that are both eligible and successful under the terms hereof for use by same in acquiring, constructing and/or rehabilitating approved Projects.

This NOFA outlines: (i) the specifics of the funding options available herein, including details on what is considered an eligible Project, (ii) the specifics on application ("Application") components that will need to be submitted by Applicants, and (iii) the details on the NOFA process, including how the Applications will be reviewed, prioritized, and scored.

The NOFA application documents to be submitted by Applicants can be found on OHCS’ Mental Health Housing NOFA website and includes, inter alia, a NOFA "Instruction Document" that has even more detail about how each Application documents must be completed.


1.1 Purpose

OHCS is seeking Applications in this NOFA for the statewide funding of eligible Projects.

All persons or entities submitting Applications responsive to this NOFA are herein referred to as Applicant(s). Applicants and/or Project owners are collectively hereinafter referred to as “Applicants.” Applicants, if any, that OHCS determines to provide a conditional reservation of funding ("Reservation") pursuant to this NOFA will be designated as grantees ("Grantees") in the applicable Reservation letter ("Reservation Letter") issued to them by OHCS. All Reservations are conditional in nature, contingent upon the terms upon which they are made, approval by the Housing Stability Council, the continuing availability to OHCS of the described funds or tax credits (collectively or individually without distinction, “Funds”), the continuing authority of OHCS to disburse or allocate such Funds, and the successful negotiation, execution, and recording (if required) of relevant contract and other documents, including restrictive covenants (collectively, "Grant Documents") in form and content satisfactory to OHCS at its sole discretion. OHCS may require Grantees to record at their own expense, amend, and/or supplement such Grant Documents as directed by OHCS and Grantees shall timely comply with any such requirement.

1.2 Funding Sources

The allocation ("Allocation") of Funds for this NOFA will be from the Mental Health Housing Fund ("MHHF"). MHHF funding is subject to MHHF Program requirements ("Requirements") as established throughout this NOFA document. MHHF 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 Training

OHCS understands this is specialized housing. Due to the specialized nature of this type of housing, potential Applicants will have the opportunity to attend a voluntary training intended to help Applicant build their capacity to respond to this NOFA and to provide eligible Projects. The NOFA training session will be announced on the OHCS website at the following web address: http://www.oregon.gov/ohcs/Pages/multifamily-housing-announcements.aspx. During the NOFA training session, on-going capacity training sessions will be announced and potential Applicants will have the opportunity to sign up and attend. These training sessions are voluntary and not a requirement for applying for these Funds.

1.4 MHHF Guidelines

NOFA terms and other Program Requirements terms will have the means given herein or in the other Program Requirements unless the context clearly indicates otherwise.

A. Affordability & Terms

1. For housing units, i.e., dwelling units within Projects, to satisfy Program Requirements as to affordability, they must, inter alia, have affordable, verified rental rates consistent with such Program Requirements and be continuously rented (or held vacant for rental) (the “Next-Available Unit Rule”) consistent with Program Requirements to tenants earning 60% or less of the adjusted area median income (“Area Median Income” or “AMI”), as determined by OHCS using U.S. Department of Housing and Urban Development (“HUD”) or other applicable standards, throughout the affordability period (“Affordability Period”), including as identified in the applicable Grant Documents, which Affordability period shall not be less than thirty (30) years from the date that the first building in the Project is placed in service under Program Requirements.

2. Applicants must demonstrate the need for their proposed Project for the requested Reservation of Funds.

3. In Project buildings or complexes with four or more units, no more than 25% of the total units in any building or complex within the Project, or the Project in general, may be Supported Housing for tenants with SMI referred by OHA or its contractors - who shall make good faith, best efforts to facilitate the occupancy of those units by individuals with SMI. For Project buildings or complexes of two-three units, not more than one unit may be Supported Housing for tenants with SMI referred by OHA or its contractors - who shall make good faith, best efforts to facilitate the occupancy of those units by individuals with SMI. The remaining Project units are otherwise available to persons in conformance with Program Requirements, including Fair Housing and other laws.

B. Eligible Activities

Project development activities eligible for funding under this NOFA include:

1. New Construction of affordable Supported and/or Supportive Housing units (“New Construction”).

2. Acquisition and/or rehabilitation of existing structures to repurpose existing housing units and/or create new affordable Supported and Supportive Housing units (“Acquisition/Rehab”).
3. Acquisition of existing structures or housing units that already serve as Supported Housing for the SMI/SUD target population but are at risk of loss in order to maintain the supply of housing for the target population ("Risk of Loss").

For Risk of Loss Projects, Applicants must demonstrate that the Project will have a new ownership structure as well as demonstrate that the existing housing is at Risk of Loss within 18 months of the close of this NOFA. Risk of Loss can be due either to conversion to market rental rates such that the Project no longer will serve the target population, or through physical condition factors limiting the health or safety of tenants.

Applicants may only apply for funding of one (1) phase of any multi-phase Project, and may not submit more than three (3) Applications, under this NOFA.

C. Rents & Income

All units and related common areas funded under this NOFA, including as may be designated in the Reservation Letter or Grant Documents, must be available for households earning at or below 60% of Area Median Income consistent with applicable Program Requirements. Maximum rents allowable on any subject, non-exempt unit will be based on and may not exceed the 60% HUD Area Median Income standard, but may be further restricted by OHCS to accomplish MHHF Program or other OHCS purposes, including other funding purposes, as OHCS determines to be necessary or appropriate.

In cases where the funded Project is mixed-income (i.e., some units designated at 60% AMI and below and some permitted to exceed 60% AMI), a documented process for adhering to the Next Available Unit Rule must be formalized and documented to the satisfaction of OHCS to ensure, inter alia, affordability and comparability-of-unit compliance, i.e., that the number, size, and character of comparable affordable units are provided to serve the target population.

D. Population Definitions

**Person with a Serious Mental Illness (SMI)**

An individual qualifying as a Person with a Serious Mental Illness must be:

1. Diagnosed by a Qualified Mental Health Professional as suffering from a chronic mental disorder as defined by ORS 426.495, which includes, but is not limited to, conditions such as chronic schizophrenia, chronic affective disorder, chronic paranoid disorder, and other disorders which manifest symptoms that are not solely a result of mental retardation or other developmental disabilities, epilepsy, drug abuse, or alcoholism; which continue for more than one (1) year, or on the basis or a specific diagnosis, are likely to continue for more than one (1) year; and

2. Impaired to an extent that substantially limits the person’s consistent functioning in one (1) or more of the following areas:
   a. Home environment: independently attending to shelter needs, personal hygiene, nutritional needs and home maintenance;
b. Community negotiation: independently and appropriately utilizing community resources for shopping, recreation and other needs;

c. Social relations: establishing and maintaining supportive relationships;

d. Vocational: maintaining employment sufficient to meet personal living expenses or engaging in other age appropriate activities.

**Person with a Substance Use Disorder**

An individual qualifying as a Person with a Substance Use Disorder has a recurrent use of alcohol and/or drugs that causes clinically and functionally significant impairment, such as health problems, disability, and failure to meet major responsibilities as work, school, or home. According to the DSM-5, a diagnosis of substance use disorder is based on evidence of impaired control, social impairment, risky use, and pharmacological criteria.

**E. Eligible Housing Types**

**Supported Housing for Individuals with a Serious Mental Illness**

Supported Housing for individuals with SMI is permanent affordable housing that offers individuals with SMI independent housing integrated into the community in a private, secure setting. It must enable individuals with SMI to interact with individuals without disabilities to the fullest extent possible and with all the same rights and responsibilities of tenancy. Supported Housing services for individuals with SMI include the provision of evidence-based approaches and recognized best practices in mental health treatment available to tenants; including resident-involved planning. Participation in support services by residents must be voluntary and not a condition of occupancy. Supported Housing providers cannot reject individuals for placement due to medical needs or substance abuse history.

As provided in Section 1.4.A.3. above, in Project buildings or complexes with four or more units, no more than 25% of the total units in any building or complex within the Project, or the Project in general, may be Supported Housing for tenants with SMI referred by OHA or its contractors - who shall make good faith, best efforts to facilitate the occupancy of those units by individuals with SMI. For Project buildings or complexes of two-three units, not more than one unit may be Supported Housing for tenants with SMI referred by OHA or its contractors - who shall make good faith, best efforts to facilitate the occupancy of those units by individuals with SMI. The remaining Project units are otherwise available to persons in conformance with Program Requirements, including Fair Housing and other laws.

Except in the case of families, Supported Housing for individuals with SMI has no more than two people in an apartment or house, each with a private bedroom. Individuals may choose to live as housemates but individuals cannot be required to live together. Individuals maintain their own unit and visitors are not restricted.

**Supported Housing for Individuals with a Substance Use Disorder**

Supported Housing for individuals with a SUD is permanent affordable housing integrated within the community that enables individuals with a SUD to interact with individuals without SUD in the community with the same rights and responsibilities of tenancy. Individuals with a SUD will participate in a program of
recovery with support services that include the use of evidence-based practices in substance use disorder treatment and recovery services including access to case managers and peer mentors. The provision of services for individuals with SUD must support recovery and enable such residents to live independently with increased self-sufficiency. Individuals with a SUD maintain their own Supported Housing unit and visitors are not restricted.

SUD Supported Housing providers must ensure that resident’s with a SUD need for medication, both psychotropic and otherwise (including medication assisted treatment for substance use disorder), is not a basis for restricting occupancy and that they do not impede access to appropriate medication.

**Supportive Housing for Individuals with a Serious Mental Illness**

Supportive Housing for individuals with SMI is single-site housing, either permanent or transitional, in which all or a majority of tenants who receive support services are individuals with a serious mental illness who live together in a single building or complex with or without on-site support services. Individuals with SMI maintain their own unit and visitors are not restricted. Support services for individuals with SMI include the provision of evidence-based approaches and recognized best practices in mental health treatment available to tenants, including resident-involved planning. Individuals with SMI have the ability to engage freely in community activities and manage their own activities of daily living. Participation in support services by residents must be voluntary and not a condition of occupancy.

Supportive Housing may include housing serving individuals with a co-occurring condition or a population of individuals with multiple behavioral health and physical health conditions.

Occupancy of Supportive Housing for individuals with SMI that is designated to be transitional is limited to no more than two years.

**Supportive Housing for Individuals with a Substance Use Disorder**

Supportive Housing for individuals with SUD is single-site housing, either permanent or transitional, in which all or a majority of tenants with a substance use disorder live together in a single building or complex with or without on-site support services. Individuals will participate in a program of recovery with support services that include the use of evidence-based practices in substance use disorder treatment and recovery services including access to case managers and peer mentors. The provision of support services must support recovery and self-sufficiency. Individuals maintain their own Supportive Housing unit and visitors are not restricted.

Providers of Supportive Housing for individuals with SUD must ensure that their access for medication, both psychotropic and otherwise (including Medication Assisted Treatment for Substance Use Disorder) is not restricted.

Supportive Housing may include housing serving individuals with a co-occurring condition or a population of individuals with multiple behavioral health and physical health conditions.

Occupancy of Supportive Housing for individuals with SUD that is designed to be transitional is limited to no more than two years.
1.5 Application Parameters:

A. Applicants must identify which type of eligible housing and target population they are applying to serve in their proposed Project as outlined below:

1. Individuals with a Serious Mental Illness (SMI) as defined in OAR 309-036-0105(11), who are able to live independently in Supported and/or Supportive Housing with appropriate and available support services.

OR

2. Individuals with a Substance Use Disorder (SUD) who are able to live independently in Supported and/or Supportive Housing with appropriate and available support services.

B. As provided in Section 1.4.B., Applicants may only apply for funding of one (1) phase of a multi-phase Project.

C. As provided in Section 1.4.B., Applicants may not submit more than three (3) Applications for this NOFA.

1.6 Funding Set-Asides and Limits:

Funding Set-Asides:
The following set-asides by housing and population type have been established for this NOFA:

a. Supported Housing (Individuals with SMI)

   1. Metro *                              $ 4,582,469 million
   2. Non-Metro **                         $ 4,958,875 million

b. Supported Housing (individuals with SUD) $ 2,500,000 million

c. Supportive Housing                     $ 2,247,161 million

Total: $14,288,505 million

* Metro areas defined as: Clackamas, Multnomah, and Washington Counties

** Non-Metro areas defined as: all areas of the state not including Clackamas, Multnomah, and Washington Counties

If there are insufficient Project Applications that meet all of the Preliminary Review requirements as further described below ("Preliminary Review Requirements"), all of the minimum threshold requirements as further described below ("Minimum Threshold Requirements"), and the requisite competitive scoring criteria ("Competitive Scoring Requirements") of this NOFA further described below (including receiving a qualifying competitive score ("Qualifying Competitive Score"), to fully use the set-aside Funds for a specified area or target population as described above, the residual Funds from that set-aside category will be placed in a statewide pool
(at OHCS’ discretion) for use in providing Reservations to additional Projects that originally would not have been funded because of the lack of available Funds - in the order of their scoring, beginning with the next highest-scoring, qualified Application (and subject to the terms and conditions of this NOFA).

**Funding Limits:**

Applicants may request up to $50,000 of available MHHF Funds for all eligible affordable housing units in any proposed Project for which an Application is permitted under this NOFA.

**1.7 Process**

**A. Application Process**

Once submitted, an Application undergoes a Preliminary Review to ensure all Preliminary Review Requirements have been met, including that specified forms have been appropriately submitted and deadlines have been satisfied. Next each Application is reviewed to ensure the Minimum Threshold Requirements have been met. Applications that satisfy these first two reviews as determined by OHCS, will be separated into a “Primary Consideration Pool” and a “Secondary Consideration Pool” based on whether or not there is current site control as determined by OHCS. Those Projects determined to have current site control will be placed in the Primary Consideration Pool, scored and considered first for funding Reservations. If there are still available Funds that have not been awarded by an applicable Reservation Letter, the Secondary Consideration Pool of Applications will be scored and considered for funding Reservations. Funding Reservations are only available to Projects receiving a Qualifying Competitive Score.

**B. Site Control  
*** IMPORTANT NOTICE***  

Site Control will not be a requirement in this NOFA. However, OHCS will give preference to Projects that have site control as determined by OHCS as described above in paragraph 1.7A.

**C. Application Ranking and Funding Recommendation**

Subject to the terms and conditions of this NOFA, available Funds will be reserved by OHCS on a competitive-scoring basis to Projects with Qualifying Applications (as described below) that:

1. Meet the Preliminary Review Requirements;
2. Meet the Minimum Threshold Requirements; and
3. Achieve a minimum of 75 points in Competitive Scoring.

Applications satisfying subparagraphs 1-3 hereof, collectively herein “Qualifying Applications.”

OHCS may choose not to provide Reservations with respect to any or all available Funds.

During the Reservation process, limits on the remaining available Funds may result in lower-ranked Applications receiving a Reservation if higher-ranked Applications would require combinations of funding that exceed relevant funding source amounts that remain available to a higher-ranked Application.

In the event of a tie, and assuming sufficient available Funds for any of the tied Applications, OHCS will apply the tie-breaking rules below in section 1.7D in making Reservations among such Applications.
D. Tie-Breaking Rules

If the total evaluation scores of two (2) or more Applications result in a tie and available Funds are insufficient to provide Reservations to Projects associated with all tied Applications, the following scores, in order of priority, will break the tie (subject to other terms and conditions of this NOFA):

1. The Project associated with the Application with the highest Services score will first receive a Reservation.

2. If the Services scores are tied among two (2) or more of the immediately above-described Applications, the Project associated with the Application with the highest Need Severity score will first receive a Reservation.

3. If the Need Severity scores are tied among two (2) or more of the immediately above-described Applications, the Project associated with the Application with the highest Financial Viability score will first receive a Reservation.

4. If the Financial Viability scores are tied among two (2) or more of the immediately above-described Applications, OHCS may exercise its discretion in identifying a scoring category where such Applications are not tied to further prioritize the making of Reservations to associated Projects.

5. If available Funds are sufficient to provide Reservations to one or more additional Projects associated with Applications with qualifying, tied-scoring, the process described in this Paragraph will be repeated to the exhaustion of sufficient available Funds.
2.0 APPLICATION SUBMISSION/PRELIMINARY REVIEW REQUIREMENTS

2.1 Application Submission

Applications must be submitted no later than:

APPLICATION DUE DATE AND TIME:

April 21, 2017 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 (including express delivery) will not be considered unless actually received by OHCS by the Application Due Date and Time specified herein. Only Applications actually received by OHCS by the Application Due Date and Time specified herein will be processed. Any required electronic version of the Application also must be delivered by the Closing Date and Time as herein specified.

Faxed, electronically transmitted, late or incomplete original Applications will not be accepted or reviewed. All Applications, including copies, and any accompanying documentation become the property of OHCS, subject to the 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 OHCS or 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 untimely, incomplete, or otherwise not to satisfy all Application submission requirements of the NOFA, including payment of the Application fee and as otherwise indicated in the Instruction Document (collectively, “Preliminary Review Requirements”) will be deemed by OHCS as "non-responsive" and rejected without further review. Applications considered timely, complete, meeting all Application submission requirements, and otherwise satisfying all Preliminary Review Requirements by OHCS will then be evaluated to determine if they comply with the Minimum Threshold Requirements described below. Applications determined by OHCS as failing to meet any of the Minimum Threshold Requirements also will be deemed as “non-responsive” and rejected at that point without further review. The remaining “responsive” or “qualifying” Applications will be evaluated for ranking and funding Reservation purposes as provided hereafter.

2.2 Application Submission Information

The Instruction Document for 2017 NOFA Application contains detailed information about the format and content of the required Application submission. Applicants must satisfy all such format and content requirements.
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  
**In subject line please put “MH NOFA Question”**

**Programmatic Questions:**  
Oregon Health Authority; Darcy Strahan Darcy.Strahan@state.or.us  
Oregon Housing and Community Services; John Wright John.E.Wright@Oregon.gov

Frequently Asked Questions will be posted with applicable answers on the OHCS website. When appropriate, revisions, substitutions, or clarifications will be issued by OHCS as addenda to this NOFA. Changes or modifications to the NOFA will ONLY be recognized if in the form of written addenda issued by OHCS. OHCS will 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

Applications are first subjected by OHCS to a Preliminary Review (see section 3.1), including for timeliness and completeness. If the Application is deemed to satisfy Preliminary Review Requirements, the Application moves on to the Minimum Threshold Review, in which OHCS evaluates the Application for satisfaction of all Minimum Threshold Requirements (see section 3.2). Applications that satisfy these first two reviews as determined by OHCS, will be separated into a “Primary Consideration Pool” and a “Secondary Consideration Pool” based on whether or not there is current site control as determined by OHCS. Those Projects determined to have current site control will be placed in the Primary Consideration Pool, and will move on to Competitive Scoring (see section 3.3) and considered first for funding Reservations. If there are still available Funds that have not been awarded by an applicable Reservation Letter, the Secondary Consideration Pool of Applications will move on to Competitive Scoring and considered for funding Reservations. There is a minimum 75 point threshold for Competitive Scoring to be recommended for funding.

If at any point between the criteria listed in sections 3.1 through 3.3 an Application fails, the Application may be deemed nonresponsive and will not be reviewed further.

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, in accordance with available Funding Sources applicable to the various Applications. 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.

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

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

- NOFA Cover Sheet submitted by due date and time,
- Application and Charge Transmittal Form and Payment of Application Charges
- Owner/Board of Director’s Authorization and Acceptance Form,
- Organizational Documents,
- Complete NOFA Application with Required Exhibits.

3.2 Minimum Threshold Requirements (Part 3 Submission)

After passing Preliminary Review, all of these Minimum Threshold Requirements must be met in the sole discretion of OHCS on a pass/fail basis or the Application will be disqualified. Notwithstanding disqualification, the Application charge will not be refunded. The Minimum Threshold Requirements are as follows:

A. Readiness to Proceed

OHCS requires that Projects be planned at the time of Application and are ready to proceed upon meeting all Reservation Letter requirements. The required Project development schedule will be reviewed for adequacy by OHCS, including with respect to timeline appropriateness and demonstration by Applicant of its understanding of timeline requirements.

OHCS requires Applicant to submit all requested documents on time and to be complete and accurate. OHCS may withhold construction closing for any Project until all required documents are received and approved by OHCS. Any Project that had been awarded funding that does not show significant progress toward completion in line with the Project Development Timeline is subject to having funds rescinded.

Site Control will not be a requirement in this NOFA. However, OHCS will give preference to Projects that have site control. Those Projects with site control will be put in Primary Consideration Pool and will be reviewed and scored first and funding determinations made. If not all funds have been allocated then the Projects without site control, which were place in a Secondary Consideration Pool, will be reviewed, scored and considered for funding.

B. Coordinated Care Organization Letter of Support

All Applications must be accompanied by a letter of support from the Coordinated Care Organization (“CCO”) for the service area in which the Project will be located. If the proposed Project location is in the service area of two or more CCOs, the Applicant must provide a letter of support from each CCO.

The letter must clearly demonstrate the CCO’s relationship with the Applicant and how the relationship will benefit Project tenants.

Oregon Health Authority (“OHA”) has provided a list of all the CCO’s contact information. You can find the contact list at the following web address under “NOFA Supplemental Materials” section: http://www.oregon.gov/ohcs/Pages/nofa-2017-mental-health-housing-smi.aspx.
C. Community Mental Health Program or Tribal Authority letter of Support

All Applications must also include a Letter of support from either the appropriate Community Mental Health Program (“CMHP”) or Tribal Authority (“TA”) if the Project will be located on Tribal land. The letter must describe the relationship with the Applicant and how the relationship will benefit Project tenants.

Additionally, Applications for Supported Housing to serve individuals with a substance abuse disorder are encouraged, but not required, to provide a letter of support from the Local Alcohol and Drug Planning Committee (“LADPC”).

Oregon Health Authority (“OHA”) has provided a list of all the CMHP’s/TA’s contact information. You can find the contact list at the following web address under “NOFA Supplemental Materials” section: http://www.oregon.gov/ohcs/Pages/nofa-2017-mental-health-housing-smi.aspx.

D. Development Team Capacity

1. Construction Experience

a. Does the Applicant have a successful history of leading new or adaptive reuse construction development projects of similar (or larger) size and scope as the proposed Project, such as, mid-rise versus high-rise, wood frame versus steel?

b. If Applicant’s history is limited, will the Applicant partner with an appropriate third-party to bring sufficient experience to the team and, thereby, mitigate this concern?

2. Financing Experience

a. Does the Applicant have a successful history of closing financing for similar (or larger) development projects as the proposed Project?

b. If Applicant’s history is limited, will the Applicant partner with an appropriate third-party to bring sufficient experience to the team and, thereby, 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 a type, size, and scope similar to the proposed Project?

c. An Applicant may only apply for up to three (3) Project Reservations through this NOFA. If an Applicant has applied for more than one (1) Project Reservation, 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, stabilization or on-going operation 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 in the portfolio, is there a reasonable mitigation plan in place?

E. Ownership Integrity (3.5)

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 by OHCS, duly authorized to conduct business in the State of Oregon.

2. Neither Applicant nor any member, officer, or principal within the Project ownership, management, or development team is currently under investigation by a public body for, has a pending claim, indictment, suit, action, or other proceeding against them for, or has been convicted of or been determined by an administrative or judicial (whether criminal or civil) order or judgment within the previous ten (10) years to have committed, fraud, misrepresentation, theft, embezzlement, or any other act of moral turpitude (including, but not limited to any felony or malicious behavior).

3. Neither Applicant nor any member or principal within the Project ownership or management is currently, or has been within the previous five (5) years, involved in a bankruptcy proceeding.

4. Neither Applicant nor any member or principal within the Project ownership or management is currently or has been within the previous ten (10) years debarred or otherwise sanctioned by any local, state, or federal entity including, but not limited to OHCS, the Oregon Department of Revenue (“DOR”) or the U.S. Internal Revenue Service (“IRS”).

3.3 Competitive Scoring Requirements (Part 4 Submission)

A Scoring Committee will competitively score four (4) sections of each Application that passes Preliminary Review and Minimum Threshold Review based on the Competitive Scoring Requirements described below. These sections are:

1. Need;
2. Impact;
3. Financial Viability; and

A total of one hundred (100) maximum points is possible, ten (10) for Need, sixty (60) for Impact 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 deemed not to have a Qualifying Competitive Score and will be disqualified. Notwithstanding disqualification, the Application charge will not be refunded.
Both quantitative and qualitative factors are considered in the scoring. The criteria to be used for each scored section will be as follows:

**A. Need: 10 points**

1. **Severity of Need – 5 points**
   
a. 1 point if one criterion is greater in the county than the state as a whole.

b. 3 points if two criteria are greater in the county than the state as a whole.

c. 5 points if three (or more) criteria are greater in the county than the state as a whole.

**Applicable Criteria:**

a. Percentage of adults with Substance Use Disorder Diagnosis in county is greater than the state rate (for SUD)

b. Percentage of adults with Mental Health Diagnosis in county is greater than the state rate (for SMI)

c. Percentage of population in Oregon Health Plan in county is greater than the state rate

d. Percentage of the population in poverty in county is greater than the state rate

2. **Equitable Distribution – 5 points**

**Applicable Criteria**

Based on the county ratio of the number of OHP eligible households to the number of Addiction and Mental Health Housing Inventory units; in comparison to the state rate

a. 1 point if the ratio is 1.1 to 1.2

b. 2 points if the ratio is 0.9 to 1.0

c. 3 points if the ratio is 0.7 to 0.8

d. 4 points if the ratio is 0.5 to 0.6

e. 5 points if the ratio is less than 0.5

**B. Impact: 60 points**

1. **Services – (30 points)**
**SMI Applicable Services Criteria:** Applicant must describe their provision of evidence-based approaches and recognized best practices in mental health treatment. Applicants must also describe their experience and familiarity with the application of resident-involved planning. The inclusion of peer mentors is required.

The expectation is that services will be readily available on a voluntary basis and that Applicant will design and manage support services that will actively engage residents. The service provision philosophy should support recovery with the goal of residents living successfully in the community:

a. Provide a description of proposed services to be available on-site and off-site for individuals with a SMI and describe how these voluntary services will be offered to residents.

b. Please describe Applicant’s response to problems encountered by a resident such as being at risk for either eviction or reentering a licensed residential or hospital setting. Describe your plan for these situations including use of crisis and early intervention resources.

c. Describe in detail how resident-involved planning will assist resident’s transition to increased self-sufficiency and independent living. How will Applicant create relationships with residents to actively engage residents in voluntary services?

d. Describe the role of peers in Applicant’s occupancy and services functions. How will the support of peers enhance the stability of residents in their community?

e. Describe in detail how Applicant will meet the individualized needs of residents by working with each of the following entities:

   1. Coordinated Care Organization (CCO);

   2. Community Mental Health Program (CMHP) or Tribal Authority (TA).

f. Describe how community partners and Applicant will meet the individualized needs of residents including the role of culturally responsive and linguistically appropriate services and Applicant’s knowledge and experience in this area.

g. Describe how Applicant will work with residents to identify employment opportunities in the community. Describe current relations with Supported Employment Programs and how it will enhance this program.

h. What will be the role of culturally responsive and linguistically appropriate services and Applicant’s knowledge and experience in this area? Include in your response information on the recruitment, training and retention of culturally and linguistically appropriate staff.

**SUD Applicable Services Criteria:** Applications must describe the evidence-based approaches or recognized best practices in SUD treatment(s) and recovery services that will be offered to residents. Residents shall participate in a program of recovery. Access to case managers and peer mentors is required.
Applicant’s service provision philosophy must support recovery and enable residents to live independently. The proposed Project must incorporate the resident-involved planning model with a focus on transitioning residents toward increased self-sufficiency.

a. Describe the services that will support residents with a substance use disorder or co-occurring condition. Indicate whether these services will be offered on-site or through arrangement with an off-site provider. Include further detail on services that will be provided on-site.

b. Describe how community partners and Applicant will meet the individualized needs of residents.

c. What will be the role of culturally responsive and linguistically appropriate services and Applicant’s knowledge and experience in this area? Include in your response information on the recruitment, training and retention of culturally and linguistically appropriate staff.

d. Describe who is responsible for implementing and monitoring residents’ adherence with their treatment and/or recovery plans and how this monitoring will be accomplished. What will be Applicant’s response to problems encountered by a resident being at risk of eviction or relapse?

e. Describe how the program will ensure that residents’ need for medication, both psychotropic and otherwise (including Medication Assisted Treatment for SUD), are assessed and attended to and that clients are not discriminated against due to their use of prescribed medication.

2. Occupancy Description (20 points)

**SUD and SMI Applicable Occupancy Criteria**

a. Describe who prospective residents will be, where they are currently residing, and what will be their service needs upon moving into Supported Housing. How will the proposed Supported Housing benefit these individuals and explain how Applicant will coordinate access to the housing as well as services to support their occupancy?

b. Persons in recovery often experience multiple obstacles to securing housing such as poor credit and rental histories, criminal background, and lack of funds for security deposit and application fees. Individuals from diverse and underserved racial and ethnic communities may face unique barriers. How will Applicant provide assistance and support to overcome these barriers?

c. Describe how Applicant will identify and support individuals as they move toward increased self-sufficiency.

3. Location Efficiency – 10 points

**SUD and SMI Applicable Location Efficiency Criteria**

a. Describe nearby community amenities, mental health treatment providers OR drug and alcohol substance use disorder treatment providers, support groups and other services that will be available including physical and behavioral healthcare as well as recreational and social opportunities. How will residents access these services? (4 points)
b. How will Applicant ensure that residents can access services if those services are not readily available within a reasonable distance from the proposed Project?

c. Walk Score; two (2) points if 70+, one (1) point if 50-69.

d. 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.

e. Public Transit; two (2) points if available within ¼ mile or a Transit Score of 70+ / within 5 miles if rural, one (1) point if within ½ mile or Transit Score of 50+ / within 10 miles if rural.

C. Financial Viability: 15 points

1. Development pro forma review –5 points

Applicable Criteria - points will be assigned based on the following concepts:

a. Pro forma includes only realistic and available resources on the Sources of Funding.

b. Explanation of how the development budget will still be valid at the start of construction.

2. Operating pro forma review –5 points

Applicable Guidelines:

a. Affordable rents are affordable to target population.

b. Year one debt coverage ratio is 1.1 to 1.15.

c. Cash flow within OHCS guidelines or adequately explained (1.25 or below, unless adequately explained or declining cash flows require a higher debt coverage).

d. Vacancy rate at 7% or adequately explained.

e. Submitted reserve or replacement analysis and included adequate amount for replacement items in pro forma.

f. Income inflation factor is less than expenses inflation factor.

3. Well documented and explained construction costs – 5 points

Applicable Criteria:

a. Construction documents, including capital needs assessment (CAN), 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.

D. Capacity: 15 points

Applicable Criteria: Applicant must demonstrate sufficient experience in Project development along with the requisite fiscal expertise to bring a Project to completion. Past experience in housing development and experience bringing together a competent development team or partnership is preferred. If Applicant does not have adequate experience to develop the funded units, explain how the appropriate services will be secured.

1. Provide detailed information which supports Applicant’s experience in providing housing for the population being served through this application.

2. Provide detailed information which supports Applicant’s readiness to proceed in the development of the Project. Are partnerships and the development team identified and ready to proceed?

3. List all housing Projects (a maximum of five) Applicant has completed and operated in the last five years to serve this target population.

4. List all housing Projects (a maximum of five) Applicant has completed in the last five years not serving this target population including both commercial and residential ventures. (DO NOT INCLUDE PROJECTS LISTED ABOVE).

5. List all housing Projects currently under development.

6. For the proposed housing Project, list below the Applicant staff member or consultant assigned to each task. If position is not applicable, please enter “NA”.

7. Explain the roles of each of the above positions in the development and management of the proposed Project. Limit your response to one-half page per role.

8. Explain how multiple Projects will be managed within the organization if Applicant has more than one Project in development.

9. Explain how the coordination of those duties will be carried out if staff is expected to perform other agency duties in addition to the Project’s development.

10. Describe the expertise of Applicant’s Board or for-profit officers and principal members as it relates to real estate development and operations.
4.0 GENERAL NOFA TERMS

4.1 Application Clarifications; Modifications

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 Grant Documents.

4.2 No Implied Agreements

Neither submission of an Application by Applicant nor acceptance by OHCS of a submitted Application 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.

4.3 Cost are Sole Responsibility of Applicants

All costs associated with Applicant’s submission of an Application including, but not limited to the Application charge, are the sole responsibility of the Applicant and shall not be borne to any degree by OHCS or the State of Oregon.

4.4 Insurance; Program Requirements Compliance

Successful Applicants, inter alia, will be required to maintain appropriate levels and forms of insurance satisfactory to OHCS and to comply with other Program Requirements.

4.5 Amendments

OHCS reserves the right and option, at its sole discretion, 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 OHCS.

4.6 Registration

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 or other foreign business entity including, but not limited to a joint venture, limited partnership, or limited liability company is selected as a Grantee under this NOFA, it must be registered to do business in Oregon and to make such representations, covenants, and warranties as OHCS may require in its sole discretion.

4.7 Reservation of Rights

OHCS reserves the right, at its sole discretion:

1. to amend the NOFA prior to the closing date;
2. to amend the deadline for submitting Applications;

3. to determine whether an Application does or does not substantially comply with the requirements of this NOFA;

4. to waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA as it so determines;

5. to obtain from and/or provide to other public agencies, upon request, references, regarding the Applicant’s performance;

6. 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;

7. 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 MHHF Program, of OHCS, or of the State;

8. to use adherence with components of the Applicant’s Application and this NOFA, including information provided by Applicant with respect to same, as scoring criteria in future multifamily funding solicitations;

9. to withdraw any identified funding from this NOFA; and

10. to waive any term or condition of this NOFA for good cause as determined by OHCS, subject to applicable law.

4.8 Maintenance of Records; Oregon Public Records Law

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.

4.9 Trade Secrets

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.

4.10 Grant Document Performance

The Applicant will be required to assume responsibility for performance required by the Grant Documents, whether performed by the Applicant, a representative, assignee or subcontractor. The Applicant is responsible for performance of any and all Grant Documents.

4.11 Requests for Review
An Applicant or potential Applicant seeking to challenge any aspect of the NOFA process must request review by OHCS within fourteen (14) days of the Application Due Date. An Applicant aggrieved by a final determination made by OHCS during the Preliminary Review or Minimum Threshold Requirements Review processes with respect to the success of its NOFA Application must request review by OHCS of such determination within fourteen (14) days of it receiving notice from OHCS of that determination. An Applicant aggrieved by a final determination made by OHCS with respect to its Application failing to score the requisite seventy-five (75)-point threshold must request review by OHCS of such determination within fourteen (14) days of it receiving notice from OHCS of that determination. An Applicant aggrieved by a final determination made by OHCS with respect to any other matter under this NOFA must request review by OHCS of such determination within fourteen (14) days of it receiving notice from OHCS of that determination.

Any request for review must be in writing, specifically identify each basis for review, contain an explanation of the basis for challenging OHCS’s determination, and include any supporting information the requestor desires to have considered by OHCS. 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 Applications;
4. identify OHCS contact person; and
5. be received by OHCS at its main Salem Office, at:

   Oregon Housing and Community Services  
   Attn: Lisa Cimino  
   725 Summer Street NE, Suite B  
   Salem, OR 97301  

   Fax: 503-986-2020  
   Email: OHCS.Contracts@oregon.gov

Not later than 4:00 PM on the fourteenth (14th) day after the NOFA closing date or the Applicant’s receipt of notice from OHCS of the OHCS determination from which review is requested, whichever is applicable.

The Applicant will be deemed to have received such notice upon the sooner of:

1. three (3) days after OHCS’s determination is mailed to the Applicant,
2. two (2) days after such determination is posted to OHCS’s website,
3. two (2) days after the list of successful NOFA Applicants is posted to OHCS’s website; or
4. one (1) day after such determination is emailed to the Applicant.
OHCS may request additional information from the requestor with respect to its request and consider such other information as it deems appropriate. OHCS will endeavor to provide a written response to a qualifying request within thirty (30) days.

OHCS will provide written responses to all timely-filed requests for review. Failure to timely provide a qualifying request for review will be deemed a failure to exhaust administrative remedies and terminate further rights by any person or entity seeking to challenge any aspect of the NOFA or any determinations, actions, or omissions by OHCS related thereto.

4.12 Reservations, Allocations or Awards

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 Determinations submitted for its review, thereby directly or indirectly impacting such Determinations.

4.13 Execution of Grant Documents

All Reservations made pursuant to this NOFA are subject to the successful negotiation, execution, and recording (if required) of Grant 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 acceptable to OHCS in its sole discretion.

4.14 Fees and Charges

OHCS may charge, and the Applicant shall pay, an Application charge and all legal and administrative costs incurred by OHCS in negotiating and preparing Grant Documents and other related documents; as well as fees and charges under applicable Program Requirements.

4.15 Questions as Requirements

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

4.16 Other Rights and Remedies; No Liabilities; Additional Awards

OHCS reserves all other rights not specifically identified herein, including but not limited to rights, remedies, and requirements established in Program Requirements or otherwise. Neither the State nor OHCS is liable to any Applicant or other potential proposer for any loss or expense caused by or resulting from the delay, suspension, or cancellation of the NOFA, any Reservation, or rejection of any Application. OHCS reserves the right to make additional awards to NOFA Applicants or Grantees based on OHCS needs or purposes.

4.17 No Representations

Any checklists that may be contained in this NOFA are provided only as a courtesy to Applicants. OHCS makes no representation as to the completeness or accuracy of any checklist. Applicants and prospective proposers are solely responsible for reviewing and understanding the NOFA and complying with all the requirements of this NOFA, whether listed in a checklist or not. Neither the State nor OHCS is liable for any claims, or subject to any
defenses, asserted by Applicants, including prospective proposers, based upon, resulting from, or related to, their failure to comprehend all requirements of this NOFA.

4.18 Choice of Law; Venue; No Waiver

This NOFA is governed by the laws of the State of Oregon without regard for principles of conflict of laws. Venue for any administrative or judicial action relating to this NOFA, including but not limited to its interpretation, procedural requirements, evaluation of Applications, Reservations of funding, or negotiation and execution of Grant Agreements, is the Circuit Court of Marion County for the State of Oregon; provided, however, if a proceeding must be brought in a federal forum, then it must be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

In no event will this provision be construed as a waiver by OHCS or the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. OHCS and the State of Oregon expressly reserve all sovereignty rights.

4.19 Apparent Successful Applicant Submission Requirements

Prior to execution of the Grant Documents or other required financial assistance documents (or such other time as OHCS may require), each Grantee, if required by OHCS, shall:

- **Insurance** - secure and demonstrate to OHCS proof of insurance coverage meeting the requirements identified in the NOFA or as otherwise required by OHCS. Failure to provide such information may result in OHCS terminating negotiations and redeploying subject Grant Funds.

- **Taxpayer Identification Number** - provide its Taxpayer Identification Number (TIN) and backup withholding status on a completed W-9 form. Failure to provide such information may result in OHCS terminating negotiations and redeploying subject Grant Funds.

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