



February 12, 2014

Multifamily Technical Advisory: 2014 NOFA and QAP Recommendations

This Friday, February 14, 2014 at State Housing Council, we will be reviewing staff recommendations for the upcoming 2014 NOFA and QAP, as well as an OAR update, which were informed largely by stakeholders through the series of NOFA input work sessions. Thank you for your feedback as we have worked to evolve this NOFA in 2014.

The 2014 NOFA recommendations are largely around the following topics outlined below:

Regions:

Moving from 5 Regional Solution Center regions to three regions which are the Metro Region, non-Metro Participating Jurisdictions, and Balance of State.

Region	Counties/Cities	Estimated LIHTC Allocation
Metro Oregon	Clackamas, Multnomah and Washington Counties	\$4.0 MM (45%)
Non-Metro HUD Participating Jurisdictions	Corvallis, Eugene/Springfield and Salem/Keizer	\$1.6 MM (18%)
Balance of State	All other cities and counties not included in a region listed above	\$3.3 MM (37%)

Priorities & Set-Asides:

OHCS will continue to prioritize projects that serve to deconcentrate poverty or are located in QCTs, are in underserved areas, and/or serve the lowest incomes.

New in 2014 is a recommendation for specified policy priorities. These priorities will be established on an annual basis, stay in place for a minimum of two years, and be published in advance of any NOFA. These specified annual policy priorities are intended to provide sponsors greater transparency as well as have specific ties to active initiatives and legislation.

In 2014 the policy priority recommendation is for those projects that:

- Serve to reduce the number of children in foster care
- Provide re-entry housing for those recently released from prison

In 2015 these priorities will continue along with another specified population which will be announced in the upcoming months.

These priorities will be weighted in a “Priority Projects / Populations” scored category and will be independent of the larger Impact scored item which, for new construction and acquisition/rehab projects, will tie largely to state, local, and community plans.

Preservation projects will have their own Impact criteria and include both ties to community objectives as well as the risk of project conversion and the impact of the conversion in the community.

In 2014 a 35% soft set-aside is recommended for “big P” preservation projects. A set-aside for preservation will continue into 2015, but will incorporate a broader definition of “preservation”. OHCS will be seeking additional feedback on the broader definition, as well as scoring criteria in the coming months.

Competitive Scoring Structure:

The recommended Competitive Scoring percent distribution is below.

Weighting	Category
35%	Impact <ul style="list-style-type: none"> • New Construction and Acquisition/Rehabilitation • Preservation
25%	Priority Projects/Populations
15%	Need in the Community
15%	Financial Feasibility/Viability
15%	Sponsor and Developer Team Capacity

The goal is to provide additional clarity and direction to the scoring team and applicants within each scored category.

Cost Containment:

A first step toward cost containment will be incorporated into the threshold portion of the funding application; the intention is not to penalize projects with higher costs but to document explanations which can be used to guide future work on this topic.

Using recently funded OHCS LIHTC project data, cost per unit limits below were identified; any project which exceeds the cost per unit will need to submit a letter of explanation with their application (which will not require pre-approval).

Oregon draft cost / unit	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Urban	\$200,000	\$222,000	\$272,000	\$306,000	\$325,000
Balance of State	\$145,000	\$162,000	\$205,000	\$258,000	\$275,000

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

General Policies:

- LIHTC project cap policy will stay the same (10% of total available credits, rounded to \$10,000); in the 2014 NOFA this is estimated to be \$890,000.
- Basis Boost policy will remain the same as it was in 2013.

To find additional information on these recommendations, you can see the housing council documentation online here:

<http://www.oregon.gov/ohcs/OSHC/Pages/2014HCMeetings.aspx#February>

The feedback received over the past two months has been invaluable to our work evolving this NOFA in 2014; thank you. If you have any questions at this time, please direct them to Julie Cody at julie.cody@hcs.state.or.us or 503.986.2106, and stay tuned for more information and detail about the specific scoring criteria.