

Instruction Manual for 2013 NOFA Applications And Related Program Materials

Version 2.0

Effective Date: January 10, 2014



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INTRODUCTION

THE NOFA PROCESS

The Department offers funding for multi-family affordable housing projects in a consolidated process called the Notice of Funding Availability (NOFA). This NOFA is comprised of General Housing Account Program Funds. It is important to note the Applicant must complete all NOFA, Threshold and Competitive Scoring materials, as well as the supplemental materials for the Program.

These instructions will guide an Applicant through the process, including the identification of the forms, exhibits and required documents, some guidance on how to fill them out and the order in which to present them.

THE NOFA APPLICATION

Submit the NOFA Application package in these four parts:

- Part 1: The Application Submittal
- Part 2: The Applicant and Project Worksheet
- Part 3: The Threshold Submittal
 - A. Asset Management Compliance Review
 - B. Program Compliance Review
 - C. Resident Services Description
 - D. Readiness to Proceed
- Part 4: The Competitive Scoring

The *Application Submittal Part 1*: contains the application forms and charges, authority documents, application materials necessary to pass the First Review for completeness and timeliness of delivery. As stated in the NOFA, this is a pass/fail review.

The *Applicant and Project Worksheet Part 2*: contains the core information about the sponsor and the improvements. The department uses applicant and project information to determine if the project's attributes meet the appropriate Program criteria. The department will enter information from your application into its database and will use the data for future benchmark reports. Submit complete and accurate information.

The *Threshold Submittal Part 3*: contains all the materials necessary to pass the Threshold Review. As stated in the NOFA, the project must pass all thresholds in order to proceed to competitive scoring.

The *Competitive Scoring Questionnaire Part 4*: is the primary document for demonstrating the compelling qualities of the project when compared to other projects.

THE APPLICATION SUBMITTAL REQUIREMENTS

A. Compile the Application in the following manner:

1. Submit one (1) original and three (3) full copies.
2. Do not bind or staple the application sets. Secure each set with a binder clip or rubber band.
3. Use only 8 ½ x 11" paper.
4. Use only 11 or 12 pt. type font.
5. Label each packet as "original" or "copy."
6. Submit one (1) electronic version of the complete application on a CD. Save application materials in Microsoft Word or Excel to the CD. Save third-party reports in a Portable Document Format (PDF).

OHCS will not accept pre-punched (drilled) paper.

OHCS will not accept emailed or faxed applications.

Note: If a page of the application does not apply to your project, write "N/A" on the page and submit it with your application. If an entire section of the application does not apply to your project, do not submit it.

B. Deliver the application in the following manner:

1. Applicants should refer to the dates outlined in the applicable NOFA for the due date. The deadline for delivery is 2:00 pm on the due date. Applications received after the 2:00 pm deadlines will be disqualified from processing.
2. The Department will not accept missing application materials after the deadline. Careful review of the application is critical before submission. The Department may reject an application at the Threshold Review for missing documentation.

NOTE: Any material submitted to OHCS becomes its property.

C. Consider the following when filling out the Application:

1. These instructions do not address every page of the application, but you must complete and submit all information requested about your project on each form.
2. Read the appropriate Program Manual for more information about the requirements of each funding source. Here you will find directions for the tables, forms and questions in the application. Please read the instructions carefully for each section before you begin.

INSTRUCTIONS FOR COMPLETING THE APPLICATION

The Department designed the application to provide the reviewer with all applicable information while limiting the amount of narrative responses and supportive materials the applicant must submit. Do not submit documents the Department has not requested. Answer all questions completely and succinctly.

PART 1: APPLICATION SUBMITTAL

A. NOFA COVER LETTER

The authorized signor must complete and execute the NOFA Cover Letter, which contains a Certification of Acceptance of the NOFA Terms and Conditions, Affirmative Action and Equal Employment Opportunity affirmations and Sponsor Authority Declarations. Applicant must agree to all of these.

B. APPLICATION SUBMITTAL CHECKLIST

The entire Application package with all the Sponsor and Project Information must be completed and submitted along with all the forms, required exhibits and documents requested in each section of the Instructions.

The Application Submittal Checklist will help you determine what documents you must submit and where they should be in the application. Include the completed Application Submittal Checklist with your application located in Part 1, page 3. Every page of the application should appear in the same order it appears in the checklist. Number all pages of the application and note the numbers on the checklist. Please use the checkboxes to track items as you complete them.

C. APPLICATION AND CHARGE TRANSMITTAL

Carefully complete the charge calculations on the Charge Transmittal and **attach your check** to the transmittal page. **Payments are non-refundable.**

The Application Charges:

Charges required with this Notice of Funding Availability (NOFA) for the General Housing Account Program (GHAP):

- Application Charge: The lesser of \$25 per unit or .5% of the total funds requested.
Minimum \$100.

Submit payment with the Charge Transmittal form.

Charges are non-refundable.

After a funding Reservation is received, the following charges apply:

- Recipient Charge: Assessed on the cumulative total of NOFA resources:
 <\$300K = \$1,000
 >\$300K = \$2,000
- Document Preparation: \$100 per recorded document (normally assessed in escrow)

Fees and charges for requesting additional resources:

- Any NOFA funding source: One percent (1%) of the gross amount of the
 (other than LIHTC & OAHTC) funds requested.
-
-

If awarded, OHCS grant resources may be requested for reimbursement of OHCS charges, excluding the application charge.

D. AUTHORIZATION AND ACCEPTANCE FORM

You must include the Authorization and Acceptance Form. The person(s) who has/have authority over the terms in the Authorization and Acceptance Form, and the sponsor entity's owner or board chair (if applicable) must sign the form.

E. BOARD OF DIRECTORS RESOLUTION (if required)

Many non-profit bylaws require the Board of Directors to adopt a resolution in support of a funding application. If your organization has such a requirement, include a copy of that Resolution. If not, include a statement why a resolution is not applicable. The Department has provided a sample resolution. If you chose to use a different format, ensure it includes all of the information in the Department sample.

F. COPY OF ORGANIZATION DOCUMENTS

Here provide a copy of the applicable organization document, such as Articles of Incorporation, Partnership Agreement, etc.

Part 2: APPLICANT AND PROJECT INFORMATION

The Department uses the applicant and project information to determine if the project's attributes meet program and guideline criteria. The department will enter information from your application into its database and will use the data for future benchmark reports. Submit complete and accurate information.

A. APPLICANT AND PROJECT INFORMATION

Provide all organizational information that applies to your project. Include the contact person's name, direct phone number and direct e-mail address. Do not attach other material about the business entity, such as resumes or organizational charts.

B. DEVELOPMENT TEAM INFORMATION

Provide all information about the development team. Include the company name, the contact person's name, direct phone number and direct e-mail address. Do not attach other material about the business entities, such as resumes or organizational charts.

Describe all specific identity of interest. Identity of interest is defined as a financial, familial or business relationship that permits less than arm's length transactions. It includes, but is not limited to, the existence of a reimbursement program or exchange of funds, common financial interests, common officers, directors or stockholders or family relationship between officers, directors or stockholders.

C. DEPARTMENT BASED PROGRAM FUNDING REQUESTS

List all resources requested for this project. Use the same information every time you refer to these requests.

D. PROJECT DESCRIPTION

Provide a one (1) page description of your project outlining the type of project, what you are proposing to do with department funds and the population you are serving.

E. UNIT TYPE AND FUNDING PROGRAM DESIGNATION

Complete the table, list the unit type (Single-Room Occupancy, studio, one bedroom, etc.), the total number of each unit type, number of the units designated for each fund source (HOME, LIHTC, Trust Fund, GHAP, etc.), square footage of units and total square footage for each unit type. Use the method described in the Architectural Guidelines of the General Policy and Guideline Manuals to calculate the floor area of each unit type.

F. TARGET POPULATION

List the main target population(s) for units. Indicate if you will hold vacant units for the target population until you find an eligible household.

Indicate the number of targeted units for each population type.

Indicate the number of units that will meet the listed criteria.

G. RENT TABLE

Indicate the **proposed** income and rental limitations of the units. Assume all funding source restrictions apply. Before rounding up, rents must correspond with the Income page of the Operating Budget. (If requesting OAHTC, rents must correspond with the Income with OAHTC page). Round up to the nearest 10 percent (10%), i.e.: a 47 percent (47%) rental charge on the Income page of the Operating Budget would be listed as 50 percent (50%) in the Rent Table.

If the income limitation percentage of the household residing in the unit is not equal to the proposed rent percentage, then provide an explanation. For example: if the rent limitation is 40 percent (40%) of area median income and you proposed to serve households at 30 percent (30%) or less of area median income. A question is provided for this purpose. Skip this question if the proposed rents and household income are the same percentage.

H. SITE AND BUILDING INFORMATION

Use this section to provide a picture of the physical project: building design, construction method, unit amenities, etc. Check all the boxes that apply to your project.

Under "Building Type" and "Building Construction Characteristics", indicate the number of buildings in the project that include the listed design feature. Buildings can be double-counted and can exceed the total number of buildings in the project.

Under "Planned Project Elements to be Incorporated", put an "X" in each box for which the indicated feature is a component of your project. Do not type the number of times the item will appear in the project. However, you must provide the number of parking spaces.

PART 3: THRESHOLD SUBMITTALS

TO PASS THRESHOLD REVIEW APPLICANTS MUST SUBMIT THE FOLLOWING INFORMATION :

COMPLIANCE REVIEWS

A. ASSET MANAGEMENT

This is an INTERNAL REVIEW performed by the Department staff. No additional information is required.

B. PROGRAM COMPLIANCE

This is an INTERNAL REVIEW performed by the Department staff. No additional information is required.

C. RESIDENT SERVICES

RESIDENT SERVICE DESCRIPTION WORKSHEET

This worksheet is designed to have the Applicant provide a meaningful summary of the Resident Services Agreement that will be required as part of the closing conditions of the Reservation Letter. Whatever is proposed in this document is expected in the final document review in Underwriting.

D. READINESS TO PROCEED

1. SITE CONTROL AND ZONING CERTIFICATION

All applications must include a zoning certification form, even if the project is solely acquisition or rehabilitation. The Department has designed a Zoning Certification Form to be used to document the zoning status of the property. The department will not accept zoning approval in any other format. The City or County staff responsible for determination of issues related to comprehensive planning and zoning must sign the Zoning Certificate. The Department will not accept an application without the certification or if it is incomplete or inappropriately signed. For example, an excerpt from the zoning code is not acceptable as zoning confirmation.

OHCS will not accept application for projects that require zone changes or annexations.

The original of the Certificate must be placed in the original application.

VERIFICATION OF SITE CONTROL

Complete the table and attach evidence of site control. The General Policy and Guideline Manual contains a discussion of acceptable site control verification. If you do not yet own the property, be sure to submit all extension documents, amendments and/or addendums to your original documents.

2. FEDERAL PROJECT RESOURCES STATUS (IF APPLICABLE)

Here the applicant should provide a copy of the U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture Rural Development (RD), or

Veteran's Administration (VA) application (not all the attached materials) along with a brief statement on the application status.

3. DEVELOPMENT SCHEDULE

The project schedule should be accurate and the timelines should be consistent with the requirements of the project's components, such as providing adequate time to complete acquisition or satisfaction of funding conditions.

4. ENVIRONMENTAL REVIEW CHECKLIST

- a. You must complete the OHCS Environmental Review Checklist. If an application involves more than one (1) land parcel, complete a Review Checklist for each parcel.
- b. Project sponsors must complete the Environmental Review Checklist prior to the Regional Advisor to the Department (RAD's) site visit. The RAD will review information on the checklist during the site review. Both the applicant and the RAD must sign the Environmental Review Checklist, or the checklist will be considered incomplete and the application will not meet Threshold requirements.
- c. Applicants must contact their RAD to set an appointment for a site visit.
- d. The Department will use the Vicinity Map for both the environmental and architectural reviews. The map must include the scale. Mark the site location on the map, as well as a number of amenities and natural locales (parks, etc.). See the SITE/AREA MAPS portion of the Environmental Review Checklist for details.
- e. If you already have the results of an environmental Phase 1, engineering, soils or other study, please submit the summary pages. Do not submit the whole report. Such reports are not a Threshold requirement.

5. ARCHITECTURAL GUIDELINES

1. ARCHITECTURAL REVIEW

The Department has published Architectural Guidelines that include recommendations for site design, building design, unit design and other quality of life issues, including construction materials and practices affecting the life-cycle cost of buildings. The Department will review design team proposals to verify if their projects reflect these recommendations. If a project contains a design feature that is a material deviation from the Guidelines, the project Architect must provide a written explanation for the variance.

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

2. REQUIRED ARCHITECTURAL MATERIALS

The Architectural guidelines are in the General Policy and Guideline Manual under Addendum A, Architectural Guidelines. The following outlines the architectural materials that must be submitted with the application:

a. For All New Construction Projects and Rehabilitation Projects that include any new construction:

Submit the specific documents required for design review with the application. These must not be construction documents, but the schematic or early design development documents. The architectural submission should include the information listed below:

- **Vicinity map** indicating the location of the site and amenities important to the residents such as groceries, schools, parks, activities on adjacent properties (e.g. single family dwellings, commercial retail etc.), and public transportation. If appropriate, the same vicinity map required in the environmental review checklist may be used.
- **Context photos** showing the property and adjacent properties. Indicate on the vicinity map where the photographs were taken. If the site varies in slope, submit photographs showing the extent and nature of the sloped areas. If photocopy photos are taken, include original photos in the original application and copied photos in the application copies.
- **Preliminary site design and development plan** with topographic data and a schematic landscape concept (1"=40' minimum scale). The site plan should include:
 - i. Site contours or, at a minimum, elevations on the corners of the property and each building; and preliminary grading including drainage away from buildings.
 - ii. Site features such as existing structures to be removed, trees or hedges to be retained and general areas of new plant materials, with other site features.
 - iii. All buildings with unit front entries indicated.
 - iv. All paved surfaces and site lighting, if determined.
 - v. Any fencing at perimeter of site and between units and buildings.
 - vi. Mechanical and electrical equipment such as transformers, if determined.
 - vii. Trash holding areas, if known.
- **Required site accessibility and visitability features:**
 - i. Preliminary building exterior elevations at 1/8" = 1'0" minimum scale that includes size of building and rooflines. Include a visual indication of grade at the foundation wall of the site with each elevation when the site is sloped.
 - ii. Preliminary building floor plans at 1/8" = 1'0" minimum scale and unit plan(s) at ¼" = 1'0" minimum scale.
 - iii. Preliminary building sections at 1/8" = 1'-0", when appropriate. These are required for sites where the grade slope exceeds 10 percent (10%).

- iv. Typical unit plans with furniture arrangements. Unit interiors shall be designed for maximum livability and utilization of space by residents.
- v. List of applicable codes and regulations.
- vi. Identify all federal, state and local codes and regulations that govern the project. If the work falls under code jurisdiction, provide a letter of intent, signed by the architect, to meet all applicable federal, state and local codes and regulations.

- **Codes and regulations may include, but may not be limited to:**

- i. HUD, National Oceanic and Atmospheric Administration (NOAA) and/or other federal regulations.
- ii. Current edition of the Oregon Structural Specialty Code.
- iii. Applicable local planning and building codes.
- iv. Accessibility and visitability requirements.
- v. HUD Fair Housing Accessibility Guidelines.
- vi. ADA Accessibility Guidelines.
- vii. Uniform Federal Accessibility Standards (UFAS) applicable to HOME and other federally funded programs.
- viii. Oregon Visitability Requirements (included in this document).

3. FOR ALL REHABILITATION PROJECTS

The Department requires a thorough rehabilitation assessment for all rehabilitation grant, loan or tax credit applications. A thorough Rehabilitation or Capital Needs Assessment will help determine the appropriate rehabilitation scope of work and the estimate of probable rehabilitation cost. The following reports should be ordered and reports submitted:

- Rehabilitation Scope of Work,
- Pest and Dry Rot Inspection Report,
- Roof Inspection Report,
- Estimate of probable rehabilitation cost,

Examine the following major building components and describe the work necessary to bring each building component to the level of maximum expected life:

- Roof and roof substructure,
- Accessibility features,
- Exterior walls (building envelope),
- Pest and dry rot inspection,
- Insulation,
- Interior spaces: appliances and structural elements,
- Foundation,
- Structure: basement, substructure, super structure, crawlspaces,
- Electrical systems,
- Plumbing systems,
- Heating systems,
- Site: parking, landscaping, common areas, lighting, security.

After reservation of funding is made, the Department may, at its discretion, complete a unit by unit inspection of developments with proposed rehabilitation to assure there is an adequate scope of work.

Applicants must complete the following:

- Conduct site inspections of 100 percent (100%) of all units (a lesser percentage may be allowed at OHCS' discretion).
- Identify any physical deficiencies as a result of:
 - a) visual survey,
 - b) review of pertinent documentation, and
 - c) interviews with the property owner, management staff, tenants, community groups and government officials.
- Identify physical deficiencies, including critical repair items, two (2)-year physical needs and long term physical needs. These should include repair items that represent an immediate threat to health and safety and all other significant defects, deficiencies, items of deferred maintenance, and material building code violations that would limit the expected useful life of major components or systems.
- Explain how the project will meet the requirements for accessibility to persons with disabilities.
- Identify physical obstacles and describe methods to make the project more accessible, listing needed repair items in the rehabilitation plan.
- Prepare a rehabilitation plan, addressing all two (2)-year and long term physical needs separately.

The agency is expecting the applicant to engage the services of qualified independent third party professionals, currently licensed in the State of Oregon, to perform the property inspections and prepare the Rehabilitative Assessment showing the scope of work and a description of the rehabilitation with regards to the life, health and safety concerns. Applicants typically contract with a licensed architect or licensed residential property inspector* (CCB Lic# + OHCI Lic#) to provide most of the inspection services and write the Rehab Assessment. Additional support services including construction cost estimates, roof inspections, Pest & Dry Rot inspections, structural assessments, etc. can be provided by general contractors, roofing contractors, Pest & Dry Rot inspectors** and licensed engineers (structural, mechanical and/or civil).

*Home Inspectors providing rehab assessments should have an Oregon Construction Contractor's Board (CCB Lic#) and an Oregon Certified Home Inspector (OCHI Lic#) printed on the cover or first page of their inspection report.

**Pest & Dry Rot Inspectors should have an Oregon Department of Agriculture (ODA Lic#) and/or a Pest Control Operator (PCO Lic#) printed on the cover or first page of their inspection report.

4. VISITABILITY EXEMPTION REQUEST

Use this form if the proposed project design cannot meet the state's visitability requirements, as described in the Architectural Standards section. If you need an exemption, you must include Visitability Exemption Request in the Threshold Section of the application.

5. REQUEST FOR EXEMPTION FROM MINIMUM OR MAXIMUM UNIT FLOOR AREA REQUIREMENTS OR SINGLE-LEVEL TWO BEDROOM/TWO BATH DESIGNS

Use this form if the size of the units in the proposed project is not consistent with the department's standards. (See the General Policy and Guideline Manual). You should also use this form if the proposed design includes single-level two (2) bedroom units with more than one (1) bath. Include the Exemption Request in the Threshold Section.

PART 4: COMPETITIVE SCORING

A. FINANCIAL FEASIBILITY – 10 POINTS

EXCEL PRO FORMA SPREADSHEETS

1. DIRECTIONS

- a. Submit the EXCEL Workbook pages in the order in which they appear in the Workbook. The most-used pages appear at the front. Insert the hardcopy spreadsheets in the section listed on the Application Submittal Checklist.
- b. OHCS has protected the cells without a password to help avoid changing the formulas in the cells. If applicants wish to change data in a protected cell, they need to use the "Tools" tab to unprotect the cell.
- c. Fill in the project name on the Sources of Funding page. The spreadsheet will automatically link it throughout the workbook.
- d. Fill in the date on each spreadsheet page. The spreadsheet will not link the date through the workbook to allow pages to reflect revision dates.
- e. Do not use medium to dark colors as form fill colors as they will not copy well.
- f. OHCS has embedded "comments" in the cells to help applicants provide correct information.
- g. Generally, OHCS has highlighted (in yellow) the cells in which applicants should enter data. The exception to this is the Sources of Funding page.

2. SOURCES OF FUNDING PAGE

Note: If the project is a mixed-use project with a commercial/retail component, go to the row that has A, B, C, etc. and highlight columns F and I. In the shaded area, right click the mouse and select "Unhide" at the bottom. This will reveal the Commercial input column. Input information according to the instructions that follow:

- a. Fill in Project name and the date at the top of the page.
- b. Enter source dollar amounts in their proper locations. Be sure to include Commercial if applicable.

- c. If applying for LIHTC, do not attempt to enter numbers in the cell labeled "LIHTC equity." The spreadsheet will automatically fill this cell after completion of the Calculation of Tax Credit page.

3. USES OF FUNDING PAGE

Note: If the project is a mixed-use project with a commercial/retail component, go to the row that has A, B, C, etc. and highlight columns C and E. In the shaded area, right click the mouse and select "Unhide" at the bottom. This will reveal the Commercial input column. Input information according to the instructions that follow:

- a. Fill in date cell.
- b. Put an "x" in "acq/rehab" cell if funding is being requested for an acquisition rehabilitation application. This will enable the spreadsheet to correctly calculate the developer fee.
- c. Fill in IRS set aside (only if requesting LIHTC). See comments for that cell.
- d. Enter square footage for Residential areas, Common Areas, Commercial/other areas. The spreadsheet will calculate the Total Square Footage based on these entries.

4. COST COLUMN

- a. Enter costs by line item. "Other" lines for "other" costs have been provided, however most costs should fit into the pre-labeled line items.
- b. Do not combine line items or request "see above" or "see below."
- c. Show contractor's profit, overhead and general conditions as separate line items.

a. "COST PER UNIT," "SQUARE FOOT" AND "PERCENT OF TOTAL" COLUMNS

These columns will be calculated automatically. The calculations will be based on the residential and common areas only.

b. FUNDING SOURCE COLUMN

List actual funding source, e.g., HOME, Trust Fund, permanent loan, donation, even though the sources will often change during the development of the project. Reviewers of the application need to determine if the applicant proposes to use the fund sources for eligible costs.

c. REASONABLY EXPECTED BASIS AND ESTIMATE GROSS EXPENDED COLUMNS

Complete these columns only if requesting LIHTC.

d. BOTTOM OF SECOND PAGE

The workbook will automatically calculate and complete these cells. If the "Surplus or Gap" cell shows a positive or negative number, then the Sources and Uses will not match by that amount. Applicants need to go back and correct the error.

5. HOUSING OPERATING BUDGET - INCOME PAGE

- a. Enter the date at top of the page.
- b. Enter County name at top of the page. If this is not done, the formulas for Median Income percent (%) will not work.
- c. Every applicant must complete this page, including those requesting OAHTC.
- d. In the "Unit Size" column, enter the following designations for appropriate unit sizes:
 - 1. SRO - use for single resident occupancy,
 - 2. 0 - use for efficiencies or studio apartments,
 - 3. 1 - use for one bedrooms,
 - 4. 2 - use for two bedrooms,
 - 5. 3 - use for three bedrooms,

Continue in this manner.

- e. "Number of Baths" column - use .5, 1, 1.5, 2, etc.

6. HOUSING OPERATING BUDGET (Income)

- f. "Median Income Percentage" column. Both the "Income without OAHTC" and the "Income with OAHTC" pages use formulas to automatically calculate the percentage of median income. OHCS will consider the percentages to be expressed as a not-to-exceed percent of median income in 10 percent (10%) intervals. For example, if the percentage of median income is calculated by the formula to be 43 percent (43%), then OHCS will consider the not-to-exceed percentage of median income to be 50 percent (50%). OHCS will use these not-to-exceed percentages in all legal agreements and declarations between the applicant and the state. Direct questions about this policy to the RAD.
- g. Enter the total income for Service Revenue and any Other Revenue for the project in the "Total Annual Income" column. This is the annual income for all units using the service or other project revenue as project income.

The spreadsheet defaults the Annual Inflation Rate Factor for income to 2 percent (2%). If a different rate is used, explanation must be provided in the Financial Description section of the application. The same applies to the default 5 percent (5%) vacancy rate at the bottom of the page.

The spreadsheet does not allow the Inflation Factor to vary on a line item-by-line item basis.

7. HOUSING OPERATING BUDGET – EXPENSES

- a. Enter the date at the top of the page.
- b. The Annual Inflation Rate Factor at the top of the page is defaulted to 3 percent (3%). If this rate is changed, the change must be supported in the Financial Description narrative.

Complete only the highlighted cells, the spreadsheet will automatically calculate and complete the other cells.

- c. Amortized Debt row should include HOME loans, Trust Fund loans, partnership loans, etc.

This spreadsheet page will calculate cash flow projections up to thirty (30) years, but only prints the first five (5) years. After that point, it shows only years 10, 15, 20 and 30.

8. UTILITY ALLOWANCE INFORMATION

- a. Enter the date at the top of the page.
- b. Enter data as requested by the form.
- c. Provide a copy of the source of the Utility Allowance Calculation (Housing Authority, etc.).

9. COMMERCIAL OPERATING BUDGET – INCOME PAGE (only fill in if you have commercial space in your project)

- a. Enter the date at top of the page.
- b. The Annual Inflation Rate Factor at the top of the page is defaulted to 2 percent (2%). If this rate is changed, applicants must justify the change in the Financial Description narrative.

Complete only the highlighted Cells, the spreadsheet will automatically calculate and complete the other cells.

10. COMMERCIAL OPERATING BUDGET – EXPENSES PAGE (only fill in if you have commercial space in your project)

- a. Enter the date at the top of the page.
- b. The Annual Inflation Rate Factor at the top of the page is defaulted to 3 percent (3%). This may be changed but the change must be justified in the Financial Description narrative.

Complete only the highlighted Cells, the spreadsheet will automatically calculate and complete the other cells.

- c. In the Permanent Loan row, enter the interest rate, term and loan amount for the commercial loan.

This spreadsheet page will calculate cash flow projections up to thirty (30) years, but only prints the first five (5) years. After that point, it shows only years 10, 15, 20 and 30.

11. PRO FORMA SUMMARY PAGE

- a. Enter the date at the top of the page.

This page requires no other data entry from the applicant.

Applicants must submit this summary page with the pro forma sheets.

12. PROJECT SUMMARY PAGE

- a. Enter the date at the top of the page.

This page requires no other data entry from the applicant.

Applicants must submit this summary page with the pro forma sheets.

- b. "Number of Baths" column - use .5 or 1 or 1.5 or 2, etc.
- c. "Median Income Percentage" column. Both the "Income" and the "Income with OAHTC" pages use formulas to automatically express the percentage of median income. OHCS will consider the percentages to be expressed as a not-to-exceed percentage of median income in 10 percent (10%) intervals. For example, if the percentage of median income is calculated by the formula to be 43 percent (43%), then OHCS will consider the not-to-exceed percentage of median income to be 50 percent (50%). OHCS will use these not-to-exceed percentages in all legal agreements and declarations between the applicant and the state.
- d. Enter the total income for Service Revenue and any Other Revenue for the project in the "Total Annual Income" column. This is the annual income for all units using the service or other project revenue as project income.

The spreadsheet defaults the Annual Inflation Rate Factor for income to 3 percent (3 %). If a different rate was used, explanation must be given in the Financial Description section of the application. The same applies to the default 5 percent (5 %) vacancy rate at the bottom of the page.

The spreadsheet does not allow the Inflation Factor to vary on a line item-by-line item basis.

13. CALCULATION OF TAX CREDIT PAGE

Only applicants requesting LIHTC need submit this page.

- a. Enter the date at the top of the page.
- b. Place an "X" under either "yes" or "no" regarding Qualified Census Tract or Difficult to Develop designations. If "yes", the spreadsheet will automatically calculate the one hundred thirty percent (130%).
- c. Enter the applicable fraction in the appropriate cell.
- d. Input the amount of tax credit requested and the tax credit yield. If the yield contains fractions of cents, enter it as a decimal of up to three (3) places. The spreadsheet will calculate the tax credit equity and link it to the Sources of Funding page.

14. HOUSING OPERATING BUDGET - INCOME WITH OAHTC PAGE

Only applicants requesting OAHTC must submit this page.

- a. Enter the date at the top of the page.

- b. In the "Unit Size" column, enter the following designations for appropriate unit sizes:
 1. SRO - use for single resident occupancy,
 2. 0 - use for efficiencies or studio apartments,
 3. 1 - use for one bedrooms,
 4. 2 - use for two bedrooms,
 5. 3 - use for three bedrooms.

Continue in this manner.

- c. "Number of Baths" column - use .5 or 1 or 1.5 or 2, etc.
- d. "Median Income Percentage" column. Both the "Income" and the "Income with OAHTC" pages use formulas to automatically express the percentage of median income. OHCS will consider the percentages to be expressed as a not-to-exceed percentage of median income in 10 percent (10 %) intervals. For example, if the percentage of median income is calculated by the formula to be 43 percent (43 %), then OHCS will consider the not-to-exceed percentage of median income to be 50 percent (50 %). OHCS will use these not-to-exceed percentages in all legal agreements and declarations between the applicant and the state.
- e. Enter the total income for Service Revenue and any Other Revenue for the project in the "Total Annual Income" column. This is the annual income for all units using the service or other project revenue as project income.

The spreadsheet defaults the Annual Inflation Rate Factor for income to 3 percent (3 %). If a different rate was used, explanation must be given in the Financial Description section of the application. The same applies to the default 5 percent (5 %) vacancy rate at the bottom of the page.

The spreadsheet does not allow the Inflation Factor to vary on a line item-by-line item basis.

15. OAHTC RENT REDUCTION CALCULATION

Only applicants requesting OAHTC must submit this page.

- a. Enter the date at the top of page.
- b. Enter only the portion of the loan reduced by the Oregon Affordable Housing Tax Credits in the loan amount labeled "W/O OAHTC", as this is used to calculate the interest rate reduction, so the portion at full rate does not need to be in the OAHTC calculation page.
- c. Input data in shaded cells and the spreadsheet will calculate and complete the other cells.

Pass through requirements and amounts are shown just above the Loan Amortization section. The pass through number must be positive (or "over").

NOTE: Question #1 in this Section does not have a page length limitation. Limit the response to each narrative question to one-half (1/2) page, use 11 or 12-point type.

FINANCIAL ASSUMPTIONS

Explain how you built the development and operating budgets. For each line item of the pro forma Uses of Funding, Income and Expenses spreadsheets, explain the source or justification of the budgetary amounts used. Provide detailed information and do not combine line items. Team Reviews will determine if sufficient information was given for each question.

NON-OHCS SOURCES TABLE

Indicate the amount, source, terms and status of all non-OHCS funds and potential community-based resources for this project. Complete the narrative request which follows the table.

DEVELOPER FEE

Complete the table to show the total developer fee requested, including consultant fee and project management fee, if applicable. The Department considers a project management fee, or construction management fee, paid to the project owner, developer, or consultant as the total developer fee (and subject to the 15 percent (15 %) cap). If you propose to hire a third-party to oversee construction, then the project management fee is separate. The Uses of Funding worksheet now contains a "Third Party Construction Management Fee" for this line item. The applicant must make clear who receives the project management or construction management fee. If the consultant, sponsor, co-applicant, or any other related party receives compensation for construction oversight, that payment is considered part of the developer fee. If your project receives a Reservation of Funds, you will be asked to submit a copy of the third party contract to the department.

CONTRACTOR OVERHEAD AND PROFIT

The general contractor/builder's profit may not exceed 14 percent (14 %) of the total hard construction costs less contractor overhead, profit and general conditions, regardless of the funding source. If an Identity of Interest exists, the general contractor/builder's profit may not exceed 10 percent (10 %) of the total hard construction costs less contractor overhead, profit and general conditions. *(For hard construction cost, use only the subtotal from the "Construction Costs" section of the Uses of Funding form).*

Builder's profit shall include all of the following:

- profit,
- overhead,
- general requirements, and
- project management fees associated with construction.

Builders' Risk Insurance and/or a performance bond may be a separate line item and is not included in the percentage.

EXISTING SUBSIDIES WITH ACQUISITION PROJECTS

Indicate all rental assistance and subsidy that are now with the project.

PROJECT-BASED RENTAL ASSISTANCE

Include only those project-based rental assistance (PBA) sources from which you will have commitments for post-construction/rehabilitation. The length and terms of the PBAs must be acceptable to the Department in its sole discretion.

PRESERVATION OR EXPIRING USE

If the proposed project is preservation of a HUD or RD financed project or an expiring LIHTC project, detail the status of sale or transfer transactions. Complete the “Status of Negotiations” table. Make sure this information is consistent with your responses in other sections of the application.

EXISTING TENANT SURVEY

You must complete this form for all projects occupied at the time of application, regardless of the funding source(s) requested.

TENANT RELOCATION

Complete this form if the proposed project will relocate (permanently or temporarily) any household or business. Complete the entire form for OHCS HOME applications. If you do not request HOME, answer only the first five (5) questions. Limit the response to each narrative question to one-half (1/2) page, *use 11 or 12-point type*.

2. DEBT UNDERWRITING

Many projects require primary mortgage debt as one of the sources of funds. If there is mortgage debt, the proposed loan-to-value, debt service coverage and breakeven ratios must be in conformance with Department limits and industry norms noted in the General Policy and Guideline Manual. If there is no mortgage debt, then the pro forma must demonstrate a stable positive cash flow over the required economic life of the Project.

3. CONSTRUCTION HARD COST ESTIMATE

Applicants must include the cost estimates used to develop the construction budget in the application. Acceptable cost estimates include: a contractor’s or cost estimator’s worksheet, rehabilitation assessment, scope of work, or any other documents that show how the construction costs were established.

IMPACT AND NEED OF THE PROJECT – 80 POINTS

The Competitive Scoring Questionnaire is the primary document for demonstrating the compelling qualities of a project when compared to other projects. The following information provides guidance on describing important characteristics of the “Need for” and “Impact of” a project. The Applicant is not required to answer all the questions in each category. The Applicant should focus on those questions that most appropriately fit their individual project. The total response to all questions will be limited to eight (8) pages, one-sided, single-spaced, 11 or 12-point font including exhibits. It is not necessary to provide copies of documents or exhibits that support the narrative. Just cite the sources properly in the body of the text.

The scoring for each category is weighted as follows:

Impact of project	70
- Project Type and Population Served	25
- Location & Building features	15
- Community Impact	30
Need for project	10
- In the context of the community	10



3- Project type and Population served**Max
25**

The type of Project and the population served is critical in assessing the impact of the Project.

This scored section should identify the type of Project (new construction, acquisition/rehabilitation, preservation, mixed income) and the population served (family, elderly, veterans). Priority Projects should do one (1) or more of the following: preserve federal rent subsidy, be responsive to community housing needs (rehabilitating existing housing stock, or creating a new supply); serve lowest income households, be dedicated to serving difficult to serve, special needs populations; provide permanent supportive housing, have established connections to workforce needs, integrate market or retail services, include deliberate mechanisms to support resident health and stability. More points will be awarded to those Projects that best demonstrate themselves to be a Priority Project and the population to be served.

Applicable Criteria:**Serving lowest income households****Example:**

Percent of HUD Area Median Income Limits

Serving a target population for housing**Examples for new construction:**

Special needs populations
Veterans
Released offenders
Permanent Supportive Housing

Examples of eligible populations for acquisition rehabilitation:

Workforce
Elderly units
Families with children

Preservation of federal project-based rent subsidy.**Examples:**

Section 8 preservation
Rural Development preservation

Integration with other community housing needs**Examples:**

Mixed income
Mixed use
Rehabilitation of existing housing currently in OHCS Portfolio

4- Location & Building**Max
15**

The location and design of a building can affect the impact on both the residents as well as the community.

This scored section should identify unique location and building features that contribute to the health and overall well-being of the residents and community. More points will be awarded to those Projects that best demonstrate unique location and building features that will contribute to the health and overall well-being of both planned residents and the community. Priority Projects should be responsive to the needs of the target populations, be in close proximity to transit, schools, and services, and when feasible, could serve to de-concentrate poverty or revitalize a distressed area.

Applicable Criteria:**Accessibility of Location****Examples:**

- Proximity to Transit
- Proximity to Schools
- Proximity to Healthcare
- Proximity to Food

Complementary or Responsive Building Design**Examples:**

- Responsive to specific needs of specified population
- Historic nature of the project

In an area that serves to deconcentrate poverty**Examples:**

- Low Poverty Area (census tracts with less than ten percent (10 %) poverty)

5- Community ImpactMax
30

While the opportunities and challenges may vary across the state, every community strives to be a place where people choose to live, work, and play.

This scored section should identify the critical nature of the Project, how it ties to local and statewide policy objectives, and how it is coordinated with larger community objectives. More points will be awarded to those Projects that best demonstrate a Project's critical nature, how it relates to and coordinates with relevant policy objectives. Priority Projects should leverage state resources, address state, regional or local policy objectives, work to create a thriving community, and/or innovate to address obstacles.

Applicable Criteria:**Responsive to a Community Need****Examples:**

- Identified as a community catalyst
- Community revitalization plan component
- Responds to an urgent community need

Responsive to State or Local Policy Direction**Examples:**

- Include elements that deliberately respond to the State ten (10)-year plan, or a local plan
State of Oregon Ten (10)-year plan: <http://www.oregon.gov/COO/Ten/Pages/index.aspx>
- Include elements that address an active policy focus in the community
- Include elements that create future public cost savings

Collaborative projects**Examples:**

- Multiple public, private, or nonprofit entities working together to create the Project or serve its tenants
- Local partnerships involved in the design and/or financing of the Project

Leverage**Examples:**

- Includes significant funding for development or acquisition/rehabilitation from Project jurisdictions or other sources

Innovation**Examples:**

- Overcome obstacles or solve community issues
- Re-use or redevelopment of existing housing
- Replaces deteriorated housing stock
- Intended for eventual tenant ownership

1- Need in the context of the community**Max
10**

The state of Oregon has a vested interest in targeting affordable housing that is most relevant and critical within a community.

This scored section should use quantitative data on the distribution of and demand for affordable housing for the target population within the community. The community boundaries used here should be defined by the Applicant, and could be the city, census tract, zip code, or other boundary most relevant to the Project. More points will be awarded to those Projects that best demonstrate an under-representation of affordable housing for a population with critical unaddressed needs within the community.

Applicable Criteria:**Equity of affordable housing distribution in the community****Example:**

Equity of affordable housing distribution in the community

Population needs compared to needs of other populations in the community**Example:**

Relevant population growth/demand

Identification of community housing needs addressed by Project**Example:**

Deteriorated or old housing stock

Demand for affordable housing of specified population in the community**Examples:**

Housing waitlists for specified population groups
Voucher waitlists for specified population groups

DEVELOPMENT TEAM CAPACITY

A. DEVELOPER CAPACITY

1. DEVELOPER CAPACITY WORKSHEET

The section contains nine (9) narrative questions, five (5) tables, and instructions for developer capacity for asset management. Responses to each narrative question are to be limited to one-half (1/2) page, 11 or 12-point type.

The scope and scale of a proposed project should correlate to the applicant's or development team's experience. This prevents project delays and minimizes need for additional resources.

The applicant is the primary customer and is the affordable housing owner/applicant. The developer can be the managing general partner of a to-be-formed limited partnership. It is the owning entity responsible for the day-to-day management of the real estate asset. Developer capacity implies demonstration of the essential factors that lead to ongoing owner and project financial and program success.

2. REAL ESTATE HOLDINGS WORKSHEET

The Applicant must thoroughly complete this form, identifying all real estate projects it has any ownership in whatsoever, including but not limited to, any general partnerships, limited partnerships, limited liability corporations or non-profit corporations that own and operate real estate.

GENERAL REMINDERS

- Follow the order of the Application Submittal Checklist completely and accurately.
- Make sure to provide all requested material in the order indicated on the Checklist.
- Submit only the documents listed on the Application Submittal Checklist.
- Use divider tabs to identify each Part.
- Number every page of the application.
- When answering narrative questions, **do not remove the question, question number, or the box provided.**
- Keep responses within the stated length and font size limits.
- Do not double-space your text responses.
- Always mark the project's location on maps and context photos.
- Identify acronyms used by your organization.
- Answer questions completely. Don't assume the reader is familiar with your organization or project.
- Double-check that each copy of the application includes all the same documents as the original.