

**STATE OF OREGON  
HOUSING AND COMMUNITY SERVICES**

**MULTIPLE AWARD OPPORTUNITY  
NOTICE OF FUNDING AVAILABILITY (NOFA) #4428**

**Local Innovation and Fast Tract (LIFT) program**

NOFA Issued Date: **September 2, 2016**

Application Due Date: **October 31, 2016**

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

**Version 1.1**  
*Updated 9/2/16*



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**1.0 INTRODUCTION**

**1.1 Purpose**

The State of Oregon, acting by and through its Housing and Community Services Department (OHCS), is seeking applications (Applications) in this Notice of Funding Availability (NOFA) with respect to **new construction** multifamily residential rental housing developments, i.e., Affordable Housing Projects (Projects) whose development, *inter alia*, will serve statewide qualified low income households earning at or below 60% area median income.

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 reservation of Funding (Reservation) pursuant to this NOFA will be designated as Awardees in the conditional commitments issued to them (Reservation Letter) 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 documents in a manner satisfactory to OHCS at its sole discretion.

**1.2 Funding Sources**

The allocation (Allocation) of Funds for this NOFA will be from the Local Innovation and Fast Tract (LIFT) program which is to be funded through Article XI-Q Bonds. Any LIFT funding Allocation is subject to receipt by OHCS of the proceeds of the anticipated Article XI-Q Bonds issuance and approval by bond counsel, the Oregon Department of Justice, and the Issuer to use the proceeds for LIFT purposes as contemplated under the NOFA. Any LIFT fund Allocation also is subject to Applicant’s compliance with the terms of the NOFA and LIFT Program Requirements (Program Requirements), including the execution of documents satisfactory to OHCS and the Oregon Department of Justice. All LIFT Program Requirements governing funding and relevant to a particular Application must be satisfied by the corresponding Applicant in order to qualify for funding under this NOFA.

**1.3 Application Parameters**

- A. Applicants must identify how the Project will serve to overcome historic disparities by being either (1) located in a rural community, **OR** (2) designed to serve Communities of Color as outlined below:
  - 1. Rural Communities are defined as Oregon communities with a population less than 25,000 that are outside of the Portland Metropolitan Urban Growth Boundary.
  - 2. Service to Communities of Color can be achieved in a number of ways, and should be relevant to the community in which the Project is located, and the target population anticipated to be served. In

general OHCS would expect that addressing this disparity could be accomplished in one of the following ways:

- Development, sponsorship or management by a culturally specific organization with a diverse and representative leadership.
- An ongoing service partnership with a culturally-specific organization.
- A relevant marketing and outreach plan designed to publicize to Communities of Color the availability of the new housing opportunities created by the Project, and to affirmatively further fair housing.
- A Project explicitly designed and located to address displacement.

B. Applicants may only apply for funding of one (1) phase of a multi-phase Project.

## 1.4 Definitions

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

**Communities of Color:** an eligible category for receiving LIFT funds through this NOFA which focuses funding on Projects that will serve to overcome historic disparities. Service to Communities of Color, i.e., communities with relatively underserved populations as judged, *inter alia*, by ethnicity, race, culture, or place of origin (collectively, “culture”) can be achieved in a number of ways, and should be relevant to the community in which the Project is located, and the target population anticipated to be served. In general OHCS would expect that addressing this disparity could be accomplished in one of the following ways:

- Development, sponsorship or management by a culturally specific organization with a diverse and representative leadership.
- An ongoing service partnership with a culturally specific organization.
- A relevant marketing and outreach plan designed to publicize to Communities of Color the availability of the new housing opportunities created by the Project, and to affirmatively further fair housing.
- A Project explicitly designed and located to address displacement.

**Primary Consideration:** status given to Projects for which Applicants are requesting \$38,000 or less per LIFT unit, which ensures that such Projects are reviewed by the Scoring Committee.

**Rural Communities:** an eligible category for receiving LIFT funds through this NOFA which focuses funding on Projects that will serve to overcome historic disparities. Rural Communities are defined as those Oregon communities with population less than 25,000 that are outside of the Portland Metropolitan Urban Growth Boundary.

**Scoring Committee:** reference to the committee, comprised of representatives from Communities of Color, Rural Communities, OHCS and DHS leadership, and other relevant policy and development expertise that will be assembled to review all Applications that have met the minimum requirements.

**Secondary Consideration:** status given to Projects for which Applicants are requesting more than \$38,000 per LIFT unit, which means that they will only be reviewed by the Scoring Committee if OHCS and the Scoring Committee determines that all available funds would not likely be committed to Projects requesting \$38,000 or less in subsidy per unit.

**Set-Aside:** A soft set-aside is established in this LIFT NOFA to award half of the LIFT funds to Rural Communities and half of the LIFT funds to those Projects that serve Communities of Color.

## 1.6 Allocations and Funding Limit Categories:

### Funding:

In 2015 the Oregon State Legislature provided \$40 million in Article XI-Q bond authority to establish the LIFT program. These funds, less capitalized costs to implement the program are being offered through this 2016 LIFT NOFA. \$39,821,064 in LIFT funds will be made available through this NOFA to Projects that meet specified eligible Application parameters as listed in 1.3.

No additional competitive resources are being made available in this NOFA, however Applicants may choose to apply for non-competitive 4% LIHTC and related sources. When used with 4% LIHTC and selected for LIFT funding Reservation, Applicants must be ready to hold their 4% LIHTC scoping conversation with a loan officer within 10 days of funding Reservation.

### Set-Aside:

A soft set-aside is established in this LIFT NOFA to award half of the LIFT funds to Rural Communities and half of the LIFT funds to those Projects that serve Communities of Color. If the next Project within the set-asides requires more funds than remains in the particular set-aside category, those funds will be grouped together with similar funding from the other set-aside category and the combined funding will go to the highest scoring Project able to be funded. If there are not enough Projects able to be funded (having passed preliminary and threshold minimum requirements) to use all resources for one of the set-aside categories, those funds will be made available to the Projects in the other set-aside category.

### Funding Limits:

Applicants may request any amount of LIFT funds per unit, however Applications will be processed in the following order:

- Applications requesting \$38,000 LIFT subsidy per unit or less will receive Primary Consideration.
- Applications requesting more than \$38,000 LIFT subsidy per unit will receive Secondary Consideration.

OHCS and its LIFT Scoring Committee may decline to review those Applications with Secondary Consideration if they determine, in good faith, that all available program funds can be deployed to Projects in the Primary Consideration Category that meet minimum preliminary and threshold requirements.

## 1.7 Reservation Process

- A. Application Ranking Process:** Funds are reserved by OHCS on a competitive basis to Projects of qualifying Applicants that:
1. Pass the Preliminary Submission Review,
  2. Meet the Minimum Threshold Requirements Review; and
  3. Have the highest scoring rank in accordance with available funding, subject to prioritization of qualifying Primary Consideration Projects.

OHCS and the Scoring Committee may choose not to review Projects with Secondary Consideration in accordance with the foregoing prioritization. This will be determined following Minimum Threshold Requirements Review.

During the funding process, limits on the remaining available funding may result in lower-ranked Applications receiving a funding Reservation if higher-ranked Applications would require funding that exceeds the amount that remains available for award purposes.

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

- B. Tie Breaking Rule:** If the total evaluation scores of two (2) or more Applications result in a tie funding availability is insufficient to fund all tied Applications, the following scores, in order of priority, will break the tie:
1. The Project with the greatest number of units.
  2. The Project with the shortest development period.
  3. The Project with the request for lowest per unit LIFT subsidy.

## 1.8 LIFT Program Guidelines

In addition to any stated thresholds for Application review, the following are program guidelines that apply to any and all LIFT Projects funded through this NOFA:

### A. Affordability Period

The affordability period will be established as the length of time the Article XI-Q bond is outstanding based on the original maturity date identified at time of bond sale, with a minimum of 20 years. If used with 4% LIHTC, the applicable 4% LIHTC affordability period of 30 years from the time the Project is placed in service will apply.

### B. Eligible Activity

LIFT funds in this NOFA are to be used for the creation of new affordable housing units via **new construction** only. Projects aiming to rehabilitate existing structures or housing units will not be eligible.

### C. Rents and Incomes

All **units** funded with LIFT must be available for households earning at or below 60% area median income, with an exception for the one permissible manager's unit, at the time of initial lease. Maximum rents allowable on any LIFT unit will be based on and may not exceed the 60% HUD Area Median Income standard, but may be further restricted to accomplish LIFT program or other funding purposes.

Tenants must be able to stay in the Project regardless of future income.

In cases where the funded Project is mixed income, a next available unit rule will need to be established in conjunction with OHCS compliance staff, to ensure affordability and comparability of unit compliance, i.e., the number, size, and character of affordable units are provided to serve the necessary population of lower-income households.

**D. Construction Standards**

- i. Methods: Both traditional and alternative methods of new construction are allowable; construction that is innovative in containing costs or otherwise serving lower-income populations is encouraged.
- ii. Quality: Construction that balances the initial cost of building with on-going costs of operation for both the building owner and the tenants (e.g., energy standards); ensuring that additional costs are not passed on to tenants.
- iii. Durability: 30 year building standards.
- iv. Other Requirements: If other public capital or operating subsidies are used in financing the Project, relevant requirements of those subsidy sources will apply.

LIFT requirements are intended to encourage innovation and allow for all types of new construction. All Projects must meet local and state code requirements. Chapter 4 “Baseline Design Requirements” of the OHCS Project Development Manual (PDM) <https://www.oregon.gov/ohcs/HD/MFH/Project-Development-Manual.pdf> will apply to LIFT Projects. In addition, for those elements in chapter 5 that apply to 4% LIHTC Projects, subsequent to award LIFT Projects may be asked to relay information to the staff architect about what of the proposed Project elements are not consistent with the noted standards. No approval will be needed.

In any case where another funding source has its own requirements, the most restrictive requirements will govern relevant operation of the Project.

**E. Development Period**

Units must be ready for initial lease-up within 30 months of a LIFT funding Reservation. This NOFA anticipates funding Reservations in January 2017 with bond sale in February 2017; in which case units must be ready for initial lease-up by July 2019.

**F. Underwriting Guidelines**

Underwriting guidelines will be applied by OHCS in its due diligence and Project review process to ensure ongoing Project viability and risk mitigation associated with the funding source’s requirement for OHCS to own or operate the Project. Such guidelines will be consistent with the industry standard minimum requirements of mortgage lenders, investors, and other potential public funding sources.

- i. Minimum debt service coverage ratio of 1.20 on all “must-pay” debt.
- ii. 7% vacancy factor.
- iii. 2% escalation of rents and 3% escalation of expenses.
- iv. Capitalized operating reserve equal to six (6) months operating expenses and debt service.
- v. Minimum annual replacement reserve deposit of \$450 per unit.

**G. Developer Fees**

Developer Fee as specified in the table below; calculated as the Developer Fee plus Consultant Fees divided by the Total Project cost minus Acquisition, Developer Fee, Consultant Fees and Capitalized Reserves.

$$\frac{\text{Developer Fee PLUS Consultant Fee}}{\text{Total Project Cost MINUS Acquisition, Developer Fee, Consultant Fee, Capitalized Reserves}}$$

<b>Project Size</b>	<b>New Construction</b>	<b>4% LIHTC New Construction</b>
<31 Units	16%	18%
31-75 Units	14%	16%
76-100 Units	12%	14%
100+ Units	10%	12%

**H. Resident Services Plan**

Comprehensive resident services are not required for LIFT funded Projects, however LIFT recipients will be required to submit a resident services plan during the Reservation period to document whether or not services or service referrals will be provided, and to detail any service delivery process. Those Projects with identified commitment to serving Oregon Department of Human Services (DHS) clients will need to demonstrate in both the competitive Application, and later on in the resident services plan, how DHS clients will be supported both while being served by DHS programs as well as upon exit.

**I. Compliance Monitoring**

Compliance monitoring will be sufficient to cover due diligence of OHCS. A compliance monitoring fee of \$25 per LIFT unit will be required annually.

- i. Initial household income verification.
- ii. Annual income verification, including through self-certification.
- iii. Risk-based physical inspections every 1-3 years based on property condition.
- iv. Other Requirements: If other public capital or operating subsidy will be used from any source, relevant compliance requirements of those sources will be assumed to apply. For example, if 4% LIHTCs are used, all 4% LIHTC compliance requirements will pertain.

**2.0 APPLICATION REQUIREMENTS**

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

**APPLICATION DUE DATE AND TIME:**

**October 31, 2016 by 4:00 PM PST**

**DELIVERY ADDRESS:**

**Oregon Housing and Community Services**

**Attn: Lisa Cimino**

**725 Summer Street NE, Suite B**

**Salem, OR 97301**

**Applications must be received and date and time stamped by OHCS receptionist no later than the Application closing date and time. Applications must be delivered in a sealed envelope or container that clearly identifies the NOFA number, Applicant’s name, name of the contact person for the Applicant, Department name and address, and the Application closing date and time. Mis-deliveries and late submittals will not be accepted or considered.**

**Post-marked dated Applications will not be considered. Only Applications actually received by OHCS by the Application closing date and time specified herein will be processed.**

Faxed, electronically transmitted, late or incomplete Applications will not be accepted or reviewed. All Applications and any accompanying documentation become the property of OHCS, subject to Oregon Public Records Law, and will not be returned. **Application Charges will not be refunded.**

**All costs associated with Applicant's submission of its Application are the sole responsibility of the Applicant and will not be borne by the State of Oregon.**

OHCS is not responsible for any errors or omissions resulting from the Applicant obtaining the NOFA electronically. The official version of the NOFA is the one held at OHCS.

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

## **2.2 Application Submission Information**

The *LIFT NOFA Instruction document* contains detailed information about the format and content of the required submission.

## **2.3 NOFA Questions**

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

**LIFT NOFA questions** should be sent in writing to:

[MFNOFA@oregon.gov](mailto:MFNOFA@oregon.gov)

In subject line please put "LIFT NOFA Question"

Frequently Asked Questions will be posted with applicable answers on the OHCS website. When appropriate, revisions, substitutions, or clarifications shall be issued as a Technical Advisory and put forth as a revision to this NOFA. Changes or modifications to the NOFA requirements will **ONLY** be recognized if in the form of written advisory issued by OHCS. OHCS shall provide copies of any advisories to all known NOFA recipients as well as post the addenda at: <http://www.oregon.gov/ohcs/Pages/multifamily-housing-announcements.aspx>

## **3.0 EVALUATION CRITERIA**

After passing Application Preliminary Submission Review, including for timeliness and completeness, a Threshold Review Team will evaluate each Application for its satisfaction of the Minimum Threshold Requirements Review requirements. The Applications must pass each criterion below to proceed to the next level of review. If at any

point an Application fails to meet the threshold criteria listed in 3.2 below, the Application will be deemed nonresponsive and will not be reviewed further.

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

### **3.1 Preliminary Submission Review**

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

- A. NOFA Cover Sheet submitted by due date and time,
- B. Owner/Board of Director's Authorization and Acceptance Form,
- C. Organizational Documents,
- D. Complete NOFA Application with Required Exhibits.

### **3.2 Minimum Threshold Requirements Review (Part 3 Submission)**

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

#### **A. LIFT Project Eligibility (3.1 submission)**

Applicants must identify how the Project will serve to overcome historic disparities by being either (1) located in a rural community, **OR** (2) designed to serve Communities of Color as outlined below:

- 1) Rural Communities are defined as Oregon cities with population less than 25,000 that are outside of the Portland Metropolitan Urban Growth Boundary.
- 2) Service to Communities of Color can be achieved in a number of ways, and should be relevant to the community in which the Project is located, and the target population anticipated to be served. In general OHCS would expect that addressing this disparity could be accomplished in one of the following ways:
  - i. Development, sponsorship or management by a culturally-specific organization with a diverse and representative leadership.
  - ii. An ongoing service partnership with a culturally-specific organization.
  - iii. A relevant marketing and outreach plan designed to publicize to Communities of Color the availability of the new housing opportunities created by the Project, and to affirmatively further Fair Housing standards.
  - iv. A Project explicitly designed and located to address displacement.

#### **B. Readiness to Proceed (3.2 submission)**

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 demonstrate that units will be ready for initial lease-up within 30 months of a LIFT funding Reservation; Applicant must demonstrate reasonable and appropriate timeline as well 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.

### **C. Development Team Capacity (3.3 submission)**

#### **1. Construction Experience**

- a. Does the Applicant have a successful history of leading construction development Projects of similar (or larger) size and scope, such as, mid-rise versus high-rise, wood frame versus steel, and new construction versus rehabilitative construction?
- b. If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this limitation.

#### **2. Financing Experience**

- a. Does the Applicant have a successful history of closing the requested combination of financing?
- b. If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this limitation?

#### **3. Development Team Experience**

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

#### **4. Financial Capacity**

- a. As disclosed in the Application or other required information, does the Applicant's financial condition indicate any adverse conditions that might materially impair the Applicant's ability to perform the financial obligations as Sponsor during the construction or stabilization of the Project?
- b. As disclosed in the Real Estate Owned Schedule, is the Applicant's existing real estate portfolio stable and self-supporting? If there are any significant problem Projects, is there a reasonable mitigation plan in place?

### **D. Financial Viability (3.4 submission)**

#### **1. Development pro forma review –pass/fail**

- i. Pro forma includes only realistic and available resources on the Sources of Funding.
- ii. Explanation of how the development budget will still be valid at the start of construction.

#### **2. Operating pro forma review –pass/fail**

- i. Affordable rents are affordable to target population.
- ii. Minimum debt coverage ratio of 1.20 on all "must-pay" debt.
- iii. Cash flow within OHCS guidelines or adequately explained (1.25 or below, unless adequately explained or declining cash flows require a higher debt coverage).
- iv. Vacancy rate at 7% or adequately explained.
- v. Submitted reserve or replacement analysis and included adequate amount for replacement items in pro forma.
- vi. 2% escalation of rents and 3% escalation of expenses.

#### **3. Well documented and explained construction costs – pass/fail**

- i. Construction documents provide enough detail to adequately calculate Project hard costs.
- ii. Construction estimates substantially agree with the pro forma.

- iii. Contractor overhead, profit and general conditions are within the required range, as identified in NOFA instructions.

**E. Operational or Ownership Agreement with OHCS (3.5 submission)**

LIFT is funded through Senate Bill 1582 using Article XI-Q bonds and requires the State of Oregon to take an appropriate ownership or operational role in the Project. All Applicants **must use one of the two available paths** to meet this requirement, employing one of the two basic template approaches to documentation included in this NOFA.

1. Operational Agreement with OHCS: establishes through operational and management agreements that OHCS is provided certain rights over the property management operations. LIFT funds would go into the Project as a loan with corresponding loan documents, including the operating and management agreements.

OR

2. Ownership Agreement with OHCS: establishes that OHCS will use LIFT funds to accomplish fee-simple ownership of the land by purchasing from Project Sponsor for an amount equivalent to the fair market value of the land. OHCS would then provide a long-term ground lease at least for the minimum term of affordability with the Sponsor of the Project. This land lease would include similar operational and management terms as in option 1 and would not be subordinated to a lender, or other party involved in the multifamily affordable housing Project. All LIFT documents are subject to review and approval by the Oregon Department of Justice and, potentially, relevant bond counsel.

**F. Ownership Integrity (3.6 submission)**

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 or principal within the Project ownership or management will have been convicted of fraud, misrepresentation, theft or other moral turpitude within the previous ten (10) years.
3. Neither Applicant nor any member or principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five (5) years.
4. Neither Applicant nor any member or principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

**3.3 Competitive Scoring (Part 4 Submission)**

Applications that pass Preliminary Submission Review and Minimum Threshold Requirements Review will be scored competitively using the below-listed criteria, as relevant to either Projects with Primary or Secondary Consideration.

Projects that are given Primary Consideration will be scored first, using a lower minimum score of 25 to receive funding. Projects that are given Secondary Consideration will be scored second, if OHCS and the Scoring Committee determine in good faith that all funds would not be committed to Projects receiving Primary

Consideration, and include more stringent funding criteria and a minimum score of 55 to be eligible to receive a funding commitment.

**Primary Consideration Project Selection Criteria; Projects requesting \$38,000 or less in LIFT subsidy per LIFT unit:**

A total of one hundred (100) maximum points is possible. Any Application that does not have the minimum overall score of twenty-five (25) points will be disqualified.

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

- 1) Location in communities with high needs (15 points): based on an OHCS published county formula data incorporating the following factors: nonwhite and Hispanic poverty rate, family poverty rate, extremely low income households with severe housing problems. **Reference data on page 6 of 4.1 questionnaire**
  - a) Top third of counties; 15 points
  - b) Second third of counties; 10 points
  - c) Bottom third of counties; 5 points
- 2) Short development period (20 points): (units to be sited, planned, permitted, constructed, and ready for initial lease-up) less than the minimum threshold of 30 months.
  - a) Initial lease up in less than 12 months, 20 points
  - b) Initial lease up in 12-15 months, 17 points
  - c) Initial lease up in 16-18 months, 14 points
  - d) Initial lease up in 19-21 months, 11 points
  - e) Initial lease up in 22-24 months, 8 points
  - f) Initial lease up in 25-27 months, 5 points
  - g) Initial lease up in 28-29 months, 2 points
- 3) Ability to effectively serve DHS clients (15 points)
  - a) Commitment to serving DHS clients with units affordable to 0-60% area median income on 20% or more of the units; minimum 8 units; 10 points
  - b) Commitment to serving DHS clients with units affordable to 0-60% area median income on 15-19% of the units; minimum 6 units; 8 points
  - c) Commitment to serving DHS clients with units affordable to 0-60% area median income on 10-14% of the units; minimum 4 units; 6 points
  - d) Commitment to serving DHS clients with units affordable to 0-60% area median income on 1-9% of the units; minimum 2 units; 4 points

Provide an explanation of the current relationship with DHS for this project as established at time of application; what are the roles and responsibilities for DHS unit waitlist and referrals, what additional work needs to be done before initial lease-up? (5 points)

- 4) Strong local partnerships and support for clients as they move out of DHS programs (15 points)
- 5) Demonstration of innovative building design or innovative alternative construction methodology, or development strategy to lower costs (15 points) **Reference data on page 7 of 4.1 questionnaire**
  - a) Costs (including construction costs and architectural fees) are greater than or equal to 15% or more less than comparable RS Means data published by OHCS based on general project type, 15 points

- b) Costs (including construction costs and architectural fees) are 5-14% less than comparable RS Means data published by OHCS based on general project type, 12 points
- c) Costs (including construction costs and architectural fees) are 0-4% less than comparable RS Means data published by OHCS based on general project type, 8 points
- d) Costs (including construction costs and architectural fees) are 1-5% of comparable RS Means data published by OHCS based on general project type, 5 points
- e) Costs (including construction costs and architectural fees) are 6-10% of comparable RS Means data published by OHCS based on general project type, 2 points

6) Demonstrated efficiency and replicability of building development strategy ( 15 points)

7) Plans to address equity and diversity in the project through the use of Minority, Women, and Emerging Small Business (MWESB) contracting, sub-contracting, and professional services ( 5 points)

**Secondary Consideration Project Selection Criteria; Projects requesting greater than \$38,000 in LIFT subsidy per LIFT unit:**

A total of one hundred (100) maximum points is possible. Any Application that does not have the minimum overall score of fifty (50) points will be disqualified.

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

1) Lower LIFT subsidy per unit (15 points)

- a) \$38,001 - \$45,000 per unit, 15 points
- b) \$45,001 - \$50,000 per unit, 10 points
- c) \$50,001 - \$55,000 per unit, 5 points
- d) Greater than \$55,000 per unit, 0 points

2) Location in communities with high needs (15 points): based on an OHCS provided county formula data incorporating the following factors: nonwhite and Hispanic poverty rate, family poverty rate, extremely low income households with severe housing problems. **Reference data on page 6 of 4.1 questionnaire**

- a) Top third of counties; 15 points
- b) Second third of counties; 10 points
- c) Bottom third of counties; 5 points

3) Short development period (15 points): (units to be sited, planned, permitted, constructed, and ready for initial lease-up) less than the minimum threshold of 30 months.

- a) Initial lease up in less than 12 months, 15 points
- b) Initial lease up in 12-15 months, 13 points
- c) Initial lease up in 16-18 months, 11 points
- d) Initial lease up in 19-21 months, 9 points
- e) Initial lease up in 22-24 months, 7 points
- f) Initial lease up in 25-27 months, 5 points
- g) Initial lease up in 28-30 months, 2 points

4) Ability to effectively serve DHS clients (15 points)

- a) Commitment to serving DHS clients with units affordable to 0-50% area median income on 20% or more of the units; minimum 8 units; 10 points
- b) Commitment to serving DHS clients with units affordable to 0-50% area median income on 15-19% of the units; minimum 6 units; 8 points
- c) Commitment to serving DHS clients with units affordable to 0-50% area median income on 10-14% of the units; minimum 4 units; 6 points
- d) Commitment to serving DHS clients with units affordable to 0-50% area median income on 1-9% of the units; minimum 2 units; 4 points

Provide an explanation of the current relationship with DHS for this project as established at time of application; what are the roles and responsibilities for DHS unit waitlist and referrals, what additional work needs to be done before initial lease-up? (5 points)

- 5) Strong local partnerships and support for clients as they move out of DHS programs (15 points)
- 6) Demonstration of innovative building design or innovative alternative construction methodology, or development strategy to lower costs (10 points) **Reference data on page 7 of 4.1 questionnaire**
  - a) Costs (including construction costs and architectural fees) are greater than or equal to 15% or more less than comparable RS Means data published by OHCS based on general project type, 10 points
  - b) Costs (including construction costs and architectural fees) are 5-14% less than comparable RS Means data published by OHCS based on general project type, 8 points
  - c) Costs (including construction costs and architectural fees) are 0-4% less than comparable RS Means data published by OHCS based on general project type, 6 points
  - d) Costs (including construction costs and architectural fees) are 1-5% of comparable RS Means data published by OHCS based on general project type, 4 points
  - e) Costs (including construction costs and architectural fees) are 6-10% of comparable RS Means data published by OHCS based on general project type, 2 points
- 7) Demonstrated efficiency and replicability of building development strategy ( 10 points)
- 8) Plans to address equity and diversity in the project through the use of Minority, Women, and Emerging Small Business (MWESB) contracting, sub-contracting, and professional services ( 5 points)

#### **4.0 APPLICATION EVALUATIONS**

##### **4.1 Evaluation Process**

After Preliminary Submission Review (see Section 3.1) remaining Applications will be reviewed by OHCS in consultation with Scoring Committee to determine whether Projects with Secondary Consideration will be reviewed; if Projects with Primary Consideration include adequate requests for funding to commit all available resources OHCS and the Scoring Committee may choose not to review the Projects with Secondary Consideration. Once the Projects to be reviewed are identified they will move on to Minimum Threshold Requirements Review (see Section 3.1), and scored competitively (see Section 3.3). If Preliminary Submission Review, Minimum Threshold Requirements Review, and Competitive Scoring point hurdles have been met, then such qualifying Applications will be ranked by the Scoring Committee.

The final selection for Reservations, if any, will be from those Applications that best meet the competitive scoring requirements first in primary and then in secondary consideration as set forth in this NOFA based on the recommendation from the Scoring Committee, as further recommended by the Director and approved by the Housing Stability Council, in accordance with available Funding Sources.

#### **4.2 Evaluation Criteria**

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

#### **4.3 Notice of Intent to Issue Reservation Letter**

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

### **5.0 GENERAL NOFA TERMS**

- 5.1** OHCS may require clarification to understand whether or not an Application satisfies relevant criteria. Any necessary clarifications or modifications normally will be made before OHCS makes any Reservation and may become part of the final Agreement documents.
- 5.2** Submission of an Application by Applicant or acceptance by OHCS of a submitted Application neither constitutes an agreement of any kind between OHCS and Applicant nor does it secure or imply that Applicant will be selected for receipt of a Reservation of funds.
- 5.3** All costs associated with Applicant's submission of an Application are the sole responsibility of the Applicant and shall not be borne to any degree by the State of Oregon.
- 5.4** Successful Applicants, *inter alia*, will be required to maintain appropriate levels of insurance and to comply with other Program Requirements, including execution of Agreement documents satisfactory to OHCS and its counsel.
- 5.5** OHCS reserves the right and option to amend any Reservation Letter and other related documents that result from a Reservation made pursuant to this NOFA. All such amendments will be in writing and must be signed by relevant authorized parties.
- 5.6** ORS 60.701 requires foreign corporations be registered by the State of Oregon, Office of the Secretary of State, before conducting business in the state. A foreign corporation (ORS 60.001) means a for-profit corporation incorporated under a law other than the law of the State of Oregon. If a foreign corporation is selected for the Agreement because of this NOFA, it must register to do business in Oregon.
- 5.7** OHCS reserves the right, at its sole discretion:
  - A. to amend the NOFA prior to the closing date,
  - B. to amend the deadline for submitting Applications,
  - C. to determine whether an Application does or does not substantially comply with the requirements of this NOFA,
  - D. to waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;

- E. to obtain from and/or provide to other public agencies, upon request, references, regarding the Applicant's performance;
- F. at any time prior to execution of Agreement documents (including after announcement of the apparent Reservation) to reject any Application that fails to substantially comply with all prescribed NOFA procedures and requirements including the executing and recording of documents satisfactory to OHCS;
- G. to reject all Applications received and cancel this NOFA upon a finding by OHCS that such cancellation would be in the best interests of the State;
- H. to use adherence with components of the Applicant's Application and this NOFA as scoring criteria in future multifamily funding solicitations;
- I. to withdraw any identified funding from this NOFA; and
- J. to waive any term or condition of this NOFA for good cause as determined by OHCS subject to applicable law.

**5.8** This NOFA and one (1) copy of each original Application received, together with copies of all documents pertaining to a Reservation, will be kept by OHCS and made a part of a file or record, and be available for disclosure pursuant to the Oregon Public Records Law

**5.9** The Oregon Public Records Law exempts purported trade secrets from disclosure only so far as they qualify as bona fide trade secrets, and the exemption in ORS 192.501(2) from disclosure applies only "unless the public interest requires disclosure in the particular instance". Therefore, non-disclosure of a document or any portion of a document submitted as part of an Application may depend upon official or judicial determination made pursuant to Oregon law.

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

**5.11** An Applicant or potential 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 Submission 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 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**:

- be marked **PROTEST**,
- identify the NOFA number,
- identify the closing time and date for acceptance of Applications,
- identify OHCS contact person; and
- be received by OHCS at its main Salem Office,

**Attn: Lisa Cimino  
725 Summer Street NE, Suite B  
Salem, OR 97301**

**Fax: 503-986-2020  
Email: [OHCS.Contracts@oregon.gov](mailto: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:

- three (3) days after OHCS's determination is mailed to the Applicant,
- two (2) days after such determination is posted to OHCS's website,
- two (2) days after the list of successful NOFA Applicants is posted to OHCS's website; or
- 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 protests. Failure to timely provide a qualifying protest 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.

- 5.12** Reservations, Allocations or Awards (collectively, Determinations) subject to State Housing Council review under ORS 456.561, and Determinations where additional OHCS funding supporting such Determinations are subject to Council review, are contingent, *inter alia*, upon Council approval of those Determinations or supporting funding. The Council may approve, reject, modify, or further condition funding awards submitted for its review, thereby directly or indirectly impacting OHCS Determinations.
- 5.13** All Reservations made pursuant to this NOFA are subject to the successful negotiation, execution, and recording (if required) of Agreement documents satisfactory to OHCS in its sole discretion. Projects that have only a leasehold interest in relevant real property must include documented commitments executed and recorded by the landlord satisfactory to OHCS including, but not limited to, restrictive covenants with respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to OHCS.
- 5.14** OHCS may charge, and the Applicant shall pay, legal and administrative costs incurred by OHCS in negotiating and preparing Agreement documents and other related documents. OHCS also may charge and Applicant shall pay any other fees allowed by OHCS administrative rules with respect to the Application, ensuing Reservation, Award or Allocation, and Project operation.
- 5.15** Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.
- 5.16** OHCS reserves all other rights not specifically identified herein, including but not limited to rights, remedies, and requirements established in OHCS administrative rules or other law.

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