2016 LIHTC and HOME NOFA Frequently Asked Questions

Questions and Answers as of Aug 12, 2016 – New content is above the line per section

Submit questions to MFNOFA@oregon.gov

Last day to submit questions is August 29, 2016

PLEASE NOTE: Remember to submit any corrections to the Housing Inventory used in the need portion of scoring to MFNOFA@oregon.gov. The Housing Inventory can be found at: http://www.oregon.gov/ohcs/Pages/research-multifamily-housing-inventory-data.aspx

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General Questions:

Q: Will OHCS be able to tell us how many applicants they expect in my region?
A: We do know that upwards of 65 project sites requested site visits for the LIHTC and HOME NOFAs this year, however OHCS does not know how many projects would become part of scattered site applications nor does OHCS know how many of those will end up submitting applications this year. The 9% LIHTC NOFA is very competitive and usually has high rates of applicants. We will release a list of applicants about a week after the due date.

Q: The LIHTC NOFA Instructions indicated that Applicants are not allowed to remove text boxes in documents; could this be reconsidered in those cases where the text box poses formatting problems as it goes to more than one page?
A: If the text box is causing issues, OHCS has decided to allow Applicants to remove the text boxes however all other stated requirements of the answer must still be met.

Q: Where can I get a copy of the power point from the 9% LIHTC and HOME NOFA training?
A: The training power point is available on the NOFA webpages, here.

Q: Where is the link to the 9% LIHTC manual?
A: There isn't a 9% program manual this time around. Please utilize the QAP and the General Guideline Manual.

Q: When is the energy audit due?
A: We aren't expecting an energy audit until after award funding selection as part of Reservation. We understand that it is expensive and takes a long time to get scheduled.

Q: How does the soft target for rural areas work for scattered site projects?
A: 100% of the project must be located in a community with fewer than 25,000 people in order to be considered as part of the Balance of State region's 50% soft target.

Q: Are the FAQs under the HOME NOFA and the LIHTC NOFA this same?
A: Yes, and they are broken down by category.

Q: If I want to use both LIHTC and HOME funds in a project, do I need to submit applications to both NOFAs?
A: No, there are multiple funding sources offered in both the LIHTC and the HOME NOFA. If you are requesting LIHTC, then you would apply using the LIHTC NOFA and include in that application your

request for HOME funding. You should not submit a second HOME NOFA application for the same project.

Q: I would like to attend the NOFA training session on 7/13. Do I need to register for this session?
A: Please refer to this Technical Advisory regarding the NOFA training. *Training presentation is now available on our website here: http://www.oregon.gov/ohcs/HD/MFH/2016-LIHTC-HOME-NOFA/NOFA-Training-2016.pdf

Threshold Questions:

Q: If a project exceeds the listed limits for three bedroom units but is under the listed limits for one and two bedroom units and is therefore under the listed limits on average, does the project meet threshold standards?
A: The cost containment piece is just a question right now, we are still gathering information. This is not part of threshold that will kick anyone out of the process. This threshold is per unit size, so for any unit sizes that exceed the published 'limits' you would need to submit an explanation in the space provided; this explanation can also include what you see as your average costs per unit.

Q: For the sponsor's real estate holdings schedule (section 3.2G), is it possible for us to use a different, but comparable template to the one provided?
A: Yes, as long as it contains the same information.

Q: What is the MWESB requirement?
A: Applicants are required to submit their plans to engage Minority Women and Emerging Small Businesses in their contracts / sub contracts through development and operation of the proposed project. There are no established targets; however funded projects will be required to report on their ability to engage MWESB registered businesses. More information about MWESB program and the complete statewide registry can be found online here: http://www.oregon4biz.com/How-We-Can-Help/COBID/.

Q: Contact for Business Oregon regarding MWESB
A: You can find contact information for MWESB registration at the Business Oregon website here: http://www.oregon4biz.com/How-We-Can-Help/COBID/ In addition, at OHCS you may contact Shoshanah Oppenheim to discuss shoshanah.oppenheim@oregon.gov

Q: Would an Exclusive Negotiating Agreement (ENA) with a jurisdiction be accepted by OHCS as evidence of "site control" for the purposes of the NOFA?
A: Exclusive Negotiating Agreements are acceptable for site control when the Project involves negotiating with a municipality. As with other site control documents the agreement must be valid through the date of your construction closing as referenced in your estimated project schedule and it must demonstrate exclusive rights to negotiate with that municipality.

Q: The application states that the Applicant must be able to provide satisfactory documentation on their application for Federal Resources. For a preservation project, what documentation would you be looking for from HUD related to the sale of the project to the to-be-formed Limited Partnership?

A: OHCS does not consider the HUD approval of a property transfer an application for a federal resource for NOFA purposes. However, this can be a concern for site control if the sponsor is not in ownership of the property at the time of application. If the sponsor is not in ownership at the time of application then simply provide the purchase and sale agreement at application but be aware that, if awarded, the reservation letter will have a condition requiring documentation of the submission of a property transfer application to HUD early in the reservation period.

Q: The NOFA states, "the Applicant must be able to provide satisfactory documentation of their progress on their applications for federal resources". For a project, requesting project based section 8 vouchers, would an award letter from the Public Housing Authority suffice to meet this requirement?

A: Yes, an award letter will satisfy that requirement.

Q: Are you required to have a general contractor on board to be part of your development team at application?

A: You are not required to have a general contractor be part of your development team at application, however in detailing the experience of your development team you must demonstrate that it has the expertise/experience needed to successfully complete a development. As long as you have the needed expertise in your development team, bidding to general contractors at a later date works fine. Relatedly, we do also have (3.1) MWESB contracting plans as part of the NOFA this year, which could be another consideration for when you do the GC bid.

Need, Impact & Preferences Questions:

Q: Part 4, Competitive Scoring Submission, LIHTC Questionnaire, 4.1B Impact Tab, 6-Location Efficiency: Question denotes 8 points possible; however the table under scoring criteria indicates 6 points max. How do applicants obtain the additional 2 points?

A: Yes, 8 points is now the maximum points available for this question; the matrix showing the scoring criteria lists items that could total up to 10 points.

Q: Are Replacement Reserve Analysis required for New Construction projects at application? If not, can we skip this question on the Financial Assumption worksheet?

A: For new construction, the replacement reserve schedule is not required at application and you would not need to answer that question in the Financial Assumptions..

Q: In completing the 4.1 competitive scoring questionnaire, should I use the total units in the project or the total units that are restricted to serve income eligible households?

A: Use the restricted unit total.

Q: In the 4.1 Community Need Questionnaire, when doing a scattered site project I am entering the percentage of units within each area but the tables are only displaying the first area; how will these be scored?

A: Scattered site projects are scored for community need based on a weighted average (based on unit location) of all project sites. Though the tables do not automatically populate all of this information, the scorer will customize this calculation to do this weighting at the time of application review.

Q: What does non-White-non-Hispanic mean in the criteria for vulnerable gentrification areas? Is OHCS classifying individual's ethnicity apart from race?

A: The wording of that phrase is driven by the Census Bureau categorization of race/ethnicity. In the Census people are attributed with both a race and an ethnicity– so a person could be White-Hispanic as well as White-Non-Hispanic. Importantly, the race / ethnicity classification is self-identified – so individuals choose the race and ethnicity classification they identify with, they are not assigned them. When that line says "Non-White-Non-Hispanic" it is saying that we are looking at all populations that are **NOT** White-Non-Hispanic (or not non-Hispanic-White)…meaning that it would include those who are White Hispanic as well as all other populations indicated as having Hispanic ethnicity and all races except White (often referred to as minority populations, including those with Hispanic ethnicity).
For more information on the Census Bureau's race/ethnicity classification you can find it here: http://www.census.gov/prod/cen2010/briefs/c2010br-02.pdf

Q: In Serving Lowest Incomes scoring, in 4.1, Preference – do I get 2 points for project based rent assistance if it's '25% or more' or if it's 'more than 25%' of the units in the project?

A: 25% or more.

Q: I have corrections to the Housing Inventory used in the Needs scoring in 4.1 questionnaire; how do I get these changes addressed?

A: You can send the corrections to MFNOFA@Oregon.gov and we will relay the feedback to our Research Section who will follow up with you. You are able to use your own revised calculations in the competitive scoring worksheet if you have corrections.

Q: How many points is the location efficiency worth, under Impact for New Construction projects?

A: A project may receive up to 8 points for location efficiency for New Construction or Acq/Rehab projects.

Q: Under Severity of Need, would a project get 1 or 2 points for having a Severe Housing Burden index of 1.0?

A: A project would get 2 points for having an index score of 1.0 and 3 points if 1.2 or greater.

Q: For Vulnerable Gentrification Areas do I need to submit a copy of the plan I am referencing in regard to my revitalization plan?

A: No, you don't need to submit a copy of a plan, you need to indicate in the box provided under 7a that your project is located in an area covered by the plan and provide a brief narrative overview.

Q: What data is being used and where can I find more information about the data used for Vulnerable Gentrification Areas and Opportunity Areas?

A: We have included in the NOFA application all data to be used, primarily by Census Tract. You can see more information about how this data looks by looking at the maps here: http://www.oregon.gov/ohcs/ISD/RA/housing-profiles/How-to-use-NOFA-Mapping-Tool.pdf & You can also see the comprehensive data (which is also imbedded in the competitive scoring questionnaire) by going here: http://www.oregon.gov/ohcs/ISD/RA/housing-profiles/LIHTC_Scoring-Location_Preferences.xls

Q: How does the department define "Vulnerable Tenants" in the Preservation Impact scoring section?

A: We leave it to project applicants to define what populations are vulnerable tenants in their projects; in general these would be those populations that would face significant hardships from relocation.

Q: In Impact Scoring for Preservation, when talking about vacancy rate, is that in the community or in the local affordable housing projects?
A: It is referring to community vacancy rate with the idea of measuring how tight the rental market is in the local area.

Q: What factor is the Equitably Served Geography question (Competitive Scoring, Need, Question 3) using to score projects?
A: This question is using the data line "Actual Units / Equitable Distribution of Units" in the table of data populated in the questionnaire. This is a calculation that compares the actual distribution of the affordable housing units with the distribution of units based on "need" (low income and burdened) households across the state. A percentage lower than 100% indicates that the community does not have as many units as "need" levels dictate would be equitable.

Q: Is there a more comprehensive list of what is meant by "special needs"?
A: We do not have a more comprehensive list of "special needs" populations. We are looking for the sponsor to present us with their plan to serve populations such as those listed in the QAP. However, this is not meant to be a comprehensive or exclusive list. If you have additional populations that you feel are underserved and have special needs then please make the case for that in your application.

Architectural Questions:

Q: What are the specific requirements of a Wood Destroying Organism (WDO) assessment?
A: Currently, the inspection specifics are left to the WDO inspector and are based on the specific environmental and property conditions they observe at the subject site(s). Individuals with training in this type of inspection typically have an industry standard protocol they follow.

Q: Wording in 3.03.03 indicate 'In most cases'; What is this criteria and is there a path for exception for WDO inspection for preservation/rehabilitation?
A: I see where this could be confusing- thank you for pointing this out. To clarify; there may be cases where a WDO inspection may be requested or needed independently of any association with a CNA or an application for funding. However, in all cases where a CNA is produced for the purpose of applying for funding, the Agency requires a WDO assessment to be included as an integral part of the CNA. In short, there is no WDO inspection exception associated with application for funding on preservation/rehabilitation projects.

Q: Where do I find a list of qualified contractor's that meet this requirement: "Commercial Pesticide Operator in the category of Structural Pest Control, and the individual inspector performing the inspection must be licensed as Commercial Pesticide Applicator in the category of Structural Pest Control."?
A: The Agency now requires WDO assessment to be included as an integral part of the CNA, however, for the current NOFA, the Agency will permit separately contracted WDO assessment reports to be submitted as part of the funding application process. As far as finding an inspector with the Agency required certifications, I recommend that you inquire with the Consultant who is performing your CNA or other CNA consultants and ask for their suggestions or guidance. You can also do a web

search for Multi-family or commercial building inspection. The Agency does not currently maintain a list of vendors that perform this service.

Q: Our preservation project of scattered sites have a CNA which has a section labeled, 'Pest and Dry Rot Inspection', is this sufficient to meet exception to WDO assessment if the qualified CNA person does not uncover issues or activity? If not, see additional questions below.

A: To clarify; Pest & Dry rot and WDO (Wood Destroying Organism) assessments/inspections are the same thing. The report that you have will meet the requirements of 3.03.01; 1), as long as the person and the firm producing the report possesses the qualifications required by that Section of the PDM.

Q: I have a CNA that explicitly indicates that No WDO activity is present. Is this sufficient to be exempt from a WDO assessment

A: No. The Agency requires an individual/firm with the credentials specified in 3.03.01; 1) to follow industry standard procedures for evaluation and to make this determination.

Q: If a site has some rot activity, and we have an additional report titled: Rot, Pest and Roof Inspection Report was completed within the last year by a third party environmental consultant, hired by the consultant completing the Phase 1 environmental assessment, would this be sufficient? This specific site – has damage and rot was determined to be from weather and deficient building practices with original structure, not WDO or pests.

A: The report that you have will meet the requirements of 3.03.01; 1), as long as the person and the firm producing the report possesses the qualifications required by that Section of the PDM. To clarify; All forms of wood "rot" are caused by fungi, a type of organism of which certain strains feed on wood when environmental conditions promote their growth and activity. WDO is a term that is inclusive of all organisms that act as agents in the decomposition of wood based building materials.

Q: It appears the 9% application does not have any third party reports required like market studies or appraisals. In the 4% application there is a list of third party reports required in the checklist. Are market studies and appraisals not required in the 9% applications? Can you tell me what third party reports are required or where I can find a list of the reports required?

A: In section 4.6 Architectural Submission, you will find the list of reports required at application. There will be other third party reports required if awarded. Those can be found in the General Policy and Guideline Manual on the NOFA website. If awarded, you will be required to submit a market study, appraisal and phase I environmental (phase II if required) at a minimum.

Q: I want to confirm that we will meet all necessary requirements were met before submitting the final NOFA application. Is there someone at OHCS who would be able to verify that our CNA meets OHCS requirements?

A: Due to the competitive nature of the process we cannot offer the requested feedback prior to the application deadline.

Q: For an LIHTC project with no HOME, Table AA says that Section 5b (the OHCS Design Standards Checklist) is not required to be submitted to OHCS but shall be used as a guide. Does this mean that all the required items on the checklist are required to be included in the project? If so, how and when does OHCS review or confirm that we have complied with the checklist? If we are not planning

to do an item that is listed as required, would we need to submit a Variance Request prior to submitting a NOFA application?

A: **(This clarification applies only to projects without HOME funding).** For projects without any HOME funding in them and for this 2016 NOFA round, the PDM should be viewed as a guide to what the Agency 'would like to see' in projects in which we are involved. In other words, and with respect to design and construction expectations, there will be no change in how projects are assessed during the application period or how they are monitored/evaluated after award from what OHCS has traditionally been doing in this regard prior to this current NOFA. Regarding variances; you are required to submit a Variance Request only if you are requesting a variance on an item identified in the PDM as a Requirement or "R". Variance requests should not be submitted until after a project has received a conditional award of funding but should be submitted as soon as possible after that point.

Q: Question is, regarding 9%, 4% etc deals (Items 2 and 3 of Table AA), Part 5b, the Checklist, is not specifically excluded as are other sections of the PDM. **However,** the language in the table states for these types of deals, the Checklist doesn't need to be included and is only a guide. So, does this mean that the items noted as Required in the 5b Checklist are not actually required for 9%, 4% etc deals? And that they are just targets rather than requirements?

A: **(This clarification applies only to projects without HOME funding).** For projects without any HOME funding in them and for this 2016 NOFA round, the PDM should be viewed as a guide to what the Agency 'would like to see' in projects in which we are involved. In other words, and with respect to design and construction expectations, there will be no change in how projects are assessed during the application period or how they are monitored/evaluated after award from what OHCS has traditionally been doing in this regard prior to this current NOFA. Regarding variances; you are required to submit a Variance Request only if you are requesting a variance on an item identified in the PDM as a Requirement or "R". Variance requests should not be submitted until after a project has received a conditional award of funding but should be submitted as soon as possible after that point.

Q: The stated minimum is 600 sqft for a one bedroom unit. In an effort to reduce construction costs and have an innovated design, is it possible to have a unit smaller than 600 sqft?

A: Yes, unit sizes smaller than our default minimums are acceptable with a strong rational being provided for the proposed sizes being appropriate for the target population and project location. Your rational must be supported by your market analysis for the project. Unit size is not a "threshold" item for award of funding so there is no risk of the smaller sizes affecting your chances of a conditional award. If and when you are conditionally awarded funding by the Agency, you will be asked to submit a variance request to the Agency for your unit size proposal. You will have a chance to state in the variance request when your written rational and market analysis will be completed and issued to the Agency for approval. Please keep in mind that Agency acceptance of your unit size rational and the market analysis will be required for variance approval and to maintain eligibility for funding.

Q: Do I need to submit anything beside the CNA if I'm doing a rehab project?

A: The 4.6 attachment "Architectural Submission Requirements" details the required submissions at the time of application. Rehab project submission requirements are specified in section II, items A, B, and C.

Q: There are a lot of different documents so I want to be sure I understand the architectural submission expectations for a rehab-only project. My interpretation of the checklist and the "submission requirements" is that only the C N A / replacement reserve analysis would be required for rehab-only project. My understanding from the list is that a vicinity map, contextual photos, preliminary site plans/floor plans/elevations are only required for new construction projects. Can you confirm? If that's not the case, please confirm what would be required for a rehab only project (with respect to architectural related items)?

A: You are correct; for rehab only projects you need only submit the items listed under 4.6, II.

Q: In Section 4.6, Architectural Review Submission, there is no indication that architectural drawings are required. Please confirm whether drawings are required at time of submission for any project type.

A: We do require drawings (just a site plan) and this is not a change from the previous NOFA. Please refer to the NOFA Application Forms, Part 4.6 Architectural for submission requirements for all projects.

Financial Questions:

Q: Can you please confirm that for both LIHTC and HOME there is a Construction Inflation Factor / Cost Escalator allowance of up to 3% of total construction costs, a Hard Cost Contingency Target % of up to 5% and a Soft Cost Contingency of up to 5%? In addition, is there also a GC Construction Contingency of up to 3%?

A: Page 13 and 14 of the General Policy and Guideline Manual describe the maximum construction contingencies and contractors profit and overhead.

Q: Are the Basis Boost eligible areas on the LIHTC calc page in the pro forma up to date? How can I determine if my project is in a DDA, QCT or Low Poverty Tract?

A: The data on basis boost eligible areas on the LIHTC calculation page are from 2015, so are not current. In order to determine if your area is eligible for the Basis Boost, you need to complete the Basis Boost form in the LIHTC supplemental application and refer to the current HUD designated DDA / QCTs which are available online here: https://www.huduser.gov/portal/sadda/sadda_qct.html The current OHCS defined Low Poverty Tracts which have a poverty rate of 10.0% or less by using the data available online here: http://www.oregon.gov/ohcs/ISD/RA/housing-profiles/Oregon-Census-Tract-Poverty-Rates-2010-2014.pdf

Q: In Section 4.3 Financial Assumptions; there are two questions about the relocation plan and costs, questions 5 & 15. Should these questions be answered differently, or are they duplicates and we can use the same answer for both?

A: These are two different questions. Question 5 is in relation to how the applicant developed their relocation costs and how they align with the development budget, whereas question 15 is in relation to how the relocation plan was derived by the costs. The questions are about cost versus plan.

Q: The 4.5 Tenant Relocation form appears to have a problem with the formatting, what should I do?

A: OHCS posted an updated 4.5 Tenant Relocation form on August 8th, which you could switch to using. Alternatively, if you click at the top of the second page and go to PAGE LAYOUT, Orientation,

and choose LANDSCAPE the document should update to fully display the tables. You may also want to change the MARGINS to NARROW to give the tables an even better fit on the page.

Q: Will there be a penalty from applications that exceed the half page limit? Would OHCS consider allowing longer answers to specific questions?
A: The answer to the questions should not include a line-by-line review of the budget but rather an explanation that allows OHCS to understand the context of how you arrived at your assumptions. We are hoping to keep things to a half page limit.

Q: Should we exclude the exempt onsite manager's unit from the chart in question 1a in section 4.1C Preferences?
A: Yes. If the manager's unit is exempt (not charging income) then it would be considered common area instead of a unit. If you are charging any income for the manager's unit then it would have to be included in the chart.

Q: For section 4.3 Financial Assumptions, which questions are NOT limited to a one-half page response?
A: All the narrative question responses should be limited to one-half (1/2) page unless specifically stated otherwise.

Q: Do we need to include a commitment letter from our construction lender? If so, where should we include it on the application?
A: No. If awarded this will be a condition of the reservation.

Q: If I'm requesting more than 10% of funds, do I need to submit both a 9% and a 4% pro forma?
A: Yes, if you are requesting more than 10% of LIHTC you need to submit BOTH the 9% and 4% pro formas.

Q: If I need to submit a 4% pro forma, where do I do that in the application?
A: If you are submitting a 4% pro forma, you can submit that directly behind the 9% pro forma in section 4.2.

Q: I'm encountering some problems with the formulas for debt service in the 4% pro forma. I am doing the 4% pro forma mainly for the 9% NOFA application since I may be requesting credits over the 10% cap. Can I either get the password to adjust the formula or some help? It's showing way too much debt service based on the formula in cell E101 (as well as E105).
A: The 4% pro forma automatically calculates distribution of soft money loans and developer fee to meet the IRS real debt test by demonstrating that we can reasonably assume that the developer fee can be paid back within 15 years and that any sponsor loans can also be reasonably repaid. It is not meant to demonstrate the Project's actual cash flow. E101 and E105 will not affect the primary DCR calculation which our primary factor in demonstrating feasibility. While these will affect your total DCR, since soft money and developer fee is cash flow dependent then the total DCR realistically will never drop below 1.0. Let me know if you have secondary, must pay, amortizing debt (hard money) that you need to enter and I can adjust the pro forma to accommodate that for you.

Q: The Basis Boost Pre-application requires the submission of the Request to Use State Basis Boost form and two tabs from the LIHTC pro forma. Can the completed excel tabs be submitted in PDF format?
A: Yes, the sources and uses page and tax credit calculation page can be submitted in PDF for this purpose.

Q: Is the RD packaging fee considered to be part of the developer fee?
A: Yes, since this would be considered a developer's normal scope of work.

Q: For scattered site projects, does each building in the project need to utilize the same Utility Allowance? (i.e if only one building has HOME funding, can the other buildings utilize the housing authority's schedule?)
A: For scattered site projects each site can utilize a different Utility Allowance which may be required based on funding sources and location (different counties).

Q: Page 26 of the LIHTC NOFA notes that including any 'unrealistic or unavailable sources,' such as a capital fundraising, will result in a total loss of points for Financial Viability review. Please confirm what will be considered acceptable evidence of a commitment to bridge capital campaign funds; and if a project has committed capital funds to date, should we submit evidence of those funds to demonstrate they are available? Also please confirm if commercial sources must also be committed at time of application?
A: If you have committed fundraising funds pledged you will need to provide documentation of those pledges. That documentation must show that those funds will be made available to the Project at or before the date of construction close (per your project schedule). If you have an organization or a municipality committing to fund any gaps left after your fundraising efforts, that is also acceptable with documentation of that commitment. If the commercial portion of the Project is integral in the architecture or financial feasibility of the Project such as the bottom floor being commercial space, then commercial sources must also be committed. If the commercial space is not integral, such as a separate building that does not impact the residential portion of the Project, then the sources do not have to be committed. However, you <u>must</u> demonstrate how the Project is feasible and that there is no financing gap without the commercial space.

Q: Do I need to submit the replacement reserve analysis worksheet at application?
A: If the project is an acquisition / rehab then the replacement reserve analysis is due at application; if it is new construction you will do this after the initial reservation so do not need to submit with application.

Q: Question 5 of Part 4.4 Resident Services asks how the estimated services costs align with the development budget. Should this read operating budget instead?
A: We are looking for you to align your plan with the cost you have in your operating expenses in the pro forma.

Q: The 2016 QAP says it is a Preservation Project if your project is:
- at least twenty-five percent of the residential units have federal Project-based rent subsidies and the HUD Section 8 contract is expiring or the USDA Rural Development (RD) loan is maturing within 7 years, RD restrictive use covenants have expired, ***or the Project needs recapitalization, per capital needs assessment, of at least $30,000 per unit, or:***

- Projects with public housing units undergoing a preservation transaction involving a comprehensive recapitalization.

Our read of that second part of the italicized sentence is that it stands alone and as long as a project meets that part of the sentence it doesn't need to comply with the first part. Is that how you would read it?

A: The italicized portion should not be a standalone sentence. It was intended to be incorporated as part of "RD restrictive use covenants have expired or the Project needs recapitalization, per capital needs assessment, of at least $30,000 per unit". The intent is to allow for RD Preservation projects that have a high need of recapitalization but still have existing restrictive use covenants.

OAHTC Questions:

Q: In the Part 2 submission "Applicant and Project Information", on the table on page 6 of Section 2, please clarify what rents are expected to be shown in the "Rents not to exceed percent of Median Income" column. Does OHCS expect these rents to be the **pre-OAHTC (OHCS Restricted) rents; or the rents including OAHTC pass-through**?

A: The rents entered into the chart on Part 2.0 of the NOFA Application (Applicant and Project Information) are required to be the pre-OAHTC rents. These are the rents that the Project will be restricted to in the REAU and Declaration.

Q: Per the OAHTC program manual, it is our understanding that units with Section 8 PBRA are not eligible to demonstrate OAHTC pass-through. **Please confirm, therefore, that a new construction project with 100% Section 8 units is exempt from OAHTC pass-through requirements**.

A: Only Preservation projects, as defined in the OAHTC manual and the QAP are exempt from the requirement to demonstrate pass-through on the use of the OAHTCs. However, if the Project does not qualify as a Preservation project but has project- based vouchers, then you must demonstrate that the required pass-through can be achieved through the remaining units that do not have project-based vouchers. In the circumstance where a project is new construction and has qualified for new project-based vouchers, the project would not qualify as Preservation and therefore must demonstrate the required pass-through but cannot utilize the project-based voucher units to meet that pass-through.

HOME Program Questions:

Q: Is there a **2016** HOME NOFA FORMS file with a revised HOME Application Checklist available online?

A: Yes, thanks for bringing this to our attention. Unfortunately the link on our website for "Part 7 HOME Forms" is to the 2015 forms. Please see the Multifamily Technical Advisory posted 08/11/16. There are no major differences except the dates and the HOME unit subsidy limits.

Q: For a project with existing HOME funding, and not requesting new HOME, does the requirement to calculate UAs based off an Energy Consumption/ HUD model still apply?

A: If the existing HOME funding in your project predates 8-23-13, you do not need to use the HUD model or Energy Consumption method to calculate the utility allowance.

Q: If I have a scattered site project applying for the 9% LIHTC NOFA, am I able to request HOME funds for just one of the sites? If so, how do I do the calculations?
A: This is possible in many situations; contact Carole Dicksa to get guidance on your specific application.

Q: We would like to verify for the HOME URA Tenant letter, if the project is a senior project, do we still need to issue the LBP notice and brochure?
A: Yes, you must issue the General Information Letter to all tenants in residence. No, you do not need to issue the LBP Notice if the tenants are elderly.

Q: Where can I find the link to Energy Consumption Models?
A: In the HOME Manual, there is a link on page 26. https://www.huduser.gov/portal/resources/utilallowance.html In addition, a list of approved qualified professionals and licensed engineers can be found on the OHCS website at http://www.oregon.gov/ohcs/APMD/PCS/pdf/Approved_UA_Calculator_Contacts.pdf

Q: How can my project get maximum points for HOME leverage in participating jurisdictions (Metro and Non Metro PJ regions); do I need to have more than $500,000 in HOME commitments?
A: In the LIHTC NOFA competitive scoring, there are points awarded under Impact (two possible for new construction / acquisition rehab projects and one possible for Preservation projects) for those projects that have a HOME commitment. In the Balance of State region, there is a stated $500,000 minimum request for the use of the state's HOME funds; any projects requesting $500,000 or more in the states HOME dollars will get full points. In the Metro and Non Metro PJ regions, HOME funds would come from the local participating jurisdiction; any project with HOME / CDBG commitments of any dollar value, will receive maximum points. In addition, if a participating jurisdiction uses Tax Increment Financing (or another source) in lieu of HOME as a gap funding source, as long as they can explain that this is the case in the application, maximum points will be awarded. [This issue was also clarified in an updated NOFA and competitive questionnaire posted 7/6/2016]

Q: Can I request HOME funds from OHCS if I am located in a HUD HOME Participating Jurisdiction?
A: No, OHCS HOME funds are only able to be awarded to those projects located in the Balance of State region.

Q: I am unclear as to what to submit in my NOFA Application under the HOME Program Market Study section.
A: The Market Study requirement for HOME funded projects has been removed from the NOFA; instead of providing this information at application the Market Study requirement for HOME funded projects will be included in the Reservation Letter for those projects receiving funding.

Q: For HOME projects, is it permissible to use the local PHA schedule in the application and then, upon award, complete the HUD Utility Schedule or Energy Consumption Model?
A: No, the HUD Utility Schedule Model or an Energy Consumption Model should be used to project tenant paid utilities in the NOFA Application. The local PHA utility schedule is no longer approved for HOME funded projects. If you select the Energy Consumption Model, the OHCS list of qualified contractors can be found at: www.oregon.gov/ohcs/APMD/PCS/pdf/Approved_UA_Calculator_Contacts.pdf

Q: Is it permissible to use an alternate UA schedule for HOME-assisted units and the PHA utility schedule in non-HOME units?

A: No, all units in a project must use the same utility allowance.

Q: Please advise on how the new HOME utility allowance requirement will work with Section 8 PBRA, when units receiving PBRA are required to use the utility allowance established by the local housing authority.

A: Projects with Section 8 PBRA should use the utility allowance calculation method required by the Section 8 PBRA Program. This is also true for projects with RD Rental Assistance. The 2013 HOME Final Rule suggests Participating Jurisdictions should request a waiver of 24 CFR Part 92.252(d) for projects with conflicting utility allowance requirements. OHCS plans to prepare such a waiver request for the states HOME Program.