

STATE OF OREGON
HOUSING AND COMMUNITY SERVICES DEPARTMENT
NOTICE OF FUNDING AVAILABILITY (NOFA) #4431
MANUFACTURED DWELLING PARKS

NOFA Issued Date: **September 30, 2016**

Applications Reviewed on a First-Come First-Served Basis

NOFA will remain open until the Final Application Due Date as long as funds are available.

Final Application Due Date: **December 9, 2016**

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

Version 1.0

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www.oregon.gov/ohcs



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1.0 INTRODUCTION

1.1 Purpose

This NOFA is designed to assist eligible manufactured dwelling parks, mobile home park resident groups, or qualified non-profits in either gaining control over rising rents or taking control when park owners are considering closing the Park.

1.2 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:

“Applicant” means any eligible group applying for funds who will be the recipient of the funds and owner of the Park.

“Dwelling unit” means a structure or the part of a structure that is used as a home, residence or sleeping place by one person who maintains a household or by two or more persons who maintain a common household. A manufactured dwelling park does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot (ORS 90.100 (12)).

“Manufactured Dwelling Park” or “Mobile Home Park” or “Park” means any place where four or more manufactured dwellings are located, the primary purpose of which is to rent space or keep space for rent to any person for a charge or fee (ORS 90.505).

All persons or entities submitting Applications responsive to this NOFA are herein referred to as Applicant(s). Applicants, if any, that OHCS determines to provide a reservation of Funding (Reservation) pursuant to this NOFA will be designated as Grantees in the conditional commitments issued to them (Reservation Letter) by OHCS. All Reservations are conditional in nature, contingent upon the terms which they are made, approval by the Housing Stability Council (as applicable), the continuing availability to OHCS of the described funds or tax credits (collectively or individually without distinction), 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.

1.3 Funding Sources

Funds for this NOFA will be derived from state funds, which include:

- General Housing Account Program (GHAP) funds;
- Oregon Affordable Housing Tax Credits (OAHTC).

The above-described funding sources are subject to their respective set of standards (Program) and corresponding Program requirements (Program Requirements). 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.

1.4 Application Parameters

A. Funds will be available state wide,

B. OHCS will allocate a total of \$5,000,000 in GHAP and \$5,000,000 OAHTC through this NOFA,

C. Funds are capped according the following schedule:

- \$25,000 cap per space in GHAP for parks with 51 spaces or more
- \$35,000 cap per space in GHAP for parks with 50 spaces or less
- \$3,000,000 cap per park in OAHTC for parks with 51 spaces or more
- \$1,000,000 cap per park in OAHTC for parks with 50 spaces or less

D. Only the following entities may apply:

- A tenants' association as provided in ORS 90.760;
- A manufactured dwelling park nonprofit cooperative as provided in ORS 62.803;
- A facility purchase association as provided in ORS 90.815;
- A tenants' association supported nonprofit organization as provided in ORS 90.820;
- A housing authority established under ORS 456.055-456.235; or
- A local government as defined in ORS 197.015.
- A qualified nonprofit

E. All funds will be awarded in the form of a Grant.

F. Applicants must agree to a minimum of 60 years of affordability with a minimum of 60% of the spaces occupied by residents at or below 80% of area median income

- G. Grant funds will require repayment if the Park is sold or there is a change in the property's use or affordability.
- H. OHCS funds are intended to be used to purchase the Park. However, rehabilitation may be funded with OHCS funds if a demonstrated need exists.
- I. Funding can only be used for project development costs. Administrative costs, developer fees and operational expenses may not be covered with these funds.
- J. Projects funded under this NOFA will not be allowed to request additional OHCS funding for five (5) years.
- K. No more than ten percent (10%) of GHAP funds can be used for capitalized replacement reserves and no operating reserves can be funded with GHAP funds.
- L. No additional OHCS funds are available under this NOFA.

1.5 Reservation Process

Applications submitted will be reviewed on a **first come; first serve basis** to Projects of qualifying Applicants that:

1. Pass the Application Review;
2. Pass the Program Review; and
3. Meet the Minimum Threshold Requirements.

If awarded a reservation of funds, the Applicant will be required to sign a formal reservation letter accepting the funding amount(s), time limits to complete the closing, and reservation terms, and conditions. Applicants will have a period of six months from the date of the reservation letter to secure all financing and close the transaction (purchase of park). If the applicant is unable to close within the allocated time period, Agency reserves the right to rescind the reserved funds.

If any OHCS funding sources remain after all the reservation processes are complete, OHCS may choose, at its sole discretion, not to reserve any or part of the remaining resources.

A. Re-Evaluation of Reservation

The following events will result in a re-evaluation of a previously issued Reservation:

1. Failure to meet all prior to approval reservation conditions within 90 days of the Reservation.
2. Qualification Thresholds or any other required criteria.

3. Other causes at OHCS's discretion.

In the event of a re-evaluation of Reservation, OHCS, at its sole discretion, may do any of the following:

1. Revoke the Reservation,
2. Approve requested changes to the original application as proposed,
3. Take no action.

2.0 APPLICATION REQUIREMENTS

2.1 Application Submission

Applications must be submitted no later than and will be reviewed on a first come first served basis:

APPLICATION DUE DATE AND TIME:

**December 9th, 2016, by 4:00 PM PST
Or all funds are allocated, whichever comes first**

DELIVERY ADDRESS:

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

If all funds are allocated prior to December 9th, 2016 the NOFA will be closed

Applications must be received with a date and time stamp by OHCS receptionist no later than the Application closing date and time. Applications must be delivered in a sealed container that clearly identifies the following:

- NOFA number,
- Applicant's name,
- Name of the contact person for the Applicant,
- 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 are nonrefundable.**

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 downloading the NOFA. The official version of the NOFA is the one held at OHCS.

Applications determined by OHCS to be incomplete or otherwise fail to meet all requirements of this NOFA will be deemed by OHCS as "non-responsive" and rejected. Applications considered complete or "responsive" by OHCS will be evaluated to determine if they comply with the administrative and technical requirements of the NOFA. If the Application is unclear, the Applicant(s) may be asked to provide written clarification to assist OHCS in determining the issue of the Application's responsiveness.

2.2 NOFA Questions

All inquiries relating to the NOFA process, administration, deadline, Reservation, or to the substantive technical portions of the NOFA, must be directed to the individual listed below:

Oregon Housing and Community Services
Attn: Lisa Cimino
725 Summer Street NE, Suite B
Salem, OR 97301
Fax: 503-986-2020
Email: MFNOFA@state.or.us

All questions regarding the intent of the NOFA must be submitted in writing (by mail, fax, or e-mail). When appropriate, revisions, substitutions, or clarifications shall be issued as addenda to this NOFA. Changes or modifications to the NOFA requirements will ONLY be recognized if in the form of written addenda issued by OHCS. OHCS shall provide copies of any addenda to all known NOFA recipients as well as post the addenda at <http://www.oregon.gov/ohcs/Pages/multifamily-housing-announcements.aspx>.

3.0 EVALUATION CRITERIA

There are three (3) parts to the review criteria. The Applicants must pass each criterion below to proceed to the next level of review. If at any point between the criteria listed in sections 3.1 through 3.3 an Application fails, 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 Application Review

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

1. Application Submission Checklist included and complete.
2. NOFA Cover Sheet completed and submitted by due date and time.
3. Application and Charge Transmittal Form included and complete.
4. Authorization and Acceptance Form included and complete.
 - a. If required, Board of Directors Resolution included and complete.
5. Organizational Documents included and complete.

3.2 Program Review

After passing Application Review, each Application will be reviewed for compliance with Program Requirements. The following are Pass/Fail criteria:

1. The amounts requested are within the specified amount of funding allocations.
2. The Project meets one (1) of the Minimum Project Qualifications (see Section 1.4) criteria.
3. Parks utilizing funds must agree to a minimum of 60 years of affordability with a minimum of 60% of the spaces occupied by residents at or below 80% of area median income.
4. Grant funds require repayment if there is a change in the property's use or affordability.
5. Funding used for purchase first and project development costs second. Administrative costs, developer fees and operational expenses may not be covered with these funds.
6. All funds will be awarded in the form of a Grant.

3.3 Minimum Threshold Qualifications

After passing Administrative Review, the application must meet all of these Minimum Threshold Qualifications must be met. The following are Pass/Fail criteria:

1. Asset Management Compliance Review

Each Applicant will be evaluated using a standardized internal process reviewing asset management and compliance categories with portfolio thresholds. Portfolio thresholds are evaluated based on the size of the portfolio. Any Applicant with an unsatisfactory rating will be considered to have failed this Minimum Threshold Requirement. Compliance categories evaluated may include the following:

- i. Most recent rating received for management reviews,
- ii. Physical inspections,
- iii. Tenant file reviews,
- iv. MCRC reporting and communication,
- v. Adherence to technical advisor contracts (where applicable),
- vi. Submission of required reporting including financial audits and Certifications of Program compliance (Program Compliance), and
- vii. Owner and Management cooperation with reporting and communication.

2. Resident Services Review

The Applicant must provide a Resident Services Description at the time of Application responsive to the following goals and guidelines below:

Resident Services Description Goals

- i. Through coordination, collaboration, and community linkages, the residents will be provided the opportunity to access appropriate services that promote self-sufficiency, independent living, and positive life choices.
- ii. To maintain the fiscal and physical viability of the project the ongoing management will incorporate the appropriate services to address resident issues as they arise.

Resident Services Description Guidelines

- i. Will support and serve the general low-income population by improving residents' ability to maintain lease obligations, enhancing quality of life through programs for employment, education, income/asset building, child and youth development, community building and access to services;

- ii. Will support and serve the elderly by improving residents' ability to uphold the lease during the aging process through better access to health care and other services, enhanced quality of life through community building, socialization, and other programs;
- iii. Will support and serve the special needs population by focusing on the strengths and needs of the target population to provide for their daily support and promote participation in the larger community.

3. Readiness to Proceed

Application must demonstrate the Project's readiness to proceed based on the following information:

Site Control

The Applicant will have control of the land necessary for the project at the time of Application and submit evidence of that control with the Application. Acceptable evidence of site control at Application is a document that has a complete and accurate legal description and is either:

- i. A recorded deed or conveyance showing the Applicant has Ownership,
- ii. A valid purchase and sale agreement,
- iii. A valid option to purchase,
- iv. A valid option for a long-term lease, or
- v. Other evidence satisfactory to OHCS.

The Applicant must be sure the name on the evidence of site control and the Application is exactly the same. The site control document should also identify the exact same area as the Project site listed in the Application and the exact same cost for the land and/or existing buildings for the Project referenced in the development budget provided with the Application. If the site description in the Application and the site control document are not exactly the same, the Applicant must provide a narrative description and supporting documentation to clarify how the area and cost for the Project were established.

Zoning

The Project must be properly zoned for the type of intended Project. The Applicant must provide the Certification of Zoning executed by the appropriate zoning authority to verify this.

Additional Federal Project Resources Status

If the Applicant has identified additional federal resources, such as rental or capital assistance from HUD, U.S. Department of Agriculture Rural Development (RD), or VA as part of the

funding structure, the Applicant will be required to provide evidence that an application for these resources has been submitted and remains active.

Development Schedule

The Applicant's development schedule must clearly demonstrate that funds will be fully expended within 6 months from time of the award.

4. Financial Feasibility

All applicants must demonstrate Financial Feasibility by providing adequate information in the Application to answer the following statements in the affirmative.

- i. Sources and Uses, Operating Pro Forma:
 - Are the sources and uses well-documented, balanced and accounted for?
 - Is it likely all sources will be committed, closed and funded within 180 days?
 - Does the operating Proforma contain growth assumptions for a Project of this size and scope in conformance with OHCS and industry norms?
 - Are the income and expenses well documented by actual amounts?
- ii. Expenses, Operating Pro Forma:
 - If there is first mortgage debt, are the loan-to-value and debt service coverage, in conformance with OHCS guidelines and industry norms?
 - If there is no mortgage debt, does the Project have a reasonable cash flow after all expenses?
 - Does the operating proforma predict stable long-term performance?
 - Is there a demonstrated need for the funds requested?
- iii. Uses, Operating Pro Forma – if OHCS funds will be used for construction
 - Is the development budget complete and does it meet OHCS guidelines and industry norms for percentage of architectural fees, builder overhead and profit, soft costs, construction contingency and other typical percentages for cost items?
- iv. Development Team Capacity:
 - Construction Experience: 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? If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern?

- **Financing Experience:** Does the Applicant have a successful history of closing the requested combination of financing, such as mortgage financing, HOME funds, and other grant or government loan programs? If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern?
- **Management Experience:** Does the Applicant have a successful history of managing existing projects with similar population and programs, size and scope? If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern? Please note if Applicant is a coop ownership. OHCS will require an approved management agent be contracted.
- **Development Team Experience:** Has the Applicant managed similarly comprised development teams? Are the development team members appropriate for a Project of this type, size, and scope?

4.0 Notice of Intent to Issue Reservation Letter; Protests

An unsuccessful Applicant may protest the selection process, Application Reservation, or if applicable, rejection of its Application. The protest must be in writing, and must be received at the address set forth in Section 2.3, within thirty (30) calendar days of written notification date of the pending reservation to another Applicant or notice of Application rejection. The protest must state with clarity the issue protested, and the rationale and basis for such protest. The envelope containing the protest MUST be marked PROTEST, and MUST identify the NOFA number, the closing time and date for acceptance of Applications, OHCS contact person, and address as listed in Section 2.3 of this NOFA.

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 an unsuccessful applicant to challenge any related OHCS actions.

5.0 GENERAL NOFA TERMS

OHCS reserves the right and option to amend any Reservation Letter or other related documents (collectively, the Agreement) that result from a Reservation made pursuant to this NOFA. All amendments shall be in writing and signed by relevant authorized parties.

ORS 60.701 requires that 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.

OHCS reserves the right at its sole discretion:

1. To amend the NOFA prior to the closing date,
2. To amend the deadline for submitting Applications,
3. To determine whether an Application does or does not substantially comply with the requirements of this NOFA,
4. To waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;
5. To obtain from and/or provide to other public agencies, upon request, references regarding the Applicant's performance;

At any time prior to Agreement execution (including after announcement of the apparent Reservation):

1. 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 and,
2. 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; and
3. To seek clarification on any or all Applications.

This NOFA and one (1) copy of each original Application received, together with copies of all documents pertaining to the Reservation, shall be kept by OHCS and made a part of a file or records, which shall be open to public inspection. If an Application contains any information that is considered a trade secret under ORS 192.501 (2), each sheet containing such information must be marked with the following:

"This Application constitutes a trade secret under ORS 192.501 (2), and shall not be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192."

The Oregon Public Records Law exempts from disclosure only bona fide trade secrets, and the exemption from disclosure applies only "unless the public interest requires disclosure in the particular instance," ORS 192.501 (2). 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 the Oregon Public Records Law.

The Applicant will be required to assume responsibility for performance required by the Agreement, whether performed by the Applicant, a representative, assignee or subcontractor. OHCS considers the Applicant responsible for any and all contractual matters.

Reservations, Allocations or Awards (collectively, Determinations) subject to State Housing Stability 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.

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, covenants respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to OHCS.

OHCS may charge, and the Applicant shall pay, legal and administrative costs incurred by OHCS in negotiating Agreement and other related documents.

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