Instruction Manual
for

2017 Veterans Housing

NOFA #4514 Applications

And Related Program Materials

Effective Date: July 25, 2017

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EQUAL HOUSING OPPORTUNITY

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INTRODUCTION

THE NOFA PROCESS

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

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

THE NOFA APPLICATION

Submit the NOFA Application package in these four (4) parts:

Part 1: The Application Submission
Part 2: The Applicant and Project Worksheet
Part 3: The Threshold Submission
- 3.1 Resident Services Description
- 3.2 Ownership Integrity
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- 4.4 Competitive Scoring

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

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

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

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

THE APPLICATION SUBMISSION REQUIREMENTS

A. Compile the Application in the following manner:

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

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

OHCS will not accept emailed or faxed Applications.

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

B. Deliver the Application in the following manner:

1. Applicants should refer to the dates outlined in the applicable NOFA for the due date. The deadline for delivery is *4:00 pm on the due date*. Applications received after the 4:00 pm deadline will be disqualified from processing during the competitive round. However the applicant will have the opportunity to resubmit the application to be processed on a first come first served basis if funding remains after the competitive round.
2. The Department will not accept missing Application materials after the deadline. Careful review of the Application is critical before submission. The Department may reject an Application at the Threshold Review for missing documentation.

NOTE: *Any material submitted to OHCS becomes its property.*

C. Consider the following when filling out the Application:

1. These instructions do not address every page of the Application, but you must complete and submit all information requested about your Project on each form.
2. Read the appropriate Program Manual for more information about the requirements of each funding source. Here you will find directions for the tables, forms and questions in the Application. Please read the instructions carefully for each section before you begin.
3. Check FAQ's frequently for updates and question and answers.

INSTRUCTIONS FOR COMPLETING THE APPLICATION

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

PART 1: APPLICATION SUBMISSION

A. APPLICATION SUBMISSION CHECKLIST

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

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

B. NOFA COVER LETTER

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

C. APPLICATION AND CHARGE TRANSMITTAL

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

The Application Charges:

Charges required with this Notice of Funding Availability (NOFA) for the Veterans Housing:

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

Submit payment with the Charge Transmittal form.
Charges are non-refundable.

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

- Recipient Charge: Assessed on the cumulative total of NOFA resources:
  <=$300K = $1,000
  >$300K = $2,000

- Document Preparation: $100 per recorded document (normally assessed in escrow)

Charges for requesting additional resources:

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

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

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

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

F. COPY OF ORGANIZATION DOCUMENTS
Here provide a copy of the applicable organization document, such as Articles of Incorporation, Partnership Agreement, etc.

PART 2: APPLICANT AND PROJECT INFORMATION

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

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

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

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

C. DEPARTMENT BASED PROGRAM FUNDING REQUESTS

List all resources requested for this Project. Use the same information every time you refer to these requests. Also mark which population type that matches the funding being requested and well as Project type.

IMPORTANT NOTICE: Only request OHCS funds that are being offered through the NOFA. Any OHCS funds being requested that are not offered in this NOFA will fail Threshold and will be deemed by OHCS as "non-responsive" and rejected without further review.

D. PROJECT DESCRIPTION

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

E. UNIT TYPE AND FUNDING PROGRAM DESIGNATION

Complete the table, list the unit type (Single-Room Occupancy, studio, one bedroom, etc.), the total number of each unit type, number of the units designated for each fund source (HOME, LIHTC, Trust Fund, GHAP, etc.), square footage of units ***and total square footage for each unit type****.* Use the method described in the Architectural Guidelines of the General Policy and Guideline Manuals (http://www.oregon.gov/ohcs/HD/MFH/2016-LIHTC-HOME-NOFA/GPGM-2016.pdf) to calculate the floor area of each unit type.

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

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

F. TARGET POPULATION

For purposes of the Veteran's Housing NOFA the target population is Veterans, as evidenced by ORS 408.225. List the main sub-target population(s) for units. Indicate if you will hold vacant units for the target population until you find an eligible household.

Indicate the number of targeted units for each sub-population type.

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

G. SITE AND BUILDING INFORMATION

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

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

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

PART 3: THRESHOLD SUBMISSIONS

TO PASS THRESHOLD REVIEW APPLICANTS MUST SUBMIT THE FOLLOWING materials as indicated:

COMPLIANCE REVIEWS

3.1 RESIDENT SERVICE DESCRIPTION WORKSHEET

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

3.2 Ownership Integrity

This form must be answered and signed by the applicant. If the project has a co-applicant an additional form must be signed by the co-applicant.

3.3 READINESS TO PROCEED

a. CERTIFICATION OF ZONING

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

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

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

b. VERIFICATION OF SITE CONTROL

Complete the table and attach evidence of site control. The General Policy and Guideline Manual, http://www.oregon.gov/ohcs/HD/MFH/2016-LIHTC-HOME-NOFA/GPGM-2016.pdf, contains a discussion of acceptable site control verification. If you do not yet own the property, be sure to submit all extension documents, amendments and/or addendums to your original documents.

c. FEDERAL PROJECT RESOURCES STATUS (IF APPLICABLE)

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

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

d. DEVELOPMENT SCHEDULE

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

e. PROJECT SITE CHECKLIST

You must complete the OHCS Project Site Checklist. If an Application involves more than one (1) land parcel, complete a Checklist for each parcel.

3.4 DEVELOPMENT TEAM CAPACITY

Applicable criteria:

- 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 a Veterans population and programs, size and scope? If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern?
- 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?
- If an Applicant has applied for multiple Project reservations, does the development team have the capacity to administratively and financially support all Projects simultaneously?

3.5 ARCHITECTURAL

The Department supports the development of quality affordable housing that is well designed, safe, supports and improves upon the aesthetics and living environment of the community, empowers and enhances the self-esteem of the residents it houses and serves, and contributes positively to the quality of life in Oregon.

Meeting this goal of creating and preserving quality affordable housing projects require careful design, material selection and oversight by all members of the project development and design team as well as the engagement of highly skilled and knowledgeable construction professionals during the project's construction phase. Careful preparation of the materials required for application is a critical initial step in the development of successful affordable housing projects.

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

Architectural guidelines are found in the Project Development Manual (PDM) located at the following web address: http://www.oregon.gov/ohcs/HD/MFH/Project-Development-Manual.pdf

1. OHCS Project Guidance & Oversight

a. Project Development Manual; Architectural Guidance and Standards
The Department has established a set of design and construction standards to aid project stakeholders in the process of developing quality affordable housing in keeping the Department's mission and vision. These standards are presented in detail in the Department's Project Development Manual (PDM) which will be posted to the OHCS website in conjunction with any NOFA application. Principally, the standards encourage and direct project stakeholders in the use and integration of industry best practices in all aspects of the planning, design and construction process.

b. Design of Quality Affordable Housing
The design of quality affordable housing requires skillful integration of many disparate design factors and principles. The following list outlines some of the major design elements that will need to be carefully integrated during the design phase of the project to meet the design standards established by OHCS. The elements listed below are described in more detail in the OHCS Project Development Manual.

i. Site, Building, and Dwelling Unit Design Standards
ii. Indoor and Outdoor Environments
iii. Land-Use and Building Code Requirements
iv. Sustainable "Green" Design and Construction Standards*
v. Accessibility Standards and "Visitabity"
vi. Material Selection and Building Envelope Best Practices
vii. Durability & Maintenance
viii. Health & Safety

*Applicants may choose from the Enterprise Green Community, Earth Advantage Homes, LEED Certification or other OHCS approved paths.

Submission Requirements

A. Projects Involving Rehabilitation of Existing Structures

Note: For projects that also involve new construction or major exterior modifications to an existing structure, the application submission requirements given under part B below are also required.

Capital Needs Assessment

All Applications for rehabilitation projects must include a professional, independent, third party Capital Needs Assessment (CNA) as well as an independent, third party construction cost estimate and/or contractors bid.

For NOFA Projects, unless stated otherwise, the CNA must be less than twelve (12) months old at the time of application, so that if the Project is awarded funds the CNA will be within eighteen (18) months at the time of closing.
For 4% LIHTC Projects, the CNA must have been completed prior to eighteen (18) months of construction closing.
The CNA must address the following components:

- Critical repair items: All health and safety deficiencies, or violations of Housing Quality Standards (or Uniform Physical Condition Standards), requiring immediate remediation.
- Two (2) year physical needs: Repairs, replacement and significant deferred and any other maintenance items that need addressing within twenty-four (24) months of the date of the report.
    - Include any necessary redesign of the Project and market amenities needed to restore the property to a reasonable standard of livability.
    - Include these repairs in the development budget and fund with construction-period fund sources.
- Long term physical needs: Repairs and replacements beyond the first two (2) years required to maintain the Project's physical integrity over the next thirty (30) years, such as major structural systems that will need replacement during that period. These repairs are to be funded from the Replacement Reserves Account.
- Analysis of reserves for replacement: CNA's must include a thorough analysis of reserves for replacement, including an estimate of the initial and on-going monthly deposit into the Replacement Reserve needed to fund on-going physical needs and the expected useful life of major building systems. This analysis must not include the cost of critical repair items, two (2)-year physical needs or any work items treated as normal maintenance or repair expense. The exact amount of the required reserves may vary depending upon the extent of the rehabilitation targeted and the age and condition of the remaining components, subject to the Department's discretion.

The Department requires that the scope of rehab projects address recommendations in the CNA to a degree that is deemed satisfactory to OHCS. OHCS requires that health and safety issues be fully addressed at the time of the rehab and that other less critical deficiencies be addressed either at the time of rehab or as part of an OHCS approved plan to address them at unit turnover. OHCS prefers the minimum construction rehab costs to be $30,000 per rental unit. In cases where less than One Hundred Percent (100%) of the units have been inspected as part of the CNA then:

- The CNA must include an explanation that includes any assumptions about areas that were not inspected and the reasons for making those assumptions.
- The CNA must be the basis from which the scope of work for the project has been developed and the basis on which any capitalized or annual contributions to the replacement reserves are based.
- Such other information as the Department may require.

B. Projects Involving New Construction and/or Major Exterior Modifications

Note: For projects that also involve rehabilitation of an existing structure, the application submission requirements given under part II of this Appendix A are also required.

1. Submission Requirements

   The following preliminary development related documentation is required at the time of application only when the project proposes any new construction or building development or involves significant changes to the exterior character of an existing building.

   1) Vicinity Map

      Indicating the location of the site and amenities important to the residents such as groceries, schools, parks, activities on adjacent properties (e.g. single family dwellings, commercial retail etc.), and public transportation. If appropriate, the same vicinity map required in the environmental review checklist may be used.

   2) Context Photos

      Showing the property and adjacent properties. Indicate on the vicinity map where the photographs were taken. If the site varies in slope, submit photographs showing the extent and nature of the sloped areas. If photocopy photos are taken, include original photos in the original application and copied photos in the application copies.

   3) Preliminary Site Plan

      Showing early development related intent for the project. The site plan must include the following information:

      i. Drawing Scale (1”=40’ minimum) and North Arrow.
      ii. Property Lines
      iii. Land-use (zoning) designation(s) including any applicable special overlay zones.
      iv. Special environmental conditions such as “wetland” areas.
      v. Identification of all known easements, encroachments and adjacent land uses.
      vi. Site contours or, at a minimum, spot elevations at the comers of the property and each side of all proposed and existing buildings and showing preliminary grading including drainage away from buildings.
      vii. Site features such as existing structures to be removed, trees or hedges to be retained and general areas of new plant materials, with other site features.
      viii. All buildings with unit front entries indicated.
      ix. All paved surfaces and site lighting, if determined.
      x. Any fencing at perimeter of site and between units and buildings.
      xi. Mechanical and electrical equipment such as transformers, if determined.
      xii. Trash holding areas, if known.

   4) Independent, Professional Third Party Construction Cost Estimate and/or Contractors Bid

2. VISITABILITY EXEMPTION REQUEST

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

3. **REQUEST FOR EXEMPTION FROM MINIMUM OR MAXIMUM UNIT FLOOR AREA REQUIREMENTS OR SINGLE-LEVEL TWO (2) BEDROOM/TWO (2) BATH DESIGNS**
   Use this form if the size of the units in the proposed Project is not consistent with the department's standards. (See the General Policy and Guideline Manual, (http://www.oregon.gov/ohcs/HD/MFH/2016-LIHTC-HOME-NOFA/GPGM-2016.pdf). You should also use this form if the proposed design includes single-level two (2) bedroom units with more than one (1) bath. Include the Exemption Request in the Threshold Section.

PART 4: COMPETITIVE SCORING SUBMISSION

A. FINANCIAL VIABILITY

EXCEL PRO FORMA SPREADSHEETS

4.0 Pro Forma Workbook:

Submit the Excel workbook pages in the order in which they appear in the workbook. Insert the hardcopy spreadsheets in the section listed on the Application Submission Checklist as well as including an electronic copy in Excel on the submitted CD.

The Department has protected the cells to help avoid changing the formulas in the cells.

All cells shaded with green are to be filled out by the Applicant. Grey cells indicate the value is being calculated and peach indicate it is being linked from another worksheet.

Summary Tab

Begin on the Summary worksheet and work through the remainder of the worksheets.

Fill in the Project name, date, pro forma phase, and type of Project on the Summary sheet and it will update the rest of the workbook. Update the date for each revision. The selected pro forma phase on this worksheet establishes what values will be used to calculate the summary values throughout the workbook; be sure to select correctly.

The Department has included supplemental guidance to the right of the tables; these will not print but will provide general information about what limitations or expectations are.

Sources of Funding Tab

Enter source dollar amounts in their proper locations, as well as indicating the status of those funds using the drop down menu in the status column. Be sure to include Commercial funds if applicable.

Do not attempt to enter numbers in the peach shaded cell labeled "LIHTC equity." .

Uses of Funding Tab

Fill in IRS set aside (only if requesting LIHTC), using the drop down menu.
Enter square footage for Residential Common Areas, and Commercial/other areas; residential unit square footage information will come from the Income worksheet once populated with all of the unit information.

The spreadsheet will calculate the Total Square Footage based on these entries.

- **Cost Column**

Enter costs by line item. "Other" lines for "other" costs have been provided, however, most costs should fit into the pre-labeled line items.

Do not combine line items or request "see above" or "see below."

Show contractor's profit, overhead and general conditions as separate line items.

- **"Cost per unit," percent change" and "summary" columns / figures**

These will be calculated automatically. The calculations will be based on the residential and common areas only (not including the commercial areas).

- **Funding Source Column**

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

- **Reasonably Expected Basis and Estimate Gross Expended columns (N/A)**

Complete these columns only if requesting LIHTC.

- **Bottom of second page**

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

Income Tab; Income with OAHTC Tab

Every Applicant must complete the Income page, including those requesting OAHTC.
If requesting OAHTC, Applicants must also complete the "Income with OAHTC" page found later in the workbook.

Select the county from the drop down menu at the top of the page, select whether the rents will be based on the Actual Multifamily Tax Subsidy Incomes or the Non-Metro Median Incomes. If this is not done, the formulas for Median Income % will not work.

To double check which one you want to use, to the right of this table you will see the income limits for the selected county as well as the non-metro medians for comparison. Once the county is selected, the worksheet entitled “Selected County Rent & Incomes” will be populated with the current year Actual Multifamily Tax Subsidy Incomes.

In the "Unit Size" column, select the following designations from the drop down list for appropriate unit sizes:

0 - use for single resident occupancy, efficiencies or studio apartments,
1 - use for one bedroom,
2 - use for two bedrooms,
3 - use for three bedrooms.

In the “Unit Type” column – select from the drop down menu whether it is a “BDR” unit for tenants or a “MGR” unit for property management.

"Number of Baths" column – select from the drop down menu 0.5, 1.0, 1.5, 2.0, etc.

"Median Income %" Column. Both the "Income without OAHTC" and the "Income with OAHTC" pages use formulas to automatically calculate the percentage of median income. The Department will consider the percentages to be expressed as a not-to-exceed percent of median income in ten percent (10%) intervals. For example, if the percentage of median income is calculated by the formula to be forty-three percent (43%), then the Department will consider the not-to-exceed percentage of median income to be fifty percent (50%). The Department will use these not-to-exceed percentages in all legal agreements and declarations between the Applicant and the State.

Enter the total income for Service Revenue and any Other Revenue for the Project in the “Total Annual Income” column. This is the annual income for all units using the service or other Project revenue as Project income.

The spreadsheet defaults the Annual Inflation Rate Factor for income to two percent (2%) (set at the top of the page). If a different rate is used, explanation must be provided in the Financial Description section of the Application. The same applies to the default seven percent (7%) vacancy rate at the bottom of the page.

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

Expenses Tab; Housing Operating Budget

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

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

In the Permanent Loan row, enter the interest rate, term and loan amount. If requesting OAHTC, show the original interest rates, not the rate after the OAHTC is applied.

The spreadsheet will complete the OAHTC permanent loan row using the information entered on the OAHTC calculation page.

The portion of the permanent loan not affected by the OAHTC reduction will be automatically calculated based on the OAHTC amount indicated.

Other Loans should include HOME loans, Trust Fund loans, partnership loans, etc.

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

OAHTC Calculation Tab

Enter only the portion of the loan reduced by the Oregon Affordable Housing Tax Credits in the loan amount labeled "W/O OAHTC", as this is used to calculate the interest rate reduction, so the portion at full rate does not need to be in the OAHTC calculation page.

Input data in green shaded cells and the spreadsheet will calculate and complete the other cells.

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

Utility Allowance Tab

Enter data as requested by the form.

Provide a copy of the source of the Utility Allowance Calculation (Housing Authority, etc.).

LIHTC Calculation Tab – N/A

DEBT UNDERWRITING

Many Projects require primary mortgage debt as one of the sources of funds. If there is mortgage debt, the proposed loan-to-value, debt service coverage and breakeven ratios must be in conformance with Department limits and industry norms noted in the General Policy and Guideline Manual, http://www.oregon.gov/ohcs/HD/MFH/2016-LIHTC-HOME-NOFA/GPGM-2016.pdf. If there is no mortgage debt, then the Proforma must demonstrate a stable positive cash flow over the required economic life of the Project.

4.1 FINANCIAL ASSUMPTIONS

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

NON-OHCS SOURCES TABLE

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

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

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

Builder's profit shall include all of the following:

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

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

EXISTING SUBSIDIES WITH ACQUISITION PROJECTS
Indicate all rental assistance and subsidy that are now with the Project.

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

4.2 EXISTING TENANT SURVEY and TENANT RELOCATION

- **EXISTING TENANT SURVEY**

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

- **TENANT RELOCATION**

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

4.3 CONSTRUCTION HARD COST ESTIMATE

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

4.4 Competitive Scoring

The Competitive Scoring Questionnaire is the core document to be scored. Answer each question thoroughly and effectively. Make sure all of your answers address the population being served (i.e., Veterans and/or Veterans suffering from an SMI or SUD).

You may have already answered some of the questions in earlier sections of the application but it is critical that you answer each question again as each section of the application are reviewed and scored by different groups.

GENERAL REMINDERS

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