

STATE OF OREGON

HOUSING AND COMMUNITY SERVICES DEPARTMENT

NOTICE OF FUNDING AVAILABILITY (NOFA) # 4514

Affordable Housing Projects for Veterans Housing

NOFA Issued Date: **July 25, 2017**

Updated: July 28, 2017

Initial Application Due Date: **October 20, 2017**
NOFA to remain open as long as funds are available

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

Version 1.0



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1.0 INTRODUCTION

1.1 Purpose

The State of Oregon, acting by and through its Housing and Community Services Department (“**Oregon Housing and Community Services**” or “**OHCS**”) is pleased to announce the availability of funds through this Notice of Funding Availability #4514 (“**NOFA**”) for eligible affordable multifamily residential rental housing developments (“**Projects**”) that, *inter alia*, appropriately serve qualifying low income Veteran populations.

This NOFA is being issued to reserve available General Housing Account Program (“**GHAP**”) funds to NOFA applicants (“**Applicants**”) that are both eligible and successful under the terms hereof for use by same in acquiring, constructing and/or rehabilitating approved Projects.

This NOFA outlines: (i) the specifics of the funding options available herein, including details on what is considered an eligible Project, (ii) the specifics on application (“**Application**”) components that will need to be submitted by Applicants, and (iii) the details on the NOFA process, including how the Applications will be reviewed, prioritized, and scored.

The NOFA Application documents to be submitted by Applicants can be found on OHCS’ Veterans Housing NOFA website and includes, *inter alia*, a NOFA “**Instruction Manual**” that has even more detail about how each Application document must be completed.

1.2 Funding Sources

The allocation (“**Allocation**”) of Funds for this NOFA will be from the General Housing Account Program, Veterans funds (“**VGHAP**”). VGHAP funding is subject to VGHAP Program requirements (“**Requirements**”) as established throughout this NOFA document. VGHAP Requirements governing funding and relevant to a particular Application must be satisfied by the corresponding Applicant in order to qualify for funding under this NOFA.

1.3 Available Funds

- VGHAP allocation of \$8,000,000 in VGHAP
 - Soft set-asides for this NOFA are:
 - \$4,000,000 for Urban areas
 - Up to \$125,000 per affordable unit
 - \$4,000,000 for Rural areas:
 - Up to \$200,000 per affordable unit
 - Rural areas are defined as: Communities with 15,000 population or less in counties within Metropolitan Statistical Areas (Benton, Clackamas, Columbia, Deschutes, Jackson, Lane, Marion, Multnomah, Polk, Washington and Yamhill Counties) and in

Communities with 40,000 population or less in the balance of the state

- OAHTC allocation of \$5,000,000
 - Eligible where it results in deep rent skewing; serving households at or below 50% AMI
- Mental Health Housing funds of \$4,200,000
 - Up to \$50,000 per Vets SMI or Vet SUD unit in supported or supportive housing

1.4 Minimum Project Qualifications

In order to submit a qualifying Application for a Reservation of Funds, the request for Funds shall not exceed the available Funds and must address the following:

Creative and innovative community oriented projects that create new housing units to serve Veterans through new construction or acquisition / rehabilitation, not to include preservation activities; including appropriate supportive services for the target population.

Note: The Definition of Veterans for the purposes of this NOFA is found at ORS 408.225

- **“Veteran”** means a person who:
 - * Served on active duty with the Armed Forces of the United States:
 - For a period of more than 90 consecutive days beginning on or before January 31, 1955, and was discharged or released under honorable conditions;
 - For a period of more than 178 consecutive days beginning after January 31, 1955, and was discharged or released from active duty under honorable conditions;
 - For 178 days or less and was discharged or released from active duty under honorable conditions because of a service-connected disability;
 - For 178 days or less and was discharged or released from active duty under honorable conditions and has a disability rating from the United States Department of Veterans Affairs; or
 - For at least one day in a combat zone and was discharged or released from active duty under honorable conditions;
 - * Received a combat or campaign ribbon or an expeditionary medal for service in the Armed Forces of the United States and was discharged or released from active duty under honorable conditions; or
 - * Is receiving a non-service-connected pension from the United States Department of Veterans Affairs.

Note: The following definitions apply for Projects applying for Mental Health Funds:

- An individual qualifying as a Person with a **Serious Mental Illness (SMI)** must be:
 - * Diagnosed by a Qualified Mental Health Professional as suffering from a chronic mental disorder as defined by ORS 426.495, which includes, but is not limited to, conditions such as chronic schizophrenia, chronic affective disorder, chronic paranoid disorder, and other disorders which manifest symptoms that are not solely a result of mental retardation or other developmental disabilities, epilepsy, drug abuse, or alcoholism; which continue for more than one (1) year, or on the basis of a specific diagnosis, are likely to continue for more than one (1) year; and

- * Impaired to an extent that substantially limits the person’s consistent functioning in one (1) or more of the following areas:
 - Home environment: independently attending to shelter needs, personal hygiene, nutritional needs and home maintenance;
 - Community negotiation: independently and appropriately utilizing community resources for shopping, recreation and other needs;
 - Social relations: establishing and maintaining supportive relationships;
 - Vocational: maintaining employment sufficient to meet personal living expenses or engaging in other age appropriate activities.
- An individual qualifying as a Person with a **Substance Use Disorder (SUD)** must have:
 - * A recurrent use of alcohol and/or drugs that causes clinically and functionally significant impairment, such as health problems, disability, and failure to meet major responsibilities as work, school, or home. According to the DSM-5, a diagnosis of substance use disorder is based on evidence of impaired control, social impairment, risky use, and pharmacological criteria.

Notes to Applicants:

- Projects funded under this NOFA will not be allowed to request additional OHCS funding for five (5) years after the project is placed in service
- No more than ten percent (10%) of funds can be used for replacement reserves and no operating reserves can be funded with funds.
- Mental Health Housing units set-aside for Veterans with an SMI and/or SUD must be filled by qualified tenants who have been referred by Oregon Health Authority, Oregon Department of Veterans’ Affairs (ODVA), The United States Department Veterans’ Affairs (USDVA) or one of their contracted partners.

Failure of the Applicant to satisfy the minimum project qualifications will result in disqualification.

1.5 Process

1. Application Ranking and Funding Recommendation

Subject to the terms and conditions of this NOFA, available Funds will be reserved by OHCS on a competitive-scoring basis to Projects with **Qualifying Applications** (as described in the NOTE below) that:

1. Meet the Preliminary Review Requirements;
2. Meet the Minimum Threshold Requirements; and
3. Achieve a minimum of 75 points in Competitive Scoring.

NOTE: Applications satisfying subparagraphs 1-3 hereof, collectively herein “**Qualifying Applications.**”

OHCS may choose not to provide Reservations with respect to any or all available Funds. During the Reservation process, limits on the remaining available Funds may result in lower-ranked Applications receiving a Reservation if higher-ranked Applications would require combinations of funding that exceed relevant funding source amounts that remain available to a higher-ranked Application.

In the event of a tie, and assuming sufficient available Funds for any of the tied Applications, OHCS will apply the tie-breaking rules below in making Reservations among such Applications.

2. Tie-Breaking Rules

If the total evaluation scores of two (2) or more Applications result in a tie and available Funds are insufficient to provide Reservations to Projects associated with all tied Applications, the following scores, in order of priority, will break the tie (subject to other terms and conditions of this NOFA):

1. The Project associated with the Application with the highest Services score will first receive a Reservation.
2. If the Services scores are tied among two (2) or more of the immediately above-described Applications, the Project associated with the Application with the highest Need score will first receive a Reservation.
3. If the Need scores are tied among two (2) or more of the immediately above-described Applications, the Project associated with the Application with the highest Financial Viability score will first receive a Reservation.
4. If the Financial Viability scores are tied among two (2) or more of the immediately above-described Applications, OHCS may exercise its discretion in identifying a scoring category where such Applications are not tied to further prioritize the making of Reservations to associated Projects.
5. If available Funds are sufficient to provide Reservations to one or more additional Projects associated with Applications with qualifying, tied-scoring, the process described in this Paragraph will be repeated to the exhaustion of sufficient available Funds.

3. Re-Evaluation of Reservation

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

- Failure to meet all reservation conditions **within 240 days** of the Reservation.
- A material adverse change so the Project or Applicant no longer meets the Minimum Qualification Thresholds or any of the competitively scored criteria.
- Other causes at the discretion of OHCS.

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

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

2.0 APPLICATION SUBMISSION/PRELIMINARY REVIEW REQUIREMENTS

2.1 Application Submission

Applications must be submitted no later than:

INITIAL APPLICATION DUE DATE AND TIME:

October 20, 2017, by 4:00 PM PST

NOFA to remain open as long as funds remain;

**Priority for funding will go to any project submitted by the established
Initial Application Due Date and Time**

DELIVERY ADDRESS:

Oregon Housing and Community Services

Attn: Lisa Cimino

725 Summer Street NE, Suite B

Salem, OR 97301

Applications must be received and date and time stamped by OHCS receptionist no later than the Application closing date and time in order to be considered as submitted within the initial Application time period. Applications submitted by the initial due date are prioritized for funding recommendation. Applications must be delivered in a sealed envelope or container that clearly identifies the NOFA number, Applicant's name, name of the contact person for the Applicant, OHCS' name and address, and the Application closing date and time. Mis-deliveries and late submittals will not be accepted or considered. Post-marked dated Applications (including express delivery) will not be considered unless actually received by OHCS by the Application Due Date and Time specified herein. Only Applications actually received by OHCS by the Application Due Date and Time specified herein will be processed including required electronic version of the Application.

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

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

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

Applications determined by OHCS to be untimely, incomplete, or otherwise not to satisfy all Application submission requirements of the NOFA, including payment of the Application fee and as otherwise indicated in the Instruction Manual (collectively, “**Preliminary Review Requirements**”) will be deemed by OHCS as “**non-responsive**” and rejected without further review. Applications considered timely, complete, meeting all Application submission requirements, and otherwise satisfying all Preliminary Review Requirements by OHCS will then be evaluated to determine if they comply with the Minimum Threshold Requirements described below. Applications determined by OHCS as failing to meet any of the Minimum Threshold Requirements also will be deemed as “non-responsive” and rejected at that point without further review. The remaining “**responsive**” or “**qualifying**” Applications will be evaluated for ranking and funding Reservation purposes as provided hereafter. Applications that met the initial Due Date and are deemed “non-responsive” can choose to re-submit if the NOFA remains open due to having unobligated resources, however they will no longer be considered to have met the initial Due Date and be prioritized for funding.

2.2 Application Submission Information

The *Instruction Manual for 2017 Veterans NOFA Application* contains detailed information about the format and content of the required Application submission. Applicants must satisfy all such format and content requirements.

2.3 NOFA Questions

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

General NOFA questions should be sent in writing to:

MFNOFA@oregon.gov

In subject line please put “VGHAP NOFA Question”

Programmatic Questions:

Oregon Housing and Community Services; Ed Brown, Edward.Brown@Oregon.gov

Frequently Asked Questions will be posted with applicable answers on the OHCS website. When appropriate, revisions, substitutions, or clarifications will be issued by OHCS as addenda to this NOFA. Changes or modifications to the NOFA will **ONLY** be recognized if in the form of written addenda issued by OHCS. OHCS will 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

All Applications are first subjected by OHCS to a Preliminary Review (see section 3.1 and 3.2), including for timeliness and completeness. If the Application is deemed to satisfy Preliminary Review Requirements, the Application moves on to the Minimum Threshold Review, in which OHCS evaluates the Application for satisfaction of all Minimum Threshold Requirements (see section 3.3). Applications that satisfy these first two reviews and are submitted by the initial Due Date as determined by OHCS, will move on to Competitive Scoring (see section 4.0) and considered for funding. There is a minimum 75 point threshold for Competitive Scoring to be recommended for funding ahead of any project with an application submitted after the initial Due Date. Applications that satisfy the first two reviews and are not submitted by the initial Due Date, will be moved on to Competitive Scoring at such a time that it has been determined that NOFA funds remain. These Projects will then be evaluated for reasonability in meeting the minimum 75 point threshold for fund recommendation, and if met will be funded on a first-come first-served basis.

If at any point between the criteria listed in sections 3.1 through 3.3 an Application fails, the Application may be deemed nonresponsive and will not be reviewed further. Applications that met the initial Due Date and are deemed “non-responsive” can choose to re-submit if the NOFA remains open due to having unobligated resources, however they will no longer be considered to have met the initial Due Date and be prioritized for funding.

The final selection for Reservations, if any, will be from those Applications that best meet the competitive scoring requirements set forth in this NOFA based on the recommendation from the Scoring Committee, as approved by the Director and the Housing Stability Council, in accordance with available Funding Sources applicable to the various Applications. Applicants will be notified in writing of OHCS’s Notice of Intent to Issue a Reservation Letter, which also will be posted on OHCS’s website.

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

3.1 Administrative Review

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

- Application Submission Checklist,
- NOFA Cover Sheet submitted by due date and time,
- Application and Charge Transmittal Form,
- Authorization and Acceptance Form,
- Board of Directors Resolution,
- Organizational Documents [if applicable],
- Project meets the Minimum Project Qualifications (see Section 1.4),
- Complete NOFA Application with Required Exhibits.
- Single asset entity

3.2 Project Qualification

The Project Qualification will be reviewed to ensure:

- The amounts requested are within the specified amount of funding allocations, and
- The Project meets the Minimum Project Qualifications (see Section 1.4) criteria.

These are Pass/Fail criteria evaluated as part of the Minimum Project Qualifications.

3.3 Minimum Threshold Qualifications

After passing the Administrative Review, in order to qualify for Competitive Scoring, all of these Minimum Threshold Qualifications must be met. The following are Pass/Fail criteria:

A. 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.

Compliance categories evaluated will include the following:

- Most recent rating received for management reviews,
- Physical inspections,
- Tenant file reviews,
- REAC scores,
- Submission of required reporting including financial audits and Certifications of Program compliance (Program Compliance),
- Owner and Management cooperation with reporting and communication, and
- Need or outcome for a community evaluation within the last year.
- The Applicant's current portfolio of Projects monitored by OHCS is in compliance with the required Program and OHCS regulations.

B. Program Compliance Review

Applicants must satisfy the Program Requirements for the Veterans GHAP funding source, including only requesting funds for new units that will be set aside to serve Veteran populations.

C. Resident Services Description

Applicants must submit a Resident Services Description at time of application. Describe in as much detail as possible the scope of the resident services program and the preliminary goals and direction for implementation.

D. Ownership Integrity

1. Single-Asset Ownership: The Project will be owned by a single-asset entity duly organized under the laws of the State of Oregon, or if allowed, duly authorized to conduct business in the State of Oregon.
2. Neither Applicant nor any member or principal within the Project ownership, management or development team is currently under investigation or will have been convicted, whether in civil or criminal proceedings, of fraud, misrepresentation, theft or other moral turpitude within the previous ten (10) years.
3. Neither Applicant nor any member nor principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five (5) years.
4. Neither Applicant nor any member nor principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

E. Readiness to Proceed

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

1. Site Control and Zoning

Site Control

Applicant must have control of the land necessary for the Project by the Application deadline as evidenced by one (1) of the following:

- a. a recorded deed or conveyance showing the Applicant has Ownership,
- b. a valid purchase and sale agreement,
- c. a valid option to purchase,
- d. a valid option for a long-term lease, or
- e. any 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.

OHCS will only accept one Application for a specific site or for any part of the same site, regardless of whether Applications are submitted by the same Applicant or by multiple Applicants. If there is more than one (1) Application received for the same site, or any part of the same site, OHCS may disqualify one (1) or all of the Applications. The *non-refundable* Application charge for each Applicant will be retained by OHCS.

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.

2. Additional Federal Project Resources Status

The Applicant must be able to provide satisfactory documentation of their progress on their applications for federal resources.

If the Applicant has identified additional federal resources, such as rental or capital assistance from HUD, RD, or VA, as part of the funding structure, the Applicant must provide evidence satisfactory to OHCS that an application for these resources has been submitted and remains active. For RD this would mean a pre-Application Consultation Letter that includes a summary of the contact and understanding established to-date as well as expectations about the next steps in the process.

3. Adequacy of Development Schedule

The Applicant's development schedule must clearly demonstrate that funds will be invested and the Project will be constructed, leased and stabilized within acceptable time frames.

4. Adequacy of the Project Site Checklist

Applicants must **self-identify** if there is any adverse environmental or site information indicated on the Project Site Review Checklist.

OHCS' Project Site checklist contains questions regarding:

- a. the suitability of the site,
- b. the distances to services,
- c. transportation and schools,
- d. the nature of existing structures,
- e. soil suitability,
- f. environmental hazards,
- g. safety concerns,
- h. noise problems,

- i. air quality issues,
- j. historic preservation,
- k. flood plain and wetlands issues,
- l. solid waste, waste water and storm water concerns, and
- m. Federally Listed Species and/or Designated Critical Habitat

Depending on the impact to the Project, the Applicant must provide a satisfactory mitigation plan for any materially adverse information revealed in the Project Site Checklist or subsequently identified.

F. 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?

F.-G. Architectural

Applicants are required to submit certain architectural documents with their application as described in the NOFA Instructions, Part 3.5 Architectural.

3.4 Competitive Scoring

If the Application passes the tests set out in Sections 3.1 through 3.3 above, then a Scoring Committee will competitively score sections of the Application by the Scoring Criteria described below.

A. Financial Viability: 10-15 points

1. Sources and Uses, Operating Proforma:

- Are the sources and uses well-documented, balanced and accounted for?
- Is it likely all sources will be committed, closed and funded within 240 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?
- Are benchmarks such as; vacancy ratio, expense ratio, expenses per units, and replacement reserves in conformance with OHCS guidelines* and industry norms?

* **OHCS guidelines can be found in OAR chapter 813, division 55 and other applicable OHCS administrative rules, as further detailed in the Qualified Action Plan (QAP), General Policy & Guidance Manual (GPGM), General Housing Account Program manual (GHAP), and Project Development Manual (PDM).**

2. Debt Underwriting

- If there is first mortgage debt, are the loan-to-value, debt service coverage, and breakeven ratio 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?

3. Construction Viability

- 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?
- Is the percentage of land and acquisition cost in conformance with OHCS guidelines and industry norms for the market in which this Project is located?
- Do the preliminary plans and specifications generally meet OHCS minimum new construction or rehabilitation architectural guidelines for a Project of this type, size and scope?

B. Impact of Project: 70 points

1. Resident Services (20 points)

The Applicant must provide a Resident Services Description that is specifically aimed at the Veteran population targeted for this offering, responsive to the following goals and guidelines below.

- All applicants will be scored based on criteria listed in 1.a.i: Resident Services Description Goals – All VGHAP Units; those Projects layering Mental Health Housing funds to serve Serious Mental Illness (SMI) will be scored based on criteria listed in 1.a.ii; those Projects additionally layering Mental Health Housing funds to serve Substance Use Disorders (SUD) will be scored based on criteria listed in 1.a.iii.

1.a.i: Resident Services Description Goals – All VGHP Units

The anticipated outcomes and overall goals of the Resident Services Description and subsequent plan are as follows:

- Services designed in a way that they are responsive to the needs of the target population.
- Thoughtful and developed approach to outreach and referral for the project; demonstrating an understanding of the target population needs.
- 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.
- Partnerships with demonstrated experience and proved expertise in working with the target population
- Incorporate innovation or interventions that are likely to deliver better outcomes for Veterans
- Tracking of outcomes

1.a.ii: Mental Health Housing Services for Veterans with Serious Mental Illness (SMI) – where Mental Health Housing Funds are layered with VGHP

The expectation is that services will be readily available on a voluntary basis and that Applicant will design and manage support services that will actively engage residents. The service provision philosophy should support recovery with the goal of residents living successfully in the community:

- Incorporates evidence-based approaches and recognized best practices in mental health treatment.
- Experience and familiarity with the application of resident-involved planning; inclusion of peer mentors is required.
- Plan for how the project will work with Coordinated Care Organizations, Community Mental Health Programs or Tribal Authorities.
- Plan and experience providing culturally responsive and linguistically appropriate services.
- Identification of potential barriers to stable housing (ex: poor credit, rental histories, criminal background) and plan to provide support to overcome the barriers.

1.a.iii: Mental Health Housing Services for Veterans with Substance Use Disorders (SUD) – where Mental Health Housing Funds are layered with VGHP

The expectation is that the service provision philosophy should support recovery and enable residents to live independently. The proposed project must incorporate the resident-involved planning model with a focus on transitioning residents toward increased self-sufficiency:

- Incorporates evidence-based approaches and recognized best practices in substance use disorder treatment and recovery services.
- Inclusion of services that will support residents with substance use disorders or co-occurring condition; experience and guidance regarding the nature of that service provision.

- Experience and clear identification of responsibilities for implementing and monitoring residents' adherence with their treatment and/or recovery plans.
- Plan and experience providing culturally responsive and linguistically appropriate services.
- Identification of potential barriers to stable housing (ex: poor credit, rental histories, criminal background) and plan to provide support to overcome the barriers.

2. Minority, Women, and/or Emerging Small Business (MWESB) Engagement (5 points)

Minority, Women, and / or Emerging Small Businesses (MWESB) contractors are those registered with the State. (<http://www.oregon4biz.com/How-We-Can-Help/OMWESB/>)

All Applicants will be required to identify ways and/or targets that they will utilize to contract with MWESB contractors/subcontractors in the construction and operation of the proposed Project. Awardees will be required to submit at final close out a report to OHCS demonstrating outcomes of their efforts to contract with MWESB contractors/subcontractors, using state registry.

3. Location & Building Features (10 points)

a. Location Efficiency: 6 points

Applicable criteria:

- Walk-ability; score from <http://www.walkscore.com/cities-and-neighborhoods/> ; two (2) points if 70+, one (1) point if 50-69;
- Food Access; two (2) points if grocery store within a half a mile / within 5 miles if rural, one (1) point if not in a USDA Food Desert
<http://www.ers.usda.gov/dataproducts/food-access-research-atlas/go-to-the-atlas.aspx#.Uw9-EOOwI5I>;
- Medical Access; two (2) points if available within 1 mile / within 5 miles if rural, one (1) point if within 5 miles / 10 miles if rural;
- Public Transit; two (2) points if available within ¼ mile or a Transit Score from <http://www.walkscore.com/cities-and-neighborhoods/> of 70+ / within 5 miles if rural, one (1) point if within ½ mile or Transit Score of 50+ / within 10 miles if rural;
- Education for family housing; two (2) points if schools or libraries are within ½ mile / within 5

b. Building Features: 4 points

- Incorporation of accessibility features in to the project; to what degree will the units in the project be accessible.
- Incorporation of unique building features that contribute to the health and overall well-being of the residents and community.
- Inclusion of complementary or responsive building design.

4. Community Impact, Collaboration and Responsive to Community Need (15 points)

Applicable criteria:

- Is the Project responsive to a community need?
- How does the Project promote sufficiency, independent living, and positive life choices for Veterans?
- Is the Project collaborative?
- Does the Project leverage other resources?
- Does the Project provide innovative ways to overcome obstacles or deliver better outcomes for Veterans?

5. Serving Lowest Incomes; Area Median Income served (5 points)

a. *Serving Lowest Incomes: Average Gross Median Income (5 points)*

Applicable criteria:

- Average Gross Median Income Restrictions on qualified units
 - In High Income Counties; five (5) points if AGMI is 45% or less, four (4) points if 46- 50%, three (3) points if 51-59%, two (2) points if 60-69%, one (1) point if 70-79%;
 - In Low Income Counties; five (5) points if AGMI is 50% or less, four (4) points if 51- 59%, three (3) points if 60-69%, two (2) points if 70-79%.

6. Serving Lowest Incomes: Subsidy (7 points)

a. Rental Assistance such as Project Based Subsidy

Applicable criteria:

- Five (5) points if project based assistance for more than 25% of the affordable units, Three (3) point if project based assistance on 1-25% affordable units and Zero (0) points for no project based assistance.

b. Targeting Homeless Veterans

Applicable criteria:

- Two (2) points if targeting in 25% or more of the affordable units
- One (1) point if targeting in 1-25% of the affordable units

7. Lower Subsidy per Unit (8 points)

Applicable criteria:

a. Urban:

- \$50,000 or less per unit – 8 points
- \$50,001 - \$60,000 per unit – 7 points
- \$60,001 - \$70, 000 per unit – 6 points
- \$70,001 - \$80,000 per unit – 5 points
- \$80,001 - \$90,000 per unit – 4 point
- \$90,001 - \$100,000 per unit – 3 point
- \$100,001 - \$110,000 per unit – 2 point
- \$110,001 - \$120,000 per unit – 1 point
- Greater than \$120,001 per unit – 0 points

b. Rural

- \$100,000 or less per unit – 8 points
- \$100,001 - \$110,000 per unit – 7 points
- \$110,001 - \$120, 000 per unit – 6 points

- \$120,001 - \$130,000 per unit – 5 points
- \$130,001 - \$140,000 per unit – 4 point
- \$140,001 - \$150,000 per unit – 3 point
- \$150,001 - \$160,000 per unit – 2 point
- \$160,001 - \$170,000 per unit – 1 point
- Greater than \$170,001 per unit – 0 points

C. Need in the Community: ~~10-15~~ Points

Applicable criteria:

- What community housing needs for Veterans are addressed by the Project?
- What is the demand for affordable housing of the specified population in the community?

Development Team Capacity: ~~10~~ points

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?

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4.0 APPLICATION EVALUATIONS

A. Evaluation Process

After passing Application Review, Applications will be subject to a Threshold Review. OHCS reserves the right to request clarification or changes to the Application and budget as necessary.

Applications submitted will be reviewed to determine that all NOFA threshold requirements (see Sections 3.1 through 3.3) have been met. Applications meeting those criteria which had been submitted by initial Due Date will be forwarded to the Scoring Committee for competitive scoring against the Scoring Criteria described in Section 4.0. Applications meeting those criteria which had not been submitted by initial Due Date will be forwarded to an internal Scoring Committee for competitive scoring to determine reasonability for meeting the minimum 75 point threshold for funding recommendation, and if met will be funded on a first-come first-served basis.

The final selection for Reservations, if any, will be of those Applications that best meet the competitive scoring requirements set forth in this NOFA, based on the recommendation from the Scoring Committee, as approved by the Director and the State Housing Council, and as required by the Funding Sources applicable to the Application.

B. Evaluation Criteria

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

C. Notice of Intent to Issue Reservation Letter; Protests

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

Any challenge or protest with respect to this NOFA including, but not limited to the NOFA itself, the selection process, or any determination made thereunder, or otherwise must be made in compliance with OAR 813-005-0025. See section 5.11.

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5.0 GENERAL NOFA TERMS

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

- H. to use adherence with components of the Applicant's Application and this NOFA as scoring criteria in future multifamily funding solicitations;
- I. to withdraw any identified funding from this NOFA; and
- J. to waive any term or condition of this NOFA for good cause as determined by OHCS subject to applicable law.

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

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

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

5.11 **813-005-0025**

Solicitation Protests; Administrative and Judicial Review

(1)(a) With respect to any solicitation conducted by the department, an applicant or potential qualifying applicant may protest or otherwise challenge such solicitation process by first requesting administrative review as herein specified.

(b) With respect to any solicitation conducted by the department, an applicant may protest or otherwise challenge any department determination or order (collectively hereinafter, "determination") related to such solicitation by first requesting administrative review as herein specified.

(c) A timely, qualifying request for administrative review is necessary to satisfy the conditions of this section and a condition precedent to judicial review consistent with ORS 183.480.

(d) Failure to file a timely, qualifying request for administrative review with the department will constitute a failure to exhaust administrative remedies and terminate further rights to protest or otherwise challenge the solicitation process or any related department determination, including judicial review thereof.

(2)(a) An applicant under this section is a person or entity that makes an application (including delivery to the department under the terms of the solicitation) for a department funding award pursuant to a particular department solicitation.

(b) A potential qualifying applicant is a person or entity that qualifies to make an application for a department funding award under the terms of a solicitation with respect to the process of which it requests administrative review consistent with the terms of this section.

(3)(a) An applicant or potential qualifying applicant seeking to protest or otherwise challenge any aspect of a solicitation process (other than a department determination related thereto) must

request review by the department within fourteen (14) days of the application due date of the solicitation.

(b) An applicant seeking to protest or otherwise challenge a determination by the department related to a solicitation must request review by the department of such determination within fourteen (14) days of the applicant receiving notice from the department of that determination.

(4) Any request for review under this section must be in writing, specifically identifying:

(a) The nature of the requestor's interest, including the facts showing how the requestor is adversely affected or aggrieved by the solicitation process or a department determination;

(b) The relief sought;

(c) Each of the grounds for review;

(d) An explanation for each of the grounds upon which relief should be granted; and

(e) Any supporting information the requestor desires to have considered by the department.

(5) The envelope containing the request for review MUST:

(a) Be marked PROTEST;

(b) Identify the NOFA number;

(c) Identify the closing time and date for acceptance of solicitation applications;

(d) Identify the department's contact person for the solicitation; and

(e) Be received by the department at its main Salem Office, Oregon Housing and Community Services 725 Summer Street NE, Suite B Salem, OR 97301, not later than 4:00 PM on the fourteenth(14th) day after the solicitation closing date or the applicant's receipt of notice from the department of the department determination from which review is requested, whichever due date is applicable under this section.

(6) The applicant will be deemed to have received notice of a department determination upon the sooner of:

(a) Three (3) days after the department's determination is mailed to the applicant;

(b) Two (2) days after such determination is posted to the department's website;

(c) Two (2) days after the list of successful solicitation applicants is posted to the department's website; or

(d) One (1) day after such determination is emailed to the applicant.

(7) The department may request additional information from the requestor with respect to its request and consider such other information as it deems appropriate.

(8) The department will endeavor to provide a written response to a timely, qualifying request for review within thirty (30) days.

(9) Judicial review of the department response to a timely, qualifying request for review shall be limited to those grounds the requestor raised with the department in its request for review.

(10) The filing of a request for review, or subsequent judicial review (if any), will not preclude the department from moving forward with the solicitation or the award of funding assistance thereunder. However, the department reserves the right to delay, terminate, modify, or take other action it determines to be appropriate with respect to a solicitation or any related award of funding assistance in response to a request for review or subsequent judicial review.

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

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