

FAQs for NOFA #2023-4

Permanent Supportive Housing (PSH)

Questions as of 3/20/2023

Question 1:

Does the OHCS PSH NOFA #2023-4 require enrollment in the OHCS-PSH Institute to be eligible for an award?

Answer:

The PSH NOFA (#2023-4) is open to teams that have completed one of the three OHCS-sponsored Corporation for Supportive Housing (CSH) Supportive Housing Institutes (2019-20, 2020-21, 2022), and to Developers who were part of a team that went through at least one of the three Supportive Housing Institutes.

Question 2:

If we request, but are not awarded capital funding, are we still eligible for rent assistance and service funding we request?

Answer:

Projects who apply for PSH capital funding and are not awarded will not be eligible for rental assistance and services funding. This is to ensure resources are not allocated to projects that do not have the necessary financing to move forward.

Question 3:

Are underwriting requirements in the NOFA flexible if explained, such as a vacancy rate based on project-based vouchers and portfolio experience, or replacement reserve deposits based on experience, etc?

Yes, we can be flexible on some items. As with our other programs, for PSH projects we will consider project-specific explanations and we will work with other lenders' criteria.

Question 4:

Could you please confirm whether any of the below resources offered in the PSH NOFA triggers either URA or Davis Bacon?

- PSH Capital Funds
- National Housing Trust Funds (HTF)
- Project-Based Rent Assistance

Answer: Here are the details on URA and Davis Bacon for the below resources:

- *PSH Capital funds don't require Davis-Bacon compliance, however, every project needs to get a letter from BOLI (after awards are made and before loan closing) stating whether Oregon prevailing wages apply to the project. PSH Capital funds do not require URA compliance.*
- *National Housing Trust Funds (HTF) do require URA compliance but does not require Davis Bacon compliance. The same BOLI requirements for PSH Capital Funds (described above) apply to HTF.*
- *Project-based rental assistance does not require Davis-Bacon or URA compliance (because these aren't federal dollars). However, we cannot speak for BOLI about how and when prevailing wages apply, but you can contact BOLI here: pwremail@boli.state.or.us to see.*

Question 5:

Are projects prohibited from charging utilities to PSH residents?

Answer:

There is no restriction on having tenants pay utilities when utilizing PSH Development Capital funds. However, if you are utilizing OHCS' PSH Rental Assistance funds, there is a requirement to provide owner paid utilities.

Question 6:

Do I have to complete the HTF supplemental documentation even if I am not planning to apply for HTF resources?

Answer:

The completion of the Federal Housing Trust Fund (HTF) Supplemental items is now required for all PSH applicants seeking development capital. Projects just seeking PSH Rental Assistance and/or Services funding do not need to complete the HTF supplemental items.

Question 7:

If applicable, is a relocation plan required as a part of the OHCS PSH application?

Answer:

The HTF Supplemental Form includes a relocation planning item for rehabs.

Question 8:

We understand that applicants can choose not to apply for HTF funding when they request PSH capital resources. Would a project that requests HTF have any sort of competitive advantage over a project that does not?

Answer:

No, there will be no competitive advantage for a project electing to use HTF.

Question 9:

One of the application parameters says "Only one project per sponsor and/or team can be submitted". My organization has two PSH projects that we are considering applying for - does the parameter mean that we could only go for one of them or that we cannot submit more than one application per project?

Answer:

Sponsors can submit two applications only if the teams are different for each project and there is a co-developer on at least one of the projects.

Question 10:

Can we request Services Funding through this NOFA if we already have some CoC or other services funding?

Answer:

Projects can leverage external services funding resources and request PSH Services Funding through this NOFA to ensure they have appropriate levels of funding to meet the program's needs. However, OHCS' PSH Services Funding cannot provide funding for PSH services covered by another resource such as CoC PSH services funding. A clear separation of how funds are used must be described in the Services Budget. PSH Services Budgets will need to be reviewed by OHCS to approve any pairing with non-OHCS PSH services funds to ensure no crossover of Services Funding is happening on PSH units.

Question 11:

Is there a max number of project-based vouchers that can be requested per project? Or is there competitive scoring that provides more points to those that request less than 100% of the units with voucher?

Answer:

No, there is no maximum and no points allocated based on the number of vouchers requested.

Question 12.

Can HTF be used for SROs?

Answer:

Yes (and PSH Capital can too). If an SRO-unit has neither food preparation nor sanitary facilities, or only one of either, then the rent may not exceed 75% of the fair market rent (FMR) for a zero bedroom unit.

Question 13.

Can you use PSH capital dollars to convert units to PSH?

Answer:

You can use PSH and HTF funds for rehab to convert units to PSH, yes. Or if the units don't need development dollars, you can request PBRA/Services funding to convert the units operationally.

Question 14.

Can you explain what the Compliance Monitoring fee is when you are layering funds from different programs (i.e. LIHTC and PSH)?

Answer:

The monitoring fees are not stacked and the largest eligible monitoring fee is what is used. Therefore, if you are using both LIHTC and PSH, your monitoring fees would be \$25 per unit, not \$50.

Question 15:

If we don't have a confirmed General Contractor at the time of application, should we leave the section regarding the general contractor blank on the application, or input the name of the contractor who provided the estimate (knowing that it might ultimately be a different contractor)? And how should we answer the general contractor questions in the MWESB section?

Answer:

You can leave the General Contractor section in the application blank. But please answer the General Contractor-related questions in the MWESB section from the perspective of what you will require of and look for in your GC for the project.

Question 16:

Should the PSH service budget be pulled into the larger Operating Budget tab and shown as an income and expense? Or should it just be reflected on the PSH Budget tab?

Answer:

Please reflect you PSH services costs (not resident services costs) in the PSH Budget tab, not your Operating Proforma.

Question 17:

If there is no "must-pay" debt, what is your underwriting requirement?

Answer:

If there will be no permanent debt on the Project, a positive cash flow is required to be maintained through the 30-year pro forma period.

Question 18:

Site control and zoning are threshold items. Do these thresholds apply at preapplication deadline or application deadline?

Answer:

These requirements do not apply at pre-application, but final application submissions must show proper zoning and site control.

Question 19:

There is no selection option for the new District 6. If we are in that district, what should we do?

Answer:

Please leave that blank and we will assume you are district 6, and we will update the data after the submission.

Question 20:

For the CSH Endorsement points, it seems CSH does not have the capacity to get those done for teams by the application due date. How will teams then get those points?

Answer:

These points are for teams who have already completed this. The points for this were mentioned briefly in the NOFA webinar and we are including the points going forward to encourage this level of engagement and ensure quality standards are being put in place, especially as there are increasingly more applications for projects that did not go through the Institute (but are coming from teams/developers who did) coming in for funding via the PSH NOFA. Many teams will not receive the points this year, but by setting the precedent now, teams can start thinking about going through the process for next year.

Question 21:

If the official address of the project changed (due to progress in the permitting process) between the pre-application and application, should we use the new official address?

Answer:

Yes, please use the new official address on the full application.

Question 22:

Does OHCS require SHPO 106 review, at application or upon award, if there is an existing building on our site older than 50 years?

Answer:

Federal Environmental Review regulations for HTF funding require SHPO consultation and conformance prior to commitment of HTF resources or prior to undertaking any choice limiting actions, as specified on page 11 in the 2023 HTF Program Manual.

Question 23:

Does OHCS need the architect's 504 certifications upon application or award?

Answer:

Architectural 504 certifications are included in the Core Development Manual (CDM) forms that are required to be submitted prior to finance close for HTF funding.

Question 24:

Do we need to submit the zoning form if we can submit evidence of permits or if we have submitted zoning forms previously on the project?

Answer:

Yes, the zoning form is required for every project submitting a PSH NOFA application.

Question 25:

On page 22 of the NOFA (4.3.A) 10 points are available for projects utilizing PSH capital under certain thresholds. Can we assume projects that aren't requesting PSH capital will be awarded these 10 points? Or are these points replaced via 4.3.H?

Answer:

Projects not requesting PSH or HTF development capital are not eligible for 4.3A points. Projects just seeking rental assistance and/or services funding would instead be receiving points from 4.3H. Teams seeking development capital are not eligible for those. So yes, it is one or the other.

Question 26:

If projects assume LIHTC, when can we expect to be able to apply in the autumn of 2023? And how long can we expect the application process to take (estimating award date for timeline)?

Answer: PSH projects requesting 4% that are awarded will be auto placed into the queue for rankings during the next open 4% application period. LIHTC 4%'s intention is to prevent duplicative work. If projects are coming in with full apps for PSH NOFAs, then those applications requesting 4% PAB will be placed in a queue for consideration in the Q1 (April) 4% PAB offering. If they don't rank high enough to for whatever reason – i.e. closing beyond those allowed during the window, unbalanced sources and uses, or another readiness issues – projects would be advised to update their materials and apply in the tentatively scheduled Q3 (2nd) offering of 4% PAB. Projects under consideration for the 2023 PSH or LIFT NOFAs should NOT also submit application materials for the Q1 2022 4% PAB offering.

Question 27:

Since the tax code ramifications of a more extended developer fee repayment do not exist when LIHTC is not used, can a deferred developer fee repayment extend beyond 15 years?

Answer:

Our underwriting guidelines state that deferred developer fees should demonstrate the ability for repayment by year 15. Projects can extend past this but you will not receive the 1 point allotted to this item in the Financial Viability section (4.3D, iv.)

Question 28:

If a project is in a flood plain and this situation can be managed through design and insurance, what documentation is necessary to illustrate the approval path and status?

Answer:

It is important to refer to the CDM and to note construction and other activities in the floodplain are to be avoided when practicable. If there are no practicable alternatives to new construction or substantial improvement in the floodplain, the structure should be elevated at least the base flood elevation (BFE) or floodproofed to one foot above the BFE. Elevated and floodproofed buildings must adhere to National Flood Insurance Program standards. For documentation of mitigation, projects often submit FIRM map updates when the project is no longer in the floodplain. For application needs, just describing the mitigation plan in the Site Review checklist is acceptable.

Question 29:

In the instructions tab for the PSH NOFA, it instructs us to fill out the 4% application and smart survey. If we plan to apply for 4% LIHTC to supplement our PSH project, do we need to complete that separate application and survey before March 30, or do you want us to simply use the 4% LIHTC tabs in the existing PSH NOFA to show our 4% calculation?

Answer:

PSH applications seeking 4% in their application do not need to complete a separate 4% application and survey. Please just fill out the 4% information in the PSH application (the LIHTC tabs in the excel application) so that we can use that information for application consideration.

Question 30:

On the Services Budget worksheet in cell A7 it says “Approved by OHCS Program Manager on (date).” Is there something that needs to be sent in and approved ahead of the application due date for this?

Answer:

No, please leave this cell blank.

Question 31:

Our project will convert a hotel, currently used as shelter housing (Project Turnkey), to permanent supportive housing. It is our understanding that relocation benefits through URA would not apply for shelter occupants. The county, who currently owns the property, has been working with shelter occupants to find permanent housing or other shelter housing, and the building will be vacant before we start rehab. Is a relocation plan and tenant survey necessary for this project?

Answer:

All projects must complete the HTF supplemental (whether you are requesting HTF or not), but hotel/shelter conversion would not have any technical tenant survey/relocation plan requirements. That being said, OHCS will still need to understand what the plan is for moving hotel/shelter occupants out. You can provide an attachment with a short response, or describe this in the Rehabilitation Scope of Work question in the application under “financial assumptions”. If funded, we will need to approve a relocation plan during underwriting.

Question 32:

Under “financial viability” it states that the Developer fee must be within OHCS allowances for product type and size. For projects leveraging PSH funds and no LIHTC which column should the team utilize?

Answer:

The chart in the application is the one you should refer to, not the GPGM (we are working on updating this). See below. Please note there is a lack of comma after “PSH”, which can be confusing and seeming like this refers to PSH projects with 4%. But in fact, this is for any PSH project that is new construction.

Project Size	4% LIHTC (without LIFT) New Construction	4% LIHTC Acquisition/ Rehab	9% LIHTC / HOME / Gap / AWHTC / PSH or LIFT (with 4% LIHTC) New Construction	9% LIHTC / HOME/ Gap / AWHTC / PSH Acquisition/ Rehab	LIFT New Construction
<31 Units	20%	22% + \$4,000/unit OR + \$5,500/unit for Preservation	18%	20% + \$4,000/unit OR + \$5,500/unit for Preservation	16%

31-75 Units	18%	20% + \$4,000/unit OR + \$5,500/unit for Preservation	16%	18% + \$4,000/unit OR + \$5,500/unit for Preservation	14%
76-100 Units	16%	18% + \$4,000/unit OR + \$5,500/unit for Preservation	14%	16% + \$4,000/unit OR + \$5,500/unit for Preservation	12%
101+ Units	14%	16% + \$4,000/unit OR + \$5,500/unit for Preservation	12%	14% + \$4,000/unit OR + \$5,500/unit for Preservation	10%