

Land Acquisition Revolving Loan Program Frequently Asked Questions

Question: Would a Letter of Intent suffice for a LAP application? They have worked for NOFAs and other funding offerings at other jurisdictions.

Answer: No, a binding contract (I.E. a purchase and sales agreement or purchase option) is required for OHCS to move an application forward for Finance Committee approval and loan document preparation.

End of new Questions

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Question: Our organization purchased some land last year. Can we create the single asset entity for developing the project and use LAP funds to “purchase” the property and pay off the loan used to originally pay for the land?

Answer: No, that’s not an allowable use for LAP funds. Please see section 1(B)(6)(A), Other LAP Criteria and Requirements: Purchase Sale Agreements.

Question: Can the LAP loan be utilized for property due diligence and/or design feasibility, in the case where a property does not yet need to be acquired?

Answer: No, that’s not an allowable use for LAP funds. Please see section 1(B)(6)(A)-1(B)(6)(C).

Question: The LAP Program Manual references the two-step application process, starting with a pre-application. Is that still the case, and we are waiting for the LAP pre-app to be posted? OR do we use the old Application and Checklist currently on the LAP webpage?

Answer: A pre-application for LAP will be posted on April 1, 2022, when the fund is open for applications again. The narrative responses from the Manual should be provided in separate word document.

Question: What is a cost reimbursement agreement?

Answer: This is an agreement between parties in a construction project that guarantees the owner reimburses the contractor for costs incurred while they work on a project.

Question: How much urban LAP resources are currently available?

Answer: The LAP webpage has the most up to date information about what is currently available in each set aside: <https://www.oregon.gov/ohcs/development/Pages/land-acquisition-revolving-loan.aspx>

Question: How long will it take to get through the loan process—from loan application through review/approval and loan closing?

Answer: This is intended to be a faster moving process than a competitive application process. It will take approximately 60-90 days from application to closing if there are no unusual situations associated with the application.