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| **Section B: General Conditions**  **General Conditions** | | | | | | | | | |
| **No.** | **Condition** | | | **Notes** | |
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|  | **Prompt and Complete Responses**  Sponsors are expected to provide information and respond to questions from OHCS personnel in a prompt manner and with complete information. Information or change in status affecting the Project must be shared immediately with the OHCS Production Analyst including, but not limited to: site concerns, change in financial structure or Project cost, changes in ownership or design or issues affecting the Project schedule. OHCS requires the opportunity to approve or reject proposed changes. Changes made without notification and consent of OHCS could result in revocation of OHCS funds.  **Charge** | | |  | |
|  | **Acknowledgement of Oregon Housing and Community Services**  Oregon Housing and Community Services shall be listed by name on all materials including all media coverage where the Project contributors are listed or named.  **Charge** | | |  | |
|  | **Release of Developer Fee**  OHCS may approve release of up to 50% of the total developer fee when the project has reached 50% completion of construction. This must be evidenced by an AIA statement signed by the project architect. OHCS may approve release of the balance of the developer fee at its sole discretion subsequent to issuance of one or both of the items as checked below:  **☐ Certificate(s) of Occupancy**  **☐ Notice of Substantial Completion**  **Charge** | | |  | |
|  | **Change in Developer Fee**  The developer fee will be set at the time of the construction/equity closing based on the project’s final budget after construction bids have been accepted and final sources and uses have been balanced. **The fee presented in the final pro forma at completion of the project may not exceed the amount previously approved at the construction/equity closing.**  **Charge** | | |  | |
|  | **Standardization and Sufficiency of Legal Documents**  All Project approvals and funding are subject to the successful execution and recording of related documents satisfactory to OHCS and the Oregon Department of Justice (DOJ). If Applicant requests negotiation of any OHCS-required document including, but not limited to, requesting any changes to the documents or the inclusion of other documents, they must pay such charges as may be assessed by OHCS with respect to its reasonable legal and administrative costs with respect to such requests.  **Charge** | | |  | |
|  | **Eligible and Non-Eligible Expenses Covered by OHCS Resources**  Sponsor has reviewed the Eligible and Non-Eligible Costs Sheet on the OHCS website under RCL Attachments.  **Charge** | | |  | |
|  | **Post Development**  Sponsor and Project owner agree to provide as required for the agreed upon period of affordability, annual income and operating expense reports, data collection and other information required by OHCS for compliance monitoring and asset management of the completed Project.  **Charge** | | |  | |
|  | **Project Change**  OHCS will only consider project specific changes when it can be demonstrated that they are necessary for the project to move forward. Any proposed changes must be submitted in writing to OHCS staff. Any changes are subject to OHCS’s sole discretion. Applicants must allow adequate time for review and comment by OHCS. All changes must be expressly approved by OHCS, prior to execution and recording.  **Charge** | | |  | |
|  | **Master Lease Agreement Approvals**  Any master lease agreement that is recorded or otherwise must be approved by OHCS in writing prior to execution. By signing this RCL you agree to this condition from the date of signature through the end of the project’s affordability restriction period.  **Charge** | | |  | |
|  | **Minority, Women’s and or Emerging Small Business (MWESB) Engagement**  All Applicants will be required to identify Equity Plan to contact and contract with COBID certified contractors and subcontractors for bidding opportunities in the construction and operation of the proposed Project. MWESB engagement efforts should include Contractors, Sub-contractors, Engineering, Architectural, Planning, Legal Assistance and Management Agents.   1. Awardees will be required to submit a report to OHCS, demonstrating outcomes of MWESB bidding opportunity efforts, contracting and sub-contracting efforts 2. Applicants will be required to provide a profile of the General Contractor and Management Agent including history of addressing racial and equity, summary of marketing, culturally relevant Publications, and Organizations, efforts addressing racial and equity goals utilized in leasing Plan. 3. Applicants will provide plans to offer culturally relevant resident services addressing Racial and Equity goals, marketing plans relative to area demographics.   **Charge** | | |  | |
|  | **MWESB Requirements**  The MWESB Equity Matrix Quarterly Report must be completed and submitted at various points through the life of the project, including:   * At project construction close * Each calendar quarter, after construction close * Project final application after construction completion     All NOFA awardees and Tax Credit Projects (including 4% LIHTC projects) are required to submit the MWESB Equity Matrix Quarterly Report at final application  These matrices and the MWESB Compliance Manual can be found on the OHCS website at: <https://www.oregon.gov/ohcs/development/Pages/mwesb-sdvbe-rental-housing.aspx> | | |  | |
|  | **Underwriting Pre-Closing Phase** | | |  | |
|  | **NOFA Recipient Charge**  Due with the return of this original executed Reservation Letter to OHCS.    **NOTE: Digital submissions are acceptable Action** | | |  | |
|  | **Initial Conference Call**  Scheduled a conference call with Production Analyst within **5 days** of executing this letter.  **Action** | | |  | |
|  | **Business Partner Calls**  Scheduled first business partner call (Including OHCS Production Analyst) within **30 days** of the date of this letter but no later than **90 days** before construction closing.  Business Partner Calls are to include all identified business partners (i.e. OHCS, consultant, lenders, and investor (if applicable). The inclusion of the OHCS Production Analyst is a requirement. Failure to include the Production Analyst in the Business Partner Calls can be justification for rescinding the reserved OHCS funds.  **Action** | | |  | |
|  | **Updates to Project Schedule**  Provide updates to the project schedule as the schedule changes.  Describe reason(s) for changes and any plans to mitigate.  **Charge** | | |  | |
|  | **Construction Budget Updates**  Update Uses of Funding when costs change – include all cost estimates within 10 days of new estimates.  Re-examine both construction cost and total Project cost estimates, consider any local jurisdiction design review. If applicable, include written verification from the contractor or third party cost estimator to substantiate construction costs. If costs have changed, submit revised Sources and Uses spreadsheets. Include a written narrative describing the changes in costs and the plan for addressing them. The OHCS Production Analyst will review this information and may request additional measures be taken to reduce Project costs.  **Charge** | | |  | |
|  | **Operating Budget**  Provide written confirmation that rents, income levels and expenses indicated on the pro-forma budget pages of the submitted NOFA application have remained constant prior to issuance of any OHCS legal documents.  If changes have occurred, write a narrative and revised pro forma budget to describe changes and why the changes are necessary. **Please note:** OHCS may authorize or deny any income or rent level changes. If approved, OHCS will consider this to be the final income and rent restrictions for the Project, and will develop restrictive covenants and agreements based upon this information.  **NOTE: Assurance the Project rents are still at the levels indicated in the application is an expectation.**  **Action** | | |  | |
|  | **Appraisal ordered by lender**  FIRREA compliant Appraisal ordered by lender.  Request all applications make OHCS an intended user.  **Action** | | |  | |
|  | **Non-OHCS Funding Sources [or] Firm Commitment of All Funding Sources**  Submit status of all sources shown as uncommitted on NOFA Application Sources Page.  For each of the following non-OHCS funding source(s): supply evidence no more than 6 months older than the date of this letter, either the firm commitment, the review status or evidence of a formal application submittal and describe the remaining submission criteria.  **NOTE: The HOME/HTF Program requires firm commitment of every funding source prior to issuance of HOME/HTF loan or grant agreements. Action** | | |  | |
|  | **DUNS Number**  Register and provide evidence of registration through the Central Contractor Registry.  Registration in the Central Contractor Registry for receipt of a DUNS number is a requirement of receiving federal resources either directly or indirectly by all involved recipient entities.  Verification of the registration is required prior to disbursement of funds.  Maintaining a DUNS number through the course of development is required.  **Action** | | |  | |
|  | **Review By State Lands (DSL)**  Applications reserved funding will be reviewed by DSL for the possibility of regulated wetlands. OHCS will complete the submission of documents to DSL. If the review finds wetlands are present or likely to be present, wetland verification and boundary delineation by a qualified wetland consultant for submission and review by DSL is required. Additional site or design requirements made by DSL must be incorporated into the Project.  **Action** | | |  | |
|  | **Underwriting Closing Phase** | | |  | |
|  | **Electronic Funds Transfer (EFT) / Account Clearing House (ACH)**  An ACH set-up form must be completed and submitted for EFT deposits to recipient’s account(s).  Submit the completed OHCS provided form by mail **(at least** **14 days)** before submission of a draw request to the OHCS Financial Department as instructed on the ACH form. Checks will not be issued for Grant Disbursements.  **Download the ACH Electronic Deposit form from the RCL Attachments website and submit the executed form as instructed on the form.**  **Action** | | |  | |
|  | **Additional Review during Construction**  In an effort to ensure long term viability of rehabilitation work, OHCS has begun implementing additional reviews during substantial construction or rehabilitation work for any property within the state housing portfolio.  During the course of most major rehabilitation work OHCS will be reviewing partner submitted items which may include AIA contracts and/or contracts between the Owner & General Contractor and the Owner & Architect, continuation sheets, change orders and copies of any sign off by the architect and/or engineer or other inspector for the work completed as these are provided to the partner.  It’s important to note that this is standard practice with any and all projects which have received funds from and are being regulated by OHCS.  **Charge** | | |  | |
|  | **Board Resolution**  Submit Board Resolution if it was not included with the NOFA Application.  **Action** | | |  | |
|  | **Project Based Rental Assistance**  Submit documentation to confirm assistance from responsible agency.  Provide type of assistance, number of units to receive assistance and duration of contract.  **Action** | | |  | |
|  | **Entity Documents**  Print “Entity Documentation” from the RCL Attachments website. Additionally, provide a copy of the Oregon State Registry, Taxpayer Identification Number and Organizational Chart for Each Entity in Project.  **Action** | | |  | |
|  | **Signature Block**  Provide a signature block with notary space prepared by legal counsel and submit to the OHCS Production Analyst for use in OHCS’ legal document(s).  **Action** | | |  | |
|  | **Escrow for Closing and Recording**  Open Escrow Account or arrange a Courtesy Signing through local title company.  Provide title company name, agent name, escrow number assigned, phone number, mailing address and e-mail address. All OHCS legal documents requiring recipient signatures must be executed and conducted through the title company representative.  **Action** | | |  | |
|  | **10% of Funds Held Until Final Requirements are Met**  OHCS will withhold up to 10% of the largest grant or loan awarded to the Project through the course of development. The balance of funds held will be released after all conditions of this letter are met and final required close out documents are received and approved.  **NOTE: If this is an OHCS funded HOME/HTF Project, then, 10% of the HOME/HTF funds will be withheld, even if HOME/HTF was not the largest OHCS funding source.**  **Charge** | | |  | |
|  | **Management Agent and Resident Services Plan Packet**  A management agent packet and resident services plan must be submitted and approved prior construction close. Submit your completed Management Agent Packet **60 days** prior to construction closing.  **Download the Management Agent and Resident Services Plan Packet from the RCL Attachments website and submit the executed form as instructed on the form.**  **Action** | | |  | |
|  | **Affirmative Fair Housing Marketing Plan**  Sponsors with projects containing five (5) or more units must affirmatively market units before renting them. Affirmative marketing differs from general marketing activities because it specifically targets potential tenants who are least likely to apply for the housing, in order to make them aware of available affordable housing opportunities. Sponsors are required to take steps to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area to the available housing.  If the population of the project is all special needs: Projects serving special needs populations must also meet the requirements regarding affirmatively marketing the units before renting them. Although preference may be given to a specific special needs population, the units must be marketed to all persons within the special needs group. The units MAY NOT be filled exclusively through referrals from a single social service agency.   1. **Download the Affirmative Marketing Policy form from the RCL Attachments website and submit the executed form.** 2. Complete and submit an Affirmative Fair Housing Marketing Plan utilizing HUD form HUD-935.2A (2/2011).   **Action** | | |  | |
|  | **Fair Housing Act**  Research The Fair Housing Act to verify the project compliance and **submit** the Fair Housing Resolution found on the RCL Attachments website.  Display of the Fair Housing name and/or logo is required at time units are marketed or promoted.  **Action** | | |  | |
|  | **Project Closeout Phase**  **Also see Section C: Core Development Conditions for additional Project Closeout Phase Conditions. This Sub-Section of Section B is a partial list of Closeout Phase Conditions. Additional conditions will apply. OHCS Staff will provide additional guidance on Closeout Phase conditions when the Closeout process commences.** | | |  | |
|  | **Final Sources and Uses**  Submit notarized Final Sources and Uses spreadsheets.  **Action** | | |  | |
|  | **Updated Owner and Project Information**  Update and then submit Applicant and Project Information Section (Part 3 of NOFA application)  **Action** | | |  | |
|  | **Title Company Update**  Submit a title company “Listing Packet” (vesting document, map and tax information) which is less than 30 days old from the date of Project completion.  **Action** | | |  | |
|  | **Photos of Completed Project**  Submit photos of the completed Project in electronic form.  **Action** | | |  | |
|  | **Final Documents**  If the ownership entity will be different than the entity to which funds were reserved, OHCS will provide an Assignment and Assumption Agreement for recording. The agreement will transfer to the owner the restrictive covenants and other grant or loan terms of the funding documents.    **Charge** | | |  | |
|  | **Administrative Notebook**  Develop an administrative notebook that is available on site for management use which contains copies of:   1. Current year rent, income limits and utility allowances (adding subsequent limits as they are issued) 2. The executed project use agreements and restrictive covenants for each OHCS grant, loan or tax credit resource provided to the Project 3. 8609s (if Project received LIHTC) 4. Current resident services plan   **Action** | | |  | |
|  | **HOME/LIHTC Specific Conditions**  Both programs have specific closeout requirements. Notification of the forms and documents required for program closeout procedures will be sent by the OHCS Production Analyst at percent 75% of construction completion.  **Charge** | | |  | |
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| **Section C: Core-Development Conditions** | | | | | | | | | |
| **Core-Development Conditions are conditions that relate directly or closely to the Department’s Core Development Manual (CDM).** | | | | | | | | | |
| **No.** | **Applies To:** | | **Condition** | **Notes** | |
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|  | **All Projects** | | **OHCS Core Development Manual (CDM)**  **Review and make project team aware of the CDM and its requirements:**  Sponsor’s Team has read and agrees to abide by the project requirements as defined by the specific version of the Agency’s CDM that applies to this project. The version of the CDM that is applicable to this project is given in the NOFA under which funding for the project has been conditionally reserved by OHCS. Versions of the CDM, including the version that is applicable to this project are available for viewing and download on the Department’s website.  **Important:**  **The CDM contains critical Core-Development document submittal and task requirements that are additional to those listed in this Section of the Department’s Reservation & Conditions Letter (RCL).**  **Charge** |  | | | | | |
|  | **HOME/HTF**  **Only** | | **HUD Property Standards**  **Understand and Comply with Project Owner Obligations connected with HUD funding.**  Background:  Projects receiving federal funding must comply with HUD “Property Standards” as defined by CFR 24.251 a) and b) which includes but is not limited to, project compliance with the Accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and requires the Project Owner to allow periodic Department access to the site for the purpose of observing construction. Project compliance with all requirements of Level 1 Applicability per Chapter 1.3 of the CDM satisfies this requirement.  **Charge** |  | |
|  | **All New Construction and All Change of Use Projects** | | **Preliminary Land-Use (Planning/Zoning) Review Meeting**  **Submit an Owner’s Preliminary Land-Use Review Meeting Statement:**  Provide a written statement/summary with a title as given above, summarizing the Development team’s meeting with the applicable planning authority. Provide the date the meeting was held, the parties attending and the outcome. Discuss the plan to address any actions that may be required by the planning authority and provide a timeline for completing those actions. In cases where the Development Team has determined a meeting with the planning authority is not necessary, the statement must briefly indicate the rational for this decision.  **Action** |  | |
|  | **All New Construction and All Change of Use Projects** | | **Land-Use Decision**  **Submit Land-Use Decision Documentation and Owner’s Land-Use Decision Statement:**  (Applies only when a Land-Use Decision is needed or proposed as part of the proposed project design).  If a land-use decision has been rendered or if one is needed on the project, provide a copy of the land-use related request and the decision that was rendered by the planning authority. In cases where a decision remains pending at **45 days** from RCL issuance, provide an Owner’s Land-Use Decision Statement giving the current status, reasons for why the decision is still pending and a timeframe for completion. Provide supporting documentation from the applicable planning authority as evidence of the status of the decision process.  Land-Use actions/decisions include but are not limited to variance requests, conditional use permits, land-use appeals.  **Action** |  | |
|  | **All Projects** | | **Environmental Assessment-1**  **Submit Environmental Site Assessment (ESA) Reports and Owner’s ESA Statement:**  **Note**: ESAs are not to be confused with Environmental Reviews required for some federally funded projects.  Phase I (and Phase II, if applicable) ESA reports must be dated no earlier than 180 days prior to the NOFA Application deadline. In addition to the ESA reports, provide an Owner’s ESA Statement, that lists all items identified by the ESA that should be addressed by the project and provide a brief description of how the project addresses the Identified items or issues.  **Action** |  | |
|  | **All Projects** | | **Environmental Assessment-2**  **Submit Environmental Site Assessment (ESA) Updates (as applicable) and Owner’s ESA Statement Update:**  When ESA report updates are requested by a project stakeholder the update must also be submitted to the Department at the same time it issued to the party requesting the update. Additionally, an Owner’s ESA Statement Update must be submitted with the updated ESA report summarizing any changes in the ESA since the last update.  **Action** |  | |
|  | **All Projects** | | **Owner’s Certificate(s) of insurance**  **Submit a Copy of the Owner’s Certificate(s) of Insurance**  Certificates must show Project Owner carried insurance as required by the CDM, Chapter 5.2, Sections 5.2.09a and 5.2.09b as applicable.  **Action** |  | |
|  | **All Projects** | | **Preliminary Title Report-1**  **Submit Preliminary Title Report:**  The report must have an effective date of no more than **60 days** prior to issuance of the Department’s Reservation and Conditions Letter. The report must include escrow company contact information, access to or copies of exceptions and the vesting deed, legal description, and a plat map of the subject site(s). If an ALTA survey has been completed, submit a copy to the Department.  **Action** |  | |
|  | **All Projects** | | **Preliminary Title Report-2**  **Submit Preliminary Title Report Updates:**  When Preliminary Title Reports are updated, provide the updated report including any applicable exceptions to the Department. Sponsors must be sure that the Department is included in the escrow company’s distribution list to insure that any such updates are automatically sent to the Department as they occur.  **Action** |  | |
|  | **All New Construction Projects** | | **Geotechnical Evaluation**  **Submit Geotechnical Evaluation Report:**  Report must be dated no earlier than **12 months prior** to issuance of the Departments Reservation and Conditions Letter.  **Action** |  | |
|  | **HOME/HTF**  **Only** | | **Storm-Water Management**  **Submit a Storm-Water Management Site Plan:**  **Must be submitted within 45 days of issuance of the Reservation & Condition Letter.**  The plan must show how storm-water will be managed. The plan will be reviewed by the Department and a number of other governmental agencies.  Background:  Section 7 of the Endangered Species Act mandates that actions funded with federal resources do not jeopardize the continued existence of plants and animals that are listed or result in the adverse modification or destruction of designated critical habitat. In some cases the storm-water management plan must be reviewed and approved by the U.S. Fish and Wildlife Service and NOAA Fisheries.  **Action** |  | |
|  | **All Projects** | | **Prevailing Wage Regulations-1 (Oregon): BOLI Wage Determination Letter**  **Submit BOLI Determination Letter and Owner’s BOLI Wage Statement**:  If the project is determined to be subject to BOLI wage rates, then in addition to the Determination letter, provide an Owner’s BOLI Wage Statement acknowledging the project budget has been based on this requirement.  **Action** |  | |
|  | **HOME/HTF**  **Only** | | **Prevailing Wage Regulations-2 (Federal): Davis-Bacon Act**  **Submit an Owner’s Davis-Bacon Wage Statement:**  Submit a statement describing the Project Team’s plan to manage and monitor the Davis-Bacon requirements for the Project, including who will be responsible to submit documentation to OHCS.  Background:  Based on the amount of HOME funding in the Project and the corresponding number of required HOME-assisted units, the Department has determined that thisproject may be subject to Federal Labor Standards, including but not limited to Davis-Bacon Prevailing Wage Rates, the Contract Work Hours and Safety Standards Act, as well as HUD requirements pertaining to such contracts and the applicable requirements of the regulations of the US Department of Labor governing the payment of wages and the ratio of apprentices and trainees to journeyman. All required documentation such as weekly payroll records, reports, and contracts must be submitted to the OHCS Production Analyst .  **Action** |  | |
|  | **All Projects** | | **General Contractor Status-01: CCB Search Results**  **Submit Documentation of Oregon Construction Contractor’s Board (CCB) Status**  Documentation must demonstrate that there are no current or prior unresolved complaints.  **Action** |  | |
|  | **HOME/HTF**  **Only** | | **General Contractor Status-02: Excluded Parties List**  **Submit Contractor Not Debarred Documentation:**  Submit documentation taken from the website given below confirming that the General Contractor who will be awarded the contract for construction is not listed on the US General Services Administration’s Excluded Parties List System of debarred contractors. The Excluded Parties List System can be accessed on line at: [www.sam.gov](file:///C:/Users/kburgee/Desktop/CDD%20Reservation%20Letter/www.sam.gov).  **Action** |  | |
|  | **All New Construction Projects** | | **Third Party Cost Estimate**  ***[Note: This requirement is suspended for this NOFA].***  **~~Submit a Third Party Cost Estimate:~~**  ~~Submit a third party construction cost estimate complying with the requirements given in the CDM. The Third Party Cost Estimate must be submitted to the Department’s Production Analyst no later than~~ **~~60 days~~** ~~prior to construction close.~~  **Action** |  | |
|  | **All Projects** | | **Owner’s DPP Closeout Report: Form A-CR**  **Submit completed Form A-CR:**  Include all **associated** documentation required by this form in the submittal. Form A-CR is located in Appendix C of the CDM.  **Action** |  | |
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| **Section D: GHAP and/or HDGP Conditions (Jointly referred to as Gap)**  **(General Housing Account Program / Housing Development Grant Program)** | | | | | | | | |
| **No.** | **Condition** | | | **Notes** | |
|  | | | | | | | |
|  | | **Release of Funds**  No funds will be released until the conditions are met unless pre-approved by OHCS and only for predevelopment activities as indicated under each Gap Program. NOTE: projects with HUD funding must ensure the project is ready to proceed with choice limiting actions prior to requesting the release of fund from any source.  **Charge** | | |  | | | |
|  | | **Recording of Agreement**  Gap Documents - Grant: Oregon Administrative Rules require grant terms and conditions be established in a grant agreement specific to the program. A grant agreement will be prepared at a later date with written instructions for the execution and recording of the document. It is required the grant agreement be recorded as an encumbrance against the Project property.  **Action** | | |  | | | |
|  | | **Timeline for Expenditures**  It is expected Gap funds will be expended for eligible Project-related expenses one year from date of this letter.  **Charge** | | |  | | | |
|  | | **Early Release of Funds**  Early Release of Gap Funds: OHCS **may** consider releasing Gap program funds prior to meeting all the General and Gap conditions only in the following instances and upon completion of the following:   1. Gap program funds used for predevelopment expenses can only be used to assist in meeting the General and HELP conditions (architectural, appraisals, etc.); and   Provide to the OHCS Production Analyst for OHCS pre-approval an expenditure plan indicating the amount of Gap Program funds required and the use of the funds.  **Action** | | |  | | | |
|  | | **Gap Unit Set-Aside Minimums**  The number of Gap set-aside units in the project will be the larger of the following;   * The number of Gap units set aside as designated by the applicant in the competitive NOFA application. * The minimum number of units stipulated by the applicable Gap subsidy unit allocation fraction as outlined in the GHAP Manual.   **Charge** | | |  | | | |
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| **Section E: LIHTC Conditions**  **(Low Income Housing Tax Credit)** | | | | | | | | |
| **No.** | **Condition** | | | **Notes** | |
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|  | | **LIHTC Reservation Agreement, Required Fee, and Hold Harmless Agreement**  A percentage of the annual tax credits reserved is required to be invoiced by OHCS. The fee is 9.5% of tax credit’s annual allocation. The charge is due and payable at the signing of the Reservation and Extended Use Agreement. If you select payment in the form of a check, make it payable to Oregon Housing and Community Services and attach it to the Charge Transmittal Invoice that will be provided to you. If you wish to arrange another method of payment, please contact me as soon as possible.  The "Hold Harmless Agreement" will be included in the REUA packet It should be signed and returned with the Reservation and Extended Use Agreement.  **Charge** | | |  | | | |
|  | | **LIHTC Market Analysis**  Provide market analysis **90 days** prior to construction close. The Analysis can be no more than six months old at the time of application or re-application Market analysis guidelines and approved analysts can be found at : <https://www.oregon.gov/ohcs/development/Documents/admin/market-analysis-guidelines.pdf>  <https://www.oregon.gov/ohcs/development/Documents/admin/approved-market-analysts.pdf>  **NOTE: Appraisals may include LIHTC Market Analysis section as part of the report so long as all applicable guidelines are satisfied to OHCS standards.**  **Action** | | |  | | | |
|  | | **Carryover Application Package**  All sponsors must complete the Carryover Application Package. The complete Carryover Application and required documentation must be received at OHCS’ office no later than **November 1, 2021** or a late charge of $1,000 will be assessed. An additional charge of $200 per business day after **December 1st, 2021** will also be assessed. If the application requires OHCS to re-review the application due to substantial changes, an additional review charge of $100 per hour may be assessed. A sample copy of the standard Carryover Application Package may be provided to you upon request.  **Action** | | |  | | | |
|  | | **Certification of 10 Percent Test**  **Submit 10% Certification**  Certification of the ten percent (10%) test must be provided by a third party tax professional such as a certified public accountant or a tax attorney before **December 15, 2022**.  **Action** | | |  | | | |
|  | | **Difficult to Develop Area/Qualified Census Tract**  If the Project is in a difficult to develop area, provide a map with applicable DDA county or qualified census tract identified to qualify for the 130% bonus or recalculated the annual non-acquisition portion of tax credits at 100% of costs.  **Action** | | |  | | | |
|  | | **Subsidy Layering**  OHCS will conduct between three and five Project evaluations to determine the credit reserved, committed and/or allocated to a Project does not exceed the amount necessary for financial feasibility. OHCS will conduct these evaluations at the following times:   1. Within 45 days of reservation letter 2. Upon any requests for an increase in the amount of reserved tax credits 3. Construction close 4. At the end of the allocation year for Carryover Agreement 5. After the building has been placed in service (final application)   OHCS reserves the right to adjust the amount of tax credit and/or other OHCS sources and to negotiate modifications to the proposed project plan and budget. OHCS shall have the authority to request additional information from the sponsor, as it deems necessary.  **Charge** | | |  | | | |
|  | | **Cost Savings Clause**  Construction contracts which include any provision for cost savings that are to be retained by the general contractor or split with the Project developer are not permitted.  **Charge** | | |  | | | |
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| **Section F: OAHTC Conditions**  **(Oregon Affordable Housing Tax Credit)** | | | | | | |
| **No.** | **Condition** | | | **Notes** | |
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|  | | **Lender Firm Commitment**  Submit a firm commitment of permanent loan financing **before construction closing** to ensure continued reservation of the credits. OHCS will provide the OAHTC Certification. This Certification qualifies the lender to claim the credits.  **Action** | | |  | | | |
|  | | **Ongoing Reporting**  The bank must submit an annual report to OHCS by May 31st of each year. A late fee of $100 will be charged for each full month the annual report is late.  **Action** | | |  | | | |
|  | | **Charges**  The bank must submit a fee equal to 5% of the annual tax credits claimed for the prior calendar year, which will be due and payable by May 31st of each year along with the annual report.  **Action** | | |  | | | |
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| **Section G: HOME Conditions**  **(Home Investment Partnership Program)** | | | | | | |
| **No.** | **Condition** | | | **Notes** | |
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|  | | **HOME Project Management**  Reviewed the HOME Program Manual located at: <https://www.oregon.gov/ohcs/development/Documents/HOME/manual-home-2016.pdf>  The HOME Program has specific provisions and time-lines that, if not followed, can result in loss of HOME funding for the project. Remain in contact with the OHCS Production Analyst to discuss the project schedule and any concerns you may have with regard to the requirements of the HOME Program.  **Action** | | |  | | | |
|  | | **NEPA Environmental Review**  HOME projects are subject to a satisfactory environmental review in accordance with the National Environmental Protection Act (NEPA). The environmental review process must be completed and a release of funds obtained from HUD before HOME funds are awarded to the project. Sponsors should not undertake any “choice-limiting” action or activity that could limit the project to the specific site, including site acquisition, physical development activities on the site, demolition, and/or construction work.  Doing so will jeopardize an award of HOME funds to the Project.  The OHCS Environmental Specialist will soon initiate the NEPA environmental review process. Sponsors may be contacted for additional information. When the review is finished, sponsors will be contacted about the results of the review and if necessary instructions for the publication of the Finding of No Significant Impact (FONSI).  The entire NEPA environmental review process can take as long as six (6) months, depending on the site.  **Charge** | | |  | | | |
|  | | **If Applicable: Publishing of Public Notice**  Publication of the FONSI notice provides a thirty (30) day period for citizens to comment on the project’s impact on the environment. At the end of the comment period, if no issues are raised through public comment, HUD will release the HOME funds. Sponsors should allow a minimum of fifty (50) days from time of publication for HUD to provide a Release of Funds. The time period will be longer if public concerns on the Project are raised.  **Action** | | |  | | | |
|  | | **HOME Loan to Ownership Entity**  OHCS HOME funding is awarded in the form of a loan, directly to the Project’s ownership entity.  HOME loans are offered with interest rates ranging from 0-1%, with annual interest only payments, and balance due at year 60. OHCS will determine the annual interest rate during subsidy layering review, based on multiple factors including financial feasibility, demonstrated economic viability such as sufficient cash flow, and the level of public benefit such as rent restrictions that are established below program requirements.  In the case of LIHTC funded Projects, HOME funding will be loaned to the limited partnership or limited liability company.  **Action** | | |  | | | |
|  | | **Recipient Experience and Capacity**  Submit documentation regarding recipient experience and capacity as listed below:  The HOME Program requires recipients to have the experience to administer the complex requirements of the HOME Program. The HOME Rule (24 CFR Part 92.250(b)) requires established guidelines for examining the developer/recipient’s capacity and fiscal soundness, and sufficient financial resources.  OHCS will examine the following:   1. Developer organizational experience 2. Current staff capacity based on project size, scope, complexity and type of development 3. Liquidity 4. Net Worth 5. Submit the following: 6. Description of experience and capacity to develop and own a HOME project; 7. List of all projects developed in the last 10 years, including the sources of funding; 8. Description of staff including names and experience level in housing development; 9. List of projects currently under development and explanation of how multiple projects will be managed; 10. Description of the Board or Principle Parties experience with regard to affordable housing operation. 11. Accountant prepared financial statements comparing two years of performance not more than two-years old. 12. Real Estate Holding Schedule with project contingent liability schedule not more than six (6) months old. 13. Company Contingent Liability Schedule and Credit Report.   **Action** | | |  | | | |
|  | | **Market Analysis**  Provide market analysis at least **90 days** prior to construction close. Market analysis guidelines and approved analysts can be found at  <https://www.oregon.gov/ohcs/Pages/multifamily-housing-tax-credit-lihtc.aspx>  NOTE: Appraisals may include LIHTC Market Analysis section as part of the report so long as all applicable guidelines are satisfied to OHCS standards.  **Action** | | |  | | | |
|  | | **Designated HOME Assisted Units**  Subsidy Layering analysis will determine the number of designated HOME-assisted units required in the Project.  Once an updated Contractors Cost Estimate and revised Proforma have been submitted and approved, OHCS will complete the HOME Subsidy Layering analysis and you will be notified of the number and type of designated HOME units for your Project.  Sponsors must also designate the HOME assisted units as fixed or floating. “Fixed” units remain the same throughout the period of affordability. “Floating” units change but each substituted unit must be comparable in terms of size, features, and number of bedrooms to the originally designated HOME-assisted unit.  All projects are eligible to have a fixed units designated as HOME assisted units. OHCS will allow floating unit designations when possible for the project.  **Charge** | | |  | | | |
|  | | **Additional Funding**  As part of the subsidy layering review, OHCS must be immediately notified if additional funding, governmental assistance or any other form of financing besides that listed in the current Sources of Funding is obtained for this project.  **Charge** | | |  | | | |
|  | | **CHDO Development Capacity**  Submit CHDO Certification documentation as requested.  The HOME Program Final Rule establishes requirements for CHDOs receiving set-aside HOME funding for projects. CHDOs receiving HOME set-aside funds must be Certified at the time the funds are awarded. must demonstrate development capacity by submitting documentation of the following:   1. The CHDO has “paid staff” with multi-family housing development knowledge, skills and experience who are directly responsible for this project (does not include board members, volunteers or consultants), and 2. The CHDO has “paid staff” experienced in developing multi-family projects of the same size, scope and level of complexity as this project, and 3. The CHDO has complied with sound financial and fiscal management practices as evidenced by documented compliance with 24 CFR Part 85 or an A-133 Audit as applicable.   CHDO Certification documents and a capacity assessment form will be sent under a separate cover.  **Action** | | |  | | | |
|  | | **CHDO Requirements**  Submit a Written Plan for Tenant Participation in Management of Project.  Community Housing Development Organizations (CHDO) are required to adhere to a fair lease and grievance procedure.  **Action** | | |  | | | |
|  | | **Eligible Predevelopment Expenses**  Provided Written Expenditure Plan for HOME funds that will be used to pay for predevelopment expenses.  If HOME funds are to be used for predevelopment expenses, sponsors must provide OHCS a Written Expenditure Plan indicating the specific use and amount of HOME funds. OHCS approval must be obtained for the Expenditure Plan prior to requesting the funds. Reimbursement with HOME funds is limited to the following costs:   * + - architectural     - engineering and design costs     - environmental studies     - zoning approvals     - inspections and testing for hazards,     - costs related to obtaining site options   Any of the above activities must not have a physical impact on the site. These expenses must be incurred within six (6) months of the initial application for HOME funding.  Reimbursement will occur after execution of the HOME Loan Agreement.  Provide a copy of Architectural Contract with HOME Contract Provisions Attached.  **Action** | | |  | | | |
|  | | **URA Seller Notices**  Notify seller of Market Value.  Prior to acquiring the property, sponsors must notify the seller of the market value (refer to URA sample letter 5C included in the NOFA Application) and the seller must sign the notice agreeing to sell the property for the lesser of the negotiated sales price or the AS-IS Market Value of the property. The seller-signed notification must be submitted to OHCS Production Analyst before the property is acquired, even if non-HOME funds are to be used for the acquisition.  **Action** | | |  | | | |
|  | | **Timing of Construction Contract Execution**  Provide a copy of Construction Contract with HOME Provisions Attached.  Construction costs incurred prior to execution of the HOME Loan Agreement are not eligible for reimbursement with HOME funds, including obligations incurred due to contractual agreements to perform work.  Do not enter into an agreement or contract that will be paid with HOME funds until a HOME Loan Agreement is executed.  **Charge** | | |  | | | |
|  | | **Federal Labor Standards**  Submit a statement describing plan to manage and monitor the Davis-Bacon requirements for the Project, including who will be responsible to submit documentation to OHCS.  Based on the amount of HOME funding in the Project and the corresponding number of required HOME-assisted units, the Project may be subject to Federal Labor Standards, including but not limited to Davis-Bacon Prevailing Wage Rates, the Contract Work Hours and Safety Standards Act, as well as HUD requirements pertaining to such contracts and the applicable requirements of the regulations of the US Department of Labor governing the payment of wages and the ratio of apprentices and trainees to journeyman. All required documentation such as weekly payroll records, reports, and contracts must be submitted to the OHCS Production Analyst .  **Action** | | |  | | | |
|  | | **Construction Sign Requirement**  Submit photos of the approved Project Sign, plus Fair Housing and EEO posters on display at the construction site.  HOME projects with construction costs in excess of $50,000 must have a project sign located prominently at the site. The sign must include the contribution of HOME funds under HUD in lettering no smaller than that used to acknowledge other contributors to the project. Use “HUD” rather than “HOME” when listing the project’s contributors. The sign is to be installed prior to construction and is to be maintained for the duration of the construction contract. Photos may be submitted as prints, color photocopies or digital images.  **Action** | | |  | | | |
|  | | **Section 3 Requirement**  Submit, in narrative form, the efforts to be taken to meet Section 3 criteria by providing economic opportunities to low and very low income persons residing in the targeted geographical area.  At completion of the project submitted records and provided reports on all Section 3 efforts.  Section 3 of the Housing and Urban Development Act of 1968 requires HOME recipients to direct jobs, training and contracting opportunities to businesses owned by or employing low and very low income residents Section 3 requirements, details and recordkeeping forms are included at:  <https://www.oregon.gov/ohcs/hd/hrs/cfcreserv/home_sec3procurementguide.doc>  **Action** | | |  | | | |
|  | | **MBE/WBE Requirement**  Submit, in narrative form, the efforts to be taken to provide maximum practicable opportunities for Minority Business Enterprise and Women Business Enterprise to participate as contractors and/or sub-contractors for the Project.  At completion of the project submitted records and provided reports on all MBE/WBE efforts.  HOME Regulations require that records be maintained to demonstrate compliance with MBE/WBE requirements.  To qualify for the MBE or WBE designation, businesses must be owned and controlled by not less than 51 percent minority or women ownership of the business, and the minority or women ownership must control the management and daily operations of the business.  **Action** | | |  | | | |
|  | | **Special Needs Housing**  Submit a written description of management of the units that adheres to conditions below:  HOME funded special needs projects must meet HUD’s definition of “housing” as opposed to “facility” as defined at 24 CFR Part 92.2.  In order to demonstrate the project will be operated as “housing”, a written description of management of the units must be submitted including that the residents will be offered a one (1) year lease developed in accordance with HOME lease requirements, and the project will be subject to Oregon Residential Landlord Tenant Act.  **Action** | | |  | | | |
|  | | **Fair Housing Resolution**  Submit the Fair Housing Resolution found at:  https://www.oregon.gov/ohcs/Pages/nofa-multifamily-housing-reservation-letter-attachments.aspx  It is to be typed on Board of Directors letterhead and signed by members of the organization’s Board.  **Action** | | |  | | | |
|  | | **Lead-Based Paint**  If applicable, submit Lead Based Paint Disclosure Notices.  HOME rehabilitation projects built prior to 1979 must issue a Lead Based Paint Disclosure form and brochure to each tenant household both at acquisition and as turnover occurs. These forms can be found at:  <https://www.oregon.gov/ohcs/hd/hrs/cfcreserv/home_lbpaintbrochure.pdf>  **Action** | | |  | | | |
|  | | **URA One-for-One Replacement Housing**  Submit all One-for-One Replacement Housing  Requirements.  All low-income housing whether occupied or vacant but could be occupied eliminated due to a new proposed project must be replaced. In addition to assuring replacement housing will be provided, there are specific public disclosure and submission requirements that must be met as a condition of the funding reservation prior to demolition of the structures and prior to execution of the HOME Grant Agreement.  Submit the following information to OHCS for approval:   1. A written description of the proposed Project; 2. The address, number of bedrooms and map location of any lower income housing that will be demolished as a result of this proposed project; 3. A time schedule for the commencement and completion of the demolition; 4. The address, number of bedrooms and map location of the replacement housing that will be provided (must be located in the same geographic area or neighborhood); 5. The source of funding and a time schedule for the proposed replacement housing; 6. The basis for concluding he replacement housing will remain lower-income housing for at least ten (10) years from the date of initial occupancy; 7. Information demonstrating the replacement units are sufficient in number and size to house no fewer than the number of occupants who could have been housed in the unit that was demolished or converted. (i.e. If a three (3) bedroom house is demolished, the Project replacing it must include at least one (1) three-bedroom unit).   Sponsors must maintain a complete set of the One-for-One Information at their office and it must be made available for public review upon request.  **Action** | | |  | | | |
|  | | **One-for-One Public Notice**  Submit a completed One-for-One packet to OHCS Production Analyst .  Once the One-for-One Replacement Housing information packet is completed, submit it to the OHCS Production Analyst for review. Once approved, sponsors will be instructed to publish a public notice in a newspaper of general circulation which identifies the replacement plan for the existing structures. Submit a tear sheet of the published notice to OHCS immediately upon publication. Publication costs will be reimbursed by OHCS.  **Action** | | |  | | | |
|  | | **URA Tenant Relocation – Temporary**  **Due Immediately**  If current tenants are caused to be temporarily displaced by any of the project’s acquisition, rehabilitation or new construction activities, these tenants are covered by the Uniform Relocation Act (URA). Compliance with URA requires submission of a current monthly rent roll **each month** from the time of NOFA application to completion of the project. Signed URA notices for every vacating and every new tenant must accompany the monthly rent roll. Examples of these forms, (2A and 2B), can be found in the HOME Program Description Section of the NOFA Application. The content of these notices is briefly explained as follows:   1. A General Information Notice for tenants whose future displacement status is unknown at time of NOFA Application (notice 1-A). These should have been completed prior to NOFA Application and copies included with the application. 2. After submission of the NOFA application, each new prospective tenant must be provided a notice informing him/her about the rehabilitation project prior to signing a lease or rental agreement. The notice advises the tenant that he/she will not qualify for benefits under URA. Failure to issue the notice can be extremely costly. Submit signed copies of this notice with each monthly rent roll. (Notice 2-A) 3. Documentation is necessary to show that each tenant who vacates after submission of the NOFA Application has done so voluntarily. A tenant may be evicted for cause, if properly documented, but not in order to avoid paying relocation assistance. Attach signed notices of intent to vacate from each tenant who moves with each monthly rent roll. The reason the tenant is vacating must be disclosed on the notice.(Notice 2-B) 4. Within 10 days of the execution of the HOME Grant Agreement, a notice must be issued to each tenant still in occupancy who was in occupancy on the date the HOME (NOFA) application was submitted. These notices will tell the tenant whether they will or will not be displaced by development activities at the project. (Notices 3-A, B, C as appropriate) 5. Temporary Moves: Arrange for temporary moves if necessary. Document temporary move notices and document all temporary-moving costs. Tenants must be given reasonable advance written notice, notified of the terms and conditions of the move and reimbursed for reasonable out-of-pocket expenses. 6. Develop and provide to both tenants and OHCS a written policy for reimbursements. Records must be kept for all arrangements made and tenants must sign a statement agreeing to the conditions offered. 7. Submit a final tenant survey (not rent roll) at construction completion/project closeout.   Information and technical assistance is available. Please contact the OHCS Production Analyst.  **Action** | | |  | | | |
|  | | **OHCS Anti-Displacement Policy**  **Permanent Relocation**  OHCS reserves the right to prioritize funding to projects with no permanent displacement. Displacement not only includes the physical displacement of persons, it also includes “Economic Displacement”. Economic Displacement means that as a direct result of the project, the existing tenant is not able to afford a new, higher rent for their unit.  The OHCS Anti-displacement Policy must be considered for all occupied properties. HTF Applicants are required to modify future rent increases in order to avoid Economic Displacement. Current Tenants who appear to be ineligible for new programs due to income restrictions may not be displaced. In an LIHTC funded project, the units must be removed from eligible basis  If OHCS approves permanent displacement, due to extenuating circumstances, the tenant is covered by the Uniform Relocation Act (URA). URA dictates a very specific process, each step of which must be approved by OHCS prior to notifying tenants. Required documentation of permanent relocation follows:   1. Tenant Survey (with NOFA Application and every month until tenant is relocated) 2. Updated Relocation Plan 3. General Information Notice (with NOFA Application and only for tenant in occupancy at time of NOFA application) 4. Verification of Tenant Income 5. Tenant Income Worksheet 6. Rental Agreement in current unit (or if no Rental Agreement, receipts or other verification of current rent payment) 7. Comparable Unit Form- HUD Form 40061 8. (comparable units must pass HQS and be available) 9. Calculation of Benefits (4 Box Grid) 10. Notice of Eligibility to Tenant 11. Ninety (90) Day Notice to Move 12. Rental Agreement on Replacement Unit 13. Utility Allowance Verification on Replacement Unit 14. Housing Quality Standards Inspection (HQS) on Replacement Unit 15. Moving Expense Claim Form - HUD Form 40054 16. Copy of Check paying Moving Benefits to Tenant 17. Signed verification of receipt of Moving Expenses by Tenant 18. Benefit Claim Form - HUD Form 40058 19. Copy of Check paying Relocation Benefits to Tenant 20. Signed verification of receipt of Relocation Benefits by Tenant   Information and technical assistance is available. Please contact your OHCS Production Analyst.  **Action** | | |  | | | |
|  | | **Expending of HOME Funds**  It is expected HOME funds will be expended for eligible Project-related expenses within one (1) year from date of this letter.  **Charge** | | |  | | | |
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**End Attachment A**