

# Local Innovation and Fast Track (LIFT)

## Program Factsheet

### Program Summary

The Local Innovation and Fast Track (LIFT) Rental Housing Program's objective is to build new affordable housing for low income households, in particular, families.

OHCS worked with the Housing Stability Council and program stakeholders to develop a plan to efficiently use the newly committed funds and maximize the impact it will have in communities across the state. Key to the LIFT Rental program design was identifying an effective way to use the Article XI-Q bond funding for housing development; these funds require the state to own or operate any real property development that utilizes this resource which has not yet been utilized in housing development investments made by the state

The primary goals of the LIFT Rental program are to create a large number of new affordable housing units to serve low income Oregonian families and to serve historically underserved communities, such as rural communities and communities of color.

Additional goals of the LIFT Rental program are to provide affordable housing units to serve families in service as quickly as possible. Serve families through rental housing earning at or below 60% County Area Median Income (AMI) and families in homeownership earning at or below 80% County Area Median Income (AMI as defined in ORS); focusing on service connections including but not limited to those from the Oregon Department of Human Services (DHS) child welfare or family self-sufficiency programs, Community Action Agencies, Coordinated Care Organizations, and Homeownership Centers. Also, identify building strategies that require lower state subsidy or results in a lower cost of affordable housing development.

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<p><b>Background</b></p>	<p>In 2015, the Oregon Legislature authorized and committed general obligation Article XI-Q bonds to fund low income housing projects through OHCS in the form of the LIFT Rental program. Using this new funding source will allow Oregon Housing and Community Services (OHCS) and its partners to add to the supply of affordable housing, in particular, for historically underserved communities. In 2017, the Oregon Legislature committed additional general obligation Article XI-Q bonds to fund LIFT.</p> <p>Article XI-Q Authorizes the State to incur indebtedness to provide funds to acquire, construct, remodel, repair, equip or furnish real or personal property that is or will be owned and/or operated by the State of Oregon.</p>
<p><b>Eligibility/Project Requirements</b></p>	<ul style="list-style-type: none"> <li>• LIFT Rental funds are eligible for any net increase to housing; this can be through new construction of homeownership or rental housing units or the repurposing of existing non-housing structures to be homeownership or rental housing units.</li> <li>• When used without 4% LIHTC, a minimum affordability period of 20 years from the time the project is placed in service, or the length of time the Article XI-Q Bonds are outstanding, will be required. When used with 4% LIHTC, a minimum affordability period of 30 years from the time the project is placed in service, will be required.</li> <li>• In LIFT Rental housing: 100% of the new units funded with LIFT Rental resources must be available for households earning at or below 60% AMI at the time of initial lease. Tenants may stay in their unit regardless of future income.</li> <li>• Minimum Construction Standards:             <ol style="list-style-type: none"> <li>1. Methods: Both traditional and alternative methods of construction are allowable; construction which is innovative or contains costs is encouraged.</li> <li>2. Quality: Construction that balances initial cost of building with on-going cost of operation for both the building owner and the tenants (energy standards); ensuring that additional costs are not passed on to tenants.</li> <li>3. Durability: 30 year building standards.</li> <li>4. Other Requirements: If other public capital or operating subsidy is used from any source, relevant requirements of those sources will be assumed to apply.</li> </ol> </li> <li>• Sponsors need to demonstrate that the development team has relevant experience with the development and operation of affordable housing.</li> </ul>

	<ul style="list-style-type: none"> <li>• LIFT Rental Developer Fee is capped at a rate 2 percentage points less than allowed through federal tax credit projects as defined in the most recent OHCS Qualified Allocation Plan.</li> <li>• Because the LIFT Rental program is to be funded with Article XI-Q bonds, OHCS is required to assume either an ownership or operational role with the properties that receive LIFT Rental funding.</li> <li>• OHCS retains certain rights including but not limited to the hiring and firing of the property management firm, setting of rents, initial lease up, and use of reserves.</li> </ul> <p>The State of Oregon, by and through Oregon Housing and Community Services (OHCS), will loan the LIFT Rental funds to the project in a first position wherein that first position could be shared with another primary lender and a repayment waterfall would be recorded along with the loan documents that establishes that the other primary lender receives any and all payment in advance of the state.</p>
<p><b>Fund Availability</b></p>	<p>Applications for LIFT Rental program funding are accepted as part of the department's Notice of Funding Availability (NOFA) application process. The NOFA awards funds that are subject to the solicited funding cap and has specific timelines for applications. Please contact OHCS for more information regarding the Department's NOFA process.</p>
<p><b>Learn More</b></p>	<p>Visit webpage for full program details at:  <a href="https://www.oregon.gov/ohcs/Pages/lift-housing-development-program.aspx">https://www.oregon.gov/ohcs/Pages/lift-housing-development-program.aspx</a></p>
<p><b>For more information, please contact:</b></p>	<p><b>Contact:</b>          Amy Cole, Program Analyst          Phone: (503) 986-6891          E-mail: <a href="mailto:Amy.Cole@oregon.gov">Amy.Cole@oregon.gov</a></p>