



STATE OF OREGON

HOUSING AND COMMUNITY SERVICES DEPARTMENT

Multiple Award Opportunity
Notice of Funding Availability (NOFA) #2019-4

Small Scale Projects and Large Scale Projects with Additional Veterans Subsidy

NOFA Issued Date: Sep 4, 2019
Application Due Date: Nov 4, 2019
Application Due Time: 4:00 PM PST

Version 1.0



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1) INTRODUCTION

a) **Background:** Housing Stability Council (HSC) members approved the 2019 funding calendar on October 5, 2018, which included offerings for large scale projects, small scale projects, and veterans. On July 12, 2019, HSC members approved a framework for a consolidated Notice of Funding Availability (NOFA) that included all three of these offerings with the detailed priorities and preferences described below.

i) **Consolidated Offering**

This consolidated NOFA offers two separate funding opportunities in a single procurement application process. The opportunities are identified either as large scale new development projects with 4% LIHTCs (“Large Scale Projects”) or as small scale projects with gap funds (“Small Scale Projects”). The qualifications for each opportunity are listed below.

ii) **Large Scale Projects (\$5 million)**

The intent of the Large Scale Project offering is to engage high capacity developers in producing units where they can respond to market opportunity and achieve economies of scale using the 4% tax credit along with modest additional subsidy. Executing such a production strategy will be a fundamental piece of OHCS’ Statewide Housing Plan goal of increasing our production pipeline to 25,000 units.

Historically, 4% LIHTCs have been prohibitive to rural regions due to lower rents and lower unit counts that constrain their ability to leverage the benefits of 4% LIHTCs. Bundling scattered sites has become a proven strategy for allowing rural projects to use 4% LIHTCs, and could be further facilitated by providing gap funding resources specifically dedicated for this use. OHCS’ 2018 4% LIHTC NOFA with Gap funds was over-subscribed but did provide adequate incentive for several urban and rural projects. Feedback OHCS received from the Document Recording Fee outreach sessions of late 2018 underscored that 4% LIHTC works well for new construction in urban areas, but even with local resources, there is sometimes a need for additional funds to close funding gaps. Pairing Gap funds with 4% LIHTCs allows OHCS to further policy goals by facilitating Large Scale Projects in both urban and rural areas.

iii) **Small Scale Projects (\$10 million)**

The intent of the Small Scale Project offering is to give opportunity to those projects that are not large enough to use the 4% tax credit but are meeting core affordable housing needs in the state. Because the 4% LIHTCs tends to work better in urban areas, this resource allows us to more heavily target production and preservation in rural Oregon, which is another core deliverable of OHCS’ Statewide Housing Plan.

Gap funds allow projects of any size to apply for resources, which has traditionally worked well for smaller rural projects. Feedback from OHCS conducted Document Recording Fee outreach sessions of late 2018 informed OHCS of the many hurdles that rural Oregon developments face in addition to the challenges that smaller projects face in receiving funding. This Gap-only offering is also linked to OHCS led capacity building procurements.

iv) **Veteran Gap resources to create set-aside units (\$4 million);**

The intent of the Veteran Gap resources is to serve veterans in communities across the state; increasing affordable housing opportunities that are set-aside to serve veterans is a need identified in the Statewide Housing Plan Needs Analysis. In addition, addressing veteran homelessness is a key strategy in the Homelessness Policy Priority of the Statewide Housing Plan. The funds OHCS receives from the Document Recording Fee include a set aside of funding for veterans within the rental housing program.

b) **Purpose:**

The State of Oregon, acting by and through its Housing and Community Services Department (“OHCS”), is seeking responsive applications (“Applications”) from applicants (each, an “Applicant”) in response to this Notice of Funding Availability (“NOFA”) for Large Scale Projects and Small Scale Projects (each, a “Project”), the development of which will require funding in order to serve qualifying low income populations. To the

extent that OHCS elects to provide a reservation of funds (“Reservation”) to an Applicant, the Applicant will receive a conditional commitment letter (the “Reservation Letter”) from OHCS. Reservations are contingent on certain terms and conditions set forth in the Reservation Letter, the continuing availability to OHCS of the funds described herein (the “Funds”), the continuing authority of OHCS to disburse or allocate the Funds, and the successful negotiation, execution, and recording (if required) of relevant documents to effectuate the Project in a manner satisfactory to OHCS at its sole discretion.

2) FUNDING SOURCES:

- a) The Funds for this NOFA may be derived from federal, state, or other funds or tax credits, and may include:
- i) 4% Low Income Housing Tax Credits (LIHTC)
 - ii) Gap Funds (General Housing Account Program (GHAP), Housing Development Grant Program (HDGP))
 - iii) Oregon Affordable Housing Tax Credits (OAHTC)

b) **The Large Scale Project and the Small Scale Project opportunities use the following Funds, respectively:**

Large Scale Projects:

- i) \$5 million Gap Funds
- ii) \$1 million GHAP Veterans set-aside available only to family-sized veterans’ units (2-bedroom or more units)
- iii) \$10 million Oregon Affordable Housing Tax Credits (OAHTC)
- iv) 4% Low Income Housing Tax Credits (LIHTC)

Small Scale Projects:

- i) \$10 million Gap Funds
- ii) \$7 million– Rural Set-aside
- iii) \$3 million– Urban Set-aside
- iv) \$3 million GHAP Veterans Set-aside (eligible for new construction projects only)
- v) \$5 million Oregon Affordable Housing Tax Credits (OAHTC)

The sources of the Funds described above are subject to their respective set of standards (“Program”) and corresponding program requirements (the “Program Requirements”). The applicable Program Requirements must be satisfied by an Applicant in order for such Applicant to qualify for the Funds under this NOFA. It is the responsibility of the Applicant to familiarize itself with the applicable Program Requirements.

As part of a pilot effort for rural capacity building in support of the Statewide Housing Plan, OHCS reserves the right to award one or two rural projects from this applicant pool with capacity building resources that might result in a commitment of development resources.

- c) **Application Ranking Process:** Funds are reserved by OHCS through the Reservation process on a competitive basis to Projects of qualifying Applications that:
- i) Meet the Baseline Requirements (as hereinafter defined); and
 - ii) Receive the highest scoring rank.
OHCS, at its sole discretion, may choose not to award all available Funds.
 - iii) Qualifying Applications will be ranked and identified by region. The highest ranked Applications within each region will receive a Reservation.
 - iv) After rankings by region have been established, any remaining Funds that OHCS determines it will still award under this NOFA will be pooled on a statewide basis. Unfunded qualified Applications will then be ranked by overall score and additional Reservations may be issued by OHCS until the balance of the Funds is exhausted or OHCS determines not to award the remaining Funds. OHCS may waive or adjust any aspect of this NOFA as it determines to be in the best interest of its Programs, statutory purposes or duties.

d) Regions:

- i) Rural* Areas (each, a “Rural Area”) in this NOFA are considered to be:
 - (1) Oregon communities with a population of 15,000 or less within counties that are considered Metropolitan Statistical Areas (MSA) and outside of the Portland Urban Growth Boundary. MSA Counties include Benton, Clackamas, Columbia, Deschutes, Jackson, Marion, Multnomah, Polk, Washington, and Yamhill; or
 - (2) Other Oregon communities with a population of 40,000 or less in the balance of the state.
 - *A community may be considered a Rural Area if it had been under the population threshold within the past 3 years of published data, and if their current population is within 5 percentage points of eligibility.*
- ii) Urban Areas (each, an “Urban Area”) include all parts of the state that are not Rural Areas. In addition, any Oregon communities within the Portland Urban Growth Boundary are considered Urban Areas and not considered Rural Areas regardless of the population size.
- iii) Rural Areas and Urban Areas are referred to in this NOFA collectively as “Regions” or each may be individually referred to as a “Region”.
- iv) Applicants must identify the location of the Project as either a Rural Area or an Urban Area as defined above and the amount of requested Funds from each above-described source.
- v) Applications consisting of multiple sites in different counties that cross different Regions will be evaluated in and funded from that portion of the Allocation of Funds set aside for the Region where the greatest number of units in the proposed Project are located, i.e., either a Rural Area or an Urban Area, however scoring will incorporate information from all sites and will be based on a weighted average based on unit distribution.

3) APPLICATION SUBMISSION

- a) Applications and associated fees must be submitted no later than:
November 4, 2019, by 4:00 PM PST (the “Application Deadline”)
- b) Physical Applications and all fees must be either hand-delivered or post-marked by the Application Deadline to the following address:
**Oregon Housing and Community Services
Attn: Multifamily Rental Section
725 Summer Street NE, Suite B
Salem, OR 97301**
- c) All Applications must be received in either electronic or physical format on or before the Application Deadline.
- d) All Applicants must submit application fees physically by mail. OHCS will not accept any electronic payments for Application fees. Electronically submitted Applications must submit the Application fees to the address above along with the transmittal form provided on OHCS’s website. All Application fees must be received by OHCS no later than the Application Deadline.
- e) Electronic Application submission is only allowable through OHCS’s online portal, Procorem, and the Application must be uploaded no later than the Application Deadline. To make an electronic submission you must register ahead of the Application Deadline to receive Procorem credentials to gain access to the online submission area.

If you wish to submit your Application electronically, you must contact OHCS for Procorem registration no later than: **October 20, 2019 by 4:00 PM PST**

- f) Physical Application submission must be date and time stamped by the OHCS receptionist no later than the Application Deadline. Physical Applications must:
 - i) be delivered in a sealed envelope or container that:
 - (1) clearly identifies the NOFA number;
 - (2) Applicant's name;
 - (3) name of the contact person for the Applicant;
 - (4) OHCS name and address;
 - (5) the Application Deadline; and
 - (6) Physical Applications must also include an electronic copy of the final Application on a flash drive or other easily accessible format.
- g) Applications delivered to the incorrect address and late Applications will not be accepted or considered, regardless of submission type.
- h) Faxed, emailed, late or incomplete Applications will not be accepted or reviewed. All Applications and any accompanying documentation become the property of OHCS, subject to Oregon Public Records Law, and will not be returned.
- i) Application fees will not be refunded.
- j) All costs associated with Applicant's submission of its Application are the sole responsibility of the Applicant.
- k) 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.
- l) Applications determined by OHCS to be incomplete, to not meet all submission requirements of this NOFA, or otherwise fail to satisfy Administrative Review requirements will be deemed by OHCS as "non-responsive" and rejected without further review. Applications considered complete, meeting all submission requirements, and otherwise satisfying all Administrative Review requirements by OHCS will then be evaluated to determine if the Application complies with the Baseline Requirements. Applications determined by OHCS as failing to meet any of the Baseline Requirements also will be deemed as "non-responsive" and rejected without further review. The remaining "responsive" or "qualifying" Applications will be ranked for award purposes as provided herein.
- m) **NOFA Questions.** Inquiries relating to this NOFA, its administration or the substantive technical portions of this NOFA should be directed to the contacts listed below:
 - i) **General NOFA questions and/or Procorem access** should be sent in writing to: MFNOFA@oregon.gov
 - ii) **Programmatic Questions:**
 - LIHTC and OAHTC Program contact: Tai Dunson-Strane; Tai.Dunson-Strane@oregon.gov;
 - Gap (GHAP & HDGP) Program contact: Edward Brown; edward.brown@oregon.gov

4) EVALUATION CRITERIA.

- a) Applications must pass each criterion below to proceed to the next level of review. OHCS will employ, but is not limited to, the following selection criteria to base its decisions (collectively, the "Baseline Requirements"):
- b) **Application Baseline Requirements:**

i) **All Applications must submit the following:**

- (1) Application and required Exhibits;
- (2) Application fee along with corresponding Charge Transmittal Form;
- (3) Owner/Board of Director's Authorization and Acceptance Form completed and executed;
- (4) Organizational Documents;
- (5) An executed Diversity, Equity and Inclusion (DEI) Agreement;
- (6) **Compliance with the Program Requirements.** Applicants must satisfy the Program Requirements including, but not limited to, the Program Requirements for each applicable OHCS Fund source. The Funds each have their own separate requirements within the Application, including forms and exhibits that must be submitted with the Application. These forms and exhibits are more particularly described and available in the Applications, General Policy and Guideline Manual and individual Program Manuals.
- (7) **Resident Services.** The Applicant is required to provide a Resident Services Description with the Application in accordance with the goals and guidelines set forth in Appendix D of the Qualified Allocation Plan and which corresponds with what is submitted in Section 4 of the Application.

ii) **Large Scale Projects:**

- (1) A new development Project of at least 80 units in an Urban Area or at least 60 units in a Rural Area
- (2) Limit 1 Large Scale Project Application per Applicant
- (3) Must be new construction
- (4) Application to include the 4% LIHTC Pre-Application Materials¹
- (5) Investor required to submit Letter of Intent
- (6) Construction and Permanent Lender Term Sheet
- (7) Multifamily Energy Program (OR-MEP) reservation letter (if applicable)
- (8) Other soft funding reservation letters (if applicable)
- (9) Projects that receive a funding reservation are expected to proceed to construction close within 240 days

iii) **Small Scale Projects:**

- (1) A development Project, either new construction or preservation, of at least 5 and at most 35 units
- (2) Limit 1 Small Scale Project application per sponsor
- (3) May be a new construction or preservation project
- (4) Investor required to submit Letter of Intent (if applicable)
- (5) Construction and Permanent Lender Term Sheet
- (6) Multifamily Energy Program (OR-MEP) reservation letter (if applicable)
- (7) Other soft funding reservation letters (if applicable)

¹ <https://www.oregon.gov/ohcs/Pages/multifamily-housing-four-percent-application.aspx>

(8) Projects that receive a funding reservation are expected to proceed to construction close within 240 days

c) Per Unit Subsidy Caps. For these offerings, OHCS has adopted caps on the amount of subsidy allowable per unit in each proposed Project. Projects that request more subsidy per unit than the allotted cap will not be considered for funding. Projects that request lower than the allotted cap will receive more points, as detailed in Section 5.a.ii for Large Scale Projects and 5.b.i. for Small Scale Projects.

Also included in these offerings is the limited availability of a “Veterans subsidy boost,” under which units that are set-aside for Veterans are eligible for a higher subsidy cap. The Veterans subsidy boost amounts are detailed below. For Large Scale Projects, the Veterans subsidy boost is only applicable to family-sized units (two-bedrooms or larger). Preservation projects are not eligible for the Veterans subsidy boost.

Per unit subsidy maximum caps are as follows (Veterans subsidy boost in parentheses): No Project may exceed these limits without failing review.

2019 Subsidy Caps / Unit	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Large Scale Projects <i>(Veterans subsidy boost)</i>	\$25,000	\$35,000	\$40,000 <i>(+\$40,000)</i>	\$50,000 <i>(+\$50,000)</i>
Small Scale Projects (New Construction) <i>(Veterans subsidy boost)</i>	\$125,000 <i>(+\$25,000)</i>	\$175,000 <i>(+\$35,000)</i>	\$225,000 <i>(+\$40,000)</i>	\$275,000 <i>(+\$50,000)</i>
Small Scale Projects (Preservation)	\$75,000	\$100,000	\$125,000	\$150,000

d) Relocation Plan. If any relocation or displacement of existing tenants may occur as a result of the Reservation, the Application must contain a relocation plan satisfactory to OHCS including all of the following:

- i) A complete survey of existing tenants using the format provided by OHCS. This survey must be augmented to include third party income verification and be completed and approved by OHCS prior to the Equity Closing.
- ii) Type of displacement that will occur (permanent or temporary).
- iii) Proposed relocation/displacement process. Indicate compensation and advance notice provided to those subject to displacement.
- iv) Availability of comparable units in the community.
- v) Describe the local jurisdiction displacement/relocation policies, if applicable.
- vi) Describe how tenants with disabilities will be assisted regarding relocation or displacement.

- vii) Provide regular updates on each resident to be relocated or displaced.
- e) **Minority, Women and/or Emerging Small Business (MWESB) Engagement.** Minority, Women and / or Emerging Small Businesses (MWESB) contractors are those registered with the State. 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. Applicants that are awarded Funds under this NOFA will be required to submit a report to OHCS demonstrating outcomes of their efforts to contract with MWESB contractors/subcontractors, using state registry, in their final application prior to the issuance of any funding holdback. <http://www.oregon4biz.com/How-We-Can-Help/OMWESB/>
- f) **Supportive Services.** All Applicants who intend to provide supportive services for their future tenants must submit a one-page Supportive Services Plan. This must include a description of what those supportive services will entail, which populations they will be serving, and the name and contact information of the service provider or providers they intend to contract with. If an MOU is already in place with the service provider, include a copy of the MOU as an additional attachment.
- g) **Readiness to Proceed.** Applications must demonstrate the Project's readiness to proceed based on the following information:
- i) **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.
- ii) **Site Control.** Applicant must have control of the property necessary for the Project by the Application Deadline as evidenced by one of the following:
- (1) a recorded deed or conveyance showing the Applicant has fee title to the property;
 - (2) a duly executed purchase and sale agreement for the property;
 - (3) a duly executed option to purchase the property;
 - (4) a ground lease with a minimum 30 year term as well as written confirmation that the fee owner will enter into a Tripartite Agreement with Applicant/ground lessee and OHCS that grants OHCS certain rights and remedies in the event that the ground lease is terminated.
 - (5) 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.
 - (6) 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 Application received for the same site, or any part of the same site, OHCS may disqualify one or all of the Applications. The non-refundable Application fee for each Applicant will be retained by OHCS.
- g) **Additional Federal Project Resources Status.** 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 is 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.
- h) **Adequacy of Development Schedule.** Within the development schedule provided, the Applicant must be able to meet the required deadlines for applicable LIHTC, Gap and OAHTC. The Applicant's development schedule must

clearly demonstrate that funds will be invested and the Project will be constructed, leased and stabilized within all required Program time frames. These deadlines are published in the appropriate OHCS program manuals.

- i) **Core-Development Documents (CDD).** (Previously known as Architectural Documents) Applicants must submit the CDDs defined in Part 3 of the PDM with their Application. The PDM update that was published on the OHCS's website on December 14, 2018 (Update 2018 – R1) must be used with this NOFA.
- j) **Ownership Integrity.**
 - i) **Single-Asset Ownership:** The Project must be owned by a single-asset entity duly organized under the laws of the State of Oregon, and duly authorized to conduct business in the State of Oregon.
 - ii) Neither Applicant nor any member, officer, nor principal within the Project ownership, management, or development team is currently under investigation by a public body for, has a pending claim, indictment, suit, action, or other proceeding against them for, or has been convicted of or been determined by an administrative or judicial (whether criminal or civil) order or judgment to have committed fraud, misrepresentation, theft, embezzlement, or any other act of moral turpitude (including, but not limited to any felony or malicious behavior) within the previous ten (10) years.
 - iii) 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.
 - iv) Neither Applicant nor any member nor principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

5) COMPETITIVE SCORING

OHCS is committed to investing public resources in a way that makes best use of the funds considering all benefits to the community as well as the viability of the Project. OHCS is also committed to ensuring resources are invested in a way that is geographically equitable, and responsive to the diversity of low-income housing needs around the state.

The Scoring Criteria (as hereinafter defined) are designed to measure the severity of need and overall impact to the community, as well as to prioritize those Projects that best meet established preferences, and can demonstrate dynamic partnerships and outcome based service delivery.

For Large Scale Projects, a total of fifty-five (55) maximum points is possible, any Application that does not have the minimum overall score of thirty-five (35) points will be disqualified, and the Application fee will not be refunded.

For Small Scale Projects, a total of fifty (50) maximum points is possible, any Application that does not have the minimum overall score of thirty (30) points will be disqualified, and the Application fee will not be refunded.

The criteria to be used, and the scoring group, for each scored section are as follows (for either the Large Scale Projects or the Small Scale Projects, collectively, the "Scoring Criteria"):

a) Application Scoring Criteria – Large Scale Projects:

- i) **Project Size – 15 points max:** Large Scale Projects will be scored based on the total number of affordable units they will be providing, with at least 60 units in Rural Areas and 80 units in Urban Areas required to be considered.
 - (1) Fifteen (15) points:
 - (a) **Rural Areas:** The Large Scale Project will supply 131 or more affordable units.
 - (b) **Urban Areas:** The Large Scale Project will supply 151 or more affordable units.

- (2) Ten (10) points:
 - (a) **Rural Areas:** The Large Scale Project will supply 100 – 131 affordable units.
 - (b) **Urban Areas:** The Large Scale Project will supply 131 – 150 affordable units.
 - (3) Five (5) points:
 - (a) **Rural Areas:** The Large Scale Project will supply 80 – 99 affordable units.
 - (b) **Urban Areas:** The Large Scale Project will supply 100 – 130 affordable units.
 - (4) Zero (0) points:
 - (a) **Rural Areas:** The Large Scale Project will supply 60 – 79 affordable units.
 - (b) **Urban Areas:** The Large Scale Project will supply 80 – 99 affordable units.
- ii) **Subsidy Leveraging – 15 points max:** Large Scale Projects will be scored based on the grant amount requested per affordable unit in the Project. This requested subsidy per unit will be scored as a percentage of the subsidy cap table, with point preference given to Large Scale Projects requiring lower subsidy per unit compared to the caps. Family sized (2 bedroom or larger) units set aside for veterans receive a boost to the per unit subsidy cap, as indicated in the table in Section 4.c.
- (1) Fifteen (15) points: Per unit subsidy requested is 50% or greater below the applicable subsidy cap.
 - (2) Ten (10) points: Per unit subsidy requested is 30% - 49% below the applicable subsidy cap.
 - (3) Five (5) points: Per unit subsidy requested is 10% - 29% below the applicable subsidy cap.
 - (4) Zero (0) points: Per unit subsidy requested is 0% - 9% below or equal to the applicable subsidy cap.
- iii) **Severe Housing Cost Burden – 4 points:** Four (4) points will be awarded to Large Scale Projects located in a census tract where the rate of severe rent burdened households is 1.2 times or greater than that of Oregon.
- iv) **MWESB – 2 points. Applicable Criteria:** Two (2) points will be awarded to Large Scale Projects that commit to tangible and evidenced engagement and/or contracting with Minority-owned, Women-owned, and Emerging Small Businesses registered with Business Oregon as an MWESB business.
- v) **Large Family Units – 5 points max:** To receive any points, Projects must apply Project Development Manual (PDM) standards **and** include *at least* 10% three-bedroom units. Large Scale Projects will be awarded points if they provide an average unit size that contains enough bedrooms to support larger families. Studio units will be counted as 0.5 bedrooms.
- (1) Five (5) points: Average bedroom size for Large Scale Projects is 2 bedrooms or greater
 - (2) Three (3) points: Average bedroom size for Large Scale Projects is greater than 1.5 bedrooms and less than 2 bedrooms
 - (3) Zero (0) points: Average bedroom size for Large Scale Projects is less than 1.5 bedrooms
- vi) **Asset Building Opportunities – 2 points. Applicable Criteria:** Points will be awarded to Large Scale Projects committed to supporting asset-building opportunities for their tenants. Opportunities can include individual development accounts (IDAs), child development accounts (CDAs), lease-to-own pathways, financial support for continuing education, or other demonstrable and measurable initiatives approved by OHCS. Additionally, these asset-building opportunities must be tied to or operated by a culturally specific organization or an organization that works exclusively with a minority or underserved population.

- vii) **Ties to Existing Efforts – 2 points. Applicable Criteria:** Points will be awarded to Large Scale Projects that are or will be working with existing efforts, programs, and/or initiatives such as Veterans Capacity, Meyer Memorial Trust Capacity, rent burdened community assistance, or other demonstrable initiatives approved by OHCS.

- viii) **Transit Oriented Development – 5 points.** Large Scale Projects will be awarded points if they are located in close proximity to public transit options.
 - (1) **If in Urban Areas:** Points will be awarded to Large Scale Projects located in Transit Oriented Development Districts (TODD) or within 0.5 miles of a light rail station, bus stop, or other public transit.
 - (2) **If in Rural Areas:** Points will be awarded to Large Scale Projects located within close proximity (5 miles) of public transit options.

- ix) **High Opportunity – 5 points max.** Large Scale Projects will be awarded points if they are located in areas that help to deconcentrate poverty and/or provide access to employment and educational opportunities.
 - (1) **If in Portland Metro:** Points will be awarded to Large Scale Projects located in areas of low poverty and high employment opportunity when compared to comparable census tracts. Defined by ACS data on poverty rates and unemployment rates, and AFFH data on Labor Market Engagement. Project located near high performing elementary school, defined by the Oregon Department of Education as achieving Level 4 or Level 5 on the school’s report card for Math Achievement for 4th grade.
 - (a) Five (5) points: Large Scale Project sited in a census tract location that meets two (2) or more Opportunity Area criteria.
 - (b) Three (3) points: Large Scale Project sited in a census tract location that meets one Opportunity Area criterion.
 - (c) Zero (0) points: Large Scale Project sited in census tract location that does not meet any Opportunity Area criteria.
 - (2) **If in Balance of State:** Points will be awarded to Large Scale Projects located in area of low poverty when compared to comparable census tracts.
 - (a) Five (5) points: Large Scale Project census tract location has lower poverty rate than comparably sized census tracts.
 - (b) Three (3) points: Large Scale Project census tract location has same poverty rate as comparably sized census tracts.
 - (c) Zero (0) points: Large Scale Project census tract location has higher poverty rate than comparably sized census tracts.

b) Application Scoring Criteria – Small Scale Projects:

- i) **Subsidy Leveraging – 15 points max.** Small Scale Projects will be scored based on the amount of subsidy requested per affordable unit in the Project. This requested subsidy per unit will be scored as a percentage of the subsidy cap table, with point preference given to projects requiring lower subsidy per unit compared to the caps. New construction and preservation Projects are both allowable but are judged against separate subsidy caps. Only new construction units for veterans receive a boost to the per unit subsidy cap, as indicated in the table.
 - (1) Fifteen (15) points: Per unit subsidy requested is 50% or greater below the applicable subsidy cap
 - (2) Ten (10) points: Per unit subsidy requested is 30% - 49% below the applicable subsidy cap

(3) Five (5) points: Per unit subsidy requested is 10% - 29% below the applicable subsidy cap

(4) Zero (0) points: Per unit subsidy requested is 0% - 9% below or equal to the applicable subsidy cap

- ii) **Severe Housing Cost Burden – 4 points. Applicable Criteria:** Four (4) points will be awarded to Small Scale Projects located in a census tract where the rate of severe rent burdened households is 1.2 times or greater than that of Oregon.
- iii) **Priority Populations – 8 points max** Points will be awarded to Small Scale Projects with units set aside for either homeless veterans or agriculture workers, **OR** Projects with an average unit size that contains enough bedrooms to support larger families (studio units will be counted as 0.5 bedrooms). To receive any points, Small Scale Projects must apply Project Development Manual (PDM) standards and include *at least* 10% three-bedroom units.

If supportive services will be provided, Applicant must provide a Supportive Services Plan with their application. See section 4.f for details.

If serving homeless veterans or agriculture workers:

- (1) Eight (8) points: 20% or more of units in the Small Scale Project are set aside for homeless veterans and/or agriculture workers (minimum of two (2) units).
- (2) Four (4) points: 10% - 19% of units in the Small Scale Project are set aside for homeless veterans and/or agriculture workers (minimum of one (1) unit).
- (3) Zero (0) points: 0% - 9% of units in the Small Scale Project are set aside for homeless veterans and/or agriculture workers

If serving large families

- (1) Eight (8) points: Average bedroom size for Small Scale Project is 2 bedrooms or greater
- (2) Four (4) points: Average bedroom size for Small Scale Project is greater than 1.5 bedrooms and less than 2 bedrooms
- (3) Zero (0) points: Average bedroom size for Small Scale Project is less than 1.5 bedrooms

- iv) **MWESB – 2 points. Applicable Criteria:** Two (2) points will be awarded to Small Scale Projects that commit to tangible and evidenced engagement and/or contracting with Minority-owned, Women-owned, and Emerging Small Businesses registered with Business Oregon as an MWESB business.
- v) **Tribal Sponsored Project – 2 points. Applicable Criteria:** Two (2) points will be awarded to Small Scale Projects that include one or more of Oregon’s sovereign tribes on the development team or in another leadership capacity, with documentation submitted proving it.
- vi) **Asset Building Opportunities – 2 points. Applicable Criteria:** Points will be awarded to Small Scale Projects committed to supporting asset-building opportunities for their tenants. Opportunities can include individual development accounts (IDAs), child development accounts (CDAs), lease-to-own pathways, financial support for continuing education, or other demonstrable and measurable initiatives approved by OHCS. These asset-building opportunities **MUST** be tied to or operated by a culturally specific organization or an organization that works exclusively with a minority or underserved population.
- vii) **Ties to Existing Efforts – 2 points. Applicable Criteria:** Points will be awarded to Small Scale Projects that are or will be working with existing efforts, programs, and/or initiatives such as Veterans Capacity, Meyer

Memorial Trust Capacity, rent burdened community assistance, or other demonstrable initiatives approved by OHCS.

- viii) **High Opportunity – 2 points. Applicable Criteria:** Small Scale Projects will be awarded points if they are located in areas that have lower poverty rates than comparable census tracts.
- ix) **Extremely Low Income (ELI) – 7 points max.** Points will be awarded to Small Scale Projects with units accessible to households with extremely low income (< 30% AMI) through either rent restrictions on the units, rent assistance, or the leveraging of the Oregon Affordable Housing Tax Credit (OAHTC).
 - (i) Seven (7) points: 50% or more of the Small Scale Project units are accessible to ELI households
 - (ii) Five (5) points: 25% to 49% of the Small Scale Project units are accessible to ELI households
 - (iii) Three (3) points: 10% to 24% of the Small Scale Project units are accessible to ELI households
 - (iv) Zero (0) points: 0% to 9% of the Small Scale Project units are accessible to ELI households
- x) **Culturally Specific Partnerships – 5 points. Applicable Criteria:** Points will be awarded to Small Scale Projects with a demonstrable (signed letter of intent, memorandum of understanding, etc.) partnership with one or more culturally specific organizations.

6) POST-RESERVATION ANNOUNCEMENT

- a) **Issuance of Reservation and Conditions Letter.** Successful Applicants will receive OHCS's Reservation Letter.
- b) **Announcement of Award.** A list of all awardees will be posted on OHCS's website.
- c) **Re-Evaluation of Reservation:** The following events may result in a re-evaluation of a previously issued Reservation Letter:
 - i) Failure to close construction within two hundred and forty (240) days of the Reservation Letter ("Reservation Period");
 - ii) A material change so that the Project, Applicant, or Sponsor no longer meets the Baseline Requirements or any of the Scoring Criteria of this NOFA;
 - iii) The proposed Project will not be placed in service by the date mutually agreed upon;
 - iv) The failure to execute or record covenants restricting affordability or other documents to the satisfaction of OHCS; or
 - v) Other causes at OHCS' sole discretion.
- d) In the event of a re-evaluation of a Reservation, OHCS, at its sole discretion, may do any of the following:
 - i) Revoke or modify the Reservation;
 - ii) Approve requested changes to the original Application as proposed;
 - iii) Take no action; or
 - iv) Take such other action as OHCS determines to be appropriate.

7) GENERAL NOFA TERMS

- a) OHCS may require clarification to understand whether or not an Application satisfies any 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.
- b) 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.
- c) 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.
- d) Successful Applicants will be required to maintain appropriate levels of insurance and to comply with the Program Requirements.
- e) 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.
- f) 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.
- g) OHCS reserves the right, at its sole discretion:
 - i) to amend this NOFA prior to the Application Deadline;
 - ii) to amend the deadline for submitting Applications;
 - iii) to determine whether an Application does or does not substantially comply with the requirements of this NOFA;
 - iv) to waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;
 - v) to obtain from and/or provide to other public agencies, upon request, references, regarding the Applicant's performance;
 - vi) 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;
 - vii) 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;
 - viii) to use adherence with components of the Applicant's Application and this NOFA as scoring criteria in future multifamily funding solicitations;
 - ix) to withdraw any identified funding from this NOFA; and
 - x) to waive any term or condition of this NOFA for good cause as determined by OHCS subject to applicable law.
- h) 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.
- i) 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.

- j)** 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.
- k)** Applicants and potentially qualifying applicants may submit a written protest of anything contained in this NOFA, including but not limited to, the NOFA process in accordance with OAR 813-005-0025.
- l)** 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, among other things, 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.
- m)** All Reservations made pursuant to this NOFA are subject to the successful negotiation, execution, and recording (if required) of relevant agreement documents satisfactory to OHCS and the DOJ in their sole discretion. Those relevant agreement documents may include, but are not limited to, Priority and Subordination Agreements, Intercreditor Agreements, Indemnity and Hold Harmless Agreements, Reservation and Extended Use Agreements, Declaration of Land Use Restrictive Covenants, and other standard documents. Applicants must inform their financing partners that such relevant Agreement documents, along with their successful negotiation, execution, and recording (if required) in a manner satisfactory to OHCS and DOJ in their sole discretion, are a requirement of receiving a Reservation for LIHTC and other OHCS financing and ultimate delivery of such funding. Applicant should discuss with OHCS and DOJ the nature of a Project’s particular financing and ownership structure as certain financing and ownership structures may be limited by such relevant Agreement documents or other Program Requirements.
- n)** Projects that have only a leasehold interest in relevant real property must include documented commitments executed and recorded by the lessor satisfactory to OHCS and DOJ 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 and DOJ.
- o)** 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. OHCS and DOJ charges may increase with the increasing complexity of organizational and financing structures.
- p)** Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.
- q)** OHCS reserves all other rights not specifically identified herein

[End of document.]