

Affordable Housing Funding Notice



Oregon Housing and Community Services

NOTICE OF FUNDING AVAILABILITY (NOFA) # 2020-9
Affordable Housing Development for Veterans Housing

NOFA Issued Date: **Sep 10, 2020**
Pre-Application Due Date: **Sep 25, 2020 4:00 PM PST**
Final Application Due Date: **Nov 5, 2020 4:00 PM PST**

Version 1.0
www.oregon.gov/ohcs



Table of Contents

1. Introduction	3
1.1. Purpose:	3
1.2. NOFA Funding Sources, Allocation and Funding Limit Categories:.....	3
1.3. Definitions:.....	4
1.4. Reservation Process	7
1.5. NOFA Requirements:	7
2. Application	9
2.1. Pre-Application and Application Access:	9
2.2. Submissions:.....	10
2.3. NOFA Questions:.....	11
3. Evaluation Process	11
3.1. Administrative Review:	Error! Bookmark not defined.
3.2. Threshold Requirements:.....	11
3.3. Competitive Scoring:.....	14
4. Process, Awards and Reservation Letters.....	18
5. General Terms and Conditions.....	18

1. Introduction

1.1. Purpose:

The Oregon Housing and Community Services Department (“OHCS”), is seeking applications (“Applications”) in this Notice of Funding Availability (“NOFA”) for the new construction of affordable, multifamily rental housing developments (“Project” or “Projects”) that will serve statewide qualified low income Veteran households earning at or below 80% area median income and/or may be experiencing chronic homelessness. The primary source of funding under this NOFA comes from the General Housing Account Program (GHAP) described in Oregon Revised Statutes (“ORS”) ORS 458.665 and Oregon Administrative Rules (“OAR”) Chapter 813 Division 55.

1.2. NOFA Funding Sources, Allocation and Funding Limit Categories:

1.2.1. VGHAP:

GHAP has a Veterans assistance set-aside of funds that is commonly referred to as “VGHAP”. This set-aside is specifically for the development of housing for low income Veterans. Funding available through this NOFA totals \$6,500,000 (“VGHAP funds”), based on current unreserved VGHAP resources and interest earnings, and is to be reserved to Projects that meet specified eligible Application parameters, as listed throughout Section 1.

If additional VGHAP resources become available from interest earnings or other means, OHCS reserves the right to add those to the resources that are awarded from this NOFA. Furthermore, if there is a Project that cannot be funded with the remaining VGHAP resources, and meets all eligible application requirements, OHCS may leverage other OHCS gap funding resources other than VGHAP to fully fund a Project. If, for reasons outside of OHCS’ control, the unreserved funds become unavailable and interest earnings are lower than anticipated, OHCS reserves the right to reduce the resources available through this NOFA.

All GHAP and VGHAP Program Requirements governing funding (as outlined in Section 1.3.7) and relevant to a particular Application must be satisfied by the Applicant in order to qualify for funding under this NOFA.

1. GHAP Soft set-asides for regional areas in this NOFA are:
 - a. \$3,000,000 for Projects in Urban areas
 - b. \$3,500,000 for Projects in Rural areas

2. Subsidy Limits by Unit Type:

Unit Types	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Subsidy Limits	\$150,000	\$210,000	\$265,000	\$325,000

1.2.2. OAHTC:

In addition to the VGHAP funds, OHCS will make \$4 million in Oregon Affordable Housing Tax Credits (OAHTC) available where it results in deep rent skewing; serving households at or below 80% AMI.

1.2.3. Multifamily Energy Program:

The Multifamily Energy Program (MEP) is also available as a funding source for Projects. Information on the MEP can be found here: <https://oregonmultifamilyenergy.com/>

1.2.4. LIHTC:

Applicants may choose to utilize 4% Low Income Housing Tax Credits (LIHTC) and tax-exempt conduit bonds, as a funding source. If an Applicant chooses to do so, all components of the application that have to do with 4% LIHTC program and conduit bond financing must be completed at application. Information on the LIHTC program can be found here: <https://www.oregon.gov/ohcs/development/Pages/nofa-four-percent-lihtc.aspx>.

1.2.5. Permanent Supportive Housing (PSH):

100 Permanent Supportive Housing (PSH) slots that include project-based rental assistance and services funding are available to Projects applying for VGHAP capital funds that are planning to implement permanent supportive housing for chronically homeless veterans. Project-based rental assistance is administered by OHCS and services funding is administered by the Oregon Health Authority (OHA). If requests exceed 100 slots, OHCS can award additional slots at its discretion, if additional slots are available. PSH slots will only be awarded to Projects that receive capital funding through this NOFA. Applicants who apply for and receive a reservation for PSH rent assistance/services slots must agree to apply for and participate in an OHCS-sponsored Supportive Housing Institute. For more information, please contact Amy Cole, State Development Resources Manager, at amy.cole@oregon.gov

1.3. Definitions:

1.3.1. Affirmatively Furthering Fair Housing:

Affirmatively Furthering Fair Housing (AFFH) is a provision of the 1968 federal Fair Housing Act¹ that legally requires that all federal departments and agencies, as well as grantees of federal funding, must administer their programs and activities relating to housing and urban development in a manner that affirmatively furthers the purposes of the Fair Housing Act. Since the Fair Housing Act has two main purposes – to prevent discrimination in the sale, rental, and financing of housing based on race, color, national origin, religion, sex, familial status, and disability and to reverse housing segregation - affirmatively furthering fair housing is essentially fulfilling the dual purpose of the law. Specifically, as enforced by the U.S. Department of Housing and Urban Development (HUD), affirmatively furthering fair housing means engaging in meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity based on protected characteristics, by replacing segregated living patterns with truly integrated and balanced living patterns that foster inclusion, by transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and by ensuring compliance with civil rights and fair housing laws.

1.3.2. Affordability:

To be considered affordable housing, Projects must restrict Project rents and incomes to at or below 70% AMI, as determined by HUD. A list of current Income and Rent Limits can be found

¹ For further information, see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608, and Executive Order 12892.

by visiting the link “Income and Rent Limits” under the “Housing Compliance” tab located on OHCS’ homepage found at: <https://www.oregon.gov/OHCS>

1.3.3. Agreement Documents:

“Agreement Documents” means the funding documents that outline the contractual agreement between OHCS and the Project owner entity for the Project to constitute as affordable housing, the final form of which are satisfactory to OHCS, in consultation with the Oregon Department of Justice and executed in connection with the Project.

1.3.4. Allocation:

“Allocation” includes any funding allocated under this NOFA.

1.3.5. Applicants:

“Applicants” means persons or entities submitting an Application responsive to this NOFA and assuming the responsibility for complying with all funding requirements and ownership.

1.3.6. Chronic Homelessness:

The HUD definition of chronic homelessness is as follows:

1. A “chronically homeless” individual means a “homeless individual with a disability,” as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), who can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability;
2. Who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter, or as described in paragraph 4 below; and
3. Who has been homeless and living as described in paragraph (2) of this definition continuously for at least 12 months (one year) or on at least 4 separate occasions in the last 3 years, where each homeless occasion was at least 15 days, as long as the combined occasions equal at least 12 months and each break in homelessness separating the occasions included at least 7 consecutive nights of not living as described in paragraph (2).
4. A person who is “chronically homeless” also includes an individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility. Stays in institutional care facilities for fewer than 90 days will not constitute a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility.
5. Chronically homeless families are families with an adult head of household (or if there is no adult in the family, a minor head of household) who meets the definition of a chronically homeless individual, including a family whose composition has fluctuated while the head of household has been homeless.

1.3.7. OHCS Guidelines:

OHCS Guidelines can be found online at www.oregon.gov/ohcs/ in the “grants and tax credits” link. For the purposes of this NOFA, applicable guidelines include but are not limited to the Qualified Action Plan (QAP), General Policy & Guidance Manual (GPGM), General Housing Account Program manual (GHAP), and Core Development Manual (CDM).

1.3.8. Permanent Supportive Housing (PSH):

Permanent Supportive Housing (PSH) means housing for persons who are experiencing homelessness and have a disability; such housing includes a housing unit, tenancy support services, and rental assistance. Please note: PSH is appropriate for and serves a wide variety of populations, the PSH in this NOFA focuses on serving Veterans who are experiencing chronic homelessness as defined in Section 1.3.6.

1.3.9. Procore™ Workcenter:

Procore™ Workcenter is a secure portal technology solution developed by ProLink Solutions™ and used by OHCS to help facilitate a more robust collaboration and communication model for all Applicants and future housing partners. The Procore™ Workcenter includes a repository for electronic document submission, a task management and tracking tool, an events calendar and communication features.

1.3.10. Regional Area(s)

“Regional Area(s)” means the areas as defined in Sections 1.3.11 and 1.3.12.

1.3.11. Rural Areas:

“Rural Areas” means communities outside of the Portland Urban Growth Boundary with a population of 15,000 or less in counties within Metropolitan Statistical Areas (MSAs) (Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Lane, Marion, Multnomah, Polk, Washington and Yamhill Counties) and in communities with a population of 40,000 or less in the balance of the state.

1.3.12. Urban Areas:

“Urban Areas” means an eligible category for receiving VGHAP funds through this NOFA which serve all other areas in Oregon that aren’t included in the “Rural Areas” definition.

1.3.13. Veteran:

“Veteran”² means a person who:

1. Served on active duty with the Armed Forces of the United States for:
 - a. A period of more than 90 consecutive days beginning on or before January 31, 1955, and was discharged or released under honorable conditions;
 - b. A period of more than 178 consecutive days beginning after January 31, 1955, and was discharged or released from active duty under honorable conditions;
 - c. 178 days or less and was discharged or released from active duty under honorable conditions because of a service-connected disability;

² Note: The definition of Veterans for the purposes of this NOFA is found at ORS 458.610 and conforms to any statutory changes as it may be amended may occur from time to time.

- d. 178 days or less and was discharged or released from active duty under honorable conditions and has a disability rating from the United States Department of Veterans Affairs; or
 - e. At least one day in a combat zone and was discharged or released from active duty under honorable conditions.
2. Received a combat or campaign ribbon or an expeditionary medal for service in the Armed Forces of the United States and was discharged or released from active duty under honorable conditions; or
 3. Is receiving a non-service-connected pension from the United States Department of Veterans Affairs.

1.4. Reservation Process

1.4.1. Application Ranking Process:

1. Funds are reserved by OHCS on a competitive basis to Projects of qualifying Applicants that:
 - a. Meet the Administrative Review Requirements;
 - b. Meet the Minimum Threshold Requirements; and
 - c. Achieve a minimum of 60 points in Competitive Scoring out of a total maximum of 100.
2. If either the Urban or Rural areas are under-subscribed, the remaining available Regional Area set-aside will move to the other Regional Area.
3. Projects with scattered sites in both Urban and Rural Areas will be applied toward the Regional Area set-aside containing the most units in either region.
4. During the scoring and reservation process, limits on the remaining available funding may result either in lower-ranked Applications receiving a reservation of funding under this NOFA ("Reservation") if higher-ranked Applications would require funding that exceeds the amount that remains available for awards, or OHCS may choose to leverage other OHCS gap funding resources to fully fund the higher ranked Application(s).
5. In the event of a tie, and assuming sufficient funding for either of the tied Applications, OHCS will apply the following tie breaking rules in making funding awards.

1.4.2. Tie Breaking Rule:

1. If the total evaluation scores of two or more Applications result in a tie and funding availability is insufficient to fund all tied Applications, the following Criteria, in order of priority, will break the tie:
 - a. The application with the highest Services score will first receive a Reservation.
 - b. If the Resident Services scores are tied among two or more of the immediately above-described Applications, the Application with the highest Community Need score will first receive a Reservation.
2. If the Community Need scores are tied, the Application with the lowest GHAP subsidy per unit requested through this NOFA will first receive a Reservation.

1.5. NOFA Requirements:

In addition to any other requirements in this NOFA, the following Project Requirements apply to all Projects funded through this NOFA ("Project Requirements"):

1.5.1. Eligible Activity:

1. A request for funds shall not exceed the available funds in this NOFA.
2. A request for funds shall not exceed the maximum per unit subsidy allowed (see section 1.2.1.2)
3. Projects must be owned by a single asset entity (SAE). The SAE must be established prior to construction closing or disbursement of any OHCS funds. OHCS may at its sole discretion waive this requirement if it finds it unreasonably inhibits the project.
4. Must be for Veteran households.
5. Projects must be for new construction.
6. Projects involving permanent relocation will not be accepted.
7. Applicants may only submit one application per Project site. 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 charge for each Applicant will be retained by OHCS.

1.5.2. Affordability Periods:

1. All projects funded by this NOFA must, at minimum, be restricted for an Affordability Period required through each funding source that assists the project as referenced in the matrix in Section 1.5.3.
2. All projects using OAHTCs must restrict units at OAHTC incomes for at least 20 years.
3. PSH slots will be restricted for at least 30 years, so long as funding remains available.

1.5.3. Rents and Incomes:

Programs	Rent Restriction	Income Restriction	Affordability Period
GHAP	80% AMI	80% AMI	60 years
OAHTC	70% AMI	70% AMI	20 years
PSH	60% AMI	60% AMI	60 years
MEP	80% AMI	80% AMI	10 years

Income and Rent restrictions are based on LIHTC limits.

1.5.4. Underwriting Guidelines:

Underwriting guidelines will be applied by OHCS in its due diligence and Project review process to ensure ongoing Project viability and risk mitigation. Such guidelines will be consistent with the industry standard minimum requirements of mortgage lenders, investors, and other potential public funding sources. This includes, but is not limited to:

1. Minimum debt service coverage ratio of 1.20 on all "must-pay" debt
2. 7% vacancy rate
3. 2% escalation of rents and 3% escalation of expenses
4. No operating reserves may be funded with OHCS funds awarded through this NOFA
5. No more than 10% of funds can be used to capitalize replacement reserves
6. Capitalized operating reserve equal to six months operating expenses and debt service
7. Minimum annual replacement reserve deposit of \$450 per unit
8. Prior to closing, a Phase I environmental study is required
9. Demonstration of meeting BOLI compliance

10. Other Requirements: If other public capital or operating subsidies are used in financing the Project relevant requirements of those subsidy sources will also apply
11. All projects are subject to OHCS' General Policy and Guideline Manual, available at: <https://www.oregon.gov/ohcs/development/Documents/admin/manual-general-policy-guidelines.pdf>

1.5.5. Developer Fees:

Developer fees are calculated by the following formula:

$$\text{Maximum Developer Fee} = \frac{\text{Developer Fee} + \text{Consultant Fee}}{\text{Total Project Cost} - (\text{Acquisition} + \text{Developer Fee} + \text{Consultant Fee} + \text{Capitalized Reserves})}$$

Maximum Developer Fees for this NOFA are as noted in the table below:

Project Size	Maximum Developer Fee
<31 Units	18%
31-75 Units	16%
76-100 Units	14%
100+ Units	12%

1.5.6. Compliance Monitoring:

Compliance monitoring will be sufficient to cover the due diligence of OHCS. A compliance monitoring charge of \$25 per rental unit will be required annually. This charge may be adjusted over time by OHCS in its sole discretion. Monitoring will address elements of Project operation including but not limited to:

1. Initial household income verification
2. Annual income verification, including through self-certification
3. Risk-based physical inspections every 1-3 years based on Project condition
4. Veteran status

Please note: If other public capital or operating subsidy will be used from any source, relevant compliance requirements of those sources will also apply. For example, if 4% LIHTCs are used, all 4% LIHTC compliance requirements, including increased compliance monitoring charges, will apply.

2. Application

2.1. Pre-Application and Application Access:

The VGHP Application process under this NOFA has two steps - namely, submission of a brief Pre-Application along with a Site Review Checklist (required to access the full Application), and submission of the full VGHP Application. The process is as follows:

- 2.1.1.** Download the Pre-Application and Site Review Checklist from the OHCS website, here:
<https://www.oregon.gov/ohcs/Pages/multifamily-housing-funding-opportunities.aspx>
- 2.1.2.** Submit the completed Pre-Application and Site Review Checklist to MFNOFA@oregon.gov by the due date and time listed below in section 2.2.1. This action will alert OHCS staff to generate Procorem access credentials for the Project. Staff will generate the Procorem credentials within 3 business days of receiving the pre-application and Site Review Checklist.
- 2.1.3.** Once credentials are received, go to the Procorem login page:
<https://app.procorem.com/login> to access the full VGHAP Application. The full Application will be uploaded to Procorem Workcenters on **September 29, 2020**.

2.2. Submissions:

2.2.1. The Pre-Application:

The Pre-Application along with all required materials and documentation, must be received according to the steps in Section **2.1** by the Pre-Application due date and time of **September 25, 2020 at 4:00 PM PST**.

2.2.2. The Application:

The Application along with all required materials and documentation must be uploaded to the Procorem portal by the Application due date and time of **November 5, 2020 at 4:00 PM PST**. Additional instructions for required materials and submission are in the Application.

Please note: Applications can only be submitted electronically through Procorem. Hard copies, faxes, and electronic copies not submitted through Procorem will be automatically rejected and will not be reviewed or considered for funding.

2.2.3. Application charges:

1. Must be received by OHCS receptionist no later than: **November 12, 2020 at 4:00 PM PST**.
2. All Applicants must submit application charges via mail. OHCS cannot accept any electronic payments for Application charges.
3. Applicants must submit Application charges to the address below along with the transmittal form provided as part of the Application in Procorem. If the Application charge is not received by the Application deadline, the Application is considered incomplete. It will be automatically rejected and is ineligible for funding.
4. Application charges are not refundable once an Application is submitted and charges paid.

Send Application Charges to:
Attn: Affordable Rental Housing/VGHAP Application
Oregon Housing and Community Services
725 Summer St. NE, Suite B
Salem, OR 97301

2.3. NOFA Questions:

- 2.3.1.** Inquiries relating to the NOFA process, its administration, or the substantive technical portions of the NOFA should be directed to: MFNOFA@oregon.gov
- 2.3.2.** Please note "VGHAP NOFA" in the subject line. Frequently Asked Questions (FAQs) and answers will be posted on the OHCS website and NOFA Workcenters at regular intervals during the time that the NOFA response period is open. The NOFA response period closes **October 28, 2020**. When appropriate, revisions, substitutions, or clarifications shall be issued as a Technical Advisory and considered a revision to this NOFA.
- 2.3.3.** Changes or modifications to the NOFA requirements will ONLY be recognized if in the form of a written Technical Advisory (TA), issued by OHCS. OHCS will post the TAs on the department fund offering page: <https://www.oregon.gov/ohcs/Pages/multifamily-housing-funding-opportunities.aspx>

3. Evaluation Process

If Applications pass the Administrative Review (described below in Section 3.1), which includes timeliness and completeness criteria, the Application will move on to a review of Threshold Requirements, which are described in Section 3.2 below. If, at any point, an Application fails to pass the Administrative Review or meet the Threshold Requirements criteria, the Application will be deemed nonresponsive and will not be reviewed further.

3.1. Administrative Review:

3.1.1. Determination:

Applications determined by OHCS to be incomplete, not meet all submission requirements of this NOFA, or otherwise fail to satisfy Administrative Review requirements, outlined below will be deemed "non-responsive" and rejected without further review. Applications considered complete, meeting all submission requirements, and otherwise satisfying all Administrative Review requirements by OHCS will be evaluated to determine if they comply with the Threshold Requirements.

3.1.2. Administrative Review Requirements:

Each Application will be reviewed for timeliness and completeness of the NOFA requirements. The following are Pass/Fail criteria:

1. Application received by due date and time
2. Charge Transmittal Form, and Application Charge received by the due date and time.
3. Board of Directors Resolution received (if applicable)
4. Organizational Documents received (if applicable)
5. Project meets the minimum Project qualifications (see Section 1.)

3.2. Threshold Requirements:

After passing the Administrative Review, all projects will be reviewed for Threshold Requirements. The following are Pass/Fail criteria:

3.2.1. Proper submission:

The pre-application and application must have been properly submitted and received by OHCS staff by each required due date according to the requirements listed in Section 2.2.

3.2.2. Resident Services Description:

Applicants must submit a Resident Services Description at time of application, which describes in as much detail as possible, the scope of what will be the final resident services plan, the desired goals, any partners, and the implementation plan.

3.2.3. Ownership Integrity:

Applicants must adhere to the following:

1. **Single-Asset Ownership:** The Project will be owned by a single-asset entity duly organized under the laws of the State of Oregon, or if allowed by OHCS, duly authorized to conduct business in the State of Oregon.
2. Neither Applicant nor any member or principal within the Project ownership or management will have been convicted of fraud, misrepresentation, theft or other moral turpitude within the previous ten years.
3. Neither Applicant nor any member or principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five years.
4. Neither Applicant nor any member or principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

3.2.4. Readiness to Proceed:

Applications must demonstrate the Project's readiness to proceed based on zoning and site control:

1. 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. Projects that must complete a zoning change to develop the Project will not be funded.

The Zoning form is available through the Procorem Workcenter.

2. Site Control:

The Applicant must have site control for the Project site at Application, as evidenced by one of the following:

- a. a recorded deed or conveyance showing the Applicant is the owner of the site,
- b. a valid purchase and sale agreement,
- c. a valid option to purchase,
- d. a valid option for a long-term lease, satisfactory to OHCS , and
- e. other evidence satisfactory to OHCS.

The name on the evidence of site control and the Application must be 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.

The Site Control form is available through the Workcenter.

3.2.5. Federal Project Resources Status:

If the Applicant has identified federal resources (such as rental or capital assistance from HUD, USDA-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 would mean 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.

Applicant should provide this information in the notes cell on the Budget Sources worksheet in the Application; any evidence should be uploaded in the final submission folder and named "Federal Resources Evidence".

3.2.6. Adequacy of Development Schedule:

1. Within the development schedule provided in the Application, the Applicant must demonstrate compliance with the required deadlines for each applicable funding program applied for. These may include: VGHAP, LIHTC, PSH, MEP, and/or OAHTC.
2. The Applicant's development schedule must clearly demonstrate that the Project will be ready to close within 240 days of a Reservation from OHCS. Additionally, the schedule must show that funds will be invested and the Project will be constructed, leased, and stabilized within all required Program timeframes. These deadlines are published in the appropriate OHCS Program Manuals and available on OHCS' website.

3.2.7. Adequacy of the Site Review Checklist:

Applicants must have identified if there is any adverse environmental or site condition information indicated on the Project Site Checklist submitted at the time of Pre-Application that may make the Project and construction unsuitable. Depending on the impact to the Project, the Applicant must provide a satisfactory mitigation plan for any materially adverse information revealed in the Project Site Checklist or subsequently identified.

3.2.8. Core-Development Documents (CDD):

Applicants must submit the Core-Development Documents ("CDDs"), defined in Part 3 of the Core Development Manual (CDM) (previously known as Project Development Manual (PDM)) with their Applications. The CDM Version 3.1 must be used with this NOFA.

3.2.9. MWESB:

Minority, Women's and/or Emerging Small Business (MWESB) Engagement policy:

1. All Applicants will be required to identify plans to contact and contract with MWESB Contractors and subcontractors for pre-bidding and bidding opportunities in the construction and operation of the proposed Project. This engagement should include Engineering, Architecture, Planning, Legal Assistance and Management Agents.
2. Awardees will be required to submit a report to OHCS demonstrating outcomes of pre-bidding and bidding opportunity efforts with MWESB contractors/subcontractors.
3. Applicants will be required to provide a profile of the Management Agent, history of addressing Racial and Equity, Summary of Marketing, culturally relevant Publications, and Organizations, plans addressing Racial and Equity goals utilized in leasing Plan.
4. Applicants will provide plans to use culturally relevant resident services addressing Racial and Equity goals, marketing plans relative to area demographics.

All Applicants will be responsible for adherence to and reporting of Minority, Women's and or Emerging Small Business (MWESB) Engagement

3.2.10. Development Team Capacity:

1. Construction Experience:

- a. Applicants must have and demonstrate a successful history of leading residential construction development of projects of similar (or larger) size and scope, such as, mid-rise versus high-rise, wood frame versus steel, and new construction versus rehabilitative construction.
- b. If experience is limited, the Applicant must demonstrate mitigation for this concern in some way, for example; by partnering with a consultant or other experienced entity.

2. Financing Experience:

- a. Applicants must have a successful history of closing the requested combination of financing, such as tax credit, mortgage financing, HOME funds, and other grant or government loan programs.
- b. If experience is limited, the Applicant must demonstrate mitigation for this concern in some way, for example; by partnering with a consultant or other experienced entity.

3. Development Team Experience:

Applicants can demonstrate experience for this category by providing evidence of the following:

- a. Management of similarly comprised development teams.
- b. Explanation of the development team experience with Projects of this type, size, and scope.
- c. If an Applicant has multiple Project reservations, provide an explanation how the development team will have the capacity to administratively and financially support all Projects simultaneously.

4. Financial Capacity:

- a. The Applicant's financial condition must not indicate any adverse conditions that might materially impair the Applicant's ability to perform the financial obligations as Sponsor during the construction or stabilization of the Project.
- b. Fill out and provide a Real Estate Owned Schedule. The Applicant's existing real estate portfolio must be stable and self-supporting. If there are any significant problem properties, there must be a reasonable mitigation plan in place.

The Development Team Capacity form is provided in the Workcenter. A real estate holdings worksheet may be uploaded as a second document.

3.3. Competitive Scoring:

If the Application meets the criteria set out in Sections 3.1 through 3.2 above, then the Application will be competitively scored according to the scoring criteria described below.

3.3.1. Sources and Uses, Operating Proforma: (Up to 5 points)

1. The sources and uses are well documented, balanced and accounted for.
2. All sources are committed at the time of application submission, and likely to be closed and funded within 240 days.
3. The operating Proforma contains growth assumptions for a Project of this size and scope in conformance with OHCS and industry norms.

4. The income and expenses are well documented by actual amounts.
5. Benchmarks including but not limited to; vacancy ratio, expense ratio, expenses per units, and replacement reserves are in conformance with OHCS guidelines and industry norms.

3.3.2. Debt Underwriting: (Up to 3 points)

1. If there is first mortgage debt, the Project must demonstrate a reasonable debt coverage ratio (DCR), be within industry norms, and lending program underwriting criteria.
2. If there is no mortgage debt, the Project must have a reasonable cash flow of between 1:10-1:30 expense to income ratio. Any ratio outside of this range must be justified and acceptance is at OHCS' discretion.
3. The operating Proforma must predict stable long-term performance.

3.3.3. Construction Budget Viability: (Up to 3 points)

1. The development budget must be complete and meet OHCS guidelines and industry norms for percentage of architectural fees, builder overhead and profit, soft costs, construction contingency and other typical percentages for cost items.
2. The acquisition cost of the land must be reasonable within the market. At OHCS' discretion, an appraisal may be required to support the cost of the land, should the cost be deemed excessive or unreasonable.
3. The administrative plans and specifications must generally meet OHCS minimum new construction or rehabilitation architectural guidelines for a Project of this type, size and scope.

3.3.4. Resident Services: (Up to 20 points)

The Applicant must provide a Resident Services Description on the resident services form that is provided with the application in the Procorem Workcenter. The Description must describe in as much detail as possible, the scope and what services are specifically focused on serving Veterans population and responsive to the following goals and guidelines for all units in the Project below:

1. Explain how services are designed to be responsive to the needs of the focus population. Describe Partnerships with organizations that have demonstrated experience and proved expertise in working with the target population. (4 points)
2. What is the approach to outreach and referral for the Project? Please be sure that the answer demonstrates an understanding of the focus population needs. ***If applying for PSH services/rent assistance slots, include a high-level description of the referral process for the PSH units in the answer.*** (2 points)
3. Describe how the Project residents will be provided the opportunity to access services that promote levels of self-sufficiency, independent living, and positive life choices through coordination, collaboration, and community linkages. ***If applying for PSH services/rent assistance slots, please include a description of tenancy supports to be offered, including intended service delivery partnerships, if applicable, in the answer.*** (4 points)
4. Discuss how the project will incorporate innovation or interventions that are likely to deliver better outcomes for Veterans. (4 points)

5. Describe the project's approach for ensuring that barriers are proactively removed for underserved Veterans especially people of color, persons who identify as LGBTIAQ+ and women in accessing and maintaining tenancy. (4 points)
6. Describe how outcomes will be tracked. (2 points)

The Resident Services Description form is available in the Workcenter. Memoranda of Understanding (MOU) for services are not required at application; however, if there are MOU(s) related to the services description, please upload them to the Workcenter.

3.3.5. Minority, Women, and/or Emerging Small Business (MWESB)

Engagement: (Up to 4 points)

Applications will be scored on their approach to MWESB engagement and contracting and how well this implements the following parts of the OHCS MWESB policy:

1. All Applicants must identify plans to contact and contract with MWESB contractors and subcontractors for pre-bidding and bidding opportunities in the construction and operation of the proposed Project. This engagement should also include Engineering, Architectural, Planning, Legal Assistance and Management Agents.
2. Awardees must submit a report to OHCS demonstrating outcomes of pre-bidding and bidding opportunity efforts with MWESB contractors/subcontractors.
3. Applicants must provide a profile of the Management Agent, history of addressing Racial and Equity, Summary of Marketing, culturally relevant Publications, and Organizations, and provide plan to meet Racial and Equity goals utilized in the leasing plan.
4. Applicants must provide plans to use culturally relevant resident services addressing Racial and Equity goals, marketing plans relative to area demographics.

3.3.6. Location Efficiency: (Up to 10 Points)

1. *Walk-ability*; score from <http://www.walkscore.com/cities-and-neighborhoods/> ; 2 points if 70+, 1 point if 50-69, 0 points if under 50;
2. *Food Access*; score from <http://www.ers.usda.gov/dataproducts/food-access-research-atlas/go-to-the-atlas.aspx#.Uw9-EOOwI5I> ; 2 points if grocery store within a half a mile / within 5 miles if rural, 1 point if not in a USDA Food Desert;
3. *Medical Access*; 2 points if available within 1 mile / within 5 miles if rural, 1 point if within 5 miles / 10 miles if rural;
4. *Public Transit*; 2 points if available within ¼ mile or a Transit Score from <http://www.walkscore.com/cities-and-neighborhoods/> of 70+ / within 5 miles if rural, 1 point if within ½ mile or Transit Score of 50+ / within 10 miles if rural;
5. *Education for family housing*; 2 points if schools or libraries are within ½ mile / within 5 if rural.

If the Project is a scattered site, then Applicant must provide the values for all sites. The final score will be based on a weighted average of all sites.

3.3.7. Community Need (Up to 6 points)

1. Provide information about the Veterans community in the area. Include demographics and other factual information, including information about Veterans experiencing chronic homelessness, if requesting PSH funding.
2. Define the housing needs and the challenges the Veteran community faces to secure housing. Describe how the needs are identified and how will this project address those needs.

If the Project is a scattered site, then Applicant must provide a response for all sites. The final score will be based on a weighted average of all sites.

3.3.8. Collaboration (Up to 8 points)

1. Explain who the partners are in the Project. Define each of their role(s).
2. If the Project leverages other resources, explain how.

3.3.9. Barrier Reduction (Up to 9 points)

1. Describe how accessibility features are incorporated into to the Project and to what degree the units in the Project are accessible.
2. Describe how the Project incorporates unique building features that contribute to the health and overall well-being of the residents and community. Explain the inclusion of complementary or responsive building design.

3.3.10. Serving Lowest Incomes; Area Median Income served: (Up to 5 points)

Average Median Income (AMI) Restrictions on restricted units:

1. 50% of units affordable at or below 30% AMI, 5 points
2. 40% of units affordable at or below 30% AMI, 4 points
3. 30% of units affordable at or below 30% AMI, 3 points
4. 20% of units affordable at or below 30% AMI, 2 points

3.3.11. Rental Assistance (Project-Based Subsidy): (Up to 5 points)

1. 5 points if project-based assistance is for 25% or more of the affordable units in project
2. 3 points if project-based assistance is on less than 25% of affordable units
3. 0 points if no project-based assistance

3.3.12. Focus on Homeless Veterans: (Up to 4 points)

1. 4 points if targeting Veterans experiencing homelessness and/or chronic homelessness for 25% or more of the affordable units in the Project
2. 2 points if targeting less than 25% of affordable units
3. 0 points if no homeless targeting

3.3.13. Lower Subsidy per Unit (Up to 8 points)

Criteria; Divide the project request of GHAP by the subsidy cap in Section 1.2.1 applied toward the following scale for point score;

1. 0% - 9% = 1 points;
2. 10% - 19% = 2 points;
3. 20% - 29% = 3 points;
4. 30% - 39% = 4 points;
5. 40% - 49% = 5 points;
6. 50% - 59% = 6 points;
7. 60% - 69% = 7 points;
8. 70% or greater = 8 points

Round percentages down to the nearest whole point. Based on Proforma and financial information reported in NOFA Application

3.3.14. Development Team Capacity: (Up to 10 points)

1. *Construction Experience:* Applicants must have a successful history of leading construction development Projects of similar (or larger) size and scope, such as, mid-rise versus high-rise, wood frame versus steel, and new construction versus rehabilitative construction. If experience is limited, the Applicant must demonstrate mitigation for this concern.
2. *Financing Experience:* Applicants must have a successful history of closing the requested combination of financing, such as mortgage financing, and other grant or government loan programs. If experience is limited, the Applicant must demonstrate how it will meet this experience gap or other mitigation for this concern.
3. *Management Experience:* Applicants have a successful history of managing existing Projects with a Veteran population and programs of similar size and scope. If experience is limited, the Applicant must demonstrate mitigation for this concern.
4. *Development Team Experience:* Applicants must show a history of managing similarly comprised development teams. The development team must be appropriate for a Project of this type, size, and scope.
5. If an Applicant has multiple Project reservations, the development team must have the capacity to administratively and financially support all Projects simultaneously.

4. Process, Awards and Reservation Letters

4.1. Evaluation Process:

After Administrative Review (see Section 3.1), eligible Applications will be reviewed for Threshold Requirements (see Section 3.2). After the review of Threshold Requirements, eligible Applications will be competitively scored (see Section 3.3).

The final selection of Applications for Award, if any, will be from those Applications that best meet the competitive scoring requirements, as further recommended by the Director and approved by the Housing Stability Council (“Council”), and made in accordance with available Funding Sources.

4.2. Awards:

Applicants, if any, that OHCS determines to provide a reservation of funding pursuant to this NOFA will be designated as Awardees in the conditional commitments issued to them by OHCS (“Reservation Letter”). All Reservations are conditional in nature, contingent upon the terms upon which they are made, approval by the Council, the continuing availability to OHCS of the described funds or tax credits (collectively or individually without distinction, “Funds”), the continuing authority of OHCS to disburse or allocate such Funds, and the successful negotiation, execution, and recording (if required) of the Agreement Documents.

5. General Terms and Conditions

- 5.1. Funding in this NOFA is subject to the continuing availability to OHCS of the described funds or tax credits, the continuing authority of OHCS to disburse or allocate such funds or tax credits, and the successful negotiation, execution, and recording (if required) of relevant documents in a manner satisfactory to OHCS.

- 5.2.** OHCS may require additional information to determine whether an Application satisfies relevant criteria. Any necessary clarifications or modifications normally will be made before OHCS makes any Reservation and may become part of the Agreement Documents but only if affirmatively so stated in the Agreement Documents.
- 5.3.** 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.
- 5.4.** In the extent that other OHCS funding sources are awarded to the Project and have additional or other requirements, the most restrictive requirements will apply to the Project. Applicants should review and evaluate other OHCS funding sources they intend to apply for to comprehend the additional restrictions that may be required; this is the sole responsibility of the Applicant and not OHCS.
- 5.5.** 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.
- 5.6.** Successful Applicants will be required to maintain appropriate levels of insurance and to comply with the VGHAP/GHAP Project Requirements and other OHCS policies, including execution of the Agreement Documents.
- 5.7.** 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. Applicants may only apply for funding of one (1) phase of a multi-phase Project under this NOFA.
- 5.8.** OHCS assesses an Application charge. A check for the Application charge is required at application submission and must be received by the application due date.
- 5.9.** 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 business 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.
- 5.10.** OHCS reserves the right:
 - 5.10.1.** to amend this NOFA prior to the closing date;
 - 5.10.2.** to amend the deadline for submitting Applications;
 - 5.10.3.** to determine whether an Application does or does not substantially comply with the requirements of this NOFA;
 - 5.10.4.** to waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;
 - 5.10.5.** to obtain from and/or provide to other public agencies, upon request, references, regarding the Applicant's performance;
 - 5.10.6.** to reject any Application that fails to comply with the requirements of this NOFA, at any time prior to execution of the Agreement Documents (including after announcement of the apparent Reservation)

- 5.10.7.** to reject all Applications received and cancel this NOFA upon a finding by OHCS that such cancellation would be in the best interest of the State;
 - 5.10.8.** to use adherence with components of the Applicant's Application and this NOFA as consideration for scoring criteria in future multifamily funding solicitations;
 - 5.10.9.** to withdraw any funding source from this NOFA; and
 - 5.10.10.** to waive any term or condition of this NOFA for good cause as determined by OHCS.
- 5.11.** 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. All Applications are public record and are subject to public inspection after Agency issues the Award. If an Applicant believes that any portion of its Application contains any information that is a trade secret under ORS Chapter 192.345(2) or otherwise is exempt from disclosure under the Oregon Public Records Law (ORS 192.311 through 192.478), Applicant provide in writing its request for exemption from disclosure and a fully redacted version of its Application.

Applicants are cautioned that budget information generally is not considered a trade secret under Oregon Public Records Law (ORS 192.311 through 192.478) and identifying the Application, in whole, as exempt from disclosure is not acceptable. Agency advises each Applicant to consult with its own legal counsel regarding disclosure issues. If the Applicant fails to identify the portions of the Application that an Applicant claims are exempt from disclosure, the Applicant has waived any future claim of non-disclosure of that information.

- 5.12.** An Applicant or potential Applicant seeking to challenge any aspect of this NOFA is subject to and must comply with the provisions of OAR 813-005-0025, which provide:

5.13. 813-005-0025 Solicitation Protests; Administrative and Judicial Review

- 5.13.1.** With respect to any solicitation conducted by the department, an applicant or potential qualifying applicant may protest or otherwise challenge such solicitation process by first requesting administrative review as herein specified.

1. With respect to any solicitation conducted by the department, an applicant may protest or otherwise challenge any department determination or order (collectively hereinafter, "determination") related to such solicitation by first requesting administrative review as herein specified.
2. A timely, qualifying request for administrative review is necessary to satisfy the conditions of this section and a condition precedent to judicial review consistent with ORS 183.480.
3. Failure to file a timely, qualifying request for administrative review with the department will constitute a failure to exhaust administrative remedies and terminate further rights to protest or otherwise challenge the solicitation process or any related department determination, including judicial review thereof.

- 5.13.2.** An applicant under this section is a person or entity that makes an application (including delivery to the department under the terms of the solicitation) for a department funding award pursuant to a particular department solicitation. A potential qualifying applicant is a person or entity that qualifies to make an application for a department funding award under the terms of a solicitation with respect to the process of which it requests administrative review consistent with the terms of this section.

- 5.13.3.** An applicant or potential qualifying applicant seeking to protest or otherwise challenge any aspect of a solicitation process (other than a department determination related thereto) must request review by the department within fourteen (14) days of the application due date of the solicitation. An applicant seeking to protest or otherwise challenge a determination by the department related to a solicitation must request review by the department of such determination within fourteen (14) days of the applicant receiving notice from the department of that determination.
- 5.13.4.** Any request for review under this section must be in writing, specifically identifying:
1. The nature of the requestor's interest, including the facts showing how the requestor is adversely affected or aggrieved by the solicitation process or a department determination;
 2. The relief sought;
 3. Each of the grounds for review;
 4. An explanation for each of the grounds upon which relief should be granted; and
 5. Any supporting information the requestor desires to have considered by the department.
- 5.13.5.** The envelope containing the request for review MUST:
1. Be marked PROTEST;
 2. Identify the solicitation number;
 3. Identify the closing time and date for acceptance of solicitation applications;
 4. Identify the department's contact person for the solicitation; and
 5. Be received by the department at its main Salem Office, Oregon Housing and Community Services 725 Summer Street NE, Suite B Salem, OR 97301, not later than 4:00 PM on the fourteenth (14th) day after the solicitation closing date or the applicant's receipt of notice from the department of the department determination from which review is requested, whichever due date is applicable under this section.
- 5.13.6.** The applicant will be deemed to have received notice of a department determination upon the sooner of:
1. Three (3) days after the department's determination is mailed to the applicant;
 2. Two (2) days after such determination is posted to the department's website;
 3. Two (2) days after the list of successful solicitation applicants is posted to the department's website; or
 4. One (1) day after such determination is emailed to the applicant.
- 5.13.7.** The department may request additional information from the requestor with respect to its request and consider such other information as it deems appropriate.
- 5.13.8.** The department will endeavor to provide a written response to a timely, qualifying request for review within thirty (30) days.
- 5.13.9.** Judicial review of the department response to a timely, qualifying request for review shall be limited to those grounds the requestor raised with the department in its request for review.
- 5.13.10.** The filing of a request for review, or subsequent judicial review (if any), will not preclude the department from moving forward with the solicitation or the award of funding assistance thereunder. However, the department reserves the right to delay, terminate, modify, or take other action it determines to be appropriate with respect

to a solicitation or any related award of funding assistance in response to a request for review or subsequent judicial review.

- 5.14.** OHCS' contact person for this NOFA is Edward Brown. His contact information is as follows:
Oregon Housing and Community Services
Attn: Edward Brown
725 Summer Street NE, Suite B
Salem, OR 97301
Email: MFNOFA@oregon.gov
- 5.15.** Reservations, Allocations or Awards by OHCS (collectively, "Determinations") may be subject to Council review under ORS 456.561. Determinations that include additional OHCS funding subject to Council review, are contingent upon Council's 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 and Reservations.
- 5.16.** All Reservations made pursuant to this NOFA are subject to the successful negotiation, execution, and recording (if required) of any and all Agreement Documents. Projects that have only a leasehold interest in relevant real property must also include binding commitments executed and recorded by the landlord satisfactory to OHCS 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.
- 5.17.** OHCS may charge, and the Applicant shall pay, legal and administrative costs reasonably anticipated or incurred by OHCS in negotiating and preparing all Agreement Documents or otherwise reasonably incurred. OHCS also may charge and Applicant shall pay any other fees with respect to the Application, ensuing Reservation, Award or Allocation, and Project operation.
- 5.18.** Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.
- 5.19.** OHCS reserves all other rights not specifically identified herein, including but not limited to rights, remedies, and requirements established in OHCS administrative rules or other law.