

2020 LIFT Homeownership NOFA

Questions as of 04/17/20

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Questions as of 04/17/2020:

Question: How do we officially submit our application in Procorem?

Answer: You officially submit your application by uploading it to your workcenter by the NOFA deadline date and time. Whatever the latest version you have uploaded by the deadline will be the application we process. Choosing final as the status is not required but helpful.

Question: Is there an application fee for LIFT Homeownership applications?

Answer: There is an application fee for the homeownership applications and it must be received by April 24. The calculation for the fee can be found on the 2nd page of form 1.2 of the application, "NOFA cover sheet". Please the second page of the form with the fee so that we know which project the fee covers. If you are submitting more than one application, please send a separate form for each project, although one check to cover all fees, is fine.

Question: Can you offer a detailed breakdown of what is included in the RS Means estimate?

Answer: Because it is a nationwide average, using data from many different projects across the United States, RS Means does not publish an exhaustive line item breakdown of what is included in its psf calculation.

Question: On section 4.1, 9) Service to Communities of Color; if we are applying to an area that is not rural, per the OHCS guidelines, should we answer the "Service to Communities of Color" and if applying for a rural area, we respond to the "Rural Areas" questions. In other words, we shouldn't respond to the same questions twice.

Answer: Please fill out the Rural Areas questions that pertain to service to communities of color for rural projects and the other set of questions for urban projects. Each application should only respond to one set of questions.

Questions as of 04/03/2020:

Question: I pulled up section 3.8 today and am searching for Section 1.7.I Legal Structure of the LIFT Homeownership NOFA so I know what I am signing :) Can you Direct me to that?

Answer: This should be referencing Section 5 of the NOFA. We missed that reference change when revising the application this year.

Question: I noticed that the written answer to my question, "*Can you define construction as it relates to what we cannot do before the LIFT loan is closed? Can we do demo work? Subdivision and infrastructure?*" was answered more in depth on the FAQ sheet. If we have funding for all of the pre-development work, demolition and subdivision/infrastructure, are we allowed to start that process. The answer in the FAQ seems to indicate "YES".

Answer: It is up to the project sponsor if they elect to start/complete the processes you mention as long as the activities are paid for through a source other than LIFT. In a scenario like this, sponsors must bear the risk of possible delays in construction loan closing (including the LIFT loan), for whatever reason. If sponsors decide that they are OK with taking on that risk, they can complete pre-development work, demolition and subdivision/infrastructure-as long as those activities are not being paid for by the LIFT loan. Please remember that no work can be started on homes prior to LIFT loan closing, including foundation work.

Question: Is there a place in the application that I should state that one of the homes is reserved for lower-middle income?

Answer: Yes, in Section 2 of the application, there's a chart where unit size and affordability is listed for each unit.

Question: I understand that the MWESB form is not necessary for the LIFT Rental but it does seem to be addressed for the Homeownership application, correct? Do the efforts to engage MWESB have to be with registered companies with COBID? Or can they be women- or minority-owned small businesses in the areas that do not have the official certification/license? In rural areas, there are few relevant certified MWESB that would serve the good of the project through necessary services.

Answer: The MWESB form doesn't need to be filled out for LIFT Homeownership, however, there is a narrative in Section 4.1 of the application where you will describe the outreach efforts and any goals that the project has around MWESB hiring and engagement. Firms must be certified through COBID to be counted as MWESB firms. If there are barriers to hiring certified firms, this narrative is where you will discuss this.

Questions as of 03/17/2020:

Questions / Answers:

1. Is the address for submission of the application fees (Affordable Rental Division) correct?
 - a. Yes, this is correct. The LIFT program (both homeownership and rental) is located in the Affordable Rental Division at OHCS.

2. We don't know yet who is purchasing the homes we are building. How do we fill out the "units per target population" part of Section 2 of the application?
 - a. If the project doesn't have a particular population focus beyond affordable homeownership, then you do not need to choose any specific populations in this part of the section 2.0.
3. Per the instructions on the page 1 of Section 2.0, we are to list all resources requested for the proposed Project. If I applied for HOAP funds, do I add that here?
 - a. HOAP funds would not be added to this section because there is a separate application process for applying for HOAP funds.
4. How long is an appraisal good for before it "expires"?
 - a. An appraisal is generally good for 12 months.
5. The cells in the homebuyer subsidies chart on the proforma are locked and, therefore, can't be used.
 - a. We have unlocked these cells and posted an updated version of the proforma on the LIFT Homeownership webpage.
6. The real estate holdings worksheet in 3.3 of the application says to enter completed projects. Do we add projects that are under construction to this worksheet?
 - a. Only completed projects should be added to this worksheet. Projects under construction should not be added to the worksheet.
7. Due to the disruption of work from COVID-19, we are experiencing challenges getting some of our required LIFT docs back from community partners (City zoning verification, site checklist, appraisals). Are you considering an extension or any exceptions for the April 24 deadline?
 - a. Unfortunately, with the timing of the Article XI-Q bond sale (proceeds from the sale fund the LIFT program) in late spring, we are not able to extend the LIFT Homeownership application due date. However, 1.) We can accept the zoning verification after application. Please note in your application the reason that it isn't included and submit something that shows the current zoning of the site (a city zoning map that shows the site or is the zoning noted on the tax card?) with the application. 2.) For the site checklist: complete it as best you can and submit it with the application. Please note the reason it is not complete in your application. You can submit a fully completed checklist after the application due date. 3.) Appraisals: there is information on p.6 of the NOFA that provides an option for showing the valuation of land if you won't have an appraisal by the application due date.

Questions as of 03/06/2020:

Questions / Answers:

1. It seems that LIFT funds can be applied to subsidized units that make up a percentage of a larger development that includes a mix of affordable (subsidized) and market-rate units. Is this true?
 - a. You are correct, LIFT can subsidize some or all of the homes in a project. Mixed income developments are acceptable.
2. Slide 14, Program Overview, states: "profit from the sale of homes in the Project may not exceed 7% of the total project costs..." Does this pertain to only the LIFT units or all units in the overall project?
 - a. 7% profit maximum applies to the LIFT units only

3. When are the loan funds anticipated to be available and when will the reservations be announced?
 - a. We plan to make funding reservations in June or July. Once a reservation letter is received by a developer, getting to closing is dependent on many different variables and varies widely by project.
 4. When is the next LIFT Homeownership NOFA anticipated?
 - a. The next offering is currently planned for January 2021.
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Questions as of 2/28/2020:

Question: Can payments for application charges be submitted prior to the electronic application submission?

Answer: Yes, payments for application charges can be submitted prior to the application submission. Please be sure to include the transmittal sheet with the payment.

Question: Can you define construction as it relates to what we cannot do before the LIFT loan is closed? Can we do demo work? Subdivision and infrastructure?

Answer: Per Section 1.5(A), p.7 of the NOFA, "Projects that are under construction (including site work) at the time of Application are not eligible for funding through this NOFA." If LIFT funds are requested in the application for demo, subdivision, site work, infrastructure, etc., then no work can begin prior to LIFT loan closing, which includes the LIFT application period and LIFT reservation period. If not requesting LIFT funds for demo, site work, subdivision, infrastructure, etc. and a senior lien will not be placed on the property before the LIFT loan closes, then the sponsor can decide if it wants to start this work prior to LIFT loan closing. As in the past, starting construction on homes (including foundations) is not allowed before loan closing.

Question: Does profit include the developer fee?

Answer: Profit includes the developer fee.

Question: Can we assume the 36-month clock will start late June/early July?

Answer: This is a reasonable assumption; however, we cannot guarantee a specific timeline for fund reservations.

Question: What documentation, in lieu of an appraisal, do you need to demonstrate land value/real market value?

Answer: If an appraisal is not available, tax value/assessed value can be used. Real Market Value is usually part of the information included on a tax assessment and is sometimes higher than the assessed value. RMV can be used to show value at application.

Question: Are the slides from the LIFT Homeownership webinar available?

Answer: The slides and a recording of the webinar are posted on the LIFT Homeownership web page on the OHCS website: <https://www.oregon.gov/ohcs/Pages/nofa-2020-LIFT-homeownership.aspx>.

Question: What time period is anticipated between reservation and loan closing?

Answer: This timeline varies by project and project sponsors' ability to complete all required due

diligence prior to loan closing. Closings are moving faster than in previous rounds of funding because there are now template loan documents.

Question: What are the points for the amounts of LIFT requested?

Answer: Requests for subsidies of up to \$75,000 per unit will receive a score of 20 points; requests for subsidies of over \$75,001-\$100,000 per unit will receive 10 points.

Question: Can Portland HOLTE tax benefits and SDC affordable housing waivers be requested simultaneously? How about LIHTC?

Answer: Please contact the City of Portland for information regarding Portland HOLTE tax exemption and SDC waivers. The LIFT program has no prohibitions against using local programs as part of project funding. Low Income Housing tax Credits (LIHTC) can be used for homeownership, for more information, please see the Oregon Qualified Allocation Plan:

<https://www.oregon.gov/ohcs/HD/MFH/LIHTC/QAP/2019-QAP-Final.pdf>

Question: Does BOLI prevailing wage apply to modular plant location or site location?

Answer: Please contact BOLI directly for all questions regarding prevailing wage at pwremail@boli.state.or.us or 971-673-2372.

Question: What are the important deadlines for LIFT Homeownership?

Answer:

- Deadline to request access to Procorem: **April 10.**
- Last day to submit questions via HONOFA@oregon.gov: **April 15.**
- Application due: **April 24**

Question: When will the LIFT Homeownership NOFA be released?

Answer: The LIFT Homeownership NOFA is released, it can be found on the OHCS website, here:

<https://www.oregon.gov/ohcs/HD/DRP/nofa/2020/LIFT-HO/LIFT-HO-NOFA-2.18.20.pdf>
