

Portfolio Stabilization COVID-19 Response Fund NOFA

Frequently Asked Questions – 11/3/2020

New Q/A additions appear in this color

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PLEASE NOTE: On the Project Data sheet of the application document -- Include the TOTAL Affordable (rent assisted and non-rent assisted) units into Column L. When OHCS runs the calculation for the percentage of the project that is rent burdened, staff will update the calculation to remove the number of rent assisted from the denominator (using the entry in Column Q).

Administrative Questions:

Q: How do we get access to the website where we will need to upload our project application?

A: You need to email ARH.HCS@oregon.gov by November 3rd requesting access; please include the names and email addresses for all persons you will want to have access to this site.

Q: Does each project submitted for need a separate signed Authorization Acceptance form, or can they all be submitted under the same form with one set of signatures?

A: If the applicant is the same for all, then one should be fine.

Q: Are there max loan awards per project?

A: No, there is no max loan award per project. The only requirement is that the loan request not exceed the total arrearages in the project.

Q: Will we be able to submit for reimbursement of funds used for COVID-19 related expenses such as mitigation cleaning, future deferred maintenance due to only entering units for emergencies, replacement reserves used, etc?

A: This effort is providing you funding to support the project operations (it will come in as a loan, and if you eliminate any tenant arrearages then that will count as having paid the loan back). We are sizing the \$s for that operating loan support based on the \$s in tenant arrearages. We are not asking for any documentation of the use of the operating resources (although if you do not clear any tenant arrearages then you will need to repay the loan).

Q: Are there requirements of not double dipping with respect to the federal funds?

A: Yes, we would not want the tenant arrearages to be paid through other avenues if the settlement of arrearages is used as the additional consideration to satisfy the loan. If another source of assistance has covered tenant rent, then those arrearages should not be included in the request made in this application.

Q: What if we do not know yet if we will get the other source?

A: You will need to choose which source to take.

Q: Should we be awarded funds and the arrearages at a property are reduced by an interim recertification or assistance from another source that we are not currently aware of, can the funds be shifted to another property?

A: Since we are scoring based on individual properties, you will not be able to shift the funds to another property.

Q: The NOFA indicates that tenants will not be able to be evicted through March 2021; if the tenant accrues additional rent arrearages during that time, can we still consider those due by tenants at that time?

A: Yes, the extension of eviction prohibition through the loan period does not come with resources to cover additional arrearages beyond what will be initially agreed to with a fund reservation.

Q: Does the extension of the eviction prohibition through the loan period cover only those households that had had arrearages, or all units in the project?

A: All units in the project.

Q: Can we also apply for the losses based on canceling rent increases in 2020?

A: No, as OHCS has not prohibited increases to rent during this time, the choice to not increase rents is the responsibility of the owner / sponsor.

Q: Who should be the applicant?

A: A sponsor may apply for all projects in their portfolio.

Q: Can I choose to have a project LLC apply if that works better for me?

A: Yes, you may choose to do so.

Q: If we apply as an LP or LLC will we lose any points (vs the general partner sponsor applying)?

A: no, there are no point assigned to this / you will not lose any points for applying as an LP.

Q: Do you have a copy of the anticipated loan document?

A: No, not yet. As soon as we have it it will be distributed. The idea is that we will have a core loan agreement as well as a note that includes the detail on the repayment terms.

Q: Will the loan be secured against the properties?

A: No, as these are all projects within the OHCS portfolio, we are not going to go through the process of securing the loans against the property. The loans will be issued to the applicant with the intent of supporting property operations.

Q: Will owners still be able to pay asset management fees and other types of distributions?

A: Yes.

Project Eligibility Questions:

Q: What projects are eligible for these resources?

A: Any affordable rental housing project with 5 or more units that has OHCS funding in it. If you have any questions about whether a project is eligible, please reach out via email with your question to ARH.HCS@oregon.gov

- The NOFA references the definition of publicly supported housing: which for these purposes is:

(6)(a) “Publicly supported housing” means a multifamily rental housing development of five or more units that receives or benefits from government assistance under:

- **(A)**A contract for rent assistance from the United States Department of Housing and Urban Development, the United States Department of Agriculture or the Housing and Community Services Department that contains an affordability restriction; **or**
- **(B)**A contract that is for any other type of government assistance or subsidy that includes an affordability restriction and that is identified in rules adopted by the Housing and Community Services Department.

NOTE: 6(b) of this statute definitions do not apply to this NOFA; **Housing Authority, RD and Rent Assisted Projects are INCLUDED as eligible if they have OHCS resources** (which puts them in the OHCS portfolio)!

Q: Does the property have to have OHCS resources in it to be eligible?

A: Yes, it must have OHCS resources.

Q: We have a multiple building project in the same location, can we apply for all of those buildings together?

A: As long as all of the buildings are in the same Census Tract then we would not have a problem for you applying for a multiple building project as one financial transaction. If a “project” is scattered site and in different areas of the state then we would request that you apply for the sites individually.

Q: In the application there is a section for Set-Aside Eligibility; do I need to meet all of the listed criteria to be able to apply?

A: No, you do NOT need to meet all of those criteria to be eligible for the resources – your answer to those questions will merely allow us to understand which of the set-asides your projects would be eligible to use resources from. It is not a problem if you are unable to meet any / all of those criteria.

Q: Are these resources limited to rural areas?

A: No, there are set-asides for rural areas, but projects statewide would be eligible.

Set-Aside Questions:

Q: Are leverage points considered in the two set asides for small nonprofits and for culturally specific organizations?

A: No, they are not.

Q: If we apply through a set aside, but are not funded in that set aside due to large volume of application, will application be considered in open competition?

A: Yes, if a project eligible for one or more set-asides is not funded as highest scoring within that set-aside category the application will be rolled over into the open competitive set-aside.

Misc Application Form Questions

Q: On the application spreadsheet, Project Data tab, Column Y for number of days of operating reserves, the information loads as dollars instead of days of funding. How should we address this?

A: We apologize for that error in formatting – but do not worry, it should not impact the calculation, so you can use it as-is.

Q: We don't have a Business Identification Number as we are a Housing Authority?

A: That is fine, you can apply without one.

Q: On the AuthAccept tab, do you really want two signatures on #2 and #3? Based on how other lines are labeled, I suspect that you want one signature, and the other line should be "Print/Type Name." Can you clarify?

A: You are right, that is a mis-label; the other line should be Print/Type Name.

Q: Some of the roles in the Auth/Accept tab form don't correspond well to my organizational structure; what should we do?

A: Please update the form roles as needed to align with your organization; the idea is that that in that form you are demonstrating your organizations ability to apply on behalf of the projects submitted.

Misc Documentation Questions

Q: Having not done recerts in LIHTC projects for a few months due to COVID, we may not have the most up to date rent burden info for those households.

A: You can use whatever the most recent data you have on your current tenants is; whether that be your last CCPC review, rent increase request, or re-certs.

Q: Does the OHCS-10 form count?

A: Yes.

Q: What if I am unable to get the board resolution in time for the application deadline?

A: If the timing is a concern, please just reach out to ARH.HCS@oregon.gov and let us know; we will be able to waive that for the time of application as long as it can be provided later / in advance of any loan commitment.

Q: Do you want the backup documentation for the "Project Data" tab (for us, this includes financial statements, budget, tenant census & data from files) uploaded now, or do we just need to have it available on request?

A. Yes, we would want those back up files uploaded along with your application.

Rent Arrearage Questions

Q: What arrearages are we able to include in this request?

A: Any rent arrearages from March through October for any affordable rental housing project in the OHCS portfolio are eligible. If it is a rent assisted unit (unless RD / HUD budget authority cap was met) the tenant paid portion of rent would be allowable to be included as well.

Q: Should anticipated and actual rent from occupied units include both subsidy and tenant payments, or just tenant portion?

A: Just tenant portion.

Q: Can I apply for anticipated future arrearages?

A: The first funding priority will be arrearages accrued from March through October 2020 rent periods; if the funding is under-subscribed we do have the ability to include projected rent arrearages. We are requesting that estimate through the application by asking for estimated future monthly arrearages.

Q: For the estimated future monthly rent non-payment, should this just be for November and December, or is this for potential non-payment through a later period?

A: The average monthly arrearage in November and December.

Q: We had a number of units that were vacant for an extended period of time due to COVID. Is this something that might be covered?

A: No, this is intended for arrearages from current occupied units only.

Q: We have a handful of tenants that had to relocate due to COVID that have active arrearages still which would show up as their debt when they go to get a new unit. Can we include these arrearages in the request?

A: If the arrearages are documented with a plan in place for the former resident to repay & a way to document eventual resolution of the arrearages and inform the tenants, then you can include them.

Q: What date should we base the request on?

A: Occupied units at the time of application.

Rent Burden Calculations

Q: If a portion of the units in our project has rent assistance / rent subsidy, should I include those units in the calculation of rent burden?

A: No, since we have a separate scoring to address what portion of the project has rent subsidy, you do not need to reflect the burden rate of those with rent subsidy in that calculation.

Q: What if my entire building has rent assistance / rent subsidy; how do I represent the housing burden for that question?

A: If the entire building is rent -assisted, they should not be able to demonstrate a severe rent burden – so we have determined that rent assisted households do not need to be reported in that calculation; so if the entire project is rent assisted it is likely that the project won't get those points.

Q: How do you calculate the percent of rent burdened tenants at the projects?

A: For the individual unit calculation – you would want to look at the total household monthly income and the housing expenses (include any utility allowance). That will tell you what percentage of their income is going to housing. You then determine how many of your households are paying 50% or more – and then divide that number by the total occupied units in your project.

Q: if you are not including rent assisted units in the calculation of rent burdened units, how should we enter this into the spreadsheet?

A: Please Include the TOTAL Affordable (rent assisted and non-rent assisted) units into Column L. When OHCS runs the calculation for the percentage of the project that is rent assisted, we will update the calculation to remove the number of rent assisted from the denominator (using the entry in Column Q).

Operating Reserve Questions

Q: Should operating reserves include replacement reserves and cash on hand, or just reserves designated specifically for operating shortfalls?

A: Just reserves for operating shortfalls.

Q: Should the project monthly operating expenses include debt service and reserve deposits?

A: Yes, if they are regular payments we would consider those regular operational budget needs.