Frequently Asked Questions (FAQ) for
2021 Veterans Affordable Housing Development NOFA #2021-8 and
2021 Small Project Development NOFA #2021-9
As of August 4, 2021

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General:

Last day to submit questions is August 4, 2021.

Question: Can I mix or combine each NOFA's funding sources? For example, have 10 units for Veterans and 10 for non-veterans?
Answer: Applicants may apply to both NOFAs separately, however each NOFA application must have balanced and committed sources and uses and not rely on resources from the other NOFA to make this happen. Applicants cannot combine sources from both NOFAs to make a project whole.

Question: To get 4% LIHTC do we have to use bond financing as well?
Answer: Yes, tax exempt bond financing is a requirement of the 4% LIHTC program.

Question: If we are applying for 4% LIHTC, do we need to fill out the 4% LIHTC Pro Forma as well?
Answer: If you are applying for 4% LIHTC, be sure to fill out the parts of the application that pertain to 4% LIHTC. The application incorporates what was formerly known as the 4% LIHTC pre-application.

Question: Can OAHTC be used with a tax-exempt bond financing?
Answer: Yes, OAHTC can be used with 4% LIHTC.

Question: Under Section 3 Scoring - Lower subsidy per unit. Table 1 gives the most points to 81% or greater and the least points to 20% to 40%. Shouldn't that be reversed so the lower percentages get more points than the higher percentages?
Answer: Yes. The explanation does not match the steps of the equation. If a project request is 80% below the subsidy maximum, that project will score max points whereas if a project request were only 20% below the subsidy max that would receive 2 points. This will be made clearer in the application when it releases.

Question: Under Section 3 Scoring - Lower subsidy per unit. Does 4% tax credit count as subsidy or not? Tax exempt bond financing?
Answer: It does not. This calculation only considers the gap funding subsidy request and comparing that to the gap funding subsidy maximums by unit type, 4% LIHTC and bond financing are not considered gap funding

Question: What type of entities are eligible to apply for this NOFA? For example, are nonprofit, for-profit, and governmental entities eligible to apply for this program?
Answer:
(a) A nonprofit corporation established under ORS chapter 65;
(b) A housing authority established under ORS 456.055 to 456.235;

(c) A local government as defined in ORS 197.015;
(d) A manufactured dwelling park cooperative as established under ORS 62.800 to 62.815;
(e) A for-profit entity;
(f) A Native-American tribe; or
(g) An individual

Question: In Section 3 scoring, Area Median Income served; We have 24 Units. 30% is 7.2 units. I assume we get to round down to 7, correct?
Answer: You would round up to 8 units. Seven units out of 24 units is 29.16% of the project units. According to the score section that would qualify for 2 points because at least 20% of units are at least 20% below, but it would not qualify for 3 points because the threshold is 30%.

Question: What is the limit on the Project Developer Fee?

Project Size	9% LIHTC / HOME / Gap / PSH or LIFT (with 4% LIHTC) New Construction	9% LIHTC / HOME/ Gap / PSH Acquisition/ Rehab
<31 Units	18%	20% + $4,000/unit **OR** + $5,500/unit for Preservation
31-75 Units	16%	18% + $4,000/unit **OR** + $5,500/unit for Preservation
76-100 Units	14%	16% + $4,000/unit **OR** + $5,500/unit for Preservation
101+ Units	12%	14% + $4,000/unit **OR** + $5,500/unit for Preservation

Question: Is MFNOFA@oregon.gov accessed by an email with attachments, or is it some kind of upload platform?
Answer: This is an email inbox that is accessible by multiple staff members.

Question: The Site Review Checklist does not have a Certification of Zoning in it.   Does that come with the Application or the Pre-application?
Answer: The zoning form will be provided as a supplemental form along with the full application in your Procorem WorkCenter.

Question: We are applying for the VGHAP NOFA and are planning to serve transitionally homeless Veterans in our project. If we request some vouchers to assist in the project -should we underwrite those rents to Fair Market (FMR)?
Answer: Transitional housing is not eligible for funding through this Veterans NOFA, only permanent housing is eligible for funding. If requesting project-based rental assistance/service slots for permanent supportive housing that is available through the NOFA, rents should be underwritten at 60% AMI rents. The rent assistance will cover the difference between 30% of a tenant's income and the 60% AMI rent. If you are requesting rent vouchers from a different source, the requirements of that source would apply.

Question: If utilizing OAHTC, would we then need to demonstrate the pass-through on those 30% units?
Answer: If a project is requesting OAHTCs and has project-based rental assistance or vouchers (PBV), the units with PBV are not eligible to use OAHTCs and demonstrate pass-through on rents. The project must spread pass-through rent reductions over the remaining eligible units that do not have PBV.

Question: Are all the units in the project required to be "visitable"?
Answer: This can vary by project, please review ORS 456.510 for detail. Please send any additional questions on this topic to MFNOFA@oregon.gov.

Question: Can we request for funding for a community building or just the residential dwellings?
Answer: Community structures that are part of the overall project and are on the project site for the benefit of the project tenants are an eligible expense for GHAP funds.

Question: Do Phase 1 ESAs have an age limit?
Answer: Phase 1 ESAs submitted must have been completed less than 1 year prior to the date of application.

Questions as of 6/28/21:

Question: For the Small Projects NOFA, regarding the application and Phase 1 requirements: In the 2021 Site Checklist Contamination Screening section, criteria #14 has been changed since the 2020 version to read, *"A Phase I, no older than 6 months prior to the NOFA due date and conducted in accordance with ASTM E.1527-13, will be required as a reservation condition if the project is selected for funding."*
The highlighted portion is what has been added since the 2020 Site Checklist. Should I read this as requiring a Phase I be completed within 6 months prior to our NOFA application due date? So, if there isn't currently a Phase 1 that meets this criteria for the site, one would need to be conducted between now and August 17th? In the Small Projects NOFA Underwriting Guidelines section it states, *"Prior to*

closing, a Phase I environmental study is required. The study must be no older than one year from the date of Application."
Answer: An ESA Phase I review must not be older than one year from the due date of the full application. Please Note: the ESA Phase I is NOT REQUIRED before the application due date. An ESA Phase I is required prior to the project construction closing phase. An ESA Phase I may be conducted after a reservation of funding has been given by OHCS.

Question: Regarding the use of OAHTCs and GHAP together, can the pass-through be applied to units at 80% AMI, effectively reducing those rents to 70% AMI? Both programs have a maximum AMI of 80% so it appears this could work, though it may not be competitive.
Answer: The pass-through requirement with OAHTC is intended to lower rents below the level that would be obtained after all other subsidies have been applied. If your project includes 80% units with GHAP, you will then apply the pass-through from OAHTC to lower rents below 80% to 70% or lower. The 80% max for OAHTC only applies when there are no other funding sources with a subsidy requirement. That said, you can apply for GHAP with a project with 80% units that will get lowered using the pass-through requirement with OAHTC.

Question: The NOFA references the "OHCS Rental Assistance Framework" and "OHCS Services Framework." I am having trouble locating these documents on your website. Could you share copies of both with me?
Answer: Here is the link for the PSH PBRA Framework.
https://www.oregon.gov/ohcs/development/Documents/nofa/2021/PSH-Rent-Assistance-Framework.pdf. The Services Framework will be published soon. Please contact Dana Schultz at dana.schultz@oregon.gov with any questions you may have about PSH Services funding in the meantime.

Question: We are interested in participating in the Supportive Housing institute. We applied last year but were not selected. If we apply for PSH funding through this NOFA but are not successful, will there be another opportunity to apply for the Institute? Do you know when that application will be released, how many spots will be available, and how competitive it will be?
Answer: PSH projects who are awarded funding will be required to participate in the Supportive Housing Institute if they have not already done so. Funded PSH projects will not need to compete for a spot in the institute, as spots will be reserved for funded PSH projects. The next institute's date is yet to be determined.

Questions as of 7/19/2021:

Question: Our organization does not own any other real estate. This is our first project. In this case do you want us to omit the REO schedule from the application packet?
Answer: You do not need to include a REO if you don't own any other real estate, but you will need to include a statement to that effect in the narrative section

Question: Are all projects required to include a capitalized replacement reserve in the uses/budget?
Answer: Not all projects are required to include a capitalized replacement reserve in the budget. OHCS will generally defer to outside lender requirements for the replacement reserve.
Acquisition/Rehabilitation deals should follow recommendations from the CNA. If the project does not

plan for a capitalized replacement reserve, annual deposits must demonstrate the ability to cover the costs of a replacement schedule.

Follow-up to the previous Question: If not required, then if projects are not including a capitalized replacement reserve in the uses/budget, do we need to submit a replacement reserve analysis?
Answer: If not including a capitalized replacement reserve in the budget, a replacement reserve analysis is not required with the application.

NOTE: if planning to use 4% LIHTC you can either provide filled out 4% supplemental forms or inform OHCS through the mfnofa@oregon.gov email and we will provide instructions for turning in your application where staff will unhide and unlock 4% LIHTC worksheets to provide instead. The second option may be faster and simpler for your convenience.

Question: From section 3.3.1 and 3.3.1 Please confirm if the required minimum year DCR is 1.15 or 1.20.
Answer: OHCS's underwriting guideline for the minimum DCR is 1:20. That said, we recognize that there are several debt products out there that underwrite to a 1:15 DCR. If you're considering one of those programs, we can use the lower DCR in our analysis and underwriting but you must explain it in the "Financial Assumptions" section of the pro forma.

Small Project NOFA:

NOTE: In the **pre-application** on the "NOFA 2021-9" tab, the cell for calculating the percent of maximum subsidy requested is not calculating as of 6/18/21. This error has been corrected. If you downloaded the preapplication prior to this date and would like the cell corrected, you may email your pre-application into MFNOFA@oregon.gov. It will be emailed back to the sender or you can download a newer version of the pre-application. **As of 7/9/21, all pre-applications should have been submitted. No new pre-applications are accepted after that date.**

Questions from Small Projects NOFA Training Webinar July 14:

Question: What does maximum limits used in scoring lower subsidy per unit category mean?
Answer: In Section 3.3.11. *Lower Subsidy Per Unit* This category offers points for requesting funds below the maximum amount of subsidy that your project is eligible to request based on your project's unit count. The scoring comes directly from these numbers. For example, if an applicant requests 20% lower than the maximum amount that your project is eligible for, then the project will be eligible for two points. For instance, if you have a one-unit project that has a single zero-bedroom unit in it, the most your project can request $125,000. If you request $100,000 instead, you will earn two points in the category.

Question: Where in the work center should I upload my working application July 21st for the fixes that need to be made??
Answer: Please upload your application into the main folder of your Workcenter. This will help facilitate a speedy turnaround for the fixes.

Question: How many projects submitted pre-applications, and how many were urban and rural applications?

Answer: We will soon release a Pre-Application Feedback report to your workcenters that will provide details about the pre-applications received. We received 22 pre-applications for the Small Projects NOFA and seven pre-applications for the Veterans NOFA. We don't know specifically yet, but in general, the breakdown between urban and rural looked to be about roughly 50/50.

Question: Regarding permanent supportive housing (PSH), it looks like there are 30 slots available, will those also be designated urban or rural, or is that 30 spots altogether? If one project in a rural area, for example, were to ask for 30 units and one in the urban, would it mean that no units would be available for urban or vice versa, is that right?

Answer: This is correct, 30 slots are available altogether for the NOFA with no separate set asides for projects in urban or rural areas.

Question: Regarding Section 3.3.8. *Collaboration*, on what basis will the points be awarded?

Answer: There may be some overlap between this section and the questions in the Development Team tab. We want to know about the different partners in the project: resident services provider, management agent, and the overall collaboration community wide. We will consider all those things for scoring in that area. In question 2, we want you to explain how you will leverage any other financial resources related to construction or operation. We want to know about how your finances stack in the project. What are the other elements helping the project get off the ground?

Question: The maximum AMI for the funds offered in the NOFAs are 80% AMI. Is there the option for a project to have a lower than 80% AMI restriction (ex. 70% or 75% AM)?

Answer: 80% is the highest AMI the project can commit restrict housing at, it needs to be at maximum 80% AMI. Restricting at an AMI lower than 80% is allowed and is at the project sponsor's discretion.

Question: What is the difference between acquisition/rehabilitation and preservation, and does the pre-app opt for a specified type of project?

Answer: Both project types typically include some type of rehabilitation. Preservation is specifically about preserving affordability of projects within the OHCS portfolio and ensuring they can continue to house low-income Oregonians. Acquisition/rehabilitation is purchase of an existing residential structure and conversion of the property to affordable housing. The pre-app does not opt for a specified type of project. Please refer to the NOFA for approved project types.

Question: Is the distinction between acquisition/rehabilitation and preservation tied at all to the expiration of any tax credits, or is it more about whether the project is currently affordable or being converted to be affordable?

Answer: The distinction between preservation and acquisition/rehabilitation is related to whether the project in question has preexisting rent subsidies attached. A project does not count as preservation unless these affordability restrictions are in place and in danger of expiring.

Question: If our need is primarily for financial stabilization rather than rehabilitation, is that something that the Small Projects NOFA will be able to accommodate?

Answer: Please see section 1.5.1. of the NOFA. Projects must meet the criteria listed there in order to count as an eligible activity to be considered for funding.

Question: Given the number of pre-applications and significant new funding available, is there any consideration being given to increasing funding levels in these NOFAs?
Answer: We do not expect to increase the GHAP funds in this NOFA as those funds are allocated across a number of other NOFAs. That said, OHCS reserves the right to allocate other sources of funds should it appear advisable to do so.

Veterans NOFA:

Question: By 100% Veteran, does that mean 100% of units in a project need to be for Veterans or just 100% of funds. Can we reserve some units out of a larger project for Veterans and use this funding only for the units reserved for Veterans?
Answer: Units funded through this NOFA must benefit Veteran tenants, however, those units can be part of a larger project.

Questions from Veterans NOFA Training Webinar July 13:

Question: Our board is asking if residents services, or a resident service description, is scored in Section 3?
Answer: Yes, you will be scored on your resident services description as listed in section 3.2.2. In that category, there are six questions that we want you to address in the Supplemental within your WorkCenter.

Question: Can an applicant apply on an individual basis or is it required that they apply as an organized entity?
Answer: You can apply as a sole proprietor, but before construction close, you will have to register a single asset entity as the owner of the project.

Question: Could you clarify when applying for PSH rent assistance, is there a separate application?
Answer: In the NOFA application, there is a place where you identify if you are seeking PSH resources. It is in the Project Details tab that is in the application. We cannot offer PSH resources separately; so if you're requesting PSH resources you are requesting both the rental assistance and the services funding together. You will be required to describe your plan for PSH within the Resident Services narrative questions.

Question: I can find out about resident services from your website?
Answer: Yes, the Services Framework will describe the PSH program requirements. That should be ready very soon and will be available on the website in the next couple weeks. If you have PSH services-specific questions, feel free to ask them through the MFNOFA email.

Question: Is it a $10,000 cap per unit? How should I build that money into the budget?
Answer: The PSH services funding can be outside of your building's pro forma in a separate program budget or can be in your operations proforma. If you are awarded funds, we would work together later to sign separate Services Funding contracts and finalize your approved PSH Services budget (separate from your proforma). It will work like a grant contract for the services funding. You would receive the amount that you are awarded on an ongoing basis.

Question: Do applicants need to get connected with some local provider or management group?
Answer: The project will require a management agent to operate the project long term. Some project sponsors are either self-managing their units, or they're working with a management company to manage the units to ensure that tenants qualify for the income limits.

Question: How I should select the management group? Or know if they will be willing or not? Are there possible places that you can look for, and whatever party I chose is on my own discretion? Who will be agreeing to do this portion of the project management?
Answer: It's up to the project sponsor to find a management company to work with. In general, as a state agency, we are not able to make recommendations for who to hire to do that work. With that in mind, you will need to work with our Portfolio Administration and Compliance Section to obtain approval of your management agent.

Question: Does every question a sponsor asks through the MFNOFA email end up in the FAQ?
Answer: It depends on the question, we will tailor a direct response to you but if your question is specific to your individual project, we will rework our response to make it more generic for the FAQ.

Questions as of 7/30/2021:

Question: What residents would this serve that a project might not otherwise be able to get service dollars for? Are there restrictions that come with PSH funding that would limit who could be served, for those (floating) units?
Answer: OHCS PSH funds must serve chronically homeless households (defined in section 1.3 of both the Veterans and Small Project NOFA) and they must be referred from a local Coordinated Entry system or an OHCS approved coordinated community referral process.

NOTE: PSH Services Framework is posted to the NOFA site under Manuals & Information:
https://www.oregon.gov/ohcs/development/Pages/vets-nofa-2021.aspx
https://www.oregon.gov/ohcs/development/Pages/small-ghap-nofa-2021.aspx

Question: I was wondering if I can propose a two or three-story building? For example, can my plan have a three-story layout totaling 30 units?
Answer: Building design proposals are largely at the discretion of the applicant and will depend on what the local jurisdiction's zoning authority allows. All of OHCS's requirements for the building design can be found in our Core-Development Manual (CDM) linked here:
https://www.oregon.gov/ohcs/development/Documents/Core-Development-Manual/CDM-Version-3-1.pdf

Question: Can you confirm that all documents that require signatures are to be signed electronically on the sheets/tabs in the excel application?
Answer: Yes. We can confirm that we are accepting and prefer electronic signatures for the NOFAs. Signatures should be signed electronically on the sheets/tabs of the excel application.

Question: The resident services form in Procorem for us does not say small projects, but instead says, "vets" and indicates it is worth 20 points, not 12. Is this the wrong form, and if so, could the correct form be added to Procorem for us?
Answer: The Resident Services form includes both the Vets NOFA and the Small Projects NOFA requirements. The Small Projects NOFA criteria is on page 2.

Question: If we are interested in providing more than 30 PSH units (e.g. 35), is it possible to have additional PSH units designated outside the NOFA process if slots are available? In other words, if we can do more, can we say so, and ask to fill them later?
Answer: If your project could use more than 30 PSH slots, please note this in the financial narrative portion of your application. It's not guaranteed that there will be additional slots available, but it may be a possibility. We won't know about this until after applications for both the Veterans and Small Projects NOFAs are received and reviewed. Because of this, you will want to be sure that in your application submission your financials, operating budget, and proforma meet all underwriting guidelines in the NOFA based on the project receiving no more than the maximum of 30 slots of PSH resources.

Question: I do not see a complete list of organizational documents anywhere in the NOFA or on Procorem for either the Small Projects NOFA or the VA NOFA. Can you please provide a complete list of documents (or point us to where we can find that complete list) so we can be sure to include everything required?
Answer: We refer to the requirement for organizational documents on the Instructions tab of the application. We didn't provide a complete list as it can vary from organization to organization. We need to see the documents filed with the State when the organization was formed.

Question: I have a question about the unit cap of 40 units. If a project has a manager unit, can that unit be the 41st unit? (40 affordable, 1 manager = 41 units)
Answer: Unfortunately, no. The unit cap is set at 40 units whether market rate, affordable, or managers unit. To be eligible for funding from the Small Projects NOFA projects must be between 5 and 40 units.

Questions as of 8/4/2021:

Question: What happens if my lender won't give me a Letter of Intent (LOI)?
Answer: An LOI is a minimum requirement to substantiate an additional source of funding such as a loan.

Question: My charge transmittal page doesn't seem to be accurately showing the charge I need to pay. What should I do?
Answer: The Charge Transmittal page of the application may not auto-populate for all applicants. You can calculate the proper application fee for your project by applying the following criteria:
1. The NOFA application charge due is the lesser of $2,500 or 0.5% of the total funds requested (not to exceed a total of $5,000 when paired with 4% LIHTC).
2. Unless your project requests 4% LIHTC or the combined total of sources requested is less than $500,000, your application fee will be $2,500.

Question: I'm wondering if there are special instructions for incorporating PBV units. I see from the Q&A that PBV and OAHTC cannot be used on the same unit.

Answer: OAHTC cannot be included on units with project-based vouchers when applying pass-through. The application is designed to show OHCS the total pass-through amount rather than on a unit-by-unit basis. You can identify units that will receive PBVs in the rents and incomes tabs, and the total eligible units for OAHTC pass-through will be based off the difference between that and the total units.

Question: Where do we find the OHCS Department Charges listed on lines 186-194 of the Budget Uses tab? Are they posted on OHCS's website? If not, where can we find that information?
Answer: The following is a link to a list of OHCS charges.
https://www.oregon.gov/ohcs/development/Documents/admin/OHCS-Charges-Table.pdf

Question: Is it possible that OHCS will decide to fund only a portion of the GHAP amount request?
Answer: OHCS will only make full awards based on the project request. OHCS prefers to be a last commitment of sources and expects the project to proceed toward closing from the NOFA award.

Question: Regarding Required Project Docs for both applications:
1. Is there a complete list?
2. Should we just be uploading these individually into the application folder as exhibits?
3. In the Development Team Capacity scoring section of the application, it refers back to Procorem, but we do not see any supplemental docs relating to Development Team Capacity in our portal. Can you please confirm whether or not we are missing something and/or misunderstanding something that is required?

Answer:
1. There is a complete list of required supplemental documents on the Instructions tab of the application.
2. Yes, please do upload them into the Application Submission folder in your workcenter.
3. We moved all the questions from that supplemental into the full application in the Narratives tab but missed the removal of that reference.