

Affordable Housing Funding Notice

Oregon Housing and Community Services



MULTIPLE AWARD OPPORTUNITY NOTICE OF FUNDING AVAILABILITY (NOFA) #2021-5

Affordable Rental Housing PRESERVATION Projects with HOME

NOFA Issued Date: **February 16, 2021**
Pre-Application Due By: **March 11, 2021**
Application Due Date: **April 30, 2021**

Application Due Time: **4:00 PM PST**

Version 1.0.01

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1.0 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 preservation of affordable multifamily residential rental housing developments (“Projects”) currently subject to an existing regulatory agreement which are proposing to use OHCS-issued HOME Investment Partnerships Program (“HOME”) funding to continue providing affordable housing to qualified low income households in order to maximize housing stability for vulnerable households.

1.2 Funding Sources, Allocations, and Funding Limit Categories

Funds for this NOFA may be allocated from federal, state, or other local funds or tax credits. It is the responsibility of the Applicant to have read the relevant manual and requirements for each funding source for which they apply. OHCS has set aside the following amounts for this NOFA and reserves the right to add resources to fully fund selected Projects:

A. HOME Investment Partnership Program (HOME) funds: \$3,600,000

To participate in this NOFA, the Applicant must apply for and use HOME funds. There is a minimum request of \$500,000 in HOME funds per Project for this NOFA. Metro areas and some non-metro participating jurisdictions maintain their own HOME Programs. Projects within those areas are not eligible for HOME funding from Oregon’s HOME Program funding included in this NOFA.

Federal HOME regulations require fifteen percent (15%) of HOME funding to be awarded to OHCS-certified **Community Housing Development Organizations (CHDOs)** that meet specific requirements around non-profit status, board composition, and development capacity. Information about CHDOs can be found on the OHCS HOME Program website: <https://www.oregon.gov/ohcs/development/Documents/HOME/CHDO-Overview.pdf>

B. Gap Funds (including General Housing Account Program (GHAP)): \$2,000,000

Gap financing will be awarded from one or more sources including, GHAP There is a cap of \$400,000 in gap funding per Project for this NOFA.

C. Oregon Affordable Housing Tax Credits (OAHTC): \$6,000,000

In addition to HOME funds, Oregon Affordable Housing Tax Credits (OAHTC) are available to Projects that demonstrate need and ability to meet requirements of the OAHTC Program. There is a cap of \$3,000,000 per Project for OAHTC funding in this NOFA.

D. Oregon Multifamily Energy Program (OMEP)

The Oregon Multifamily Energy Program is a resource which can be included as a source for Projects. Information can be found at <https://www.oregon.gov/ohcs/development/Pages/oregon-multifamily-energy-program.aspx>.

1.3 Definitions

For purposes of this NOFA, the following terms shall have the following meanings:

Agreement Documents means the funding documents, the final form of which are satisfactory to OHCS, in consultation with the Oregon Department of Justice and executed in connection with the Project.

Allocation includes any funding allocated under this NOFA.

Applicants means persons or entities submitting an Application in response to this NOFA.

Communities of Color Identity-based communities that hold a primary racial identity that describes the racial characteristics of the community that its members share (such as being African American) that supports self-definition by community members, and that typically denotes a shared history and current/historic experiences of racism. The community may or may not also be a geographic community. Given that race is a socially-defined construct, the definitions of these communities are dynamic and evolve across time.*¹

Culturally Responsive Organization means an entity that comprehensively addresses power relationships throughout the organization, from the types of services it provides and how it maximizes language accessibility to its human resources practices-who it hires, how they are skilled, prepared and held accountable, to its cultural norms, its governance structures and policies, and its track record in addressing conflicts and dynamics of inclusion and exclusion, to its relationships with racial groups in the region, including its responsiveness to expectations. A Culturally Responsive Organization is one that is dynamic, on a committed path to improvement and one that is hardwired to be responsive to the interests of Communities of Color, service users of color and staff of color. Culturally responsive organizations hire and train culturally and linguistically diverse staff to meet the needs of the diverse communities they serve.*²

Culturally Responsive Services: means services that have been adapted to maximize the respect of and relevance to the beliefs, practices, culture and linguistic needs of the diverse client populations and communities being served, including clients and communities of color. Cultural responsiveness describes the capacity to respond to the issues of diverse communities. Culturally responsive services assure competent language access and incorporate diverse cultural approaches, strengths, perspectives, experiences, frames of reference, values, norms and performance styles of clients and communities to make services and programs more welcoming, accessible, appropriate and effective for all eligible and intended recipients.*³

¹ Adapted from Curry-Stevens, Ann, Marie-Elena Reyes & Coalition of Communities of Color (2014). *Protocol for Culturally Responsive Organizations*

² Adapted from Curry-Stevens, Ann, Marie-Elena Reyes & Coalition of Communities of Color (2014). *Protocol for Culturally Responsive Organizations*

³ Adapted from Curry-Stevens, Ann, Marie-Elena Reyes & Coalition of Communities of Color (2014). *Protocol for Culturally Responsive Organizations*

Culturally Specific Organization: an entity that provides services to a cultural community and the entity has the following characteristics:

- Majority of members and/or clients must be from a particular community of color;
- Organizational environment is culturally focused and the community being served recognizes it as a culturally-specific entity that provides culturally and linguistically responsive services;
- Majority of staff must be from the community being served, and the majority of the leadership (defined to collectively include board members and management positions) must be from the community being served;
- The entity has a track record of successful community engagement and involvement with the community being served; and
- The community being served recognizes the entity as advancing the best interests of the community and engaging in policy advocacy on behalf of the community being served.⁴

Development Team: The Development Team includes any and all entities central to the successful development of the Project including staff of the Project owner, developer, and sponsor as relevant to the specific Application. This also includes any and all development consultants that may provide financial and/or construction management. It does not include architects, engineers, or other such service providers.

Electronic Signature: An electronic signature in the case of the Pre-app and Full Application is typing your name into the signature field and submitting the application. With the signature Applicant attests that will meet and comply with all the requirements and conditions of the NOFA, Pre-application, and Full Application.

Minority, Women, and / or Emerging Small Businesses (MWESB) contractors means contractors registered with the State MWESB Program, called Certification Office for Business Inclusion and Diversity (COBID) . (<http://www.oregon4biz.com/How-We-Can-Help/OMWESB/>)

Preservation means any Project with one of the following:

- A. A **HUD Section 8 Project-Based Rental Assistance Contract** that is expiring within seven (7) years of the date of the OHCS NOFA Application; or
- B. A **USDA Rural Development direct mortgage** that is maturing within seven (7) years of the date of the OHCS NOFA Application; or
- C. A **USDA Rural Development project** that has a pending prepayment request; or
- D. A **USDA Rural Development project** whose restrictive use covenants have expired; or
- E. **Projects with Public Housing Units** undergoing a preservation transaction involving a comprehensive recapitalization, including those converting to HUD Section 8 projects under the HUD Rental Assistance Demonstration or projects under the HUD Section 18 Demolition and Disposition Programs; or
- F. **OHCS Portfolio Projects** whose regulated affordability restrictions will expire within five (5) years of the date of the OHCS NOFA Application.

⁴ Adapted from Curry-Stevens, Ann, Marie-Elena Reyes & Coalition of Communities of Color (2014). *Protocol for Culturally Responsive Organizations* s

Procore™ Workcenter: Is a secure web-based portal developed by ProLink Solutions™. OHCS establishes a project specific “workcenter” for each funding Application/Project. Procore™ project-specific workcenters serve to facilitate secure electronic document submission, project team task management and act as a project communications hub for the project team and OHCS staff assigned to the Project.

Qualified Nonprofit Organizations means a nonprofit organization described in Section 501(a) and Sections 501(c)(3) or 501(c)(4) of the Code, have as one (1) of its exempt purposes the “fostering of low-income housing”. Further, the organization must materially participate (meaning, as described in IRC Section 469(h), it must be involved on a regular, continuous, and substantial basis) in both the development and operation of the Project throughout the Project Compliance Period. The organization must not be affiliated with or controlled by a for-profit organization, entity, or individual but may be part of a partnership.

Rural Areas: Rural areas are defined below, additional information can be found at <https://www.oregon.gov/ohcs/development/Pages/housing-data-analysis.aspx>

- A. Oregon communities with population of 15,000 or less within counties that are considered Metropolitan Statistical Areas (MSA) and outside of the Portland Urban Growth Boundary (see section a.). MSA Counties include Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Linn, Lane, Marion, Multnomah, Polk, Washington and Yamhill Counties.
- B. Communities with populations of 40,000 or less in the balance of the state (not defined in parts a. or c. in this section).
- C. All Oregon communities within the Portland Urban Growth Boundary are considered urban and not considered rural regardless of size.

Note: A community may be considered rural if it had been under the population threshold within the past 3 years of published data, and if their current population is within 5 percentage points of eligibility.

1.4 Reservation Process

- A. **Application Ranking Process:** Applications are reviewed and competitively ranked in accordance with the following:
 - 1. Pass the Preliminary Review (described in Section 3.1 below);
 - 2. Meet the Minimum Threshold Requirements (described below in Section 3.2); and
 - 3. Receive the highest overall score in accordance with available resources.

OHCS, at its sole discretion, may choose not to award all available resources. Applications that have the highest score will be recommended for funding as allocated resources allow. In order to be considered for funding, Projects must score at least 60 points, subject to OHCS discretion.

In the event of a tie and assuming insufficient HOME for both of the tied Applications, OHCS will apply the tie breaking rules in Section 1.4.B. in making allocation awards.

B. Tie Breaking Rule: If the total evaluation scores of two (2) or more Applications result in a tie and HOME allocation availability is insufficient to fund all tied Applications, the following scores, in order of priority, will break the tie:

1. If there are tied Projects, the Project serving households with the lowest Average Median Family Income served will be funded.
2. If the Average Median Family Income is tied, the Project with the least HOME resources per bedroom will be funded.

1.5 HOME Program Funding Requirements

The minimum investment of HOME funds is \$1,000 per unit or \$500,000 per Application. The maximum amount of HOME funds is limited by:

- The total per unit development costs: HOME funds cannot exceed the actual per unit development costs for the HOME-assisted units in the Project;
- The financial needs of the Project: Projects receiving HOME funds may not receive more subsidy than is required to produce financially feasible Projects;
- The number of HOME-assisted units in the Project: The HOME assistance cannot exceed the maximum subsidy allowed per HOME unit. The final number of HOME assisted units in a Project will be determined by OHCS, based on HUD regulation for eligible cost allocation.

2020 HOME maximum per unit subsidies, adjusted by bedroom size, as follows:

Zero Bedroom	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
\$153,314	\$175,752	\$213,717	\$276,482	\$303,489

2.0 APPLICATION REQUIREMENTS

2.1 Pre-Application Process and Application Access

The NOFA includes a two-step Application process that requires submission of a very brief pre-application along with a Site Review Checklist in order to access the full Application:

Pre-Application Process and Application Access

1. Download the pre-application and Site Review Checklist from the OHCS website, here: <https://www.oregon.gov/ohcs/development/Pages/notice-of-funds-availability.aspx>
2. Submit the completed pre-application and Site Visit Checklist to MFNOFA@oregon.gov. This action will alert OHCS staff to generate Procorem access credentials for your Project. This step must be completed no later than close of business on **March 11, 2021**
3. Once credentials are received, within three business days of pre-application submission, go to the Procorem login page: <https://app.procorem.com/login> to access the HOME Rental 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 Application Submission

- A. **Applications:** Applications along with all required materials and documentation must be uploaded to the Procorem portal by the Application due date and time: **April 30, 2021 at 4:00 PM PST.**
- B. **Charges:** All Applicants must submit Application charges via mail. OHCS cannot accept any electronic payments for Application charges.

Applicants must submit the Application charges to the address below along with the transmittal form provided as part of the Application materials in Procorem. All Application charges must be received by OHCS no later than **April 30, 2021 at 4:00 PM PST.** 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.

Send Application Charges to:

Oregon Housing and Community Services
Attn: Affordable Rental Housing
725 Summer St. NE, Suite B
Salem, OR 97301

Applications determined by OHCS to be incomplete, to not meet all submission requirements of this NOFA, or otherwise fail to satisfy Preliminary Review requirements will be deemed "non-responsive" and rejected without further review. Applications considered complete, meeting all submission requirements, and otherwise satisfying all Preliminary Review requirements by OHCS will be evaluated to determine if they comply with the Threshold Requirements. Applications determined by OHCS as failing to meet any of the Threshold Requirements will be deemed non-responsive and rejected without further review. Applications that meet the Threshold Requirements are considered responsive and qualify to be evaluated for ranking and award purposes by the Scoring Committee as described in this NOFA.

2.3 NOFA Questions

Inquiries relating to the NOFA process, its administration, or the substantive technical portions of the NOFA should be directed to: MFNOFA@oregon.gov

Please note "**HOME 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. When appropriate, revisions, substitutions, or clarifications shall be issued as a Technical Advisory and considered a revision to this NOFA.

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 shall post the TAs in Procorem and on the OHCS fund offering page: <https://www.oregon.gov/ohcs/development/Pages/notice-of-funds-availability.aspx>

3.0 EVALUATION PROCESS

If an Application passes Administrative Review, including timeliness and completeness requirements, the Application will be reviewed for satisfaction of all Minimum Threshold Requirements. If the Application fails to pass Administrative Review or meet all the Threshold Requirements listed below, the Application will be deemed non-responsive and will be rejected.

3.1 Administrative Review

Each Application will be reviewed for timeliness and completeness of the NOFA requirements. OHCS reserves to the right to pursue clarification from any Application that is deemed substantially complete. The following are Pass/Fail criteria, all of which must be met in order to move on in the Application's review:

- A. NOFA Cover Sheet, submitted by due date and time,
- B. Application and Charge Transmittal Form and Payment of Application Charges,
- C. Owner/Board of Directors' Authorization and Acceptance Form,
- D. Applicant's Organizational Documents, and
- E. Complete NOFA Application with Required Exhibits.

3.2 Minimum Threshold Requirements

After passing Administrative Review, an Application must satisfy all Threshold Requirements at the time of Application. For complete HOME Program Requirements, please see the current OHCS HOME Program Manual. The following are Pass/Fail criteria, all of which must be met in order to move on in the Application's review:

A. Diversity, Equity and Inclusion (DEI) Agreement

All Applicants are required to enter into an agreement to commit their organizations to doing work and reflection to enhance diversity, equity and inclusion practices through the signing of an OHCS Diversity, Equity and Inclusion (DEI) Agreement.

This form is included in the NOFA Application

B. Relocation Plan

If any relocation or displacement of existing tenants might occur as a result of an Allocation made through this NOFA, the Application must comply with all relevant requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"). In addition to these requirements, the Application must contain a relocation plan for the Project satisfactory to OHCS, including all of the following:

1. A complete survey of existing tenants using the format provided by OHCS. This survey must include third party income verification and be completed and approved by OHCS prior to the Project closing.
2. Type of displacement that will occur (permanent or temporary).
3. Proposed relocation/displacement process. Indicate compensation and advance notice provided to those subject to displacement.
4. Availability of comparable units in the community.
5. Describe the local jurisdiction displacement/relocation policies, if applicable, and compliance therewith.
6. Describe how tenants with disabilities will be assisted regarding relocation or displacement.

This form will be an attachment to the NOFA and available through the Workcenter

C. Ownership Integrity

OHCS may reject an Application where the Applicant, or any member, officer, or principal within the Project ownership, management, or development team (1) is currently under investigation by a public body for, has a pending claim, indictment, suit, action, or other proceeding against them for, or has been convicted of or been determined by an administrative or judicial (whether criminal or civil) order or judgment to have committed fraud, misrepresentation, theft, embezzlement, or any other act of moral turpitude (including, but not limited to any felony or malicious behavior) within the previous ten (10) years; (2) has been involved in a bankruptcy proceeding within the previous five (5) years; or (3) has been debarred or otherwise sanctioned by OHCS.

This form is included in the NOFA Application

D. Resident Services

The Applicant is required to provide a Resident Services Description at the time of Application in accordance with the goals and guidelines in the OHCS Management Agency Package:

<https://www.oregon.gov/ohcs/compliance-monitoring/Documents/2020-management-agent-packet.pdf>

Please note that the information provided in the Applicant’s Resident Services Plan should reflect affirmative fair housing marketing as well as the priorities of competitive scoring, as well as be substantially in line with the Project’s final Project Management Agreement and Resident Services Plan.

This form will be an attachment to the NOFA and available through the Workcenter

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

All Applicants will be required to identify strategies that they will utilize to contract with MWESB contractors/subcontractors in the construction and operation of the Project. Awardees will be required to submit a report to OHCS demonstrating outcomes of their efforts to contract with MWESB contractors/subcontractors, using the state registry. 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.

This form will be an attachment to the NOFA and available through the Workcenter

F. Readiness to Proceed

An Application must demonstrate the Project’s readiness to proceed based on the following information:

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.**

This form will be an attachment to the NOFA and available through the Workcenter

2. Site Control

Applicant must have control of the land necessary for the Project by the Application deadline as evidenced by one (1) 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 Applicant must be sure the name on the evidence of site control and the Application is **exactly** the same. The site control document should also identify the exact same area as the Project site listed in the Application and the exact same cost for the land and/or existing buildings for the Project referenced in the development budget provided with the Application. If the site description in the Application and the site control document are not exactly the same, the Applicant must provide a narrative description and supporting documentation to clarify how the area and cost for the Project were established.

OHCS will only accept one (1) 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 (1) Application received for the same site, or any part of the same site, OHCS may disqualify one (1) or all of the Applications.** The *non-refundable* Application charge for each Applicant will be retained by OHCS.

This form will be an attachment to the NOFA and available through the Workcenter

3. Additional Federal Project Resources Status

The Applicant must be able to provide satisfactory documentation of its progress on its applications for federal resources.

If the Applicant has identified additional federal resources (such as rental or capital assistance from HUD, RD, or VA) as part of the funding structure, the Applicant must provide evidence satisfactory to OHCS that an application for these resources has been submitted and remains active. For RD, this 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.

This information should be provided in the notes on the Budget Sources Application worksheet; any evidence should be included in Threshold submission folder and named "Federal Resources Evidence"

4. Adequacy of Development Schedule

Within the development schedule provided by Applicant, the Applicant must be able to meet the required deadlines for each applicable HOME, Gap, and OAHTC funding sources.

The Applicant's development schedule must clearly demonstrate that funds will be invested and the Project will be constructed, leased, and stabilized within all required Program timeframes. These deadlines are published in the appropriate OHCS Program Manuals and available on OHCS' website.

Development Schedule is included in the Project Detail tab of the NOFA Application

5. Adequacy of the Project Site Checklist

Applicants must have identified if there is any adverse environmental or site information indicated on the Project Site Checklist submitted at the time of Pre-Application.

The OHCS Project Site Checklist contains questions regarding:

- a. the suitability of the site,
- b. the distances to services,
- c. transportation and schools,
- d. the nature of existing structures,
- e. soil suitability,
- f. environmental hazards,
- g. safety concerns,
- h. noise problems,
- i. air quality issues,
- j. historic preservation,
- k. flood plain and wetlands issues,
- l. solid waste, wastewater and storm water concerns, and
- m. Federally Listed Species and/or Designated Critical Habitat.

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.

This information is submitted with pre-application; the form can be found on the OHCS website here:

<https://www.oregon.gov/ohcs/development/Pages/funding-how-it-works.aspx>

G. Core-Development Documents (CDD) previously known as Architectural Documents

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** –

<https://www.oregon.gov/ohcs/development/Documents/Core-Development-Manual/CDM-Version-3-1.pdf>

These should be provided should be included in CDD submission folder in Procorem.

H. Development Team Capacity

1. Construction Experience:

- a. Does the Applicant have a successful history of leading preservation projects of similar size and scope with federal funds?
- b. If Applicant’s history is limited, how has the Applicant partnered with an appropriate party to mitigate this concern?

2. Financing Experience:

- a. Does the Applicant 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 Applicant’s history is limited, how has the Applicant partnered with an appropriate party to mitigate this concern?

3. Development Team Experience:

- a. Has the Applicant managed similarly comprised development teams?
- b. Explain the development team experience with projects of this type, size, and scope.
- c. If an Applicant has applied for multiple project reservations, does the development team have the capacity to administratively and financially support all projects simultaneously?

I. Applicant Financial Capacity:

1. As disclosed in the Application or other required information, does the Applicant’s financial condition 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?
2. As disclosed in the Real Estate Owned Schedule, is the Applicant’s existing real estate portfolio stable and self-supporting? If there are any significant problem properties, is there a reasonable mitigation plan in place?

This form will be an attachment to the Application on a form provided in the Workcenter; real estate holdings worksheet can be attached as a second document.

J. Program Compliance Review

These forms will be an attachment to the Application using forms provided.

Applicants must satisfy the Program Requirements for all applicable OHCS funding sources requested. Each OHCS funding source has separate requirements, including supplemental forms and exhibits that must be submitted simultaneously with the Application. These forms will be an attachment to the Application using forms provided.

Utility Allowance Requirements

A single utility allowance (such as that established by the local PHA) is no longer permitted for use in HOME Projects. This requirement was established by HUD because as more Projects are constructed or rehabilitated to higher energy-efficiency standards, the use of a standard utility allowance may not represent actual utility costs and is difficult to justify.

HOME recipients are now required by HUD to determine an individual utility allowance for each HOME-funded Project, either by:

1. Using the HUD Utility Schedule Model, located at: <https://www.hudexchange.info/trainings/courses/hud-utility-schedule-model-calculating-utility-allowances-for-home-webinar1/>, OR
2. Otherwise determining the allowance based upon the specific utilities used at the Project.

Note: OHCS requires HOME recipients to utilize the Energy Consumption Model when not utilizing the HUD Utility Schedule Model.

Energy Consumption Model

HOME recipients may retain the services of a qualified professional or properly licensed engineer to calculate utility allowances based on an energy consumption model (also known as an energy and water/sewage consumption and analysis model). The energy consumption model must, at a minimum, take into account specific factors including but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location.

The use of the energy consumption model is limited to the building's consumption data for the 12-month period ending no earlier than sixty (60) days prior to the date the utility allowance will change. For newly constructed or rehabbed buildings with less than 12 months of consumption data, consumption data for the 12-month period for similarly sized and constructed units in the geographical area in which the building is located will be used. Utility rates must be the rates in place sixty (60) days prior to the date the allowance will change and must be provided by the utility company that will service the property.

Owners using this model must maintain and provide documentation providing the source and content of all factors considered when computing the utility allowance calculation. A list of approved qualified professionals and licensed engineers can be found on the OHCS website at <http://www.oregon.gov>.
<https://www.oregon.gov/ohcs/compliance-monitoring/Documents/memos/Approved-UA-Calculators.pdf>

All qualified professionals must be approved by OHCS prior to the property implementing calculations. Licensed engineers do not need prior approval to calculate allowances if they are not requesting to be included on the OHCS approved and published list, however, the agency retains the authority to approve or disapprove an energy consumption modeling method or require more information before approving of any method or calculation calculated by a licensed engineer.

3.3 Competitive Scoring

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

A total of **100** maximum points are possible for HOME Preservation Projects in this NOFA, summarized below:

A.	Risk of Expiration		20
	Preserves rental subsidies expiring in 36 months	20	
	Preseves rental subsidies expiring in 60 months	15	
	Preserves OHCS project expiring in 36 months	10	
	Preserves OHCS projects expiring t 60 months	5	
B.	Tenant Impact		20
	Tenant vulnerability	6	
	Tenant AMI breakdown	6	
	Percentage units w/ rental subsidies	6	
	Change of use required	2	
C.	Project Readiness		16
	Financial Viability	10	
	Readiness to proceed	6	
D.	Development Team Capacity		15
	MWESB	3	
	Development Team Experience	7	
	OHCS Performance	5	
E.	Need and Opportunity		12
	Location Need Data	8	
	Opportunity Area Characteristics	4	
F.	Resident Services		7
	Balance of State Scoring	7	
G.	Disaster Area (DA) Designation		5
	Impacted jurisdiction in DA county	5	
	Impacted surrounding jurisdiction in DA County	3	
	DA County	2	
H.	Rural Priority		5
	Rural Location of Project	5	
		TOTAL	100

3.1 Competitive Scoring (Total up to 100 Max)

A. Risk of Expiration – Up to 20 points

- 1. 36 month Rental Subsidy Expiration:** Up to Twenty (20) points if, within 36 months from the due date of Application, a Project preserves federal rental subsidies that are due to expire, or a RD mortgages matures.
- 2. 60 month Rental Subsidy Expiration:** Up to Fifteen (15) points if, within 60 months from the due date of the Application, a Project preserves rental subsidies with expirations, or mortgage maturity.
- 3. 36 month OHCS Portfolio Expiration:** Up to Ten (10) points if, within 36 months from the due date of the Application, a Project preserves regulated affordability in an OHCS Portfolio Project.
- 4. 60 month OHCS Portfolio Expiration:** Up to Five (5) points if, within 60 months from the due date of the Application, a Project preserves regulated affordability in an OHCS Portfolio Project.
Applicants must provide evidence of expiration date; as a supplemental to the NOFA Application.

B. Tenant Impact – Up to 20 points

- 1. Vulnerable Tenant Displacement (Up to 6 points):** Six (6) points if more than 60% of the Project units are occupied by a vulnerable population (frail elderly, disabled, large families, special needs populations, service dependent) who would face hardships from relocation; three (3) points, if 40-60% of the Project units; one (1) point, if 20-40% of the Project units.
Enter this information in the Scoresheet; should be supported by population and unit mix
- 2. Extremely Low Income (Up to 6 points):** Six (6) points if more than 60% of the units at 30% of Area Median Family Income or below; three (3) points if 40-60% of the units are at 30% of Area Median Family Income or below; one (1) point if 25- 40% of the units are at 30% Area Median Family Income or below.
Supported through information submitted in NOFA Application document.
- 3. Percentage of Rent Assisted Units (Up to 6 points):** (Six) points if more than 75% of the units have new or existing Project Based assistance; three (3) points if 50-75% of the units; one (1) point if 30-50% of the units have new or existing Project Based assistance.
Supported through information submitted in NOFA Application document.
- 4. Tenant Protections (Up to 2 points):** if federal rent subsidy expires; two (2) points, if Change of use requires relocation. Enhanced Vouchers issued only for the residents under the Section 8 contract - no EVs for HUD maturing mortgages. Limited vouchers issued for RD prepayments.
Enter this information in the Scoresheet

C. Project Readiness – Up to 16 points

1. Financial Viability– Up to 10 points

a. Development pro forma review – Up to 5 points

- I. Pro forma includes only realistic and available resources on the Sources of Funding. Capital fundraising campaigns are not considered realistic and available resources. Any inclusion of resources that are unrealistic or unavailable will result in a score of minus ten (-10) points in this category, failing financial viability.
- II. Explanation of how the development budget will still be valid at the start of construction.
- III. Relocation Plan completed if warranted and aligns to development budget.
- IV. Developer Fee is within the OHCS maximum allowable.
- V. If Uniform Relocation Act (URA), the budget line item accurately reflects the Project cost based on the sufficient Relocation Plan.

b. Operating pro forma review – Up to 5 points

- I. Affordable rents at least ten percent (10%) below estimated market rents.
- II. Debt coverage ratio is a minimum of 1.15:1 for hard amortizing debt. When utilizing OAHTC funds, the minimum debt coverage ratio is required to be met after the OAHTC pass through is applied.
- III. Pro forma demonstrates reasonable and sufficient cash flow for a minimum of 20 years
- IV. Vacancy rate is between five percent (5%) and seven percent (7%).
- V. Operating budget assumes a two percent (2%) income and a three percent (3%) expense inflation factor.

Based on Proforma entries in the NOFA Application

2. Readiness to Proceed– Up to 6 points

- a. Up to Two (2) points: For funding commitment for planned Project funds.
- b. One (1) point: If funding commitment is pending (aside from Rural Development); explanation of when other source of funds will be available to the Project if not already committed is reasonable.
- c. One (1) point: If demonstrated ability to begin construction within 12 months.
- d. One (1) point: If proposed Project schedule appears adequate and reasonable.
- e. One (1) point: If explanation of why Project must be funded now as opposed to future NOFAs is reasonable.

Derived from financial assumptions, site control, and other narratives in NOFA Application and threshold submissions

D. Development Team Capacity– Up to 15 points

1. MWESB Capacity – Up to 3 points

Up to Three (3) points: Minority Women Emerging Small Business (MWESB) engagement; All Applicants will be required to identify ways and/or targets that they will utilize to contract with MWESB contractors/subcontractors in the construction and operation of the Project. Awardees are required to submit a report to OHCS demonstrating outcomes of their efforts to contract with MWESB contractors/subcontractors in their final applications prior to the issuance of the IRS Form 8609.

Must be supported by MWESB threshold submission supplement to NOFA Application.

2. Development Team Experience – Up to 7 points

- a. Up to Three (3) points: If Applicant has direct experience successfully completing preservation projects and has completed two or more projects within the last 10 years;
- b. Up to Two (2) points; If Applicant has direct experience successfully completing a tenant occupied, HOME-funded acquisition and rehab project in the past 10 years.
- c. Two (2) points; Applicant has direct experience developing affordable housing projects with public funding and has placed in service two projects in the last 10 years.

Must be supported by Development Team Capacity threshold submission supplement to NOFA Application.

3. Performance – Up to 5 points

a. OHCS Portfolio Compliance Criteria – Up to 2 points

Applicants with projects in the OHCS portfolio will be reviewed on the performance of all projects in the portfolio, the average score of all projects will be used; Applicants without projects in the OHCS portfolio will be asked to submit a letter indicating their compliance status with any existing projects. **If unreported noncompliance is discovered later, it may be grounds for rescinding awarded credits or negatively impact future applications for funding.**

Portfolio project criteria will be calculated for each relevant Project and summed and apportioned based on portfolio size.

Applicable Criteria:

- I. Most recent Real Estate Assessment Center (REAC) score;
- II. Most recent Physical Review;
- III. Most recent File Review;
- IV. Most recent Resident Services Review;
- V. Most recent Response Review;
- VI. Certification of Continuing Program Compliance (CCPC) submission received for current year shows compliance;

b. OHCS portfolio Viability Criteria – Up to 3 points

Applicable Criteria:

- I. Financial submission as requested;
- II. Most recent financial audit is closed;
- III. Most recent audited financials Debt Coverage Ratio;
- IV. Asset management community evaluation completed satisfactorily;

If sponsor has projects in OHCS portfolio, no submission is necessary. If sponsor does not have a project in the OHCS portfolio, must include a letter indicating their compliance status with any existing projects (if unreported noncompliance is discovered later, it may be grounds for rescinding awarded credits or negatively impact future applications for funding)

c. Development History – Up to Minus 5 points

Prior poor development performance; negative points to development teams that have had documented material changes from the Project Application that received a funding reservation to when the Project is placed in service. This information will be tracked beginning in 2020 using the ProLink database; Applications may determine their status for the points through inquiry to MFNOFA@Oregon.gov

E. Need and Opportunity – Up to 12 points

1. Location Need – Up to 8 points

- a. One (2) point: Severe Housing Cost Burden (spending 50% or more of household income on housing and utility costs); if Severe Housing Cost Burden of the city/jurisdiction is ⁵higher than the state/region.
- b. Up to Two (2) points: if market rent escalation of the city/jurisdiction higher than the state/region.
- c. Up to Two (2) points: for market vacancy rate of the city/jurisdiction lower than the state/region.
- d. Up to Two (2) points: for ratio of Affordable Housing Inventory to 60% AMI Households.

2. Opportunity Area-Up to 4 points

- a. One (1) point: Food Access; if not in a USDA Food Desert
<https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas.aspx>
- b. One (1) point: Employment Access; if employment opportunities or services connections are within 5 miles (for Balance of State Urban), or within 10 miles (for Balance of State Non Urban/Rural);
- c. One (1) point: Education Access; if a K-12 school, educational service provider, library, or workforce training center are within 5 miles (for Balance of State Urban), or within 10 miles (for Balance of State non Urban/Rural).
- d. One (1) point: Rural Areas' Transit Access; if the Project can be serviced by transit options. (For example dial a ride.)

- * 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.

No submission necessary

F. Resident Services – Up to 7 points

1. One (1) point: Need based analysis; if Resident Services Plan includes a comprehensive analysis of target population needs;
2. Two (2) points: Comprehensive service plan; if Resident Services Plan proposes a comprehensive and realistic, achievable plan to provide identified services needed by target population;
3. One (1) point: Culturally responsive service provider; One (1) point if a resident services provider is culturally responsive;
4. One (1) point: Asset and Stability Services; if Resident Services Plan incorporates strategies to support households in housing stability and asset building; including but not limited to resources for IDA and savings programs and financial planning where appropriate for target population, workforce training, and eviction prevention where appropriate;

⁵ The Applicant can use the higher score from either of the City or Jurisdiction which is ever is most favorable when calculating your score.

5. One (1) point: Operating capital; if Resident Services Plan includes funding resident service staff or resources for referral agency;
6. One (1) point: Data-centric approach; if Resident Services Plan includes performance tracking and reporting of data;
Must be validated in Resident Services Plan threshold supplement to the NOFA Application and Proforma assumptions

G. Federally Declared Wildfire Disaster Area Scoring (up to 5 points)

- ~~1. Projects in jurisdictions which experienced the highest degree of housing loss due to wildfires (5 points)~~
- ~~2. Projects in jurisdictions neighboring those directly impacted by housing loss due to wildfires (3 points)~~
- ~~3. Projects in remaining areas of Disaster Area declared counties (2 points)~~

Up to five points will be attributed based on OHCS adopted scoring for areas impacted by the 2020 Wildfires. These points are scaled in relationship to the overall housing impact within the 8 Federally declared disaster area counties, focused on cities and Census Tracts as appropriate. Detail on these points and associated methodology can be found here:

<https://www.oregon.gov/ohcs/development/Documents/nofa/2021/FederallyDeclaredDisasterArea-PreferenceforNOFA.pdf>

H. Rural Priority Scoring (up to 5 points)

~~Up to five points will be attributed based on OHCS adopted scoring for areas impacted by the 2020 Wildfires. These points are scaled in relationship to the overall housing impact within the 8 Federally declared disaster area counties, focused on cities and Census Tracts as appropriate. Detail on these points and associated methodology can be found here:~~

~~<https://www.oregon.gov/ohcs/development/Documents/nofa/2021/FederallyDeclaredDisasterArea-PreferenceforNOFA.pdf>~~

Up to five points will be awarded to Projects located in rural Balance of State areas as defined in the definition section of this NOFA. (5 points)

4.0 APPLICATION EVALUATIONS

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 reviewed and competitively scored by the Scoring Committee.

The final selection of Applications for Award, if any, will be from those Applications that best meet the competitive scoring requirements based on the recommendation from the Scoring Committee, as approved by the Director and the Housing Stability Council (Council), in accordance with available funding sources.

4.2 Awards.

Applicants, if any, that OHCS determines to provide a reservation of funding (“Reservation”) pursuant to this NOFA will be designated as Awardees in the conditional commitments issued 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, the continuing authority of OHCS to disburse or allocate such funds, and the successful negotiation, execution, and recording (as required) of the Agreement Documents.

4.3 Notice of Intent to Issue Reservation Letter.

Applicants will be notified in writing of OHCS’s notice of intent to issue a Reservation Letter, which also will be posted on OHCS’ website.

5.0 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 (collectively or individually without distinction), the continuing authority of OHCS to disburse or allocate such funds, 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 or not 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.
- 5.3** Submission of an Application by an Applicant or acceptance by OHCS of a submitted Application neither constitutes an agreement of any kind between OHCS and the Applicant nor does it secure or imply that the Applicant will be selected for receipt of a Reservation of funds.
- 5.4** To the extent that other funding sources have additional or other requirements, the most restrictive requirements will apply to the Project.
- 5.5** All costs associated with an Applicant’s submission of an Application are the sole responsibility of the Applicant and will 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 all applicable OHCS Program Manuals and all 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** Oregon Revised Statutes (“ORS”) 60.701 requires foreign corporations be registered by the State of Oregon, Office of the Secretary of State, before conducting business in the state. A foreign corporation (ORS 60.001) means a for-

profit corporation incorporated under a law other than the law of the State of Oregon. If a foreign corporation is selected for the Agreement because of this NOFA, it must register to do business in Oregon.

5.10 OHCS reserves the right to:

1. Amend this NOFA prior to the closing date;
2. Amend the deadline for submitting Applications;
3. Determine whether an Application does or does not substantially comply with the requirements of this NOFA;
4. Waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;
5. to obtain from and/or provide to other public agencies, upon request, references, regarding the Applicant's performance;
6. At any time prior to execution of the Agreement Documents (including after announcement of a Reservation), reject any Application that fails to comply with the requirements of this NOFA;
7. 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;
8. Use adherence with components of the Applicant's Application and this NOFA as scoring criteria in future multifamily funding solicitations;
9. Withdraw any funding source from this NOFA; and
10. 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 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, unless otherwise exempt.

5.12 The Oregon Public Records Law exempts purported trade secrets from disclosure only so far as they qualify as bona fide trade secrets, and the exemption in ORS 192.345 from disclosure applies only "unless the public interest requires disclosure in the particular instance". Therefore, non-disclosure of a document or any portion of a document submitted as part of an Application may depend upon official or judicial determination made pursuant to Oregon law.

5.13 The Applicant will be required to assume responsibility for performance required by the Agreement Documents, whether performed by the Applicant, a representative, assignee or subcontractor.

5.14 An Applicant or Potential Qualifying Applicant seeking to challenge any aspect of this NOFA is subject to and must comply with the provisions of Oregon Administrative Rule (OAR) 813-005-0025, which provide:

"813-005-0025

Solicitation Protests; Administrative and Judicial Review

(1)(a) With respect to any solicitation conducted by OHCS, an Applicant or potential qualifying applicant may protest or otherwise challenge such solicitation process by first requesting administrative review as herein specified.

(b) With respect to any solicitation conducted by OHCS, an Applicant may protest or otherwise challenge any OHCS determination or order (collectively hereinafter, "determination") related to such solicitation by first requesting administrative review as herein specified.

(c) 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.

(d) Failure to file a timely, qualifying request for administrative review with OHCS will constitute a failure to exhaust administrative remedies and terminate further rights to protest or otherwise challenge the solicitation process or any related OHCS determination, including judicial review thereof.

(2)(a) An applicant under this section is a person or entity that makes an Application (including delivery to OHCS under the terms of the solicitation) for a OHCS funding award pursuant to a particular OHCS solicitation.

(b) A potential qualifying applicant is a person or entity that qualifies to make an Application for a OHCS 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.

(3)(a) An applicant or potential qualifying applicant seeking to protest or otherwise challenge any aspect of a solicitation process (other than a OHCS determination related thereto) must request review by OHCS within fourteen (14) days of the Application due date of the solicitation.

(b) An applicant seeking to protest or otherwise challenge a determination by OHCS related to a solicitation must request review by OHCS of such determination within fourteen (14) days of the applicant receiving notice from OHCS of that determination.

(4) Any request for review under this section must be in writing, specifically identifying:

(a) 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 OHCS determination;

(b) The relief sought;

(c) Each of the grounds for review;

(d) An explanation for each of the grounds upon which relief should be granted; and

(e) Any supporting information the requestor desires to have considered by OHCS.

(5) The envelope containing the request for review MUST:

(a) Be marked PROTEST;

(b) Identify the solicitation number;

(c) Identify the closing time and date for acceptance of solicitation Applications;

(d) Identify OHCS' contact person for the solicitation; and

(e) Be received by OHCS 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 OHCS of OHCS determination from which review is requested, whichever due date is applicable under this section.

(6) The applicant will be deemed to have received notice of an OHCS determination upon the sooner of:

(a) Three (3) days after OHCS' determination is mailed to the applicant;

(b) Two (2) days after such determination is posted to OHCS' website;

(c) Two (2) days after the list of successful solicitation applicants is posted to OHCS' website; or

(7) OHCS may request additional information from the requestor with respect to its request and consider such other information as it deems appropriate.

(8) OHCS will endeavor to provide a written response to a timely, qualifying request within thirty (30) days.

(9) Judicial review of OHCS response to a timely, qualifying request for review shall be limited to those grounds the requestor raised with OHCS in its request for review.

(10) The filing of a request for review, or subsequent judicial review (if any), will not preclude OHCS from moving forward with the solicitation or the award of funding assistance thereunder. However, OHCS 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."

5.15 Reservations, Allocations, or Awards by OHCS (collectively, "Determinations") may be subject to Council review under ORS 456.561, and Determinations where additional OHCS funding supporting such Determinations are subject to Council review, are contingent upon Council approval of those Determinations or supporting funding. The Council may approve, reject, modify, or further condition funding awards submitted for its review, thereby directly or indirectly impacting OHCS' Determinations.

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 include, among relevant Agreement Documents, 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 Agreement Documents and other related documents. OHCS also may charge and Applicant shall pay any other fees allowed by OHCS administrative rules 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.

5.20 Projects that have only a leasehold interest in relevant real property must include documented 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.

5.21 OHCS may charge, and the Applicant shall pay, legal and administrative costs incurred by OHCS in negotiating and preparing Agreement Documents and other related documents. OHCS and DOJ charges may increase with the increasing complexity of organizational and financing structures.

5.22 Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.

5.23 OHCS reserves all other rights not specifically identified herein.