

# **OHCS**

## **2021 Notice of Funding Availability (NOFA) for 9% LIHTC Training**

Welcome



# Agenda

- Welcome
- Dates to Remember
- OR-MEP Presentation
- NOFA Process
  - Pre-Application & Site Review Checklist
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- NOFA Overview
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  - Threshold Overview
  - Readiness to Proceed
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- Required Documentation
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  - Requested Evidence
- General Reminders
- Questions

# Dates to Remember

- **Release date: February 16<sup>th</sup>**
- **Questions should be posed to:**
  - General Inquiry: [MFNOFA@oregon.gov](mailto:MFNOFA@oregon.gov)
  - Please do not call. All calls or personal emails will be referred back to [MFNOFA@oregon.gov](mailto:MFNOFA@oregon.gov)
  - LIHTC / OAHTC program: Angela Parada, [angela.parada@oregon.gov](mailto:angela.parada@oregon.gov)
  - Gap program: Edward Brown, [Edward.Brown@oregon.gov](mailto:Edward.Brown@oregon.gov)
  - PSH program: Dana Schultz, [Dana.Schultz@oregon.gov](mailto:Dana.Schultz@oregon.gov)
- **FAQs will be published at regular intervals**
- **Questions until: April 22<sup>nd</sup>**

# Dates to Remember

- Pre-Application & Site Review Deadline: March 11<sup>th</sup>  
(Must be submitted together to [MFNOFA@Oregon.Gov](mailto:MFNOFA@Oregon.Gov))
- Pre-Application Summary Level Information: March 18<sup>th</sup>
- Application Close Date: April 30<sup>th</sup>, 4:00pm
- Scoring: April 3<sup>rd</sup> – May 28<sup>th</sup>
- State Housing Stability Council: July 9<sup>th</sup>

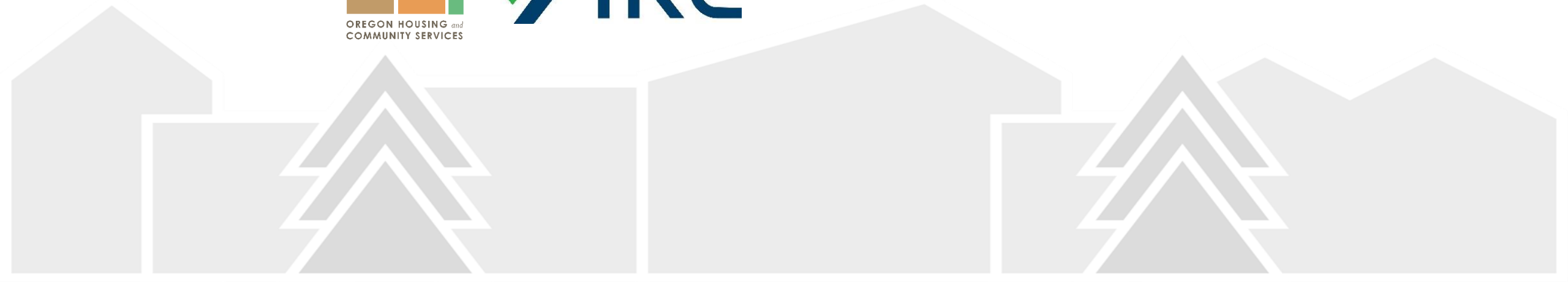
# Oregon Housing and Community Services Multifamily Energy Program

**Mekha Abraham – Technical Manager**

OREGON HOUSING & COMMUNITY SERVICES  
**Multifamily Energy Program**

## Program Overview

**Date:** March 2021



# PROGRAM OVERVIEW

- ◆ TRC Companies administering on behalf of OHCS
- ◆ Cash incentives for energy efficient upgrades
- ◆ \$200,000 incentive maximum per project (projects above max. evaluated on a case-by-case basis)



*Program Funding Availability – as of January 2021*

Fully enrolled - program waitlist\* open

\*Encourage projects to secure a spot on program waitlist to receive notice in the event incentives become available.

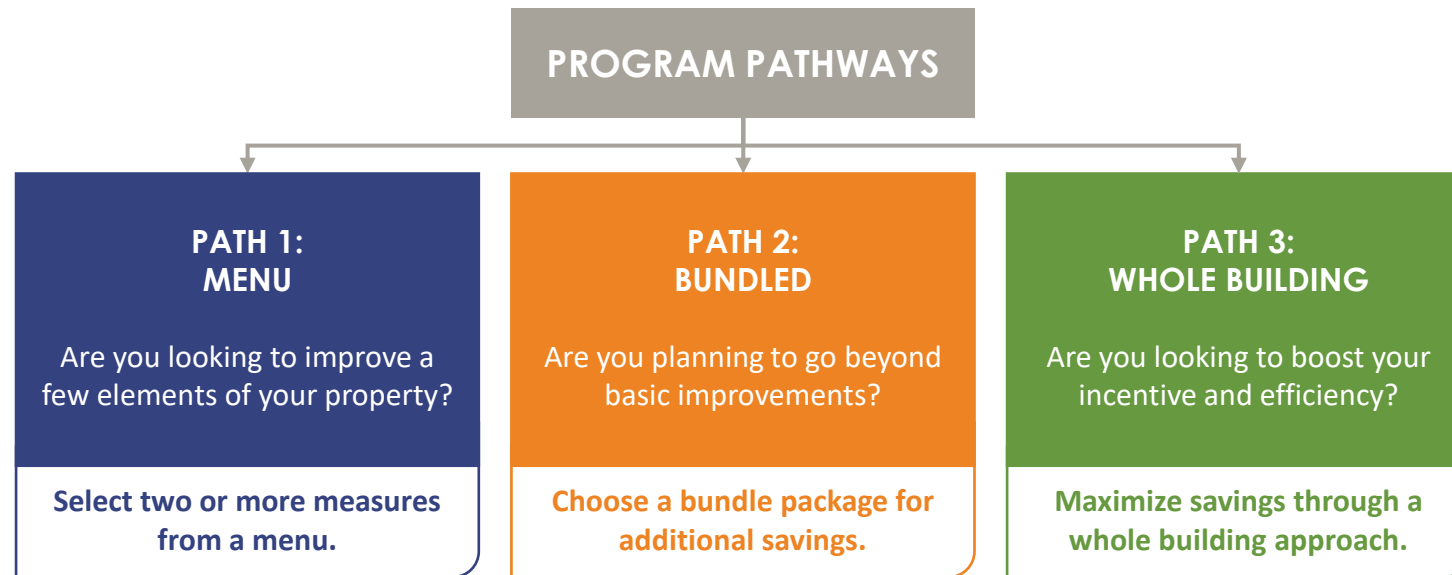
# ELIGIBILITY REQUIREMENTS

- ◆ **Multifamily:**
  - Existing or New Construction (5+ units)
  - High-rise and low-rise
- ◆ **Located in:**
  - Pacific Power or Portland General Electric
- ◆ **Tenants in at least 50% of units are at or below 80% AMI, 10 years affordability requirement**
- ◆ **Projects must be heated by a hard-wired electrical heating system to qualify for program funding**
- ◆ **Savings:**
  - Electric saving measures
  - Minimum efficiency requirements according to pathway chosen
- ◆ **NOFA and non-NOFA projects**



# PROGRAM PATHWAYS

- ◆ Existing multifamily and new multifamily both have three paths, suited for varying scopes of work
- ◆ Incentives escalate to reward more comprehensive design strategies



# GETTING ON THE WAITLIST

1. Fill out an interest form at: [OregonMultifamilyEnergy.com](https://OregonMultifamilyEnergy.com)
2. Program representative will schedule a prequalification call to determine project eligibility
3. If your project is eligible:
  - Submit an application
  - Upon application receipt, a waitlist confirmation email will be sent

In the event OR-MEP funding becomes available, projects will be notified in the order that prequalification calls and applications are completed.

# CONTACT INFORMATION

## Multifamily Energy Program

- ◆ Phone: 503-505-6787
- ◆ Website: [www.OregonMultifamilyEnergy.com](http://www.OregonMultifamilyEnergy.com)
- ◆ Email: [OHCSMultifamilyEnergy@trccompanies.com](mailto:OHCSMultifamilyEnergy@trccompanies.com)

# NOFA Process

- Notice of Funding Availability (NOFA)
  - Public Announcement via [Technical Advisory](#)
- Pre-Application, including Site Review Checklist
- Project Summary Level Information to applicants
- Procorem Workcenter/Electronic Submission
  - Overview and Video Tutorial :  
[https://help.procorem.com/general\\_overview/meet-procorem/](https://help.procorem.com/general_overview/meet-procorem/)
- Full Application
  - Will be available in Procorem upon submittal of a pre-application

# NOFA Pre-Application & Site Review Checklist

- Pre-Applications downloadable from OHCS Website:  
<https://www.oregon.gov/ohcs/development/Pages/nofa21-low-income-housing-tax-credits.aspx>
- Pre-Application and Site Review Checklist must be submitted together to [MFNOFA@Oregon.Gov](mailto:MFNOFA@Oregon.Gov) by the deadline.
- The last date to submit a pre-application and site review checklist will be 3/11/2021.
- In order to be eligible to submit a NOFA application, you **MUST SUBMIT** a pre-application with the site review checklist for the project by the deadline.



# NOFA Pre-Application & Site Review Checklist

- Site Review Checklists will be submitted as “self-certified”
- You will NOT be able to swap out projects; sites must remain the same from pre-application to NOFA submission
- You MAY submit a pre-application and then decide, without penalty, not to complete a full NOFA application
- If applying for multiple NOFA's you must complete a new pre-application and site review checklist for each one.

# Procorem Workcenter

- Created within three (3) business days of OHCS receipt of Pre-Application and Site Review Checklist
- Full NOFA application with most relevant docs will be preloaded for download
- View and complete tasks and events
- Submit full application, supplemental documents, and required evidence by uploading to appropriate folders (see checklist in full NOFA application for guidance)
- If selected, this project's Workcenter will continue to be used through the project development lifecycle
- Please reach out to us for a quick Procorem walkthrough – Do not contact Procorem market place.

# Procorem Workcenter

The screenshot displays the Procorem Workcenter interface. At the top, the browser address bar shows the URL `app.procorem.com/account/1258/workcenters/29096/?tab=files`. The page header includes the Procorem logo, a search bar, and the user name "Roberto".

The main content area is titled "Files" and shows a list of folders under the breadcrumb "Home / OHCS / 9% LIHTC NOFA Workcenter Template". The folders are:

- Application and Supplemental Documents - Download only**: 11 files, 1 folder, created 3 days ago on Feb 22 2021 by John Wright.
- Application Submission (Finalized Application and Documents Only)**: 0 files, 0 folders, created a month ago on Jan 12 2021 by John Wright.
- FAQs, TAs and Announcements**: 0 files, 0 folders, created a month ago on Jan 12 2021 by John Wright.

Navigation and action buttons include "Sort", "Filter", "Upload Files", "Create Folder", and "Actions".

A sidebar on the left lists navigation options: Files, Posts, Tasks, Calendar, Activity, WorkCenter Settings, Links, and Tenant Event Portal. The top of the sidebar features the "OREGON HOUSING and COMMUNITY SERVICES" logo.

On the right side, there is an "Add Collaborator" section with a list of users:

- Angela Parada: Pending workcenter access
- John Wright: WorkCenter Owner
- Mitch Hannoosh: ARH - OPAS
- Roberto Franco: DRP - Manager
- Susan Bailey: Pending workcenter access



# Full Application

- Excel Spreadsheet incorporating previously disconnected application components with tabs separating application into various subject matter categories
- Application auto populates fields as you go through and provides substantial self-scoring
- Pay particular attention to the initial Instructions tab
- Do not attempt to change or modify any cells or formulas – risk of application failure
- You may not copy the application to use with a different NOFA. Each application is specifically attached to a Workcenter and NOFA. You must submit a new application for each NOFA you are applying for
- A sample of the full application is available on OHCS funding pages.
- By submitting an application you are agreeing by electronic signature to all terms and conditions of the NOFA and application

# The NOFA

## 9% LIHTC NOFA

- You must be requesting 9% LIHTC's
- Other funds are available, see NOFA
- This is offered on a regional competitive basis

# LIHTC NOFA will allocate the following funds to the Metro, Non Metro Participating Jurisdiction, and Balance of State Regions

|                     |   |
|---------------------|---|
| <b>\$10,000,000</b> | <b>in 9% LIHTC; of which 65% Regional; 25% Preservation; 10% Tribal Lands will be included in a set-aside</b> |
|                     | - Metro Region: \$3,055,556   |
|                     | - Non-Metro Participating Jurisdiction Region: \$1,038,889  |
|                     | - Balance Urban: \$1,000,000  |
|                     | - Balance of State Region: 1,405,555  |
| <b>25%</b>          | - Preservation: \$2,500,000   |
| <b>10%</b>          | - Tribal Lands: \$1,000,000   |
| <b>\$4,000,00</b>   | in Gap funds  |
| <b>\$8,000,000</b>  | in Oregon Affordable Housing Tax Credits  |

# Funding Request Limits for 9% LIHTC projects

- Organizations may request more than 10% of the allocated 9% LIHTC credits, however if more than 10% is requested the project must also submit a 4% LIHTC pro forma. No sponsor may receive more than 20% of the allocated 9% LIHTC credits in any one year
- For Gap Funds there is a cap of \$400,000 maximum in Metro Region, Non-Metro PJ Region; and \$500,000 per project in Urban Balance of State and Rural Balance of State Regions
- Maximum \$3M in OAHTC per project

# The Program Documents

## **General Policy Guidance Manual (GPGM)**

- Establishes guidelines that apply to all projects, regardless of the funding source(s)

## **Qualified Allocation Plan (QAP)**

- Establishes guidelines for the 9% LIHTC program

## **Program Manuals (OAHTC, GHAP, HDGP, etc.)**

- Establishes State regulations and OHCS guidelines that apply to projects that use each programs funds

# Threshold Requirements

Application must satisfy all Threshold Requirements at the time of application to be considered for competitive scoring and funding.

- Diversity, Equity and Inclusion (DEI) Agreement (DEI tab in application)
- Relocation Plan and Tenant Survey (download from workcenter)
- Ownership Integrity (Ownership Integrity tab of application)
- 4% LIHTC proforma if requesting more than 10% of the annual 9% LIHTC allocation made available in the NOFA. (download from website)
- Resident Services Plan Description (download from workcenter)
- Minority, Women and/or Emerging Small Business engagement and participation strategy

# Readiness to Proceed

Readiness to Proceed is an expectation that a project recommended for funding be able to reach construction start within 240 days of a funding reservation. The following documents demonstrate a project's readiness:

- Zoning form (download from workcenter)
- Site Control form with proof (download from workcenter)
- Federal Resources Status (if applicant has identified additional federal resources such as rental or capital assistance from HUD, RD or VA)
- Development Schedule (Project tab of application)
- Project Site Checklist (submitted with Pre-Application)
- Core Development Documents (From the Core Development Manual 3.1)
- Development Team Capacity form (download from workcenter)
- A Program Compliance Review will be done internally.

# Competitive Scoring

## New Construction/Acquisition and Rehab

### A walk through the Application



# Competitive Scoring - New Construction

## State Priorities – up to 14 points

- **Permanent Supportive Housing (PSH) units – Up to 5 points**
  - Based on percentage of total PSH units, participation in OHCS PSH training and commitment to supportive tenancy service resources.
  - If points for commitment of supportive tenancy services resources, an MOU or other evidence of commitment is required at application.
  - If points for owning, managing or providing services in PSH housing then applicant must provide a narrative up to 1 page in length demonstrating experience
- **Family Sized units – Up to 5 points**

Based on Family Sized units of 2 bedroom or larger

**Note:** Cannot get points for both PSH and Family Sized Units

# Competitive Scoring - **New Construction**

## State Priorities – up to 14 points (Cont.)

- **Special Needs Target – Up to 4 points**

Based on units serving households with special populations and needs including children

- **Federally Declared Disaster Area– Up to 5 points**

Based in relation to overall housing impact within eight Federally Declared Disaster Wildfire Area counties and project location:

- Location in areas within Highest Tier is eligible for up to five (5) points
- Location in areas within Middle Tier is eligible for up to three (3) points,
- Location in areas within the Bottom Tier is eligible for up to one (1) point

# Competitive Scoring – New Construction

## Need and Opportunity– up to 17 points

- **Location Need – Up to 7 points**

- Points based on severe housing cost burden, market rent escalation, market vacancy rate and affordable housing inventory.

- **Location Efficiency – Up to 5 points**

- In **urban areas**, points based on Walk-ability Score, Employment Access, Education Access and Transit Oriented Development.
- In **rural areas**, points based on Food Desert, Walk-ability Score, Employment Access, Education Access and Rural Area Transit Access.

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

# Competitive Scoring – New Construction

## Need and Opportunity– up to 17 points (Cont.)

- **Location Inefficiencies – minus (-) 2 points**

- Points based on proximity to junkyards, railroad tracks or quiet zones or adjacent land uses incompatible with residential occupancy (i.e., landfills, trash incinerator facilities, etc.)

- **Location Preferences – Up to 5 points**

- Points based on either being in an Opportunity Area or a Vulnerable Gentrification Area
- If pursuing points as a Vulnerable Gentrification Area, a revitalization plan should be submitted as a supplemental document with the application. Name the document as follows:  
Vulnerable Gentrification Area\_NOFA#\_Project Name

# Competitive Scoring – New Construction

## Partnerships - up to 14 points

- **Affirmative Fair Housing Marketing Plan – Up to 7 points**

- Points based on Market analysis, Local Partnerships, Referral Sources, Culturally Responsive Outreach and/or Low-barrier Tenant Screening.
- Points will vary for each item based on Urban or Rural projects. See NOFA for details.

- **Resident Services – Up to 7 points**

- Points based on the full description a Resident Services Plan that addresses a data-centric approach, alignment of services with identified needs and cultural responsiveness, collaborations and partnerships as well as the financial sustainability.
- Points will vary for each item based on Urban or Rural projects. See NOFA for details.



# Competitive Scoring – New Construction

## Federal Preferences- up to 12 points

- **Serving Lowest Incomes – Up to 8 points**
  - Points based on lowest average rents serving lowest AGMI and,
  - percentage of units with project-based assistance.
- **General Federal Preferences – Up to 4 points**
  - Points based on eventual tenant ownership, demonstration of energy efficiency beyond requirement in OHCS CDM, evidence of historic value, and/or supporting documentation from a local housing authority that establishes a commitment to market the units to its waitlist.

# Competitive Scoring – New Construction

## Funding Efficiency - up to 8 points

- **HOME and Other Leverage – Up to 2 points**

- Points based on leverage from Metro counties or HUD HOME PJs, or non-HOME committed leverage for balance of the state.

- **National Housing Trust Fund (HTF) – Up to 2 points**

Note: these points will not apply in the 2021 NOFA offering.

- **Cost Effectiveness – Up to 1 point**

Point based on project's total development cost per bedroom (excluding acquisition) are in the lowest third of the applicants in the set-aside or regional pool.

- **LIHTC Effectiveness – Up to 3 points**

Points based on LIHTC subsidy per bedroom being in the lowest third of the applicants in the set-aside or regional pool.

# Competitive Scoring – New Construction

## Project Readiness - up to 16 points

- **Financial Viability – Up to 10 points**

- **Development pro forma Review – Up to 5 points**

Points based on realistic and available resources, explanation of how budget will be valid at time of construction start, a completed relocation plan if applicable, URA is accurate and balanced and if applicable, Commercial Real Estate is included in the project.

**Note: any unrealistic and not yet available resources included in proforma will result in a minus ten (-10) points scoring, and project will fail the whole financial viability scoring category**



# Competitive Scoring – New Construction

## Project Readiness - up to 16 points (Cont.)

- **Financial Viability – Up to 10 points (Continuation)**

- **Operating pro forma Review – Up to 5 points**

Points based on Affordable rents at least 10% below estimated market rents, DCR is a minimum of 1.15:1 for hard amortizing debt, cash flow within OHCS guidelines, Vacancy rate at 7% or adequately explained, Income inflation factor is less than expenses inflation factor and no commercial income use to support low-income residential project.

- **Readiness to Proceed – Up to 6 points**

Points based on funding commitment, ability to begin construction within 12 months, project schedule adequate and explanation of why funding now.

# Competitive Scoring – New Construction

## Development Team Capacity - up to 12 points

- **MWESB Strategy– Up to 4 points**

Points based on sponsor's strategy for MWESB goal and participation rate, track record and experience, GC history of contracting COBID firms and/or women and minority owned businesses, how the strategy matches with project location, representation of COBID firms on core development team, and any supporting information for the proposed MWESB target rate.

- **Development Team Capacity – Up to 3 points**

Points based on Development team experience and supported by completed questionnaire in Threshold attachment.

# Competitive Scoring – **New Construction**

## Development Team Capacity - up to 12 points (Cont.)

- **Sponsor Capacity – Up to 5 points**

- Points based on REAC Score, most recent physical, file, resident services compliance and response reviews.
- Points also based on financial submission, most recent audit results and asset management community evaluation completed satisfactorily.

- **Development History – Up to minus (-) 5 points**

- Points reduction based on demonstrable poor development performance on existing OHCS portfolio projects.

# Competitive Scoring

## Preservation Set-aside

### A walk through the Application

# Competitive Scoring – Preservation Set-aside

- **Risk of Expiration – Up to 20 points**

Points based on number of months away from risk of losing unit based rental subsidy or mortgage maturity

- **Tenant Impact – Up to 21 points**

Points based on vulnerable tenant displacement, percentage of extremely low income, percentage of rental assistance, tenant protections if federal rent subsidy expires and voucher utilization

- **Need and Opportunity – Up to 3 points**

Points based on market rent escalation and vacancy rate.

- **Partnerships – Up to 7 points**

Points based on Resident Services criteria: need based service plan, asset building, operating capital, performance tracking, and being culturally responsive. Points are assigned differently for urban and rural projects.

# Competitive Scoring – Preservation Set-aside

## Federal Preferences up to 9 points

- **Serving Lowest Incomes – Up to 5 points**

Points based on average rents serving lowest AGMI or qualified units. See NOFA for more details.

- **General Federal Preferences – Up to 4 points**

Points based on eventual tenant ownership, demonstration of energy efficiency beyond requirement in OHCS CDM, evidence of historic value, and/or supporting documentation from a local housing authority that establishes a commitment to market the units to its waitlist.

# Competitive Scoring – Preservation Set-aside

## Funding Efficiency - up to 8 points

- **HOME Leverage – Up to 2 points**

Points based on leverage from Metro counties or HUD HOME PJs, or non-HOME committed leverage for balance of the state.

- **National Housing Trust Fund (HTF) – Up to 2 points**

*NOTE: These points will not apply in the 2021 NOFA offering.*

- **Cost Effectiveness – Up to 1 point**

Point based on project's total development cost per bedroom (excluding acquisition) and placement in the lowest third or the lowest half of the applicants in the set-aside or regional pool.

- **LIHTC Effectiveness – Up to 3 points**

Points based on LIHTC subsidy per bedroom being in the lowest third of the applicants in the set-aside or regional pool.

# Competitive Scoring – Preservation Set-aside

## Project Readiness - up to 16 points

- **Financial Viability – Up to 10 points**

- **Development pro forma Review – Up to 5 points**

Points based on realistic and available resources, explanation of how budget will be valid at time of construction start, a completed relocation plan if applicable, URA is accurate and balanced and if applicable, Commercial Real Estate is included in the project.

**Note: any unrealistic and not yet available resources included in proforma will result in a minus ten (-10) points scoring, and project will fail the whole financial viability scoring category**



# Competitive Scoring – Preservation Set-aside

## Project Readiness (Cont.)

- **Financial Viability – Up to 10 points (Continuation)**

- **Operating pro forma Review – Up to 5 points**

Points based on Affordable rents at least 10% below estimated market rents, DCR is a minimum of 1.15:1 for hard amortizing debt, cash flow within OHCS guidelines, Vacancy rate at 7% or adequately explained, Income inflation factor is less than expenses inflation factor and no commercial income use to support low-income residential project.

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# Competitive Scoring – Preservation Set-aside

## Development Team Capacity - up to 14 points

- **MWESB/SDVBE Capacity – Up to 4 points**

Points based on sponsor's strategy for MWESB goal and participation rate, track record and experience, GC history of contracting COBID firms and/or women and minority owned businesses, how the strategy matches with project location, representation of COBID firms on core development team, and any supporting information for the proposed MWESB target rate.

- **Development Team Experience – Up to 5 points**

Points based on Development team experience and supported by completed questionnaire in Threshold attachment.

# Competitive Scoring – Preservation Set-aside

## Development Team Capacity (Cont.)

- **Performance – Up to 5 points**

- Points based on REAC Score, most recent physical, file, resident services and response reviews.
- Points also based on financial submission, most recent audit results and asset management community evaluation completed satisfactorily.

- **Development History – Up to minus (-) 5 points**

Points reduction based on demonstrable poor development performance on existing OHCS portfolio projects.

# Competitive Scoring – Preservation Set-aside

## **Federally Declared Disaster Area – Up to 5 points**

Based in relation to overall housing impact within eight Federally Declared Disaster Wildfire Area counties and project location:

- Location in areas within Highest Tier is eligible for up to five (5) points
- Location in areas within Middle Tier is eligible for up to three (3) points,
- Location in areas within the Bottom Tier is eligible for up to one (1) point

# Required Documentation

- Excel based Application
  - Project specific associated to workcenter via metadata.
  - Any attempts to modify or unlock application will cause it to break and OHCS will not be able to process it.
- Supplementals
  - Each program has a supplemental page except for Gap resources. You must fill out and submit one for each funding source being applied for.
- Supportive and Evidence based
  - Supportive documentation are documents required to support your answers given in the application. These include the following: Organizational Documents, Development Team Capacity questionnaire, Resident Services Plan Description, Zoning form, Site Control form and the Tenant Relocation Plan and Tenant Survey forms (if applicable).
- Evidence based
  - MOU's, Letters of Interest, Proof of Project Based Assistance, etc..

# General Reminders & Dates to Remember

# Dates to Remember

- **Release date: February 13<sup>th</sup>, 2021**
- **Questions should be posed to:**
  - General Inquiry: [MFNOFA@oregon.gov](mailto:MFNOFA@oregon.gov)
  - Please do not call. All calls or personal emails will be referred back to [MFNOFA@oregon.gov](mailto:MFNOFA@oregon.gov)
  - LIHTC / OAHTC program: Angela Parada, [angela.parada@oregon.gov](mailto:angela.parada@oregon.gov)
  - Gap: Edward Brown, [Edward.Brown@oregon.gov](mailto:Edward.Brown@oregon.gov)
  - PSH rental and services funding: Dana Schultz, [dana.schultz@oregon.gov](mailto:dana.schultz@oregon.gov)
- **FAQs will be published at regular intervals**
- **Questions until: April 20<sup>th</sup>, 2021**

# Dates to Remember

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- Application Close Date: April 30<sup>th</sup>, 4:00pm
- Scoring: April 27<sup>th</sup> – May 22<sup>nd</sup>
- State Housing Stability Council: July 9<sup>th</sup>



# Question and Answers