

## **FAQ for NOFA #2021-6**

### **Permanent Supportive Housing**

#### **Questions as of 3/19/2021- FINAL FAQ POSTING for 2021 PSH NOFA**

##### **Question 1:**

Does the OHCS PSH NOFA #2021-6 require enrollment in the OHCS-PSH Institute to be eligible for an award?

*Answer:*

*The PSH NOFA (#2021-6) is open only to participants of the current 2020-2021 PSH Institute and the 2019-2020 PSH Institute.*

##### **Question 2:**

If we request, but are not awarded capital funding, are we still eligible for rent assistance and service funding we request?

*Projects who apply for PSH capital funding and are not awarded will not be eligible for rent assistance and service funding to ensure resources are not allocated to projects that do not have necessary financing to be completed. Next year, we will be developing a simpler process to request rental assistance and service funding outside of the competitive NOFA cycle.*

##### **Question 3:**

Can you provide details of any timeline impacts or other considerations we may need to plan for based on the various capital resources? For example (but not limited to these examples):

- *For PSH Capital, funds need to be spent within 36 months of reservation date.*
- *HTF Program funds must meet the following timeline guidelines. HTF resources must be committed (loan documents closed) to eligible Projects within 24 months of the annual HUD HTF allocation to OHCS which is anticipated to be June 2021. As such, OHCS will prioritize Projects that can move quickly to meet this deadline. Once HTF funding is committed at construction closing, the Project must begin construction within 12 months. OHCS may rescind reservations for Projects that do not meet program deadlines. HTF funded Projects not completed within 4 years of commitment will be terminated and HTF funding must be repaid to HUD. HTF recipients must ensure that HTF-assisted rental units are occupied by income-eligible households within 6 months of*

*Certificate of Occupancy. HTF Program Manual:*

<https://www.oregon.gov/ohcs/development/Documents/HTF/2021-HTF-Program-Manual.pdf>

- *OAHTC and 4% LIHTC should close within 240 days of the reservation.*

**Question 4:**

Do we need to be able to close by (or after) a particular date if we request and are awarded HTF?

*Answer:*

*HTF resources must be committed (loan documents closed) to eligible Projects within 24 months of the annual HUD HTF allocation to OHCS which is anticipated to be June 2021. As such, OHCS will prioritize Projects for HTF funds that can move quickly to meet this deadline and are ready to proceed.*

**Question 5:**

Do any of the sources inherently involve additional fees, reserve deposits, or other expenses we need to account for?

*All fees and charges for OHCS capital resources are described in the OHCS Charges Table at: <https://www.oregon.gov/ohcs/development/Documents/admin/OHCS-Charges-Table.pdf>*

*General OHCS NOFA application fees apply and annual compliance monitoring fees for projects utilizing PSH or HTF funds will be set at \$25.00 per unit per year. If a project is utilizing 4% LIHTC, the annual compliance monitoring fees will be set at \$40.00 per unit per year. The rule is if a unit is funded by more than one source, the largest eligible monitoring charge will be used. Please refer to the OHCS Charges Table for resource details.*

**Question 6:**

Are underwriting requirements spelled out in the NOFA just applicable to the PSH units being created, or to the full project (meaning “integrated” projects)?

*The underwriting requirements are applicable to all units being created, not just PSH units.*

**Question 7:**

Are underwriting requirements in the NOFA flexible if explained, such as a vacancy rate based on project-based vouchers and portfolio experience, or replacement reserve deposits based on experience, etc?

*Yes, we can be flexible on some items. As with our other programs, for PSH projects we will consider project-specific explanations and we will work with other lenders' criteria.*

**Question 8:**

Is 1.20 required every year for the entire term of the debt, or will OHCS defer to perm lender and investor for the back end DCR requirement? Is there a DCR requirement for year 15, 20 or 30?

*Answer:*

*OHCS guidelines require a year 1 DCR of 1.20, however if the permanent lender has underwritten the debt to other criteria, OHCS will work with the lender to ensure long-term viability. There is no specific year requirement other than the ability to service the debt for term of the mortgage with enough cash flow to cover operating expenses.*

**Question 9:**

What are total annual compliance monitoring fees for a project requesting PSH & HTF (combined), 4% credits and/or other funding sources?

*Answer:*

*Annual compliance monitoring fees for projects utilizing PSH or HTF funds will be set at \$25.00 per unit per year. If a project is utilizing 4% LIHTC, the annual compliance monitoring fees will be set at \$40.00 per unit per year. The rule is if a unit is funded by more than one source, the largest eligible monitoring charge will be used. Please refer to the OHCS Charges Table at: <https://www.oregon.gov/ohcs/development/Documents/admin/OHCS-Charges-Table.pdf>*

**Question 10:**

Can a project apply for rental assistance and/or services funding and NOT development/capital funding in this PSH NOFA?

*Projects are able apply for PSH rental assistance and/or PSH Services funding without requesting capital/development funding. However, the entire PSH NOFA application still must be completed. In addition, the Project must show fully committed sources and uses and be ready to move forward. Next year we hope to create a simplified process for projects seeking just PBRA and/or Services funding for PSH.*

**Question 11:**

Could you please confirm whether any of the below resources offered in the PSH NOFA triggers either URA or Davis Bacon?

- PSH Capital Funds
- National Housing Trust Funds (HTF)
- Project-Based Rent Assistance

*Answer: Here are the details on URA and Davis Bacon for the below resources:*

- *PSH Capital funds don't require Davis-Bacon compliance, however, every project needs to get a letter from BOLI (after awards are made and before loan closing) stating whether or not Oregon prevailing wages apply to the project. PSH Capital funds do not require URA compliance.*
- *National Housing Trust Funds (HTF) do require URA compliance but does not require Davis Bacon compliance. The same BOLI requirements for PSH Capital Funds (described above) apply to HTF.*
- *Project-based rental assistance does not require Davis-Bacon or URA compliance (because these aren't federal dollars). However, we can't speak for BOLI about how and when prevailing wages apply, but you can contact BOLI here: [pwremail@boli.state.or.us](mailto:pwremail@boli.state.or.us) to see.*

**Question 11:**

Should we show Multifamily Energy Program as a source on NOFA applications if we're only waitlisted? What is acceptable documentation for determining what amount of OR-MEP funds to reasonably include in the project budget for this NOFA?

*Answer:*

*Yes, please show this as a source even if only waitlisted. We are comfortable with a rough estimate for OR-MEP in your application and ask that you upload the documentation you receive (into Procorem) from OR-MEP confirming your place on their waitlist and, when you receive it, any notification of funding they provide you. For any questions around the OR-MEP*

*funding and processes, please connect with Dan Elliot who oversees the program. His email is Dan.Elliott@oregon.gov*

**Question 12:**

During the OHCS PSH Webinar, it was shared that \$10,000 per unit would be considered a “reasonable” ask of the OHA resources for services to support PSH units. Can you provide specific guidance on what might be considered a reasonable OHA per unit size service dollar request if the PSH unit is a Studio, 1BR, 2BR, and 3BR unit? Can you provide any more detail about the OHA service funds being offered in this NOFA?

*Answer:*

*Oregon Health Authority will be overseeing the services funding, please contact Lori Kelley at OHA to answer services funding inquiries. Her email is here: LORI.S.KELLEY@dhsoha.state.or.us. We are currently not aware if funding will be allocated based on unit size, but \$10,000 per year per unit is the maximum allocation. Please budget for what your program needs, within the 10k per unit per year limit.*

**Questions 13 :**

For the \$4 million in HTF funds, are there set asides for urban and rural?

*Answer:*

*There are no set-asides for the HTF funds.*

**Question 14:**

If we've submitted organizational documents in previous NOFA rounds, do we have to upload them again?

*Answer:*

*Yes. You must submit your organizational documents with this NOFA even if you have submitted them prior.*

**Question 15:**

Are projects prohibited from charging utilities to PSH residents?

*Answer:*

*There is no restriction on having tenants pay utilities if you are utilizing PSH Development Capital funds. However, if you are utilizing PSH Rental Assistance funds, there is a requirement to provide owner paid utilities.*

**Question 16:**

Are applicants required to apply/negotiate directly with OHA for service funds?

*Answer:*

*Applicants seeking PSH services funding will apply for services via the OHCS 2021 PSH NOFA. OHA will review the information provided in your NOFA application and negotiate with you directly. Applicants are not required to utilize services funding from OHA if they have other committed resources for service delivery. If a Project has resources for service delivery other than OHA, please upload the commitment for these resources into Procorem as part of your application materials.*

**Question 17:**

Do I have to complete the HTF supplemental documentation even if I am not planning to apply for HTF resources?

*Answer:*

*The completion of the Federal Housing Trust Fund (HTF) Supplemental items is now required only for those applicants who plan to apply for federal HTF resources. The original application requirement was for all PSH NOFA applicants to complete the HTF Supplemental items. Please email [HCS.PSH@oregon.gov](mailto:HCS.PSH@oregon.gov) with any questions.*

**Question 18:**

For the blue tabs at the end of the excel workbook NOFA application, "Applicant Agreement", "Authorization and Acceptance", "DEI Agreement", "Ownership Integrity"...Last year the authorized signer just typed their name on the signature line and we did not have to print, sign and upload to Procorem. Is it the same procedure this year, or do you want us to print, sign, scan & upload?

*Answer:*

*It is the same procedure as last year. Typing your name on the signature lines is valid.*

**Question 19:**

In the info session, it was noted that rents need to be structured to be affordable at 30% AMI ... but also need to ensure tenants pay no more than 30% of their income on rent. Does this mean that it's expected that ALL PSH units have a subsidy? Or does it simply mean that the PSH units need to have rents set at the HUD 30% AMI rents?

*Answer:*

*You are not required to utilize a subsidy. If you are utilizing OHCS' PSH Rental Assistance, rents can be set up to 60% AMI with tenants paying no more than 27% of their income towards rent. If you are utilizing a different rental subsidy, you are allowed to apply whatever rent or income restrictions that subsidy requires as long as units are affordable to those with incomes at 30% AMI or less, and tenants are paying no more than 30% of their income. If you are using no rent subsidy at all, PSH rents must be set at no more than 30% AMI and be structured so that PSH tenants pay no more than 30% of their income. Please note there is language built into PSH loan documents that says if OHCS services and/or rent assistance funding ever goes away and an alternative funding source is not found, that the units will no longer need to serve persons who are chronically homeless.*

**Question 20:**

In the Rent Assistance Framework, it notes that all PSH units be supplied with owner paid utilities. Does an owner-provided utility allowance meet this requirement? Does this requirement also apply if rent assistance is provided by someone other than OHCS (if the owner is requesting capital funds, but not rent assistance)?

*Answer:*

*Units that are utilizing OHCS' PSH Rental Assistance must be supplied with owner paid utilities. An owner-provided utility allowance does not meet the requirement. The requirement is to ensure households with previous utility debt are not barred from accessing PSH units and to prevent PSH households from facing eviction if they are unable to obtain and/or maintain their unit's utilities. If you are utilizing rental assistance from a provider other than OHCS or no rental subsidy at all, this requirement does not apply.*

**Question 21:**

Please detail how points will be awarded/responses will be scored for the competitive sections. Are these areas "all or nothing"? Except for subsidy per unit and first cohort preference, the funding notice does not specify clear "if this, then X points."

*Answer:*

*The competitively scored questions are not scored at “all or nothing” unless specifically noted. This is to make sure the Scoring Committee can consider nuance, innovation, and varying degrees of reliability across the many different applications. The scoring committee will be given scoring guidance that will assist them in their applications review to ensure their understanding of the qualities we are looking for in the narrative responses. At this time, we cannot provide further detail on the narrative questions. Please respond based on your understanding of the questions and to the best of your ability. We want to hear how projects are thinking about these items in their planning and design.*

**Question 22:**

Assuming PSH services (as an expense) need to escalate at 3% per annum, can we assume funding for PSH services will escalate at 3% per annum as well, even if other expenses are assumed to escalate at 2%? If this is allowed in financial assumptions, is there a way that OHCS would like to have this documented?

*Answer:*

*The OHCS application escalates project expenses, including PSH Services, at 3% per annum. Income escalates at 2% per annum. These escalation rates will be documented in your application’s proforma as they are auto calculated based on the information you provide.*

**Question 23:**

Will applicants have the opportunity to negotiate details about capital funding sources? In particular, I understand that HTF may have hard timelines for financial closing which may/may not align with investor goals for LIHTC allocations, so it may be in everyone’s best interest to work together to align the various sources’ needs.

*Answer:*

*OHCS will work with each team, as much as we are able, to align timelines and accommodate projects’ needs associated with separate funding sources.*

**Question 24:**

Do projects need control of the site when they submit their application? Do we need to have an appraisal?

*Answer:*

*Projects need to provide formal documentation that they will be able to complete the project on their designated site. Providing one of the following pieces of evidence for site control are ideal: a recorded deed or conveyance showing the Applicant is the owner of the site, a valid purchase and sale agreement, a valid option to purchase, or a valid option for a long-term lease. OHCS will consider other formal agreements for acquisition that are pending the award of funding. Appraisals are not required until projects have received funding reservations from OHCS.*

**Question 25:**

Can OHCS provide feedback on the submitted site review checklist in the pre-application?

*Answer:*

*OHCS cannot provide site review checklist feedback prior to the full NOFA application due date. However, the site review checklist submitted with the pre-application can be modified and updated for your final application submission.*

**Question 26:**

Is there a formal process we need to go through to make changes from the pre-application to the full application, or can we simply modify them in the full application forms? E.g. unit count, formal change in zoning, etc.

*Answer:*

*You can simply modify them in the full application, but please include a memo or letter explaining why the change occurred.*

**Question 27:**

In attempting to complete the OHCS Project Site Review Checklist in its entirety, I have run into difficulty reaching both the city and county offices to obtain the required information. Due to COVID-19 and Gov Brown, most offices are closed to walk in, and numerous employees are working remotely. However, some of the information can be retrieved from the various county/city websites. Is it okay to use this information, or do I actually need to talk to someone?

*Answer:*

*If you are able to retrieve this information from various county or city websites, that is*

*acceptable, provided that you include the website address that you obtained the information from in the checklist, AND also attach the information from the website in a pdf format.*

**Question 28:**

Can applicants pair PSH capital funding with a 9% application?

*Answer:*

*PSH capital funds cannot be paired with other competitive funding sources such as 9% LIHTC or HOME. This is standard practice at OHCS since all OHCS fund offerings require that a project have balanced sources and uses to be eligible for funding. If we allowed a project to apply for more than one competitive offering at a time and it wasn't successful in all competitions needed for balanced project sources and uses, there would be a gap in financing, making the project ineligible for any OHCS funding that it had qualified for. Please note we have received the feedback that this is a barrier for projects that are not 100% PSH and we will explore what we can do in the future to make OHCS funding more inclusive to integrated projects.*

*\*Please note, the 9% NOFA allows applicants to request PSH Services Funding and PSH Rental Assistance (not PSH Capital Funding) as a part of their 9% application.*

**Question 29:**

Will there be site visits to conduct reviews for projects applying to this PSH NOFA?

*Answer:*

*No. There will be no site visits for the purpose of a site review for this year's PSH NOFA projects.*

**Question 30:**

If applicable, is a relocation plan required as a part of the OHCS PSH application?

*Answer:*

*No relocation plan is required for PSH at the time of application, unless you are also requesting HTF funds. If so, the HTF Supplemental Form includes a relocation planning item.*

**Question 31:**

We understand that applicants can choose not to apply for HTF funding when they request PSH capital resources. Would a project that requests HTF have any sort of competitive advantage over a project that does not?

*Answer:*

*No, there will be no competitive advantage for a project electing to use HTF.*

**Question 32:**

When is the last day to submit questions for the PSH NOFA?

*Answer:*

*All questions regarding the 2021 PSH NOFA must be submitted by March 10, 2021. Questions submitted after March 10<sup>th</sup> will not be answered.*

**Question 33:**

It says in the PSH NOFA that OAHTCs need to serve households at 50% AMI or less? Is that correct?

*Answer:*

*It incorrectly says 50% AMI for OAHTCs in the PSH NOFA. OAHTCs must serve households at 80% AMI or less. We apologize for this error and any confusion it may have caused.*

**Question 34:**

How many pre-applications came in for PSH, and how much funding are they seeking?

*Answer:*

<https://www.oregon.gov/ohcs/development/Documents/nofa/2021/PSH-21/2021-PSH-NOFA-Pre-Application-Statistics.pdf>

**Question 35:**

We are allowed to request capital funds, rental assistance, and service funding. Are we allowed to ask for all three at the same time, or is simply building the facility – capital funds – considered its own phase in a multi-phase project? If we may request all three, is the

expectation that we spend all those funds within the 36-month period – i.e. that we have moved tenants in and spent the requested rental assistance and service dollars by the end of the three-year window?

*Answer:*

*You can request all three types of funding in this PSH NOFA application. We expect (of course with understanding that things happen and circumstances change) that the capital funding is spent and units are leased up 36 months from the Reservation Letter date. The services funding and rental assistance would be ongoing contracts, therefore they are not included in the 3 year window expectation. The rental assistance will be provided on a monthly reimbursement basis. The service dollars will be coming from OHA, so you would need to connect with them to see how their contract would be structured, but it is the intent of the PSH program to provide this funding long term.*

**Question 36:**

The SDS Certification which must be submitted with the NOFA Application includes an Alternate Approach option for Section E (EV-Ready) but appears to require written authorization prior to NOFA submission. Is it possible to select the “Alternate Approach” and request the authorization after submission, or select the “Module-3 Approach” and request an alternate after submission?

*Answer:*

*We will need to review and authorize any alternative proposal prior to Application. As you point out, however, you may also apply for funding with the baseline expectation that you will comply with the prescribed CDM requirement but then request a Variance after you receive a notice of funding reservation.*

**Question 37:**

I am submitting the same project for two different funding options (LIFT and PSH). Since much of the application is identical, is it possible I could upload one of them once I’ve filled out the basic project data and have someone essentially save us to the other version (and unlock/swap out the tabs for the second funding source)?

*Answer:*

*Unfortunately, no. These applications are specifically tied to our internal database record through the Procorem Workcenter.*

**Question 38:**

Will OHCS consider Variance Requests for the CDM laundry requirement?

*Answer:*

*Notice regarding approval of Variance Requests related to Laundry Requirement (CDM v.3.1, Chapter 6.1, Item N18.01).*

*For the subject NOFA, OHCS will likely approve a Variance Request on this item. The possibility that a Variance Request might not be approved still exists, however, this would occur only if the Agency felt the proposal was insincere in its attempt to offer rational or did nothing to address the need for the proposed alternate to offer some compensating degree of value to the residents (not just to management). The questions listed below are designed to help develop the project team's Variance Request rational. Variance Requests on this item should be submitted as soon as possible after a Reservation of Funding has been received by the Applicant.*

*Instructions:*

*Please include a copy of this FAQ item including the questions and the project team's responses as an attachment to the Variance Request. This is not a test - there are no presumed right or wrong responses or responses that are more or less likely to result in a Variance approval. Responses should be short and concise but may be as long as desired. There is no need to respond to every question – respond only to the items you feel are relevant. Your answers will assist with the Agency's continued development of its Housing Development Standards.*

*Questions:*

*1) Do you see any housing related costs e.g., cost to operate communal laundry equipment, shifting to the residents as a result of your proposal? If so, how might those added costs be offset or mitigated by property management and/or by the proposed design of the project?*

*2a) When essential functions of living, such as but not limited to laundry, are to be performed in communal settings, what is the project team's vision for how these communal spaces are "value added" amenities that support and enhance the residents' overall experience of living?*

*2b) Related to item 2a) describe how (if relevant) the items listed below are addressed in the proposed design:*

- i. Ease of Access and Use*
- ii. Personal Safety and Security; Both personal and personal belongings*
- iii. Ambient Environment; Design elements that make the space and/or adjacent supporting spaces a “place for people”- not just a “laundry room” for equipment and laundry tasks.*
- iv. Connections; physical/visual connection to other communal areas e.g. children’s play area, living room, outdoor areas, etc.*
- v. Efficiency and Multitasking; E.g. child supervision, reading, telework, computer, etc.*
- vi. Community; Ability of the space to support opportunities for people to connect and cooperate in performing basic living activities.*

*3) Does the proposed design respond to or impact specific project elements identified in any tenant or persons-with-lived-experience focus groups, advisory committees, surveys, etc. Has the proposed design been brought to these groups for review and if so, what was the input?*

*4) Any other comments you would like to add?*

*Please contact the OHCS program manager associated with the funding you are interested in if you have further questions.*

**Question 39:**

**This message was sent to all PSH Project Workcenters on 2/25/21.**

*NOTICE About LIFT Rental and PSH NOFA Applications:*

*We had discovered a few items in the NOFA Application that need to be fixed before LIFT and PSH applications are submitted in a few weeks.*

*How will the application get fixed?*

*OHCS will upload fixed NOFA applications all 2021-2 (LIFT Rental) & 2021-6 (PSH) Procorem workcenters on Wednesday, March 3.*

*How does this affect applicants?*

- If you have already begun filling out the NOFA Application from your workcenter and do not want to start over with the fixed application, please make sure to upload your version into your workcenter no later than midnight on Tuesday, March 2. This way, OHCS will perform the fixes on the application that you have already started to fill out instead of uploading a blank, fixed application to your workcenter.*
- Uploading and downloading privileges in the workcenters will be turned off while OHCS staff re-issue or correct the NOFA Applications. Expected timeframe for this freeze in access to the workcenters will be from 7am until approximately 5pm on March 3rd .*

*What do I need to do?*

- If you have already begun filling out the NOFA Application from your workcenter and do not want to start over with the fixed application, please make sure to upload your version into your workcenter no later than midnight on Tuesday, March 2. This way, OHCS will perform the fixes on the application that you have already started to fill out instead of uploading a blank, fixed application to your workcenter.*
- If you have not yet started filling out the application, then you don't need to do anything, but please be aware that uploading and downloading privileges for the 14 workcenters will be turned off while OHCS staff re-issue or correct the NOFA Applications. Expected timeframe for this freeze in access to the workcenters will be from 7am until approximately 5pm on March 3rd.*

*Questions?*

*Send questions regarding LIFT applications and workcenters to: [MFNOFA@oregon.gov](mailto:MFNOFA@oregon.gov) Send questions regarding PSH applications and workcenter to: [HCS.PSH@oregon.gov](mailto:HCS.PSH@oregon.gov)*

**\*\* PLEASE NOTE, as of 3/4/21, these changes were already made. The current application in the Workcenters is correct. If there are any issues, such as concern around the work you have done in the original application, please reach out to us via [HCS.PSH@oregon.gov](mailto:HCS.PSH@oregon.gov). These questions will be addressed even though the Q+A period for the PSH NOFA has passed.**

**Question 40:**

The costs of issuance on the Multifamily Bond tab don't appear to incorporate the 'draw down' election. Is that a mis-calculation or is there no longer a 0.5% fee for draw down bonds?

*Answer:*

*We see that the Multifamily Bond tab does not have a line item for the draw down election. There is still a 0.5% fee for draw down bonds. The work around is to use one of the "Other" line items in the Cost of TE-Bond Issuance section of the Budget Uses tab for the fee.*