

# Affordable Housing Funding Notice

Oregon Housing and Community Services



## **MULTIPLE AWARD OPPORTUNITY NOTICE OF FUNDING AVAILABILITY (NOFA) #2021-6**

Permanent Supportive Housing

NOFA Issued: January 13, 2021

Pre-Application due: February 3, 2021

Proposal Due Date: March 24, 2021

Proposal Due Time: 4:00 PM PST

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[www.oregon.gov/ohcs](http://www.oregon.gov/ohcs)



## TABLE OF CONTENTS

<b>1.</b>	<b>INTRODUCTION</b>	<b>3</b>
<b>2.</b>	<b>NOFA FUNDING SOURCES, ALLOCATIONS AND FUNDING LIMIT CATEGORIES</b>	<b>3</b>
<b>2.1.</b>	<b>CAPITAL FUNDS</b>	<b>3</b>
<b>2.2.</b>	<b>RENT ASSISTANCE/OPERATING SUBSIDY</b>	<b>4</b>
<b>2.3.</b>	<b>SERVICES FUNDING</b>	<b>5</b>
<b>2.4.</b>	<b>APPLICATION PARAMETERS</b>	<b>5</b>
<b>2.5.</b>	<b>DEFINITIONS</b>	<b>5</b>
<b>2.6.</b>	<b>RESERVATION PROCESS</b>	<b>8</b>
<b>2.7.</b>	<b>PSH PROJECT REQUIREMENTS</b>	<b>8</b>
A.	<i>Eligible Activity</i>	8
B.	<i>Affordability Period</i>	9
C.	<i>Rents and Incomes</i>	9
D.	<i>Construction Standards</i>	9
E.	<i>Development Period</i>	9
F.	<i>Underwriting Guidelines</i>	9
G.	<i>Tenancy Support Services Plan</i>	10
H.	<i>Compliance Monitoring</i>	11
<b>3.</b>	<b>APPLICATION</b>	<b>11</b>
<b>3.1.</b>	<b>PRE-APPLICATION AND APPLICATION ACCESS</b>	<b>11</b>
<b>3.2.</b>	<b>APPLICATION SUBMISSION</b>	<b>12</b>
<b>3.3.</b>	<b>NOFA QUESTIONS</b>	<b>12</b>
<b>4.</b>	<b>EVALUATION PROCESS</b>	<b>13</b>
<b>4.1.</b>	<b>PRELIMINARY REVIEW</b>	<b>13</b>
<b>4.2.</b>	<b>THRESHOLD REQUIREMENTS REVIEW</b>	<b>13</b>
A.	<i>Development Team Capacity</i>	13
B.	<i>Services Narrative and Preliminary Services Budget</i>	14
C.	<i>Development and Finance Plan</i>	14
D.	<i>Ownership Integrity</i>	14
E.	<i>Commitment to Diversity, Equity and Inclusion (DEI)</i>	14
<b>4.3.</b>	<b>COMPETITIVE SCORING</b>	<b>15</b>
A.	<i>PSH subsidy per unit (up to 20 points)</i>	15
B.	<i>Financial Viability (up to 10 points)</i>	15
C.	<i>Readiness to Proceed (up to 20 points)</i>	16
D.	<i>Inclusion of culturally responsive/equity measures (up to 15 points)</i>	18
E.	<i>MWESB (up to 10 points)</i>	18
F.	<i>Tenant Referral Process (up to 5 points)</i>	18
G.	<i>Need for Housing (up to 10 points)</i>	18
H.	<i>First Cohort Preference (up to 10 points)</i>	18
<b>5.</b>	<b>APPLICATION EVALUATIONS</b>	<b>18</b>
<b>6.</b>	<b>GENERAL TERMS AND CONDITIONS</b>	<b>19</b>

## 1. INTRODUCTION

### 1.1. Purpose

Oregon Housing and Community Services (“OHCS”) is seeking applications (“Applications”) in this NOFA for the new construction, rehabilitation, or acquisition/rehabilitation of new permanent supportive housing developments (“Projects”). The source of funds under this NOFA is Article XI-Q Bonds. Participation in this NOFA is limited to the Projects of teams currently participating in the OHCS-sponsored Corporation for Supportive Housing (CSH) Supportive Housing Institute and the Projects of those teams that participated in the 2019-2020 OHCS-sponsored CSH Supportive Housing Institute. Teams that were funded in the 2020 PSH mini-NOFA and have not yet closed on financing are ineligible to apply for financing for a new Project through this NOFA. Projects must serve qualified low-income households that are Chronically Homeless (as defined herein) or otherwise locally defined and assessed by the community-wide homeless services system as the most vulnerable homeless persons.

## 2. NOFA FUNDING SOURCES, ALLOCATIONS, AND FUNDING LIMITS

### 2.1. Capital Funds

#### A. PSH Capital Funds

In the 2019 Oregon State Legislature, \$50 million in funding was provided to OHCS in the form of Article XI-Q Bond authority for the PSH Capital program for the 2019-2021 biennium. This NOFA represents the second PSH Capital offering of the biennium. This funding source requires the State of Oregon to loan the funds and hold an appropriate operational interest in the Project. This is satisfied in part, by an Operating Agreement, Declaration of Restrictive Covenants, and a Project Management Agreement.

Funding available through this NOFA is \$15 million based on current unreserved PSH Capital resources and interest earnings and is to be reserved to Projects that meet the requirements of this NOFA. If additional PSH resources become available from interest earnings or other means, OHCS may add those to the resources that are awarded from this NOFA.

This NOFA does not set specific per unit subsidy limits for PSH capital funds, however, there is a preference for applications that request at or below \$250,000/unit in subsidy.

#### B. National Housing Trust Funds (HTF)

Housing Trust fund dollars are federal resources targeted to serve extremely low-income households (those who have incomes at or below 30% AMI) statewide. \$4 million in HTF funds are available through this NOFA.

HTF dollars must comply with all relevant federal program requirements including but not limited to: affirmatively furthering fair housing, lead-based paint, Uniform Relocation Assistance, Environmental review, and Section 3 Contracting and reporting. Because of these requirements, Project sponsors are prohibited from taking choice limiting actions until all federal requirements are satisfied. HTF program requirements are contained in more detail in the HTF Program Manual on the OHCS website. ***Please note, all PSH NOFA applicants are required to complete the Federal HTF Supplemental Form provided with the application.***

Per unit subsidy limits for the HTF funds included in this NOFA are indicated in the chart below:

### National Housing Trust Fund Per Unit Subsidy Maximums

Oregon Limit	Studio	1 bedroom	2 bedroom	3 bedroom	4 bedroom
Urban	\$231,000	\$281,000	\$330,000	\$374,000	\$394,000
Rural	\$182,000	\$220,000	\$270,000	\$308,000	\$341,000

#### C. OAHTC

In addition to the PSH Capital funds, OHCS will make \$8 million in Oregon Affordable Housing Tax Credits (OAHTC) available where it results in serving households at or below 50% AMI. Furthermore, if there is a Project that cannot be funded with the remaining PSH Capital resources, OHCS retains the right at its sole discretion to leverage OHCS gap funding resources other than PSH Capital to fully fund a Project.

#### D. Multifamily Energy Program

The Multifamily Energy Program (MEP) is also available as a source for PSH Capital Projects. Information on the MEP can be found here:  
<https://www.oregon.gov/ohcs/development/Pages/oregon-multifamily-energy-program.aspx>

#### E. 4% LIHTC

Applicants may choose to utilize 4% Low Income Housing Tax Credits (LIHTC) and tax-exempt conduit bonds, as a funding source. If an Applicant chooses to do so, all components of the 4% LIHTC program, including Project feasibility review and due diligence associated with the 4% LIHTC program application applies. The Project must be submitted to OHCS within 45 days of the PSH funding reservation. Information on the LIHTC program can be found here:  
<http://www.oregon.gov/ohcs/Pages/multifamily-housing-four-percent-application.aspx>.

#### F. Capital Funding Set-asides

The following soft set-asides will apply to the PSH Capital funds and federal HTF funds only:

- 15% for Tribal-led projects
- 40% for urban projects
- 45% for rural projects

If the next Project within the set-asides requires more funds than remains in the particular set-aside category, those funds will be grouped together with similar funding from the other set-aside category and the combined funding will go to the highest scoring Project able to be funded. If there are not enough Projects able to be funded (having passed preliminary and threshold minimum requirements) to use all resources for one of the set-aside categories, those funds will be made available to fund Projects in another set-aside category. If the next Project cannot be fully funded with available PSH funds, OHCS may leverage other available OHCS gap funding resources to fully fund a Project.

## 2.2. Project-Based Rent Assistance

The 2019 Oregon Legislature set aside Rent Assistance resources to be operated as Project-based rent assistance through Oregon Housing and Community Services. The funding source for these resources will be considered “current service level” funding and be renewed every biennium. For the purposes of financial modeling, Projects should assume that these Project-based rents will reimburse up to 60% AMI rents and will subsidize the gap between tenant income and 60% rents, even if tenant incomes are as low as \$0. Additionally, contract language will include the ability to convert to 60% AMI units if the rent assistance becomes no longer available for any reason. Guidelines for the Project-Based Rental Assistance Program can be found on the PSH NOFA page, here:

<https://www.oregon.gov/ohcs/development/Documents/nofa/2021/PSH-Rent-Assistance-Framework.pdf>

### 2.3. Services Funding

Services funding is available through this NOFA and will be offered by Oregon Health Authority (OHA) on a contractual basis. Requested services funding for any Project selected for capital and/or rent assistance funding through this NOFA will be given to OHA for review and negotiation.

### 2.4. Application Parameters

- Applications will be accepted only from teams participating in the 2020-21 OHCS-sponsored Corporation for Supportive Housing (CSH) Supportive Housing Institute and the Projects of those teams that participated in the 2019-2020 OHCS-sponsored CSH Supportive Housing Institute. Teams that were funded in the 2020 PSH mini-NOFA and have not yet closed on financing are ineligible to apply for financing for a new Project through this NOFA.
- Applicants may apply only for funding of one (1) phase of a multi-phase Project.
- Projects that have already been funded through a competitive OHCS NOFA are not eligible for additional capital funding through this NOFA. However, previously funded projects may apply for project-based rent assistance and services funding through this NOFA.

### 2.5. Definitions

Terms defined in this NOFA (including those provided in this subsection), as well as terms defined in other Program Requirements, shall be construed in this NOFA consistently with those definitions unless the context clearly indicates otherwise. 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 that are submitting an Application responsive to this NOFA.

**Chronically Homeless:** Is defined by HUD as: <https://www.hudexchange.info/homelessness-assistance/resources-for-chronic-homelessness/>

1. An individual who:
  - a. Is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter;
  - b. Has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last 3 years; and
  - c. Can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability.
2. An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or
3. A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

**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. \*

**Coordinated Entry:** A process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs.

**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 \*

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

**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.\*

**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 are 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 are from the community being served, and the majority of the leadership (defined to collectively include board members and management positions) are 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\*

**Integrated PSH Units:** A housing development where PSH units make up some, but not all of the units. To qualify as an integrated PSH development for this pilot, the following requirements apply:

- At least 10% and no more than 25% of the units are reserved for PSH.
- An integrated PSH development must have at least 4 units of PSH.

### **Rural Areas:**

An eligible category for receiving funds through this NOFA. Rural areas are defined as:

- 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. MSA Counties include Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Linn, Marion, Multnomah, Polk, Washington, and Yamhill.
- 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.

Information on communities that are considered rural according to this definition can be found here: <https://www.oregon.gov/ohcs/development/Pages/housing-data-analysis.aspx> Once on the page:

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

scroll to and click on the “Rural Definition, Rural Set-Aside” section, then click on the “OHCS Rural Definition” link next to the Excel icon to download the list of communities.

*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.*

**Tribal-led Project:** A project that is on tribal-trust land or is using dedicated tribal resources.

**Urban Areas:** An eligible category for receiving PSH funds through this NOFA which serve all other areas in Oregon that aren’t included in the “Rural Areas” definition.

## 2.6. Reservation Process

**A. Application Ranking Process:** Funds are reserved by OHCS on a competitive basis to Projects of qualifying Applicants that have the highest ranking score in accordance with available funding, subject to prioritization of qualifying Projects.

During the scoring and reservation process, limits on the remaining available funding may result either in lower-ranked Applications receiving a funding Reservation if higher-ranked Applications would require funding that exceeds the amount that remains available for awards, or, OHCS may choose to leverage other OHCS gap funding resources to fully fund the higher ranked Application(s).

In the event of a tie, and assuming sufficient funding for either of the tied Applications, OHCS will apply the following tie breaking rules in making funding awards.

**B. Tie Breaking Rule:** If the total evaluation scores of two (2) or more Applications result in a tie and funding availability is insufficient to fund all tied Applications, the Project that adds the greatest number of PSH units that can be funded under this NOFA, will be funded.

## 2.7. PSH Project Requirements

In addition to any other requirements in this NOFA, the following Project Requirements apply to any and all Projects funded through this NOFA (“Project Requirements”):

### A. Eligible Activity

PSH Capital funds are for the creation of permanent supportive housing rental units via new construction, rehabilitation, or acquisition/rehabilitation.

*Please note:*

*Developments that are under construction (including site work) at the time of application are not eligible for funding through this NOFA. Developments that begin construction after PSH Capital Fund Reservation and before PSH Capital loan closing may have their PSH Capital Fund Reservation revoked.*



## **B. Affordability Period**

OHCS has the discretion to meet the needs of the program, but generally, the affordability period will be established with a minimum of 30 years from the end of the year that the Project is placed in service or the length of the bonds outstanding, whichever is greater. The loan may be repaid at the end of the affordability period, or if at the end of the 30 year affordability period, the owner chooses to extend the affordability period for another 30 years, the loan is considered satisfied and no repayment is required.

## **C. Rents and Incomes**

**Incomes:** All units funded with PSH Capital funds must be affordable to Chronically Homeless households, earning Extremely Low Incomes (at or below 30% AMI) at the time of initial lease, with an exception for the one permissible manager's unit per Project. For HTF-specific income limits can be found here: <https://www.oregon.gov/ohcs/compliance-monitoring/Documents/rents-incomes/HTF/HTF-Income-Rent-Limits-2020.pdf>

**Rents:** Maximum rents allowable on any PSH Capital unit will be based on and may not exceed the 60% HUD Area Median Income standard, but may be further restricted to accomplish PSH Capital program goals or other funding purposes. For HTF units, rents need to be structured so that tenants pay no more than 30% of their income toward rent, however, project-based rental assistance can be used for these units. If utilizing OHCS PSH project-based rent assistance, as with PSH Capital funds, rent assistance can pay up to 60% rents.

For all Projects, tenants must be able to stay in the Project regardless of future income. To ensure affordability and comparability of unit compliance, i.e., the number, size, and character of affordable units are provided to serve the necessary population of lower-income households, a next available unit rule will need to be established in conjunction with OHCS compliance staff.

## **D. Construction Standards**

All Projects must meet local and state code requirements. Chapter "Baseline Design Requirements" of the OHCS Core-Development Manual (CDM): <https://www.oregon.gov/ohcs/development/Pages/core-development-manual.aspx> applies to PSH Projects.

## **E. Development Period**

Project sponsors are expected to do their best to have units ready for lease-up within 36 months of fund reservation. This NOFA anticipates funding reservations in June of 2021.

## **F. Underwriting Guidelines**

Underwriting guidelines will be applied by OHCS in its due diligence and Project review process to ensure ongoing Project viability. Such guidelines will be consistent with the industry standard minimum requirements of mortgage lenders, investors, and other potential public funding sources.

This includes, but is not limited to:

1. Minimum debt service coverage ratio of 1.20 on all "must-pay" debt
2. 7% vacancy rate
3. 2% escalation of rents and 3% escalation of expenses
4. Capitalized operating reserve equal to six (6) months operating expenses and debt service
5. Minimum annual replacement reserve deposit of \$450 per unit
6. Prior to closing, a Phase I environmental study is required for all PSH Projects
7. Demonstration of meeting BOLI compliance, if applicable
8. Other Requirements: If other public capital or operating subsidies are used in financing the Project, relevant requirements of those subsidy sources will also apply

### **G. Tenancy Support Services Plan**

All funded Projects must provide comprehensive tenancy support services to tenants who are Chronically Homeless. Acceptance of services is optional for tenants and not a requirement for tenancy. These services are separate from behavioral and physical health services. This is not an exhaustive list, nor are all of the services listed below required for each Project. The list below is meant to be used for informational purposes only. Some examples of tenancy support services are:

#### **Pre-tenancy services:**

- Tenant screening and assessment of housing preferences/barriers.
- Developing an individualized housing support plan.
- Assisting with rent subsidy and housing application processes.
- Assisting with housing search.
- Identifying resources/covering start-up expenses (security deposits, other lease/rental costs).
- Assisting in arranging for and supporting the details of move-in.
- Ensuring housing unit is safe and ready for move-in.
- Developing an individualized housing support crisis plan.
- Supporting tenant readiness programs such as "Rent Well" or "Ready to Rent" tenant education resources.
- Bridging related covered services for limited English proficiency and members with disabilities.
- Payment of back utility bills/rent.
- Assistance in requesting reasonable accommodations.
- Assisting tenants in connecting to entitlement services, as needed.

#### **Tenancy-sustaining services:**

- Early identification/intervention for behaviors that may jeopardize housing.
- Education on the role, rights and responsibilities of the tenant and landlord.
- Coaching on developing/maintaining relationships with landlords/property managers.
- Assistance resolving disputes with landlords or neighbors.
- Advocacy/linkage with community resources to prevent eviction.
- Assistance with the housing recertification process.

- Coordination with tenant to review/update/modify housing support and crisis plan.
- Continued training on being a good tenant and lease compliance.
- Supports to locate new housing if at risk.
- Assertive/progressive engagement in services.
- Assisting tenants in connecting to entitlement services, as appropriate.
- Assistance in requesting reasonable accommodations.

## H. Compliance Monitoring

Compliance monitoring will be sufficient to cover due diligence of OHCS. A compliance monitoring fee of \$25 per PSH unit will be required annually. This fee may be adjusted over time by OHCS. Additional monitoring fees may apply depending upon OHCS funding supplemental to PSH Capital. Monitoring will address elements of Project operation including but not limited to:

1. Initial household income verification.
2. Annual income verification, including through self-certification.
3. Risk-based physical inspections every 1-3 years based on Project condition.
4. Other Requirements: If other public capital or operating subsidy will be used from any source, relevant compliance requirements of those sources will be assumed to apply. For example, if 4% LIHTCs are used, all 4% LIHTC compliance requirements will apply.

## I. Charges associated with PSH loans

For charges associated with PSH loans, please see the table here:

<https://www.oregon.gov/ohcs/development/Documents/admin/OHCS-Charges-Table.pdf>

## 3. APPLICATION

### 3.1. Pre-Application and Application Access:

The PSH NOFA application process is a two-step NOFA process that requires submission of a very brief pre-application along with the site checklist in order to access the full application:

#### Process:

1. Download the pre-application and site 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 completed site checklist together to [HCS.PSH@oregon.gov](mailto:HCS.PSH@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 **February 3, 2021.**
3. Once credentials are received, go to the Procorem login page:

<https://app.procorem.com/login> to access the PSH 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.***

### 3.2. Application Submission

**Applications must be received by OHCS no later than:  
March 24, 2021 at 4:00 PM PST**

1. **Applications:** Applications along with all required materials and documentation must be uploaded to the Procorem portal by the Application due date and time: **March 24, 2021 at 4:00 PM PST.**

- Applications in response to this NOFA can only be submitted through Procorem.

2. **Charges:**

- All Applicants must submit application charges via mail. OHCS cannot accept any electronic payments for Application charges. Additionally, due to COVID precautions, OHCS offices are currently closed to the public and OHCS reception cannot accept hand-delivered payments.
- **Applicants must submit the Application charges, found on the Application Charges tab of the application, to the address below along with the transmittal form provided as part of the application materials in Procorem.** All Application charges must be postmarked no later than March 24, 2021. If the Application charge is not postmarked by March 24, 2021, the Application is considered incomplete. It will be automatically rejected and is ineligible for funding.

Oregon Housing and Community Services  
Attn: Affordable Rental Housing, NOFA 2021-6  
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.

### 3.3. NOFA Questions

Inquiries relating to this NOFA process, its administration, or the substantive technical portions of the NOFA should be directed to: [HCS.PSH@oregon.gov](mailto:HCS.PSH@oregon.gov).

**Please note "NOFA"** in the subject line. Frequently Asked Questions (FAQs) and answers will be shared with all applicant work centers 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. The last date to submit FAQs is **Wednesday, March 10**.

Changes or modifications to the NOFA requirements will **ONLY** be recognized if in the form of a written guidance distributed to all eligible teams through the Procorem work center.

#### **4. EVALUATION PROCESS**

If Applications pass the Preliminary Review, which includes timeliness and completeness criteria, the Application will move on to a review of Threshold Requirements. Review of the Threshold Requirements will be conducted to evaluate whether Applications satisfy the Threshold requirements. If, at any point, an Application fails to meet the threshold criteria listed in Section 4.2 below, the Application will be deemed non-responsive and will not be reviewed further.

**OHCS may employ, but is not limited to, the following selection criteria upon which to base its decisions:**

##### **4.1. Preliminary Review**

Each Application will be reviewed for timeliness and completeness of the NOFA requirements. The following are Pass/Fail criteria:

1. Complete application and all required supplemental materials submitted through Procorem by Application due date and time
2. Application Charge Transmittal Form (located in application) and Application charges postmarked by date specified in NOFA

##### **4.2. Threshold Requirements Review**

After passing Preliminary Review, all Threshold Review requirements must be met. The following are Pass/Fail criteria:

###### **A. Development Team Capacity**

###### **1. Construction Experience**

- I. Does the Applicant have a successful history of leading construction development Projects of similar (or larger) size and scope, such as, mid-rise versus high-rise, wood frame versus steel, and new construction versus rehabilitative construction?
- II. If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this limitation?

###### **2. Development Team Experience**

- I. Has the Applicant managed similarly comprised development teams?

- II. Explain the development team experience with Projects of this type, size, and scope?
- III. If an Applicant has applied for multiple Project Reservations, does the development team have the capacity to administratively and financially support all Projects simultaneously?

**B. Services Narrative and Preliminary Services Budget:**

Submit a completed Services Narrative and Preliminary Services Budget as part of the Application. The narrative must describe your project's PSH Services and how they meet CSH's Dimensions of Quality:

- Tenant Centered
- Accessible
- Coordinated
- Integrated
- Sustainable

You may provide your Services Budget in any format. The CSH Services Budget Tool provided in the Oregon Supportive Housing Institute can be used but is not required to be used. The tool can be found here: <https://cshcloud.egnyte.com/fl/KibC8XSZTs#folder-link/>

This information will be given to OHA for discussions around services funding.

This will be a pass/fail criteria, in a review for the reasonability of developing into a final services plan.

**C. Development and Finance Plan:**

Submit a completed application, which includes a pro forma, and operating budget with balanced sources and uses.

**D. Ownership Integrity**

1. Single-Asset Ownership: The Project will be owned by a single-asset entity duly organized under the laws of the State of Oregon, or if allowed by OHCS, duly authorized to conduct business in the State of Oregon.
2. Neither Applicant nor any member or principal within the Project ownership or management will have been convicted of fraud, misrepresentation, theft or other moral turpitude within the previous ten (10) years.
3. Neither Applicant nor any member or principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five (5) years.
4. Neither Applicant nor any member or principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

**E. Commitment to Diversity, Equity and Inclusion (DEI):**

Each Applicant must submit a signed DEI form, which commits to making strides toward diversity, equity and inclusion within the Applicant's organization as well as in the work it does.

### 4.3. Competitive Scoring

Applications that pass Preliminary Submission Review and meet the Threshold Requirements will be scored competitively using the following criteria.

**A maximum of 100 points is possible.**

**The criteria to be used for each scored section is as follows:**

#### **A. Combined PSH and HTF Subsidy per unit (up to 20 points):**

There is no set subsidy cap, however, Projects that request less than \$250,000/unit in PSH funds will receive preference:

<b>Request</b>	<b>Points</b>
Up to \$100,000/unit	20
\$100,001/unit - \$150,000/unit	15
\$150,001/unit - \$200,000/unit	10
\$200,001/unit - \$250,000/unit	5

#### **B. Financial Viability (up to 10 points)**

- Development pro forma review:
  - Proforma includes realistic and available resources on the Sources of Funding.
  - Sources and Uses balance, there are no gaps in funding and all other funding is committed.
  - Sources listed as “Fundraising” and “Capital Campaigns” will result in automatic failure; resources already obtained through these efforts are allowable and should be presented as “Cash.”
  
- Operating pro forma review:
  - Primary debt coverage ratio (DCR) is within OHCS guidelines (1.20-1.30) unless permanent debt underwriting requires a variance (provide supporting evidence). The Project maintains a positive cash flow through the 30-year pro forma period.
  - If there will be no permanent debt on the Project, a positive cash flow is maintained through the 30-year pro forma period.

## C. Readiness to Proceed (up to 20 points)

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

### 1. Zoning and Site Control

#### 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.

#### 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:

- i. a recorded deed or conveyance showing the Applicant is the owner of the site,
- ii. a valid purchase and sale agreement,
- iii. a valid option to purchase,
- iv. a valid option for a long-term lease, or
- v. other evidence satisfactory to OHCS

The name of the entity on the evidence of site control must be the same as the Applicant name on the PSH application. The site control document should also identify the same address/location and area as the Project site listed in the Application and exactly the 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 the method used to establish the area and cost for the Project.

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 more than one (1) Application is received for the same site, or any part of the same site, OHCS may disqualify one (1) or all of the Applications. In this scenario, the *non-refundable* Application charge for each Applicant will be retained by OHCS.

### 2. Adequacy of Development Schedule



Within the development schedule provided, the Applicant must be able to meet the required deadlines for the PSH program as well as any other applicable OHCS programs.

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 time frames. These deadlines are published in the applicable OHCS program manuals.

### **3. Adequacy of the Project Site Checklist**

Applicants must identify any adverse environmental or site information by indicating them on the Project Site Checklist. The completed Project Site Checklist is submitted with the application. A complete Project Site Checklist is self-certified by the Applicant. OHCS does not conduct a site visit for PSH Projects at the time of application, however, reserves the right to do so at any time during application, reservation, construction and affordability periods.

OHCS' Project Site checklist contains questions regarding:

- i. the suitability of the site
- ii. the distances to services
- iii. location of and distance to transportation and schools
- iv. the nature of existing structures on the site
- v. soil suitability
- vi. environmental hazards
- vii. safety concerns
- viii. noise problems
- ix. air quality issues
- x. historic preservation
- xi. flood plain and wetlands issues
- xii. solid waste, wastewater and storm water concerns
- xiii. 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.

**D. Inclusion of culturally responsive/equity measures (up to 15 points)**

Provide a brief narrative, not to exceed one page, providing an overview of the culturally responsive measures taken to further equity and service to underrepresented populations and Communities of Color.

**E. MWESB (up to 10 points)**

Narrative Plan to address equity and diversity in the Project through the use of Minority Business Enterprises, Women Business Enterprises and Emerging Small Businesses (MWESB) contracting, subcontracting, and professional services.

Applicants will provide a narrative for the Scoring Committee that includes the project's approach to increasing Minority, Women's and/or Emerging Small Business (MWESB) Engagement in the project and should include the following information:

- Identify Owners MWESB/SDVBE COBID Certified firm participation goal for project
- Outline the steps the construction team will take to achieve the owner's goals for participation by COBID Certified subcontractors and suppliers
- Provide summary of general contractor's profile and team member demographics
- Provide details of general contractor's history of addressing MWESB/SDVBE sub-contractor diversity, equity, and inclusion in affordable rental housing projects

The OHCS MWESB Policy can be found here:

<https://www.oregon.gov/ohcs/development/Documents/admin/OHCS-MWESB-Compliance-Manual.pdf>

**F. Tenant Referral Process (up to 5 points)**

Provide a brief narrative describing the referral process for tenants. Please describe connections to the Continuum of Care, coordinated entry and/or any other relevant systems information.

**G. Need for Housing (up to 10 points)**

Provide a brief narrative, not to exceed one page, demonstrating the Project's: (1) responsiveness to the need for housing; (2) assessment of the proposed services plan's connection to addressing the need for housing; (3) focus on the Chronically Homeless population, coordinated entry, and community need.

**H. First Cohort Project Preference (10 points)**

Projects from the 2019-2020 Oregon Supportive Housing Institute that applied for funding through the 2020 PSH Mini-NOFA, but were not awarded funds will receive 10 points

**5. APPLICATION EVALUATIONS**

### **5.1. Evaluation Process**

After Preliminary 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 scored competitively (see Section 4.3).

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

Any preliminary Award Reservation will be contingent upon successfully meeting agreed upon performance deadlines to secure the needed remaining resources.

### **5.2. 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 to them (“Reservation Letter”) by OHCS. All Reservations are conditional in nature, contingent upon the terms upon which they are made, approval by the Housing Stability Council (Council), the continuing availability to OHCS of the described funds or tax credits (collectively or individually without distinction, Funds), the continuing authority of OHCS to disburse or allocate such funds, and the successful negotiation, execution, and recording (if required) of the Agreement Documents.

### **5.3. Notice of Intent to Issue Reservation Letter**

Applicants will be notified in writing of OHCS's Notice of Intent to Issue a Reservation Letter, this information will also be posted on OHCS's website.

## **6. GENERAL TERMS AND CONDITIONS**

**6.1** Any funding allocation under this NOFA is subject to receipt by OHCS of the proceeds of the anticipated Article XI-Q Bonds issuance and approval by bond counsel, the Oregon Department of Justice, and the Issuer (State Treasurer collectively with the Department of Administrative Services (DAS) and OHCS or OHCS only) to use the proceeds for purposes as contemplated under the NOFA.

**6.2** 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.

**6.3** Submission of an Application by Applicant or acceptance by OHCS of a submitted Application neither constitutes an agreement of any kind between OHCS and Applicant nor does it secure or imply that Applicant will be selected for receipt of a Reservation of funds.

**6.4** In the extent that other funding sources have additional or other requirements, the most restrictive

requirements will apply to the Project.

- 6.5** All costs associated with Applicant's submission of an Application are the sole responsibility of the Applicant and shall not be borne to any degree by the State of Oregon.
- 6.6** Successful Applicants will be required to maintain appropriate levels of insurance and to comply with the Project Requirements and other OHCS policies, including execution of the Agreement Documents.
- 6.7** OHCS may 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.
- 6.8** 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.**
- 6.9** 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.
- 6.10 OHCS reserves the right:**
- A. to amend this NOFA prior to the closing date;
  - B. to amend the deadline for submitting Applications;
  - C. to determine whether an Application does or does not substantially comply with the requirements of this NOFA;
  - D. to waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;
  - E. to obtain from and/or provide to other public agencies, upon request, references, regarding the Applicant's performance;
  - F. at any time prior to execution of Agreement Documents (including after announcement of the apparent Reservation) to reject any Application that fails to comply with the requirements of this NOFA;
  - G. to 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;
  - H. to use adherence with components of the Applicant's Application and this NOFA as scoring criteria in future multifamily funding solicitations;
  - I. to withdraw any funding source from this NOFA; and or
  - J. to waive any term or condition of this NOFA for good cause as determined by OHCS.
- 6.11** This NOFA and one (1) copy of each original Application received, together with copies of all documents pertaining to a 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.

**6.12** An Applicant or potential Applicant seeking to challenge any aspect of this NOFA is subject to and must comply with the provisions of OAR 813-005-0025, which provide:

**813-005-0025**

**Solicitation Protests; Administrative and Judicial Review**

(1)(a) With respect to any solicitation conducted by the department, 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 the department, an applicant may protest or otherwise challenge any department 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 the department will constitute a failure to exhaust administrative remedies and terminate further rights to protest or otherwise challenge the solicitation process or any related department determination, including judicial review thereof.

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

(b) A potential qualifying applicant is a person or entity that qualifies to make an application for a department 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 department determination related thereto) must request review by the department within fourteen (14) days of the application due date of the solicitation.

(b) An applicant seeking to protest or otherwise challenge a determination by the department related to a solicitation must request review by the department of such determination within fourteen (14) days of the applicant receiving notice from the department 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 department 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 the department.
- (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 the department's contact person for the solicitation; and
  - (e) Be received by the department 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 the department of the department 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 a department determination upon the sooner of:
- (a) Three (3) days after the department's determination is mailed to the applicant;
  - (b) Two (2) days after such determination is posted to the department's website;
  - (c) Two (2) days after the list of successful solicitation applicants is posted to the department's website;  
or
  - (d) One (1) day after such determination is emailed to the applicant.
- (7) The department may request additional information from the requestor with respect to its request and consider such other information as it deems appropriate.
- (8) The department will endeavor to provide a written response to a timely, qualifying request for review within thirty (30) days.
- (9) Judicial review of the department response to a timely, qualifying request for review shall be limited to those grounds the requestor raised with the department in its request for review.

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

**6.13** OHCS' contact person for this NOFA is Dana Schultz. Her contact information is as follows:

Oregon Housing and Community Services  
Attn: Dana Schultz  
725 Summer Street NE, Suite B  
Salem, OR 97301  
Email: [HCS.PSH@oregon.gov](mailto:HCS.PSH@oregon.gov)

- 6.13** 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.
- 6.14** 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.
- 6.15** 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.
- 6.16** Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.
- 6.17** 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.