

# Affordable Housing Funding Notice



Oregon Housing and Community Services

## MULTIPLE AWARD OPPORTUNITY

### NOTICE OF FUNDING AVAILABILITY (NOFA) #2022-5

#### Affordable Rental Housing Projects with 9% Federal Low Income Housing Tax Credits

NOFA Issued Date: **February 18, 2022**

Pre-Application Due By: **March 11, 2022**

Application Due Date: ~~April 29, 2022~~ **May 6, 2022**  
Application Due Time: **4:00 PM PST**

Version **1.012**



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## 1.0 INTRODUCTION

### 1.1 Purpose

The Oregon Housing and Community Services Department (“OHCS” or “Department”) is seeking applications (“Applications”) in this Notice of Funding Availability (“NOFA”) for the new construction, or the acquisition or rehabilitation of proposed multifamily residential rental housing developments (“Projects”) that will use 9% Federal Low Income Housing Tax Credit (“LIHTC”) funding to serve qualified low-income households.

### 1.2 Funding Sources

In addition to 9% Low Income Housing Tax Credits, funding sources that may be requested in association with this NOFA are limited to the following:

- A. HOME Investment Partnership Program (HOME)
- B. General Housing Account Program (GHAP) and Housing Development Grant Program (HDGP), referred to collectively as “Gap Funds”.
- C. Oregon Affordable Housing Tax Credits (OAHTC)
- D. Permanent Supportive Housing (PSH) Rental Assistance and Services Funding. Project-based rental assistance and services funding available to projects and Applicants planning to implement permanent supportive housing for chronically homeless populations and designate PSH units in project funded through this NOFA. Rental assistance for PSH designated units can pay up to 60% AMI rents. Applicants who request and receive a reservation for PSH rent assistance and/or services slots must agree to participate in an OHCS-sponsored Supportive Housing Institute if they have not already participated in a previous Institute.

To participate in this NOFA, the Applicant must intend to use the 9% LIHTC. It is the responsibility of the Applicant to have read the manual and requirements for each funding source for which the Applicant applies.

This NOFA and the 9% LIHTC Program is being administered in conformance with Oregon’s 2022 Qualified Allocation Plan (QAP), as updated from time to time, and the Internal Revenue Code of 1986, as amended (the “Code” or “IRC”). <https://www.oregon.gov/ohcs/development/Documents/LIHTC/QAP/2022-QAP-Final.pdf>

Applicant and related LIHTC Program participants, including lenders and tax credit equity investors, expressly waive any claims, causes of action or other remedies against OHCS with respect to a disqualification, cancellation, or modification as described above as a condition of Applicant’s filing of its Application or Applicant’s participation in the LIHTC Program.

### 1.3 Definitions

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

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

**Allocation:** includes any funding allocated under this NOFA.

**Applicants:** means persons or entities submitting an Application responsive to this NOFA.

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

**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, operated by a region's Continuum of Care.

**Culturally Responsive Organization (CRO):** means an entity that comprehensively addresses power relationships throughout the organization from the types of services it provides, how it maximizes language accessibility to its human resources practices, i.e. who the CRO hires, the skills the employee bring to the CRO, how employees are 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 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. \*<sup>2</sup>

**Culturally Responsive Services (CRS):** 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. \*<sup>3</sup>

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

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

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

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

**Permanent Supportive Housing:** Permanent Supportive Housing (PSH) is rental housing that is deeply affordable to households with extremely low incomes and provides comprehensive on-site tenancy support services. PSH must be designed and prioritized for households experiencing chronic homelessness, and units must be filled through a community's Coordinated Entry process or approved alternative approach emphasizing equity and racial justice. All OHCS-funded PSH projects must utilize a form of project-based rental assistance and must provide comprehensive PSH services on site.

**Preservation:** means any Project with at least twenty-five percent (25%) of the units having an existing federal Project-Based Rental Assistance Contract; and

- a) the **HUD Section 8 Project-Based Rental Assistance Contract** is expiring within seven (7) years of the date of the OHCS NOFA application; or
- b) the **USDA Rural Development (RD) direct mortgage** is maturing within seven (7) years of the date of the OHCS NOFA application; or
- c) the **USDA Rural Development project** has a pending prepayment request; or  
*(Note, USDA Rural Development projects with a maturing mortgage within 3 years of the date of the OHCS NOFA application, or where the Owner's prepayment request has been approved, will be prioritized in the scoring and selection.)*
- d) the **USDA Rural Development project's** restrictive use covenants have expired, and the project is eligible to prepay its RD direct mortgage; or
- e) **the project includes Public Housing Units** undergoing a preservation transaction involving a comprehensive recapitalization, including those converting to HUD Section 8 projects under the HUD Rental Assistance Demonstration OR the project is under the HUD Section 18 Demolition and Disposition Programs.

For preservation portfolio transactions involving scattered site Projects with multiple locations, the twenty-five percent (25%) minimum is calculated based on the total of all units in the transaction, and at least one (1) of the properties in the portfolio transaction must have a HUD Project-Based Rental Assistance Contract that is expiring within seven (7) years of the date of the NOFA application, or a USDA Rural Development direct mortgage that is maturing within seven (7) years of the date of the NOFA application.

**Procore™ Workcenter:** is a secure web-based portal developed by ProLink Solutions™. OHCS establishes a project specific "workcenter" for each funding application/project. Project specific Procore™ Workcenters serve to facilitate secure electronic document submission and project team task management and act as a project communications hub for the project team and Department staff assigned to the project.

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

**Qualified Culturally Specific Organizations / Developers** means an organization designed to serve historically underserved communities representing “least likely to apply” for housing occupancy and that:

- Is representative of a community or significant segments of a community and provides affordable housing to low- and very low-income households; and
- Can demonstrate primary target populations served to be “least likely to apply,” meaning there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are “not likely to apply” for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include but are not limited to insufficient information about housing opportunities, language barriers, or transportation impediments.

**Sponsor** means any entity that represents an applicant or co-applicant in a proposed or funded project.

**Tribal Lands Set-Aside** means a set-aside for any project Application sponsored or co-sponsored by, and of financial benefit to, a tribal government, a tribal designated housing entity, or a tribal corporate entity on tribal trust land. If this set-aside is not fully utilized, the balance of Tribal Lands Set-Aside will be allocated to the Preservation Project Set-Aside.

#### 1.4 Application Parameters

- A. Applicants must be applying for 9% LIHTC. In addition to the primary 9% LIHTC funding request, only those sources of funding listed under Section 1.2 of this NOFA may be requested in conjunction with this NOFA.
- B. Applications with multiple Project sites in different counties that cross Geographic Regions as described in section 1.5 (A) will be evaluated in the Geographic Region with the greatest number of units in the Project, however, scoring will incorporate information from all sites, and both scoring and fund allocation will be based on a weighted unit distribution average.
- C. Applicant or ultimate project owner (“Sponsor”) may not receive more than twenty percent (20%) of any annual State 9% LIHTC allocation. If Applications for additional Projects have been submitted by an Applicant and score such that they are eligible for funding and the combined total of the Projects are in excess of 20% of the total LIHTC available, the lower scoring Project(s) included in those Applications will not be funded so as not to exceed the 20% limitation. (QAP 2022, p. 27)
- D. Applicant may not receive more than an average of fifteen percent (15%) of the annual 9% LIHTC allocation over any two (2) sequential year’s allocations. For example, if an Applicant receives twenty percent (20%) of the State’s total annual LIHTC in year one, the Applicant would only be eligible for ten percent (10%) of the State’s LIHTC in year two, or if an Applicant receives fifteen percent (15%) of the State’s total annual LIHTC in year one, the Applicant would only be eligible for fifteen percent (15%) of the State’s LIHTC in year two. If Applications for additional Projects have been submitted and score such that they are eligible for LIHTC allocation and are in excess of the percentage of the LIHTCs available, the lower scoring Project(s) included in those Applications will not be funded so as not to exceed the funding limitation. (QAP 2022, p. 27)
- E. Projects that have been funded with 9% LIHTC in 2016 or thereafter, are not eligible to apply for additional 4% LIHTC or 9% LIHTC within 20 years of the date the Project is placed in service. Exceptions may be granted at the sole discretion of OHCS in cases where it determines there is a risk of physical, affordability, or other loss. (QAP 2022, p. 27)

## 1.5 9% LIHTC Set-Aside Categories and Allocations

Section 42(h)(5) of the Code requires the State to set aside at least ten percent (10%) of the total annual 9% LIHTCs for Projects sponsored by Qualified Nonprofit Organizations. This is satisfied by assuring non-profits represent ten percent (10%) of the total allocation across all the set-asides. (QAP 2022, p. 10)

OHCS has also elected to implement a set aside of at least ten percent (10%) of the total annual 9% LIHTCs to projects sponsored by Qualified Culturally Specific Organizations/Developers. (QAP 2022, p. 10)

Additional percentages of the available 9% LIHTC will be set aside for each of the following Set-Aside Categories described below.

- A. **Regional Pool Set-Aside: sixty-five percent (65%) of the 9% LIHTC are allocated to regions.** OHCS established **Geographic Regions** (“Regions”) based on areas with similar ability to leverage federal HOME funds as well as having the greatest Project comparability. (QAP 2022, p.11)

9% LIHTCs are allocated to each of the below Regions based on the number of renter Communities of Color headed households in each Region earning sixty percent (60%) or less of the county’s median family income AND the number of severe rent-burdened (defined as spending fifty percent or more of the household income on gross rent expenses) Communities of Color headed households in each Region. OHCS will allocate no less than \$1 million in 9% LIHTC per Region.

The Regions are:

- **Metro Oregon** (Clackamas, Multnomah, and Washington Counties);
- **Non-Metro HUD HOME Participating Jurisdictions** (cities of Eugene, Springfield, Salem, and Keizer, and Marion County);
- **Balance of State Urban** (cities of Albany, Ashland, Bend, Central Point, Corvallis, Dallas, Grants Pass, Lebanon, McMinnville, Medford, Newberg, Redmond, and Woodburn); and
- **Balance of State Non-Urban/Rural** (the balance of the State not included in the above regions, including: Baker, Clatsop, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Gilliam, Grant, Harney, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lincoln, Linn, Malheur, Morrow, Polk, Sherman, Tillamook, Umatilla, Union, Wallowa, Wasco, Wheeler, and Yamhill Counties as well as the balance of Benton, and Lane Counties). (QAP 2022, p. 11)

If either the Balance of State Urban or Balance of State Non-Urban/Rural Regions are under-subscribed, the remaining available tax credits will first be allocated to the other Balance of State Regions before being allocated to the overall statewide Geographic Regional Pool.

- B. **Preservation Project Set-Aside: twenty-five percent (25%) has been set-aside for Preservation**, as defined in section 1.3. (QAP 2022, p. 11)
- C. **Tribal Lands Set-Aside; ten percent (10%) has been set-aside for Tribal Projects**, as defined in section 1.3. (QAP 2022, p. 11)

If no Project meets the minimum requirements of Administrative Review (described in Section 3.1 below) and the Minimum Threshold Requirements (described in Section 3.2 below), or if the remaining Gap Funds, as described in

section 1.2, are not enough to fund the next highest scoring Project, the funds will be returned to the statewide Geographic Regional Pool and the next highest scoring Project will be funded.

OHCS has set aside the following funding amounts for this NOFA, and reserves the right to add resources to fully fund Projects:

Programs	Metro/Non-metro/Balance of State	Preservation	Tribal Lands	Totals
9% LIHTC <sup>1</sup>	<b>Total:</b> \$6,500,000 65% <u>Regions</u> Metro: \$3,055,556 Non-Metro PJ: \$1,038,889 Balance Urban: \$1,000,000 Balance Rural: \$1,405,556	\$2,500,000 25%	\$1,000,000 10%	\$10,000,000
HOME <sup>2</sup>				\$6,000,000
Gap (GHAP/HDGP) <sup>3</sup>				\$5,000,000
OAHTC <sup>4</sup>				-
PSH <sup>5</sup>				-

1. In 2022, ten percent (10%) of the State’s total 9% LIHTC annual allocation is determined to be: \$1,000,000; twenty percent (20%) is determined to be: \$2,000,000.

No Applicant may receive more than twenty percent (20%) of the total 9% LIHTC annual allocation in any one year, or more than thirty percent (30%) in any two (2) sequential years.

2. HOME funds will only be made available to New Construction projects with a minimum per project amount of \$1,000,000.

3. Gap funds will be awarded from one or more sources including: GHAP and HDGP. There is a per project cap of ~~\$400,000~~ \$500,000 in max gap funding in Metro Region, Non-Metro PJ Region and ~~\$500,000~~ \$600,000 per project in Urban Balance of State and Rural Balance of State Regions

4. There is a cap of 95% of permanent loan debt per project for OAHTC funding in this NOFA. There is NOT a total dollar amount cap.

5. PSH operating subsidy *can* be requested. PSH Applicants can request PSH Project Based Rental Assistance and/or PSH Services Subsidy.

## 1.6 Reservation Process

**A. Application Ranking Process:** Applications in response to this NOFA are reviewed and competitively ranked in accordance with the following:

1. Pass the Administrative Review (described in Section 3.1 below);
2. Meet the Minimum Threshold Requirements (described in Section 3.2 below);
3. Receive an overall score; and



4. Ranked highest to lowest by score in the appropriate set-aside.

OHCS, at its sole discretion, may choose **not** to award all available resources.

Applications are first ranked within each Set-Aside Category. Applications that have the highest scores within each set-aside category will be recommended for funding as allocated resources allow. If Applications within a set aside do not score well enough to be funded (meet a minimum of at least sixty 60 points) or if there are no Projects to fund within a set-aside category, the set-aside category funds will be put back into the statewide Regional Pool in accordance with their set-aside definitions. The Tribal Set Aside will first be allocated to the Preservation Set-Aside before returning to statewide pool. Balance of State Urban and Balance of State Rural will fund one another before returning to the statewide pool.

Once remaining resources are pooled as provided above, Applications will be ranked statewide by overall score and additional reservations may be issued until the balance of available LIHTCs or other OHCS funding sources are not adequate to support any other Applications. If LIHTCs and/or other OHCS funding sources remain after all reservation processes are complete, OHCS may choose whether to award any of the remaining LIHTCs and/or other OHCS funding sources.

In the event of a tie in the statewide Geographic Regional Pool Set-aside ranking process, and assuming sufficient LIHTCs for either of the tied Applications, OHCS will apply the tie breaking rules described below in Section 1.6.B in making LIHTC allocation awards.

- B. Tie Breaking Rule:** If the total evaluation scores of two (2) or more Applications result in a tie and LIHTC allocation availability is insufficient to fund all tied Applications, the following scores, in order of priority, will break the tie:
1. If the tied Projects are in *different* Set-Aside Categories or Regions and more than fifty percent (50%) of the remaining funds comes from one of those Set-Aside Categories; that Project will be funded.
  2. If the tied Projects are in the *same* Set-Aside Category or Region, or from a Set-Aside Category or Region whose allocation contributes less than fifty percent (50%) of the remaining funds, the Project serving households with the lowest Average Median Family Income served will be funded.
  3. If the Average Median Family Income is tied, the Project with the least LIHTC per bedroom will be funded.

## 2.0 APPLICATION REQUIREMENTS

### 2.1 Pre-Application and Application Access

The NOFA application is a two-step process that requires submission of a pre-application with a Site Review Checklist, Real Estate Schedule of Holdings, and a full application as described below:

#### Step 1: Pre-Application Process:

1. Download the pre-application, Site Review Checklist, and Real Estate Schedule of Holdings from the OHCS website, here: <https://www.oregon.gov/ohcs/Pages/multifamily-housing-funding-opportunities.aspx>  
Please Note: if reusing a site review checklist from a prior NOFA submission it must have been completed within 12 months of the current pre-application deadline.

2. Submit the completed pre-application, Site Visit Checklist, and Real Estate Schedule of Holdings with the subject line “2022-5 9% NOFA Pre-App Submission” to [MFNOFA@hcs.oregon.gov](mailto:MFNOFA@hcs.oregon.gov) .
3. This action will alert OHCS staff to generate a Procorem WorkCenter, an email invitation describing your credentials to access your project workcenter, as well as the full application and supporting documents for you to access and complete the NOFA application. This step must be completed no later than close of business on the deadline for the pre-application, **March 11, 2022**.
4. OHCS intends to have a Procorem WorkCenter, and credentials created within 5 business days of receiving the pre-application submission. Applicants are required to follow the instructions in an email invitation letter to log into a designated workcenter.

### **Full Application Access**

1. From the assigned Procorem Workcenter, Applicant will be able to download the full application and supplemental documents from the “Full Application” folder.
2. Once downloaded, Applicant may complete the full application and supplemental documents. Applicant may use the workcenter and its functionality to save working drafts. Applicants can save draft versions of documents in the workcenter.

***Please Note: applications can only be submitted electronically through the assigned Procorem Workcenter. Hard copies, faxes, and electronic copies not submitted through Procorem will be automatically rejected and will not be reviewed or considered for funding.***

***A submission found to be lacking any required documentation will be considered non-responsive, therefore it could potentially lose points or be disqualified from further consideration, pending a review from the program manager and assistant director.***

## **2.2 Step 2: Application Submission**

Applications and associated charges must be received by OHCS no later than:  
**April 29, 2022 at 4:00 PM PST**

1. **Applications:** Applications, along with all required materials and documentation, must be uploaded to your Procorem Workcenter by the Application due date and time: April 29, 2022 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 and due to COVID precautions cannot accept any hand-delivered payments as OHCS’ offices are indefinitely closed to the public.
  - Applicants must submit the Application charges to the address below along with the transmittal form provided as part of the application materials in Procorem. All submissions of Application charges must be postmarked no later than **April 29, 2022 at 4:00 PM PST**. If the Application charge is not received or postmarked by the Application deadline, the Application will be automatically rejected and considered ineligible for funding.

Send Application Charges to:  
**Oregon Housing and Community Services**  
**NOFA Application Charge**  
**Attn: Financial Services**  
**725 Summer St. NE, Suite B**  
**Salem, OR 97301**

Applications that OHCS determines to be substantially incomplete or not meeting all submission requirements of this NOFA will be deemed "non-responsive" and rejected. All non-responsive Application will be confirmed via review by an OHCS LIHTC program manager and assistant director.

Applications that are complete and meet all submission requirements of this NOFA will be evaluated in accordance with the process described in section 3.0 (Evaluation Process).

### 2.3 NOFA Questions

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

The last day to submit questions relating to this NOFA is if April 22, 2022.

Please note "**2022-5 LIHTC NOFA**" in the subject line. Frequently Asked Questions (FAQs) and answers will be posted on the OHCS website and NOFA workcenters at regular intervals during the time that the NOFA response period is open. When appropriate, revisions, substitutions, or clarifications shall be issued as a Technical Advisory and considered a revision to this NOFA.

Changes or modifications to the NOFA requirements will **ONLY** be recognized if in the form of a written Technical Advisory (TA), issued by OHCS. OHCS shall post the TAs on OHCS' Housing Development page: <https://www.oregon.gov/ohcs/development/Pages/technical-advisories.aspx>

## 3.0 EVALUATION PROCESS

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

### 3.1 Administrative Review

Each Application will be reviewed for timeliness and completeness of the NOFA requirements. OHCS reserves the right to pursue clarification of any information in an Application that is deemed substantially complete. The following are Pass/Fail criteria, all of which must be met in order to pass the Administrative Review process:

- Application and Charge Transmittal Form with Payment for Application Charges,

- Owner/Board of Directors’ Authorization and Acceptance Form,
- Applicant’s Organizational Documents,
- Complete NOFA Application with Required Exhibits, and
- Certification of Pre-Application submission.

### 3.2 Minimum Threshold Requirements

After passing Administrative Review, an Application must satisfy all Minimum Threshold Requirements. For complete LIHTC Program Requirements, please see the current OHCS Qualified Allocation Plan (QAP) and OHCS LIHTC Compliance Manual. The following are Pass/Fail criteria, all of which must be met in order for the Application to be reviewed and scored:

#### A. Diversity, Equity, and Inclusion (DEI) Agreement

All Applicants are required to enter into an agreement to commit their organizations to take actions and put into place practices that further diversity, equity and inclusion practices in affordable housing through the signing of the OHCS Diversity, Equity and Inclusion (DEI) Agreement.

*This form is included in the NOFA application*

#### B. Relocation Plan

If any relocation or displacement of existing tenants might occur as a result of an Allocation, the Application must contain a relocation plan satisfactory to OHCS, including all of the following:

1. A complete survey of existing tenants using the format provided by OHCS. This survey must be augmented to include third party income verification and the augmented survey must be completed and approved by OHCS prior to the Project’s equity closing.
2. Type of displacement that will occur (permanent or temporary).
3. A description of the proposed relocation/displacement process. Indicate compensation amounts and planned timeline advance notice provided to tenants subject to displacement.
4. The availability of comparable units in the community.
5. A description of the local jurisdiction displacement/relocation policies, if applicable, and how the Project will comply with them.
6. A description of how tenants with disabilities will be assisted regarding relocation or displacement.
7. Planned regular updates on each tenant to be relocated or displaced.
8. For Projects receiving federal funds, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”) will apply and govern. URA requirements, if inconsistent with any other requirements above, will supersede any of the above.

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

#### C. Ownership Integrity

Fill out the Ownership Integrity Form included as part of the application through the Procorem Workcenter.

OHCS may reject an Application where the Applicant, or any member, officer, or principal within the Project ownership, management, or development team (1) is currently under investigation by a public body for, has

a pending claim, indictment, suit, action, or other proceeding against them for, or has been convicted of or been determined by an administrative or judicial (whether criminal or civil) order or judgment to have committed, fraud, misrepresentation, theft, embezzlement, or any other act of moral turpitude (including, but not limited to any felony or malicious behavior) within the previous ten (10) years; (2) has been involved in a bankruptcy proceeding within the previous five (5) years; or (3) has been debarred or otherwise sanctioned by OHCS.

*This form is included in the NOFA application*

**D. Right of First Refusal (ROFR)**

The applicant is required as a condition of this NOFA to provide the following:

1. letters of intent from a tax credit investor that clearly grants to a qualified not-for-profit organization a right of first refusal to purchase the project for a below-market purchase price (the “ROFR Purchase Price”), following the expiration of the tax credit compliance period, in accordance with Section 42(i)(7) of the Code (the “ROFR”)
2. Complete Ownership Integrity form attesting that none of the project sponsors, investors, syndicators, or lenders have demonstrated a history of conduct detrimental to long-term compliance with the extended use agreements and /or the provision of affordable tax credit units whether in Oregon or in any another state.

*This will require the applicant to submit LOIs with proposed language and to complete the Ownership Integrity form located in the NOFA application.*

**E. Resident Services**

The Applicant is required to provide a description of Resident Services at the time of Application, reflecting coordination, collaboration and community linkages to provide residents access to appropriate services, promoting self-determination, independent living, and opportunities to improve their lives.

Please note that the information provided in the Applicant’s Resident Services description should reflect the stated priorities of the competitive scoring, including the population served. The affirmative fair housing marketing plan should also reflect the stated priorities of the competitive scoring.

The resident services described in the Application are expected to be substantially in line with the Project’s final Management Agent Packet (Project Management Agreement and Resident Services Plan) if the Application receives a reservation of funds.

The Applicant’s Resident Services description should be as detailed as possible providing local context, explaining assumptions, and detailing reasons for the proposed resident services approach including: the services, the partners, and partnership arrangements.

If the project will include PSH units and the applicant is requesting PSH resources through this NOFA, the Resident Services description must specify the comprehensive on-site tenancy support services to be provided.

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

**F. Minority, Women, and/or Emerging Small Business (MWESB) and Service-Disabled Veteran Business Enterprises (SDVBE) Engagement**

All Applicants will be required to identify strategies and targets that they will use to solicit MWESB/SDVBE COBID contractors and subcontractors in the construction and operation of the proposed Project. Applications will be scored on their approach to MWESB engagement, contracting, and how well their strategies implement the OHCS MWESB policy.

The OHCS MWESB Manual, forms, and reports are located at:

<https://www.oregon.gov/ohcs/development/Pages/mwesb-sdvbe-rental-housing.aspx>

In each of the established regions described in the MWESB Manual, OHCS-funded projects and their sponsors will be expected to adopt the established goals to maximize local economic development while considering local demographics and MWESB/SDVBE COBID certified firm availability. OHCS will review each project by the Application's established goals and participation rates. Each Application should establish the Project's MWESB/SDVBE goals based on the total construction hard costs factored by availability; availability is understood as total value of scopes of work that are or would be available to any MWESB/SDVBE firms. It's likely that some projects can achieve a MWESB participation rate and goal higher than those established in OHCS' MWESB/SDVBE Compliance Manual.

Applicants should elaborate on their approach to:

1. Identify the MWESB/SDVBE COBID Certified firm participation goal for the Project and how the goal was determined.
  - a. Include what percentage of the construction participation goal the developer has committed towards MWESB- and SDVBE-owned subcontractors.
  - b. Provide how the percentage was determined.
2. Outline the steps the construction team will take to achieve the MWESB and SDVBE participation goals for subcontractors and suppliers.
  - a. Include the steps that will be taken in ensure the best outcome to meet the developer's commitment to its participation goals.
  - b. Explain how both the general contractor and the developer will ensure solicitation to the MWESB and SDVBE construction community (e.g., Where will team publicize bid opportunities, what MWESB and SDVBE communities will be contacted).
3. Provide a summary of the general contractor's profile and team member demographics.
  - a. Include whether the general contractor is a MWESB or SDVBE contractor or COBID member.
  - b. Provide demographics (men, women, race, ethnicity, etc.) of the general contractor's staff and team members.
4. Provide details for the general contractor's history of addressing MWESB/SDVBE subcontractor diversity, equity, and inclusion in affordable rental housing projects (list any, classes, seminars or programs attended). Include an outline of how the general contractor has engaged with MWESB/SDVBE subcontractor diversity, equity, and inclusion within the last 3 years (projects partnerships, collaborations).

*Awardees will be required to submit quarterly reports to OHCS demonstrating outcomes of their efforts to contract with COBID contractors/subcontractors, using state COBID registry, and submit a final report outlining the Applicant's efforts in meeting their target goals in their final application prior to the issuance of the Internal Revenue Service ("IRS") Form 8609, Low-Income Housing Credit Allocation and Certification. The general contractor and the developer can utilize and include non-COBID certified MWESB and SDVBE firms in their MWESB reporting, provided that the MWESB/SDVBE firm listed will be encouraged to become a COBID certified firm prior to completion of project construction and will be provided assistance in doing so.*

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

**G. Readiness to Proceed**

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

**1. Zoning and Site Control**

**Zoning**

The proposed project must be able to meet the current zoning criteria as established by the local development code or have completed all Zone Change or Conditional Use approvals prior to the date of the Application. The Applicant must provide a Certification of Zoning Compatibility executed by the appropriate local planning authority with the funding Application. **Projects that need and have not completed changes to site zoning designation will not be funded.**

*Applicants are strongly encouraged to work closely with their local zoning departments to obtain proof of appropriate zoning for the project.*

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

**Site Control**

Applicant must have control of the land necessary for the Project by the Application deadline as evidenced by one (1) of the following:

- a. a recorded deed or conveyance showing the Applicant is the owner of the site,
- b. a valid purchase and sale agreement,
- c. a valid option to purchase,
- d. a valid option for a long-term lease, that is satisfactory to OHCS, or
- e. other evidence satisfactory to OHCS.

The Applicant must be the named entity on the document providing evidence of site control. The site control document should also identify the exact same area as the Project site listed in the Application and the exact same cost for the land and/or existing buildings for the Project referenced in the development budget provided with the Application. If the site descriptions in the Application and the site control document are not exactly the same, the Applicant must provide a narrative description and supporting documentation to clarify how the area and cost for the Project were established.

OHCS will accept only one (1) Application for a specific site, regardless of whether Applications are submitted by the same Applicant or by multiple Applicants and regardless of whether the Applications are for the entire site or parts of the site. **If there is more than one (1) Application received for the same site, or any part of the same site, OHCS may disqualify one (1) or all of the Applications.** The *non-refundable* Application charge for each Applicant will be retained by OHCS.

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

## **2. Additional Federal Project Resources Status**

The Applicant must be able to provide satisfactory documentation of its progress on its applications for any other resources planned for the project.

If the Applicant has identified additional federal resources (such as rental or capital assistance from HUD, RD, or VA) as part of the funding structure, the Applicant must provide evidence satisfactory to OHCS that an application for these resources has been submitted and remains active. For RD, this would mean a pre-Application Consultation Letter that includes a summary of the contact and understanding established to date as well as expectations about the next steps in the process.

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

## **3. Adequacy of Development Schedule**

Within the development schedule provided by Applicant, the Applicant must be able to meet the required deadlines for each applicable LIHTC, HOME, Gap Funding, and OAHTC funding source as well as other federal resources if applicable.

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

*Development Schedule is provided in the tab "Development Schedule" in the NOFA application*

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

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

OHCS' Project Site Checklist contains questions regarding:

- a. the suitability of the site,
- b. the distances to services,
- c. transportation and schools,
- d. the nature of existing structures,
- e. soil suitability,
- f. environmental hazards,



- g. safety concerns,
- h. noise problems,
- i. air quality issues,
- j. historic preservation,
- k. flood plain and wetlands issues,
- l. solid waste, wastewater and storm water concerns, and
- m. Federally Listed Species and/or Designated Critical Habitat.

Depending on the impact to the Project, the Applicant must provide as part of the Application a satisfactory mitigation plan for any materially adverse information revealed in the Project Site Checklist or subsequently identified.

*This form is submitted with pre-application; the form can be found on the OHCS website here: <https://www.oregon.gov/ohcs/Pages/multifamily-housing-funding-opportunities.aspx>*

#### **H. Core-Development Requirements**

Applicants must conform with the requirements of OHCS' Core-Development Manual (CDM). **Refer to CDM Version 3.1 available on OHCS' website at:**

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

The following CDM criteria apply to this NOFA:

*Note: Item 2 below is a Minimum Threshold Application Requirement for this NOFA. Items 1 and 3 are provided for broader context with CDM requirements that apply in addition to the Application Requirements.*

**1. CDM Requirements that apply prior to Applying for funding to OHCS:**

Acquire a basic understanding of the CDM and any requirements that apply to pre-application planning activities. Such activities include, but are not limited to, Capital Needs Assessments related to Rehabilitation projects.

**2. CDM Requirements that apply at the time of Application for funding:**

Refer to CDM Part 3 for this Application Minimum Threshold Requirement.

**3. CDM Requirements that apply at the point of receiving a Funding Reservation from OHCS through completion of construction:**

Note: At the time of receiving a Funding Reservation and Conditions, a list of applicable CDM Parts, Chapters, and/or Sections will be provided.

*These should be included in CDM submission folder in Procorem.*

#### **I. Development Team Capacity**

The Application must include a satisfactory description of development team capacity by providing the following information:

**1. Construction Experience:**

- a. Indicate 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.
- b. If Applicant's history is limited, will Applicant partner with an appropriate party to mitigate this concern? Provide an explanation.

**2. Financing Experience:**

- a. Show a successful history of closing the requested combination of financing, such as tax credit, mortgage financing, HOME funds, and other grant or government loan programs.
- b. If Applicant's history is limited, will Applicant partner with an appropriate party to mitigate this concern? Provide a description of the partnership and respective roles.

**3. Development Team Experience:**

- a. Applicant's management of similarly comprised development teams for owned projects or consulting for other sponsors.
- b. Explain the development team experience with Projects of this type, size, and scope.
- c. If an Applicant has applied for multiple Project reservations, describe how the development team will have the capacity to support all Projects simultaneously administratively and financially.

**4. Financial Capacity:**

- a. Applicant's financial condition, as disclosed in the Application, including any adverse circumstances that might materially impair the Applicant's ability to perform the financial obligations as Sponsor during the construction or stabilization of the Project.
- b. As disclosed in the Real Estate Owned Schedule, is the Applicant's existing real estate portfolio stable and self-supporting? If there are any significant problem properties, is there a reasonable mitigation plan in place? Provide an explanation.

*The Development Team Capacity form will be an attachment to the application and the Real Estate Holdings Worksheet will be due with pre-application.*

**J. Program Compliance Review**

*These forms will be an attachment to the application using forms provided.*

Applicants must satisfy the Program Requirements for all applicable OHCS funding sources requested. Each OHCS funding source has separate requirements that may include supplemental forms and exhibits that must be submitted simultaneously with the Application in workcenter.

Utility Allowance Requirements

The method of calculating the Utility Allowance for a LIHTC project may depend on other funding sources and rental subsidies available to tenants.

LIHTC funded Projects with no funding subsidy from Rural Development or not receiving HUD Rental Assistance can determine an individual utility allowance for a funded Project, by any of the following methods:

1. Public Housing Authority (PHA) Utility Allowance- This is the most common utility estimate method used by LIHTC properties that are not regulated by RHS or HUD
2. Utility Company Estimates- Utility Company estimates may be obtained in writing from a local utility provider with information specific to the project
3. HUD Utility Schedule Model, located at: <http://huduser.org/portal/resources/utimodel.html>, or
4. Energy Consumption Model as further described below

### Energy Consumption Model

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

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

Owners using this model must maintain and provide documentation providing the source and content of all factors considered when computing the utility allowance calculation. A list of approved qualified professionals and licensed engineers can be found on the OHCS website at [http://www.oregon.gov/ohcs/APMD/PCS/pdf/Approved\\_UA\\_Calculator\\_Contacts.pdf](http://www.oregon.gov/ohcs/APMD/PCS/pdf/Approved_UA_Calculator_Contacts.pdf)

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

### **3.3 Competitive Scoring**

A Scoring Team will review and score eight (8) sections of the Application by the Scoring Selection Criteria described below. These sections are:

(A) State Priorities,

- (B) Location Related,
- (C) Partnerships,
- (D) Federal Preferences,
- (E) Funding Efficiency,
- (F) Project Readiness,
- (G) Development Team Capacity, and
- (H) Federally Declared Disaster Area.

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

A total of **93** maximum points is possible for **New Construction and Acquisition/Rehabilitation Projects**, weighted as follows: fourteen (14) points for State Priorities, seventeen (17) points for Location Related Total, fourteen (14) points for Partnerships, twelve (12) points for Federal Preferences, eight (8) points for Funding Efficiency, sixteen (16) points for Project Readiness, and twelve (12) points for Development Team Capacity.

A total of **103** maximum points is possible for **Preservation Projects**, weighted as follows: twenty (20) points for Risk of Expiration, twenty-one (21) points for Tenant Impact, eight (8) points for Location Need Severity, seven (7) points for Partnerships, nine (9) for Federal Preferences, eight (8) for Funding Efficiency, sixteen (16) for Project Readiness, and fourteen (14) for Development Team Capacity.

### 3.3.1 COMPETITIVE SCORING – NEW CONSTRUCTION AND ACQUISITION/REHABILITATION PROJECTS (Total up to 93 Max)

#### (A) State Priorities – Up to 14 points

Applicants may receive points using the Permanent Supportive Housing (PSH) criteria OR the Family Sized Unit criteria (not both):

##### 1. Permanent Supportive Housing (PSH) Units – Up to 5 points (note cannot get points for both PSH and Family Sized units)

###### Applicable Criteria:

- a. Up to Two (2) points: 25% or greater of the Project’s total affordable units dedicated to PSH minimum five (5) such units to qualify; one (1) point if at least 15%-24% of the units dedicated to PSH.) *Complete the PSH fundamentals and PSH Services Budget section of the application.*
- b. One (1) point: For having participated in OHCS-provided PSH training and technical assistance.
- c. One (1) point: Commitment of supportive tenancy service resources. *Provide MOU or other evidence of commitment*
- d. One (1) point: Demonstrated experience in owning PSH affordable housing, managing PSH affordable housing, and/or providing services in PSH affordable housing. *Complete the Development Team Capacity – PSH Narrative questions in the application.*

**2. Family Sized Units – Up to 5 points (note cannot get points for both PSH and Family Sized units)**

Applicable Criteria:

a. Up to Three (3) points: 15% or more of the Project’s total affordable units sized 3 Bedrooms or larger (minimum five (5) such units to qualify);, two (2) points if 10%-14% of the total affordable units meet this requirement; or one (1) point if 5%-9% of the total affordable units meet this requirement.

b. Up to Two (2) points: 45% or greater of the total affordable units sized 2 Bedroom or larger (minimum twelve (12) such units to qualify); or one (1) point if 20% to 44% of the total affordable units meet this requirement.

**3. Special Needs Target – (Up to 4 points)**

Applicable Criteria:

Up to four (4) points: Percentage of units (10% -25% or more of the Project’s total affordable units) to serve households with persons of special populations, including but not limited to: children with special needs, veterans, elderly, persons with disabilities, previously incarcerated, and/or survivors of domestic violence.

**4. Federally Declared Disaster Area (Up to 5 points)**

Applicable Criteria

Up to a maximum of five (5) bonus points will be given to Projects in areas impacted by the 2020 wildfires and located in a Federally Declared Disaster Area. These points are scaled in relationship to the overall housing impact within the eight (8) Federally Declared Disaster Area counties, focusing on cities and Census Tracts as appropriate. Because of the wide variance of housing impact, counties were assigned to three (3) tiers: Highest, Middle and Bottom Tiers. These tiers determine the overall eligible points for Project location in areas within the county.

For this NOFA, the five (5)-point scale attributed to impacted areas is as follows:

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

Additional detail on these points can be found in the established methodology document [HERE](#) as well as within the NOFA score sheet.

**(B) Location Related – Up to 17 points**

**1. Location Need Severity Data– Up to 4 points**

Applicable Criteria:

- a. One (1) point: if project located in city or county where severe Rent Burden is higher than state.
- b. One (1) point: if there is a higher percentage of low-income renters than available low-income housing stock available in city or county compared to state/region.

- c. One (1) point: if project is in a Qualified Census Tract with a Concerted Revitalization Plan; demonstrated through investment of public resources into capital improvements of residential, commercial, or infrastructure.
- d. One (1) point: for a ratio of Affordable Housing Inventory to 60% AMI Households lower than the state ratio.

*NOTE: If pursuing QCT points, a revitalization plan should be a supplement to the application submission. Remaining points will be automatically scored in the application.*

## **2. Location Opportunity and Environmental Factors – Up to 5 points**

Applicable Criteria Urban Areas - Portland Metro Counties and Non-Metro HUD HOME Participating Jurisdictions:

- a. One (1) point: Food Access; if not in a USDA Food Desert  
<https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas.aspx>
- a. One (1) point: Parks and Public Spaces are within a half (1/2) mile.
- b. One (1) point: if the Project is in a census tract where 50% or more of households earned more than 100% of the area median income in the last three consecutive years for which data is available, **and** the poverty rate is less than or equal to 20% during the same period.
- c. One (1) point: Education Access; if a K-12 school, educational service provider, library, or workforce training center are within a half (1/2) mile.
- d. One (1) point: Transit Oriented Development; if the Project's property is any of the following: zoned by a city to foster transit-supportive development or can be accessed by frequent bus or street car service (defined as within 15 minute intervals throughout the day available 7 days a week), or being within a half (1/2) mile of fixed transit stop.

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

Applicable Criteria Rural Areas - Balance of State Urban, non-Urban/Rural Jurisdictions:

- a. One (1) point: Food Access; if not in a USDA Food Desert  
<https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas.aspx>
- b. One (1) point: Public Space Access; if public space or park are within 5 miles (for Balance of State Urban) or within 10 miles (for Balance of State Non-Urban/Rural);
- c. One (1) point: if the Project is in a census tract where 50% or more of households earned more than 100% of the area median income in the last three consecutive years for which data is available, **and** the poverty rate is less than or equal to 20% during the same period.
- d. One (1) point: Education Access; if a K-12 school, educational service provider, library, or workforce training center are within 5 miles (for Balance of State Urban), or within 10 miles (for Balance of State non-Urban/Rural).
- e. One (1) point: Rural Areas Transit Access; if the Project can be serviced by transit options. (e.g., dial a ride.)

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

*This should be affirmed in the Site and Area Maps required under the Site Review Checklist of the pre-application.*

### 3. Location inefficiencies – Minus points

#### Applicable Criteria:

Minus Two (-2) points Location Factors: Project sited in Balance of State Rural.

Applicants may receive **up to** negative two (2) points for Projects that are located in tracts with greater health risks due to environmental factors compared to the rest of the state, as defined by the Environmental Protection Agency’s Environmental Justice Screening and Mapping Tool.

Minus Three (-3) points Location Factors: Projects sited in Metro and Non-Metro HOME PJs.

Applicants may receive **up to** negative three (3) points for Projects that are in tracts with greater health risks due to environmental factors compared to the rest of the state, as defined by the Environmental Protection Agency’s Environmental Justice Screening and Mapping Tool.

*This will be confirmed with the Environmental Protection Agency’s Environmental Justice Screening and Mapping Tool - instructions for pulling the report will be in the assigned Procorem Workcenter.*

### 4. Vulnerable Gentrification Areas – Up to 8 points

This scoring will compile data considering various aspects of a neighborhood, including its income profile, vulnerable people, precarious housing location, housing market activity, and neighborhood demographic change.

- a. **One (1) point: Data considered for Income:** Low Income Households (percentage of households that are at 50% AMI) and Household Income (Median Household Income)  
If BOTH income variables were lower in the census tract than the county, the Project gets 1 point.
- b. **Two (2) points: Data Considered for Vulnerable People:** Black, Indigenous, People of Color (BIPOC), Limited English Proficiency, Persons with Disabilities , Female-headed households, and Individuals 65 years or older.  
If TWO OR MORE of the vulnerable population variables were higher in the tract than in the county, the Project gets 2 points.
- c. **One (1) points: Data considered for Precarious Housing:** Multifamily Housing, Housing Units built before the 1970s.  
If BOTH precarious housing variables were higher in the tract than in the county, the Project gets 1 point.
- d. **One (1) point: Data considered for Housing Market Activity:** Median Rent, Rent Change, Median Home Value, Home Value Change.  
If THREE OR MORE housing market variables were higher in the tract than in the county, the Project gets 1 point.
- e. **Three (3) points: Data considered for Neighborhood Demographic Change:** Change in Black, Indigenous, People of Color (BIPOC), Change in Educational attainment, Change in Homeownership, Change in Household Income.  
If THREE OR MORE neighborhood demographic change variables were higher in the tract than in the county, the Project gets 3 points.  
(NOTE: Change in BIPOC variable is given a point when data reflects a decrease in the tract.)

*If pursuing points as a Vulnerable Gentrification area, a revitalization plan should be a supplement to the Application.*

**(C) Partnerships - Up to 14 points**

**1. Affirmative Fair Housing Marketing Plan (AFHMP) – Up to 7 points**

Applicable Criteria Urban Areas - Portland Metro Counties; Non-Metro HUD HOME Participating Jurisdictions; and Balance of State Urban Jurisdictions:

- a. One (1) point: Market Analysis. If AFHMP includes an analysis of underserved population demographics in determining outreach strategies.
- b. One (1) point: Local partnership. If AFHMP includes partnership with local service / referral agencies in reaching underserved populations and to build the Project wait list.
- c. Up to (2) points: Referral sources. Two (2) points if AFHMP includes using two or more referral and advertising methods.
- d. Up to (2) points: Culturally responsive outreach. Two (2) points if both the referral and outreach organization partners are Culturally Responsive Organizations.
- e. Up to (1) point: Low-barrier Tenant screening. One (1) point if AFHMP includes implementing low-barrier tenant screening.

Applicable Criteria Rural Areas - Balance of State –non-Urban/Rural Jurisdictions:

- a. Up to (2) points: Market Analysis; two (2) points if AFHMP includes an analysis of underserved population demographics in determining outreach strategies.
- b. One (1) point: Local partnership; if AFHMP includes partnership with local service / referral agencies in reaching underserved populations and to build the Project waitlist.
- c. Up to (2) points: Referral sources; two (2) points if AFHMP includes using two or more referral and advertising methods; one (1) if the AFHMP includes using only one referral and advertising methods.
- d. One (1) point: Culturally responsive outreach; one (1) point if either of the referral and outreach organization partners are culturally responsive.
- e. Up to (1) point: low-barrier Tenant screening; one (1) point if AFHMP includes implementing low-barrier tenant screening.

*A draft of the Affirmative Fair Housing Marketing Plan, and either a Memorandum of Understanding (MOU) or elaboration on commitments to the execute strategies described.*

**2. Resident Services– Up to 7 points**

Applicable Criteria Urban Areas - Portland Metro Counties; Non-Metro HUD HOME Participating Jurisdictions; and Balance of State Urban:

- a. One (1) point: Need based service plan. If the Project’s resident services plan description (“Resident Services Plan”) includes a comprehensive analysis of target population needs.
- b. One (1) point: Asset building. If Resident Services Plan incorporates asset building strategies into service delivery; including but not limited to Individual Development Account (IDA) Program and financial planning where appropriate for target population or workforce training and eviction prevention where appropriate.
- c. One (1) point: Operating capital. If Resident Services Plan includes funding resident services staff or resources for referral agency.



- d. One (1) point: Data-centric approach. If Resident Services Plan includes performance tracking and reporting of data.
- e. Up to (3) points: Culturally responsive service provider. Three (3) points if a resident services provider is culturally responsive.

Applicable Criteria Rural Areas – Balance of State non-Urban/Rural Jurisdictions:

- a. Up to (2) points: Need based service plan. Two (2) points if Resident Services Plan includes a comprehensive analysis of target population needs.
- b. One (1) point: Asset building. If Resident Services Plan incorporating asset building strategies into service delivery; including but not limited to IDA Program and financial planning where appropriate for target population or workforce training and eviction prevention where appropriate.
- c. One (1) point: Operating capital. If Resident Services Plan includes funding resident services staff or resources for referral agency.
- d. One (1) point: Data-centric approach. If Resident Services Plan includes performance tracking and reporting of data.
- e. Up to (2) points: Culturally responsive service provider. Two (2) points if a resident services provider is culturally responsive.

*Points must be justified by narrative provided for the Resident Services Threshold submission that is a threshold supplement to NOFA application.*

**(D) Federal Preferences – Up to 12 points**

**1. Serving Lowest Incomes – Up to 8 points**

**A. Lowest Average Rents serving the lowest AGMI – Up to 5 points**

Applicable Criteria Urban Areas - Portland Metro Counties; Non-Metro HUD HOME Participating Jurisdictions; and Balance of State Urban;

Up to (5) points: Average Gross Median Income (AGMI) restrictions on qualified units; five (5) points if AGMI is 30% or less, four (4) points if 31-40%, three (3) points if 41-50%, two (2) points if 51-60% and one (1) point if 60%.

Applicable Criteria Rural Areas - Balance of State non-Urban/Rural Jurisdictions:

Up to (5) points: Average Gross Median Income restrictions on qualified units; five (5) points if AGMI is 40% or less; (4) points if 41%-50%; three (3) points if 51%-60%; and two (2) points if greater than 60%.

**B. Project Based Subsidy – Up to 3 points**

Applicable Criteria Urban Areas – Portland Metro Counties; Non-Metro HUD HOME Participating Jurisdictions; and Balance of State Urban:

Up to (3) points: Rental Assistance such as Project Based Subsidy; three (3) points if project-based assistance for more than 67% of the affordable units; two (2) points if project-based assistance for 34%-66% of the affordable units; and one (1) point if project-based assistance for 33% of the affordable units or voucher commitment.

Applicable Criteria Urban Areas - Balance of State Urban and non-Urban/Rural Jurisdictions:

Up to (3) points: Rental Assistance such as Project Based Subsidy; three (3) points if project-based assistance for more than 50% of the affordable units; two (2) points if project-based assistance for 25%-49% of the affordable units; one (1) point if project-based assistance for 25% affordable units or voucher commitment.

*Based on Proforma and financial information reported in NOFA Application*

**2. General Federal Preferences – Up to 4 points**

- a. One (1) point: Intended for eventual tenant ownership.
- b. One (1) point: Projects that demonstrate comprehensive deployment of energy efficiency beyond the elements required by the Core-Project Development Manual (CDM)
- c. One (1) point: Projects that demonstrate evidence of historic value for the community, including Projects using the federal Historic Tax Credit (HTC) as part of the Project financing, and are listed, or have been determined eligible for listing, in the National Register of Historic Places administered by the U.S. Department of the Interior in accordance with the National Historic Preservation Act of 1996, or located in a registered historic district and certified by the Secretary of the U.S. Department of the Interior as being of historic significance to that district.
- d. One (1) point: A Project, with supporting documentation from a local Housing Authority, that establishes a commitment to market its units to its waitlist in place at the time of the Application due date.

*Provide documentation of each as an attachment to the NOFA application in Procorem*

**(E) Funding Efficiency – Up to 8 Points**

**1. HOME Leverage – Up to 2 points**

Applicable Criteria Portland Metro Counties and Non-Metro HUD HOME Participating Jurisdictions:

Two (2) points: HOME Leverage; if committed leverage of HOME and/or CDBG Funds; or Projects in Participating Jurisdictions that award Tax Increment Financing (or another OHCS approved place-based economic development funds) that are awarded by Participating Jurisdictions in lieu of HOME for gap funding sources;

Applicable Criteria Areas - Balance of State Urban, non-Urban/Rural Jurisdictions:

Two (2) points: HOME Leverage; if Applicant requests OHCS' HOME or projects in balance of state jurisdictions have other leverage, including Tax Increment Financing (or another OHCS approved place-based economic development funds) that are awarded, committed or applied to the project.

**NOTE: HOME resources are only being offered for New Construction projects in this 2022 NOFA.**

**2. National Housing Trust Funds (HTF) Leverage – Up to 2 points**

**NOTE: No HTF resources are being offered; points will not apply to this 2022 NOFA offering**

*Supported by Proforma entries in the NOFA application*

**3. Cost Effectiveness – Up to 1 point**

Applicable Criteria:

Up to One (1) point: Total Cost per bedroom; One (1) point if total development cost per bedroom (excluding acquisition) is in the lowest half (1/2) of the Applicants in the set-aside or regional pool;

Projects competing in the same Allocation Set-Aside Category will be grouped together based on building type to determine the average per bedroom total cost per unit basis and tax credit per bedroom (only counting bedrooms in Program assisted units).

*Derived from Proforma in NOFA application*

**4. LIHTC Effectiveness – Up to 3 points**

Applicable Criteria:

Up to Three (3) points: LIHTC subsidy per bedroom; full Three (3) points if LIHTC per bedroom request (excluding acquisition) is in the lowest half (1/2) of the Applicants in the set-aside or regional pool.

Projects competing in the same regional pool will be grouped together based on building type to determine the average per bedroom total cost per unit basis and tax credit per bedroom (only counting bedrooms in Program assisted units).

*Derived from Proforma in NOFA application*

**(F) Project Readiness – Up to 16 points**

**1. Financial Viability – Up to 10 points**

Applicable Criteria:

**A. Development pro forma review – Up to 5 points**

- a. Pro forma includes only realistic, balanced, and available resources on the Sources of Funding. Capital fundraising campaigns are not considered realistic and available resources. Any inclusion of resources that are unrealistic or unavailable will result in a score of minus ten (-10) points in this category and failing the Financial Viability category.
- b. Explanation of and sufficient inflationary factors/contingencies that show how the development budget will still be valid at the start of construction.
- c. Relocation Plan completed if warranted and aligned to development budget, including URA applicable costs.
- d. Developer Fee is within the OHCS maximum allowable.

- e. If Commercial Real Estate is included in the Project, Sources and Uses should show both affordable and commercial clearly separated.

**B. Operating pro forma review – Up to 5 points**

- a. Affordable rents at least ten percent (10%) below estimated market rents.
- b. Debt coverage ratio is a minimum of 1.15:1 for hard amortizing debt. When utilizing OAHTC funds, the minimum debt coverage ratio is required to be met after the OAHTC pass-through is applied.
- c. Pro forma demonstrates a sufficient cash flow for a minimum of 20 years
- d. Vacancy is rate between five percent (5%) and seven percent (7%)
- e. Reserves for replacement, and adequate amount for replacement items included in pro forma. A complete reserves for replacement schedule is not required at Application.
- f. Operating budget assumes a two percent (2%) income inflation factor and a three percent (3%) expense inflation factor.
- g. In a mixed-use Project, no commercial income may be used to support the low-income residential Project.

*Derived from Proforma in NOFA application and compared with financial assumptions*

**2. Readiness to Proceed – Up to 6 points**

Applicable Criteria:

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

*Derived from financial assumptions, site control, and other narratives in NOFA application and minimum threshold review submissions*

**(G) Development Team Capacity – Up to 12 points**

**1. MWESB/SDVBE Capacity – Up to 4 points**

Applicable Criteria:

Up to Four (4) points: Minority, Women, and Emerging Small Businesses (MWESB) and Service-Disabled Veteran Business Enterprises (SDVBE) contracting, subcontracting and professional services.

Applications will be scored on their approach to:

1. Identified Owners MWESB/SDVBE COBID Certified firm participation goal for the project and how the goal was determined.

- a. Include the percentage of the construction participation goal that the developer has committed toward MWESB- and SDVBE-owned subcontractors.
- b. Explain how that percentage was determined.

2. Outline the steps the construction team will take to achieve the owner's MWESB and SDVBE participation goals for subcontractors and suppliers.

- a. Include the steps that will be taken to ensure the best outcome to meet the developer's commitment to its participation goals.
- b. Explain how both the general contractor and the developer will ensure solicitation to the MWESB and SDVBE construction community. Example: Where will team publicize bid opportunities, what MWESB and SDVBE communities will be contracted?

3. Provide a summary of the general contractor's profile and team member demographics.

- a. State whether the general contractor is a MWESB or SDVBE contractor or COBID member.
- b. Provide demographics (men, women, race, ethnicity, etc.) of the general contractor's staff and team members.

4. Provide details for the general contractor's history of addressing MWESB/SDVBE subcontractor diversity, equity and inclusion within the last 3 years (project partnerships, collaborations, etc.)

*\*General contractor and the developer can utilize and include non-COBID certified MWESB and SDVBE firms in their MWESB reporting provided that the MWESB/SDVBE firm listed will be encouraged and assisted to become a COBID certified firm prior to construction completion of the project.*

*Supported in MWESB threshold narrative submission in NOFA application*

## **2. Development Team Experience – Up to 3 points**

### Applicable Criteria:

- a. Up to Two (2) points: General Partner (GP) or Development Consultant experience, if GP or Development Consultant with successful LIHTC Projects that have received IRS Forms 8609 within the last 10 years on 2 or more Projects;
- b. One (1) point; General Partner (GP); one (1) point (in addition to points available under part 2 a.) if GP with successful LIHTC Projects that have received IRS Forms 8609 within the last 10 years on 3 or more Projects;
- c. Minus (1) point; General Partner removal; negative one (-1) point if GP has been removed from a partnership or faced foreclosure proceedings.

*Supported by responses to Development Team Capacity questionnaire submitted as Threshold attachment.*

## **3. Performance – Up to 5 points**

**A. OHCS Portfolio Compliance Criteria – Up to 2 points**

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

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

Applicable Criteria:

- ~~a. Most recent Real Estate Assessment Center (REAC) score;~~
- ~~b. Most recent Physical Review;~~
- ~~c. Most recent File Review;~~
- ~~d. Most recent Resident Services Review;~~
- ~~e. Most recent Response Review;~~
- f. Certification of Continuing Program Compliance (CCPC) submission received for current year shows compliance;

**NOTE: Given the impacts of the COVID-19 Pandemic on OHCS’s ability to complete reviews. The applicable criteria for this points category have been revised to reflect only item letter f.**

**B. OHCS Portfolio Viability Criteria – Up to 3 points**

Applicable Criteria:

- a. Financial submission as requested;
- b. Most recent financial audit is closed;
- c. Most recent audited financial statements and Debt Coverage Ratio;
- d. Asset management community evaluation completed satisfactorily;

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

**4. Development History – Up to negative 5 points**

- a. Prior poor development performance; negative points to development teams that have had documented material changes from the time at which the Applicant received a funding reservation for a Project to the date on which the Project was placed in service. Some material changes may include, but are not limited to, delayed construction start, continuous funding gap after twelve months of funding reservation, and changing project preferences for which application received scoring points and award. This information will be tracked beginning in 2020 using the ProLink database; Applicants may determine their status for these points through inquiry to [MFNOFA@hcs.oregon.gov](mailto:MFNOFA@hcs.oregon.gov).

**4/8/2022 (v.2) UPDATED NOTE: Given impacts of the pandemic, and unprecedented natural disasters resulting in ongoing market factor issues. This scoring category will not result in a loss of points for this NOFA cycle.**

### 3.3.2 COMPETITIVE SCORING – PRESERVATION PROJECTS (Total up to 103 Max)

#### (A) Risk of Expiration – Up to 20 points

Applicable Criteria:

- a. Up to Twenty (20) points; Risk of Expiration; twenty (20) points if, within 36 months from the due date of the Application, a Project preserves rental subsidies in rural and urban areas that are due to expire, or RD mortgages mature. Applicants must submit supporting documentation that clearly demonstrates the rent assistance loss within 36 months.
- b. Up to Ten (10) points; Risk of Expiration; ten (10) points if, within 60 months from the due date of the Application, a Project preserves rental subsidies that are due to expire, or mortgage maturities. Applicants must submit supporting documentation that clearly demonstrates the rent assistance loss within 60 months.

*Must provide evidence of expiration date as supplemental document to the NOFA application*

#### (B) Tenant Impact – Up to 21 points

Applicable Criteria:

- a. Up to Five (5) points; Vulnerable Tenant Displacement; five (5) points, if more than 60% of the Project units occupied by a vulnerable population (frail elderly, disabled, large families, special needs populations, service dependent) who would face hardships from relocation; three (3) points, if 40%-60% of the Project units; one (1) point, if 20%-39% of the Project units.

*Enter this information in the Scoresheet; should be supported by population and unit mix*

- b. Up to Five (5) points; Extremely Low Income; five (5) points, if Greater than 60% of the units at 30% of Area Median Family Income or below; three (3) points, if 40%-60% of the units at 30% of Area Median Family Income or below; one (1) point, if 25%-39% of the units at 30% Area Median Family Income or below.

*Supported through information submitted in NOFA application document.*

- c. Up to Five (5) points; Percentage of Rent Assisted Units; five (5) points, if more than 75% of the units have new or existing Project Based Rental Assistance; three (3) points, if 50%-75% of the units; one (1) point, if 30%-49% of the units.

*Supported through information submitted in NOFA application document.*

- d. Up to Three (3) points; Tenant Protections if federal rent subsidy expires; three (3) points, if change of use requires relocation. Enhanced Vouchers (EVs) issued only for the residents under the Section 8 contract - no EVs for HUD maturing mortgages. Limited vouchers issued for RD prepayments.

*Enter this information in the Scoresheet*

- e. Up to Three (3) points; Voucher Utilization Rate of the community's Public Housing Authority; three (3) points, if high voucher turn back, porting rate or likelihood of relocating more than 20 miles.

*Enter this information in the Scoresheet*

**(C) Location Need Severity – Up to 8 points**

Applicable Criteria:

- a. Up to Two (2) points: if Severe Rent Burden of city/county is higher than state/region.
- b. Up to One (1) point: if there is a higher percentage of low-income renters than available low-income housing stock available in city/county compared to state.
- c. Up to Five (5) points: in areas impacted by the 2020 wildfires and located in a Federally Declared Disaster Area. Additional detail on these points can be found in the established methodology document can be found at the following link and as well as established within the NOFA score sheet. <https://www.oregon.gov/ohcs/development/Documents/nofa/2021/FederallyDeclaredDisasterArea-PreferenceforNOFA.pdf>

*Enter this information into the NOFA application.*

**(D) Partnerships – Up to 7 points**

**1. Resident Services – Up to 7 points**

Applicable Criteria Urban Areas – Portland Metro Counties; Non-Metro HUD HOME Participating Jurisdictions; and Balance of State Urban:

- a. One (1) point: Need based service plan; if Resident Services Plan includes a comprehensive analysis of target population needs;
- b. One (1) point: Asset building; if Resident Services Plan incorporates asset building strategies into service delivery; including but not limited to Individual Development Account (IDA) Program and financial planning where appropriate for target population or workforce training and eviction prevention where appropriate;
- c. One (1) point: Operating capital; if Resident Services Plan includes funding resident service staff or resources for referral agency;
- d. One (1) point: Data-centric approach; if Resident Services Plan includes performance tracking and reporting of data;
- e. Up to Three (3) points: Culturally responsive service provider; three (3) points if a resident services provider is culturally responsive and described adequately in the Application.

Applicable Criteria Rural Areas – Balance of State non-Urban/Rural Jurisdictions:

- a. Up to Two (2) points: Need based service plan; two (2) points if Resident Services Plan includes a comprehensive analysis of target population needs;



- b. One (1) point: Asset building; if Resident Services Plan incorporates asset building strategies into service delivery; including but not limited to Individual Development Account (IDA) Program and financial planning where appropriate for target population or workforce training and eviction prevention where appropriate;
- c. One (1) point: Operating capital; if Resident Services Plan includes funding resident service staff or resources for referral agency;
- d. One (1) point: Data-centric approach; if Resident Services Plan includes performance tracking and reporting of data;
- e. Up to Two (2) points: Culturally responsive service provider; two (2) points if a resident service provider is a culturally responsive service provider and described adequately in the Application.

*Must be validated in Resident Services Plan threshold supplement to the NOFA application and Proforma assumptions*

**(E) Federal Preferences – Up to 8 points**

**1. Serving Lowest Incomes - Up to 5 points**

**Lowest Average Rents serving the lowest AMI – Up to 5 points**

Applicable Criteria Portland Metro Counties and Non-Metro HUD HOME Participating Jurisdictions.

Up to Five (5) points: Average Gross Median Incomes of tenants; Five (5) points if AGMI is 45% or less, four (4) points if 46%-50%, three (3) points if 51%-59%, two (2) points if 60%-69%, one (1) point if 70%-79%.

Applicable Criteria Rural Areas – Balance of State Urban, non-Urban/Rural Jurisdictions:

Up to Five (5) points: Average Gross Median Incomes of tenants; Five (5) points if AGMI is 50% or less, four (4) points if 51%-59%, three (3) points if 60%-69%, two (2) points if 70%-79%.

*Based on Proforma entries and tenant survey in the NOFA application*

**2. General Federal Preferences – Up to 3 points**

- a. One (1) point: Intended for eventual tenant ownership.
- b. One (1) point: Application for Projects that demonstrate evidence of historic value for the community, including Projects using the federal Historic Tax Credit (HTC) as part of the Project financing, and are; listed, or have been determined eligible for listing, in the National Register of Historic Places administered by the U.S. Department of the Interior in accordance with the National Historic Preservation Act of 1996; or located in a registered historic district and certified by the Secretary of the U.S. Department of the Interior as being of historic significance to that district.

- c. One (1) point: Projects with supporting documentation from a local Housing Authority that establish that a commitment to market the units to the PHA's wait list is in place at the time of the Application due date.

*Provide documentation of each as an attachment to the NOFA application in Procorem*

**(F) Funding Efficiency – Up to 8 points**

**1. HOME Leverage – Up to 2 points**

Applicable Criteria Portland Metro Counties and Non-Metro HUD HOME Participating Jurisdictions:

Two (2) points: HOME Leverage; if committed leverage of HOME and/or CDBG Funds; or Projects in Participating Jurisdictions that award Tax Increment Financing (or another OHCS approved place-based economic development funds) that are awarded by Participating Jurisdictions in lieu of HOME for gap funding sources;

Applicable Criteria Areas - Balance of State Urban, non-Urban/Rural Jurisdictions:

Two (2) points: No HOME funding will be offered in the preservation set-aside with this NOFA, and Applicants cannot access it for leverage. OHCS will consider, for purposes of awarding these points, other financial leverage for which Applicant has a confirmed commitment or a pending application, that are non-HOME resources.

**NOTE: HOME resources are only being offered for New Construction projects in this 2022 NOFA.**

**2. National Housing Trust Funds (HTF) Leverage – ~~Up to 2 points~~**

**NOTE: No HTF resources are being offered; these points will not apply to this 2022 NOFA offering.**

*Supported by Proforma entries in the NOFA application*

**3. Cost Effectiveness – Up to 1 point**

Applicable Criteria:

Up to One (1) point: Total cost per bedroom; One (1) point if total development cost per bedroom (excluding acquisition) is in the lowest half (1/2) of the applicants in the set-aside or regional pool.

Projects competing in the same allocation round region will be grouped together based on building type to determine the average per bedroom total cost per unit basis and tax credit per bedroom (only counting bedrooms in Program assisted units).

*Based on Proforma entries in the NOFA application*

#### **4. LIHTC Effectiveness – Up to 3 points**

Applicable Criteria:

Up to Three (3) points: LIHTC subsidy per bedroom; Three (3) points if LIHTC per bedroom request (excluding acquisition) is in the lowest half (1/2) of the applicants in the set-aside or regional pool.

Projects competing in the same allocation round region will be grouped together based on building type to determine the average per bedroom total cost per unit basis and tax credit per bedroom (only counting bedrooms in Program assisted units).

*Based on Proforma entries in the NOFA application*

#### **(G) Project Readiness – Up to 16 points**

##### **1. Financial Viability– Up to 10 points**

###### **A. Development pro forma review – Up to 5 points**

Applicable Criteria:

- a. Pro forma includes only realistic, balanced, and available resources in the Sources of Funding. Capital fundraising campaigns are not considered realistic and available resources. Any inclusion of resources that are unrealistic or unavailable will result in a score of minus ten (-10) points for this category, failing the Financial Viability category.
- b. Explanation of and sufficient inflationary factors/contingencies that show how the development budget will still be valid at the start of construction.
- c. Relocation Plan completed if warranted and aligns to development budget, including URA applicable costs.
- d. Developer Fee is within the OHCS maximum allowable.
- e. If Commercial Real Estate is included in the Project, sources and uses should show both affordable units and commercial space clearly separated.

###### **B. Operating pro forma review – Up to 5 points**

Applicable Criteria:

- a. Affordable rents at least ten percent (10%) below estimated market rents.
- b. Debt coverage ratio is a minimum of 1.15:1 for hard amortizing debt. When utilizing OAHTC funds, the minimum debt coverage ratio is required to be met after the OAHTC pass through is applied.
- c. Pro forma demonstrates sufficient cash flow for a minimum of twenty (20) years.
- d. Vacancy rate is between five (5) and seven percent (7%).
- e. Reserves for replacement, and adequate amount for replacement items included in pro forma. A complete reserve for replacement schedule is not required at Application.
- f. Operating budget assumes a two percent (2%) income inflation factor and a three percent (3%) expense inflation factor.

- g. In a mixed-use project, no commercial income may be used to support the low-income residential portion of the project

*Based on Proforma entries in the NOFA application and compared with financial assumptions*

**2. Readiness to Proceed– Up to 6 points**

Applicable Criteria:

- a. Up to Two (2) points: For funding commitment for planned Project funds.
- b. One (1) point: If funding commitment is pending (aside from Rural Development); reasonable explanation of when other source of funds will be available to the Project if not already committed.
- c. One (1) point: If demonstrated ability to begin construction within 365 days.
- d. One (1) point: If proposed Project schedule appears adequate and reasonable.
- e. One (1) point: Reasonable explanation of why Project must be funded now as opposed to being funded through future NOFAs.

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

**(H) Development Team Capacity – Up to 14 points**

**1. MWESB/SDVBE Capacity – Up to 4 points**

Applicable Criteria:

Up to Four (4) points: Minority, Women, and Emerging Small Businesses (MWESB) and Service-Disabled Veteran Business Enterprises (SDVBE) contracting, subcontracting and professional services.

Applications will be scored on their approach to:

- 1. Identified Owners MWESB/SDVBE COBID Certified firm participation goal for the project and how the goal was determined.
  - a. Include the percentage of the construction participation goal that the developer has committed toward MWESB- and SDVBE-owned subcontractors.
  - b. Explain how that percentage was determined.
- 2. Outline the steps the construction team will take to achieve the owner’s MWESB and SDVBE participation goals for subcontractors and suppliers.
  - a. Include the steps that will be taken to ensure the best outcome to meet the developer’s commitment to its participation goals.
  - b. Explain how both the general contractor and the developer will ensure solicitation to the MWESB and SDVBE construction community. Example: Where will team publicize bid opportunities, what MWESB and SDVBE communities will be contracted?

3. Provide a summary of the general contractor's profile and team member demographics.
  - a. State whether the general contractor is a MWESB or SDVBE contractor or COBID member.
  - b. Provide demographics (men, women, race, ethnicity, etc.) of the general contractor's staff and team members.
4. Provide details for the general contractor's history of addressing MWESB/SDVBE subcontractor diversity, equity and inclusion within the last 3 years (project partnerships, collaborations, etc.)

*General contractor and the developer can utilize and include non-COBID certified MWESB and SDVBE firms in their MWESB reporting provided that the MWESB/SDVBE firm listed will be encouraged to become a COBID certified firm prior to construction completion of the project.*

*Supported in MWESB threshold narrative submission in NOFA application*

## **2. Development Team Experience – Up to 5 points**

### Applicable Criteria:

- a. Up to Three (3) points: General Partner (GP) or Development Consultant experience; if GP or Development Consultant with successful LIHTC Projects that have received IRS Forms 8609 within the last 10 years on 2 or more Preservation Projects;
- b. Up to two (2) points; General Partner (GP); two (2) point (in addition to points available under part 2 a. above) if GP with successful LIHTC Projects that have received IRS Forms 8609 within the last 10 years on 3 or more Preservation Projects;
- c. Minus (1) point; General Partner removal; negative one (-1) point if GP has been removed from a partnership or faced foreclosure proceedings.

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

## **3. Performance – Up to 5 points**

### **A. OHCS Portfolio Compliance Criteria – Up to 2 points**

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

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

### Applicable Criteria:

- a. ~~Most recent Real Estate Assessment Center (REAC) score;~~
- b. ~~Most recent Physical Review;~~
- c. ~~Most recent File Review;~~

- d. ~~Most recent Resident Services Review;~~
  - e. ~~Most recent Response Review;~~
  - f. Certification of Continuing Program Compliance (CCPC) submission received for current year shows compliance;
- NOTE: Given the impacts of the COVID-19 Pandemic. The applicable criteria for this points category have been revised to only item letter f.**

**B. OHCS portfolio Viability Criteria – Up to 3 points**

Applicable Criteria:

- a. Financial submission as requested;
- b. Most recent financial audit is closed;
- c. Most recent audited financial statements and Debt Coverage Ratio;
- d. Asset management community evaluation completed satisfactorily;

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

**4. Development History – Up to Minus 5 points**

Prior poor development performance; negative points to development teams that have had documented material changes from the time at which the Applicant received a funding reservation for a Project to the date on which the Project was placed in service. This information will be tracked beginning in 2020 using the ProLink database; Applicants may determine their status for these points through inquiry to [MFNOFA@hcs.oregon.gov](mailto:MFNOFA@hcs.oregon.gov).

**4/8/2022 (v.2) UPDATED NOTE: Given impacts of the pandemic, and unprecedented natural disasters resulting in ongoing market factor issues. This scoring category will not result in a loss of points for this NOFA cycle.**

**4.0 APPLICATION EVALUATIONS**

**4.1 Evaluation Process.**

After Administrative Review (see Section 3.1) eligible Applications will be reviewed for Minimum Threshold Requirements (see Section 3.2). After the review of Minimum Threshold Requirements, eligible Applications will be reviewed and competitively scored by the Scoring Teams.

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

**4.2 Awards.**

Applicants, if any, that OHCS determines to provide a reservation of funding (“Reservation”) pursuant to this NOFA will be designated as Awardees in the conditional commitments issued by OHCS (“Reservation Letter”). All Reservations are conditional in nature, contingent upon the terms specified therein and, in this NOFA, approval by the Council, the continuing availability to OHCS of the described funds or tax credits, the continuing authority of OHCS to disburse or allocate such funds, and the successful negotiation, execution, and recording (as required) of the Agreement Documents.

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

Applicants will be notified in writing of OHCS’s notice of intent to issue a funding Reservation Letter, information related to the reservation letter will also be posted on the OHCS website.

<https://www.oregon.gov/ohcs/development/Pages/nofa-reservation-letter-attachments.aspx>

Applicable charges and fees are listed on the OHCS website at:

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

<https://www.oregon.gov/ohcs/development/Documents/admin/manual-general-policy-guidelines.pdf>

## **5.0 GENERAL TERMS AND CONDITIONS**

- 5.1** Funding in this NOFA is subject to the continuing availability to OHCS of the described funds or tax credits (collectively or individually without distinction), the continuing authority of OHCS to disburse or allocate such funds, and the successful negotiation, execution, and recording (if required) of relevant documents in a manner satisfactory to OHCS.
- 5.2** OHCS may require additional information to determine whether or not an Application satisfies relevant criteria. Any necessary clarifications or modifications normally will be made before OHCS makes any Reservation and may become part of the Agreement Documents.
- 5.3** Submission of an Application by an Applicant or acceptance by OHCS of a submitted Application neither constitutes an agreement of any kind between OHCS and the Applicant nor does it secure or imply that the Applicant will be selected for receipt of a Reservation of funds.
- 5.4** To the extent that other funding sources have additional or other requirements, the most restrictive requirements will apply to the Project.
- 5.5** All costs associated with an Applicant’s submission of an Application are the sole responsibility of the Applicant and will not be borne to any degree by the State of Oregon.
- 5.6** Successful Applicants will be required to maintain appropriate levels of insurance and to comply with all applicable OHCS Program Manuals and all other OHCS policies, including execution of the Agreement Documents.
- 5.7** OHCS reserves the right and option to amend any Reservation Letter and other related documents that result from a Reservation made pursuant to this NOFA. All such amendments will be in writing and must be signed

by relevant authorized parties. Applicants may only apply for funding of one (1) phase of a multi-phase Project under this NOFA.

**5.8** OHCS assesses an Application charge. A check for the Application charge is required at Application submission and must be received by the Application due date.

**5.9** Oregon Revised Statutes (“ORS”) 60.701 requires foreign corporations to be registered with the State of Oregon, Office of the Secretary of State, before conducting business in the state. A foreign corporation (ORS 60.001) means a for-profit corporation incorporated under a law other than the law of the State of Oregon. If a foreign corporation is selected for the Agreement because of this NOFA, it must register to do business in Oregon.

**5.10** OHCS reserves the right to:

1. Amend this NOFA prior to the closing date;
2. Amend the deadline for submitting Applications;
3. Determine whether an Application substantially complies with the requirements of this NOFA;
4. Waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;
5. Obtain from and/or provide to other public agencies, upon request, references, regarding the Applicant’s performance;
6. At any time prior to execution of the Agreement Documents (including after announcement of a Reservation), reject any Application that fails to comply with the requirements of this NOFA;
7. Reject all Applications received and cancel this NOFA upon a finding by OHCS that such cancellation would be in the best interest of the State;
8. Use adherence with components of the Applicant’s Application and this NOFA as scoring criteria in future multifamily funding solicitations;
9. Withdraw any funding source from this NOFA; and
10. Waive any term or condition of this NOFA for good cause as determined by OHCS.

**5.11** This NOFA and one (1) copy of each original Application received, together with copies of all documents pertaining to 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, unless otherwise exempt.

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

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

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

**“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."

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

**5.16** All Reservations made pursuant to this NOFA are subject to the successful negotiation, execution, and recording (if required) of any or all Agreement Documents. Projects that have only a leasehold interest in relevant real property must include, among relevant Agreement Documents, binding commitments executed and recorded by the landlord satisfactory to OHCS, including, but not limited to, restrictive covenants with respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to OHCS.

**5.17** OHCS may charge, and the Applicant shall pay, legal and administrative costs reasonably anticipated or incurred

by OHCS in negotiating and preparing Agreement Documents and other related documents. OHCS also may charge and Applicant shall pay any other fees allowed by OHCS administrative rules with respect to the Application, ensuing Reservation, Award or Allocation, and Project operation. OHCS and DOJ charges may increase with the increasing complexity of organizational and financing structures.

- 5.18** Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.
- 5.19** Projects that have only a leasehold interest in relevant real property must include documented commitments executed and recorded by the landlord satisfactory to OHCS including, but not limited to, restrictive covenants with respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to OHCS.
- 5.20** 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.