

# Affordable Housing Funding Notice



Oregon Housing and Community Services

## **Multiple Award Opportunity Notice of Funding Availability (NOFA) #2023-3 LIFT HO & HDIP**

Homeownership Development Incubation Program (HDIP)  
and Local Innovation and Fast Track (LIFT)  
Homeownership

### **HOMEOWNERSHIP**

NOFA Issued: December 15, 2022

Pre-Application Due: January 17, 2023

Proposal Due Date: February 17, 2023

Proposal Due Time: 5:00 pm PST



# Contents

- 1.0 INTRODUCTION..... 3
- 2.0 NOFA FUNDING SOURCES, LIMITS, AND DEFINITIONS..... 4
- 3.0 APPLICATION REQUIREMENTS ..... 8
- 4.0 LIFT HOMEOWNERSHIP FUNDING ..... 11
- 5.0 DEVELOPMENT SUBSIDIES ..... 22
- 6.0 PRE-DEVELOPMENT and CAPACITY BUILDING GRANTS ..... 31
- 7.0 SET-ASIDE GRANT FUND FOR FEDERALLY RECOGNIZED TRIBES ..... 34
- 8.0 GENERAL TERMS AND CONDITIONS ..... 42
- EXHIBIT A: LIFT HOMEOWNERSHIP SCORING CRITERIA AND EVALUATION ..... 47
- EXHIBIT B: DEVELOPMENT SUBSIDY SCORING CRITERIA AND EVALUATION..... 50
- EXHIBIT C: PRE-DEVELOPMENT AND CAPACITY BUILDING GRANTS SCORING AND EVALUATION CRITERIA ..... 54
- EXHIBIT D: TRIBAL HOMEOWNERSHIP DEVELOPMENT: SCORING CRITERIA AND EVALUATION..... 56
- EXHIBIT E: OTHER TRIBAL HOMEOWNERSHIP PROJECTS: SCORING AND EVALUATION CRITERIA ..... 59
- EXHIBIT F: SAMPLE BI-ANNUAL REPORT TEMPLATE ..... 60
- EXHIBIT G: SAMPLE FINAL REPORT TEMPLATE..... 61
- EXHIBIT H: DISBURSEMENT INVOICE ..... 62

## 1.0 INTRODUCTION

### 1.1 Purpose

The Oregon Housing and Community Services Department (“OHCS”) is seeking applications (“Applications”) in this Notice of Funding Availability (“NOFA”) for the new construction of affordable, homeownership housing projects that will serve qualified low- to moderate- income homebuyers statewide (“Homeownership Development” or “Projects”). The funding sources offered in this NOFA include Article XI Q Bonds that fund the Local Innovation and Fast Track (LIFT) program and general funds for Homeownership Development Incubator Program (HDIP) received by OHCS from the Oregon State Legislature through HB 5011 in 2021 and HB 5202 in 2022. A primary goal for both funding sources is to provide homeownership opportunities to underserved communities, including rural communities and Communities of Color. OHCS will prioritize allocations of resources to maximize the impact of these explicit goals.

### 1.2 Important Dates

NOFA published: December 15, 2022

Pre-Applications due: January 17, 2023 by 5 pm

Last day to submit questions: February 14, 2023 by 5 pm

Applications due February 17, 2023 by 5 pm

Awards announced by June 2023

Optional information sessions will be held on the following dates:

- Topic: LIFT HO & Development Subsidies
  - December 20, 2022, 2-3 pm
- Topic: Grants for Federally Recognized Tribes
  - January 5, 2023, 11 am-12 pm

Registration links for the information sessions can be found on the OHCS website:

<https://www.oregon.gov/ohcs/homeownership/Pages/homeownership-news.aspx>

## 2.0 NOFA FUNDING SOURCES, LIMITS, AND DEFINITIONS

### 2.1 Funding Sources

This NOFA includes LIFT program and HDIP funding sources meant to spur the development of affordable homes for purchase. The particular funding sources and their requirements are identified in Sections 4, 5, 6 and 7 of this NOFA.

If any of the general fund categories are undersubscribed, OHCS reserves the right to shift funds to an oversubscribed category, subject to legislative approval. If LIFT Homeownership is undersubscribed, OHCS reserves the right to move the funds to the LIFT Rental NOFA.

<b>Fund Description</b>	<b>Fund Source</b>	<b>Set aside amounts</b>	<b>Eligibility</b>	<b>Max # of Applications per eligible entity</b>
<b>LIFT FUNDING</b>				
LIFT Homeownership to provide permanently affordable housing to homebuyers at or below 80% AMI.	Article XI-Q Bonds	\$32,400,000	Not-for-profit and for-profit organizations that utilize a permanent affordability model	3
Supplemental LIFT Grants as additional funding for LIFT projects.	General Funds	\$12,814,802	Projects that qualify for LIFT funding	N/A
<b>HDIP FUNDING</b>				
Development Subsidies for homeownership development projects that take a culturally responsive approach to designing and building housing.	General Funds	\$13,328,701	Not-for-profit organizations, tribally designated housing entities, federally recognized tribes, public housing agencies, for-profit organizations, and private developers	2
Pre-development and Capacity Building Grants for Emerging and Established Developers to build the capacity of organizations that are seeking to develop more housing.	General Funds	\$1,500,000	Not-for-profit organizations, for-profit organizations and private developers, tribally designated housing entities, federally recognized Tribes, public housing agencies	1
Set-Aside Grant Fund for Federally Recognized Tribes for homeownership development and other homeownership-related projects.	General Funds	\$5,000,000	Tribally designated housing entities and federally recognized Tribes	1

## 2.2 Definitions

The terms defined in this NOFA (including those provided in this subsection), as well as terms defined in other existing Program documents, will have the following meanings unless the context clearly indicates otherwise:

- **Affirmatively Furthering Fair Housing (AFFH):** The AFFH is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. This obligation to affirmatively further fair housing has been in the Fair Housing Act since 1968 (for further information, see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608 and Executive Order 12892). HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. As provided in the rule, AFFH means "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.<sup>1</sup>
- **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 organizations, governments, or other entities that are submitting an Application to this NOFA.

**Communities of Color:** 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 a particular BIPOC group) 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. For the purpose of this NOFA, Agency defines Communities of Color to include Native Americans, Latinos, Asian and Pacific islanders (further disaggregated according to local preferences), African Americans, African Immigrants and Refugees, Middle Eastern, and Slavic communities.

- **Culturally Responsive Organization:** means an entity that (a) comprehensively addresses power relationships throughout the organization by methods that include addressing conflicts and dynamics of inclusion and exclusion; (b) Has relationships with and is responsive to communities that the organization serves, including Communities of Color; (c) Hires, promotes, trains and supports staff who are culturally and linguistically diverse in ways that reflect the communities that the organization serves, including Communities of Color; (d) Provides culturally responsive service; and (e) With respect to paragraphs (a) to (d) of this subsection, has adopted governance structures, policies and cultural norms to hold its leadership and staff accountable and to continue improvements.
- **Culturally Responsive Services:** means service that (a) Is adapted to maximize the respect of and relevance to the beliefs, practices, culture and linguistic needs of the diverse client populations and

---

<sup>1</sup> U.S. Department of Housing and Urban Development.

communities being served, including clients and Communities of Color; (b) Has the capacity to respond to the issues of diverse communities; (c) Assures competent language access and incorporates diverse cultural approaches, strengths, perspectives, experiences, frames of reference, values, norms and performance styles of clients and communities to make services and programs more welcoming, accessible, appropriate and effective for all eligible and intended recipients..

- **Culturally Specific Organization:** a not-for-profit organization designed to serve historically underserved communities least likely to apply for housing occupancy and that is:
  - representative of a community or significant segments of a community;
  - provides affordable housing to very low-, low-, and moderate-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.
- **Procore™ WorkCenter** is a secure portal technology solution developed by ProLink Solutions™ to help facilitate a more robust collaboration and communication model for all Applicants and future housing partners. The Procore™ WorkCenter provides a series of functionality to help facilitate this model by including a repository for electronic document submission, a task management and tracking tool, an events calendar and communication features.
- **Metropolitan Statistical Areas (MSA):** geographic regions delineated by the United States Office of Management and Budget. MSA is the formal definition of a region that consists of a city and surrounding community that are linked by social and economic factors.
  - Oregon counties currently located in MSAs are Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Linn, Lane, Marion, Multnomah, Polk, Washington, and Yamhill Counties
- **Mid-Sized Urban Communities:** Oregon jurisdictions outside the Portland Urban Growth Boundary that both have a population between 15,000 and 40,000 and are in a county that is part of an MSA.
- **Rural Communities:** An eligible category for receiving LIFT funds through this NOFA which focuses funding on projects that will serve to overcome historic disparities. Rural areas are defined as:
  - Oregon jurisdictions with a population of 15,000 or less within counties that are considered Metropolitan Statistical Areas (MSA) and outside of the Portland Urban Growth Boundary; or
  - Oregon jurisdictions with 40,000 population or less in the balance of the state.

*NOTE: if a city was eligible to be considered rural by population within the same dataset and currently has a population that is within 5% (five percent) of the established rural definition for this NOFA, they can be considered rural for the purposes of this application.*

*NOTE: All Oregon communities within the Portland Urban Growth Boundary are considered urban and not considered rural regardless of size.*

- **Service to Communities of Color:** Service to Communities of Color can be achieved in a number of ways and should be relevant to the community in which the Project is located, and the target population anticipated to be served. Any approach that is chosen must include intentional engagement with Communities of Color for services planning for the development. In general, OHCS would expect that addressing this intentional engagement will be accomplished in one or more of the following ways:
  - *Development, sponsorship or management by a Culturally Specific Organization or a Culturally*

- Responsive Organization *with a diverse leadership representing Communities of Color.*
  - *Ongoing service partnership with a Culturally Specific Organization or a Culturally Responsive Organization.*
  - *Relevant marketing and outreach plan designed to publicize to Communities of Color the availability of the new housing opportunities created by the Project, and to Affirmatively Further Fair Housing consistent with the Fair Housing Act.*
  - *Project explicitly designed and located to address displacement of Communities of Color.*
  - *Other services that uplift Communities of Color as approved by OHCS staff.*
- **Small organization:** An organization with fewer than 10 total paid staff dedicated to development, asset management and compliance. This does not include resident services staff, maintenance staff, or outside contractors. Additionally, do not double count staff that work multiple roles.
- **Scoring Committee:** Includes diverse representatives with relevant policy and development expertise that will be assembled to review all Applications that have met the minimum requirements.
- **Tribe or Tribal:** A federally recognized Native American Tribe or Indian Tribe in Oregon, as defined in ORS 182.162.
- **Tribal-led Project:** A project that is sponsored by a Tribe, a Tribally Designated Housing Entity, or an organization owned by a Tribe.
- **Urban Communities:** All jurisdictions within the Portland Urban Growth Boundary, regardless of size, and communities with populations of 40,000 and above in the balance of the State.

### 3. APPLICATION REQUIREMENTS

The Homeownership Development NOFA application process is a two-step process that requires submission of a pre-application along with a full application submitted through Procorem and/or a Smartsheet Form:

#### 3.1 Application Limitations

- Each entity can submit up to a total of three (3) applications for this NOFA offering.
  - The supplemental LIFT grants do not count as a separate application.
- No more than 20% of HDIP general funds will be allotted to any one entity.

#### 3.2 Pre-Application and Application Access

The Homeownership Development application is a two-step NOFA process that requires submission of a pre-application in order to access the full application:

- Applicants can submit the pre-application by filling out the following form: <https://tinyurl.com/OHCSHODPreApp>
- The pre-application will alert OHCS staff to generate Procorem WorkCenter access credentials for the project.
- If applying for multiple development projects (projects that include funding from LIFT, Development Subsidies, or Tribal Development grants) applicants must submit a different pre-application for each project.
- This step must be completed no later than **5 pm, January 17, 2023**.
- Once credentials are received, go to the Procorem login page: <https://app.procorem.com/login> to access the corresponding Homeownership Development application(s).
- For questions regarding the pre-application email [HO.Development@hcs.oregon.gov](mailto:HO.Development@hcs.oregon.gov).

#### 3.3 Application Submission

##### A. Application Submission Process

Applications along with all required materials and documentation must be uploaded to the Procorem WorkCenter portal by **February 17, 2023 at 5 pm**.

- Applications in response to this NOFA can only be submitted through Procorem and an online narrative form provided to applicants. Hard copies, faxes, and electronic copies not submitted through Procorem will be automatically rejected and will not be reviewed or considered for funding.
- OHCS will invoice applicants for the application charge (if applicable to the project) upon receipt of the pre-application. All Applicants must submit application charges via mail with the invoice included by the application due date. OHCS cannot accept any electronic payments for Application charges. The application charge is non-refundable.
- **If applicable**, applicants must submit the Application charges to the address below along with the transmittal form provided as part of the application materials in Procorem. All Application charges must be postmarked by February 17, 2023. If the Application charge has a postmark date **after** February 17, 2023, the Application is considered incomplete. It will be automatically rejected and is ineligible for funding.



Oregon Housing and Community Services  
 Attn: Accounting Re: NOFA #2023-3 LIFT HO & HDIP  
 725 Summer St. NE, Suite B  
 Salem, OR 97301

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

### 3.4 Program Charges

Offering	Associated Program Charges
<b>For all applications:</b>	<ul style="list-style-type: none"> <li>• Document Preparation Charge (\$750 per recorded document). The number of recorded documents may vary depending on the project and funding category.</li> <li>• Applicant is responsible for any Oregon Department of Justice charges incurred.</li> </ul>
General LIFT Homeownership	<ul style="list-style-type: none"> <li>• Application Charge of \$2500 due the at application deadline</li> <li>• Recipient Charge \$1,000 for loans of \$300,000 or less; \$2,000 for loans over \$300,000 due at the signing of the Reservation Letter</li> <li>• Reservation Charge 1.5% of the LIFT loan amount due at LIFT loan closing</li> </ul>
Development Subsidies	<ul style="list-style-type: none"> <li>• Application Charge of \$2500 due at the application deadline</li> <li>• Recipient Charge \$1,000 for loans/grants of \$300,000 or less; \$2,000 for loans/grants over \$300,000 due at the signing of the Reservation Letter</li> <li>• Reservation Charge 1.5% of loan/grant amount due at loan closing/signing of the grant agreement</li> </ul>
Tribal Homeownership Development	<ul style="list-style-type: none"> <li>• Recipient Charge \$1,000 for loans/grants of \$300,000 or less; \$2,000 for loans/grants over \$300,000 due at the signing of the Reservation Letter</li> <li>• Reservation Charge 1.5% of grant amount due at signing of the grant agreement.</li> </ul>
Tribal Other Homeownership Activities	<ul style="list-style-type: none"> <li>• No additional charges</li> </ul>
Pre-development and Capacity Building Grants for Emerging and Established Developers	<ul style="list-style-type: none"> <li>• No additional charges</li> </ul>

### 3.5 NOFA Questions

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

Please note "**NOFA Question**" in the subject line. Frequently Asked Questions (FAQ) with answers will be posted to the OHCS website and NOFA WorkCenters at regular intervals during the time that the NOFA Response period is open. The last date to submit a question regarding the NOFA is **February 14 by 5 pm PST**.

Revisions, substitutions, or clarifications will be issued as Homeownership Program News and Updates in the OHCS email Announcements and put forth as a revision to this NOFA.

To sign up for these, please follow the "Signup for E-News" link on the News and Updates section of the OHCS homepage and be sure to select "Homeownership Program News and Updates". <https://www.oregon.gov/ohcs/about-us/Pages/news-updates.aspx>

Changes or modifications to this NOFA will ONLY be recognized if in the form of written technical advisory, issued by OHCS. OHCS shall provide copies of any advisories to all known NOFA recipients as well as post the addenda at: <https://www.oregon.gov/ohcs/homeownership/Pages/homeownership-funding-opportunities.aspx>

## **4. LIFT HOMEOWNERSHIP FUNDING**

### **4.1 General LIFT Offering**

The LIFT program is funded through Article XI-Q Bonds. In the 2021 Oregon State Legislative session, \$303.5 million in funding was provided to OHCS in the form of Article XI-Q bond authority for the LIFT program for the 2021-2023 biennium. Of the \$303.5 million of funds, 80 percent are targeted to the development of rental projects (“LIFT Rental”), and the remaining 20 percent are targeted to the development of affordable homeownership projects (“LIFT Homeownership”).

This NOFA represents the second LIFT Homeownership offering of the 2021-2023 biennium. Funding available through this NOFA amounts to \$32,400,000 based on current unreserved LIFT resources. If additional LIFT Homeownership resources become available, OHCS may add those to the resources that are awarded from this NOFA.

All LIFT Program Requirements governing funding and relevant to a particular Application must be satisfied by the Applicant to qualify for funding under this NOFA.

Eligible homebuyers may be eligible to utilize a mortgage through the Oregon Bond Residential Loan Program for the purchase of homes that result from this NOFA.

### **4.2 LIFT Supplemental Fund Offering**

LIFT Supplemental Funds are general funds amounting to \$12,814,802 that can be added to LIFT Homeownership projects. These funds are meant to ensure that LIFT funds can be leveraged to support homeownership development in rural areas and foster greater density in urban areas. LIFT-qualifying projects will be awarded up to the full amount of subsidy that they are eligible for under LIFT first. The supplemental funds will be awarded as a grant that aligns with LIFT terms. Combined, LIFT and the supplemental funds will cover up to 90% of the difference between the total project cost per home less the subsidized sales price.<sup>2</sup> Combined, LIFT and supplemental funds will not exceed \$200,000 per home.

Applicants can indicate their interest in LIFT Supplemental Funds within their LIFT application; a separate application is not needed. LIFT Supplemental Funds will only be awarded in tandem with a LIFT loan.

---

<sup>2</sup> The subsidized sales price is the planned cost of the home that will be affordable to a qualified homebuyer. It does not include the market value of the home.

### 4.3 Set-Asides

OHCS has established 3 location-specific soft set-asides, and a soft cross-cutting set-aside for Culturally Specific Organizations (CSO) or Federally Recognized Tribes in order to better serve all parts of the State.

In this NOFA, the set-asides will be allocated as follows:

<b>Rural Communities</b>	50% of Available LIFT Funds	\$15,275,000	<b>Culturally Specific Organizations or Tribal Led</b> 15% of LIFT funds \$4,582,500
<b>Mid-Sized Urban Communities</b>	25% of Available LIFT Funds	\$7,637,500	
<b>Urban Communities</b>	25% of Available LIFT Funds	\$7,637,500	

The set-aside for CSOs or Federally Recognized Tribes transcends all location specific set-asides so that projects led by these organizations in all locations in the state have better access to LIFT funds. These are projects in which the developer or sponsor is a culturally specific organization or Tribal-led organization.

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

If funds from this NOFA are undersubscribed, OHCS reserves the right to award the remaining funds to projects submitted through the LIFT Rental NOFA if the LIFT Rental NOFA is oversubscribed.

### 4.4 Funding Limits

For the **General LIFT Homeownership Offering**, applications may request a LIFT subsidy up to the **LESSER** of:

- The value of the land plus infrastructure/site work (excluding housing structures), verified through an as-built appraisal, assessed value, or real market value;

OR

- \$200,000 per LIFT homeownership unit

For the **LIFT Supplemental Fund Offering**, applications may request a per unit grant up to the **LESSER** of:

- The value of ninety percent (90%) of: the total per unit project cost less the total qualified LIFT loan request and less the sales price to the homebuyer.

OR

- The difference between \$200,000 and the total qualified LIFT loan request per home.

#### **IMPORTANT NOTE ON LAND VALUATION AND FUNDING REQUEST(S)**

- The requested LIFT funding amount must be supported at the time of the Application by a valuation of the land or by a valuation of the land including its infrastructure (excluding housing structures).
- In lieu of providing an appraisal at the time of application, Applicants may submit as evidence of the land valuation: a real estate market analysis, broker's statement, property tax statement, the real market value or assessed value of the land.
- If the tax-assessed value is not sufficient to support the LIFT loan request, an appraisal of the land will be needed during the underwriting process.
- An Applicant may request a LIFT loan amount (not to exceed \$200,000/unit) greater than the real market value or assessed value of the land if the Applicant believes that the appraised value of the land will exceed the real market value or assessed value.
  - If the request for LIFT loan funding exceeds the provided valuation (subject to other limitations), the Applicant must guarantee to cover any gap with cash or a loan if the final land valuation is not high enough to cover the entire requested LIFT loan funds.
  - Documentation of the availability of the gap coverage must be submitted at the time of the Application (a commitment letter or LOI).
- An Applicant may request a LIFT Supplemental grant (not to exceed \$200,000/unit including the LIFT Loan) based on the projected sale price of the home to an income-qualifying homebuyer.

#### **4.5 Application Ranking Process**

LIFT Funds are reserved by OHCS on a competitive basis to Projects of qualifying Applicants that:

1. Pass the Preliminary Review
2. Meet the Threshold Requirements; and
3. Have the highest-ranking score from the Scoring Committee in accordance with available funding, subject to prioritization of qualifying Projects

During the scoring and reservation process, limits on the remaining available funding may result in lower-ranked Applications receiving a funding Reservation if higher-ranked Applications would require funding that exceeds the amount that remains available for awards.

## 4.6 Tie Breaking Rule

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

1. The Project determined to achieve greater geographic distribution.
2. The Project with that will build the greatest number of affordable units that can be funded under this NOFA.

## 4.7 LIFT Homeownership Program Requirements

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

### A. Eligible Activity

LIFT funds in this NOFA are for new construction of affordable homeownership housing units or the conversion of existing non-housing structures into new affordable homeownership housing units.

#### **Please note:**

- *Projects that are under construction (other than site work) at the time of Application are not eligible for funding through this NOFA.*
- *Projects may begin vertical construction after LIFT Fund Reservation and before LIFT loan closing at their own risk.*
- *Expenses incurred up to a year prior to the NOFA posting date (December 15, 2021) are eligible for reimbursement with LIFT funds. Only after the LIFT loan has closed and the closing documents have been recorded can projects request reimbursement.*
- *Projects to rehabilitate existing residential structures or housing units are not eligible for funding through this NOFA.*

### B. Affordability Period

OHCS has the discretion to meet the needs of the LIFT program, but generally, the affordability period will be established as the length of time the Article XI-Q bond is outstanding based on the original maturity date identified at the time of bond sale, with a minimum of 20 years from the end of the year that the Project is placed in service or the length of the bonds outstanding, whichever is greater.

Awardees that receive LIFT Supplemental Funds will be required to maintain one year of affordability in addition to the LIFT affordability period.

### C. Incomes

All units funded through LIFT must be made available and affordable to households earning at or below 80% AMI at the time of the sale and any subsequent re-sales for the duration of the affordability period. Unit affordability terms pertain to both the purchase of the unit and the lease/rental of the land for the duration of the affordability period. At resale, all units will be marketed and sold to income-eligible buyers. In cases where the funded Project is a mixed-income development, units

deemed to be affordable will need to be dedicated before the units are marketed for sale.

#### **D. Development Timeline**

LIFT Homeownership units must be ready for initial sale within 36 months of a LIFT funding reservation. This NOFA anticipates funding reservations in June of 2023; in which case units must be ready for sale by summer of 2026.

#### **E. Readiness to Proceed**

- **Timeliness Requirement:**

Applicant must submit all requested documents on time and accurately complete. OHCS may withhold closing on any Project until all required documents are received and approved by OHCS. Any Project awarded a funding reservation that has not abided by established milestone deadlines in good faith may have its funding reservation rescinded.

- **Site Control:**

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

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

#### **Requirements for site control documentation**

- ✓ The name of the entity on the evidence of site control must be the same as the Applicant name on the LIFT Homeownership application.
- ✓ The site control document should identify the same address/location and area as the Project site listed in the Application and exactly the same cost for the land or existing buildings for the Project referenced in the development budget provided with the Application. Please Note: If the site description in the Application and the site control document are not exactly the same, the Applicant must provide a narrative description and supporting documentation to clarify the method used to establish the area and cost for the Project.

NOTE: OHCS will only accept one Application for a specific site or for any part of the same site, regardless of whether Applications are submitted by the same Applicant or by multiple Applicants. If more than one Application is received for the same site or any part of the same site, OHCS may disqualify one or all of the Applications. In this scenario, the **non-refundable** Application charge for each Applicant will be retained by OHCS. **LIFT Agreement with OHCS** Because the LIFT program is funded using Article XI-Q bonds, OHCS is required to hold an appropriate operational interest in the

Project, including the right to enforce the affordability requirements at the initial and each subsequent sale of the units under either a community land trust or leasehold condominium structure<sup>3</sup>. This is satisfied, in part, by execution of an Operating Agreement and Declaration of Restrictive Covenants (“Operating Agreement”). In addition to OHCS’ loan documents and other financing documents, OHCS requires an extended ALTA title insurance policy in its favor with appropriate endorsements and that any ground lease or condominium documents include provisions to ensure OHCS’ rights and remedies with respect to the affordability requirements.

#### **G. Ownership Integrity**

- Neither Applicant nor any member or principal within the Project ownership or management will have been convicted of fraud, misrepresentation, theft, or other moral turpitude within the previous ten (10) years.
- Neither Applicant nor any member or principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five (5) years.
- Neither Applicant nor any member or principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

#### **H. Commitment to Diversity, Equity, and Inclusion (DEI)**

Each Applicant must submit a signed DEI form, which commits the organization toward implementing diversity, equity, and inclusion efforts within their organization and throughout the work they conduct including their work with external partners.

#### **I. Service to Communities of Color**

All Projects funded with LIFT must include service to Communities of Color. This can be achieved in several ways and should be relevant to the community in which the Project is located, and the target population anticipated to be served. Any approach that is chosen must include intentional engagement with Communities of Color for services planning for the development.

#### **J. Construction Standards**

- **Methods:** Both traditional and alternative methods of new construction are allowable; construction that is innovative in containing costs or otherwise serving lower-income populations is encouraged.
- **Quality:** Construction that balances the initial cost of building with ongoing costs of operation for the homeowner (e.g., energy standards).
- **Durability:** A minimum of 30-year building standards is expected for all Projects.
- **Other Requirements:** If other public capital or operating subsidies are used in financing the Project, relevant requirements of those subsidy sources will also apply.

---

<sup>3</sup> A Community Land Trust (CLT) model is the Department’s preferred model for long term affordability in a homeownership setting. NOFA 2023-3 LIFT HO & HDIP, Page 16 of 63



LIFT requirements are intended to encourage innovation and allow for all types of new construction. All Projects must meet local and State code requirements. In any case where another funding source has its own requirements, the most restrictive requirements will govern relevant development or construction of the Project.

#### **K. Insurance Requirements**

Applicant must be prepared to meet OHCS' new construction insurance requirements outlined in the most recent Core-Development Manual available on the OHCS website.<sup>4</sup>

#### **L. Minority, Women, and/or Emerging Small Business (MWESB) Engagement**

OHCS requires sponsors and developers of affordable housing to seek Certification Office for Business Inclusion and Diversity (COBID) and non-COBID MWESB and Service-Disabled Veteran's Business Enterprise (SDVBE) professional firms to increase the participation level of minority-owned businesses in its construction projects to meet OHCS' MWESB goals as determined by region. OHCS encourages the utilization of local labor and partnering with the community to help build healthy, affordable homes, to address OHCS' goal of increasing apprenticeship programs in Oregon and improving economic and social vitality while increasing pathways out of poverty. Applicants will be scored on future NOFA's based on how successful they were in meeting OHCS MWESB/SDVBE in previous NOFA's showing approach and strategy towards MWESB/SDVBE engagement, contracting, to successfully meet the requirements of OHCS's MWESB Compliance Policy.

The general contractor and the developer may utilize and include non-COBID certified firms owned by a person identifying as a member of a Black, Indigenous, and People of Color community, and other qualifying firms in their MWESB/SDVBE reporting, provided that the non-COBID certified MWESB/SDVBE firms listed will be encouraged and assisted with becoming a COBID certified firm before project construction completion. OHCS' MWESB/SDVBE are available at the following web link: <https://www.oregon.gov/ohcs/development/Pages/mwesb-sdvbe-rental-housing.aspx>

#### **M. Underwriting Guidelines**

Underwriting guidelines will be applied by OHCS in its due diligence and the Project review process to ensure ongoing Project viability and risk mitigation associated with the LIFT funding source.

Applicants are required to include the following information with the Application. Please note that there may be additional requirements depending on the Project:

- Financing identified and available for the Project development;
- Letter of Interest (LOI) from a construction lender for overall Project;
- Project construction schedule that supports that all homes in the Project will be ready for sale within 36 months of the Reservation Letter;
- Demonstrate that the Applicant has done due diligence and that potential lenders exist, including corresponding down payment/terms for initial and future home buyers. This is based on the Applicant's narrative response describing the mortgage market. If not self-funding homebuyer's mortgages, the Applicant must provide written information on mortgage options from potential lenders;
- Demonstrate experience or understanding in running a land lease or applicable association to ensure ongoing compliance with the affordability requirements;

---

<sup>4</sup> <https://www.oregon.gov/ohcs/development/Pages/core-development-manual.aspx>. NOFA 2023-3 LIFT HO & HDIP, Page 17 of 63

- Demonstrate knowledge and evidence of the market for the Project to income-eligible households (previous history, waitlist, community/regional homeownership market trends, etc.);
- Evidence that the current land zoning allows for the proposed Project; need for a zoning change is not allowed given the time constraints of the LIFT program;
- Valuation of land that justifies LIFT investment, as demonstrated by a third-party appraisal or as otherwise described in this NOFA;
- Construction costs estimated based on thorough and defensible methods;
- The information submitted must clearly show a need for LIFT funds;
- For Projects that include more than 4 units, a Phase 1 Environmental study is required prior to closing. If a project has 4 units or less, the project sponsor can choose to opt-out of a Phase 1 study and instead certify that the sponsor will not request additional funds from OHCS to mitigate issues found before, during, and after construction and during operation that would have been discovered by a Phase 1; and
- Application of prevailing wage requirements to the Project (BOLI), if applicable.

#### **N. Profit**

Sponsor/Developer profit from the sale of homes in the Project may not exceed 10% of the total Project costs and may not increase above what was included in the Application. This can be a combination of profit from the sale of the homes and a flat developer fee.

#### **O. Compliance Monitoring**

A compliance monitoring fee of \$25 per LIFT affordable home will be required annually. This fee may be adjusted over time by OHCS. Monitoring by OHCS will address elements of the Project's operation, including:

1. Initial household income verification at home or unit purchase.
2. Subsequent sales of any home or unit during the affordability period will require verification of homebuyer income.
3. Regular or as needed verification of owner/homeowner/condominium association compliance with the Program Requirements.
4. Annual report on the Project's reserve fund and association's finances.
5. Annual notification of any homeowner or unit owner in arrears (of association assessments, property taxes, insurance, etc.) and a corresponding action plan of either the owner or the association.
6. Verification of appropriate maintenance and repair by the party responsible for the Project.

#### **P. Other Program Requirements**

1. LIFT funds will be loaned to qualifying Applicants that possess an undivided fee simple interest in the land upon which the Project will be constructed ("Property");
2. The LIFT loan must be secured by a first-lien deed of trust acceptable to OHCS recorded against the fee-interest in the Property and is not intended

to encumber the sale of the units so that Applicants may convey marketable title to each eligible unit purchaser. OHCS may share a first-lien security interest with another lender, subject to the execution of OHCS' intercreditor agreement and other documents necessary to establish the relative priority and rights of the parties. And,

3. LIFT loans normally will be interest-free and will be due and payable upon completion of the applicable term of required affordability period. LIFT loans may be prepaid without penalty. Loan satisfaction may also be accomplished by an equivalent extension of the affordability period, or by a combination of repayment and extended affordability as acceptable to OHCS.

#### **4.8 Evaluation Process**

If applications pass the Preliminary Review, which includes timeliness and completeness criteria, the Application will move on to a review of Threshold Requirements. Review of the Threshold Requirements will be conducted to evaluate to determine whether Applications satisfy the Threshold Requirements. If, at any point, an Application fails to meet the threshold criteria listed in Section 4.10 below, the Application will be deemed nonresponsive and will not be reviewed further. After the review of Threshold Requirements, eligible Applications will be competitively scored by the Scoring Committee using the scoring Criteria in Exhibit A. OHCS may employ, but is not limited to, the selection criteria laid out in Exhibit A upon which to base its decisions.

The final selection of Applications for Award, if any, will be from those Applications that best meet the competitive scoring requirements based on the recommendation from the Scoring Committee, as further recommended by the Director and approved by Housing Stability Council, in accordance with available Funding Sources. OHCS reserves the right to award funding at an amount different than the application request.

#### **4.9 Preliminary Review**

Each Application will be reviewed for timeliness and completeness of the NOFA requirements. If one of these items is missing from the application, the sponsor will be notified and given 5 business days to provide it:

- Complete NOFA Application and all required materials submitted through Procorem and the Narrative Application form by Application due date and time,
  - Site review checklist with all exhibits
  - Applicant's Owner/Board of Director's Authorization and Acceptance Form
  - Organizational Documents for Applicant/Co-Applicant
  - Evidence of appropriate zoning
  - Ownership Integrity Form fully executed.
  - Signed DEI Form for Applicant/Co-Applicant
- NOFA Application Charge sheet and all applicable charges postmarked by the date specified in NOFA.

#### **4.10 Threshold Requirements Review**

After passing Preliminary Review, all Threshold Requirements Review

requirements must be met for an application to move to competitive scoring. The following are Pass/Fail criteria:

##### **A. Readiness to Proceed**

###### *1. Timeliness Requirement:*

OHCS requires that Projects be planned at the time of Application and are ready to proceed upon meeting all Reservation Letter requirements. The required Project development schedule will demonstrate that units will be ready for initial sale within 36 months of a LIFT funding Reservation; Applicant must demonstrate reasonable and appropriate timeline as well understanding of timeline requirements.

###### *2. Zoning Requirement:*

The Project must be properly zoned for the intended Project. Projects that must complete a zoning change to develop the Project will not be considered for funding.

###### *3. Site Control*

Applicant must have control of the land necessary for the Project by the Application deadline. Options and sales agreements must be valid through the end of 2023.

##### **B. Financial Viability**

###### *Development Budget Review*

1. Proforma budget includes realistic and available resources on the Sources of Funding.
2. Sources listed as ‘Fundraising’, or ‘Capital Campaign’ will result in automatic failure; resources already obtained through these efforts are allowable and should be presented as ‘Cash’.
3. Sources and Uses balance, there are no gaps in funding and all other sources of funds for the Project, excepting the LIFT funds, are committed.

#### **4.11 Competitive Scoring**

Applications that meet the Threshold Requirements will be scored competitively using the following criteria.

- Readiness to Proceed
- Demonstration of Capacity
- Demonstration of Financial Viability
- Commitment to Equity and Service to Communities of Color

A maximum of one hundred eight (108) points is possible. Any Application that does not have the minimum overall score of fifty four (54) points will be disqualified and will not be considered for funding.

Both quantitative and qualitative factors are considered in the scoring. The criteria to be used for each scored section is listed in Exhibit A.

#### **4.12 Notice of Intent to Issue Reservation Letter**

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

*Applicable Reservation and Recipient charges:*

OHCS has adopted a 1.5% reservation charge for all NOFA Loan Reservations and has a Recipient Charge listed in the General Policy and Guideline Manual<sup>5</sup>. Upon issuance of a Reservation Letter, the Recipient Charge is due, while the Reservation Charge will be due at finance close.

#### **4.13 Request for Funds**

Funds can be requested on a monthly basis by submitting the draw request form, which is available within the awardee's Procurement Workcenter, to the Development Officer. The awardee must submit all paid invoices with the draw.

Funds can only be used to reimburse expenditures on income-restricted homes and site development. LIFT funds cannot be used for market-rate homes in the Project.

Only expenditures that occur after the LIFT loan has closed and the closing documents have been recorded can be reimbursed with LIFT loan funds.

#### **4.14 Reporting Requirements**

Monthly progress reports are required starting the month following the receipt of a reservation letter up until the final sale of all project homes.

Once the project is completed, the awardee must submit the following to OHCS:

- Certificate of Occupancies for all homes (as they become available)
- Dates of closing for all home sales
- Final subdivision plat map
- Recorded master ground lease
- Photos of exterior of each home
- Final balanced sources and uses
- Updated Applicant and Project Sheet from original application
- Insurance Certificate with OHCS listed as an additional insured
- Any additional information or documents that OHCS may request

---

<sup>5</sup> <https://www.oregon.gov/ohcs/development/Documents/admin/manual-general-policy-guidelines.pdf> NOFA 2023-3 LIFT, HO & HDIP, Page 21 of 63

## 5.0 DEVELOPMENT SUBSIDIES

### 5.1 Development Subsidy Offerings

The Development Subsidies are funded through general funds. In the 2021 and 2022 Oregon State Legislative sessions, \$40 million in funding was provided to OHCS for the 2021-2023 biennium, of which \$13,328,701 has been allocated for use as Homeownership Development Subsidies available through this NOFA. If other general fund categories within this NOFA are undersubscribed, more funds may be directed to Development Subsidies, subject to approval by the Oregon Legislature.

The Development Subsidies will be used to support the creation of new affordable homes for purchase. Projects can include any model of homeownership that fits the needs of the community. These funds will not be used to support Projects that qualify for LIFT Homeownership funds. OHCS will prioritize funding developers that are deeply committed to creating housing for communities that are underrepresented as homeowners in Oregon.

Not-for-profit organizations, tribally designated housing entities, federally recognized tribes, public housing agencies, for-profit organizations and private developers are eligible for Development Subsidies. The Development Subsidy offering varies by developer type (for-profit and not-for-profit). Both not-for-profit and for-profit developers must adhere to the same program requirements and application process. All Program Requirements governing funding and relevant to a particular Application must be satisfied by the Applicant to qualify for funding under this NOFA.

#### A. For-profit Development Subsidy Offering

For-profit Applicants can access a construction loan with the following terms:

- Reservation fee: 1.5 percent of funds
- Interest rate: A zero to AFR (applicable federal rate) interest or other terms to be negotiated with the developer
- Term: Up to three years
- Payments: A balloon payment due upon sale of the home
- Maximum loan amounts: Maximum loans amounts are based on number of bedrooms per unit:

0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 + Bedrooms
\$65,000	\$75,000	\$85,000	\$115,000	\$125,00	\$135,000

#### B. Not-for-Profit Development Subsidy Offering

Non-for-profit Applicants, including nonprofit organizations, tribally designated housing entities, federally recognized tribes, public housing agencies, can access a grant to cover the difference between the construction cost and the subsidized sale price of the home. The grant will cover up to 90% of the difference between the total per home project cost less the subsidized sales price<sup>6</sup> with a cap of \$200,000 per home.

<sup>6</sup> The subsidized sales price is the planned cost of the home that will be affordable to a qualified homebuyer. It does not include the market value of the home.

## 5.2 Set Asides

OHCS has established three location-specific soft set-asides in order to better serve all parts of the State. In this NOFA, the set-asides will be allocated as follows:

<b>Rural Communities</b>	50% of Available Funds	\$6,664,350
<b>Mid-Sized Urban Communities</b>	25% of Available Funds	\$3,332,175
<b>Urban Communities</b>	25% of Available Funds	\$3,332,175

In addition, OHCS has established soft set-asides for not-for-profit and for-profit developers. The set-asides will be allocated as follows:

<b>Not-for-profit Applicants (non-LIFT qualifying)</b>	75% of Available Funds	\$9,996,525
<b>For-profit Applicants</b>	25% of Available Funds	\$3,332,175

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

## 5.3 Funding Limits

A. Not-for-profit Applicants may request a subsidy up to the **LESSER** of:

- a. 90% of the total subsidy amount as shown in the Pro Forma as the difference between the construction cost and subsidized sale price of the home

OR

- b. \$200,000 per homeownership unit

B. For-profit Applicants may request up to the **LESSER** of:

- a. 90% of the total subsidy amount as shown in the Pro Forma as the difference between the construction cost and subsidized sale price of the home

OR

- b. A maximum subsidy amount based on the bedroom size of the proposed unit:

0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 + Bedrooms
\$65,000	\$75,000	\$85,000	\$115,000	\$125,000	\$135,000

### IMPORTANT NOTE ON LAND VALUATION AND LOAN REQUEST

The requested funding amount must be supported by a valuation of the expected appraised value upon project completion or by evidence of the land valuation,

the real market value or assessed value of the land as of the time of the Application or prior to the loan closing. If the valuation of the land including infrastructure is less than the requested amount, documentation of the availability of the gap coverage must be submitted at the time of the Application (a commitment letter or LOI).

#### **5.4 Application Ranking Process**

Funds are reserved by OHCS on a competitive basis to Projects of qualifying Applicants that:

1. Pass the Preliminary Review;
2. Meet the Threshold Requirements; and
3. Have the highest-ranking score from the Scoring Committee in accordance with available funding, subject to prioritization of qualifying Projects.

During the scoring and reservation process, limits on the remaining available funding may result in lower-ranked Applications receiving a funding Reservation if higher-ranked Applications would require funding that exceeds the amount that remains available for awards.

#### **5.5 Tie-Breaking Rule**

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

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

- The Project determined to achieve greater geographic distribution.
- The Project with that will build the greatest number of affordable units that can be funded under this NOFA.

#### **5.6 Homeownership Program Requirements**

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

##### **A. Eligible Activity**

Development funds in this NOFA are for new construction of affordable homeownership housing units or the conversion of existing structures into new affordable homes for purchase.

##### **Please note:**

- *Projects that have begun vertical construction at the time of Application are not eligible for funding through this NOFA. Projects that have begun site work and pre-development work are eligible for funding through this NOFA.*
- *Expenses incurred up to a year prior to the NOFA posting date (December 15, 2021) are eligible for reimbursement with HDIP funds. Only after the loan/grant agreement has been recorded/executed can projects request reimbursement.*



## **B. Affordability Period**

Homes built with this funding must remain affordable to homebuyers at or below 120% AMI for a minimum of 15 years from the initial sale of the home. The awardee is responsible for ensuring affordability over the 15-year period. Exceptions may apply for developers that provide evidence that affordability limitations would

negatively impact the community they are seeking to serve.

## **C. Incomes**

All units funded through the Development Subsidies must be made available and affordable to households earning at or below 120% AMI at the time of the sale and any subsequent re-sales for the duration of the affordability period. During the affordability period, at resale, all units will be marketed and sold to income-eligible buyers.

## **D. Timeframe & Development Timeline**

Subject to the approval of an early session legislative bill, Awardees must spend the funds and complete the planned project by June 30, 2026. Homeownership units must be ready for initial sale within 36 months of a funding reservation. OHCS anticipates offering funding reservations by June 2023, in which case units must be ready for sale 36 months later.

## **E. Readiness to Proceed**

### **i. Timeliness Requirement**

Applicant must submit all requested documents on time and completed accurately. OHCS may withhold closing for any Project until all required documents are received and approved by OHCS. Any Project awarded a funding reservation that has not abided by established milestone deadlines in good faith may have its funding reservation rescinded.

### **ii. Site Control**

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

- a recorded deed or conveyance showing the Applicant is the owner of the site,
- a valid purchase and sale agreement,
- a valid option to purchase, or
- other evidence satisfactory to OHCS.

### **Requirements for site control documentation**

- The name of the entity on the evidence of site control must be the same as applicant's name on the application.
- The site control document should identify the same address/location and area as the Project site listed in the Application and exactly the same cost for the land or existing buildings for the Project referenced in the development budget provided with the Application. Please Note: If the site description in the Application and the site control document are not exactly the same, the Applicant must provide a narrative description and supporting documentation to clarify the method used to establish the area and cost for the Project.

NOTE: OHCS will only accept one Application for a specific site or for any part of the same site, regardless of whether Applications are submitted by the same Applicant or by multiple Applicants. If more than one Application is received for the same site or any part of the same site, OHCS may disqualify one or all of the Applications. In this scenario, the **non-refundable** Application charge for each Applicant will be retained by OHCS.

**F. Ownership Integrity**

- Neither Applicant nor any member or principal within the Project ownership or management will have been convicted of fraud, misrepresentation, theft, or other moral turpitude within the previous ten (10) years.
- Neither Applicant nor any member or principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five (5) years.
- Neither Applicant nor any member or principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

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

Each Applicant must submit a signed DEI form, which commits the organization toward implementing diversity, equity, and inclusion efforts within their organization and throughout the work they conduct including their work with external partners.

**H. Service to Communities of Color**

All Projects must include service to Communities of Color. This can be achieved in several ways and should be relevant to the community in which the Project is located, and the target population anticipated to be served. Any approach that is chosen must include intentional engagement with Communities of Color for services planning for the development.<sup>5</sup>

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

OHCS requires sponsors and developers of affordable housing to seek Certification Office for Business Inclusion and Diversity (COBID) and non-COBID MWESB and Service-Disabled Veteran's Business Enterprise (SDVBE) professional firms to increase the participation level of minority-owned businesses in its construction projects to meet OHCS' MWESB goals as determined by region. OHCS encourages the utilization of local labor and partnering with the community to help build healthy, affordable homes, to address OHCS' goal of increasing apprenticeship programs in Oregon and improving economic and social vitality while increasing pathways out of poverty. Applicants will be scored on future NOFA's based on how successful they were in meeting OHCS MWESB/SDVBE in previous NOFA's showing approach and strategy towards MWESB/SDVBE engagement, contracting, to successfully meet the requirements of OHCS's MWESB Compliance Policy.

The general contractor and the developer may utilize and include non-COBID certified firms owned by a person identifying as a member of a Black, Indigenous, and People of Color community, and other qualifying firms in their MWESB/SDVBE reporting, provided that the non-COBID certified MWESB/SDVBE firms listed will

be encouraged and assisted with becoming a COBID certified firm before project construction completion. OHCS' MWESB/SDVBE are available at the following web link: <https://www.oregon.gov/ohcs/development/Pages/mwesb-sdvbe-rental-housing.aspx>

## **J. Construction Standards**

- a. Methods: Both traditional and alternative methods of new construction are allowable; construction that is innovative in containing costs or otherwise serving lower-income populations is encouraged.
- b. Quality: Construction that balances the initial cost of building with ongoing costs of operation for the homeowner (e.g., energy standards)
- c. Durability: A minimum of 30-year building standards is expected for all Projects,
- d. Other Requirements: If other public capital or operating subsidies are used in financing the Project, relevant requirements of those subsidy sources will also apply.

OHCS requirements are intended to encourage innovation and allow for all types of new construction. All Projects must meet local and State code requirements. In any case where another funding source has its own requirements, the most restrictive requirements will govern relevant development or construction of the Project.

## **K. Underwriting Guidelines**

Underwriting guidelines will be applied by OHCS in its due diligence and the Project review process to ensure ongoing Project viability and risk mitigation associated with the funding source.

Applicants are required to include the following information with the Application. Please note that there may be additional requirements depending on the Project:

- Financing identified and available for the Project development;
- Letter of Interest (LOI) from a construction lender for overall Project;
- Project construction schedule that supports that all homes in the Project will be ready for sale within 36 months of the Reservation Letter;
- Demonstrate that the Applicant has done due diligence and that potential lenders exist, including corresponding down payment/terms for initial and future home buyers. This is based on the Applicant's narrative response describing the mortgage market. If not self-funding homebuyer's mortgages, the Applicant must provide some kind of written information from potential lenders;
- Demonstrate knowledge and evidence of the market for the Project to income-eligible households (previous history, waitlist, community/regional homeownership market trends, etc.);
- Evidence that the current land zoning allows for the proposed Project; need for a zoning change is not allowed given time constraints of the program;
- Valuation of land that justifies program investment, as demonstrated by third-party appraisal, or as otherwise described in this NOFA;
- Construction costs estimated based on thorough and defensible methods;
- The information submitted must clearly show a need for OHCS funds;
- For Projects that include more than 4 units, a Phase 1 Environmental study is required prior to closing. If a project has 4 units or less, the project sponsor can choose to opt out of a Phase 1 study and instead certify that the sponsor will not request additional funds from OHCS to mitigate issues found before,

- during, and after construction and during operation that would have been discovered by a Phase 1; and
- Application of prevailing wage requirements to the Project (BOLI), if applicable.

#### **L. Profit**

Sponsor/Developer profit from the sale of homes in the Project may not exceed 10% of the total Project costs and may not increase above what was included in the Application. This can be a combination of profit from the sale of the homes and a flat developer fee.

#### **M. Compliance Monitoring**

A compliance monitoring fee of \$25 per affordable home will be required annually. This fee may be adjusted over time by OHCS. Monitoring by OHCS will address elements of the Project's operation, including:

- Initial household income verification at home or unit purchase.
- Subsequent sales of any home or unit during the affordability period will require verification of homebuyer income.

#### **N, Insurance Requirements**

Applicant must be prepared to meet OHCS' new construction insurance requirements outlined in the most recent Core-Development Manual available on the OHCS website.<sup>7</sup>

### **5.7 Evaluation Process**

If Applications pass the Preliminary Review, which includes timeliness and completeness criteria, the Application will move on to a review of Threshold Requirements. Review of the Threshold Requirements will be conducted to evaluate to determine whether Applications satisfy the Threshold Requirements. If, at any point, an Application fails to meet the threshold criteria of this section, the Application will be deemed nonresponsive and will not be reviewed further. After the review of Threshold Requirements, eligible Applications will be competitively scored by the Scoring Committee using the scoring Criteria in Exhibit B. OHCS may employ, but is not limited to, the selection criteria laid out in Exhibit B upon which to base its decisions.

The final selection of Applications for Award, if any, will be from those Applications that best meet the competitive scoring requirements based on the recommendation from the Scoring Committee, as further recommended by the Director and approved by Housing Stability Council, in accordance with available Funding Sources. OHCS reserves the right to award funding at an amount different than the application request.

#### **A. Preliminary Review**

Each Application will be reviewed for timeliness and completeness of the NOFA requirements. If one of these items is missing from the application, the sponsor will be notified and given 5 business days to provide it:

---

<sup>7</sup> <https://www.oregon.gov/ohcs/development/Pages/core-development-manual.aspx>. NOFA 2023-3 LIFT HO & HDIP, Page 28 of 63

1. Complete NOFA Application and all required materials submitted through Procorem by Application due date and time,
2. Site review checklist with all exhibits
3. Applicant's Owner/Board of Director's Authorization and Acceptance Form
4. Organizational Documents for Applicant/Co-Applicant
5. Evidence of appropriate zoning
6. Ownership Integrity Form fully executed.
7. Signed DEI Form for Applicant/Co-Applicant
8. NOFA Application Charge sheet and all applicable charges postmarked by the date specified in NOFA.

## **B. Threshold Requirements Review**

After passing Preliminary Review, all Threshold Requirements Review requirements must be met for an application to move to competitive scoring. The following are Pass/Fail criteria:

### **i. Readiness to Proceed**

#### *Timeliness Requirement:*

OHCS requires that Projects be planned at the time of Application and are ready to proceed upon meeting all Reservation Letter requirements. The required Project development schedule will demonstrate that units will be ready for initial sale within 36 months of funding Reservation; Applicant must demonstrate reasonable and appropriate timeline as well understanding of timeline requirements.

#### *Zoning Requirement:*

The Project must be properly zoned for the intended Project. Projects that do not have a zoning change approved or underway and must complete a zoning change to develop the Project will not be considered for funding.

#### *Site Control*

Applicant must have control of the land necessary for the Project by the Application deadline. Options and sales agreements must be valid through the end of 2023.

### **ii. Financial Viability**

#### *Development Budget Review*

- Proforma budget includes realistic and available resources on the Sources of Funding.
- Sources listed as "Fundraising", or "Capital Campaign" will result in automatic failure; resources already obtained through these efforts are allowable and should be presented as "Cash".
- Sources and Uses balance, there are no gaps in funding and all other sources of funds for the Project, excepting the requested funds, are committed.

## **C. Competitive Scoring**

Applications that meet the Threshold Requirements will be scored competitively using the following criteria.

- Readiness to Proceed
- Demonstration of Capacity

- Demonstration of Financial Viability
- Commitment to Equity and Service to Communities of Color

A maximum of one hundred sixteen (116) points is possible. Any Application that does not have the minimum overall score of fifty-eight (58) points will be disqualified and will not be considered for funding.

Both quantitative and qualitative factors are considered in the scoring. The criteria to be used for each scored section is listed in Exhibit B.

### **5.8 Notice of Intent to Issue Reservation Letter**

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

*Applicable Reservation and Recipient charges:*

OHCS has adopted a 1.5% reservation charge for all NOFA Loan Reservations and has a Recipient Charge listed in the GPGM. Upon issuance of a Reservation Letter, the Recipient Charge is due, while the Reservation Charge will be due at finance close.

### **5.9 Request for Funds**

Funds can be requested on a monthly basis by submitting a withdraw request to the Development Officer. The awardee must submit all paid invoices along with the request for funds.

Funds can only be used to reimburse expenditures on income-restricted homes and site development. Funds cannot be used for market rate homes in the Project.

Only expenditures that occur after the grant has been awarded and recorded can be reimbursed with HDIP funds.

### **5.10 Reporting Requirements**

Monthly progress reports are required the month following the receipt of a reservation letter up until final sale of all project homes.

Once the project is completed, the awardee must submit the following to OHCS:

- Certificate of Occupancies for all homes (as they become available)
- Dates of closing for all home sales<sup>1</sup>
- Final subdivision plat map
- Recorded master ground lease
- Photos of exterior of each home
- Final balanced sources and uses
- Updated Applicant and Project Sheet from original application
- Any other information of documents OHCS may deem necessary.

## **6.0 PRE-DEVELOPMENT AND CAPACITY BUILDING GRANTS**

### **6.1 Pre-development and Capacity Building Grant Offering**

The Pre-development and Capacity Building Grants are funded through general funds. In the 2021 and 2022 Oregon State Legislative session, \$40 million in funding was provided to OHCS for the 2021-2023 biennium, of which \$1.5 million has been allocated for use as Pre-development and Capacity Building Grants.

Through these funds, OHCS aims to build the capacity of organizations that are seeking to develop more housing. The funds will be available to organizations that are getting started as homeownership developers, as well as to organizations with development experience that need support to scale up their building operations.

OHCS will prioritize funding organizations that:

- Are culturally specific, have expertise in their community, and are new to homeownership development
- Have homeownership development experience and need support to scale up their operations so they can build more housing each year
- Have a commitment or strong track record of serving people with a disability, or rural, BIPOC, or Tribal communities

### **6.2 Funding Limits**

- Eligible organizations can request up to \$150,000 in funding.
- Organizations can only submit one application

### **6.3 Reservation Process**

Funds are reserved by OHCS on a competitive basis to Projects of qualifying Applicants that:

- Pass the Preliminary Review;
- Have the highest-ranking score from the Scoring Committee in accordance with available funding, subject to prioritization of qualifying Projects.

### **6.4 Tie Breaking Rule**

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

- The Project determined to achieve the greatest racial equity impact
- The Project determined to achieve greater geographic distribution.

### **6.5 Program Requirements**

#### **A. Eligible activities:**

These grants can be used for the following purposes:

- Training for staff to build skills related to housing development
- Pre-development and planning efforts to get a specific project shovel ready (this could include technical assistance and professional services)
- Funding to engage community members in the design and planning of homeownership development projects
- Efforts to engage culturally specific partners and communities to ensure that potential homebuyers are ready to purchase homes built by the applicant.

Eligible activities must occur during the grant period.

## **B. Timeframe**

Subject to the approval of an early session legislative bill, Awardees must spend the funds and complete the planned project by June 30, 2026. Goods and services must be received within the same timeframe.

## **C. Insurance Certificate**

As evidence of the required insurance coverage, awardees shall provide compliant insurance certificates, including required endorsements, to OHCS prior to execution of the Agreement. Grantees will be required to maintain continuous, uninterrupted coverage and to provide insurance certificates demonstrating the required coverage for the Term of the Agreement and additional Insureds. Coverage Requirements may include, but are not limited to:

- a. Commercial General Liability
- b. Automobile Liability
- c. Workers' Compensation
- d. Physical Abuse and Sexual Molestation Liability (required for awardees whose grant scope of work will include activities serving vulnerable clients, such as children, elderly adults, and those with intellectual and developmental difficulties)
- e. Professional Liability

## **6.6 Application Evaluation Process and Scoring**

Applications will address and be evaluated on the applicant's organizational capacity to undertake the proposed project, the soundness of the approach, and the expected impact of the project. Applications will be scored against a rubric and ranked based on total points scored. Application may score up to a maximum of fifty-two (52) points. If the plan for use of funds does not align with allowable uses, the application will not be scored and automatically be denied. If an application scores fewer than 26 points, the application will be denied.

The application evaluation criteria and scoring can be found in Exhibit C.

## **6.7 Evaluation and Award.**

**A. Evaluation Process.** Applications shall be reviewed by a Scoring Committee. The Committee shall make its recommendations to the Agency Director and Executive Team who shall make the final funding recommendations to the Housing Stability Council. Agency reserves the right to request clarification or changes to the application and budget as necessary. The final selection, if any, shall be those applications that best meet the requirements set forth in the application, based on the recommendation from the review team, as approved by the Director.

**B. Notice of Award.** Applicants will be notified of award or non-award in writing by the Agency.



## 6.8 Request for Funds

Grantee shall request Grant funds in such form and manner as is satisfactory to or required by Agency. Grant funds shall be requested as follows:

### A. Initial Grant Funding Request

- Must be requested within ninety (90) days of fully executed Agreement;
- All funds requested must be invoiced using the Invoice Template (Exhibit H);
- Maximum 50% of Grant Award;
- Invoice must be signed by the Authorized Signer.

### B. Remaining Grant Fund Requests:

- Funds requested must be invoiced using the Invoice Template (Exhibit H).
- Upon the expenditure or allocation/reservation of 90% of initial funds request (first 50% Program Delivery Funds) expended and allocated/reserved, based on business need.
- All relevant Bi-annual Reports submitted, and satisfactory additional documentation of allocated/reserved funds may be required prior to disbursement.

Grantee shall expend all Grant funds during the Performance Period. Grantee may retain up to a maximum of 15% of expended Grant funding for an administrative fee.

Any changes to the approved Application budget must be requested in writing 30 days prior to the next scheduled payment date. The Agency, at its discretion, may deny requested changes to the Application budget.

## 6.9 Reporting Requirements.

- A. **Bi-annual Progress Reports.** Grantee are required to submit bi-annual reports with an update on the project status using Bi-Annual Report Template (Exhibit F). The reports must include a narrative progress report, which describes the overall status of Grantee's activities identified in the approved Application. The report must describe major accomplishments, tasks completed or underway, products completed, and any proposed changes to the work products or timelines. Narrative/Progress reports must be submitted quarterly, with or without Disbursement Requests. Agency reserves the right to require additional clarification to any portion of these reports.
- B. **Final Report.** Grantees are required to submit a final report reflecting on overall successes, challenges and opportunities encountered during the grant period after the grant period has ended or after the final disbursement submission. All Grantees will be required to track and document quantitative and qualitative outcomes (based on the application submission and any refinement throughout the process). Grantees will submit this evaluation to OHCS through Procorem by June 30, 2026. (See Exhibit G for a Final Report Template.)

## **7.0 SET-ASIDE GRANT FUND FOR FEDERALLY RECOGNIZED TRIBES**

### **7.1 Set-Aside Grant Fund for Federally Recognized Tribes**

The Set-Aside Grant Fund for Federally Recognized Tribes is funded through general funds. In the 2021 and 2022 Oregon State Legislative sessions, \$40 million in funding was provided to OHCS for the 2021-2023 biennium, of which \$5 million has been allocated for use as the Set-Aside Grant Fund for Federally Recognized Tribes. Only Applicants sponsored by a Federally Recognized Tribe of Oregon, a Tribally Designated Housing Entity, or an organization owned/operated by a Federally Recognized Tribe of Oregon may apply.

Through these funds, OHCS aims to further homeownership opportunities among members of the nine federally recognized sovereign tribes of Oregon, while honoring the self-determination of each tribal government. as well as support to Tribal members to purchase or maintain their home.

There are two offerings through this funding category:

#### **A. Tribal Homeownership Development Offering**

These funds can be used for homeownership development projects that increase the supply of affordable homes for purchase by Tribal members.

#### **B. Other Tribal Homeownership Activities Offering**

These funds are for non-construction projects that lead to increased homeownership opportunities for Tribal members.

### **7.2 Funding Limits**

Each tribe that applies and meets the application requirements will be guaranteed a minimum grant of up to \$100,000. The total request may be no more than \$3M.

### **7.3 Application Ranking and Reservation Process**

Tribal entities can submit an application that covers development activities and other eligible activities as described in section 7.5.

Projects of qualifying Applicants that pass the Preliminary Review will be guaranteed up to \$100,000 of base-level funds on a non-competitive basis.

Additional funds will be awarded to applicants based on:

- The scope and size of the funding request.
- Projects that have the highest-ranking score from the Scoring Committee will be prioritized in accordance with available funding

Tribal Homeownership Development project requests will be funded first through the Set-Aside Grant Fund for Federally Recognized Tribes. If the Set-Aside Grant Fund for Federally Recognized Tribes is oversubscribed, Tribal Homeownership Development applications may be considered for funding for Development Subsidy Funds (Section 5).

## 7.4 Tie Breaking Rule

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

- The project determined to achieve the greatest impact related to increasing the supply of housing
- The Project determined to achieve the greatest impact in terms of number of individuals served.

## 7.5 Program Requirements

**A. Eligible activities:** These grants can be used for the following purposes:

- a. **Tribal Homeownership Development** including:
  - New construction, including pre-development work
  - Conversion of an existing structure into affordable homes for purchase
- b. **Other Tribal Homeownership Activities** including:
  - i. Capacity building within tribal housing departments and agencies to establish or expand efforts related to homeownership development
  - ii. Down payment assistance
  - iii. Home safety repairs

### **B. Timeframe**

Subject to the approval of an early session legislative bill, Awardees must spend the funds and complete the planned project by June 30, 2026.

### **C. Insurance Certificate.**

As evidence of the required insurance coverage, awardees shall provide compliant insurance certificates, including required endorsements, to OHCS prior to execution of the Agreement. Grantees will be required to maintain continuous, uninterrupted coverage and to provide insurance certificates demonstrating the required coverage for the Term of the Agreement and additional Insureds. Coverage Requirements may include, but are not limited to:

- a. Commercial General Liability
- b. Automobile Liability
- c. Workers' Compensation
- d. Physical Abuse and Sexual Molestation Liability (required for awardees whose grant scope of work will include activities serving vulnerable clients, such as children, elderly adults, and those with intellectual and developmental difficulties)

For Tribal Homeownership Development Projects, the Applicant must be prepared to meet OHCS' new construction insurance requirements outlined in the most recent Core-Development Manual available on the OHCS website.<sup>8</sup>

---

<sup>8</sup> <https://www.oregon.gov/ohcs/development/Pages/core-development-manual.aspx>. NOFA 2023-3 LIFT HO & HDIP, Page 35 of 63

## **Program Requirements Specific to Tribal Homeownership Development Projects**

***Note: Terms listed in D-J below do not apply to “Other Tribal Homeownership Activities” Applicants***

### **D. Readiness to Proceed**

#### **i. Timeliness Requirement**

Applicant must submit all requested documents on time, completed and accurate. OHCS may withhold construction closing for any Project until all required documents are received and approved by OHCS. Any Project awarded a funding reservation that has not abided by established milestone deadlines in good faith may have its funding reservation rescinded.

#### **ii. Site Control**

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

- a recorded deed or conveyance showing the Applicant is the owner of the site,
- a valid purchase and sale agreement,
- a valid option to purchase, or
- other evidence satisfactory to OHCS.

Requirements for site control documentation

- The name of the entity on the evidence of site control must be the same as applicant’s name on the application.
- The site control document should identify the same address/location and area as the Project site listed in the Application and exactly the same cost for the land and/or existing buildings for the Project referenced in the development budget provided with the Application. Please Note: If the site description in the Application and the site control document are not exactly the same, the Applicant must provide a narrative description and supporting documentation to clarify the method used to establish the area and cost for the Project.

NOTE: OHCS will only accept one Application for a specific site or for any part of the same site, regardless of whether Applications are submitted by the same Applicant or by multiple Applicants. If more than one Application is received for the same site or any part of the same site, OHCS may disqualify one or all of the Applications.

### **E. Ownership Integrity**

- Neither Applicant nor any member or principal within the Project ownership or management will have been convicted of fraud, misrepresentation, theft, or other moral turpitude within the previous ten (10) years.

- Neither Applicant nor any member or principal within the Project ownership or management will have been involved in a bankruptcy proceeding within the previous five (5) years.
- Neither Applicant nor any member or principal within the Project ownership or management will have been debarred or otherwise sanctioned by OHCS.

#### **F. Minority, Women, and/or Emerging Small Business (MWESB) Engagement**

OHCS requires sponsors and developers of affordable housing to seek Certification Office for Business Inclusion and Diversity (COBID) and non-COBID MWESB and Service-Disabled Veteran's Business Enterprise (SDVBE) professional firms to increase the participation level of minority-owned businesses in its construction projects to meet OHCS' MWESB goals as determined by region. OHCS encourages the utilization of local labor and partnering with the community to help build healthy, affordable homes to address OHCS' goal of increasing apprenticeship programs in Oregon and improving economic and social vitality while increasing pathways out of poverty. Applicants will be scored on future NOFA's based on how successful they were in meeting OHCS MWESB/SDVBE in previous NOFA's showing approach and strategy towards MWESB/SDVBE engagement, contracting, to successfully meet the requirements of OHCS's MWESB Compliance Policy.

The general contractor and the developer may utilize and include non-COBID certified firms owned by a person identifying as a member of a Black, Indigenous, and People of Color community, and other qualifying firms, provided that the non-COBID certified MWESB/SDVBE firms listed will be encouraged and assisted with becoming a COBID certified firm before project construction completion. OHCS' MWESB/SDVBE are available at the following web link: <https://www.oregon.gov/ohcs/development/Pages/mwesb-sdvbe-rental-housing.aspx>

#### **G. Construction Standards**

- a. Methods: Both traditional and alternative methods of new construction are allowable; construction that is innovative in containing costs or otherwise serving lower-income populations is encouraged.
- b. Quality: Construction that balances the initial cost of building with on-going costs of operation for the homeowner (e.g., energy standards)
- c. Durability: A minimum of 30-year building standards is expected for all Projects,
- d. Other Requirements: If other public capital or operating subsidies are used in financing the Project, relevant requirements of those subsidy sources will also apply.

OHCS requirements are intended to encourage innovation and allow for all types of new construction. All Projects must meet local and State code requirements. In any case where another funding source has its own requirements, the most restrictive requirements will govern relevant development or construction of the Project.

## **H. Underwriting Guidelines**

Underwriting guidelines will be applied by OHCS in its due diligence and the Project review process to ensure ongoing Project viability and risk mitigation associated with the funding source.

Applicants are required to include the following information with the Application. Please note that there may be additional requirements depending on the Project:

- Financing identified and available for the Project development;
- Letter of Interest (LOI) from a construction lender for overall Project;
- Project construction schedule that supports that all homes in the Project will be ready for sale within 36 months of the Reservation Letter;
- Demonstrate that the Applicant has done due diligence and that potential lenders exist, including corresponding down payment/terms for initial and future home buyers. This is based on the Applicant's narrative response describing the mortgage market. If not self-funding homebuyer's mortgages, the Applicant must provide some kind of written information from potential lenders;
- Demonstrate knowledge and evidence of the market for the Project to income-eligible households (previous history, waitlist, community/regional homeownership market trends, etc.);
- Evidence that the current land zoning allows for the proposed Project
- Valuation of land that justifies program investment, as demonstrated by third-party appraisal, or as otherwise described in this NOFA;
- Construction costs estimated based on thorough and defensible methods;
- The information submitted must clearly show a need for OHCS funds;
- For Projects that include more than 4 units, a Phase 1 Environmental study is required prior to closing. If a project has 4 units or less, the project sponsor can choose to opt out of a Phase 1 study and instead certify that the sponsor will not request additional funds from OHCS to mitigate issues found before, during, and/or after construction and during operation that would have been discovered by a Phase 1; and
- Application of prevailing wage requirements to the Project (BOLI), if applicable.

## **I. Profit**

Sponsor/Developer profit from the sale of homes in the Project may not exceed 10% of the total Project costs and may not increase above what was included in the Application. This can be a combination of profit from the sale of the homes and a flat developer fee.

## **J. Compliance Monitoring**

A compliance monitoring fee of \$25 per affordable home will be required annually. This fee may be adjusted over time by OHCS. Monitoring by OHCS will address elements of the Project's operation, including:

- Initial household income verification at home or unit purchase.
- Subsequent sales of any home or unit during the affordability period will require verification of homebuyer income.

## 7.6 Application Evaluation Criteria and Scoring

Applications will be evaluated based on the project type:

- A. Tribal Homeownership Development Projects**  
Applications categorized as Tribal Homeownership Development Projects will be evaluated based on Tribal Development Criteria (Exhibit D).
- B Other Tribal Homeownership Activities**  
Applications categorized as Other Tribal Homeownership Activities will be based on Other Tribal Homeownership Activity Criteria (Exhibit E).

Applications will be scored against a rubric and ranked based the on total points scored.

## 7.7 Evaluation and Award.

### A. Evaluation Process

- a. Applications shall be reviewed by an Agency review team.
- b. All applications that meet the requirements set forth in the application will be awarded a base level of funding of up to \$100,000.
- c. Applications with requests greater than \$100,000 will be scored against a rubric (Exhibit D or E depending on project type)
- d. The review team shall make its recommendations to the Agency Director and Executive Team who shall make the final funding recommendations to the Housing Stability Council. Agency reserves the right to request clarification or changes to the application and budget as necessary.

### B. Notice of Award.

Applicants will be notified of award or non-award in writing by the Agency.

## 7.8 Request for Funds

Grantee shall request Grant funds in such form and manner as is satisfactory to or required by Agency. Disbursements of grant funds are contingent upon satisfactory performance of Applicant towards fulfilling the approved activities as described in the approved application except as modified with the express consent of Agency. Grant funds shall be requested as follows:

### A. For Tribal Homeownership Development Projects

- Funds can be requested on a monthly basis through an email to the Development Officer. The awardee must submit all paid invoices along with the request for funds.
- Only expenditures that occur after the grant has been awarded and recorded can be reimbursed with HDIP funds.

### B. For Other Tribal Homeownership Activities

All funds requested must be submitted through an invoiced using the Invoice Template (Exhibit H).

**1. Initial Grant Funding Request:**

- Must be requested within ninety (90) days of fully executed Agreement.
- Maximum 50% of Grant Award

**2. Remaining Grant Fund Requests:**

- Upon the expenditure or allocation/reservation of 90% of initial funds request (first 50% Program Delivery Funds) expended or allocated/reserved, based on business need.
- All relevant Bi-annual Reports submitted, and satisfactory additional documentation of allocated/reserved funds may be required prior to disbursement.

**C. For ALL projects:**

- Grantee shall expend all Grant funds during the Performance Period.
- Grantee may retain up to their specified NICRA amount for non-project activities or up to a 15% administrative fee.
- Any changes to the approved Application budget must be requested in writing 30 days prior to the next scheduled payment date. The Agency, at its discretion, may deny requested changes the Application budget with a reason provided in writing.
- Expenses incurred before the effective date or after the termination date of the grant Agreement will not be covered or reimbursed.

**7.9 Reporting Requirements.**

**A. Tribal Homeownership Development Project Reporting**

Monthly progress reports are required the month following the receipt of a reservation letter up until final sale of all project homes.

Once the project is completed, the awardee must submit the following to OHCS:

- Certificate of Occupancies for all homes (as they become available)
- Dates of closing for all home sales
- Final subdivision plat map
- Photos of exterior of each home
- Final balanced sources and uses
- Other information or documents that OHCS may request

**B. Other Tribal Homeownership Activities Reporting**

- **Bi-annual Progress Reports.** Grantee shall submit bi-annual reports with an update on the project status using Report Template (Exhibit F). The reports must include a narrative progress report, which describes the overall status of Grantee's activities identified in the approved Application. The report must describe major accomplishments, tasks completed or underway, products completed, and any proposed changes to the work products or timelines. Narrative/Progress reports must be submitted quarterly, with or without Disbursement Requests. Agency reserves the right to require additional clarification to any portion of these reports.



- **Final Report.** Grantees are required to submit a final report reflecting on overall successes, challenges and opportunities encountered during the grant period after the grant period has ended or after the final disbursement submission. All Grantees will be required to track and document quantitative and qualitative outcomes (based on the application submission and any refinement throughout the process). Grantees will submit this evaluation to [HO.Development@hcs.oregon.gov](mailto:HO.Development@hcs.oregon.gov) by June 30, 2026. (See Exhibit G for a Final Report Template.)

## **8.0 GENERAL TERMS AND CONDITIONS**

- 8.1** Any LIFT funding allocation under this NOFA is subject to receipt by OHCS of the proceeds of the anticipated Article XI-Q Bonds issuance and approval by bond counsel, the Oregon Department of Justice, and the Issuer (State Treasurer collectively with the Department of Administrative Services (DAS) and OHCS or OHCS only) to use the proceeds for LIFT Homeownership purposes as contemplated under the NOFA.
- 8.2** 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.
- 8.3** Submission of an Application by Applicant or acceptance by OHCS of a submitted Application neither constitutes an agreement of any kind between OHCS and Applicant nor does it secure or imply that Applicant will be selected for receipt of a Reservation of funds.
- 8.4** In the extent that other funding sources have additional or other requirements, the most restrictive requirements will apply to the Project.
- 8.5** All costs associated with Applicant's submission of an Application are the sole responsibility of the Applicant and shall not be borne to any degree by the State of Oregon.
- 8.6** Successful Applicants will be required to maintain appropriate levels of insurance and to comply with the Project Requirements and other OHCS policies, including execution of the Agreement Documents.
- 8.7** OHCS may amend any Reservation Letter and other related documents that result from a Reservation made pursuant to this NOFA. All such amendments will be in writing and must be signed by relevant authorized parties.
- 8.8** 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.
- 8.9** ORS 60.701 requires foreign corporations be registered by the State of Oregon, Office of the Secretary of State, before conducting business in the state. A foreign corporation (ORS 60.001) means a for-profit corporation incorporated under a law other than the law of the State of Oregon. If a foreign corporation is selected for the Agreement because of this NOFA, it must register to do business in Oregon.
- 8.10** OHCS reserves the right:
- A. to amend this NOFA prior to the closing date;
  - B. to amend the deadline for submitting Applications;
  - C. to determine whether an Application does or does not substantially comply with the requirements of this NOFA;

- D. to waive any minor irregularity, informality, or nonconformance with the requirements of this NOFA;
- E. to obtain from and provide to other public agencies, upon request, references, regarding the Applicant's performance;
- F. at any time prior to execution of Agreement Documents (including after announcement of the apparent Reservation) to reject any Application that fails to comply with the requirements of this NOFA;
- G. to reject all Applications received and cancel this NOFA upon a finding by OHCS that such cancellation would be in the best interest of the State;
- H. to use adherence with components of the Applicant's Application and this NOFA as scoring criteria in future multifamily funding solicitations;
- I. to withdraw any funding source from this NOFA; and
- J. to waive any term or condition of this NOFA for good cause as determined by OHCS.

**8.11** 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.

**8.12** 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.

**8.13** An Applicant or potential Applicant seeking to challenge any aspect of this NOFA is subject to and must 813-005-0025, which provides:

(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.

**8.14** comply with the provisions of OAR 813-005-0025, which provide:

**8.15** OHCS' contact person for this NOFA is Talia Kahn-Kravis. Her contact information is as follows:

Oregon Housing and Community Services  
Attn: Talia Kahn-Kravis  
725 Summer Street NE, Suite B  
Salem, OR 97301  
Email: [HO.Development@hcs.oregon.gov](mailto:HO.Development@hcs.oregon.gov)

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

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

**8.18** 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.

- 8.19** Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.
- 8.20 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.

**EXHIBIT A: LIFT HOMEOWNERSHIP SCORING CRITERIA AND EVALUATION**

**Threshold Criteria**

Applicants must pass the following Threshold Criteria to move on to scoring.

	<b>Pass/Fail</b>
<b>Readiness to Proceed</b>	
<b><i>Timeliness Requirement</i></b>	
Project Development Schedule demonstrates that construction is able to begin within 12 months	
Project Development Schedule demonstrates that homes will be ready for sale at or before 36 months.	
Project is (or will soon be) properly zoned for the type of Project, no zoning change needs to be completed.	
Applicant has site control through December 31, 2023.	
<b><i>Environmental Site Checklist Completeness</i></b>	
Submission of the fully completed and signed checklist.	
Evidence of suitability of the site (with appropriate Radon and USGS maps attached).	
The table with distances to various retail and public services, public transportation, and schools is complete. (Vicinity map is included if available- optional.)	
Recent onsite photos document the nature of existing structures on the site	
Evidence of soil suitability, environmental hazards, safety concerns, noise problems, air quality issues is documented via soil study/Geotech/Phase 1/etc.	
Flood plain and wetlands issues documented by FEMA map (OHCS will run a wetlands report with Oregon Department of State Lands if selected for the award)	
If applicable: 1. Historic preservation (documented via information from SHPO, local historical societies, city, or county planners, or interested Tribes), 2. Documentation of solid waste, wastewater, and stormwater concerns, and 3. Federally Listed Species and/or Designated Critical Habitat 4. Depending on the environmental impact on the Project, the Applicant must provide a satisfactory mitigation plan for any materially adverse information revealed in the Project Site Checklist. <b><i>(Points may be deducted in future NOFAs if issues are unaddressed.)</i></b>	
<b>Financial Viability</b>	
All funding sources are committed or highly likely; with letters of intent (LOI) or commitment provided by all funders, including any construction lenders and land loan lenders.	
Contractor overhead, profit and general conditions are within the required range, as identified in the OHCS General Program and Guidelines Manual (GPGM).	
Sources and Uses balance with no gaps.	
Total net profit to the developer is no more than 10%.	
Construction contingency is within OHCS guidelines as identified in the GPGM. Contingencies are at or below 5% of associated costs; Escalation costs are at or below 10% of associated costs	
<b>Supporting Documents &amp; Other Requirements</b>	
All tabs within the excel application workbook are complete	
Narrative answers are submitted and complete	
All other supporting documents are submitted and complete	

NOFA Application Charge Check was received	
--	--

## Scoring Criteria

	Total Points
<b>Readiness to Proceed</b>	<b>9</b>
Proposed Project Development Schedule appears adequate and reasonable	3
Project narrative is clear and aligned with the objectives of the organization and Homeownership Development program.	3
Site Checklist indicates no major barriers to commencing development	3
<b>Demonstration of Construction Costs that are lower than comparable industry norms</b>	<b>8</b>
Costs (including construction costs and architectural fees) comparable Robert Snow (RS) Means published by OHCS based on general project type as adjusted by OHCS using supplemental cost data are: 1. Greater than or equal to 15% less (6 points) 2. 0-14% less (5 points) 3. 1-5% (4 points) 4. 6-10% ( 3 points) 5. 11-15% (2 points) 6. 16-20% (1 point) 7. Greater than 21(0 points)	6
Narrative demonstrates efforts related to cost containment.	2
<b>Demonstration of Building Development &amp; Finance Strategy</b>	<b>21</b>
<b>Innovation:</b> Narrative shows a new or original technique for financing and/or narrative demonstrates a new or original way to develop affordable units using new building techniques.	3
<b>Efficiency:</b> Narrative demonstrates techniques that are aimed at reducing waste in either building operations or financing structure. The narrative demonstrates techniques aimed at reducing the amount of time it takes to develop affordable homeownership opportunities.	3
<b>Replicability:</b> The project includes a unique attribute(s) that can be replicated in other developments around the State.	3
<b>Climate resiliency and energy efficiency:</b> Applicant demonstrates how climate resilience and energy efficiency are integrated into the home and/or landscaping design.	3
<b>Accessibility:</b> Applicant demonstrates universal accessibility and/or visitability features are included within the home(s).	3
The Applicant provides sufficient reasoning for the building type and site selection that shows prioritization of equity and centering the target community, cost savings, or other justification that aligns with program goals.	3
Project checklist indicates no major environmental justice issue related to the site location, air quality, soil contamination, or other relevant factors.	3
<b>Demonstration of Experience and Capacity of the Development Team</b>	<b>20</b>
The narrative includes an overview of the recent development experience of the core team.	5
The narrative describes staff experience working on projects of similar (or larger) size and scope. If staff experience is limited, the narrative explains how the team will mitigate this lack of development knowledge.	5
The narrative addresses the current status of the project, and any potential barriers it may have.	5



The narrative describes how the affordability of the homes will be maintained during the 20-year restriction period. The narrative includes specifics about what kind of structure the management organization will be utilizing over the course of the affordability period. If this is a new housing endeavor, the management team plans to partner with an experienced organization for training.	5
<b>Demonstration of Financial Viability</b>	<b>15/20</b>
Project development costs are reasonable and supported by construction documents and estimates.	4
Narrative shows that funding for the project is aligned with the timing of the project.	2
Applicant demonstrates other potential investments and sources that may be available for the project.	2
The applicant provides a clear explanation and logical methodology for calculating the expected home sales price.	3
Applicant has a plan for keeping the project budget and schedule on track in the case of economic volatility.	5
[If applicable] Applicant provides sufficient evidence to justify Supplemental LIFT grant request	5
<b>Service to Communities of Color &amp; Others Underrepresented as Homeowners in Oregon</b>	<b>24</b>
The narrative describes a focus and track record of serving a specific community/communities of color.	3
The narrative describes engagement between the applicant and the target community(ies) to plan for the proposed project.	3
The narrative describes how information from community input and feedback influenced the unit size, design, or layout of the building.	2
The developer compensated community members for their time to engage on the project.	1
The narrative describes planned or executed outreach efforts to reach the target community(ies) to ensure they are aware of the housing opportunity. If outreach is done through a partnership with a culturally specific organization or responsive organization or Tribe is part an outreach plan, there is a plan for compensating the partner.	5
The narrative describes a plan for addressing barriers that the target community(ies) may experience to accessing the housing.	5
Applicant has identified safe, affordable homebuyer mortgage products that will be available for homebuyers.	5
<b>Minority, Women Owned, Emerging Small Business (MWESB) Requirements</b>	<b>8</b>
MWESB goal meets or exceeds the region goal. Meets (1 points); Exceeds (2 points)	2
The applicant has a clear plan for achieving participation goals which includes a demonstration of general contractor commitment (if applicable) and a proactive marketing/outreach plan.	2
Contractor demographics and track record are provided (if applicable)	2
General contractor demonstrates a history of addressing MWESB/SDVBE subcontractor diversity, equity, and inclusion (DEI) in affordable housing projects.	2
<b>Total Possible Points</b>	<b>103/108</b>

## **EXHIBIT B: DEVELOPMENT SUBSIDY SCORING CRITERIA AND EVALUATION**

### **Threshold Criteria**

Applicants must pass the following Threshold Criteria to move on to scoring.

	<b>Pass/Fail</b>
<b>Readiness to Proceed</b>	
<b><i>Timeliness Requirement</i></b>	
Project Development Schedule demonstrates that construction is able to begin within 12 months	
Project Development Schedule demonstrates that homes will be ready for sale at or before 36 months.	
Project is (or will soon be) properly zoned for the type of Project, no zoning change needs to be completed.	
Applicant has site control through December 31, 2023.	
<b><i>Environmental Site Checklist Completeness</i></b>	
Submission of the fully completed and signed checklist.	
Evidence of suitability of the site (with appropriate Radon and USGS maps attached).	
The table with distances to various retail and public services, public transportation, and schools is complete. (Vicinity map is included if available- optional.)	
Recent onsite photos document the nature of existing structures on the site	
Evidence of soil suitability, environmental hazards, safety concerns, noise problems, air quality issues is documented via soil study/Geotech/Phase 1/etc.	
Flood plain and wetlands issues documented by FEMA map (OHCS will run a wetlands report with Oregon Department of State Lands if selected for the award)	
If applicable: 1. Historic preservation (documented via information from SHPO, local historical societies, city, or county planners, or interested Tribes), 2. Documentation of solid waste, wastewater, and stormwater concerns, and 3. Federally Listed Species and/or Designated Critical Habitat 4. Depending on the environmental impact on the Project, the Applicant must provide a satisfactory mitigation plan for any materially adverse information revealed in the Project Site Checklist. <b><i>(Points may be deducted in future NOFAs if issues are unaddressed.)</i></b>	
<b>Financial Viability</b>	
All funding sources are committed or highly likely; with letters of intent (LOI) or commitment provided by all funders, including any construction lenders and land loan lenders.	
Contractor overhead, profit and general conditions are within the required range, as identified in the OHCS General Program and Guidelines Manual (GPGM).	
Sources and Uses balance with no gaps.	
Total net profit to the developer is no more than 10%.	
Construction contingency is within OHCS guidelines as identified in the GPGM. Contingencies are at or below 5% of associated costs; Escalation costs are at or below 10% of associated costs	
<b>Supporting Documents &amp; Other Requirements</b>	
All tabs within the excel application workbook are complete	
Narrative answers are submitted and complete	

All other supporting documents are submitted and complete	
NOFA Application Charge Check was received	

### Scoring Criteria

	Total Points
<b>Readiness to Proceed</b>	<b>9</b>
Proposed Project Development Schedule appears adequate and reasonable	3
Project narrative is aligned with the objectives of the Homeownership Development program.	3
Site Checklist indicates no major barriers to commencing development	3
<b>Demonstration of Construction Costs that are lower than comparable industry norms</b>	<b>8</b>
Costs (including construction costs and architectural fees) comparable Robert Snow (RS) Means published by OHCS based on general project type as adjusted by OHCS using supplemental cost data are: 1. Greater than or equal to 15% less (6 points) 2. 0-14% less (5 points) 3. 1-5% (4 points) 4. 6-10% ( 3 points) 5. 11-15% (2 points) 6. 16-20% (1 point) 7. Greater than 21(0 points)	6
Narrative demonstrates efforts related to cost containment.	2
<b>Demonstration of Building Development &amp; Finance Strategy</b>	<b>21/23</b>
<b>Innovation:</b> Narrative shows a new or original technique for financing and/or narrative demonstrate a new or original way to develop affordable units using new building techniques.	3
<b>Efficiency:</b> Narrative demonstrates techniques that are aimed at reducing waste in either building operations or financing structure. Narrative demonstrates techniques aimed at reducing the amount of time it takes to develop affordable homeownership opportunities.	3
<b>Replicability:</b> The project includes a unique attribute(s) that can be replicated in other developments around the State.	3
<b>Climate resiliency and energy efficiency:</b> Applicant demonstrates how climate resilience and energy efficiency are integrated into the home and/or landscaping design.	3
<b>Accessibility:</b> Applicant demonstrates universal accessibility and/or visitability features are included within the home(s).	3
<b>Location efficiency:</b> for non-rural projects, points will be given to projects with high walkability and/or in proximity of public transit and other community amenities	2
The applicant provides sufficient reasoning for the building type and site selection that shows prioritization of equity and centering the target community, cost savings, or other justification that aligns with program goals.	3
Project checklist indicates no major environmental justice issue related to the site location, air quality, soil contamination, or other relevant factors.	3
<b>Demonstration of Experience and Capacity of the Development Team</b>	<b>20</b>
The narrative includes an overview of the recent development experience of the core team.	5

The narrative describes staff experience working on projects of similar (or larger) size and scope. If staff experience is limited, the narrative explains how the team will mitigate this lack of development knowledge.	5
The narrative addresses the current status of the project, and any potential barriers it may have.	5
The narrative describes how the affordability of the homes will be maintained during the 15-year affordability period. The narrative includes specifics about what kind of structure the applicant will be utilizing over the course of the affordability period to maintain affordability. If the applicant is requesting an exemption from the affordability period, the applicant provides sufficient justification for the request.	5
<b>Demonstration of Financial Viability</b>	<b>16</b>
Project development costs are reasonable and supported by construction documents and estimates.	4
Narrative shows that funding for the project is aligned with the timing of the project.	2
Applicant demonstrates other potential investments and sources that may be available for the project.	2
The applicant provides a clear explanation and logical methodology for calculating the expected home sales price.	3
Applicant has a plan for keeping the project budget and schedule on track in the case of economic volatility.	5
<b>Service to Communities of Color &amp; Others Underrepresented as Homeowners in Oregon</b>	<b>35</b>
The narrative describes a focus and track record of serving a specific community/communities of color.	3
The narrative describes engagement between the applicant and the target community(ies) in advance of the proposed project.	3
The narrative describes how information from community input and feedback influenced the unit size, design, or layout of the building.	2
The developer compensated community members for their time to engage on the project.	1
The narrative describes planned or executed outreach efforts to reach the target community(ies) to ensure they are aware of the housing opportunity. If outreach is done through a partnership with a culturally specific organization or responsive organization or Tribe is part an outreach plan, there is a plan for compensating the partner.	5
The narrative describes a plan for addressing barriers that the target community(ies) may experience to accessing the housing.	5
Applicant has identified safe, affordable mortgage products that will be available for homebuyers.	5
<b>Multigenerational housing:</b> points will be given to projects with a majority of units that are at least 3 bedroom/1.5 bath.	2
<b>Wealth building for the homeowner:</b> points will be given based on the potential for equity building within the home. This could include a resale calculation that demonstrates how much equity will be created for the homebuyer (if applicable) and any other aspects of the project that contribute to the development of wealth for the homebuyer.	2
<b>Culturally responsive developer:</b> points will be given to projects where the applicant is a culturally responsive or tribal-led organization.	5
<b>Affordable to families with area median incomes of 80% or lower:</b> OHCS will fund projects that reach homebuyers at or below 120% AMI, with extra points awarded to projects that will be affordable to lower AMI levels.	2

<b>Minority, Women Owned, Emerging Small Business (MWESB) Requirements</b>	<b>8</b>
MWESB goal meets or exceeds the region goal. Meets (1 points); Exceeds (2 points)	2
The applicant has a clear plan for achieving participation goals which includes a demonstration of general contractor commitment (if applicable) and a proactive marketing/outreach plan.	2
Contractor demographics and track record are provided (if applicable)	2
General contractor demonstrates a history of addressing MWESB/SDVBE subcontractor diversity, equity, and inclusion (DEI) in affordable housing projects.	2
<b>Total Possible Points</b>	<b>114/116</b>

**EXHIBIT C: PRE-DEVELOPMENT AND CAPACITY BUILDING GRANTS SCORING AND EVALUATION CRITERIA**

<b>Criteria</b>	<b>Total Points</b>
<b>ORGANIZATIONAL CAPACITY</b>	<b>19</b>
Project narrative is clear and aligned with the objectives/mission of the organization and Homeownership Development program.	5
Clear list of staff involved, their roles related to the project, and experience showing their ability to fulfill their project role.	3
Applicant demonstrates a track record of providing the proposed program/service to the target community or plan for gaining necessary expertise for program implementation.	3
List of committed partnerships and description of how the partner(s) will help advance equity and project goals (as applicable).	2
<b>Qualifies as Emerging Developer:</b> Applicant has developed five or less homes for purchase.	2
<b>Not-for-profit organization:</b> Applicant with a nonprofit designation	1
<b>Small Organization:</b> Applicant attests that it meets the agency definition of small organization	1
<b>Culturally Specific Organization designation:</b> Applicant attests that it meets the agency definition of Culturally Specific Organization	2
<b>SOUNDNESS OF APPROACH</b>	<b>23</b>
<b>Need</b>	
Need for the project was identified by the community the project will serve	1
Project plan directly addresses the need	1
Description of the characteristics and demographics of the end beneficiaries of the project	1
<b>Project Plan</b>	
Project has specific goals	2
Project implementation plan is clear	2
Project connects to a longer-term development plan within the organization	1
<b>Timeline for completion</b>	
Has clear milestones throughout the project period	1
Provides a clear explanation of steps to achieve project goals.	2
Contained within three (3) years of grant award.	1
Appears reasonable not overly optimistic or conservative.	1
<b>Financial Feasibility</b>	
<b>Budget narrative:</b> Narration aligns with the budget. The explanation of the budget appears to make sense.	3
<b>Budget:</b>	
The budget balances.	1
Budget aligns with stated goals.	1
Budget is reasonable, not overly optimistic or conservative.	1
Budget is complete and detailed.	2
<b>Financial audits:</b> Both financial audits have satisfactory findings	2

<b>IMPACT</b>	<b>11</b>
<b>Organizational Capacity:</b> Explanation addresses how the grant will improve the organization's stability, abilities and capacity.	3
<b>Capacity to build housing:</b> Project shows a tangible connection back to a goal of increasing the supply of affordable homes for purchase	3
<b>Equity &amp; Racial Justice Impact:</b> A clear benefit to organization stakeholders is explained or depicted in some way. Description of how the project will help reduce the racial homeownership gap within the targeted community	5
<b>Total Possible Points</b>	<b>52</b>

**EXHIBIT D: TRIBAL HOMEOWNERSHIP DEVELOPMENT: SCORING CRITERIA AND EVALUATION**

**Threshold Criteria**

Applicants must pass the following Threshold Criteria to move on to scoring.

	Pass/Fail
<b>Readiness to Proceed</b>	
<b><i>Timeliness Requirement</i></b>	
Project Development Schedule demonstrates that construction is able to begin within 12 months	
Project Development Schedule demonstrates that homes will be ready for sale at or before 36 months.	
Project is properly zoned (or will soon be) for the type of Project, no zoning change needs to be completed.	
Applicant has site control through December 31, 2023.	
<b><i>Environmental Site Checklist Completeness</i></b>	
Submission of the fully completed and signed checklist.	
Evidence of suitability of the site (with appropriate Radon and USGS maps attached).	
The table with distances to various retail and public services, public transportation, and schools is complete. (Vicinity map is included if available- optional.)	
Recent onsite photos document the nature of existing structures on the site	
Evidence of soil suitability, environmental hazards, safety concerns, noise problems, air quality issues is documented via soil study/Geotech/Phase 1/etc.	
Flood plain and wetlands issues documented by FEMA map (OHCS will run a wetlands report with Oregon Department of State Lands if selected for the award)	
If applicable: 1. Historic preservation (documented via information from SHPO, local historical societies, city, or county planners, or interested Tribes), 2. Documentation of solid waste, wastewater, and stormwater concerns, and 3. Federally Listed Species and/or Designated Critical Habitat 4. Depending on the environmental impact on the Project, the Applicant must provide a satisfactory mitigation plan for any materially adverse information revealed in the Project Site Checklist. <b><i>(Points may be deducted in future NOFAs if issues are unaddressed.)</i></b>	
<b>Financial Viability</b>	
All funding sources are committed or highly likely; with letters of intent (LOI) or commitment provided by all funders, including any construction lenders and land loan lenders.	
Contractor overhead, profit and general conditions are within the required range, as identified in the OHCS General Program and Guidelines Manual (GPGM).	
Sources and Uses balance with no gaps.	
Total net profit to the developer is no more than 10%.	
Construction contingency is within OHCS guidelines as identified in the GPGM. Contingencies are at or below 5% of associated costs; Escalation costs are at or below 10% of associated costs	
<b>Supporting Documents &amp; Other Requirements</b>	
All tabs within the excel application workbook are complete	



Narrative answers are submitted and complete	
All other supporting documents are submitted and complete	

### Scoring Criteria

	Total Points
<b>Readiness to Proceed</b>	<b>9</b>
Proposed Project Development Schedule appears adequate and reasonable	3
Project narrative is aligned with the objectives of the Homeownership Development program.	3
Site Checklist indicates no major barriers to commencing development	3
<b>Demonstration of Construction Costs that are lower than comparable industry norms</b>	<b>8</b>
Costs (including construction costs and architectural fees) comparable Robert Snow (RS) Means published by OHCS based on general project type as adjusted by OHCS using supplemental cost data are: 1. Greater than or equal to 15% less (6 points) 2. 0-14% less (5 points) 3. 1-5% (4 points) 4. 6-10% ( 3 points) 5. 11-15% (2 points) 6. 16-20% (1 point) 7. Greater than 21(0 points)	6
Narrative demonstrates efforts related to cost containment.	2
<b>Demonstration of Building Development &amp; Finance Strategy</b>	<b>21</b>
<b>Innovation:</b> Narrative shows a new or original technique for financing and/or narrative demonstrate a new or original way to develop affordable units using new building techniques.	3
<b>Efficiency:</b> Narrative demonstrates techniques that are aimed at reducing waste in either building operations or financing structure. Narrative demonstrates techniques aimed at reducing the amount of time it takes to develop affordable homeownership opportunities.	3
<b>Replicability:</b> The project includes a unique attribute(s) that can be replicated in other developments around the State.	3
<b>Climate resiliency and energy efficiency:</b> Applicant demonstrates how climate resilience and energy efficiency are integrated into the home and/or landscaping design.	3
<b>Accessibility:</b> Applicant demonstrates universal accessibility and/or visitability features are included within the home(s).	3
The applicant provides sufficient reasoning for the building type and site selection that shows prioritization of equity and centering the target community, cost savings, or other justification that aligns with program goals.	3
Project checklist indicates no major environmental justice issue related to the site location, air quality, soil contamination, or other relevant factors.	3
<b>Demonstration of Experience and Capacity of the Development Team</b>	<b>15</b>
The narrative includes an overview of the recent development experience of the core team.	5
The narrative describes staff experience working on projects of similar (or larger) size and scope. If staff experience is limited, the narrative explains how the team will mitigate this lack of development knowledge.	5

The narrative addresses the current status of the project, and any potential barriers it may have.	5
<b>Demonstration of Financial Viability</b>	<b>17</b>
Project development costs are reasonable and supported by construction documents and estimates.	4
Narrative shows that funding for the project is aligned with the timing of the project.	3
Applicant demonstrates other potential investments and sources that may be available for the project.	2
The applicant provides a clear explanation and logical methodology for calculating the expected home sales price.	3
Applicant has a plan for keeping the project budget and schedule on track in the case of economic volatility.	5
<b>Service to Community</b>	<b>18</b>
The narrative describes the target homebuyers for the Project.	3
The narrative describes planned or executed outreach efforts to reach the target community(ies) to ensure they are aware of the housing opportunity. If outreach is done through a partnership with a culturally specific organization or responsive organization or Tribe is part an outreach plan, there is a plan for compensating the partner.	5
The narrative describes a plan for addressing barriers that the target community(ies) may experience to accessing the housing.	5
Applicant has identified safe, affordable mortgage products that will be available for homebuyers.	5
<b>Minority, Women Owned, Emerging Small Business (MWESB) Requirements (as applicable)</b>	<b>8</b>
MWESB goal meets or exceeds the region goal. Meets (1 points); Exceeds (2 points)	2
The applicant has a clear plan for achieving participation goals which includes demonstration of general contractor commitment (if applicable) and a proactive marketing/outreach plan.	3
Contractor demographics and track record are provided (if applicable)	3
General contractor demonstrates a history of addressing MWESB/SDVBE subcontractor diversity, equity, and inclusion (DEI) in affordable housing projects.	2
<b>Total Possible Points</b>	<b>96</b>

**EXHIBIT E: OTHER TRIBAL HOMEOWNERSHIP PROJECTS: SCORING AND EVALUATION CRITERIA**

<b>Criteria</b>	<b>Total Points</b>
<b>ORGANIZATIONAL CAPACITY</b>	<b>13</b>
Project narrative is clear and aligned with the objectives/mission of the organization and Homeownership Development program.	5
Clear list of staff involved, their roles related to the project, and experience showing their ability to fulfill their project role.	3
Applicant demonstrates a clear track record of providing the proposed program/service to Tribal members or plan for gaining necessary expertise for program implementation.	3
Shows engagement of other partners (as applicable and needed)	2
<b>SOUNDNESS OF APPROACH</b>	<b>22</b>
<b>Need</b>	
Need for the project was identified by the community the project will serve	1
Project plan directly addresses the need	1
Description of the characteristics and demographics of the end beneficiaries of the project	1
<b>Project Plan</b>	
Project has specific goals	2
Project implementation plan is clear	2
<b>Timeline for completion</b>	
Has clear milestones throughout the project period	1
Provides a clear explanation of steps to achieve project goals.	2
Contained within three (3) years of grant award.	1
Appears reasonable not overly optimistic or conservative.	1
<b>Financial Feasibility</b>	
<b>Budget narrative:</b> Narration aligns with the budget. The explanation of the budget appears to make sense.	3
<b>Budget:</b>	
The budget balances.	1
Budget aligns with stated goals.	1
Budget is reasonable, not overly optimistic or conservative.	1
Budget is complete and detailed.	2
<b>Financial audits:</b> Both financial audits have satisfactory findings	2
<b>IMPACT</b>	<b>8</b>
Project shows a tangible connection back to a goal of increasing the supply of affordable homes for purchase.	3
Project demonstrates how it will have a beneficial impact on the intended community with tangible outcomes.	5
<b>Total Possible Points</b>	<b>43</b>

## **EXHIBIT F: SAMPLE BI-ANNUAL REPORT TEMPLATE**

### **For Pre-Development and Capacity Building Grantees and Other Tribal Homeownership Activities Grantees**

Please note that this template is for informational purposes only. The bi-annual report will be sent to awardees one month before it is due. OHCS reserves the right to make changes to this template.

- Grantee Name
- Date
- Describe your progress towards your project goals throughout the grant period.
- Describe overall program successes and/or challenges to date.
- Provide an update on your project timeline and goals. What activities do you have left to complete to achieve project goals? Has anything related to your project goals or timeline changed?
- Provide an update on your project budget. If anything has substantially change, please submit an updated project budget as well as a narrative answer to this question.
- When do you expect to request your final disbursement?
- Is there anything else you want to share?

## **EXHIBIT G: SAMPLE FINAL REPORT TEMPLATE**

### **For Pre-Development and Capacity Building Grantees and Other Tribal Homeownership Activities Grantees**

Please note that this template is for informational purposes only. The final report will be sent to awardees one month before it is due. OHCS reserves the right to make changes to this template.

- Grantee Name
- Date
- Describe the work undertaken and goals accomplished throughout the grant period.
- Describe any challenges faced throughout the grant period.
- How did the project advance your organization's capacity and/or ability to advance homeownership within your target community(ies)?
- Describe any quantitative and/or qualitative outcomes achieved during the grant period.
- Is there anything else you want to share?

**EXHIBIT H: DISBURSEMENT INVOICE**



**For Pre-Development and Capacity Building Grantees and Other Tribal Homeownership Activities Grantees**

Date:				
Organization Name:				
Address:				
City:	State:	Zip:		
Tax ID:				

**Submit via Procorem WorkCenter**

Grant Disbursement Request:	
Enter the activity or use and the amount of funding requested for each one. Add as many rows as necessary.	
Activity/Use:	Amount:
<b>Total Disbursement Requested:</b>	<b>\$0.00</b>

---

Signature of Authorized Representative Date

---

Signature of Program Contact Person Date

