



Oregon Housing & Community Services Homeownership Development Eligible Expenses & Draw Request Guidance

This document is intended to provide guidance to Homeownership Development awardees related to when and how funds can be requested.

Availability of Funds

Once your project has received a reservation of funding letter, funds may be requested after the legal agreement between the awardee and Oregon Housing and Community Services (OHCS) is executed (i.e., LIFT loan documents are recorded, or the grant agreement is signed by all parties).

Exception: LIFT funds may be used at the time of the LIFT loan closing to pay off a land acquisition loan and other eligible expenses. To pay for land acquisition, the awardee must submit the land acquisition payoff statement or the draft settlement statement from escrow. To pay other eligible expenses, the awardee must submit the unpaid invoice. Payoff documentation must be submitted to the Homeownership Development officer at least 10 days prior to the anticipated LIFT loan close date. Funds will be wired to the escrow company; they cannot be wired to the awardee's bank account.

Requesting Funds

Draw requests are limited to one request per month. Draw requests may be submitted at the awardee's discretion, and it is not required to draw funds each month. To request funds, use the OHCS Homeownership Development Draw Request form found in your Procorem WorkCenter in the Forms folder. When filling out the form, be sure to:

- Follow the instructions listed on the form.
- Sign the form. Digital signatures are accepted.
- Include all invoices in one PDF document.
- Email the Draw Request form and the invoice PDF to the Homeownership Development officer assigned to your project.

If you have not received funds by the 10th day after submitting your draw request, contact your Homeownership Development officer immediately.

Invoices

An eligible invoice must state the service provider's name and be addressed to the awardee. The invoice must also be itemized and include the billing date, the project site address or project name, and the amount due. If the invoice includes charges that do not apply to the project, indicate on the invoice which charges are excluded and do not include those charges in the draw request. Invoice amounts may be rounded to the nearest dollar.

For materials that are purchased directly by the awardee, an itemized receipt may be submitted in lieu of an invoice. The receipt must show the purchase date. Write the project name or address on the receipt. If the receipt includes expenses that do not apply to the project, indicate on the receipt which expenses are excluded and do not include those expenses in the draw request.

Invoices may not be dated more than 12 months prior to the NOFA release date for the project for which you are drawing funds.

Funding awards are for the total project and are not homesite specific. For example, your award is for \$500,000 to build five LIFT-funded homes. If you have eligible invoices totaling \$500,000, yet only one home has been built, you may draw all of your funds and you do not have to wait until all five homes are completed.

Funds may only be applied towards the homes pertaining to the legal agreement with OHCS. For example, if your project includes five homes comprised of four LIFT-funded homes and one market rate home, when you submit an invoice, the invoice total and subsequent draw request amount can only include the four LIFT-funded homes.

Disbursement of Funds

Expect 7–10 days for funds to be disbursed from the time a completed draw request is submitted. For a payment to be disbursed on a Wednesday, it is recommended that the draw request be emailed to your development officer by the Thursday prior.

Funds will be disbursed to the ACH account of the awardee with whom OHCS has the legal agreement (i.e., the borrower on the LIFT loan, or the organization on the grant agreement).

All funds must be disbursed or requested for disbursement by the construction completion date which is 36 months from the date of the Reservation Letter.

Eligible Expenses

State-issued Article XI-Q bonds that are allocated to Homeownership Development must be used for costs that are able to be capitalized, like land acquisition, site development, and construction for affordable housing. All Homeownership Development projects will follow eligible costs in accordance with the Article XI-Q bond costs listed in the LIFT Manual.

Examples of allowable bond costs:

- Land acquisition loan
- Site development and infrastructure
- Construction
- Construction loan interest and fees
- Consultant, engineering, surveys

- Architecture, design
- Recording and title insurance
- Development contractors and sub-contractors

Examples of unallowable bond costs:

- Related party (e.g., OHCS funds cannot be used to pay OHCS charges)
- Debt reduction (e.g., construction loan principal)
- Public infrastructure (e.g., public sidewalks and curbs that are not on the project site)
- Moving or relocation
- Pollution remediation
- Rent (e.g., temporary office space for employees)
- Operating costs (e.g., office supplies, training, meals, postage, etc.)
- Indirect or administrative expenses (e.g., operating and replacement reserves, staff payroll, etc.)
- Certain direct labor costs if serving as your own General Contractor (see Contractors and Vertical Integration Policy for more details)

If you have additional questions related to your project funding, reach out directly to your Development Officer. For general questions about Homeownership Development, you can email HO.Development@hcs.oregon.gov.