

NOFA #2023-3 Information Session

LIFT & HDIP Funding
December 20, 2022



Agenda

Key Dates

Funding Overview

- LIFT
- Development Subsidies
- Pre-development & Capacity Building Grants

Application Process & Resources

Questions

Key Dates & FAQs

- 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

All questions must be directed to
HO.Development@hcs.Oregon.gov

We will aim to post updated FAQs to the OHCS website on a weekly or as needed basis.



NOFA Funding Categories

LIFT. For projects that provide permanently affordable homes using a shared equity model to homebuyers at or below 80% AMI.

Supplemental LIFT Grants. For qualifying LIFT applicants that demonstrate further subsidy is needed beyond the LIFT loan.

Development Subsidies. For non-LIFT qualifying projects to fund new construction of affordable homeownership housing units or the conversion of existing structures into new affordable homes for homebuyer 120% AMI or lower. These funds will enable the development of diverse homeownership models based on the needs of the community beyond the CLT model.

Pre-development & Capacity Building Grants. For emerging and established developers to increase the pipeline of developers receiving OHCS funding and build their capacity to develop more housing.

Set-Aside Grant Fund for Federally Recognized Tribes. For Tribal applicants to support the development of affordable homes for purchase and other homeownership-related projects.

Funding Allocations & Eligibility

<i>Fund Category</i>	<i>Fund Source</i>	<i>Set aside amounts</i>	<i>Eligibility</i>	<i>Max # of Applications</i>
LIFT FUNDING				
LIFT Homeownership	Article XI-Q Bonds	\$32,400,000	Not-for-profit and for-profit organizations that utilize a permanent affordability model	3
Supplemental LIFT Grants	General Funds	\$12,814,802	Projects that qualify for LIFT funding	N/A
HDIP FUNDING				
Development Subsidies	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	General Funds	\$1,500,000		1
Set-Aside Grant Fund for Federally Recognized Tribes	General Funds	\$5,000,000	Tribally designated housing entities and federally recognized Tribes	1

LIFT Homeownership & Development Subsidies: Eligible Projects

- New Construction of affordable homeownership housing units
- Conversion of existing non-housing structures into new affordable homeownership housing units
- New Manufactured Home Parks
- Projects that have not begun construction (beyond site work)

- ***LIFT Only: Shared Equity Models***

- ***Development Subsidies: Non-LIFT qualifying projects***



LIFT Program Requirements

- LIFT funds will be loaned to qualifying Applicants that possess an undivided fee simple interest in the land
 - First lien deed of trust
 - OHCS has an Operational Interest
- Affordability Period: minimum of 20 years OR the length of the Bonds outstanding
- Loans satisfied through repayment or extended affordability period
- LIFT units must be available for households earning 80% or less area median income

Supplemental LIFT Grant

- Doesn't require an additional application.
- Applicants will be awarded full qualifying LIFT amount first, and then a supplemental LIFT grant given evidence of need.
- Whereas the LIFT loan is based on the appraised value of the land, the Supplemental LIFT grants are based on the difference between the total project cost per home less the subsidized sales price



LIFT & Supplemental LIFT Funding Limits

Applicants 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

If the project doesn't qualify for the full LIFT cap (\$200,000), Applicants can request a Supplemental LIFT grant

Development Subsidies: Requirements

- Projects can include any model of homeownership that fits the needs of the community. Funds will not be used for Projects that qualify for LIFT Homeownership funds.
- Affordability Period: minimum of 15 years
 - Applicant is responsible for administering and enforcing the affordability period.
- Units must be available for households earning 120% or less area median income



Development Subsidies: Finding Limits

- Not-for-profit offering
 - Grant to cover up to 90% of the difference between the total per unit project cost less the subsidized sales price. Cap of \$200,000 per home.
- For-profit offering
 - Construction loan with the following terms:
 - Interest rate: zero to AFR 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 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	\$125,000	\$135,000

General Fund Early Session Legislative Asks

Extension of
use of funds
beyond the
biennium

Allow for soft
set-asides
among GF
sources

Other Program Stipulations: LIFT & HDIP

- Homes must be completed within 36 months of receiving the funding reservation
- Profit and/or developer fee cannot exceed 10%
- Must include contingency and escalation in budget
- Only expenditures that occur after the grant has been awarded and recorded can be reimbursed with LIFT/HDIP funds.
- Set aside categories are **soft** set asides
- OHCS reserve the right to fund less than the amount requested
- Same program charges apply (see page 9 in the NOFA)

Application Process

Same application for both LIFT & HDIP

Pre-application- must be completed by Jan. 17, 2023

- Pre-application can be found here: <https://tinyurl.com/OHCSHODPreApp>
- Once complete, OHCS will respond will send you Procorem WorkCenter log-in credentials within a week.

Application has three components:

- Excel workbook
- Narrative questions via a SmartSheet Form
- Supporting documents

Procorem WorkCenter

- Depository for documents
- Where you can access OHCS specific forms
- Procorem Work Center Training Webinar:
<https://register.gotowebinar.com/recording/8244073718771606023>
 - Fill out the registration page to view the webinar



Tips for Narrative Responses

- **Save responses in a document before submitting them through the Smartsheet form.**
- Form uses built in logic to ensure you're only seeing questions that apply to your project/agency.
- Be succinct.
- Focus on answering the questions rather than supplying macro-level data about the housing crisis/limited housing supply.



Application Review & Scoring

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

*Please see the application scoring rubric in the Exhibit section of the NOFA.



Pre-Development & Capacity Building Grants

- Up to \$150,000 per organization
- Applicants must submit a narrative application, budget, and financial audits
- Funds can be used for:
 - Training for staff to build skills related to housing development
 - Pre-development and planning efforts to get a specific project shovel ready
 - 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.



NOFA Reminders



The NOFA and all related documents can be found at the following link:

<https://www.oregon.gov/ohcs/homeownership/Pages/notice-of-funds-availability.aspx>



For questions about the NOFA, email:

HO.Development@hcs.oregon.gov



To be sure you receive updates, sign up for OHCS news alerts here:

<https://signup.e2ma.net/signup/1963877/1943072/>

Be sure to select "Homeownership Program News & Updates"



Use the checklist on the last tab of the application workbook to ensure all required attachments are uploaded to your Procorem WorkCenter



Optional Procorem training webinar can be found here:

<https://register.gotowebinar.com/recording/8244073718771606023>

Questions?

