# Instruction Manual

for

# 2014 HOME NOFA Applications

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EQUAL HOUSING OPPORTUNITY

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# INTRODUCTION

**The NOFA Process:**

The Department regularly offers funding for multi-family residential housing developments, i.e., affordable housing projects, in a consolidated process called a Notice of Funding Availability (NOFA). The Allocation of Funds to this type of NOFA typically consists of funding resources from a variety of available and relevant Programs. Accordingly, an Applicant can simultaneously request funding from the menu of Program funding resources available in the particular NOFA as most appropriately suits its proposed Project by means of one (1) Application document. It is important to note that, in order to submit a qualifying Application, an Applicant must fulfill all NOFA Application requirements, including providing information and materials responsive to the Administrative Review, Minimum Threshold Requirements, and Competitive Scoring components of the Application inclusive of the supplemental materials for each Program.

These instructions will guide an Applicant through the Application process, including the identification of the forms, exhibits and required documents, some guidance on how to fill them out, and the order in which to present them.

**The NOFA Application**

Submit the NOFA Application package in these eight (8) parts:

Part 1: The NOFA Submission
- 1.1: NOFA Cover Sheet
- 1.2: Application and Charge Transmittal
- 1.3: Authorization and Acceptance Form
- 1.3A: Board of Directors Resolution (if required)
- 1.4: Copy of Organization Documents
- 1.5: Application Submission Checklist

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- 3.2 – Development Team Capacity
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The NOFA Submission contains the Application forms and charges, authority documents, Application materials that are necessary to pass the First review, i.e., Administrative Review, for completeness and timeliness of delivery. As stated in the NOFA, this is a pass/fail review.

The Application and Project Worksheet contain the core information about the Sponsor/Applicant and the Project improvements. The Department uses Applicant and Project information to determine if the Project's attributes meets the appropriate Program criteria, i. e, Program Requirements. The Department will enter information from your

Application into its database and will use the data for future benchmark reports. Submit complete and accurate information.

The Application Submission contains all the materials in Attachment 5 of the NOFA that are necessary to pass the Administrative Review and Minimum Threshold Requirements components of the Department's Application review process. As stated in the NOFA, the Application must pass all such threshold benchmarks in order to be considered by the Department for competitive scoring.

The Competitive Scoring Questionnaire, which includes both an Excel-based questionnaire as well as supplemental financial, construction feasibility, and resident documentation, is the primary documentation for demonstrating the compelling qualities of the proposed Project when compared to competing Project proposals.

The Supplemental Program Materials are all the forms and documents needed to comply with the terms and conditions of each Program from which the Applicant is requesting funding. These are particularly important for the Compliance review.

## The Application Submission Requirements

**Compile the Application in the following manner:**

Submit one (1) original and two (2) full copies.

Submit one (1) electronic version of the complete Application on a CD or thumb drive. Save Application materials in Microsoft Word or Excel to the CD. Save third-party reports in a Portable Document Format (PDF).

Do not bind or staple the Application sets. Secure each set with a binder clip or rubber band.

Use only 8 ½ x 11" paper.

Use only 11 or 12 pt. type font.

All submissions, except for the Pro Forma, may be printed double sided.

Label each packet as "original" or "copy."

The Department will not accept pre-punched (drilled) paper.

The Department will not accept emailed or faxed applications.

**Note**: If a page of the Application does not apply to your Project, write "N/A" on the page and submit it with your Application. If an entire section of the Application does not apply to your Project, do not submit it.

**Deliver the application in the following manner:**

Applicants should refer to the dates outlined in the applicable NOFA for the due date. The deadline for delivery is 4:00 pm on the due date. Applications received after the 4:00 deadlines will be disqualified from processing.

The Department will not accept missing Application materials after the deadline. Careful review of the application is critical before submission. The Department may reject an Application at the Administrative Review threshold stage, *inter alia*, for missing documentation.

*NOTE*: *Any material submitted to OHCS becomes its property.*

**Consider the following when filling out the Application:**

In this instruction manual you will find directions for the tables, forms and questions in the Application. Please read the instructions carefully for each section before you begin.

These instructions do not address every page of the Application, but you must complete and submit all information requested about your Project on each form.

Read the appropriate Program Manual for more information about the requirements of each funding source.

## INSTRUCTIONS FOR COMPLETING THE APPLICATION

The Department designed the Application to provide the reviewer with all applicable information while limiting the amount of narrative responses and supportive materials the Applicant must submit. Do not submit documents that the Department has not requested. Answer all questions completely and succinctly.

### PART 1: APPLICATION DATA SUBMISSION

**1.1: NOFA Cover Sheet**
The authorized signor must complete and execute the NOFA Cover Sheet, which contains a certification of acceptance of the NOFA Terms and conditions, Affirmative Action and Equal Employment Opportunity and sponsor authority declarations. Applicant must agree to all of these.

1.**2: Application and Charge Transmittal**
Carefully complete the charge calculations on the Charge Transmittal. **Attach your check** to the transmittal page**. Payments are non-refundable.**

The Application Charges:
Charges required with the Notice of Funding Availability (NOFA) for the HOME Investment Partnership Program, and associated resources, include:

- Application Charge: The lesser of $25 per unit or .5% of the total resources requested. Minimum $100.

Submit payment with the Charge Transmittal form.
Charges are non-refundable.

The foregoing charges are nonexclusive. Other charges may apply as circumstances warrant.

**1.3: Authorization and Acceptance Form**
You must include the Authorization and Acceptance Form. The person(s) who has/have authority over the terms in the Authorization and Acceptance Form, and the sponsor entity’s owner or board chair (if applicable) must sign the form.

**1.3A: Board of Directors Resolution (if required)**
Many non-profit bylaws require the Board of Directors to adopt a resolution in support of a funding Application. If your organization has such a requirement, include a copy of that Resolution. If not, include a statement why a resolution is not applicable. The Department has provided a sample resolution. If you chose to use a different format, ensure it includes all of the information in the Department sample.

**1.4: Copy of Organization Documents**
Here provide a copy of the applicable organization document, such as Articles of Incorporation, Partnership Agreement, etc.

**1.5: Application Submission Checklist**
The entire Application package with all the Sponsor and Project Information must be completed and submitted along with all the forms, required exhibits and documents requested in each section of the Instructions.

The Application Submission Checklist will help you determine what documents you must submit and where they should be in the application. Include the completed Application Submission Checklist with your Application. Every page of the application should appear in the same order it appears in the checklist. Number all pages of the Application and note the numbers on the checklist. Please use the checkboxes to track items as you complete them.

## PART 2: APPLICANT AND PROJECT INFORMATION SUBMISSION

The Department uses the Applicant and Project information to determine if the Project's attributes meet Program Requirements, including guideline criteria. The Department will enter information from your Application into its database and will use the data for future benchmark reports. Submit complete and accurate information.

APPLICANT AND PROJECT INFORMATION
Provide all organizational information that applies to your Project. Include the contact person's name, direct phone number and direct e-mail address. Do not attach other material about the business entity, such as resumes or organizational charts.

DEVELOPMENT TEAM INFORMATION
Provide all information about the development team. Include the company name, the contact person's name, direct phone number and direct e-mail address. Do not attach other material about the business entities, such as resumes or organizational charts.

Describe all specific identity of interest. Identity of interest is defined as a financial, familial or business relationship that permits less than arm's length transactions. It includes, but is not limited to, the existence of a reimbursement program or exchange of funds, common financial interests, common officers, directors or stockholders or family relationship between officers, directors or stockholders.

DEPARTMENT BASED PROGRAM FUNDING REQUESTS
List all resources requested for the proposed Project. Use the same information every time you refer to these requests.

TYPE OF PROJECT
Identify whether the Project is New Construction, Acquisition, Acquisition / Rehabilitation, Acquisition Rehabilitation and New Construction, or the Rehabilitation of a project in the Department's Portfolio. If the Project is Rehabilitation, indicate the year the Project was built.

PROJECT DESCRIPTION
Provide a one (1) page description of the scope of your project and who you will be serving. Do not exceed one (1) page in length.

UNIT TYPE AND PERCENT OF MEDIAN INCOME DESIGNATION
Complete the table; list the unit type (Single-Room Occupancy, studio, one bedroom, etc.), the total number of each unit type, income and rent limitations of the proposed units, square footage of units <u>*and total square footage for each unit type*</u>*.* Use the method described in the Architectural Guidelines of the General Policy and Guideline Manuals to calculate the floor area of each unit type.

If the Income limitation percentage of the household residing in the unit is not equal to the proposed rental percentage charge, then provide an explanation why; identify Manager units, and if applying for HELP funds indicate the population to be served.

TARGET POPULATION
List the main target population(s) for units. Indicate if you will hold vacant units for the target population until you find an eligible household.

Indicate the number of targeted units for each population type.

Indicate the number of units that will meet the listed criteria.

PROJECT RENT AND INCOME LEVELS
Complete the remaining question items regarding the Legislative preference for serving tenants whose net income is at two (2) times the rent; the number of units with project-based assistance and their sources; list the Project local jurisdiction information.

SITE AND BUILDING INFORMATION
Use this section to provide a picture of the physical Project: building design, construction method, unit amenities, etc. Check all the boxes that apply to your Project.

Under "Building Type" and "Building Construction Characteristics", indicate the number of buildings in the Project that include the listed design feature. Buildings can be double-counted and can exceed the total number of buildings in the project.

Under "Planned Project Elements to be Incorporated", put an "X" in each box for which the indicated feature is a component of your Project. Do not type the number of times the item will appear in the Project. However, you must provide the number of parking spaces.

## PART 3: MINIMUM THRESHOLD REQUIREMENTS (THRESHOLD) SUBMISSION

TO DETERMINE WHETHER PROJECTS AND APPLICANTS MEET CERTAIN PROGRAM REQUIREMENTS, THE FOLLOWING THRESHOLD INFORMATION IS REQUIRED:

**3.1: Readiness to Proceed**

- Certification of zoning
  - All Applications must include a zoning certification form, even if the Project is solely acquisition or rehabilitation. The Department has designed a Zoning Certification Form to be used to document the zoning status of the property. The Department will not accept **zoning approval in any other format.** The City or County staff responsible for determination of issues related to comprehensive planning and zoning must sign the Zoning Certificate. The Department will not accept an application without the certification or if it is incomplete or inappropriately signed. For example, an excerpt from the zoning code is not acceptable as zoning confirmation.
  - The Department will not accept an Application for a Project that requires zone changes or annexations.
  - The original of the Certificate must be placed in the original Application.

- Verification of site control
  - Complete the table and attach evidence of site control. The General Policy and Guideline Manual contains a discussion of acceptable site control verification. If you do not yet own the property, be sure to submit all extension documents, amendments and/or addendums to your original documents.

- Federal project resources status
  - Here the Applicant should provide a copy of the U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture Rural Development (RD), or Veteran's Administration (VA) application (not all the attached materials) along with a brief statement on the application status.

- Proposed development schedule
    - The Project schedule should be accurate and the timelines should be consistent with the requirements of the Project's components, such as providing adequate time to complete acquisition or satisfaction of funding conditions.

- Environmental review checklist
    - You must complete the Department Environmental Review Checklist. If an application involves more than one (1) land parcel, complete a Review Checklist for each parcel.
    - Project sponsors must complete the Environmental Review Checklist prior to the RAD's site visit. The RAD will review information on the checklist during the site review. Both the applicant and the RAD must sign the Environmental Review Checklist, or the checklist will be considered incomplete and the application will not meet Threshold requirements.
    - Applicants must contact their RAD to set an appointment for a site visit. The deadline for scheduling the site visit is forty five (45) days prior to the Application due date. If you do not contact the RAD before the deadline, the RAD has no obligation to view the project site or sign the Review Checklist.
    - The Department will use the Vicinity Map for both the environmental and architectural reviews. The map must include the scale. Mark the site location on the map, as well as a number of amenities and natural locales (parks, etc.). See the SITE/AREA MAPS portion of the Environmental Review Checklist for details.
    - If you already have the results of an environmental Phase 1, engineering, soils or other study, please submit the summary pages. Do not submit the whole report. Such reports are not a Threshold requirement.

**3.2: Development Team Capacity**

- Capacity worksheet
    - Complete the narrative questions and tables of requested information. Responses to each narrative question are to be limited to one-half (1/2) page, 11 or 12-point type.
    - The scope and scale of a proposed project should correlate to the development team's experience. This prevents project delays and minimizes need for additional resources.
- Real Estate Holdings worksheet
    - The Applicant must thoroughly complete this form, identifying all real estate projects it has any ownership in whatsoever, including but not limited to, any general partnerships, limited partnerships, limited liability corporations or non-profit corporations that own and operate real estate.

**3.3: Ownership Integrity**

- Complete the worksheet; certifying that the listed criteria are met

**3.4: Total Development Cost Per Unit**

- Report the cost per unit size as calculated on the summary page of the pro forma. If any costs are higher than the published limits, provide explanation

**Program Compliance Threshold Review**

- This is an INTERNAL REVIEW performed by the Department staff. No submission is required.

## Part 4: COMPETITIVE SCORING SUBMISSION

**4.1: Questionnaire:**
Questionnaire must be completed in full; explanation, direction, and scoring criteria are found within the document. Hard copy must be provided in the order of the workbook pages as well as electronic submission of completed workbook. Where applicable, word count limits are indicated on the questionnaire. This section includes:

- Need,
- Impact,
    - New Construction & Acquisition / Rehabilitation Impact,
    - Preservation Impact,
- Preferences.

**4.2: Pro Forma:**
Submit the Excel workbook pages in the order in which they appear in the workbook. Insert the hardcopy spreadsheets in the section listed on the Application Submission Checklist as well as including an electronic copy in Excel on the submitted CD.

The Department has protected the cells without a password to help avoid changing the formulas in the cells. If applicants wish to change data in a protected cell, they need to use the “Tools” tab to unprotect the cell.
All cells shaded with green are to be filled out by the Applicant. Grey cells indicate the value is being calculated and peach indicate it is being linked to from another worksheet.

**Summary Page**
Begin on the Summary worksheet and work through the remainder of the worksheets.

Fill in the project name, date, pro forma phase, and type of project on the Summary sheet and it will update the rest of the workbook. Update the date for each revision. The selected pro forma phase on this worksheet establishes what values will be used to calculate the summary values throughout the workbook; be sure to select correctly.

The Department has included supplemental guidance to the right of the tables; these will not print but will provide general information about what limitations or expectations are.

**Sources of Funding Page**
Enter source dollar amounts in their proper locations, as well as indicating the status of those funds using the drop down menu in the status column. Be sure to include Commercial funds if applicable.

If applying for LIHTC, do not attempt to enter numbers in the peach shaded cell labeled “LIHTC equity.” The spreadsheet will automatically fill this cell after completion of the Calculation of Tax Credit page.

**Uses of Funding Page**
Fill in IRS set aside (only if requesting LIHTC), using the drop down menu.
Enter square footage for Residential Common Areas, and Commercial/other areas; residential unit square footage information will come from the Income worksheet once populated with all of the unit information.
The spreadsheet will calculate the Total Square Footage based on these entries.

**Cost Column**

Enter costs by line item. "Other" lines for "other" costs have been provided, however most costs should fit into the pre-labeled line items.
Do not combine line items or request "see above" or "see below."
Show contractor's profit, overhead and general conditions as separate line items.

**Construction Monitoring Fee for HOME Projects**
Include in the “Uses of Funding” a twenty-five thousand dollar ($25,000) line - item for Department Construction Monitoring Fee. Source this expense to GHAP, not to HOME. OHCS will assign a contracted construction monitor to each HOME funded project.

**“Cost per unit,” percent change” and “summary” columns / figures**
These will be calculated automatically. The calculations will be based on the residential and common areas only (not including the commercial areas).

**Funding Source Column**
List actual funding source, e.g., HOME, Trust Fund, permanent loan, donation, etc., even though the sources will often change during the development of the Project. Reviewers of the Application need to determine if the Applicant proposes to use the fund sources for eligible costs.

**Reasonably Expected Basis and Estimate Gross Expended columns**
Complete these columns only if requesting LIHTC.

**Bottom of second page**
The workbook will automatically calculate and complete these cells. If the "Surplus or Gap" cell shows a positive or negative number, then the Sources and Uses do not match by that amount. Applicants need to go back and correct the error.

**Income Page; Income with OAHTC Page; Housing Operating Budget**
Every applicant must complete the Income page, including those requesting OAHTC.
If requesting OAHTC, applicants must also complete the "Income with OAHTC" page found later in the workbook.

Select the county from the drop down menu at the top of the page, select whether the rents will be based on the Actual Multifamily Tax Subsidy Incomes or the Non-Metro Median Incomes. If this is not done, the formulas for Median Income % will not work.

To double check which one you want to use, to the right of this table you will see the income limits for the selected county as well as the non-metro medians for comparison. Once the county is selected, the worksheet entitled “Selected County Rent & Incomes” will be populated with the current year Actual Multifamily Tax Subsidy Incomes.

In the "Unit Size" column, select the following designations from the drop down list for appropriate unit sizes:

0 - use for single resident occupancy, efficiencies or studio apartments,
1 - use for one bedrooms,
2 - use for two bedrooms,
3 - use for three bedrooms.

In the “Unit Type” column – select from the drop down menu whether it is a “BDR” unit for tenants or a “MGR” unit for property management.

"Number of Baths" column – select from the drop down menu 0.5, 1.0, 1.5, 2.0, etc.

"Median Income %" Column. Both the "Income without OAHTC" and the "Income with OAHTC" pages use formulas to automatically calculate the percentage of median income. The Department will consider the percentages to be expressed as a not-to-exceed percent of median income in ten percent (10%) intervals. For example, if the percentage of median income is calculated by the formula to be forty-three percent (43%), then the Department will consider the not-to-exceed percentage of median income to be fifty percent (50%). The Department will use these not-to-exceed percentages in all legal agreements and declarations between the Applicant and the State.

Enter the total income for Service Revenue and any Other Revenue for the project in the “Total Annual Income” column. This is the annual income for all units using the service or other project revenue as project income.

The spreadsheet defaults the Annual Inflation Rate Factor for income to two percent (2%) (set at the top of the page). If a different rate is used, explanation must be provided in the Financial Description section of the Application. The same applies to the default five percent (5%) vacancy rate at the bottom of the page.

The spreadsheet does not allow the Inflation Factor to vary on a line item-by-line item basis.

**Expenses Page; Housing Operating Budget**
The Annual Inflation Rate Factor at the top of the page is defaulted to three percent (3%). If this rate is changed, the change must be supported in the Financial Description narrative.

Complete only the green shaded cells, the spreadsheet will automatically calculate and complete the other cells.

In the Permanent Loan row, enter the interest rate, term and loan amount. If requesting OAHTC, show the original interest rates, not the rate after the OAHTC is applied.

The spreadsheet will complete the OAHTC permanent loan row using the information entered on the OAHTC calculation page.

The portion of the permanent loan not affected by the OAHTC reduction will be automatically calculated based on the OAHTC amount indicated.

Other Loans should include HOME loans, Trust Fund loans, partnership loans, etc.

This spreadsheet page will calculate cash flow projections up to thirty (30) years, but only prints the first five (5) years. After that point, it shows only years ten (10), fifteen (15), twenty (20) and thirty (30).

**OAHTC Calculation Page**
Enter only the portion of the loan reduced by the Oregon Affordable Housing Tax Credits in the loan amount labeled "W/O OAHTC", as this is used to calculate the interest rate reduction, so the portion at full rate does not need to be in the OAHTC calculation page.

Input data in green shaded cells and the spreadsheet will calculate and complete the other cells.

Pass through requirements and amounts are shown just above the Loan Amortization section. The pass through number must be positive (or "over").

**Utility Allowance Page**
Enter data as requested by the form.

Provide a copy of the source of the Utility Allowance Calculation (Housing Authority, etc.).

**Commercial Income Page; Operating Budget**
The Annual Inflation Rate Factor at the top of the page is defaulted to two percent (2%). If this rate is changed, applicants must justify the change in the Financial Description narrative.

Complete only the highlighted Cells, the spreadsheet will automatically calculate and complete the other cells.

**Commercial Expenses Page; Operating Budget**
The Annual Inflation Rate Factor at the top of the page is defaulted to three percent (3%). This may be changed but the change must be justified in the Financial Description narrative.

Complete only the cell shaded in green, the spreadsheet will automatically calculate and complete the other cells.

In the Permanent Loan row, enter the interest rate, term and loan amount for the commercial loan.
This spreadsheet page will calculate cash flow projections up to thirty (30) years, but only prints the first five (5) years. After that point, it shows only years ten (10), fifteen (15), twenty (20) and thirty (30).

**4.3: Financial Assumptions**
NOTE: Unless noted otherwise, limit the response to each narrative question to one-half (1/2) page, *use 11 or 12-point type.*

Answer the included questions describing in detail:
- How you arrived at your overall development budget,
- The rents and how they were derived,
- The expenses and how they were derived,
- If preservation, what arrangement has been made for existing reserve accounts,
- The timeline for obtaining funding and why it is important to be funded in this cycle,
- Any sources not currently committed to the Project,
- How the choice of site for new construction or the physical aspects of the Project site for an
- acquisition / rehabilitation impacted project costs;
- How the site location, project design and unit amenities benefit the target population,
- The sponsor financial investment in the Project.

Complete the following tables:
- NON-Department Sources Table
  Indicate the amount, source, terms and status of all non-OHCS funds and potential community-based resources for this project.

- Developer Fee Table
  Complete the table to show the total developer fee requested, including consultant fee and project management fee, if applicable. The Department considers a project management fee, or construction management fee, paid to the Project owner, developer, or consultant is the total developer fee (and subject to the fifteen percent (15%) cap of total Project costs less reserves and less developer fee). If you propose to hire a third-party to oversee construction, then the project management fee is separate. The *Uses of Funding* worksheet now contains a "Third Party Construction Management Fee" for this line item. The Applicant must make clear who receives the project management or construction management fee. If the consultant, sponsor, co-applicant, or any other related party receives compensation for construction oversight, that payment is considered part of the developer fee. If your Project receives a Reservation of funds, you will be asked to submit a copy of the third party contract to the department. It will not include costs for architectural, engineering, appraisal, market studies, and syndication costs. On an Acquisition/Rehabilitation project, the acquisition costs of the project will provide a maximum developer fee for that portion of costs at ten percent (10%).

- Contractor Overhead and Profit Table
  The general contractor/builder's profit may not exceed fourteen percent (14%) of the total hard construction costs less contractor overhead, profit and general conditions, regardless of the funding source. If an identity of interest exists, the general contractor/builder's profit may not exceed ten percent (10%) of the total hard construction costs less contractor overhead, profit and general conditions. (*For hard construction cost, use only the subtotal from the "Construction Costs" section of the Uses of Funding form*).

  Builder's profit shall include all of the following:
  - Profit,
  - Overhead,
  - general requirements; and
  - project management fees associated with construction.

Builders’ Risk Insurance and/or a performance bond may be a separate line item and is not included in the percentage.

- **How the project will remain affordable over the entire period of affordability**
  Explain how you plan to control future costs such as management and operating expenses. What do you plan to do when property tax reductions, federal or state tax credits, or other subsidies expire? If the pro forma shows the cash flow diminishing over time or becoming negative, explain how you will maintain a positive cash flow.

- **Existing subsidies with acquisition projects**
  Indicate all rental assistance and subsidy that are now with the project.

- **Project-Based Rental Assistance**
  Include only those project-based rental assistance (PBA) sources from which you will have commitments for post-construction/rehabilitation. The length and terms of the PBAs must be acceptable to the Department in its sole discretion.
- **Replacement Reserve Schedule**
  Describe how the Replacement Reserve Schedule was developed. Identify how the Architect, Contractor, or other professionals provided input. (e.g. – costs used for the items, materials, appliances, and fixtures in the spreadsheet and expected life span).

- **Preservation or Expiring use table**
  If the proposed project is preservation of a HUD or RD financed project or an expiring LIHTC project, detail the status of sale or transfer transactions. Complete the “Status of Negotiations” table. Make sure this information is consistent with your responses in other sections of the application.

### 4.4 Resident Services Plan

**Overview**: The Department has long recognized resident services as an integral part of the ongoing success of affordable housing developments. Not only are appropriate services important and empowering to residents, but they bring benefit to project management, to the project sponsor/owner, and to the local community as well.

An effective Resident Service Plan adds to a development’s marketability, and can be advertised as an added amenity. Service coordination establishes important links with providers, which can result in positive community exposure. A Resident Services Plan can improve cash flow by reducing turnover, evictions, and the resulting vacancy loss. An effective plan includes a provision for crisis prevention, resulting in savings in physical damage to units, unpaid rent, and lease violations.

The anticipated outcomes and overall goals of the Resident Services Plan are:

- Through coordination, collaboration, and community linkages, residents will be provided the opportunity to access appropriate services which promote self-sufficiency, maintain independent living, and support them in making positive life choices; and
- To maintain the fiscal and physical viability of the development by incorporating into the ongoing management the appropriate services to address resident issues as they arise.

When developing a Resident Services Plan consider these general guidelines:

- General low-income population support and services may include improving residents’ ability to maintain their lease obligations, enhance quality of life through programs for employment, education, income/asset building, child and youth development, community building and improving access to services.
- Elderly support and services could include improving residents’ ability to uphold their lease throughout the aging process through better access to health and other services, enhanced quality of life through community building, socialization, and other programs.

- Support and services for special needs population should focus on the strengths and needs of the target population to provide for not only the daily support but to be part of the larger community.

The Resident Services Description is the first opportunity for applicants to describe the project's resident services plan. If the applicant receives a funding reservation, the lengthier Resident Services Plan will be a condition of the reservation.

**Directions for Completing**

1. The first step in developing the Resident Services Description and Plan: target population and service needs identification, involves collecting data and conducting research to establish the target population, and to determine their needs. Do not assume a project can meet all the service needs of the target population or what those service needs are, without a thorough investigation. Contact appropriate community resources such as social service providers, civic organizations, health care providers, and local government agencies. Inquiries about possible service needs of the target population should be made at neighborhood schools, community centers, churches, and libraries. Housing providers and management agents are also knowledgeable resources regarding service needs of residents.

   In smaller communities and neighborhoods it is sometimes possible to extrapolate the needs of the target population of the housing development based upon identified needs of the local community as a whole. Review demographic information as part of this approach. It is beneficial to design an assessment instrument to be utilized during project lease up. Such an instrument can verify the accuracy of service needs projected prior to occupancy and is a helpful evaluation tool as service needs change from time to time.

2. The second step is identification and coordination. It includes research and data collection, with special focus on information about existing and available services to the target population. Services must be specific to the proposed development and to the needs and characteristics of the target population. Applicants must identify local community resources, determine specific eligibility requirements, and establish the availability to the residents. Success of the Resident Services Plan relies on the sponsor establishing strong community linkages and recognizing this outreach as an opportunity to market to community providers who serve the target population. Obtain and renew firm letters of intent or memorandums of understanding from potential partners. This will add to the success of the plan and services.

3. The third step is implementation and asks the Applicant to describe how and where resident services will be provided and identify who will be responsible for service delivery. Sponsors/owners may arrange to offer services on-site in a community room or in the resident's units for individuals who require in-home supportive services. Applicants may also establish a direct referral system where residents can access available services outside of the development. An efficient information and referral system should be more than a display of brochures and flyers, or a community directory. It should help build relationships among residents, and between residents and their larger community. An effective Services Plan is goal-oriented with clear and measurable outcomes, defined under "Anticipated Results". Whether the implementation of the plan is through a service provider or is incorporated as the responsibility of the management agent, the plan should include the service provider's duties, their qualifications, and experience. These will help guarantee that the anticipated results will be achieved. Include a description of the resources available or planned, the ongoing implementation of the plan, and the coordination and delivery of services.

4. The Applicant should determine the scope of the Services Plan and base it upon the identified needs of the target population. Include only services that can be realistically delivered and address the most pressing needs of the residents. An effective Services Plan may include a long list of services, or just one (1) or two (2) that are fully developed, easily accessible, and address a critical need of the target population.

5. Evaluation and coordination with management requires the applicant to develop and discuss how the services will be evaluated for effectiveness on an on-going basis, and how services delivery will be coordinated with the property management. Coordination of services with property management should include a deliberate and

specific effort, such as weekly meetings, a system for sharing information through reports, and utilization of a formal referral system.

The Department encourages sponsors/owners to document the effectiveness of their resident service program activities. This recordkeeping will assist in evaluating and re-designing the Services Plan as needed in order to maintain effectiveness. A resident services report is now part of the Department monitoring and compliance requirements.

**4.5: Tenant Survey and Relocation**

- **Existing Tenant Survey;** complete the survey of existing tenants using the format provided. The survey must be augmented to include third party income verification and be completed and approved by the Department prior to closing.
- **HOME Projects only; Demographic Information;** if the project is using HOME funds, complete the required demographic characteristics as required.
- **Tenant Relocation;** if the project will result in either permanent or temporary relocation of residents this questionnaire must be completed regardless of funding sources.

**4.6: Architectural Review**

The Department has published Architectural Guidelines that include recommendations for site design, building design, unit design and other quality of life issues, including construction materials and practices affecting the life-cycle cost of buildings. The Department will review design team proposals to verify if their Projects reflect these recommendations. If a Project contains a design feature that is a material deviation from the Guidelines, the Project Architect must provide a written explanation for the variance.

A registered architect currently licensed in the State of Oregon is required to design any new construction Project. There may be cases where a Project is deemed to be exempt from the Oregon Architects and/or Engineer's Law. If someone other than a licensed architect designs a Project, the Applicant must request a pre-approval from the Department prior to the Application deadline.

**ARCHITECTURAL STANDARD**

Affordable housing projects must be built using quality materials so they sustain themselves for a significant period of time. The Project must be built with a replacement reserve analysis that adequately considers and addresses needed maintenance and rehabilitation of the Project without the use of additional public investment for a significant period of time, and in consideration to the affordability covenants. This requires careful design, material selection and oversight by project architects, contractors and owners. This type of oversight ensures the affordable housing project, including building envelopes and all structural components, have the necessary sustainability to last for a significant period of time with industry standard maintenance schedules.

**REQUIRED ARCHITECTURAL MATERIALS**

The Architectural guidelines are in the General Policy and Guideline Manual under Addendum A, Architectural Guidelines. The following outlines the architectural materials that must be submitted with the application.

**FOR ALL NEW CONSTRUCTION PROJECTS AND REHABILITATION PROJECTS THAT INCLUDE ANY NEW CONSTRUCTION**

Submit the specific documents required for design review with the application. These must not be construction documents, but the schematic or early design development documents. The architectural submission should include the information listed below:

- **Vicinity map** indicating the location of the site and amenities important to the residents such as groceries, schools, parks, activities on adjacent properties (e.g. single family dwellings, commercial retail etc.), and public transportation. If appropriate, the same vicinity map required in the environmental review checklist may be used.

- **Context photos** showing the property and adjacent properties. Indicate on the vicinity map where the photographs were taken. If the site varies in slope, submit photographs showing the extent and nature of the sloped areas. If photocopy photos are taken, include original photos in the original application and copied photos in the application copies.
- **Preliminary site design and development plan** with topographic data and a schematic landscape concept (1”=40’ minimum scale). The site plan should include:
    i. Site contours or, at a minimum, elevations on the corners of the property and each building; and preliminary grading including drainage away from buildings.
    ii. Site features such as existing structures to be removed, trees or hedges to be retained and general areas of new plant materials, with other site features.
    iii. All buildings with unit front entries indicated.
    iv. All paved surfaces and site lighting, if determined.
    v. Any fencing at perimeter of site and between units and buildings.
    vi. Mechanical and electrical equipment such as transformers, if determined.
    vii. Trash holding areas, if known.

- **Required site accessibility and visitability features**:
    i. Preliminary building exterior elevations at 1/8”= 1’0” minimum scale that include size of building and rooflines. Include a visual indication of grade at the foundation wall of the site with each elevation when the site is sloped.
    ii. Preliminary building floor plans at 1/8”= 1’0” minimum scale and unit plan(s) at ¼”= 1’0” minimum scale.
    iii. Preliminary building sections at 1/8” = 1’-0”, when appropriate. These are required for sites where the grade slope exceeds ten percent (10%).
    iv. Typical unit plans with furniture arrangements. Unit interiors shall be designed for maximum livability and utilization of space by residents.
    v. List of applicable codes and regulations.
    vi. Identify all federal, state and local codes and regulations that govern the project. If the work falls under code jurisdiction, provide a letter of intent, signed by the architect, to meet all applicable federal, state and local codes and regulations.

- **Codes and regulations may include, but may not be limited to:**
    i. HUD, National Oceanic and Atmospheric Administration (NOAA) and/or other federal regulations.
    ii. Current edition of the Oregon Structural Specialty Code.
    iii. Applicable local planning and building codes.
    iv. Accessibility and visitability requirements.
    v. HUD Fair Housing Accessibility Guidelines.
    vi. ADA Accessibility Guidelines.
    vii. Uniform Federal Accessibility Standards (UFAS) applicable to HOME and other federally funded programs.
    viii. Oregon Visitability Requirements (included in this document).

**FOR ALL REHABILITATION PROJECTS**

The Department requires a thorough rehabilitation assessment for all rehabilitation grant, loan or tax credit applications. A thorough Rehabilitation/Capital Needs Assessment will help determine the appropriate rehabilitation scope of work and the estimate of probable rehabilitation cost. A Capital Needs Assessment (CNA) must have been conducted within twelve (12) months of this NOFA Application submittal; if Project is awarded funds, the CNA may be updated to correspond to general policy by the time of construction closing.

The CNA must contain the following:

- Rehabilitation Scope of Work,
- Pest and Dry Rot Inspection Report,
- Roof Inspection Report,
- Estimate of probable rehabilitation cost,
- Replacement Reserve Schedule.

The assessment must examine the following major building components and describe the work necessary to bring each building component to the level of maximum expected life span:

- Roof and roof substructure,
- Accessibility features,
- Exterior walls (building envelope),
- Pest and dry rot inspection,
- Insulation,
- Interior spaces: appliances and structural elements,
- Foundation,
- Structure: basement, substructure, super structure, crawlspaces;
- Electrical systems,
- Plumbing systems,
- Heating systems,
- Site: parking, landscaping, common areas, lighting, security.

Applicants must meet the requirements of HUD 24 CFR 5.703 (uniform physical condition standards for public housing).

After reservation of funding is made, the Department may, at its discretion, complete a unit by unit inspection of developments with proposed rehabilitation to assure there is an adequate scope of work.
The Department also requires applicants of acquisition and rehabilitation projects to complete a thirty (30) year replacement schedule as part of the CNA.

**REHABILITATION ASSESSMENT CRITERIA**

The Rehabilitation Assessment must be in a narrative form that addresses the following major components:

- **Critical repair items:** All health and safety deficiencies, or violations of Housing Quality Standards (or Uniform Physical Inspection Standards), requiring immediate remediation.
- **Two (2) year physical needs:** Repairs, replacement and significant deferred and any other maintenance items that need addressing within twenty-four (24) months of the date of the RA.
  Include any necessary redesign of the Project and market amenities needed to restore the property to a reasonable standard of livability. Include these repairs in the development budget and fund with construction-period fund sources.
- **Long term physical needs:** Repairs and replacements beyond the first two (2) years required to maintain the project's physical integrity over the next thirty (30) years, such as major structural systems that will need replacement during that period. These repairs are to be funded from the Replacement Reserves Account.
- **Analysis of reserves for replacement**: An estimate of the initial and monthly deposit of the Replacement Reserves Account needed to fund long-term physical needs, accounting for inflation, the existing Replacement Reserves Account balance, and the expected useful life of major building systems. This analysis should not include the cost of critical repair items, two (2) year physical needs or any work items that would be treated as normal maintenance or repair expense.

Applicants must adequately complete the following:

- Conduct site inspections of one hundred percent (100 %) of all units (a lesser percentage may be allowed at the Department's discretion).
- Identify any physical deficiencies as a result of: a) visual survey, b) review of pertinent documentation, and c) interviews with the property owner, management staff, tenants, community groups and government officials.

- Identify physical deficiencies, including critical repair items, two (2) year physical needs and long term physical needs. These should include repair items that represent an immediate threat to health and safety and all other significant defects, deficiencies, items of deferred maintenance, and material building code violations that would limit the expected useful life of major components or systems.
- Explain how the project will meet the requirements for accessibility to persons with disabilities.
- Identify physical obstacles and describe methods to make the project more accessible, listing needed repair items in the rehabilitation plan.
- Prepare a rehabilitation plan, addressing all two (2) year and long term physical needs separately.
- Prepare a replacement reserve schedule, including an estimate of the initial and annual deposits, accounting for inflation and based on a thirty (30) year term.

The Applicant should engage the services of independent third party professionals, currently licensed in the State of Oregon, to perform the property inspections and prepare the Rehabilitative Assessment. Applicants typically contract with a licensed architect or licensed residential property inspector* (CCB Lic# + OHCI Lic#) to provide most of the inspection services and write the Rehab Assessment. Additional support services including construction cost estimates, roof inspections, Pest & Dry Rot inspections, structural assessments, etc. can be provided by general contractors, roofing contractors, Pest & Dry Rot inspectors** and licensed engineers (structural, mechanical and/or civil).

*Home Inspectors providing rehab assessments should have an Oregon Construction Contractor's Board (CCB Lic#) and an Oregon Certified Home Inspector (OCHI Lic#) printed on the cover or first page of their inspection report.
**Pest & Dry Rot Inspectors should have an Oregon Department of Agriculture (ODA Lic#) and/or a Pest Control Operator (PCO Lic#) printed on the cover or first page of their inspection report.

**The premise for calculating the needs and capacity for the replacement reserve fund should be guided by the following:**

- The Department expects Projects will be maintained at a level comparable with the condition at the time the Project was placed in service (for new construction- at the completion of construction; for rehabilitation - at the completion of rehabilitation).
- Repairs and replacements must be accomplished when items are damaged or show excessive wear due to use or age.
- Replacements must be "as good as new" or at least up to the original quality. OHCS realizes in occupied units it may be more difficult to accomplish extensive repairs and replacements (this will be evaluated on a case-by-case basis).
- Projects must be comparable in appearance to non-subsidized multi-family housing in the area with similar rents.
- Inspections are performed by the Department as required by Program Requirements, including related documents. These inspections are intended, inter alia, to provide the Department with a mechanism to address deficiency findings.

### 4.7: Construction Hard Cost Estimate

Applicants must include the cost estimates used to develop the construction budget in the Application. Acceptable cost estimates include: a contractor's or cost estimator's worksheet, rehabilitation assessment, scope of work, or any other documents that show how the construction costs were established.

**VISITABILITY EXEMPTION REQUEST**

Use this form if the proposed Project design cannot meet the state's visitability requirements, as described in the Architectural Standards section. If you need an exemption, you must include Visitability Exemption Request in the Application.

**4.8: Green Building Standards**

- Applicants must include green building requirements when developing the Project plans. Applicants will be expected to follow through with the green building path they chose. If Applicants are unable to complete that path, they must request approval to choose a different path. The Department reserves the right to exercise appropriate remedies, including rescission of awarded resources if green building activities are not followed.
- The Department has established a process that connects the applicant to three (3) existing green building paths available throughout the state. In addition, the Department has established a fourth green building path for those Projects that cannot be served by any of other three (3) programs. The three (3) green building programs selected are Enterprise Green Communities, Earth Advantage Homes, and LEED for New Construction or Homes. Applicants must choose to work within one (1) of the four (4) processes. Listed below is contact and process information for each program. This is followed by a brief description of The Departments' green building criteria. The list of specific criteria is on the Green Building Checklist.
- The Department has listed the following Enterprise Green Communities, Earth Advantage and LEED program information as a courtesy. <u>The Department takes no responsibility for the accuracy of the program material. Requirements or criteria may have been updated by any of the program providers. Applicants should confirm the provider's expectations before committing to a specific program.</u>

**Enterprise Green Communities ("Enterprise GC")**

- Addresses new construction and major rehabilitation (replacement of one (1) or more major systems).
- Project must have at least twenty-five (25) rental apartments occupied by households at or below sixty percent (60%) AMI to qualify.
- Rehabilitation projects must undergo an energy audit that identifies baseline energy performance of existing measures and anticipated energy improvement from proposed new measures.
- Applicants are strongly encouraged to engage a contractor to review design materials, walk the project site, discuss green building intentions and obtain a rough cost estimate of total and green building-related project costs.
- Applicants may also benefit from an early project brainstorm session or "Eco-Charrette" with a team of experts and stakeholders to help them identify approaches to achieve Green Communities certification.
- Enterprise GC has grants available to assist with costs from Eco-Charrettes and pursuit of certification.
- Projects not selected for funding may still pursue Enterprise GC certification and incentives.
- Successful Applicants will be required to register the Project with Enterprise within sixty (60) days of notification of a successful application.
- Signed verification of registration must be provided to the Department within seventy-five (75) days of that notification.
- All successful Applicants will receive Enterprise's reporting and verification of green building certification requirements for the Department but will not exceed those already required by the Enterprise GC program.
- Enterprise GC certification requires the project architect and/or engineer sign a template to verify that each selected criteria has been implemented into the project. No additional supplemental documentation is required.
- Enterprise reviews and confirms the submitted materials and the Project is then certified.
- The Applicant is responsible to forward the proof of certification to OHCS.
  Program requirements are available at:
  <u>www.greencommunitiesonline.org/tools/criteria/</u>
  or:
  Enterprise Community Partners
  520 S. W. Sixth Avenue, #700
  Portland, Oregon 97204
  Phone: 503 223-4848

**Earth Advantage Homes ("EA")**

**Addresses single and multi-family new construction**

- Projects that pursue the EA compliance path must have an initial EA consultation.
- Applicants are strongly encouraged to engage a contractor to review design materials, walk the Project site, discuss green building intentions and obtain a rough cost estimate of total and green building-related project costs.
- Successful Applicants will be required to register the Project with EA within sixty (60) days of notification of the successful reservation.
- Signed verification of registration must be provided to the Department within seventy-five (75) days of notification.
- All successful Applicants will receive EA's reporting and verification of green building certification requirements for the Department but will not exceed those already required by EA.
- EA certification requires approximately two to three (2-3) total field inspections during and after construction and review of the final green building worksheet by an EA representative.
- No additional supplemental documentation is required.
- EA reviews and confirms the submitted materials and the project is then certified.
- The Applicant is responsible to submit the certification to the Department.

Relevant Program Requirements are available at www.earthadvantage.org/ or:

Earth Advantage National Center
16280 S. W. Upper Boones Ferry Rd
Portland, Oregon 97224
Attn: Duane Woik
Phone: 503 968-7160, x-14

**Earth Advantage (Southern Oregon)**

715 Sunrise Street
Ashland, Oregon 97520-3349
Attn: Fred Gant
Phone: 541 840-8302

**Earth Advantage (Central Oregon)**

345 Century Drive, #20
Bend, Oregon 97702
Attn: Bruce Sullivan
Phone: 541 480-7303

**Earth Advantage (Valley)**

2695 Madison Street
Eugene, Oregon 97405
Attn: Eli Volem
Phone: 541 510-9310

**LEED Certification ("LEED")**

Applicants that pursue LEED for New Construction certification automatically comply with the CFC Green Building Standard. LEED projects are anticipated to meet or exceed the performance sought by the Earth Advantage and Enterprise Green Communities baseline compliance paths. These Projects must submit a completed LEED scorecard, Green Building Worksheet, proof of Project registration with the U.S. Green Building

Council (USGBC) or a signed statement of intent to register the Project with the USGBC for LEED for New Construction or Homes program within sixty (60) days of notification of a successful CFC application.

Relevant Program Requirements are available at: www.usgbc.org/.

**OHCS Path for Acquisition/Rehabilitation or Acquisition only projects**

The OHCS Path addresses other projects not eligible for participation in the other three (3) programs. If a project is ineligible for Enterprise Green Communities, Earth Advantage or LEED Certification, applicants must work with the OHCS path.

Additional Requirements for the OHCS Path:

- Applicants must submit the Green Building Worksheet in the Application,
- Successful Applicants are required to provide a completed third party energy audit to the Department within seventy-five (75) days of notification of funding; and
- Submit specified evidence at project closing that verifies work was completed as stated.

FOR INSTRUCTIONS ON ANY OF THE FOLLOWING PROGRAMS, YOU SHOULD REFER TO THE APPLICABLE PROGRAM MANUAL AVAILABLE AT THE WEBSITE.

ATTACH THE APPLICABLE FORMS, EXHIBITS AND DOCUMENTS REQUIRED FOR EACH SELECTED FUNDING SOURCE IN THE FOLLOWING ORDER:

**Part 5: HOME PROGRAM MATERIALS**

The Exhibits are included here. Refer to the HOME Program Manual for Policy and Instructions.

**Part 5A:HOME PROGRAM MARKET STUDY**

The Exhibits are included here. Refer to the HOME Program Manual for Policy and Instructions.

**.Part 6: OAHTC PROGRAM MATERIAL**

The Exhibits are included here. Refer to the OAHTC Program Manual for Instructions.

**Part 7: LIWP PROGRAM MATERIALS**

The Exhibits and Instructions are included here and in the LIWP Program Manual.

Complete and submit all of the supplemental forms for each funding source for which you are applying. Do not submit blank forms for other sections. Before completing the forms, thoroughly read the program requirements pertaining to the particular resource, as you need to understand the Program to integrate each funding source into the Project development.

**GENERAL REMINDERS**

- Follow the order of the Application Submission Checklist completely and accurately.
- Make sure to provide all requested material in the order indicated on the Checklist.
- Submit only the documents listed on the Application Submission Checklist.
- Use divider tabs to identify each Part.
- Number every page of the Application.
- When answering narrative questions, *do not remove the question*, question number, or the box provided.
- Keep responses within the stated length and font size limits.
- Do not double-space your text responses.
- Always mark the project's location on maps and context photos.
- Identify acronyms used by your organization.
- Answer questions completely. Don't assume the reader is familiar with your organization or project.
- Double-check that each copy of the Application includes all the same documents as the original.