

**STATE OF OREGON  
HOUSING AND COMMUNITY SERVICES DEPARTMENT**

**MULTIPLE AWARD OPPORTUNITY**

**NOTICE OF FUNDING AVAILABILITY (NOFA) #4161**

**Affordable Housing Projects with HOME Investment Partnerships Program**

NOFA Issued Date: January 30, 2015

Application Due Date: April 17, 2015

Application Due Time: 4 pm

**Version 1.0**



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- 1.0 INTRODUCTION ..... 4**

  - 1.1 Purpose .....4**
  - 1.2 Funding Sources.....4**
  - 1.3 Application Parameters.....4**
  - 1.4 Definitions .....5**
  - 1.6 Allocations.....6**
  - 1.7 Reservation Process .....6**
    - A. Application Ranking Process..... 6
    - B. Tie Breaking Rule..... 7
    - C. Reissuing Returned Reservations ..... 7
    - D. Re-Evaluation of Reservations..... 7

- 2.0 APPLICATION REQUIREMENTS ..... 8**

  - 2.1 Application Submission .....8**
  - 2.2 Application Submission Information .....9**
  - 2.3 NOFA Questions .....9**

- 3.0 EVALUATION CRITERIA ..... 10**

  - 3.1 Administrative Review .....10**
  - 3.2 Minimum Threshold Requirements (Part 3 Submission) .....10**
    - A. Readiness to Proceed (3.1)..... 10
    - B. Development Team Capacity (3.2) ..... 12
    - C. Ownership Integrity (3.3)..... 12
    - D. Total Development Cost Per Unit (3.4) ..... 13
    - E. Program Compliance Review ..... 13
  - 3.4 Competitive Scoring (Part 4 Submission) .....14**
    - (A) Need: 15 points ..... 14
    - (B) Impact: 40 points..... 15
    - (C) Preference: 15 points ..... 18
    - (D) Financial viability: 15 points..... 18
    - (E) Capacity: 15 points ..... 19

- 4.0 APPLICATION EVALUATIONS..... 21**

  - 4.1 Evaluation Process .....21**

4.2	Evaluation Criteria .....	21
4.3	Notice of Intent to Issue Reservation Letter .....	21
5.0	GENERAL NOFA TERMS.....	21

## 1.0 INTRODUCTION

### 1.1 Purpose

The State of Oregon, acting by and through its Housing and Community Services Department (Department), is seeking Applications in this Notice of Funding Availability (NOFA) with respect to multifamily residential rental housing developments, i.e., Affordable Housing Projects (Projects) whose development, *inter alia*, will require Department HOME Investment Partnership Program (HOME) funding in order to serve qualifying low-income and very low-income populations.

All persons or entities submitting Applications responsive to this NOFA are herein referred to as Applicant(s). Applicants, if any, that the Department determines to provide a reservation of funding (Reservation) pursuant to this NOFA will be designated as Grantees in the conditional commitments issued to them (Reservation Letter) by the Department. All Reservations are conditional in nature, contingent upon the terms upon which they are made, the continuing availability to the Department of the described funds or tax credits (collectively or individually without distinction Funds), the continuing authority of the Department to disburse or allocate such funds, and the successful negotiation, execution, and recording (if required) of relevant documents in a manner satisfactory to the Department at its sole discretion.

### 1.2 Funding Sources

The Allocation of Funds for this NOFA may derive from federal, state, or other funds or tax credits, which may include:

Home Investment Partnership Program (HOME) funds,  
General Housing Account Program (GHAP) funds,  
Oregon Affordable Housing Tax Credits (OAHTC),  
HELP Program Financing Adjustment Factor Savings (FAFS) funds, and  
Low Income Weatherization Program (LIWP) funds.

The above-described funding sources are subject to their respective set of standards (Programs) and corresponding Program requirements (Program Requirements). Program Requirements governing funding and relevant to a particular Application must be satisfied by the corresponding Applicant in order to qualify for funding under this NOFA.

### 1.3 Application Parameters

- A. Department HOME Funds can only be utilized within the designated Geographic Regions (Regions) of the State of Oregon's HOME Program administered by the Department. The areas within what are known as Participating Jurisdictions maintain their own HOME Program and are not eligible for Department HOME funding or other funding under the current funding cycle of this NOFA.
- B. Applicants may only apply for one (1) phase of a multi-phase Project in each funding cycle of this NOFA.
- C. Applicants may not submit more than three (3) applications in any one NOFA.

## 1.4 Definitions

Terms defined in this NOFA (including those provided in this subsection), as well as terms defined in other Program Requirements, shall be construed in this NOFA consistently with those definitions unless the context clearly indicates otherwise. The following terms shall have the following meanings:

“Affordable Housing Gap” means the difference between the supply of funded Affordable Housing units for a specified population and the Need for Affordable Housing units by that population.

“Impact of Project” means a competitive scoring category that identifies and measures the potential social, economic and financial benefits a particular Project will provide to its community for the purpose of selecting the highest-benefit Projects for Reservations.

“Need for Project” means a competitive scoring category that identifies and measures the degree of need for a particular Project in its community (its Project Need Severity) for the purpose of selecting the highest-need Projects for Reservations.

“Need” means the level of demand for affordable housing in a given Geographic Region, county or city based on low income population, rent burden, and affordable housing inventory that is identified and measured for the purpose of allocating Funds under this NOFA.

The “Geographic Regions” (or “Regions”) applicable to this NOFA are further identified herein as:

- “Participating Jurisdictions” means Portland/Multnomah County/Gresham, Washington County, Clackamas County, Eugene/Springfield, Salem/Keizer, and Corvallis. Projects proposed within Participating Jurisdictions are not eligible for funding under the current funding cycle of this NOFA.
- “Balance of State” means the eligible region for Department HOME funding, and includes the following counties: Baker, Clatsop, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Gilliam, Grant, Harney, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lincoln, Linn, Malheur, Morrow, Polk, Sherman, Tillamook, Umatilla, Union, Wallowa, Wasco, Wheeler, and Yamhill Counties as well as the balance of Benton, Lane, and Marion counties not included in Participating Jurisdictions. Only Projects proposed within this Region will be eligible for funding under the current funding cycle of this NOFA.

“Preservation” means any Project with at least 25 percent of the units having federal project-based rent subsidies.

“Public Policy” means a policy, principal or standard defined in a public document, created by a legitimate process, that guides decision making and aids in planning efforts at any level of government (including, local, statewide or regional).

“Set-Aside” means the portion of the Allocation of Funds available in this funding cycle of this NOFA for the respective Geographic Regions.

“Special Needs Populations” means categories of people with particular needs related to housing including, but not limited to, veterans, elderly, people with the presence of a disability, previously incarcerated persons, and survivors of domestic violence.

“Underserved Geography or Underserved Area” means counties or cities, or parts of same, whose affordable housing needs are identified as underfunded based on their proportion of the state’s affordable housing relative to other areas and their proportion of the state’s population materially challenged in accessing or maintaining safe, sanitary and affordable housing (based on low income and rent-burdened criteria) relative to other areas.

**1.6 Allocations**

The Allocation of Funds for this 2015 NOFA, restricted to Projects proposed within the Balance of State Geographic Region, is as follows:

Programs	Balance of State
HOME*	\$3,500,000
GHAP**	\$2,000,000
OAHTC***	\$2,000,000
HELP	\$300,000
LIWP	\$1,000,000

\* HOME funds allocated will be redistributed across the HOME and LIHTC NOFAs if successful projects warrant, in order to commit all available funds.

In accordance with Federal Regulation, fifteen percent (15%) of HOME funding must be awarded to state-certified Community Housing Development Organizations (CHDOs) that meet specific requirements for development capacity. The approximate amount of CHDO funding for 2015 is \$930,000 and for 2016 is \$915,000.

Projects awarded 2015 HOME funding must meet all requirements for funding (which includes firm commitment of all funding sources in the Project) prior to April 1, 2017.

Projects awarded 2016 HOME funding must meet all requirements for funding (which includes firm commitment of all funding sources in the Project) prior to April 1, 2018.

\*\* There is a cap of \$500,000 per Project for GHAP funding in this NOFA.

\*\*\* There is a cap of \$1.8MM per Project for OAHTC funding in this NOFA.

**1.7 Reservation Process**

**A. Application Ranking Process:** Funds are reserved on a competitive basis to Projects of qualifying Applicants that:

1. pass the Administrative Review,
2. meet the Minimum Threshold Requirements; and
3. have the highest qualifying scoring rank in accordance with available funding.

The Department may choose not to award all available funding or may allocate funding under this NOFA to Applications selected for Reservations under the concurrent 9% LIHTC NOFA.

During the funding process, limits on the remaining available funding may result in lower-ranked Applications receiving a funding Reservation if higher-ranked Applications would require combinations of funding that exceed relevant funding source amounts that remain available for award purposes. Also, the use of HOME funds described in this NOFA for potential or actual awards to qualifying Projects under the concurrent LIHTC NOFA may limit the availability of such funding for qualifying Applications under this NOFA.

In the event of a tie throughout the ranking process, Tie Breaking Rules will be applied.

- B. Tie Breaking Rule:** If the total evaluation scores of two (2) or more Applications result in a tie and HOME availability is insufficient to fund all tied Applications, the following scores, in order of priority, will break the tie:
- The Project with the highest Impact score will be funded.
    - If the Impact scores are tied, the Project with the highest Need Severity score will be funded.
    - If the Need Severity scores are tied, the Project with the highest Financial Viability score will be funded.
    - If the Financial Viability scores are tied, the Project with the highest Capacity score will be funded.
- C. Reissuing Returned Reservations:** In the event one (1) or more Applications being considered for a Reservation or final release of funding is withdrawn, cancelled, not provided a Reservation or otherwise not funded under this NOFA (a Returned Reservation), the Department, at its sole discretion, may do any of the following with the then available funding:
1. If needed and available, fill Project gaps for previously funded Projects;
  2. Select for funding the next highest ranking qualified Application(s) from the current funding cycle consistent with then available funding. Applicants with newly-selected Applications will be given thirty (30) days to reevaluate the financial feasibility of their Applications and determine whether or not the proposed Project can move forward.
  3. The Department may issue a Request for Proposals, employ a special solicitation process, or otherwise act to award HOME and related funding remaining from the Allocation of Funds to this NOFA, if any, that the Department decides to disburse, including making such funding available under the concurrent LIHTC NOFA.
- D. Re-Evaluation of Reservations:** The following events will result in a re-evaluation of a previously-issued Reservation:
1. Failure to meet all requirements for funding (which includes firm commitment of all funding sources in the project) prior to April 1, 2017 for Projects awarded 2015 HOME funds.
  2. Failure to meet all requirements for funding (which includes firm commitment of all funding sources in the project) prior to April 1, 2018 for Projects awarded 2016 HOME funds.
  3. Failure to close construction within two hundred forty (240) days of the Reservation.
  4. A material adverse change so the Project or Applicant no longer meets any of the Minimum Threshold Requirements or of the Competitive Scoring criteria.

5. The proposed Project will not receive Certificate of Occupancy or Certificate of Substantial Completion by the date required by the Department.
6. The failure to execute or record Affordability Agreements or other documents to the satisfaction of the Department.
7. Other causes at the Department's discretion.

In the event of a re-evaluation of a Reservation, the Department, at its sole discretion, may do any of the following:

1. Revoke or modify the Reservation,
2. Approve requested changes to the original Application as proposed,
3. Take no action; Or
4. Take such other action as the Department determines to be appropriate.

## **2.0 APPLICATION REQUIREMENTS**

**2.1 Application Submission:** Applications must be submitted no later than:

### **APPLICATION DUE DATE AND TIME:**

**April 17, 2015, by 4:00 PM PST**

### **DELIVERY ADDRESS:**

**Oregon Housing and Community Services  
Attn: Sandra Flickinger  
725 Summer Street NE, Suite B  
Salem, OR 97301**

**Applications must be received and date and time stamped by the Department receptionist no later than the Application closing date and time. Applications must be delivered in a sealed envelope or container that clearly identifies the NOFA number, Applicant's name, name of the contact person for the Applicant, Department name and address, and the Application closing date and time. Mis-deliveries and late submittals will not be accepted or considered. Post-marked dated Applications will not be considered. Only Applications actually received by the Department by the Application closing date and time specified herein will be processed.**

Faxed, electronically transmitted, late or incomplete Applications will not be accepted or reviewed. All Applications and any accompanying documentation become the property of the Department, subject to Oregon Public Records Law, and will not be returned. **Application Charges will not be refunded.**

**All costs associated with Applicant's submission of its Application are the sole responsibility of the Applicant and will not be borne by the State of Oregon.**

The Department is not responsible for any errors or omissions resulting from the Applicant obtaining the NOFA electronically. The official version of the NOFA is the one held at the Department.

Those Applications that are incomplete or do not meet all requirements of the NOFA will be deemed by the Department as "non-responsive" and rejected. Applications considered complete or "responsive" by the Department will be evaluated to determine if they comply with the administrative and technical requirements of the NOFA.

## 2.2 Application Submission Information

The NOFA instruction document contains detailed information about the format and content of the required submission.

## 2.3 NOFA Questions

Inquiries relating to the NOFA process, its administration (including deadlines and Reservations), or to the substantive technical portions of the NOFA should be directed to the individuals listed below:

**General NOFA questions** should be sent in writing to:  
[MFNOFA@oregon.gov](mailto:MFNOFA@oregon.gov)

**Programmatic Questions:**

About HOME Program contact: Carole Dicksa, [Carole.Dicksa@oregon.gov](mailto:Carole.Dicksa@oregon.gov); 503.986.2137

**For Environmental Review**, contact OHCS Department Representative to schedule:  
Kim Travis, [Kim.Travis@oregon.gov](mailto:Kim.Travis@oregon.gov); 503.428.3843

Frequently Asked Questions will be posted with applicable answers on the OHCS website. When appropriate, revisions, substitutions, or clarifications shall be issued as addenda to this NOFA. Changes or modifications to the NOFA requirements will **ONLY** be recognized if in the form of written addenda issued by the Department. The Department shall provide copies of any addenda to all known NOFA recipients as well as post the addenda at: <http://www.oregon.gov/ohcs/Pages/multifamily-housing-announcements.aspx>

### 3.0 EVALUATION CRITERIA

After passing Application Administrative Review for timeliness and completeness, a Threshold Review Team will evaluate each Application. The Applicants must pass each criterion below to proceed to the next level of review. If at any point between the criteria listed in sections 3.1 through 3.3 an Application fails, the Application will be deemed nonresponsive and will not be reviewed further.

**The Department may employ, but is not limited to, the following selection criteria upon which to base its decisions:**

#### 3.1 Administrative Review

Each Application will be reviewed for timeliness and completeness of the NOFA requirements. The following are Pass/Fail criteria:

- A. NOFA Cover Sheet submitted by due date and time,
- B. Application and Charge Transmittal Form,
- C. Owner/Board of Director's Authorization and Acceptance Form,
- D. Organizational Documents,
- E. Complete NOFA Application with Required Exhibits.

#### 3.2 Minimum Threshold Requirements (Part 3 Submission)

After passing Administrative Review, all of these Minimum Threshold Requirements must be met. The following are Pass/Fail criteria:

##### A. Readiness to Proceed (3.1)

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

##### 1. Site Control and Zoning

###### Site Control

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

- a. a recorded deed or conveyance showing the Applicant has Ownership,
- b. a valid purchase and sale agreement,
- c. a valid option to purchase,
- d. a valid option for a long-term lease, or
- e. other evidence satisfactory to the Department.

The Applicant must be sure the name on the evidence of site control and the Application is exactly the same. The site control document should also identify the exact same area as the Project site listed in the Application and the exact same cost for the land and/or existing buildings for the Project referenced in the development budget provided with the Application. If the site 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 how the area and cost for the Project were established.

## **Zoning**

The Project must be properly zoned for the type of intended Project.

The Applicant must provide the Certification of Zoning executed by the appropriate zoning authority to verify this.

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

The Applicant must be able to provide satisfactory documentation of their progress on their applications for federal resources.

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

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

Within the development schedule provided, the Applicant must be able to meet the required deadlines applicable to the HOME Program and related funding Programs.

The Applicant's development schedule must clearly demonstrate that funds will be invested and the project will be constructed, leased and stabilized within all required Program deadlines. These deadlines are published in the HOME Program Manual: <http://www.oregon.gov/ohcs/Pages/nofa-2015-home-program.aspx> and other appropriate Department program manuals.

## **4. Adequacy of the Environmental Checklist**

Applicants must identify if there is any adverse Environmental or site information indicated on the Environmental Checklist revealed during the OHCS Department Representative visit to the site or otherwise. The deadline for scheduling the site visit is forty-five (45) days prior to the Application due date. If you do not contact an OHCS Department Representative before the deadline, the OHCS Department Representative has no obligation to view the Project site or sign the Review Checklist.

The Department's Environmental checklist contains questions regarding:

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

- h. noise problems,
- i. air quality issues,
- j. historic preservation,
- k. flood plain and wetlands issues, and finally,
- l. solid waste, waste water and storm water concerns.

Depending on the impact to the Project, the Applicant must provide a satisfactory mitigation plan for any material adverse information revealed in the Environmental Checklist or otherwise pertinent to the Project.

## **B. Development Team Capacity (3.2)**

### **1. Construction Experience**

- a. Does the Applicant have a successful history of leading construction development Projects of similar (or larger) size and scope, such as, mid-rise versus high-rise, wood frame versus steel, and new construction versus rehabilitative construction?
- b. If Applicant's history is limited, will the Applicant partner with an appropriate party to mitigate this concern?

### **2. Financing Experience**

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

### **3. Development Team Experience**

- a. Has the Applicant managed similarly comprised development teams?
- b. Explain the development team experience with Projects of this type, size, and scope?
- c. If an Applicant has applied for multiple Project reservations, does the development team have the capacity to administratively and financially support all Projects simultaneously?

### **4. Financial Capacity**

- a. As disclosed in the Application or other required information, does the Applicant's financial condition indicate any adverse conditions that might materially impair the Applicant's ability to perform the financial obligations as sponsor during the construction or stabilization of the Project?
- b. As disclosed in the Real Estate Owned Schedule, is the Applicant's existing real estate portfolio stable and self-supporting? If there are any significant problem projects, is there a reasonable mitigation plan in place?

## **C. Ownership Integrity (3.3)**

- 1. Eligible ownership includes individuals, local governments, nonprofit and for-profit organizations including, but not limited to, cities, counties, housing authorities, nonprofit community-based organizations such as community housing development organizations (CHDOs), community development corporations (CDCs), and community action programs (CAPs).

2. 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.
3. 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.
4. Neither Applicant nor any member or principal within the Project ownership or management will have been debarred from federal projects or otherwise sanctioned by the Department.
5. CHDOs, specific types of nonprofit organizations defined exclusively for the HOME Program, must be organized and structured according to strict standards specified in the HOME regulations. In order to qualify as a CHDO, the entity must be organized under the Internal Revenue Code of 1986 (IRC) at 501(c)(3) or 501(c)(4). CHDOs must demonstrate development experience with projects of the same size, scope and level of complexity as the proposed project. CHDOs must employ professional staff having the knowledge, skills, and experience necessary to undertake HOME funded projects. Volunteers, board members, or consultants are not considered to be staff and do not count toward meeting HUD's criteria for CHDOs.

**D. Total Development Cost Per Unit (3.4)**

In order to begin assessing and containing costs, the following cost-per-unit limits have been established. The costs are based on the total development and construction costs (excludes acquisition). The limits are established using recently funded (five (5) year) history of Department projects and based on unit size.

Once completed, the Department pro forma will calculate the cost per unit using the correct methodology on the Summary page of the Excel document.

Most Project units should have costs well below the listed limits. However there are occasionally exceptions. If the applicant project costs exceed those listed in the table, a letter explaining the costs will need to be submitted in the application. Exceptions will not need to be approved, just submitted.

<b>2015 Oregon LIMIT cost / unit</b>	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>	<b>4 Bedroom</b>
Urban	\$200,000	\$222,000	\$272,000	\$306,000	\$325,000
Balance of State	\$145,000	\$180,000	\$220,000	\$260,000	\$275,000

Urban definitions would to any project where the project meets two (2) urban project criteria (e.g. more than four (4) stories, elevator, required structured parking, located on urban infill site).

**E. Program Compliance Review**

Applicants must satisfy the Program Requirements for all applicable Department funding sources requested. Each Department funding source has separate requirements, including supplemental forms and exhibits that must be submitted simultaneously with the Application.

Applicants for HOME funding must adhere to the requirements of the Uniform Relocation Act. Review these requirements in the OHCS HOME Program Manual in order to submit the appropriate Seller and Tenant Notices required with application for HOME funds. The Department, at its sole discretion, may choose not to review Applications submitted without the required Seller and Tenant Notices.

### 3.4 Competitive Scoring (Part 4 Submission)

A Scoring Committee will competitively score five (5) sections of the Application by the Scoring Criteria described below. These sections are:

- (A) Need,
- (B) Impact,
- (C) Preferences,
- (D) Financial Viability,
- (E) Capacity.

The Department is committed to investing public resources in a way that makes best use of the funds considering all benefits to the community as well as the viability of the proposed Projects. The Department is also committed to ensuring resources are invested in a way that is responsive to the diversity of low-income housing needs around the state.

The scoring criteria are designed to measure the severity of need, and overall impact to the community as well as to prioritize those Projects that best meet established preferences, demonstrate dynamic partnerships and outcome based service delivery, and who involve sponsors, owners, and management agents with demonstrated high levels of performance.

A total of one hundred (100) maximum points is possible, weighted fifteen (15) for Need, forty (40) for Impact, fifteen (15) points to Financial Viability, fifteen (15) to Preferences, and fifteen (15) to Capacity. Any Application that does not have the minimum overall score of seventy-five (75) points will be disqualified, and the Application charge will not be refunded.

Both quantitative and qualitative factors are considered in the scoring. The criteria to be used and the scoring group for each scored section will be as follows:

#### **(A) Need: 15 points**

##### Applicable Criteria:

- i. Five (5) points: 30% of units for households with children or seniors OR 25% for special needs populations,
- ii. Four (4) points: 25-29% of units for households with children or seniors OR 20-24% for special needs populations,
- iii. Three (3) points: 20-24% of units for households with children or seniors OR 15-19% for special needs populations,
- iv. Two (2) points: 15-20% of units for households with children or seniors OR 10-14% for special needs populations,
- v. One (1) point: 10-14% of units for households with children or seniors OR 5-9% for special needs populations.

### **Severity of Need – 5 points**

#### Applicable Criteria:

- i. Rental Housing Age, pre-1950 housing percent; three (3) points if rate more than 1.5 times that of the state, two (2) points if 1.1-1.5 that of the state, one (1) point if rate equal to that of the state;
- ii. Severe Housing Burden rate; three (3) points if 1.2 times that of the state, two (2) points if 1-1.2 that of the state, one (1) point rate equal to state;
- iii. Affordable Housing Gap; three (3) points if fewer than 5% of the target population is represented with the currently funded affordable housing, two (2) points if 5-10%, one (1) point greater than 10%;
- iv. If Preservation; Affordable Housing Percent; three (3) points if project is more than 30% of the community affordable housing, two (2) points if 15-30%, one (1) point 10-15%.

### **Underserved Geography – 5 points**

#### Applicable Criteria:

- i. Need Distribution of Affordable Housing Units Vs Actual Distribution of Affordable Housing Units; five (5) points if community has fewer than 30% of the units merited by the Need Distribution, four (4) points if 31-50%, three (3) points if 51-70%, two (2) points if 71-90%; one (1) point if 91-100%.

## **(B) Impact: 40 points**

### **New Construction and Acquisition / Rehabilitation project Impact criteria**

#### **Local Preference – 6 points**

##### Applicable Criteria:

Project Applicants are required to provide a letter from an applicable jurisdiction, indicating priority for the Project in the community. Six (6) points will be given to Projects with top priority, five (5) points to those with second priority, four (4) points to those in third place, three (3) points to those in fourth place, two (2) points to those in fifth, and one (1) point for those in sixth.

#### **Plan Alignment – 5 points**

##### Applicable Criteria:

Project Applicants are asked to identify connections between the proposed Project and established local, regional and/or state published plans, including Consolidated Plans and planning efforts of Regional Solutions Teams, Coordinated Care Organizations, Early Learning Hubs, or Workforce Investment Boards. Scoring committee will assign points; maximum points to those with strong connections and one (1) point to those with minimal connections.

#### **HOME Leverage - 1 points**

##### Applicable Criteria:

One (1) point if Project includes a request for HOME funds (\$500,000 minimum) that lowers or eliminates the request for other state resources

#### **State initiative / policy alignment – 6 points**

##### Applicable Criteria:

Project Applicants are asked to identify the way in which the proposed Project advances long-term statewide human service policy priorities as articulated by the Governor or in enacted legislation and can demonstrate a specific plan for improving human service outcomes. To be reviewed by Scoring Committee; assigning six (6) points to Projects with well-developed human service partnership and plan for measuring outcomes for more than 50% of the proposed units; three (3)

points for Projects with strong concepts but weak partnership agreements; 0 (zero) points for Projects without a human service component.

### **Appropriate Services – 6 points**

#### Applicable Criteria:

Project Applicants will be asked to identify service delivery information. If the Project is advancing human service policy priorities, they should provide more detailed information about the way in which services will be provided and why those services are expected to lead to improved outcomes. For Projects without a specific human service component, sponsors should provide more general information about who will be served and why and about the strength of those general outcomes. Scoring based on the strength of service design; maximum points possible in either scenario.

### **Collaboration and Innovation in Service Provision – 10 points**

#### **Collaboration of multiple partners to deliver services Criteria (4 points):**

Project Applicants will be asked to discuss how the Project maximizes expertise and connections to best serve the target populations; maximum points to those applications with diverse and extensive connections among partner organizations.

#### **Planning for funding for services Criteria (3 points):**

Project Applicants will be asked to discuss how the services will be funded; if they are committed/anticipated or renewable and what they plan to do if their current funding changes; maximum points to those applications with reasonable and effective funding sources for their service delivery plans.

#### **Innovation in service delivery design Criteria (3 points):**

Project Applicants will be asked to discuss any innovation employed in service delivery design that serves to improve outcomes or uniquely address the needs of the target population; maximum points to those that demonstrate innovation.

### **Location Efficiency – 6 points**

#### Applicable Criteria:

- i. Walk Score; two (2) points if 70+, one (1) point if 50-69;
- ii. Food Access; two (2) points if grocery store within a half a mile / within five (5) miles if rural, one (1) point if not in a USDA Food Desert;
- iii. Medical Access; two (2) points if available within one (1) mile / within five (5) miles if rural, one (1) point if within five (5) miles / ten (10) miles if rural;
- iv. Public Transit; two (2) points if available within ¼ mile or a Transit Score of 70+ / within five (5) miles if rural, one (1) point if within ½ mile or Transit Score of 50+ / within ten (10) miles if rural;
- v. Education for family housing; two (2) points if schools or libraries are within ½ mile / within five (5) miles if rural, one (1) point if schools or libraries are within one (1) mile / ten (10) miles if rural.

### **Preservation & Public Housing undergoing preservation transaction Project Impact criteria**

#### **Tenant Impact – 15 points**

#### Applicable Criteria:

- i. Vulnerable Tenant Displacement; five (5) points if more than 60% of the units are occupied by a vulnerable tenant, three (3) points if 40-60%, 1 point if 20-40%;

- ii. Extremely Low Income; five (5) points if greater than 60% of the units are at 30% or below, three (3) points if 40-60% of the units are at 30% or below, one (1) point if 25-40% at 30% or below;
- iii. Rental Assistance; five (5) points if greater than 75% of the units have Project Based Rent Assistance, three (3) points if 50-75%, one (1) point if 30-50%;
- iv. Tenant Protections; three (3) points if change of use requires relocations, if enhanced vouchers are issued only for residents under Section 8 contract and there are no enhanced vouchers for existing tenants with HUD maturing mortgages or there are limited vouchers, one (1) point if all eligible residents are issued enhanced vouchers or rural development vouchers upon prepayment or contract opt-out;
- v. Voucher utilization; three (3) points to Projects with a high voucher turn back, porting rate, or likelihood of relocating more than 20 miles;
- vi. Available and affordable rental housing in the community; three (3) points where there is limited multifamily housing in the community and / or very low vacancy rates (0-3%).

**Risk of Loss – 8 points**

Applicable Criteria:

- i. Opt-out / Market conversion risk; four (4) points if there is a strong rental market with no Use Restrictions in place once contract expires. Project rents are generally below market. For RD, this would be projects that are prepayment eligible. Owner has filed one (1)-year opt-out Notice and/or has opted out in the past. Projects located in gentrified or rapidly gentrifying neighborhoods. Two (2) points if the Owner intent is unclear / may have executed multiple short term contract renewals. Weak market or inability of project to compete for market rate tenants. Project rents above market, in poor physical condition or lacks desired amenities, services, infrastructure, etc.
- ii. Physical Condition Risk; four (4) points if proposed rehabilitation scope, replacement reserve analysis and proposed reserve capitalization address long-term Project physical needs and improves resident quality of life. Building envelope is adequately addressed. Two (2) points if Project is in good physical condition needing only very light rehabilitation. Minimal rehab scope presents other viable financing options.

**Prudence of Investment – 8 points**

Applicable Criteria:

- i. Total Cost Per Unit; four (4) points if the total development cost per unit (excluding acquisition) are 60% or less of the published Total Development Costs Per Unit Limits, three (3) points if 61-75% of the published Total Development Cost Per Unit Limits, two (2) points if 76-90% of the published Total Development Costs Per Unit Limits, one (1) point if 91-100% of the published Total Development Costs Per Unit Limits.
- ii. Narrative Description of Costs; applicants are asked to describe the cost of the Preservation Project including providing detail on the cost of acquisition and context for the prudence of making the investment; four (4) points.

**Plan Alignment – 2 points**

Applicable Criteria:

Project Applicants are asked to identify connections between the proposed Project and established local, regional and/or state published plans, including Consolidated Plans and planning efforts of Regional Solutions Teams, Coordinated Care Organizations, Early Learning Hubs, or Workforce Investment Boards. Scoring committee will assign points; maximum points to those with strong connections and one point to those with minimal connections.

**HOME Leverage – 1 point**

Applicable Criteria:

Applicable Criteria: one (1) point if funding request includes the use of state HOME funds (\$500,000 minimum).

**Appropriate Services – 3 points**

Applicable Criteria:

Project Applicants will be asked to identify service delivery information. If the Project is advancing human service policy priorities, they should provide more detailed information about the way in which services will be provided and why those services are expected to lead to improved outcomes. For Projects without a specific human service component, Applicants should provide more general information about who will be served and why and about the strength of those general outcomes. Scoring based on the strength of service design; maximum points possible in either scenario.

**Location Efficiency – 3 points**

Applicable Criteria:

- i. Walk Score; two (2) points if 70+, one (1) point if 50-69;
- ii. Food Access; two (2) points if grocery store within a half a mile / within 5 miles if rural, one (1) point if not in a USDA Food Desert;
- iii. Medical Access; two (2) points if available within 1 mile / within 5 miles if rural, one (1) point if within 5 miles / 10 miles if rural;
- iv. Public Transit; two (2) points if available within ¼ mile or a Transit Score of 70+ / within 5 miles if rural, one (1) point if within ½ mile or Transit Score of 50+ / within 10 miles if rural;
- v. Education for family housing; two (2) points if schools or libraries are within ½ mile / within 5 miles if rural, one (1) point if schools or libraries are within 1 mile / 10 miles if rural.

**(C) Preference: 15 points**

**Serving Lowest Incomes – 9 points**

Average Gross Median Income Criteria – 6 points

- i. In High Income Counties; six (6) points if AGMI is 45% or less, five (5) points if 46-50%, four (4) points if 51-59%, three (3) points if 60-69%, two (2) point if 70-79%;
- ii. In Low Income Counties; six (6) points if AGMI is 50% or less, five (5) points if 51-59%, four (4) points if 60-69%, three (3) points if 70-79%.

Subsidy Criteria – 3 points

- i. Two (2) points if project based assistance for more than 25% of the affordable units, one (1) point if project based assistance on 1-25% affordable units or voucher commitment.

**Qualified Census Tract or De-concentrating Poverty – 6 points**

Applicable Criteria:

- iii. Six (6) points if located within a HUD identified Qualified Census Tract or an OHCS identified Census Tract with a poverty rate of 10% or less.

**(D) Financial viability: 15 points**

**Development pro forma review – 5 points**

Applicable Criteria:

Points will be assigned based on the following concepts:

- i. Pro forma includes only realistic and available resources on the Sources of Funding,
- ii. Explanation of how the development budget will still be valid at the start of construction,
- iii. Relocation Plan completed if warranted and aligns to development budget,
- iv. Developer's fee is within the OHCS required range,
- v. If URA, the budget line item accurately reflects the project cost based on the Relocation Plan,
- vi. If Commercial Real Estate is included in the Project, Sources and Uses are provided on a separate pro forma page.

**Operating pro forma review – 4 points**

Applicable Criteria:

- i. Affordable rents begin at 10% below market,
- ii. Year one (1) debt coverage ratio is 1.1 to 1.15 with OAHTC or 1.20 to 1.25 without OAHTC,
- iii. Cash flow within OHCS guidelines or adequately explained (no more than \$500 / unit / year),
- iv. Vacancy rate at 7% or adequately explained,
- v. Submitted reserve or replacement analysis and included adequate amount in pro forma,
- vi. Income inflation factor is less than expenses inflation factor.

**Reasonable request and demonstrated need for resources – 2 points**

Applicable Criteria:

- i. Gap analysis is based on reasonable project pro forma line items.

**Well documented and explained construction costs – 2 points**

Applicable Criteria:

- i. Construction documents, including CNA, provide enough detail to adequately calculate project hard costs,
- ii. Construction and rehabilitation estimates substantially agree with the pro forma,
- iii. Green building costs reflected in construction costs,
- iv. Contractor overhead, profit and general conditions are within the required range for Department resources.

**Leverage – 2 points**

Applicable Criteria:

- i. Two (2) points to those projects with demonstrated leveraged resources (including but not limited to grants, SDC waivers, property tax exemption, etc.) in their Sources & Uses; if Project is in a small community without ability to leverage resources, full points possible, please describe in the application; 0 points if no leveraged resources present and the Project is in a community with ability to leverage resources.

**(E) Capacity: 15 points**

**Owner, sponsor, management performance – 6 points**

Applicable Criteria:

Project Applicants with Projects in the Department's portfolio will be reviewed on the performance of all projects in the portfolio, the average score of all projects will be used; Project Applicants without projects in the Department's portfolio will be asked to submit a letter indicating their compliance status with any existing projects (if unreported noncompliance is discovered later, it will be grounds for rescinding awarded credits or carry to future applications for funding).

Portfolio project criteria will be calculated for each relevant project and summed; if 75% of possible points within a category are awarded they will get the full three (3) points, if 50-74% of possible points within a category are awarded they will get 2 points, if 25-49% of possible points within a category are awarded they will get 1 point, if 0-25% of the possible points are awarded it will get 0 points; the individual criteria are:

**OHCS Portfolio Compliance – 3 points**

1. Most recent REAC score; three (3) points if 80 or above, two (2) points if 70-79, one (1) point if 60-69, zero (0) points if NA or below 60;
2. Most recent Physical Review; three (3) points if exceeds expectations, two (2) points if meets expectations, one (1) point if does not meet expectations but corrected, zero (0) points if does not meet expectations and uncorrected;
3. Most recent File Review; three (3) points if exceeds expectations, two (2) points if meets expectations, one (1) point if does not meet expectations but corrected, zero (0) points if does not meet expectations and uncorrected;
4. Most recent Resident Services Review; three (3) points if exceeds expectations, two (2) points if meets expectations, one (1) point if does not meet expectations but corrected, zero (0) points if does not meet expectations and uncorrected;
5. Most recent Response Review; three (3) points if exceeds expectations, two (2) points if meets expectations, one (1) point if does not meet expectations but corrected, zero (0) points if does not meet expectations and uncorrected;
6. CCPC submission received for current year shows compliance; three (3) points if yes, zero (0) points if no;
7. Ongoing compliance issues; three (3) points if NA, two (2) points if working with OHCS on improvement, zero (0) points if noncompliant.

**OHCS portfolio viability – 3- points**

1. Financial submission as requested; three (3) points if yes, zero (0) points if no or NA;
2. Most recent audited financial is closed; three (3) points if yes or pending, zero (0) points if no or NA;
3. Most recent audited financial Debt Coverage Ratio; three (3) points if 1.25 or above, two (2) points if 1.15-1.24, one (1) point if 1.00-1.14, zero (0) points if below 1.00 or NA;
4. Asset management community evaluation completed satisfactorily; three (3) points if yes, two (2) points if working with OHCS and improved, one (1) point if working with OHCS, zero (0) if NA or non-compliant.

**Readiness to Proceed – 9 points**

Applicable Criteria:

Points will be awarded based on the following elements:

- i. Demonstrated ability to begin construction within 12 months. (3 points)
- ii. Explain when other sources of funds will be available to the Project if not already committed is reasonable. (2 points)
- iii. Proposed Project schedule appears adequate and reasonable. (2 points)
- iv. Explain why Project must be funded now as opposed to future NOFAs reasonable. (2 points)

## **4.0 APPLICATION EVALUATIONS**

### **4.1 Evaluation Process**

After Administrative Review, Applications submitted will be reviewed to determine all NOFA Minimum Threshold Requirements (see Sections 3.1 through 3.3) have been met. Competitive Applications will be rank ordered by the Scoring Committee based on the Scoring Criteria described in Section 3.4.

The final selection for Reservations, if any, will be of those qualifying Applications that meet the 75-point scoring hurdle and otherwise best meet the competitive scoring requirements set forth in this NOFA based on the recommendation from the Scoring Committee, as approved by the Director and the Housing Council, and as required by the Funding Sources applicable to the various Applications.

### **4.2 Evaluation Criteria**

Each Application must clearly address Application requirements and all selection criteria in the NOFA (see Section 3.0).

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

Applicants will be notified in writing of the Department's Notice of Intent to Issue a Reservation Letter, which will also be posted on the Department's website.

## **5.0 GENERAL NOFA TERMS**

- 5.1 The Department may require clarification to understand whether or not an Application satisfies relevant criteria. Any necessary clarifications or modifications normally will be made before the Department makes any Reservation and may become part of the final Agreement documents.
- 5.2 Submission of an Application by Applicant or acceptance by the Department of a submitted Application neither constitutes an agreement of any kind between the Department and Applicant nor does it secure or imply that Applicant will be selected for receipt of a Reservation of funds.
- 5.3 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.
- 5.4 Successful Applicants, *inter alia*, will be required to maintain appropriate levels of insurance and to comply with other Program Requirements.
- 5.5 The Department reserves the right and option to amend any Reservation Letter and other related documents that result from a Reservation made pursuant to this NOFA. All such amendments will be in writing and must be signed by relevant authorized parties.
- 5.6 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.

5.7 The Department reserves the right, at its sole discretion:

- A. to amend the 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/or 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 substantially comply with all prescribed NOFA procedures and requirements including the executing and recording of documents satisfactory to the Department;
- G. to reject all Applications received and cancel this NOFA upon a finding by Department that such cancellation would be in the best interests of the State;
- H. to use adherence with components of the Applicant's Application and this NOFA as scoring criteria in future multifamily funding Applications;
- I. to withdraw any identified funding from this NOFA; and
- J. to waive any term or condition of this NOFA for good cause as determined by the Department subject to applicable law.

5.8 This NOFA and one (1) copy of each original Application received, together with copies of all documents pertaining to the Reservation of a Reservation, shall be kept by Department and made a part of a file or records, which shall be open to public inspection. If an Application contains any information considered a trade secret under ORS 192.501 (2), each sheet containing such information must be marked with the following:

*"This Application constitutes a trade secret under ORS 192.501 (2), and shall not be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192."*

5.9 The Oregon Public Records Law exempts purported trade secrets from disclosure only so far as they qualify as bona fide trade secrets, and the exemption in ORS 192.501(2) from disclosure applies only "unless the public interest requires disclosure in the particular instance". Therefore, non-disclosure of a document or any portion of a document submitted as part of an Application may depend upon official or judicial determination made pursuant to Oregon law.

5.10 If an Application contains any information that may be considered exempt from disclosure under the various grounds specified in Oregon Public Records Law, ORS 192.430 through 192.505, Applicants must clearly designate as exempt any portion of its Application it considers exempt, along with a citation to the authority relied upon. Application of the Oregon Public Records Law will determine whether any information is actually exempt from disclosure. Identifying an Application in whole as exempt from disclosure is not acceptable. Failure to identify with specificity the portion(s) of the Application claimed to be exempt from disclosure, and the authority used, shall be deemed a waiver of any future claim of exemption from disclosure of that information.

5.11 The Applicant will be required to assume responsibility for performance required by the Agreement, whether performed by the Applicant, a representative, assignee or subcontractor. The Department considers the Applicant responsible for any and all contractual matters.

5.12 An Applicant aggrieved by a final determination made by the Department during the Application Review or Minimum Threshold Requirements review with respect to the success of its NOFA Application must request review

by the Department of such determination within ten (10) days of its receiving notice from the Department of that determination. An Applicant aggrieved by a final determination made by the Department with respect to its Application failing to score the requisite 75-point threshold must request review by the Department of such determination within ten (10) days of it receiving notice from the Department of that determination. An Applicant aggrieved by a final determination made by the Department with respect to any other matter under this NOFA must request review by the Department of such determination within fourteen (14) days of it receiving notice from the Department of that determination.

The request for review must be in writing, contain an explanation of the basis for challenging the Department's determination and include any supporting information. The envelope containing the request for review **MUST**:

- be marked **PROTEST**,
- identify the NOFA number,
- identify the closing time and date for acceptance of Applications,
- identify the Department contact person, and
- be received by the Department at its main Salem Office,

**Oregon Housing and Community Services**

**Attn: Sandra Flickinger**

**725 Summer Street NE, Suite B**

**Salem, OR 97301**

**Fax: 503-986-2020**

**Email: [OHCS.Contracts@oregon.gov](mailto:OHCS.Contracts@oregon.gov)**

no later than **4:00 PM** on the tenth(**10th**) day after the Applicant's receipt of notice from the Department.

The Applicant will be deemed to have received such notice upon the sooner of:

- three (3) days after the Department's determination is mailed to the Applicant,
- two (2) days after such determination is posted to the Department's website,
- two (2) days after the list of successful NOFA Applicants is posted to the Department's website, or
- one (1) day after such determination is emailed to the Applicant.

The Department may request additional information from the Applicant with respect to its request and consider such other information as it deems appropriate. The Department will endeavor to provide a written response to a qualifying request within thirty (30) days.

The Department will provide written responses to all timely filed protests. Failure to timely provide a qualifying protest will be deemed a failure to exhaust administrative remedies and terminate further rights by an unsuccessful applicant to challenge any related department actions.

5.13 Reservations, Allocations or Awards (collectively, Determinations) subject to State Housing Council review under ORS 456.561, and Determinations where additional Department funding supporting such Determinations are subject to Council review, are contingent, *inter alia*, 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 Department Determinations.

- 5.14 All Reservations made pursuant to this NOFA are subject to the successful negotiation, execution, and recording (if required) of Agreement documents satisfactory to the Department in its sole discretion. Projects that have only a leasehold interest in relevant real property must include documented commitments executed and recorded by the landlord satisfactory to the Department, including but not limited to covenants respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to the Department.
- 5.15 The Department may charge, and the Applicant shall pay, legal and administrative costs incurred by the Department in negotiating and preparing Agreement documents and other related documents.
- 5.16 Provisions stated in the form of a question in this NOFA shall be construed as required action by Applicants.

***[The balance of this page is intentionally left blank.]***