

OHCS 2015 Notice of Funding Availability (NOFA) Training

Welcome



NOFA Training Agenda

- **Welcome**
- **Dates to Remember**
- **NOFA Application Process**
- **NOFA Document Overview**
- **NOFA Submission Overview**
- **Threshold Detail**
- **Competitive Scoring Detail**
- **Program Submission**
- **Program Highlights**
- **General Reminders**
- **Dates to Remember**
- **Questions**

NOFA Process – Dates to Remember

- **Release date: January 30th**
- **Questions should be posed to:**
 - General Inquiry: MFNOFA@oregon.gov
 - Program Staff:
 - LIHTC: Carol Kowash, Carol.S.Kowash@oregon.gov ;
503.986.2036
 - HOME: Carole Dicksa, Carole.Dicksa@oregon.gov ;
503.986.2137
 - FAQs will be published at regular intervals
- **Questions until: April 3rd**

NOFA Process – Dates to Remember

- Close date: April 17th
- Administrative Review: April 17th – April 20th
- Threshold Review, Scoring & Recs: April 20th – June 30th
- State Housing Council Presentation: July meeting

The Two 2015 NOFAs

9% LIHTC NOFA

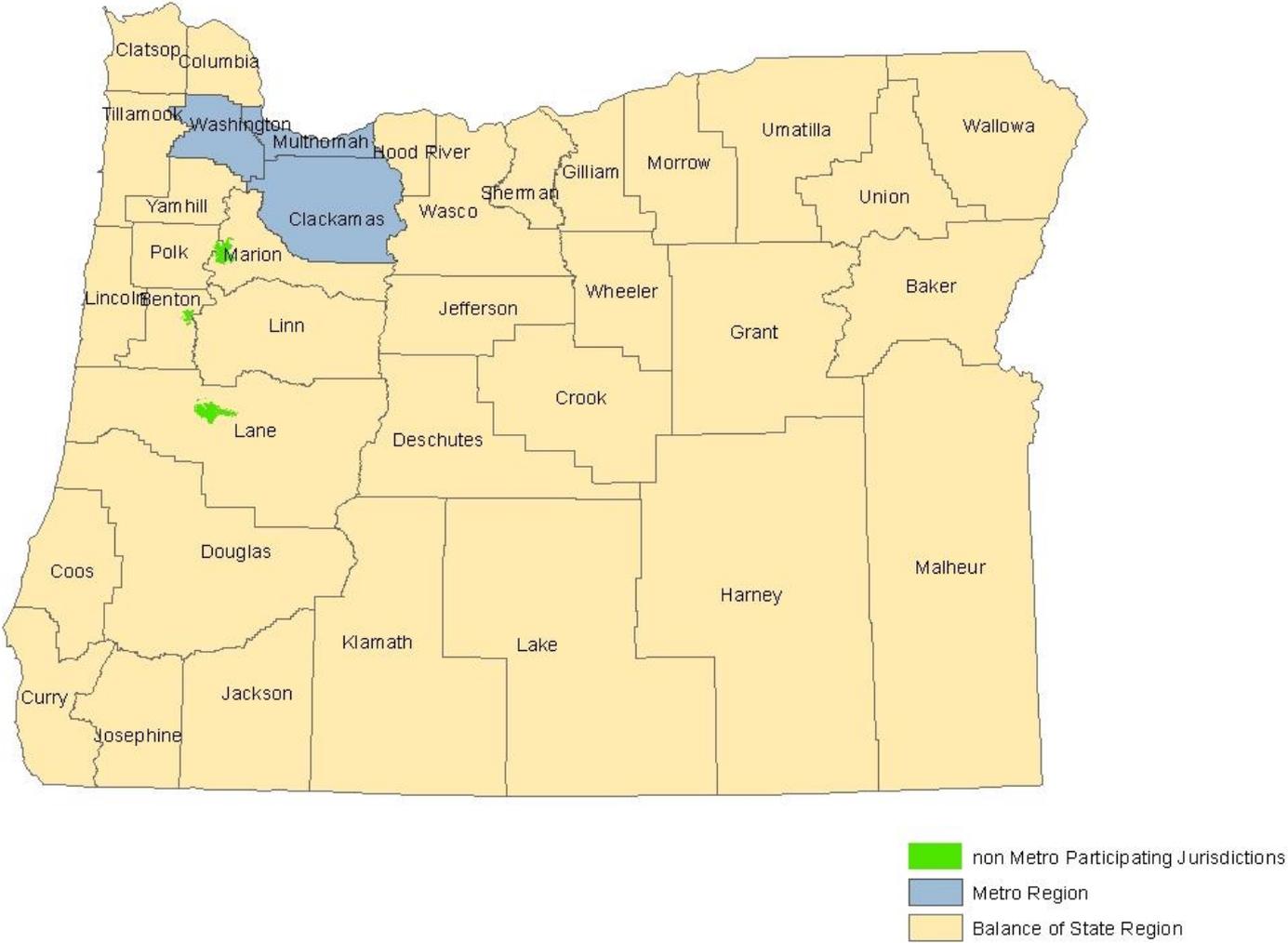
- You must be requesting 9% LIHTC's
- Other funds are available, see NOFA
- This is offered on a regional competitive basis

HOME NOFA

- You must be requesting OHCS HOME Funds
- Other funds are available, see NOFA
- This is offered on a statewide competitive basis except for counties or cities that have their own HOME funds

Maximum 3 submissions per sponsor per NOFA ***NEW***

Regions



LIHTC NOFA Allocations

LIHTC NOFA will allocate the following funds to the Metro, Non Metro Participating Jurisdiction, and Balance of State Regions

| | |
|---------------------|--|
| \$8,900,000 | in 9% LIHTC; of which 35% will be included in a set-aside |
| | <ul style="list-style-type: none"> o Metro Region: \$4.094MM of which \$1.4329MM is set aside for Preservation & Public Housing undergoing preservation transaction o Non Metro Participating Jurisdiction Region: \$1.513MM of which \$0.529MM is set aside for Preservation & Public Housing undergoing preservation transaction o Balance of State Region: \$3.293MM of which \$1.152MM is set aside for Preservation & Public Housing undergoing preservation transaction |
| \$1,500,000 | in HOME funds |
| \$6,000,000 | in GHAP funds |
| \$12,000,000 | in OAHTC |
| \$300,000 | in HELP |
| \$1,000,000 | in LIWP |

HOME NOFA Allocations

HOME NOFA will allocate the following funds to Balance of State Region:

| | |
|--------------------|----------------------|
| \$3,500,000 | in HOME funds |
| \$2,000,000 | in GHAP funds |
| \$2,000,000 | in OAHTC |
| \$300,000 | in HELP |
| \$1,000,000 | in LIWP |

Funding request Limits

Minimum \$500,000 HOME request with LIHTC ***NEW***

Maximum \$890,000 LIHTC request per project

Maximum \$500,000 in GHAP with HOME and LIHTC ***NEW***

Maximum \$1.8MM in OAHTC

The Documents

General Manual

- Establishes guidelines that apply to all projects, regardless of the funding source(s).

Program Manuals (LIHTC, HOME, OAHTC, GHAP, etc)

- Establishes guidelines that apply to projects that use each programs funds.

NOFA documents (LIHTC and HOME)

- Establishes the process, thresholds, and competitive scoring elements used for each NOFA

NOFA Instructions (LIHTC and HOME)

- Detail the instructions for the NOFA submission, including what Attachments (forms and materials) need to be submitted for the Administrative, Threshold, and Competitive Scoring Review.
- All projects must meet the Administrative and Threshold criteria; Competitive Scoring submission includes questionnaire as well as back up documentation that is needed to substantiate the scored elements and as required per the General and Program Manuals.

The NOFA Process

- **Consolidated Process:** The Department offers funding for multi-family affordable housing projects in a **consolidated process** called the **Notice of Funding Availability (NOFA)**.
- **Simultaneous Application:** Each NOFA is comprised of several sources of **program funds**. In one document, an applicant can request these funds from multiple programs **simultaneously**.
- **Complete Packaging:** It is important to note the Applicant must **complete all** application, threshold and competitive scoring materials, as well as **the supplemental materials** for each program.

The NOFA Submission

- Part 1:** Application Data Submission
- Part 2:** The Applicant and Project Information Submission
- Part 3:** The Threshold Submission
 - Readiness to Proceed
 - Development Team Capacity
 - Ownership Integrity
 - Total Development Cost Per Unit
 - Program Compliance Review
- Part 4:** Competitive Scoring Submission
 - Questionnaire
 - Pro Forma
 - Financial Assumptions
 - Resident Services Plan
 - Tenant Survey & Relocation
 - Architectural Review
 - Capital Needs Assessment
 - Replacement Reserve Analysis
 - Construction Hard Cost Estimate
 - Green Building Standards
- Part 5 - 8:** The Supplemental Program Materials

Part 1: Application Data Submission Attachments

- 1.1: NOFA Cover Letter
- 1.2: Application and Charge Transmittal
- 1.3: Authorization and Acceptance Signature Authority Form
- 1.3A: Board of Directors Resolution (if required)
- 1.4: Copy of Organizational Documents
- 1.5: Application Submission Checklist



Part 1: APPLICATION SUBMISSION

- NOFA Cover Sheet
- Charge Transmittal
- Authorization and Acceptance
- Board Resolution
- Submission Checklist

Part 2: Applicant and Project Information Submission

The following information is required on the form:

- Applicant and Project information
- Development Team information
- Department Based Program Funding Requests
- Unit Type and funding Program designation
- Target Population
- Rent Table
- Site and Building information



This information is critical to providing a thorough snapshot of the project. It is used throughout the review process to orient the reader to the project highlights.

Part 3: Threshold Submission

- 3.1: Readiness to Proceed
- 3.2: Development Team Capacity
- 3.3: Ownership Integrity
- 3.4: Total Development Cost Per Unit

No submission is required for the Program Compliance Threshold review

Part 3: THRESHOLD SUBMISSION



[Readiness Threshold](#)



[Development Team Capacity](#)



[Ownership Integrity](#)



[Total Development Cost Threshold](#)

Part 3.1: Readiness to Proceed

A: Zoning & Site Control:

Project must be zoned for intended purpose; provide Certification. Applicant must have site control through appropriate purchase agreements.

B: Federal Project Resource Status

Applicant must have initiated process with resource provider; ie, provide copy of application.

C: Development Schedule

Applicant must complete OHCS form

D: Environmental Review

MUST Contact before February 25th to schedule Environmental Review; Kim.Travis@oregon.gov

Part 3.2: Development Team Capacity

A: Capacity Worksheet

This form contains all the key categories that the reviewers need to properly evaluate the sponsor's experience and capacity.

When a sponsor notes that they do not have experience or capacity in a certain area, they must indicate the action plan that will mitigate this risk.

B: Real Estate Holdings

This is a newer form that identifies all the real holdings of the sponsor or sponsors and what their current balances, values, net income, LTV's and debt service covers are.

To the extent that a project listed on the schedule has a material problem, such as negative cash flow or < 1.0 Debt Service Cover, the sponsor must provide a written explanation of the situation and its mitigation plan.

Part 3.3: Ownership Integrity

- Ownership Integrity questionnaire; These are financial representations regarding such matters as fraud conviction, bankruptcy, and debarment.

Part 3.4: Total Development Cost / Unit

Total Development Cost / Unit calculated by unit size on the summary page of the pro forma; listed as Development & Construction Cost / Unit Type.

| Development & Construction Cost / Unit Type | | | | tot sq ft | tot units | Dev & Const cost/unit |
|---|--|-----------|--|-----------|----------------------------------|-----------------------|
| | | 0 bedroom | | 0 | 0 | - |
| | | 1 bedroom | | 0 | 0 | - |
| | | 2 bedroom | | 0 | 0 | - |
| | | 3 bedroom | | 0 | 0 | - |
| | | 4 bedroom | | 0 | 0 | - |
| | | 5 bedroom | | 0 | 0 | - |
| | | | | | | |
| | | | | | Common Areas: | 0 |
| | | | | | Development & Construction Costs | \$0 |
| | | | | | Dev & Const Cost / Res Sq Ft: | - |

Threshold submission: complete the form, listing your project development & construction cost / unit type in the provided table. Provide explanation for any unit costs that exceed the listed maximums.

Urban limits apply to all projects in the Metro Region; as well as any that meet at least two of the Urban project criteria (more than 4 stories, required structured parking, elevator, on urban infill site)

Threshold Program Compliance

No submission required, this is an internal review

Competitive Scoring Overview

| Weighting | Category |
|-----------|---|
| 15% | Need |
| 40% | Impact |
| | New Construction and Acquisition/Rehabilitation |
| | Preservation & Public Housing undergoing preservation transaction |
| 15% | Preferences |
| 15% | Financial Viability |
| 15% | Capacity |

LIHTC and HOME scoring has variations; this review is specific to LIHTC

4.1: Competitive Scoring Overview Questionnaire

Captures information for: Need, Impact, and Preferences

Notes / Reminders:

- Data as well as narrative responses are incorporated
- Remember your audience: format and organize thoughts
- Review committee is not responsible for reviewing the entirety of your project application and attachments; provide any and all information you would like them to know in your Questionnaire responses

Formatting in Excel:

- Add paragraph breaks within a cell by typing ALT+Enter
- Use traditional font formatting; bold / underline / italics
- Add additional space in narrative section by click/dragging to stretch the size of the row OR by adding rows to the selected area

Questionnaire submission:

- Hard copy printed out
- Include electronic copy of the Excel document (not scanned PDFs)

Competitive Scoring Overview: Need

Target Populations: 5 points

- Matrix assigning higher points to projects that serve households with children and/or Special Needs populations (including but not limited to veterans, elderly, people with disabilities, previously incarcerated persons, survivors of domestic violence)

| points | Households with Children units | Special Needs units |
|--------|--|---|
| 5 | 30% for households with children; (in new construction 15% of total units at least 3 bedrooms; balance of family units at least 2 bedroom) | 25% for special needs populations: including but not limited to veterans, elderly, people with the presence of a disability, previously incarcerated, survivors of domestic violence |
| 4 | 25-29% for households with children (in new construction 10% of total units at least 3 bedrooms; balance of family units at least 2 bedroom units) | 20-24% for special needs populations: including but not limited to veterans, elderly, people with the presence of a disability, previously incarcerated, survivors of domestic violence |
| 3 | 20-24% for households with children (in new construction 5% of total units at least 3 bedrooms; balance of family units at least 2 bedroom units) | 15-19% for special needs populations: including but not limited to veterans, elderly, people with the presence of a disability, previously incarcerated, survivors of domestic violence |
| 2 | 15%-20 for households with children (at least 2 bedroom units) | 10-14% for special needs populations: including but not limited to veterans, elderly, people with the presence of a disability, previously incarcerated, survivors of domestic violence |
| 1 | 10-14% for households with children (at least 2 bedroom units) | 5-9% for special needs populations: including but not limited to veterans, elderly, people with the presence of a disability, previously incarcerated, survivors of domestic violence |

Competitive Scoring Overview: Need

Severity of Need: max 5 points

- Can be met with listed criteria around: Population Growth, Rental Housing Age, Severe Housing Burden, Affordable Housing Gap (or Affordable Housing Percent for Preservation)

Data provided for Population Growth, Rental Housing Age, and Severe Housing burden

| Severity of Need Measures: city / county vs State | 3 points | 2 points | 1 point | -1 point |
|---|---|---|--|--|
| Population Growth (2010-2013; Census Population Estimates) | Rate of county or city population growth more than 1.5 times that of the state | Rate of county or city population growth 1.1-1.5 times that of the state | Rate of county or city population growth equal that of the state | Rate of county or city population growth declining by 1% or more |
| Rental Housing Age (2009-13 ACS) | Rate of county or city percentage rental built pre-1950 more than 1.5 times that of the state | Rate of county or city percentage rental built pre-1950 1.1- 1.5 times that of the state | Rate of county or city percentage rental built pre-1950 equal to that of the state | |
| Severe Housing Burden (2009-13 ACS) | Rate of Severe Burdened renter households 1.2 times that of the state | Rate of Severe Burdened renters 1-1.2 times that of the state | Rate of Severe Burdened renters equal to that of the state | |
| New / Acq Rehab Criteria: Affordable Housing Gap (applicant provided) | Fewer than 5% of the target population in the city / county covered with existing affordable housing supply | 5-10% of the target population in the city / county covered with existing affordable housing supply | greater than 10% of the target population in the city / county covered with existing affordable housing supply | |
| Preservation Criteria; Affordable Housing Percent | Project represents greater than 30% of the affordable units in the community | Project represents 15-30% of the affordable units in the community | Project represents 10-15% of the affordable units in the community | |

Competitive Scoring Overview: Need

Severity of Need: max 5 points

Applicant provides data and narrative for the Affordable Housing Gap or Affordable Housing Percent

- Affordable Housing Gap should focus on the numeric gap between the target population versus the supply of housing (ex: 200 low income seniors in the community vs just 5 affordable housing units; just 2.5% of the target population have housing available)
- Preservation Affordable Housing percent should demonstrate what percentage the affordable housing represents in the community (ex: the 30 units in this project represents 25% of the 120 affordable housing units in the community)

| Severity of Need Measures: city / county vs State | 3 points | 2 points | 1 point | -1 point |
|---|---|---|--|----------|
| New / Acq Rehab Criteria: Affordable Housing Gap (applicant provided) | Fewer than 5% of the target population in the city / county covered with existing affordable housing supply | 5-10% of the target population in the city / county covered with existing affordable housing supply | greater than 10% of the target population in the city / county covered with existing affordable housing supply | |
| Preservation Criteria; Affordable Housing Percent | Project represents greater than 30% of the affordable units in the community | Project represents 15-30% of the affordable units in the community | Project represents 10-15% of the affordable units in the community | |

Competitive Scoring Overview: Need

Underserved Geography: max 5 points

- Need Distribution (each City / County percentage of the State's Severe Rent Burdened and Low-Income (60% or less) Renter Households)
- Affordable Housing Inventory (sum of each city / county funded affordable housing units)
- Underserved Geography calculation compares the Actual Distribution of the Affordable Housing units to how the Affordable Housing Units would be distributed using the Need Distribution calculation
- The bigger the gap in Actual vs Theoretical the more points
- Each community will be able to use the better of their City or County rating.

Competitive Scoring Overview: Impact

Two versions of the Impact Scoring:

- New Construction and Acquisition / Rehabilitation Projects vs
- Preservation Projects & Public Housing undergoing preservation transaction

Measurements are on the same scale, but Preservation Criteria is more focused on the impact to the tenant and risk of loss to the community while New Construction and Acq/Rehab focuses on the impact to the community and tenant outcomes

Competitive Scoring Overview: Impact for New & Acq/Rehab

- Local Preference (6 points): must submit a letter
- Plan alignment (6 points in PJs, 5 in Balance)
- HOME Leverage (\$500k minimum, 1 point in Balance)
- State Initiative / Policy Alignment (6 points)
- Appropriate Services (6 points)
- Collaboration & Innovation in Service Provision (10 points)
- Location Efficiency (6 points)

Competitive Scoring Overview: Impact for Preservation

- Tenant Impact (15 points)
- Risk of Loss (8 points)
- Prudence of Investment (8 points)
- Plan Alignment (3 points in PJs, 2 points in Balance)
- HOME Leverage (\$500k minimum, 1 point in Balance)
- Appropriate Services (3 points)
- Location Efficiency (3 points)

Competitive Scoring Overview: Impact

Notes / Reminders:

If it is a scattered site project; provide information pertaining to ALL SITES

Plan Alignment & Initiatives: Include information about all plan or state initiative ties a project has. Projects with strongest ties will have been developed in conjunction with these efforts, however it is never too late to reach out to connect with these efforts.

Service Delivery / Collaboration: Focus on Tenants vs the building structure and include detail information about Outcomes & Measurements

Risk of Loss: Provide specific information about the Market Conversion Risk and the Physical Condition Risk; won't necessarily be possible to achieve full points

Competitive Scoring Overview: Preferences

- Serving Lowest Incomes (7 points)
 - Based on Average Gross Median Income; calculated in the Questionnaire; 5 points
 - **based on Incomes in Declaration**
 - Incorporation of rent assistance (2 points)
- Qualified Census Tract or Deconcentrating Poverty (4 points)
- Federal / QAP Preference (4 points)
 - Intended for eventual tenant ownership
 - Energy efficient measures employed
 - Evidence of historic value for the community
 - Established commitment to marketing to public housing waitlists

Competitive Scoring Overview: Financial Viability

- Development pro forma review (4 points)
- Operating pro forma review (3 points)
- Reasonable request and demonstrated need for resources (2 points)
- Well documented and explained construction costs (2 points)
- Leverage (2 points)
- Explained exit strategy at year 15 (2 points)

Competitive Scoring Overview: Capacity

- Owner / Sponsor / Management performance (9 points)
 - Based on compliance portfolio review, using published criteria
 - Federal Reporting (8823/REAC)**
 - OHCS portfolio compliance:**
 - REAC
 - Physical
 - Tenant Files / Income Verifications
 - Resident Services
 - Owner/Management Responsiveness
 - Financial portfolio viability:**
 - Audited Financial
 - Other Financial Reporting
 - Certificate of Continuing Project Compliance (CCPC)
 - **Community Evaluations**
- Readiness to proceed (6 points)

Competitive Scoring Submission

4.1: Questionnaire

Provides information for scoring Need, Impact and Preferences

4.2: Pro Forma

4.3: Financial Assumptions

4.4: Resident Services Plan

4.5: Tenant Survey & Relocation

4.6: Architectural Review

4.7: Capital Needs Assessment (CNA)

4.8: Replacement Reserve Analysis

4.9: Construction Hard Cost Estimate

4.10: Green Building Standards

Provides information for scoring Financial Viability and Capacity

Part 4: COMPETITIVE SCORING SUBMISSION

 [Questionnaire \(Need, Impact, Preferences\)](#)

 [Pro Forma.zip](#) | [Zip Instructions.pdf](#)

 [2014 Uses Equations](#)

 [Financial Assumptions](#)

 [Resident Services Plan](#)

 [Tenant Survey and Relocation](#)

Part 4.1: Questionnaire

Excel Document: complete all applicable sections, highlighted green areas need to be completed.

Tab / Worksheet for Need, Impact New Construction, Impact Preservation, and Preferences. Included sample of a jurisdiction letter.

Included calculations and reference data.

DEMO

Part 4.2: Pro Forma

Updated Pro Forma must be used. Available on the website in a zipped folder, includes directions for using / unzipping the folder to access the file.

Highlighted areas in green to fill in project data.

DEMO

Part 4.3: Financial Assumptions

- Without requiring market studies or appraisals, this is a critical area of information for the reviewers.
- The rent and expense information should be detailed and concise. Cite your sources but do not attached, tables, surveys, etc.

Part 4.4: Resident Services Plan

- OHCS has long recognized resident services as an integral part of the ongoing success of affordable housing developments.
- Appropriate services are important and empowering to residents and they bring benefit to project management, to the project sponsor/owner, and to the local community as well.

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.

Part 4.5: Tenant Survey and Relocation

A: Existing Tenant Survey

B: Additional Demographic Characteristics, for HOME only

C: Tenant Relocation Questionnaire

Part 4.6: Architectural Review

For All New Construction Projects and Rehabilitation Projects That Include Any New Construction

- Vicinity map
- Context photos
- Preliminary site design and development plan
- Required site accessibility and visitability features

For All Rehabilitation Projects

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

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

- Critical repair items
- Two (2) year physical needs
- Long term physical needs
- Analysis of reserves for replacement

Part 4.7: Capital Needs Assessment (CNA)

Within 12 months

Part 4.8: Replacement Reserve Analysis

Excel workbook

Part 4.9: Construction Hard Cost Estimate

A: Cost Estimates

B: Visitability Exemption Request

Part 4.10: Green Building Standards

Enterprise Green Communities: New Construction and Substantial Rehab (one or more systems replacement) 25 units or more

Earth Advantage Certification Path: New Construction Only

LEED Certification Path: New Construction Only

OHCS Green Building Path: Acquisition & Rehabilitation

Parts 5-8 Program Submission

Part 5: The LIHTC Program Material

The exhibits are included here. Refer to the 9% LIHTC 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: Home Program Materials

The exhibits are included here. Refer to the HOME Program Manual for policy and instructions.

Part 7a: Home Program Market Study

The exhibits are included here. Refer to the HOME Program Manual for policy and instructions.

Part 8: LIWP Program Materials

The exhibits and instructions are included here and in the LIWP Program Manual.

Program Highlights

HOME

- The 2013 HOME Final Rule requires more extensive construction monitoring and architectural review to ensure the project meets standards. These requirements will be outlined in your reservation letter if the project is funded.
- NEPA Environmental Review
- No Choice Limiting Action
- Scheduling Acquisition Date
- URA Regulations on Real Estate Acquisition
- Two Notices to Seller (must be sign by seller):
- Notices to Tenants (must be signed by each tenant):
- HOME Maximum Subsidy Limits
- Definition of Eligible HOME Projects

**Contact Carole Dicksa with any HOME questions
Carole.Dicksa@oregon.gov**

Program Highlights

LIHTC

- Cost per Unit is measure for Cost Containment
- Pro forma is similar to last round.
- QCT/DDA's have changed significantly. Review new list.
- Commercial costs require a separate set of pro formas.

OAHTC

- A maximum \$1.8MM in OAHTC per project can be requested in each funding round. The permanent loan can be higher or bifarcated, but only the first 1.8 MM will get the interest rate reduction.
- Commercial costs cannot be included in OAHTC loan.
- OAHTC Declaration will include a table as Exhibit B that shows the expected Rents before/after application of OAHTC pass through.

Contact Carol Kowash with any LIHTC or OAHTC questions

Carol.S.Kowash@oregon.gov

General Reminders

- Follow the order of the application submittal checklist completely and accurately.
- Make sure to provide all requested material in the order indicated on the checklist.
- Submit only the documents that are listed on the application submittal 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.

NOFA Process – Dates to Remember

Release date: January 30th

Questions until: April 3rd
MFNOFA@Oregon.gov

Close date: April 17th

All applications must be in the OHCS offices by 4pm on the close date; they must be complete; post marks do not apply

Administrative Review: April 17th – 20th

Threshold and Scoring: April 20th – June 30th

State Housing Council Presentation: July meeting

Questions and Answers



www.ohcs.oregon.gov