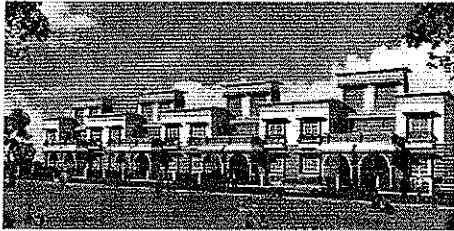


2012
CFC TRAINING
January 26, 2012




1

Format for Questions

- ❖ Please Type in your Questions during the Training Today
- ❖ Questions asked Today will be Addressed and Answers Posted to the OHCS Web Site by End of Day Monday Jan. 30
- ❖ Comment Period will Remain Open until End of Day Tuesday, Jan. 31
 - ❖ Any Additional Questions will be Collected at that Point
 - ❖ All Questions Will be Addressed by Friday February 3.

2

2012 Application

- ❖ 2012 Application has a  Look
 - Full Table of Contents
 - Cut Down the Number of Total Pages
 - Updates, Program Information & Forms
 - ✓ All Word Forms are Within the Body of the Application
 - Only Forms not in the Application:
 - ✓ Excel Spreadsheets
 - Very Important NOT to Use Forms or Materials from Previous Applications

3

Regional Advisors to the Department (RADs) Contact/Assistance (pg. 6)

- ✦ Make EARLY Contact with RAD
- Northwest/Metro Region.....Vince Chiotti
- Mid-Willamette Valley..... Karen Clearwater
- Central Region.....Deborah Price
- East Region..... Bruce Buchanan
- Southwest Region..... Karen Chase

4

2012 ALLOCATIONS (pg. 7)

- ✦ HOME \$ 3,700,000
- ✦ HDGP (Trust Fund) \$ 5,000,000
- ✦ (LIWX) Weatherization \$ 700,000
- ✦ HELP \$ 240,000
- ✦ OAHTC \$ 10,000,000
- ✦ LIHTC Program \$ 8,000,000

5

Table of Regional Allocations (pg. 8)

ALLOCATION	HOME	HDGP	LIHTC	OAHTC	HELP	LIWP
Urban/Metro		1.75 Mil	2.7 Mil			
Multnomah County		1 Mil	1.7 Mil	10 Mil	240 k	700 k
Rural	3.7	2.25 Mil	3.6 Mil			
Total Sources	3.7 Mil	5 Mil	8 Mil	10 Mil	240 k	700 k

6

2012 CFC Schedule (pg. 9 & 10)

- Feb 3 Last Day for RAD Contact for Environmental Review & Last Day to Schedule the RAD On-site Review
- Feb 11 Last Day to Submit Request for Population Reassignment
- Mar 9 Last Day to Submit Sponsor Capacity on Asset Management
- Mar 17 First Day Apps Accepted
- Mar 30 Last Day Apps Accepted
- Jun 22 Target Date for Announcing Reservations
- Jul 13 Housing Council (HC) for grants or loans > \$200,000 from a single funding source or \$400,000 Combined OHCS Sources

7

PART 1 (11-18)– General Submittal Docs. “Download the 2012 Application”

- ◆ Authorization & Acceptance Form
 - Person(s) who has/have Authority over Terms in Form
 - Owner/Board Chair Must Sign
- ◆ Board of Directors Resolution
 - If Organization Requires the Board to Adopt a Resolution – Include – If not, Explain why Not
 - Sample Format Provided – If Other Format is used, Be Sure all Information is the Same as Provided Format
- ◆ Application and Charge Transmittal
 - Be sure to Include all Applicable Charges

8

Additional Part 1 Documents

- ◆ Applicant Checklist – Checklist to Ensure all Required Application Information, Forms and Spreadsheets are Included with Application
 - Helps You Determine what Documents to Submit & the Placement in Application
 - Pages Should Appear in Same Order as Shown on Checklist
 - Because Two of the Programs do not have Forms (HELP and Trust Fund) Part Numbers on Checklist may not Correspond to Part Numbers in App.
 - Number All Pages of App. to Correspond to Your Checklist

9

2012 Information (pg. 19-29)

- ◆ Construction Monitoring Fee
 - \$2,200 Charge will Apply to All Projects Receiving OHCS Resources
 - OHCS may Exempt Group Homes, Projects with < Four Units or Projects of \$300k or Less in OHCS Resources
 - Include the \$2,200 in the Budget
 - Successful Applicants will Receive a Transmittal Form for the Fee and it can be Reimbursed using OHCS Grant Resources

10

Best Practices Construction Standards

- ◆ Outlines Standards for Rehabilitation and New Construction
 - Assists OHCS in Meeting 30-Year Sustainability Standard
 - OHCS Funding Recipients Must Follow
 - OHCS will work with you on Aspects of the Standard



11

Who Takes Responsibility for Construction Issues?

- ◆ You have the Contract with your Contractor
 - You will be made aware if there are issues
 - Our Hope would be You Desire to Ensure Construction Meets the Best Standards
 - Poor Construction Could Require Additional Work Sooner than Normal if Stricter Standards had been Followed Initially
- ◆ This was Instilled to Protect You as the Project Owner

12

Evaluation Team Reviews

◆ The Pre-application Site Reviews Have been Cancelled

- Due to Budgetary Restraints, Travel has been Suspended

13

OHCS Charges

◆ Application Fee

- The lesser of \$25.00 per unit or 5% of the total funds requested
- Minimum charge is \$100
- Note: Group Homes with five or fewer bedrooms are considered one (1) unit



14

Post- Application Charges (If Approved for Funding):

- ◆ Recipient Charge
 - Less Than \$300,000 in OHCS Funding - \$1,000.00
 - More Than \$300,000 - \$2,000.00
 - If LIHTC is Allocated - \$2,500.00
- ◆ Farmworker Tax Credits - \$200. for each development that receives credits
- ◆ Document Preparation Charge - \$100. per Each OHCS Document when Recorded

15

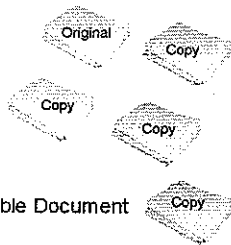
Application Submission

- ❖ Include Only the Documents listed on the Application Submittal Checklist
- ❖ Reviewers will not Review Documents if they were not required
- ❖ For LIHTC Requests, Submit Two Originals of the Signed Third Party Market Study
- ❖ Include Only the Executive Summary of any Report/Study with the Application. OHCS may Request the full Report Later if Project is Funded

16

More on Application Materials

- ❖ Submit:
 - Original and 4 Full Copies
 - Electronic Version on CD
 - 3rd Party Reports in a Portable Document Format (PDF)
- ❖ Save Application Materials in Microsoft Word or Excel for CD



Full Instructions on Page 26

17

2012 Set Aside

- ❖ For the 2012 CFC, OHCS will Prioritize Preservation of Housing with Existing Subsidies and Set Aside 50 Percent of Funding for Preservation
- ❖ At Least 25 Percent of the Units Must Have Project-based Rental Assistance to Qualify for the Set-Aside Allocation, or
- ❖ Expiring LIHTC Projects with Rents at 10 Percent Below Market.

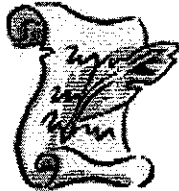
18

Preferences

- ◆ Several OHCS Preferences Appear on Pages 30, 31 ,32
- ◆ Review them to Acquaint Yourself
 - Project Preferences
 - Tenant Income Qualifications
 - Community Support
 - Mass Transit / Urban Growth
 - Site Preferences
 - Merit and Feasibility
 - Tie Breaker Policy

19

Policies – Standards and Requirements Pages 32-37



20

◆60 year Affordability for CFC Projects

- Presented to Housing Council and Motion was Passed February 18, 2011
- Owners of Rental Housing Developments with OHCS Grant or Loans
 - > Excludes 4% LIHTC or Bonds
- Rental Assistance Contracts to Expire – Must Apply for and, if Approved, Accept Rental Assistance Renewals

21

More on 60 Year Affordability

- LIHTC Projects with Subordinate Loans
 - OHCS will not Unreasonably Withhold Adjustments to the Affordability as it May Relate to the Term or Rent Levels in Order to Maintain Status of such Debt as a Loan and Avoid Triggering Such Debt as a Grant
- Other Exceptions or Modifications will be Subject to Approval by OHCS Director and Could Include Recapture of Invested Funding and/or Appreciation

22

- ◆ Revocation of Reservation
- ◆ Readiness to Proceed
 - Limited Resources / Oversubscription
 - Goal: Projects Ready to Start Const. Within 1 Year of CFC Award
 - Expectation - Certain Pre-Dev. Activities be Completed Prior to Application

23

- ◆ Policy on Debt Reduction
 - CFC Designed to Create and Preserve Housing
 - Funding Requests for Buying Down or Refinancing of Current Debt are not Eligible
 - Policy is not applicable to the Payment of an Existing pre-development or bridge loan

24

❖ Funding to Pay for Construction Prior to CFC Application (Page 35)

- Reimbursement for Any Work Done Prior to Making Application is Ineligible

❖ Standardized Legal Documents (Page 35)

- OHCS Program Documents are not Open to Modification
- Any Requests Must be Reviewed by OHCS Legal Counsel
- Recipients are Responsible for Reasonable Legal Fees Incurred by OHCS in Such a Review

25

SECTION 8 PROPERTY PURCHASES

❖ Acquisition/Rehab of Project With OHCS Mortgages/HUD Sec 8 Contracts

- Notify RAD of Your Intent
- Notify OHCS 60-90 Days prior to submitting the APP.
- Letter to Nancy Cain, CFO,
725 Summer St. NE,
Suite B, Salem, 97301



26

❖ MORE to Consider When Applying:

- Dept. of State Lands Reviews
- Final Submissions for Projects
- Expectation Training (for Funded Applicants)
- Project Scope Changes
- Prevailing Wage
- Affirmative Outreach
- Affirmative Hiring Practices
- Faith-based Organizations and Government Funding
- Sustainability
- Green Building
- Internet Access for Tenants
- Required Insurance

27

Defining Developer Fees

- ❖ OHCS Defines as Project "Soft Costs"
 - Consultant Fees
 - Project Management Fees
 - Overhead and Profit or
 - Deferred Developer Fees
- ❖ Maximum Developer Fee = 15%
- ❖ Any Changes to a Developer Fee Must be Pre-approved by OHCS

28

Calculating the Developer Fee



- ❖ Calculation as % of Project Cost must net Out the Development Fee & Project Reserves & Any Other Cash Accounts from Total Project Cost

❖ EXAMPLE:

Developer Fee *divided by*:

(Total Project Cost *minus* Developer Fee *minus*
All Project Reserves & Capitalized Cash Accounts)

29

IMPORTANT REQUIRED SCHEDULES

- ❖ 30 Year Replacement Reserve
- ❖ Real Estate Holdings Schedule



- ❖ Links to Schedules Found on Page 169

30

Part 2A - Threshold

- ❖ Zoning Form
- ❖ Site Control Verification Documents
- ❖ Environmental Review Checklist
 - Address all areas in the Form
 - Must be Complete and Both the RAD and the Applicant Must Sign the Front of Form

31

Part 2B – Architectural Threshold

- ❖ Describe Overall Characteristics of Project
- ❖ Do not Include all Elements
- ❖ Not Scored But Provides Information for the Reviewers in Other Areas
- ❖ Optional Forms
 - Visitability Exemption Request
 - Minimum or Maximum Unit floor Area Exemption Form
- ❖ Additional Information/Examples on Page 46

32


Architectural Standards (Pg. 64 – 111)

- ❖ OHCS' Expectation is that Every New Construction Project is Designed by an Architect Registered and Licensed in Oregon
- ❖ Make Sure the Project Architect has Access to OHCS Requirements Before Design Phase begins
- ❖ 30 Year Standard
 - Careful Design
 - Good Material Selection
 - Consistent Construction Oversight

33

Green Building Requirement

- ◆ Now a Requirement of All Projects
 - Under Architectural Standards



34

Housing Council Report (Pg. 113-116)

- ◆ Complete in Entirety
- ◆ Check that Project Description Gives Enough Information
- ◆ 60 Year Minimum Affordability

35

- ◆ **Part 3 – APPLICANT/PROJECT DATA (Pg. 117-126)**
No Major Changes
- ◆ **Part 4 – NARRATIVE QUESTION (Pg. 128)**
 - ▶ Limit to 3 Pages
 - ▶ No Smaller than 11-12 Pt. Font
 - ▶ No Less than One Inch Margins on All Pages

36

Part 5 – Self-Scored Section

(Instruc. Page 129)

- ❖ Must Utilize Excel Form (On web site)
- ❖ Renter Preference
- ❖ Need for Project
- ❖ Priority Reassessment Form
- ❖ Green Building
- ❖ Const. Cost Determination
- ❖ Comm'ty & Gov. Support – Now Combined and Worth 5 points
- ❖ Non-OHCS Resources – Worth a Possible 5 points

37

PART 6 – RESIDENT SERVICES

(Pg. 134-136)

- ❖ Adds Marketability and can be Advertised
- ❖ Worth a Possible 10 Points
- ❖ "Will be reviewed for:
 - 1) Description of population to be served
 - 2) Resident Qualifiers (i.e. Homeless, Ex-Offenders)
 - 3) Appropriateness of the Services to the population
 - 4) Proposed Results of Services in Quantifiable Terms
 - 5) Coordination of Services with Management
- ❖ Four Questions Now Plus the Table to complete

38

Tips For Completing Resident Services



- ❖ What Will the Typical Household Look Like? What will be Their Strengths/Needs?
- ❖ Explain Why those are Services that Should be Offering
- ❖ Be Specific to This Project Rather than Discussing Services at Other Projects

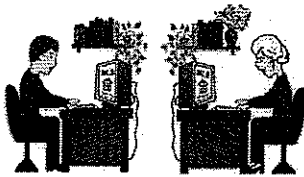
39

Few More Tips on Services



- ◆ Describe how Services will be Delivered.
- ◆ Who will be Responsible and What will be Expected of them?
 - Who Supervises Their Work?
- ◆ Define How the Project Owner and Management Agent will Work Together to Ensure Good Service Delivery

40



Part 7 - Market Section


41

PART 7 – Choices in Market Section

- ◆ Group Home
- ◆ Summary Special Needs Market Assessment
- ◆ General Market Assessment
- ◆ LIHTC Third Party Market Assessment
- ◆ Some Projects may Serve more than One of the Populations
 - If so, Submit all Choices that Apply
 - Exception is if LIHTC Third Party Study

42

Group Homes



- ❖ Demonstrate the Demand
 - Need to Provide Sufficient Information to Confirm Need
 - Adequate Population in Future to Support Through Affordability Period

43

Summary Special Needs M.A.

- ❖ Analysis
 - Different Analysis than General M.A.
 - Applies to Projects < 20 Units & Non-LIHTC
 - Dependent on Agencies & Providers
 - Requires ONE (1) Excel Worksheet
 - Supplementary Data may be Requested

44

General Market Assessment

- ❖ Identify the Target Population
 - Who will you serve?
 - What are the Household sizes? Household Incomes?
- ❖ Regional or Local Economic Trends?
 - Income, Employment
- ❖ Define the Primary Market Area & if Secondary Market Area
- ❖ Analysis must be Supported by Data
- ❖ Conclusions - Credible
- ❖ OHCS May Request Supplemental Data

45

LIHTC M. A. Requirements

- ◆ LIHTC Market Analysis Must be No More than Six Months old at the time of application or re-application
 - Means Effective Date of Report Cannot Exceed Six Months Prior to Application Date
- ◆ Required: 1) Third-Party Prepared
2) Sponsor Pays
- ◆ Detailed Requirements as to What is Required
- ◆ Discuss Scope of Work or Problems with OHCS RAD or Analyst if Needed

46

Tables for Market (Pg. 152)

- ◆ Average Vacancy Rate & Rent Comparison Tables
 - Use only Data for Proposed Project
 - Place n/a in Boxes that do Not Apply
 - Do Not include Affordable Units Whose Rents are Above Fair Market Levels (i.e. some Section 202, Section 811 or RD Rental Assistance Contracts or Agreements)

47

Quals. for Rent Analysis

- ◆ Rental Analysis Sections
 - Considered an Appraisal Under USPAP & ORS 674
 - Applies to Both Market and Affordable Sections
 - Must be Completed by State Cert. Appraiser
 - Contact the Oregon Appraiser Cert. and Licensing Board for Certification Info.

48

Basic Market Analysis Handbook

- ❖ CFC Questions
- ❖ Resources
- ❖ Suggestions
- ❖ Examples



49

M.A. Handbook Addendum

- A. Project Market Assessment Excel Workbook
- B. Special Needs Assessment Excel Workbook
- C. Example: U.S. Census – Demographic Profile
- D. Example: U.S. Census - SF 3 Tables
- E. Glossary of M.A. Terms

For Assistance on Any Piece of the Market Call:
Mike McHam (503) 986-6731

50

PART 8 - Sponsor Capacity (worth 25 pts.)

- ❖ Prior Development & Ownership Experience
 - Team's Experience Developing Housing
 - Readiness of Sponsor's Entity to Develop and Maintain the Project
- ❖ APM's Review of Past Performance of Ongoing OHCS Funded Projects
 - Expected to Evolve over Next Few Years
 - May Impact Total Scores in Future CFC Rounds

51

**PART 9 - Financial Feasibility/
Readiness to Proceed**

- Proposed Project Schedule
- Financial Assumptions
- Non-OHCS Sources Table
- Developer Fee
- Contractor Overhead and Profit
- How Project will Remain Affordable
- Subsidies if Acquisition Project
- Project-Based Rental Assistance
- Preservation/Expiring Use Project
- Existing Tenant Survey & Tenant Relocation

52

**Part 10 - PRO FORMA
SPREADSHEETS**

- ❖ Cells are Locked
 - Unlock by Accessing "Tools" & choose Unlock
- ❖ Care When Using
 - Some Cells Embedded with Comments to Assist
 - Insert Only Information in SHADED AREAS – Formulas in Non-Shaded Cells
 - Altering can Create Errors
- ❖ Incorrect Data May Affect Application Ranking
- ❖ Instructions – Pg. 180-185

53

Existing Projects

- ❖ Existing Tenant Survey (Pg. 172)
 - Required if Acquiring an Existing Occupied Project
 - Complete for Every Unit in the Project
 - If HOME or LIHTC, Note the Additional Information Required
- ❖ Tenant Relocation (Pg. 177)
 - Required for all Projects with Temporary or Permanent Relocation
 - Doesn't Matter what OHCS Source

54

Part 11 – Construction Cost Docs.

- ❖ Section is not scored.
 - Documents Used in Reviewing:
 - 1) Self-Scored Section,
 - 2) Architectural Standards in Threshold Section, and
 - 3) Costs Indicated on Development Budget in Relation to Scope of Work & Project Costs
 - 4) Only Certain Documents will be Accepted
- ❖ Documents to Reflect Costs Represented in Application
 - Documents to be Complete, Accurate and an Indicator of the Proposed Project Costs

55

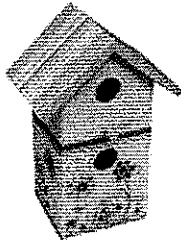
“THE FORMS”

- ❖ Part 12 HOME and Part 13 LIHTC are now all in the Application Materials
- ❖ Part 14 – Supplemental Weatherization Excel
- ❖ Part 15 – OAHTC are in the Application



56

HOME Program



57

Contractors and Debarment List

- ❖ Requirement whether HOME is in or Not
- ❖ Eligibility Must be Verified PRIOR to Entering Into a Contract
- ❖ Discussed in Detail in HOME Program
- ❖ CONTRACTORS AND DEBARMENT LIST
<http://www.epls.gov/epls/search.do>

58

Choice Limiting Activities

- ❖ HOME Sites Must be in Compliance with National Environmental Policy Act (NEPA) and all HUD-Specific Regulations
- ❖ Once Application is Submitted:
 - Do not Perform Any Action or Activity on Site
 - Do not Acquire the Site
 - Do not Demolish any Structure on the Site
 - Do not Enter into a Ground Lease
- ❖ Any of the Above Activities will make the Project Ineligible for HOME Funding
- ❖ If funded, you will Receive Notification when the NEPA Review is Completed

59

Section 3 with HOME Funding



- ❖ HOME Projects are Subject to Section 3 of the Housing & Urban Development Act of 1968
- ❖ Requires to Greatest Extent that Recipients of HOME Funds Provide:
 - Job Training
 - Employment
 - Contract Opportunities for Low and Very-Low Income Individuals

60

More on HOME and Section 3

- ◆ A Business can be Certified as a Section 3 Business if:
 - It is 51% or More Owned by Sec. 3 individuals; or
 - It Employs Sec. 3 Individuals for as Least 30% of Full-time, Permanent Staff; or
 - It Provides Evidence of Commitment to Subcontract at Least 25% of the Dollar Amt. of the Awarded Contract to the Sec. 3 Business Concern

61

Recruiting for Section 3



- ◆ HOME Recipients Must Ensure they will Contract with Sec. 3 Businesses or Businesses that Recruit Sec. 3 Employees
- ◆ Ways to Recruit:
 - Contact Resident Organizations, Local Community Development & Employment Agencies
 - Distribute Flyers
 - Post signs
 - Place Ads in Local Newspapers
- ◆ More Information: Go to HUD.gov – Search "Section 3"

62

Combining Special Needs and HOME



- ◆ Applying for HOME Funding & Licensed By or Funds Provided By DHS:
- ◆ Obtain Letter from DHS Confirming Project Will and Can Comply With HOME Requirements:
 - Lease
 - Services
 - Affirmative Marketing

63

Special Needs & Home

- ❖ Lease Agreement MUST
 - Offer 1-YR Lease
 - 30-day Termination of Tenancy Clause
- ❖ Services
 - Cannot be Condition of Tenancy
 - Supportive Services Can be Required in Transitional

64

HOME-Funded Group Homes

- ❖ Sponsors of Group Homes
 - Project Must Be Open to Anyone With a Disability
 - Complying with Affirmative Marketing – Must accept application from the General Public and Not Limit to Referrals from Just One Entity
 - Services Can be Directed to Specific Special Needs Population
 - > Potential Tenants Must Self-Select Housing Based on the Appropriateness of the Services Offered

65

RD/HUD FUNDING

- ❖ Must Provide Copy of Commitment Letter that Includes:
 - Guarantee Funds will be Available by Time OHCS Allocates CFC Resources
- ❖ Submitting a Preservation Project, Need to Provide Acknowledgement from RD or HUD (via email or letter) They are Aware You are Applying for CFC Resources.
- ❖ Merely Applying for Federal Funding Does Not Guarantee Acceptance Through CFC

66

More on RD/HUD Funding

- ❖ Projects Receiving a 2012 CFC Reservation & Plan to Apply Through the 2012 NOFA – Must Submit Apps. Within 60 Days of the Date of NOFA
- ❖ Once RD Announces Awards – You Must Notify OHCS Immediately
- ❖ Project Fails to Receive RD Funding – OHCS can Rescind 2012 CFC Resources and You will need to Apply to a Future CFC Round

67

Arriving at the Need



68

Needs Analysis Priorities

- ❖ PURPOSE:
 - Identify Gaps Between Oregonian Needs and Existing Special Needs & Affordable Housing
 - Prioritize Funding to Housing Types which Address Highest Unmet Need
- ❖ Not a Market Study
- ❖ Needs Priorities Available in the Application
- ❖ Find Further Detail and Data on the Needs Analysis web page:
 - http://www.ohcs.oregon.gov/OHCS/RA_Needs_Analysis.shtml

69

More on Needs Analysis Priorities

- ❖ All Areas are Assigned a Priority for Workforce and Special Needs Housing Funds based on Data.
- ❖ In Addition to the Data-based Priorities, there are Policy Priorities set for all of the state which are:
 - Housing that would serve the **Homeless or Chronically Homeless** are always a **Priority 1**
 - **Preservation** Projects are always a **Priority 1**
 - **Acquisition / Rehab** projects to serve low-income tenants are a **Priority 1** in all cases where workforce is not a priority 1.
- ❖ Policy Exceptions may be made for Projects with committed Federal Funds that have Operating or Rent Assistance.

70

Needs Analysis Priorities

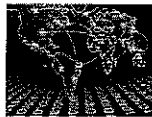
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In addition to the Data-based Priorities, there are Policy Priorities set for all of the State which are:

- ❖ Housing that would serve the **Homeless or Chronically Homeless** are always a **Priority 1**
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- ❖ **Acquisition / Rehab** projects to serve low-income tenants are a **Priority 1** in all cases where workforce is not a priority 1.
- ❖ Policy Exceptions may also be made for Projects with committed Federal Funds that have Operating or Rent Assistance.

71

Needs Analysis Priorities Based on Data



- ❖ **Workforce Housing** Priorities Updated in 2012 using American Community Survey's Housing Burden Data
 - Workforce Housing Priority Established by Comparing the Burden Rate of Low Income Workforce Renters (30-60% AMI) within a County or City to the State Rate
- ❖ Priorities for **Special Needs** updated in 2012
 - Comparison of each Group Population to the Number of Funded Units within each County

72

Special Needs Housing Groups Included in the Analysis

- Alcohol & Drug Recovery
- Chronically Homeless
- Domestic Violence Victims
- Elderly
- Farmworkers
- Frail Elderly
- HIV/AIDS
- Homeless (Prior. 1)
- Chronically Homeless (Prior.1)
- People with Presence of a Physical Disability
- People with Presence of a Chronic Mental Illness
- People with Presence of a Developmental Disability
- Released Offenders
- Workforce/Family

73

Needs Analysis Priorities

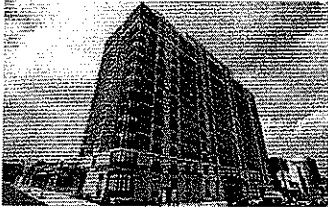
- ❖ **Request for Reassignments** – Application for a Population not Currently Listed as a Priority 1, a Reassignment can be Requested
- ❖ Coordinate with the RAD
- ❖ Identify if it's a Data Based or Policy Based request.

74

Data-Based Vs. Policy-Based

- ❖ **Data Based** – Most cases – Need to Present Updated or Different Data on the Population in need of Housing, the Supply of Housing, or Changing Local Economic Factors not Reflected in Data that may Impact the Relative Priority of the Population.
 - Submit using the Request for Reassignment Form
 - Will be Evaluated in a Timely Manner
 - Encouraged to Request Assistance/Feedback with Request through OHCS Research Analyst (Natasha Detweiler Natasha.Detweiler@state.or.us)
- ❖ **Policy Based** – In this Case - Identify a Policy Rationale for the Reprioritization of Population, Community, or Proposed Effort.
 - Submit using the Request for Reassignment Form
 - Will be evaluated by OHCS Administrators

75



LOW INCOME HOUSING TAX CREDITS (LIHTC)

76

LIHTC Updates

- ❖ LIHTC Income Limits for 2012 are on the OHCS web site and Pro forma Reflects Them
- ❖ OHCS will Award 2012 and 2013 Credits in this Round
- ❖ Unless the Project is Placed in Service by December 31, 2013 the 9% Fixed Rate will not Apply
- ❖ The 4% Rate Continues to Float

77

More on LIHTC

- ❖ Preservation & New Construction Applications Welcome this Round (1/2 for Preservation)
- ❖ Substantial Rehab Expenditures Increased to Greater of 20% of Adjusted Basis of a Building or \$6,000/unit, Indexed to Inflation

78

HERA & State's Basis Boost

- ❖ HERA Provision Affected State's Ability to Decide which Projects & Buildings Qualify for Basis Boost of up to 30% for Purposes of Eligible Basis Determination
- ❖ If Project is NOT in HUD Designated DDA or QCT, may be Eligible for State's Basis Boost, for the Rehabilitation/New Construction Portion of a 9% Project
 - Acquisition Credit Basis is not Eligible for the Boost
 - Counties are Listed on Page 12 of Section 9

79

More on the State's Boost

- ❖ Complete the 130% Basis Boost Request (Page 268) if Appropriate for the Project
- ❖ Approval of Basis Boost DOES NOT Mean Project gets More Credits than Requested in CFC



80

PROJECTS QUALIFYING FOR BOOST:

- ❖ Preservation Projects
- ❖ Permanent Supportive Housing projects
- ❖ Workforce Housing Projects
- ❖ Projects in Urban Renewal Districts
- ❖ Transit Oriented Districts
- ❖ Projects in Economic Revitalization Areas, as Determined by Local or State Governments

81

GENERAL LIHTC REMINDERS

- ❖ Per Project Credit Cap is \$820,000
- ❖ Primary DCR Should be between 1.15 & 1.20, Unless the Lender Requirement Different

82

MORE LIHTC REMINDERS



- ❖ Lender Requirements for Loan to Value Different than Typical Standards from Recent Years, Need to be Explained
- ❖ Operating Reserves Beyond 4 to 6 Months of Expenses Supported by the Requiring Party (Investor/Perm Lender)

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Material Increase in Pricing

- ❖ If a Material Increase in Pricing Occurs:
 - OHCS Reserves the Right to Adjust Amount of Credits; or
 - The Amount of any Other OHCS Grant Source
- ❖ Up to 50% of such an Increase may be Used for Justifiable Cost Increases if OHCS Approved; or
- ❖ A Reduction to the Developer Fee
- ❖ The Remaining 50% Shall be Used to Reduce:
 - Perm Loan
 - Applicant Loans
 - Tax Credit Allocation; or
 - Other OHCS Funding Sources
- ❖ Increases for Specific Hard Costs Required by investor may be an Exception to Above Policy
 - Still Requires Approval from OHCS

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LIHTC & Permanent Location

- ◊ Applicants Requesting a Subsequent Credit Allocation Cannot Require Tenants that Qualified Under an Existing LIHTC Allocation Relocate if the Extended use Period is Still in Effect
- ◊ IRS has Provided Guidance that if the Incomes of Such Tenants Exceed the Limit at time of a Subsequent Allocation, they are Protected as Stated in 8823 Audit Guide
- ◊ OHCS may not Award Subsequent Credits to a Project if Permanent Relocation is Proposed for Tenants Above 60% AMI, but Below 140% AMI

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Carryover

- ◊ Carryover Application Due BEFORE December 1, 2013 with a Completed 10% Cost Certification or Sponsor's Self Cert

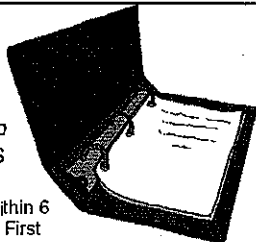


- Late Charge if Received After 12/1/13
- 10% Cost Certification Deadline Extended to 12 Mos. from Carryover Allocation

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LIHTC and Final Application

- ◊ Final Apps. to be Submitted No Later Than 6 Months After P.I.S Date
 - Late Charge if not Received within 6 Months of Completion (\$1,000 First Month - \$100/mo Thereafter)
- ◊ Projects with Split Year Tax Credit Awards Must Follow QAP in Effect When Credits Initially Reserved



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HOME as Federal Funds or Story of Grants vs. Loans

- ❖ Federally Subsidized v. Federally Funded Grant
- ❖ HOME Grant = Federal Subsidy, Remove from Eligible Basis
- ❖ HOME Loan ≠ Federal Subsidy, No Need to Not Remove from Eligible Basis, see Slide #37 on Repayment

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Professional Opinions For LIHTC

- ❖ Owners with Loans Defined as Cash Flow Only, Deferred Pmt., or Partnership
 - Be Prepared to Provide Professional Certification or Opinion Loan has Reasonable Expectation for Repayment Before Loan Proceeds can be Included in Basis, Usually in the Final Analysis
 - Letter will be Required at Final App. if Project Cash Flow Cannot Pay Off in Identified Term

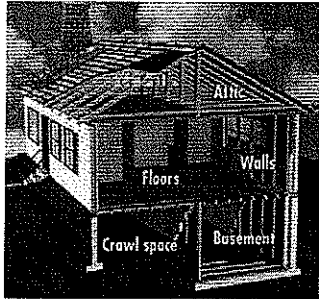
89

HELP Program

- ❖ \$200,000 Maximum Grant
 - ❖ Eligible Populations
 - Homeless, Including Victims of Domestic Violence (Housing PLUS definition only)
 - Group Homes for Disabled Persons with Specific Services
- Fair Housing - Cannot Rent or Market to a Specific Disability. You can Offer Services that Apply to Persons with a Disability but they Must Self-Certify

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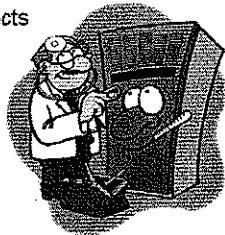
Weatherization



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Weatherization Funds

- ❖ Funding Only Allows for Projects in PGE or PPL Service Areas
- ❖ Other Restrictions May Apply Depending on Type of Fuel Used for Heating and Type of Activities



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CFC WX Requirements

- ❖ Submit With Application:
 - Copy of Applicable Energy Efficiency Plan Worksheet
 - Copy of WX Calculator
 - Narrative Regarding Proposed Energy Efficient Measures
 - Question in Application



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WX Requirments

- ❖ Post Construction Inspections to Verify Measures Complete
- ❖ Sign-Off Sheet:
 - Low-Income Weatherization 3rd Party Cert. of Completion

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Together Nothing is Impossible
Thank You for Attending Today's Training

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