

**SUMMER 2018
AFFORDABLE RENTAL HOUSING
NOTICE OF FUNDING AVAILABILITY (NOFA)**

OPPORTUNITY Over the past few years, the City of Portland has experienced a profound shift in economic conditions and demographics, resulting in a substantial decrease in housing affordability across all neighborhoods and an increase in homelessness, including among people suffering from mental health issues. As part of the effort to address these needs, this NOFA is intended to lead to a minimum of three rental housing projects:

Permanent Supportive Housing (PSH) Project: PHB and its partners, the Joint Office of Homeless Services (JOHS), the Multnomah County Health Department - Mental Health and Addiction Services Division (MHASD) and Oregon Housing and Community Services (OHCS) are making available up to **\$12,000,000** from a combination of funding sources for the construction, acquisition and/or major rehabilitation of one or more single-room occupancy style rental housing projects. Housing will be specifically focused on serving individuals who are chronically homeless with mental health issues or individuals with serious and persistent mental health issues that puts them at risk of chronic homelessness. PHB is also creating a new Bridge Funding Pool and expanding the use of its Risk Management Pool (RMP). In addition, **up to \$350,000 per annum** will be available from the JOHS and MHASD to fund support services for residents of the project(s).

HOME Project: PHB is making available up to **\$7,000,000** in federal HOME funds, to support development of new rental housing units anywhere in the City.

Central East Side Project: PHB is making available up to **\$5,500,000** from Central East Side (CES) urban renewal area (URA) tax increment financing (TIF) to fund development of new rental housing units in the URA.

PHB's vision is that "all Portlanders can find affordable homes...and have equitable access to housing." Respondents to this NOFA should share this vision and craft their proposals to include PHB's values:

Equity – we are committed to social justice in the delivery of housing to all residents of Portland's diverse communities;

Stewardship – we invest, leverage and prioritize spending in ways that provide the highest public value and have the greatest influence on critical housing needs;

Transparency – we build long-term trust by operating with integrity, inviting broad public involvement and following processes that are clear, open and without bias;

Innovation – we believe new thinking, partners and ideas will help us build an effective organization and resolve long-standing challenges.

MANDATORY DEVELOPER INFORMATION SESSION: An information session for this solicitation will be held on **Thursday, August 16, 2018 at PHB's office, 421 SW 6th Ave., 5th Floor, from 10:30AM to 12:00 PM.** All developers/sponsors wishing to be considered through this NOFA must attend.

SOLICITATION COORDINATOR:

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SOLICITATION LOCATION: www.portlandoregon.gov/PHB/Summer18

GENERAL INFORMATION

Solicitation Title: Summer 2018 Affordable Housing NOFA

Solicitation Coordinator: Jill Chen, Housing Portfolio Finance Coordinator
(503) 823-3339
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Proposal Delivery Location: Norma Trujillo, Office Support Specialist
Portland Housing Bureau
421 SW 6th Ave, Suite 500
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NOFA Webpage: www.portlandoregon.gov/PHB/Summer18

Direct all questions regarding this NOFA to Jill Chen

SCHEDULE

NOFA Issued	Friday, July 27, 2018
Developer/Sponsor Mandatory Information Session	Thursday, August 16, 2018 at 10:30 am to 12:00 noon (PDT)
Proposals Due:	Thursday, October 4, 2018 at 3 :00 pm (PDT)
Anticipated Dates for Evaluation Committee meetings and proposer interviews:	Week of November 5, 2018
Anticipated Notice of Awards:	Thursday, December 13, 2018

All proposals must be received by the date and time proposals are due to be considered. PHB reserves the right to change any dates to serve the goals of the NOFA.

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I. AVAILABLE RESOURCES

This NOFA makes available up to the following:

Project and Funding Source	Purpose	Total Funding Amount
Permanent Supportive Housing (PSH) Project		
PHB: Construction Excise Tax	Capital Costs	\$10,000,000
PHB: General Funds ^{1/}	Bridge Funding Pool	\$350,000
OHCS: Mental Health Housing Fund ^{2/}	Capital Costs	\$2,000,000
Multnomah County (JOHS/ MHASD) ^{3/}	Support Services	Up to \$350,000 per annum
HOME Project		
PHB: HOME Funds (available for any site)	Capital Costs	\$7,000,000
Central East Side Project		
PHB: Central East Side (CES) Tax Increment Funding (TIF)	Capital Costs	\$5,500,000

1/ PHB's Bridge Funding Pool (BFP) is being established to support owners in the event that a delay in receipt of committed operating support and/or services funding is reasonably anticipated to lead to a significant operating deficit(s).

2/ OHCS funding may only be used for capital costs that exceed the available PHB funding. In addition, these funds may only be used for project(s) that serve a minimum of 25% residents with serious mental health disabilities. The maximum subsidy is \$50,000/unit.

3/ JOHS and MHASD are making available annual funding, based on a general assumption of up to \$7,000/client for support services in up to 50 units of housing. However, if proposers are able to develop a services plan that leverages adequate additional services, a portion of these support service dollars may be proposed to be used to cover operating expenses or rental support, as appropriate for the project and its targeted resident population. Proposers may propose an annual inflation factor on the annual services allocation.

II. INTRODUCTION AND GENERAL INFORMATION

Over the past few years, the City of Portland has experienced a profound shift in economic conditions and demographics, resulting in a substantial decrease in housing affordability across all neighborhoods and an increase in homelessness, including among people suffering from mental health issues. This NOFA seeks to lead to the development of projects that help address the housing emergency and the homelessness crisis.

Common Elements

The following apply to all projects:

- A Developer/Sponsor may apply to one, two or all of the Projects for funding.
- The resource amounts shown in Section I are maximums and subject to appropriation.
- For this NOFA, the evaluation team will emphasize expediency and cost efficiencies in all aspects of building design, construction and operations. Innovations that can reasonably be expected to result in demonstrated lower costs are encouraged.
- Proposals may not combine more than one source of project funding. For example, an application for HOME funds may not apply for funding under CES TIF.
- Compliance with the requirements contained in [Chapter 30](#) of the City Code.
- All units receiving PHB subsidy will be regulated as to affordability for 99-years.

Equity

With regard to race, ethnicity and other protected classes, equity is central to this NOFA. All projects must meet the requirements of the City's Minority, Women and Emerging Small Business (MWESB) contracting utilization and Workforce Training and Hiring (WFTH) Program requirements (see [Appendix E](#) and [Appendix F](#)). In addition, proposers should consider how equity is addressed throughout their proposals and within their organizations. Among other things PHB, OHCS, JOHS, and MHASD are interested in:

- Diversity of organizations including their staff and board members.
- Organizational equity and diversity plans and policies and their implementation.
- Training within organizations around equity, diversity, inclusion and culturally competent practices.
- Outreach to communities of color, immigrants/refugees and special needs populations, including but not limited to, during marketing and lease-up.
- While the City has a 20% MWESB target for hard construction contracting, PHB's target is 24% with a 20% target participation in professional services.
- Low barrier tenant screening criteria.
- The provision of culturally responsive and culturally specific services.

These and other related topics should be captured in development teams' Equity Plan (see Section IV, Submittal Requirements).

PHB's Guiding Principles of Equity and Social Justice in [Appendix H](#) provides additional guidance.

Sustainability Practices

All projects must adhere to PHB's Green Building Policy, see [Appendix N](#).

9% Low Income Housing Tax Credits

All proposers for rental housing contemplating use of federal Section 42 Low Income Housing Tax Credits (LIHTCs) should prepare their applications assuming 4% credits (and associated tax-exempt bond financing). Development teams may submit additional alternate funding scenarios showing utilization of 9% low income

housing tax credits. However, PHB in its sole discretion will determine whether to pursue/prioritize 9% LIHTC alternatives.

Appropriations

Awards through this NOFA are subject to appropriation and contingent on approval by the relevant agency including the City of Portland and Multnomah County of fiscal year budgets.

Cost Controls

All projects should demonstrate average unit costs not to exceed those as calculated by the Cost/Unit Calculator as well as not to exceed average maximum PHB subsidy/unit and average maximum expenses per unit per annum (see [Form G](#)).

Inclusionary Housing

All projects under this NOFA will be subject to Inclusionary Housing, see City Code [30.10.120](#) and [33.245](#).

Site Control

All proposals must have site control in the form of title, an option to purchase, a master lease agreement for a period of years that will allow a mortgage, or other forms of site control acceptable to PHB, *or be able to demonstrate site control within six (6) months of application submittal*. Proposals for new construction or change of use/density must provide evidence of land use suitability including zoning, environmental assessments, and neighborhood compatibility.

Mandatory Information

At least one representative from each development team must attend the Mandatory Developer Information Session at PHB offices on Thursday, August 16, 2018 at 10:30 am to 12:00 noon. Representatives will be required to sign in at the session. Teams not complying with this requirement may be disqualified from this NOFA.

III. RENTAL HOUSING DEVELOPMENT REQUIREMENTS AND PREFERENCES

A. PERMANENT SUPPORTIVE HOUSING (PSH) PROJECT:

PHB Construction Excise Tax: \$10,000,000
PHB Bridge Fund Pool: \$350,000
OHCS Mental Health Housing Fund: \$2,000,000
Multnomah County (JOHS/MHASD): up to \$350,000 / year

Background: The City of Portland, Multnomah County, and the State of Oregon have all recognized the urgent need for permanent supportive housing (PSH), in particular for people in our community who are homeless and are living with mental health issues. Mental health disabilities are particularly prevalent within the rapidly growing population of individuals who are experiencing chronic homelessness. Based on the Point in time Count of People Experiencing Homelessness reports, between 2015 and 2017, this was the fastest growing segment of the population experiencing homelessness.

The City of Portland and Multnomah County have committed to expanding supportive housing by at least 2000 units over the coming decade by [resolution](#), and that expansion is a critical element of the strategy to address chronic homelessness adopted by A Home for Everyone, our community-wide ending homelessness initiative. Permanent supportive housing (PSH) offers deep affordability and ongoing support services to people who could struggle to succeed in services without housing and could struggle to maintain housing without services. While Portland and Oregon's strategies to expand PSH are diverse and include a commitment to serving a diversity of household types through a variety of housing models, through this NOFA, PHB, JOHS, MHASD and OHCS are specifically interested in projects that update the single-room occupancy (SRO) concept for chronically homeless people experiencing mental health issues or individuals with serious and persistent mental health issues who are at risk of becoming homeless.

PSH Project Overview: By offering both capital and support services funding through this NOFA, the funding partners hope to encourage creative proposals from development teams that provide a cost-effective development model which integrates design and service elements to make the project a success for residents and a model for future PSH expansion.

All PHB and OHCS funds are to be used for the new development, acquisition with major rehab, or major rehabilitation only, of at least one building focused on SRO and/or studio units. All units funded must be additions to the affordable housing inventory and may not be used to fund housing that is already part of the publicly supported affordable housing stock or used in an existing PSH facility. PHB's goal is to have a minimum 50 units for PSH developed. All Multnomah County funds are to be used to provide support services to residents. However, if proposers are able to secure funding for support services from other sources, these JOHS/MHASD dollars may be used to cover operating expenses to the owner or rental support for the resident.

Through this funding PHB, JOHS, and MHASD would like to produce "proof of concept" that smaller sized units can be a viable way to provide PSH for certain populations. PHB recognizes that no new SRO focused buildings have been constructed in the Portland area recently. For this reason, there are fewer requirements associated with the use of these funds for development than with a typical PHB project. PHB's focus is to maximize the number of units produced while ensuring successful long-term operations. If successful, PHB, JOHS, and MHASD would look to replicate some or all of the features of the project resulting from this NOFA. If successful, OHCS would look at the possibility of replicating some or all of the features in other communities in the State.

Proposers are encouraged to bid individually or as a team. All proposals for these resources will be evaluated against the following Investment Requirements and Preference Criteria.

Investment Requirements

- New development, acquisition with major rehab, or major rehabilitation only of a building or buildings.
- All units must be new to Portland’s inventory of regulated affordable housing.
- Minimum units per project: 12 (PHB may opt to award one or more projects to reach its goal of developing a minimum 50 units for PSH)
- Minimum average bedroom count: at least 50% of total units must be single room occupancy.
- Project provides permanent supportive housing for chronically homeless people with mental health issues, people with severe and persistent mental health issues at risk of homelessness, or both
- Subsidy:
 - All PHB subsidy must be applied to units for households earning 60% or less of area median family income (MFI). All subsidized units must have initial rents at or below \$500/month.
 - JOHS/MHASD annual subsidy for support services of up to an average of \$7,000 per resident; a proposal may assign less funding to services on a per-resident basis and allocate the difference to operational expense and/or rent supports, provided that the necessary level of services to make the project successful are leveraged from other sources. Proposers may recommend an appropriate annual inflation factor for the JOHS/MHASD subsidy.
 - OHCS subsidy can only be used in a project with a minimum 25% of all units serving households with serious mental illness (SMI). The maximum per unit subsidy is \$50,000. Contact Amy Cole at OHCS for more information: amy.cole@oregon.gov
- A lease-up plan that demonstrates capacity to reach the target population through the JOHS Coordinated Access System for Adults (<http://ahomeforeveryone.net/coordinatedaccess>) and/or institutions, programs, and structured housing facilities serving a population with serious and persistent mental health issues. The plan should also address how the lease up process will ensure equitable access for people of color in the priority population.
- Reduced barriers to entry: units must be accessible to households with adverse credit, rental, and legal histories and very limited income.
- A services plan for the project(s)’ priority population(s) that: outlines the services that will be offered, including anticipated FTE dedicated by service type, the budget and sources of funding for those services, including both funding through this NOFA and leveraged sources. The plan must address how the services will meet Multnomah County’s commitment to the delivery of culturally responsive and/or culturally specific services, as defined in the document “Contracting and Procurement for Culturally Specific and Responsive Services” found here: <https://multco.us/diversity-equity/news/multnomah-county-issues-guidance-contracts-culturally-specific-services>
- MWESB target: While the City has a 20% MWESB target for hard construction contracting, PHB’s target is 24% with a 20% target participation in professional services.
- Financial metrics: demonstrated financial sustainability to serve the targeted population at the indicated rent levels without funding gap for operations or services

Preference Criteria

Projects that meet any or all of the following may be prioritized for funding:

Design / Location:

- Projects with more than 12 units

- Projects that demonstrate innovative design or other construction cost savings measures including a per unit construction cost of \$150,000 or less.

Targeted Population and Programming:

- Programming that demonstrates positive outcomes for residents within the priority populations or programming that demonstrates genuine partnership with a history of positive outcomes for residents in the priority populations

Certified Minority, Women or Emerging Small Business (MWESB) utilization:

- A detailed plan to achieve at least 30% MWESB subcontractor participation through the City of Portland Subcontractor Equity Program (see [Appendix E](#)).
- Projects including MWESB certified prime general contractors and/or prime general contractors partnered with certified MWESB general contractor in a significant capacity (proposals with a certified MWESB partnership agreement should detail the expected division of work).
- A detailed plan to achieve at least 20% MWESB professional services participation
- Projects including MWESB certified lead consultants and/or lead consultant partnered with certified MWESB consultant in a significant capacity (proposals with a certified MWESB partnership agreement should detail the expected division of work).

Leverage / Other:

- Significant leveraging of non-City/County/State sources of funding, including development team financial equity.
- Significant leveraging of resources to support ongoing services and operations that increases unit affordability, including leveraged resources that will allow the dedication of a portion of the JOHS/MCHAD funds allocated to services to be used to reduce rents

Additional Information Regarding Permanent Supportive Housing (PSH) Requirement and Preference for Projects Intending to Serve Formerly Homeless and Vulnerable Populations

PHB, JOHS and MHASD are committed to providing the supportive services sufficient to assist project residents to maintain successful tenancies. As this project is expected to be entirely dedicated to PSH, JOHS and MHASD have allocated ongoing funding to ensure support services, at case management ratios of approximately 1 to 15 (assuming a 50-unit project). This would be in addition to any leveraged services a proposer brings to the project. Depending on the project selected, the particular population to be served (e.g. chronically homeless people with mental health issues, people with severe and persistent mental health issues at risk of homelessness, or a combination) and the proposed service provider(s), the support services funding will be negotiated and contracted through JOHS or MHASD.

Proposers should present detailed plans for how the support services funding will be allocated within the project, and what, if any additional support services will be leveraged to assist project tenants. These leveraged resources may include, for example, existing contracted services through Multnomah County, Medicaid funded services, and other state and federal services funding. It is understood that the total value of support services needed for the project(s) to be successful may exceed the JOHS and MHASD subsidy.

We recognize that a project with unit rents at \$500/month will not be affordable to a significant percentage of the priority populations, and that they will either be significantly rent burdened or unable to access the project without an additional rental subsidy. PHB, JOHS, and MHASD will work with successful proposers to seek out resources to address this challenge. At this stage, if a proposer is able to bring sufficient leveraged resources to the project that the full amount of support services funding available through this NOFA is not necessary, a proposer may reallocate the available portion of the

support services funding to building operations. The additional operations funding should be used to reduce rents on some or all of the units. Proposer should explain the impact of the reallocation on rents, including what the new rent levels will be, how many units will be affected, and how the proposed changes in rent levels will benefit the project's goal of serving the target population(s).

Risk Mitigation Pool

In addition to the funding indicated, PHB's Risk Mitigation Pool (RMP) will be available to all PSH units funded under this NOFA, including those under the HOME Project and the Central East Side Project. The RMP was established to support the City of Portland's 10-Year Plan to End Homelessness by minimizing risks to owners and developers of affordable housing dedicated to serving households residing in units designated by the City as PSH. The RMP Program provides this support by reimbursing owners for some financial losses, beyond those typical of affordable housing, associated with operating PSH units. The gross amount of current available funds is approximately \$400,000 in the RMP as of 6/30/18. Pay outs are determined on a case-by-case basis.

B. HOME PROJECT:

Available HOME Funds (for any site): \$7,000,000

The available HOME Funds must be used for new affordable, rental housing development(s) anywhere in the City of Portland. Proposers may propose using their own site, however, HOME funds may not be used for site acquisition or to repay an acquisition loan.

It is expected that the HOME funds offered in this NOFA will be combined with Section 42 Low Income Housing Tax Credit (LIHTC) equity, a conventional mortgage and other sources for construction and permanent financing. All proposals for these resources will be evaluated against the following Investment Requirements and Preference Criteria.

Investment Requirements

- Minimum units: 60 new affordable housing
- Minimum average bedroom count: 1.5 with at least 50% of the units being two bedrooms or larger (see [Form G](#) for calculation methodology)
- Subsidy:
 - All PHB subsidy must be applied to units for households earning 60% or less of area median family income (MFI):
 - At least 5% of PHB subsidized units must be for households earning between 0-30% MFI
 - At least 5% of units must be for households needing permanent supportive housing (PSH) as described on pages 4-7, subject to availability of support service funding (proposers should provide an indication of funding support needed on a per annum basis).
 - At least 20% of HOME-funded units will be limited to households earning up to 50% MFI. Proposers seeking HOME funds must submit the PHB HOME-subsidy calculator form included in [Form H](#).
- Teams requesting HOME funds must include at least one member with demonstrated experience developing HOME-financed projects.
- Programming: Appropriate to building population(s)
- MWESB target: While the City has a 20% MWESB target for hard construction contracting, PHB's target is 24% with a 20% target participation in professional services.
- Financial metrics: see [Appendix B](#)

Preference Criteria

Projects that meet any or all of the following may be prioritized for funding:

Design / Location:

- More than 60 units
- Average bedroom counts of greater than 1.5
- Demonstrate innovative design or other construction cost savings measures
- Preference if project is located outside an urban renewal area. If a project is proposed in the Interstate Urban Renewal Area, then the project will be subject to the [N/NE Neighborhood Housing Strategy and the N/NE Preference Policy](#).
- Include affordable art and/or creative spaces for City residents and/or project tenants, per City Council Arts Affordability Work Session of January 9, 2018 for the [art plan](#).

Targeted Population & Programming:

- More than 5% of PHB subsidized units are for households earning between 0-30% MFI
- More than 5% of units are for households needing PSH.
- Programming that demonstrates positive outcomes for residents or programming that demonstrates genuine partnership with a history of positive outcomes for residents.
- A detailed marketing and lease-up plan that demonstrates a focus on household/individuals of color or other underserved populations.
- Low entry barriers: units accessible to households with adverse credit, rental, and legal histories and very limited income. Access may be achieved through partnerships with referring service providers, innovative screening and property management strategies, and/or other approaches that remove barriers to access.

Certified Minority, Women or Emerging Small Business (MWESB) utilization:

- A detailed plan to achieve at least 30% MWESB subcontractor participation through the City of Portland Subcontractor Equity Program (see [Appendix E](#)).
- Projects including MWESB certified prime general contractors and/or prime general contractors partnered with certified MWESB general contractor in a significant capacity (proposals with a certified MWESB partnership agreement should detail the expected division of work).
- A detailed plan to achieve at least 20% MWESB professional services participation
- Projects including MWESB certified lead consultants and/or lead consultant partnered with certified MWESB consultant in a significant capacity (proposals with a certified MWESB partnership agreement should detail the expected division of work).

Leverage / Other:

- Significant leveraging of non-City sources of funding, including development team financial equity.
- Projects that will provide long-term positive cash flow and/or repayment of city-held debt as demonstrated by the development budget(s) and operating pro forma.

C. CENTRAL EAST SIDE PROJECT:

Available Central East Side (CES) Urban Renewal Area (URA) Tax Increment Financing (TIF): \$5,500,000

The available Central Eastside Urban Renewal Area Tax Increment Financing must be used for new affordable, rental housing development(s) in the CES URA.

Investment Requirements

- Development of new affordable rental housing in the URA
- Projects with at least 45 units
- Projects with average bedroom counts of 1.5 with at least 50% of the units being two bedrooms or larger (see [Form G](#) for calculation methodology)
- Subsidy:
 - All PHB subsidy must be applied to units for households earning 60% or less of area median family income (MFI)
 - At least 5% of PHB subsidized units must be for households earning between 0-30% MFI
 - At least 5% of units must be for households needing permanent supportive housing (PSH) as described on pages 4-7, subject to availability of support service funding (proposers should provide an indication of funding support needed on a per annum basis).
- MWESB target: While the City has a 20% MWESB target for hard construction contracting, PHB's target is 24% with a 20% target participation in professional services.

Preference Criteria

Projects that meet any or all of the following may be prioritized for funding.

Design / Location:

- More than 45 units
- Average bedroom counts of greater than 1.5
- Demonstrate innovative design or other construction cost savings measures including a reduction from allowed cost/unit maximums of 10% or more (see [Form G](#) for cost maximum information)
- Include affordable art and/or creative spaces for City residents and/or project tenants, per City Council Arts Affordability Work Session of January 9, 2018 for the [art plan](#).

Targeted Population & Programming:

- More than 5% of PHB subsidized units are for households earning between 0-30% MFI
- More than 5% of units are for households needing PSH
- Programming that demonstrates positive outcomes for residents or programming that demonstrates genuine partnership with a history of positive outcomes for residents.
- A detailed marketing and lease-up plan that demonstrates a focus on household/individuals of color or other underserved populations.
- Low entry barriers: units accessible to households with adverse credit, rental, and legal histories and very limited income. Access may be achieved through partnerships with referring service providers, innovative screening and property management strategies, and/or other approaches that remove barriers to access.

Certified Minority, Women or Emerging Small Business (MWESB) utilization:

- A detailed plan to achieve at least 30% MWESB subcontractor participation through the City of Portland Subcontractor Equity Program (see [Appendix E](#)).

- Projects including MWESB certified prime general contractors and/or prime general contractors partnered with certified MWESB general contractor in a significant capacity (proposals with a certified MWESB partnership agreement should detail the expected division of work).
- A detailed plan to achieve at least 20% MWESB professional services participation
- Projects including MWESB certified lead consultants and/or lead consultant partnered with certified MWESB consultant in a significant capacity (proposals with a certified MWESB partnership agreement should detail the expected division of work).

Leverage / Other:

- Significant leveraging of non-City sources of funding, including development team financial equity.
- Projects that will provide long-term positive cash flow and/or repayment of city-held debt as demonstrated by the development budget(s) and operating pro forma.

IV. SUBMITTAL REQUIREMENTS/APPLICATION

Development teams must submit the following minimum application materials including the completed application form ([Form B](#)). For each Project submitted, total combined page limit for the Project Overview Narrative (#2) and Development Team Summary (#3) is **10 pages**. Page limit for the Equity Plan (#6) is **6 pages**.

1. Sponsor Cover Page – [Form A](#).
2. Project Overview Narrative that includes:
 - Type of project (new construction, acquisition/rehab);
 - Description of project including number and type of units, number of floors, construction type, floor area ratio, height, key building and site amenities, and any other key design elements (if any);
 - Description of the target population and income mix;
 - Description of resident or other programming including resident services (if any). For PSH Project submittal only, this description should include the Service Plan with the required components set out in Section III A;
 - If applicable, description of existing partnerships between sponsor and supportive service provider(s) serving households experiencing homelessness or at risk of becoming homeless. Description should include intent to replicate, expand, or create new such partnerships. For PSH Project submittal only, partnership descriptions should include the capacity of service provider(s) to address the needs of the PSH priority populations as set out in Section III A;
 - Plans, if any, for parking, open space and/or affordable creative/arts space;
 - Description of key financial assumptions and financing terms, particularly as those relate to: a) the funding source(s) contained in this NOFA; and b) contingent, at risk or otherwise uncommitted outside funding sources. Please include assumption on operating costs as well as provision of PSH services;
 - Indicators of cost efficient design, construction and operations;
 - Confirmation of Davis Bacon and/or BOLI wage assumptions for construction as applicable;
 - Description of the green/sustainable building or operations features and a detailed description of how the project will meet PHB's Green Building Policy;
 - For projects proposing commercial space: development teams should provide information on any potential tenants already identified and/or discuss their approach and methodology for outreach and identifying potential tenants. Responses should include how any commercial tenants may be a benefit to residents of the housing development and/or the surrounding community. This information should be part of the Equity Plan.

3. Development Team Summary: Development team qualifications and experience, including ownership entity and its relationship to other development team members. For PSH Project proposers, the summary should include the qualifications of team members to deliver appropriate support services. The summary must also include a description of development teams' past use of or familiarity with the rules, regulations and requirements of the specific funding sources being requested. **Teams unable to satisfactorily demonstrate use or familiarity may be eliminated from consideration.**
4. Preliminary Budget/Pro Forma including projected sources and uses, income and expense breakdown, and 30-year cash flow projections. Use of [Form E](#) in **electronic/"live" (not PDF)** format is required. Proposals submitted without a "live" version may be eliminated from consideration.
5. Readiness: fill out, to the greatest extent possible, the "Proposed Project Schedule" contained in [Form F](#).
6. An Equity Plan (see [Appendix G](#))
7. For rental housing projects, [Affirmative Fair Housing Marketing Plan](#).
8. PHB Cost Standard and Average Bedroom Calculation (see [Form G](#))
9. PHB Funding Application (see [Form B](#)), Sponsor Statement of Financial Capability (see [Form C](#)) and an Acquisition and Relocation Questionnaire (see [Form D](#)).
10. Organizational financial statements. Exception: project sponsors who already submit financial statements to PHB as a result of existing projects in PHB's portfolio are not required to submit financial statements as part of their NOFA application.

All pages in the application must be numbered.

Design/architecture is NOT required and is only encouraged to the minimum extent necessary for development teams to comply with other submittal requirements.

Signed and dated proposals must be submitted by **3:00 p.m. on October 4, 2018** to be considered responsive.

Submit seven (7) hard copies of completed application and documentation, with copies of all documents on a flash drive (NO FAXES PLEASE) to:

**Norma Trujillo, Office Support Specialist
Portland Housing Bureau
421 SW 6th Ave, Suite 500
Portland, OR 97204
Phone: (503) 823-2696**

V. SELECTION PROCESS AND EVALUATION CRITERIA

Upon receipt, all applications will be reviewed for adherence to this NOFA's submittal requirements. Proposals not meeting submittal requirements will be deemed non-responsive and may be eliminated from further consideration. PHB reserves all rights in determining proposal responsiveness.

Proposals meeting submittal requirements and Investment Requirements will be reviewed by staff from PHB and potentially PHB's partners. Following staff review, an Evaluation Committee(s) will review some or all of the proposals. At PHB's sole discretion, development teams may also be asked to make presentations to or interview with staff or the Evaluation Committee(s).

Proposals will be evaluated based on the following:

Evaluation Criteria

- Investment Requirements
- Preference Criteria
- Content and quality of the Project Narrative
- Qualifications and experience of the Development Team
- Content, quality, and appropriateness of the Preliminary Budget/Proforma and the assumptions contained therein. Evaluation of this criteria includes leveraging of resources other than the City's.
- Content and quality of the Proposed Project Schedule and the assumptions contained therein.
- Content and quality of the Equity Plan.
- Any and all content regarding building and site design (if any) as well as green building.

PHB recognizes there is a "creative tension" inherent in publicly financed projects. PHB strongly discourages manipulation of pro forma assumptions to produce a particular desired outcome, such as lowering expenses to produce more favorable net operating income. PHB encourages the honest reporting of pro forma assumptions. PHB reserves the right to reject proposals that appear to portray misleading financial information.

VI. GENERAL CONDITIONS

This NOFA is not a solicitation of competitive bids. PHB by this NOFA specifically reserves the right in its sole discretion to determine which proposals best serve the public good, and to:

- A. Revise the solicitation, evaluation, or selection process including extending the deadline or canceling without selecting any projects.
 - B. Waive informalities and irregularities in the proposals received in response to this NOFA.
 - C. Disqualify without recourse or appeal any or all proposals.
 - D. Reject any or all proposals with or without cause.
 - E. Determine the timing, arrangement and method of any presentation throughout the process.
 - F. Verify and investigate the qualifications and financial capacity of the development team, and any of the information provided in the proposal.
1. Every effort has been made to provide current and correct information; however, unless citing a specific PHB approved resolution or plan, PHB makes no representation or warranty with respect thereto.
 2. All proposals received shall become the property of PHB and considered an official public record subject to inspection by the public in accordance with ORS 192.502 and PHB's Public Records Access Policy after the completion of the NOFA process; and may be used for any purposes relevant to the decisions and actions undertaken by PHB towards development of the property being offered. Entities are advised that confidential financial information, including the Developer's Statement of Financial Capacity, should be clearly labeled and submitted separately from the remainder of their proposal (both paper and digitally). Similarly, if any entity responding to this NOFA believes that a specific portion of its response constitutes a "trade secret" under Oregon Public Records Law (ORS 192.501.2) and is, therefore, exempt from disclosure, the entity must clearly identify that specific information as a "trade secret" and submit it together with the confidential financial information. Identification of information as a "trade secret" does not necessarily mean that the information will be exempt from disclosure. PHB will make the determination of exemption from disclosure based on the nature of the information and the requirements of the Oregon Public Records Law.
 3. Restrictions on communication. Every effort has been made to include herein all the information necessary to prepare and submit a responsive proposal to this NOFA. However, in the event additional information is desired, please adhere to the following:

If you have a question about any of the information or requirements contained in this NOFA, direct your question to:

Jill Chen, Housing Portfolio Finance Coordinator
Portland Housing Bureau
421 SW Sixth Avenue, Suite 500
Portland, OR 97204
jill.chen@portlandoregon.gov

All substantive questions and answers as well as formal Addenda will be posted to the PHB website page: <https://www.portlandoregon.gov/phb/Summer18>

4. During the course of this NOFA, development teams are cautioned not to undertake any activities or actions to promote or advertise their proposals except in the course of PHB-authorized presentations; or to make any direct or indirect (through others) contact with review committee members (if named) or PHB staff members not identified in this NOFA as a contact for specific information, except upon prior approval of the Project Manager.
5. PHB will not hold “one-on-one” meetings with any development teams during the evaluation process except as part of a scheduled interview or presentation process involving all or a “short list” of development teams. PHB may, however, ask individual development teams clarifying questions or obtain additional information about some specific point of a proposal.
6. Failure to abide by these restrictions is grounds for disqualification. This NOFA does not commit PHB to enter into an agreement.
7. PHB accepts no responsibility or obligation to pay any costs incurred by any potential or eventual development teams in the preparation or submission of a proposal; or in complying with any subsequent request by PHB for information or participation throughout the evaluation process.
8. Respondents to this NOFA are prohibited from employing or retaining a former PHB employee to assist in the preparation of a proposal to this NOFA if the former PHB employee has been separated from PHB for less than one year and worked substantially with the site or related project while employed by PHB.
9. The selected developer is further prohibited from employing or retaining a former PHB employee who has been separated from PHB for less than one year and worked substantially with this site or related project while employed by PHB:
 - A. To work on or receive any financial gain related to the project; or
 - B. To work in a capacity responsible for influencing, or trying to influence the actions of PHB other than through public testimony.
10. Funded projects will be required to:
 - A. Comply with City-required 99-year affordability agreement and annually submit compliance reporting as specified in agreement.
 - B. **Federal Lead Regulations:** All projects proposing rehabilitation of structures built before 1978 will be subject to federal Lead-Based Paint regulations per 24 CFR Part 35. See [Appendix K](#).
 - C. Other PHB and/or PDC policies and requirements may apply, depending on the specific project. See [Appendix D](#) for additional information.
 - D. **Existing PHB/PDC funded projects-** Any applicant with previously funded PHB/PDC projects in their portfolio must be current on reporting requirements and required loan payments. PHB, in its sole discretion, may elect not to award project teams that are not current with reporting requirements.

- E. **Financial Documentation:** Current financial statements and recent financial audits (if available) in sufficient detail for PHB to analyze the overall health of the organization, and the performance of other real estate owned.
 - F. Support letters from all partner service providers must be submitted in order for services to be considered in scoring.
 - G. Additional information regarding project criteria is contained within the Appendices.
11. **Mandatory Information:** Development teams may be eliminated from consideration if a representative of the team does not attend the Mandatory Developer Information Session.
 12. All acquisition and rehab projects must provide validation of purchase price, less deferred maintenance items, preferably through an appraisal no less than six months old. Development teams should have performed appropriate due diligence on rehabilitation cost including deferred maintenance items with evidence included in the application package.

VII. LIST OF FORMS AND APPENDICES

FORM	LOCATION
Form A – Sponsor Cover Page	Form A
Form B - PHB Application Form	Form B
Form C- Sponsor Statement of Financial Capacity	Form C
Form D – Acquisition and Relocation Questionnaire	Form D
Form E- Budget / Proforma Template	Form E
Form F- Project Schedule	Form F
Form G –PHB Cost Standard and Average Number of Bedrooms	Form G
Form H – HOME Maximum Subsidy Calculator	Form H

APPENDIX	LOCATION
Appendix B – PHB Underwriting Metrics	Appendix B
Appendix D – Additional Policies and Project Requirements	Appendix D
Appendix E – Subcontractor Equity Program	Appendix E
Appendix F – Workforce Training and Hiring Program	Appendix F
Appendix G – Equity Plan	Appendix G
Appendix H – PHB Guiding Principles of Equity and Social Justice	Appendix H
Appendix I – Federal Funds Compliance	Appendix I
Appendix J – General Information Notice (GIN)	Appendix J
Appendix K – Lead Based Paint Requirements	Appendix K
Appendix L – Housing Rehabilitation Standards	Appendix L
Appendix M – Additional Documentation Required Prior to Reservation of Funds	Appendix M
Appendix N – Green Building Policy	Appendix N

Not all appendices are referenced within the body of the NOFA. Please read all appendices carefully.