Updated 2/12/25

2025 Homeownership Development NOFA FAQs

OHCS will aim to update this document and post to the website on a weekly basis during the NOFA period as needed. Questions are grouped by topic.

Eligible Projects

Can LIFT be used for modular housing?

- Yes

What type of manufactured dwelling park projects are eligible for LIFT?

- Manufactured dwelling parks must be owned by an eligible covenant holder (as defined in ORS 456.270(3)) and the manufactured homes must be permanently fixed to the foundation. Additionally, the project must include new homes that are ready to sell to homebuyers.

Can LIFT be used for properties that were once rental housing but are now vacant due to a dire need for capital improvements (making them currently un-livable)?

- This is not an allowable use for LIFT Homeownership at this time.

Where can I find out if my project is a rural project?

- Applicants should use the OHCS Rural or Urban Status Map to identify if they are in an eligible Rural census tract.

Regarding determining eligibility as a Small Developer, does the maximum of 5 staff members refer to individual staff members or FTE?

- This may be calculated using FTE.

Last year, the definition of rural changed mid-NOFA cycle. Is that a risk again this year?

- Last year, the definition for rural in the NOFA mistakenly did not match the definition in the LIFT manual. OHCS needed to amend the NOFA to match the LIFT manual. This year, the LIFT manual has been adjusted to allow for the current rural definition. We do not anticipate this to be a risk in 2025.

LIFT Project Requirements

What are the payment terms for the loan?

- LIFT is a 20 year, zero interest loan. No payments are due during the loan term. At the end of the loan term, the affordability period can be renewed for another 20 years and the loan will be satisfied upon conclusion of the second term of affordability. If the borrower does not choose to renew the term of the loan, the loan is due in full at 20 years.

What is the home buyer profile? Are there income restrictions that hold the sale price? How do you determine sale price?

- LIFT can be used for homes that will be affordable to homebuyers with an area median income at or below 80%. OHCS uses HUD's AMI levels by county, available here. The home sales price and/or mortgage should be contained to 35% of the monthly income of the AMI that the developer is targeting.

Are there restrictions on contractor fees?

- Contractor overhead, profit and general conditions must be 14% or less of total construction cost or 10% or less of total construction cost for a contractor with an identity of interest.

Contractor overhead, profit and general conditions are within the required range of 14% or less of total construction. However, in the Project Uses tab, it only includes vertical construction costs in the percentage calculation. Our general contractor will be doing both the site and vertical construction in tandem. So, we're assuming it should be no more than 14% of site and vertical construction combined?

- This is an error in the Application Workbook – the calculation should include both vertical and horizontal hard costs. OHCS will be publishing an amended workbook by January 31 that includes a fix for this. If you have already started your application and your proforma is listing your GC expenses at above 14%, send a copy of your application and an explanation of your issue to HO.Development@hcs.oregon.gov and OHCS will fix the error in your application directly.

What type of appraisal are you looking for?

- An appraisal estimating the final completed value of the Project (land, improvements, homes) must be submitted prior to closing on the LIFT loan. Appraisals must account for any affordability restrictions on the property, not including LIFT, and name OHCS as an intended user of the appraisal. The appraisal must done by a certified appraiser and be dated no more than 12 months before the NOFA application date.

At what point do you need the appraisal?

- Prior to closing the LIFT loan.

Are there any Davis-Bacon wage restrictions?

- OHCS follows state law related to Davis-Bacon wage restrictions. OHCS requires that prior to closing, each project submit a Determination Letter from the Bureau of Labor and Industries (BOLI) indicating whether or not the Project is subject to prevailing wage laws.

OHCS requires the project to have site control through 12/31/25. What if we have an option we plan to execute before then, do we need to extend it to 12/31?

- If you are using LIFT to buy the land, OHCS staff would want to know that the timeline coincides with your/our ability to close the LIFT loan by the date. Please reach out to OHCS to confirm that you will be able to adhere to LIFT program timelines.

Are Phase 1's no longer required with LIFT submission? If not, when are they required and what are the date of report requirements?

- Phase 1's are not required with the application, though there are still some contamination questions in the site review checklist, and you are welcome to submit your Phase 1 if it is complete. If a project is under four homes, awardees may opt out by submitting a Phase I Opt Out form (provided by OHCS). If a project is over four homes, OHCS requires submission of the Phase 1 before closing. The Phase 1 must be dated no more than 1 year prior to application submission.

Can you clarify what vertical construction refers to? Does site work have to start within 12 months?

- Vertical construction refers to building the structure/home. The 12-month deadline refers to starting the vertical construction and it's a way for OHCS to ensure that you're going to meet the 36-month deadline to spend the LIFT funds and complete your project. Site work will need to be substantially complete enough to begin vertical construction.

Does the 12-month deadline also apply to closing the LIFT loan?

- No. We expect that projects be ready to close within 6 months of receiving their reservation of funding. Please take into account all the closing requirements before you apply for LIFT funds.

What is stewardship?

- The responsibilities and activities related to managing the land and ground lease once the homes are built. We expect that all projects have a plan and systems in place for stewarding the LIFT homes for the life of the LIFT loan and beyond.

Application process questions

Can we meet one-on-one to ask specific questions related to our project?

- Yes. You can email HO.Development@hcs.oregon.gov to request time to discuss your project. OHCS cannot help with your application responses, but we can answer questions about your project's eligibility, clarify application questions, and address specific concerns you may have regarding your project and LIFT.

How should I apply for the 2025 Homeownership Development NOFA if I have multiple phases to my project?

- If a developer plans to phase a project, they can submit both applications during the NOFA period (at any time of their choosing), but must prioritize one of the applications. The phases need to be submitted as separate applications (though many of your answers may be the same) with separate proformas, and the site plans need to identify the area with its corresponding phase. We recommend that as you identify the area for each phase, do so with the consideration that if your second phase doesn't get approved for LIFT funding, those units cannot be added to the first phase for more funding.

Does the risk assessment only consider LIFT Homeownership and not rental or other OHCS funding?

- The Risk Assessment only considers homeownership development awards (LIFT and HDIP funds) and not resources from other OHCS divisions.

How will we know what risk assessment category we'll fall under before we submit the application?

- You may self-assess using the blank form provided in the Scoring Criteria document. If you are unsure of your score or near a boundary between risk levels, please reach out to OHCS and we can conduct your risk assessment before you submit your application. Please give our team 10 business days to complete your assessment.

What if OHCS makes a fix to the application, but I've already started filling mine out?

- If we make a fix, we will email all pre-applicants to let them know about the changes. If copy and pasting your answers to the new workbook is too much work, please send your workbook to HO.Development@hcs.oregon.gov and we will make the fixes to your workbook individually.

When is the partner charged for document prep and DOJ passthrough fees?

- At the LIFT loan closing, you will receive an invoice that includes those fees.

On the Authorization and Acceptance form, can we add consultants to the list of authorized people?

- Yes, you may list your consultants if they are approved to do those tasks.

Where can we find the invoice for the application?

- It will be uploaded to the "Blank Forms – Download Only" file in the Application WorkCenter.

Where are the recorded trainings posted?

- Trainings will be posted on the LIFT NOFA page. The Trainings registration links will be removed and replaced with the recordings.

What is an identity of interest? If we utilize a business owned by a board member to keep costs down, can we identify their residential construction company as the developer of the project?

- An identity of interest for OHCS is a financial link between the nonprofit that will be building the homes and the General Contractor or another entity that will be earning a profit on this development. OHCS limits the profit that can be earned by a General Contractor with an identity of interest.

- You may hire a third-party development company, including one with an identity of interest. However, **the combined total** of the developer fee provided to that development company plus any profit going to your organization cannot exceed 10%.

How does the prioritization system for Cohort 1 work if another organization in my development team is also submitting an application?

- Prioritization is determined on the bases of the lead entity in the project. For example, if you are leading development on a project that will then transfer to a CLT partner who is also applying for a different project, your project will be your first priority, and the CLT partner's project will be their first priority.
- If you plan to submit multiple projects, do not use a minor member of the development team to negate the prioritization requirement. OHCS may seek evidence that the applicant organization is truly the lead on the project and, if not, may take action up to and including denial of the application.

I submitted a preapplication last year but didn't end up applying. Do I need to submit a new preapplication?

- Yes

I've decided to change something about my project since submitting my preapplication. Do I need to resubmit a preapplication with the new unit count/LIFT request/priority?

- No. Please do not submit an additional pre-application. Instead, ensure that the correct amount is listed in your Application Workbook, and we will update the numbers we are tracking.

I'm submitting another application to the ORCA/Rental Division or another department at OHCS. Do I need to consider those when I'm prioritizing my application(s)?

- No, the prioritization system for Cohort 1 of this NOFA is only for other Homeownership Development projects submitted to NOFA #2025-HOD.

The document checklist in the Application Workbook says to upload my Authorization and Acceptance form to the project workcenter, but the document checklist in the partner portal also includes the Authorization and Acceptance form. Where should I upload this document?

- Upload this to your project workcenter. This is a small mistake that we will be updating soon (or may have already updated by the time of this posting). Further, please do not use the document checklist in the partner portal. This is guidance for your annual review of the partner portal and includes documents that will not be required until underwriting and construction. Instead, please use the document checklist in the Application Workbook or the Tasks section of the Partner Portal.

I have questions about a task or requirement in the Partner Portal that is not listed in the Document Checklist in the Application Workbook.

- If an item listed in the Partner Portal is not already listed in the Document Checklist in the Application Workbook, then you are working ahead! The Partner Portal contains documents and steps from application, underwriting, and ongoing compliance monitoring. Please only submit the documents listed in the Application Workbook and in the "Application Tasks" section of the Tasks list.

What advice can you give us to help us be more competitive for this application?

- We anticipate the program will be significantly oversubscribed this year. To be most competitive, you will need to be one of the earliest to submit and not lose your place in line due to mistakes that require correction. Our recommendation is to be thorough in your review of the application. This takes the form of double-checking that all required documents are signed and submitted. You should also be thorough when completing self-scoring, using the scoring rubric available on our website, and reach out if you are unsure if you will meet the scoring thresholds.

Pro Forma Questions

What should I consider in the estimation of my Sales Price?

- Consider any funding sources that will come to your organization as income, such as a mortgage, down payment, down payment assistance, IDAs, or other savings. Do not include sources coming from your own organization that reduce the sales price of the home such as discounts or soft-second mortgages.

How should I signify a land donation in Sources?

- In the Source of funds column, label the source as "Land Donation" or another similar name that makes the intent clear. Select "cash" or "grant" as the type. You may describe other relevant details in the Other Details column.

If we have a Land Acquisition Program (LAP) loan, does it go under committed sources?

- Yes, your LAP loan will go into the committed sources, as it has already been received. Ultimately, this will get paid back by the LIFT loan.

The "Highly Likely" rows are locked. What do we do?

- OHCS will update the workbook to fix this error. We will email all pre-applicants to let them know about the changes. If copy and pasting your answers to the new workbook is too much work, please send your workbook to HO.Development@hcs.oregon.gov and we will make the fixes to your workbook individually.

Regarding cost efficiency, higher energy efficiency home design and build will typically have a higher cost. Will those be compared against other more sustainable homes or with all homes?

- Our cost efficiency measure is only a comparison of other projects in our portfolio. Energy efficiency may be listed for points elsewhere in the application.

Regarding cost efficiency, another cost driver, SDCs and contributed land costs, will artificially increase our cost per unit.

- For SDCs, leave the SDC costs in the proforma, even if those costs are exempted, because that impacts how much total profit you can earn.
- For donated or contributed land, the market value of the land should also be listed in the proforma for purposes of calculating net profit. OHCS recognizes that this will show

increased costs per unit despite no costs being incurred and may impact your score negatively; however, we do not expect all applicants to earn all points. You may include the land donation for points in the cost containment measure to offset the loss of points in the cost efficiency measure. If you have finished self-scoring and are unsure of meeting the minimum requirements, please reach out to OHCS to preemptively address this concern.

What line item should be used for Broker or Realtor fees for the home sales?

- If it is not already a line item under Soft Costs & Administration, use the "Other" line to add those fees to your proforma.

Are itemized estimates required for vertical construction, site work, or both?

- In general, both. If you are developing infill where most site work and infrastructure is already completed, a single estimate will be acceptable.

Where do we put internal staffing costs (just our Construction Manager)? Does this go under: Contractor General Conditions, Overhead, & Fee/Profit? What kind of documentation do you want for this expense?

- In general, your internal staffing costs should not be included as line items in your proforma. Your developer fee or other net profit should be used to cover staff salary and other internal costs not related directly to your project. If you are serving as your own General Contractor rather than hiring a separate general contractor, you can consider those costs as part of the Contractor General Conditions, Overhead, etc.
- For future reference, LIFT will not be able to reimburse staff costs if you are not the GC. If you are the GC, LIFT can reimburse limited costs that are on-site and related directly to the project. These draws would need to be supported with payroll statements clearly denoting the time spent on site.

Can any of the Soft Cost/Admin expenses be estimates based on past expenses like Closing Costs or Attorney fees? How do we submit documentation?

- Yes, so long as those costs seem reasonable. You do not need to submit estimates for the soft cost items.

Can any of the Vertical Construction costs be based on estimates past builds?

- Yes, but we recommend limiting those costs to within the past 3 years (2 years would be better). Please submit evidence for this such as actual per-unit costs from the previous projects.

What is counted as Other Itemized Evidence?

- The example in the question above would count as an Other Itemized Evidence. Some developers who serve as their own GCs also have their own formulas that they use to estimate costs for their developments – we accept these itemized estimates, as well.

Do I list the LIFT loan as being "Repaid with Sales Proceeds?"

- No. That column is used to help us calculate profit – essentially if the loan or other source of funds needs to be paid back, it doesn't get counted toward profit. We would look for a "Yes" there for a construction loan or owner equity that they intend to invest to cover costs but want paid back and a "No" for things like grants or donations. LIFT is in the "No" category, because we won't request payment immediately after construction (and hope that affordability restrictions will be maintained long enough to satisfy the loan).

I don't have official estimates from my GC yet. Can I submit other evidence of costs?

- Yes. Please ensure your other evidence is itemized. If the evidence does not directly reflect this development, such as using expenses from recent similar developments, please also explain how you're making changes, if any, such as, if you are applying a multiplier for inflation or estimating additional costs for another bedroom.

Specific Application and Scoring Questions

Do you want all staff bios for the applicant organization or those most relevant to the project, e.g. construction manager, executive director etc.?

- Applicants may earn points for experienced staff members in the categories of: Leadership, Project Management, Construction Management, Financial Management, Grant Management, Homebuyer/Community Outreach, CLT/Ground Lease, and General Contractor (if available). Submit a resume or bio for any staff members named in the application.

Regarding the scoring metric in the Project Details tab "Project uses other innovation for administrative processes or financing," what might qualify as an innovation here? Is this referring to construction financing or homebuyer financing?

- This project section is more tailored to the construction/development part of the project, and the intent for this questioning included innovating construction financing. However, if you have an innovative homebuyer financing method, please still feel free to put that in your response.
- This item makes it possible for OHCS to award points for smaller innovations within the development administration, such as in communication, software, financing, or other processes. This criterion is a part of the special additive criteria meant to award points to what is shared – do not feel that you need to respond to and receive credit for every point in this question.

What does Escrow # refer to?

- This box is only if you've already opened escrow. If you have not opened escrow for this property, you can leave that blank.

I haven't identified an attorney specific to this project yet. Am I still eligible?

- Yes, you can leave that line of the application blank.

Do my organization's financial statements need to consider LIFT as a liability?

- OHCS defers this question to your organization's financial experts and/or auditors.

How does OHCS define "Universal Design standards"?

- For the purposes of this NOFA, there is no specific set of Universal Design standards. These points are intended to be awarded to projects which intentionally include the principles of universal design in their homes, sometimes at significant additional expense, rather than for those who include a few universal design features like accessible doorbells, rocker switches, and grab bars. Learn more about universal design at https://design.ncsu.edu/research/center-for-universal-design/

If I'm providing a guarantee to earn points, how long does that guarantee need to last?

- If you choose to provide a guarantee, they should last through the construction period. You will not need to maintain this after the final home has been sold.