

Housing Development Grant Program (HDGP)



Program Manual

Rental Contact

Kate Hillig

Program Analyst

(971) 720-3255

Kate.Hillig@hcs.oregon.gov

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Housing Development Grant Program

Introduction

The **Housing Development Grant Program (HDGP)** was created by the 2009 Legislature to expand the State's supply of housing for low and very low-income families and individuals. By rule **HDGP** is designed to provide grants and loans to construct new housing, to acquire and/or rehabilitate existing structures, or to operate housing for low or very low-income households. Funding comes from the Document Recording Fee collected by county clerks.

HDGP may be awarded by contract, grant, loan or otherwise as the Department determines necessary or appropriate.

Eligible Applicants

Eligible Applicants include for-profit businesses, local government entities, housing authorities, nonprofit agencies, nonprofit corporations, and private individuals or corporations, including:

- A nonprofit corporation established under ORS chapter 65;
- A housing authority established under ORS 456.055 to 456.235;
- A local government as defined in ORS 197.015;
- A manufactured dwelling park cooperative as established under ORS 62.800 to 62.815;
- A for-profit entity;
- A Native-American tribe; or
- An individual.

Eligible Beneficiaries

HDGP is targeted for low and very low-income households, including families and single individuals.

A low-income household is a household that receives more than 50 percent and not more than 80 percent of the median family income for the area, subject to the adjustment for areas with unusually high or low incomes or housing costs, all as determined by the State Housing Council according to information from the U.S. Department of Housing and Urban Development (HUD).

A very low-income household is a household that receives 50 percent or less of the median family income for the area, subject to adjustment for areas with unusually high or low incomes or housing costs, all as determined by the State Housing Council according to information from HUD.

Eligible Activities

Eligible activities for **HDGP** funding include the following:

- Continued maintenance of the project in a safe and sanitary condition; and
- Continued provision of supportive services

HDGP Permanent Loans

The Applicant can request HDGP funds as a loan and the Department will make every effort to fulfill that request. The following loan terms apply:

- Maximum loan term is 30 years.
- HDGP Interest rate shall be equal to the interest paid on U. S. Treasury long-term obligation in effect at the time the loan documents are created. The rate will be equal to the interest rate of the Treasury obligation closest to the term of the loan, but will not be greater than the Treasury rate.
- Resources awarded as a permanent loan will require the execution of a Loan Agreement and Promissory Note and the execution and recording of a Trust Deed and Regulatory Agreement and Declaration of Restrictive Covenants.
- Loans must be included as debt on the Expense Statement of the operating budget.

HDGP Capital loans

- Maximum loan of \$500,000 for long term project financing non-LIHTC projects.
- Recourse is on a case-by-case basis for each project.
- May be used in conjunction with other Department resources.
- All HDGP loans will be subject to a one-time, up front, 1.5% loan charge.

Conditions, Limitations Relating to Funding

Required to follow conditions as described in OAR 813-055-0065, including but not limited to:

- Availability of funds and authority to disburse
- Execution and recording of all funding documents
- Performance of all conditions precedent to funding
- Continued maintenance

Use of OHCS's Legal Documents

Applicant must execute and (if requested) record all documents required by OHCS (in form and substance satisfactory to OHCS), including but not limited to the Regulatory Agreement, binding the ownership entity and the Project to comply with Program Requirements.

Most required documents have been approved in template form by the Oregon Department of Justice (DOJ). No changes to the template language will be accepted. In addition, no side letters will be accepted.

OHCS will only consider project specific changes when it can be demonstrated that they are necessary for the project to move forward. Any proposed changes must be submitted in writing to OHCS staff. Any changes are subject to OHCS's sole discretion. Applicants must allow adequate time for review and comment by OHCS. All changes must be expressly approved by OHCS, in consultation with DOJ, prior to execution and recording. No entity or their representatives (borrowers, partners, or attorneys) should

contact the DOJ directly. Applicant is responsible for legal and administrative costs incurred by OHCS in negotiating Applicant's proposed changes to documents.

References

The State Statutes that address the General Housing Account Program are located at: Stat. Auth.: ORS 456.555, 458.665 Stats. Implemented: ORS 456.515 to 456.725, 458.665,

The Administrative Rules that address the General Housing Account Program are located at: OAR 813-055-0001 to 813-055-0095