State of Oregon
Qualified Allocation Plan
For Low Income Housing Tax Credits

Version 2025.1

Approval of the State of Oregon
2025 Updated Qualified Allocation Plan
Low Income Housing Tax Credit Program

I, Tina Kotek, Governor of the State of Oregon, do hereby approve for implementation the 2025 Updated Qualified Allocation Plan that governs the federal Low Income Housing Tax Credit Program, as presented to me by the Oregon Housing and Community Services Department under the provisions of IRC Section 42, Executive Order EO-87-06 and OAR Chapter 813, Division 90.

______________________________________ 2/25/25 ____________________

The Honorable Tina Kotek, Governor of Oregon Date

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Introduction

The Tax Reform Act of 1986 created the Low Income Housing Tax Credit (LIHTC) under Section 42 of the Internal Revenue Code (Code or IRC).

The LIHTC Program (or Resource) is jointly administered by the United States Treasury Department of Internal Revenue Service (IRS) and authorized state tax credit allocation agencies. Under Executive Order EO-87-06, the Governor of Oregon designated the Oregon Housing and Community Services Department (OHCS) as the administrator of the LIHTC Program.

OHCS administers the LIHTC Program under Oregon Administrative Rule (OAR) Chapter 813, Division 90. This Qualified Allocation Plan (QAP or Plan) is intended to comply with the requirements of Section 42(m)(1)(B) of the Code, which requires that a QAP set forth:

1) The selection criteria OHCS will use to determine its housing priorities,
2) The preferences of OHCS in allocating housing credit dollar amounts among selected projects (Projects), including:
    a. Projects serving the lowest income tenants.
    b. Projects obligated to serve qualified tenants for the longest periods.
    c. Projects that are located in qualified census tracts and the development of which contributes to a concerted community revitalization plan; and
    d. The procedures that OHCS must follow in monitoring for program noncompliance in notifying the IRS of such noncompliance and in monitoring for noncompliance with Project habitability standards through regular site visits.

Section 42(m)(1)(C) of the Code provides the selection criteria that must be used. The selection criteria outlined in a QAP must include:

1) Project location.
2) Housing needs characteristics.
3) Project characteristics, including whether the Project includes the use of existing housing as part of a community revitalization plan.
4) Sponsor characteristics.
5) Tenant populations with special housing needs.
6) Public housing waiting lists.
7) Tenant populations of individuals with children.
8) Projects intended for eventual tenant ownership.
9) The energy efficiency of the Project.
10) The historic nature of the Project.

This Plan does not apply to the allocation of a “recycled” volume cap per Section 146(i)(6) of the Code. Such “recycled” volume cap shall be assigned and allocated in accordance with policies and procedures established from time to time by OHCS.

If any provision of this Plan (and documents included herein by reference) is inconsistent with the provisions of amended IRC Section 42, including any future amendments thereto, or any existing or new OAR governing the LIHTC Program, the provisions of IRC Section 42 and/or the OAR take precedence, and the Plan will be amended accordingly.

The Plan has been revised for 2025. OHCS reserves the option to issue temporary public notices, rules, or other guidance through which, procedurally, OHCS will continue to efficiently administer the LIHTC Program, in a manner consistent with this Plan, and with OHCS’s goals.

Additionally, OHCS reserves the right to amend, modify, or withdraw provisions contained in this Plan that are inconsistent or in conflict with state or federal laws or regulations. In the event of a major natural disaster, pandemic, epidemic, disruption in the financial markets, or reduction in subsidy resources available, including tax credits, OHCS may disregard any section of the Plan, including evaluation criteria, that interferes with an appropriate response.

A public hearing was held concerning the Plan on December 16, 2024, after appropriate notice was provided following IRS Section 42(m)(1)(A)(ii). Public comments and agency responses can be found in Appendix B: Public Comments and Responses in this document.

Credit Overview

4% Low-Income Housing Tax Credits

The State of Oregon (State) has access to allocate federal tax credits specifically available to Projects financed using tax-exempt bond proceeds associated with Oregon's private activity bond authority. The tax-exempt bonds are subject to the volume cap limitations in Section 146 of the Code as further detailed in Section 42(h)(4)(A) and (B) of the Code.

OHCS allocates the Private Activity Bonds (PAB) as resources become available utilizing the Oregon Centralized Application (ORCA) structure. Specifics of this offering are made available in the LIHTC relevant sections of the ORCA. All set-asides, prioritizations, and performance standards within the ORCA will remain applicable and required. All definitions in the ORCA Manual are incorporated by reference.

9% Low-Income Housing Tax Credits

OHCS allocates the State's 9% LIHTCs based on selection criteria integrated into the ORCA. All allocations are made with evaluative considerations required in the QAP, the Code, and the ORCA itself. All definitions in the ORCA Manual are incorporated by reference.

Specific to the 9% tax credits, OHCS holds the following:

1) 10% of the annual credit ceiling must go to qualified nonprofits, those organizations described in section 501(c)(3) or section 501(c)(4) of the Code and that has as one of its exempt purposes the "fostering of low-income housing" as required by IRC §42 (h)(5). Non-profits awarded under this set-aside are required to meet the IRC requirements of Material Participation as defined by §469(h).

2) 9% tax credits are offered annually using the following set-aside targets:

    a. 25% of the annual credit ceiling is reserved for preservation projects, consistent with the preservation criteria outlined in the ORCA.

    b. 10% of the annual credit ceiling is reserved for developments that serve Native Nations on tribal trust land.

    c. 65% of the annual credit ceiling should be allocated consistent with the percentages outlined in the ORCA.

Determination of Credit Amount

The owner of a low-income housing property must certify to OHCS that the Project meets the minimum requirements of:

1) 20 – 50 test under Section 42(g)(1)(A) of the Code,
2) 40 – 60 test under Section 42(g)(1)(B) of the Code, or
3) Income averaging test under Section 42(g)(1)(C).

OHCS makes the financial feasibility and viability determination required under Section 42(m)(2)(A) for all 4% and 9% LIHTC allocations. The Code requires OHCS to allocate only what is necessary for financial feasibility throughout the extended use period. OHCS will evaluate each proposed Project considering relevant factors, including but not limited to the following items:

1) Project cost, including the reasonableness of cost per unit, developer fees and overhead, consultant fees, builder profit and overhead, and syndication costs;
2) Sources and uses of funds and the total financing planned for the Project, including the ability of the Project to service debt;
3) The proceeds or receipts expected to be generated because of tax benefits;
4) The use of federal funds and other assistance; and
5) Other factors that may be relevant to the economic feasibility of the Project, such as the area economy or the housing market.

Based on this evaluation, OHCS will estimate the amount of tax credits to be reserved for the Project. This determination is made at the sole discretion of OHCS and is in no way a representation as to the actual feasibility of the Project. Rather, it will serve as the basis for making reservations of tax credits for Projects competing for credit from the federal housing credit ceiling, or it will serve as an initial determination of credit amount concerning a Project financed by private activity bonds. The amount of tax credits may change during the allocation process due to variations in cost, mortgage amount, tax credit percentage, syndication proceeds, etc. The final tax credit determination is made at the sole discretion of OHCS at the time of close-out application and before the issuance of IRS Form 8609, (Low-Income Housing Credit Allocation and Certification) as detailed in the Placed-In-Service Allocation Requirements section of this QAP.

If there is a material increase in LIHTC pricing after a reservation of tax credits, OHCS reserves the right to adjust the amount of a tax credit award or any other OHCS funding source. OHCS may use the following guidelines for avoiding Project over-subsidization. Subject to the approval of OHCS, the increase may be used:

1) To decrease rents.
2) To reduce the permanent loan, sponsor loans, tax credit allocation, or other OHCS funding sources as determined by OHCS in consultation with the Project ownership.

3) For necessary and justifiable cost increases or to reduce deferred developer fees, as allowable under the Code.

Pursuant to Section 42(m)(1)(A)(iii) of the Code, a comprehensive market study of the housing needs of low-income individuals in the area to be served by the Project must be conducted by a disinterested third party approved by OHCS before the credit allocation is made and at the developer's expense.

Applying for Credits

Project Charges

When applying for or receiving any program funds, the applicant must pay applicable charges, as adopted by the Oregon Housing Stability Council (HSC). These charges include but are not limited to, application charges, recipient charges, reservation fees, issuance charges, and compliance charges. The charges adopted by the HSC are included in the General Policy and Guidelines Manual (GPGM), as well as posted on the Oregon Centralized Application (ORCA) webpage of the OHCS website.

LIHTC Allocation Application Process

All applications for LIHTC are evaluated and reviewed through the ORCA. For selected applicants, all projects must meet ORCA standards and expectations, including, but not limited to, standards, timelines, and documentation. These are in addition to, not in lieu of, requirements and expectations from the QAP and any other programmatic requirements of the LIHTC program.

Applications for 4% Low-Income Housing Tax Credits and Conduit Bond Financing. OHCS offers 4% LIHTC and associated Private Activity Bonds (PAB) on a rolling basis as resources remain available and retains a waitlist of projects in alignment with the ORCA policies.

Projects are evaluated using the process laid out by OHCS below, and the number of projects selected are based on available resources through the ORCA. In managing the states' PAB resource investments to support housing, OHCS will work annually with the Housing Authorities of Oregon to establish a Housing Authority Owned (HAO) PAB set-aside. This HAO PAB set-aside is eligible for projects that are owned by Housing Authorities and do not require any state loan or grant funding, as defined below. These resources are held for that following year; unused resources that are not requested within the timelines, along with PAB that was not set-aside for HAO Projects, are offered through the ORCA for eligible applications and projects.

Housing Authority Owned (HAO) definition

1) Required:
    a. Site control including Housing Authority or county owned land;
    b. 51% or more ownership interest and control of the General Partner or Managing Member entity

c. For the purposes of PAB: Project does not require state loan or grant funding.

2) Must meet one:
   a. A loan or contribution of either cash or value representing the lesser of at least 10% of total sources or $2 million, including but not limited to seller financing in a rehabilitation/resyndication, a sponsor loan, a land lease loan, or a land lease contribution.
   b. Federal, state, or locally-provided project based rent assistance for at least the lower of 15 units or 15% of units.

Applications for 9% Low-Income Housing Tax Credits will be accepted and reviewed annually as funding availability allows. 9% LIHTC projects will be notified of their status, and those selected to move forward into the ORCA process will be given access to a Procorem Workcenter to begin the ORCA process's Impact Assessment. Applicants not selected can choose to have the project placed on the ORCA 9% LIHTC waitlist which will remain active through September of each calendar year. Projects may not be on more than one waitlist for resources within the ORCA. If projects are on the 9% LIHTC waitlist and sufficient credits become available (from a return of credit or otherwise) projects will be funded in order from the waitlist as resources will allow. If 9% LIHTC are not fully allocated after all eligible projects are selected, or sufficient credits are returned from a failed project OHCS may, at its discretion, either consider projects on a first-come first-reviewed basis or open a subsequent window or windows for acceptance of intake forms for 9% LIHTC projects.

OHCS reserves the right to waive, change, or alter any timelines, processing, and other QAP requirements, at its sole discretion, to encourage and facilitate the financing of tax-exempt, 4% LIHTC and 9% LIHTC financed projects including, but not limited to, implementing application pauses and blackout dates, and increasing allocations of LIHTC and PAB.

Project Performance Guidelines

All applications including those funded, in underwriting, or forthcoming are subject to:

a. Any stipulations outlined by OHCS in writing via project-specific documents, OHCS programs, or policy manuals.

b. Limitation of one applicant requested 30-day extension to the financial close date per project.

c. Availability on the OHCS financing calendar.

d. Formal notification to OHCS regarding any material changes to the project throughout underwriting or post-construction close. Including but not limited to:

   (1) The number of buildings or units,

   (2) The project contact person,

   (3) The Identity of Interest disclosure,

(4) The development team,

(5) The project's total project costs,

(6) A financing source (whether debt or equity),

(7) Operating revenue or expenses for the project of more than ten percent,

(8) Anything that would result in a change in the standards OHCS uses to evaluate projects,

(9) Changing the scope of the project, such as adding or subtracting buildings, square footage, units, and design elements that impact the budget and livability of tenants,

(10) Changing project type and switching to a different intended tenant population,

(11) Replacing sponsor and project ownership in a way that has a financial impact on the project,

(12) Showing a gap, after funding approval and prior to closing and construction start, of more than 10 percent of OHCS investment (exclusive of tax credits).

Housing and Economic Recovery Act of 2008 (HERA) Basis Boost

Under HERA and subject to update should federal regulation permit, OHCS has the authority to increase the eligible basis for 9% LIHTC Projects from 100 percent eligible basis up to 130 percent of the eligible basis when OHCS determines that the financial feasibility of the building requires it. OHCS has determined that the financial feasibility of Project buildings meeting the criteria below may require a basis boost of up to 130 percent.

1) Rural Projects as defined using the methodology found in the ORCA,
2) Preservation Projects,
3) Projects containing a minimum of either 25% or 5, whichever is greater, permanent supportive housing units,
4) Projects that meet Enhanced Accessibility standards as defined in Attachment A: Enhanced Accessibility Standards,
5) Projects sited on tribal lands,
6) Projects with at least 20% of the units restricted to LIHTC 30% AMI rents and income limits,
7) Projects that are located in Transit Oriented Districts (TODs) as designated by local governments,
8) Projects that result in the de-concentration of poverty by locating low-income housing in low-poverty areas, which are Census Tracts where 10 percent or less of the population lives below the poverty level,
9) Projects that co-locate Early Care and Education (ECE) facilities with affordable housing. Co-located as defined by OAR 813-125-0011.

Returned / Unused LIHTC Allocation Authority

Specific to 9% LIHTC - If an application considered for a LIHTC reservation/allocation is withdrawn or canceled, available credits were not originally allocated during the funding round, a project cannot make its carryover requirements, or the National Pool, as prescribed at IRS section 42(h)(3)(D)(iii), is awarded above current estimates, OHCS may do any of the following:

1) Fund the next project from the list of eligible 9% LIHTC ORCA applications for that year, if applicable. The applicant is given 30 days to reevaluate the project's financial feasibility and determine whether the proposed project can move forward or not,

2) Open a second and subsequent funding round through the ORCA process,

3) Add the returned amount to the total available credits for the following calendar year's application cycle. Any credits returned after September 30 of any year will be treated as if received in the following year and will be allocated as part of the next allocation year.

OHCS may take such steps as it deems appropriate to maintain the desired funding split between set-aside categories outlined in the ORCA.

Re-evaluation of Reservation

The following events will result in a re-evaluation of a previously issued reservation:

1) Failure to close within three hundred days of the reservation ("Reservation Period"),

2) The proposed Project will not have construction completion by the date mutually agreed upon,

3) The proposed Project will not be placed in service by the date mutually agreed upon,

4) Other material changes at OHCS's reasonable discretion.

Agency authority to use discretion

In the event of a re-evaluation of a reservation, OHCS, at its reasonable discretion may do one of the following:

1) Revoke the reservation.

2) Approve the requested changes to the original reservation or application as proposed.

3) Leave the reservation in place with no changes.

Project Selection Process

The following section describes the criteria and process used to apply for tax credits.

Private Activity Bonds and 4% Low-Income Housing Tax Credits

The following is an overview of the process for requesting 4% LIHTC and PAB through the ORCA. All projects, including HAO projects, must meet ORCA standards and expectations, including, but not limited to, standards, timelines, and documentation. These are in addition to, not in lieu of, requirements and expectations from the QAP and any other programmatic requirements of the LIHTC program.

Intake Process

Projects applying for 4% LIHTC and PAB resources, with or without state subsidy requests, must apply through the agency's ORCA process and designate their application as a 4% LIHTC and PAB request by selecting that option in their ORCA Intake Form (Intake Form). OHCS does not guarantee the award or recommendation of a PAB allocation based solely on this Intake Form designation, but any Intake Form that does not request 4% LIHTC and PAB will not be directed towards the PAB application. The Intake Form submission should also indicate the amount of gap resources the applicant intends to request, or the application will be considered as a HAO PAB Set-Aside project (see HAO Project Selection section). OHCS will determine the appropriate gap resources to assign to the project based on the project design, location, gap resource availability and other factors.

When PAB resources are included in the ORCA resources, project sponsors who submitted Intake Forms for 4% LIHTC and PAB that have been reviewed and approved by OHCS are given access to a Procorem WorkCenter to begin the ORCA Impact Assessment application step.

Project Selection

Project applications that are submitted are evaluated in the ORCA, and the number of projects selected for funding recommendation are based on available PAB volume cap, and corresponding gap resource availability. Through the ORCA, PAB will be tracked and allocated based upon a first completed, first reviewed process and in alignment with the estimated closing date of the project as provided by the applicant. Where resources are insufficient to fund all projects, a waitlist of projects is maintained.

OHCS will steward and strive to maximize the leverage of the state's PAB authority that is made available for affordable housing investments. The project selection process for the 4% LIHTC / PAB projects relies on the ORCA process and readiness requirements. However, where there is a risk that OHCS will not substantially commit all available PAB to projects in a given year, OHCS reserves the right to reassign resources within the funded pipeline or direct resources to projects on the ORCA waitlists based on development timelines. This PAB Timeline Prioritization establishes criteria that are applied to identify best-fit projects that have been reviewed in the Impact Assessment and are on an ORCA waitlist. In addition, OHCS reserves the right to allocate PAB to fund pipeline gaps or challenges as it deems necessary.

HAO Project Selection

In managing the states' PAB resource investments to support housing, OHCS will work annually with the Housing Authorities of Oregon to establish a Housing Authority Owned (HAO) PAB Set-Aside. This HAO PAB Set-Aside is eligible for projects that are owned by Housing Authorities and do not require any state loan or grant funding, as defined above.

These resources will be held for that following year; unused resources that are not requested within the timelines, along with PAB that was not set-aside for HAO projects, are offered through the ORCA. Housing Authorities may choose to issue the bonds for HAO projects where sufficient capacity is demonstrated and within OHCS suballocation policies. Housing Authority sponsored projects that request gap funding and 4% LIHTC through the traditional ORCA application will not count against the HAO set-aside. Every year by February 28th (year 0), Housing Authorities must provide OHCS with:

1) HAO Project list for the subsequent year's (year 1) PAB resource needs; these projects will be required to submit full applications and ORCA process requirements, and
2) HAO future pipeline for the following year (year 2) which will be used to support the determination of the needed HAO set-aside and will be considered by OHCS alongside state resource needs; these projects will be submitted through the ORCA intake within a year.

PAB Award Calculations and Commitments

To determine PAB award needs, OHCS utilizes the Total Project Cost dollar amount from the Impact Assessment proforma to make an estimate of PAB utilization (55% of the total project cost). Project PAB resource needs must remain within 10% of the requested amount in the Impact Assessment application or they may be required to forfeit the resource commitment and re-apply for resources as a new application.

Where projects are determined to have material changes, the resource commitment will be deemed invalid. OHCS will review project change to determine if it is material. Material changes that may result in loss of PAB include, but are not limited to, a change in:

1) The number of buildings or units,
2) The project contact person,
3) The Identity of Interest disclosure,
4) The development team,
5) The project's total project costs,

6) A financing source (whether debt or equity),
7) Operating revenue or expenses for the project of more than ten percent,
8) Anything that would result in a change in the standards OHCS uses to evaluate projects,
9) Changing the scope of the project, such as adding or subtracting buildings, square footage, units, and design elements that impact the budget and livability of tenants,
10) Changing project type and switching to a different intended tenant population,
11) Replacing sponsor and project ownership in a way that has a financial impact on the project,
12) Showing a gap, after funding approval and prior to closing and construction start, of more than 10 percent of OHCS investment (exclusive of tax credits).

NOTE: Changes in projects that incorporate value engineering are not considered material changes. Changes or delays due to actions or inactions taken by local, state or federal jurisdictions are also not considered material changes.

Timelines and Closing Dates

Estimated closing dates are required at Intake and Impact Assessment and form the basis of a project's readiness estimation and timelines. OHCS recognizes that these dates are estimates and likely to change, however, all projects must meet the timelines associated with each step of the ORCA process or their PAB hold may be forfeited. OHCS may require timelines to move based upon a number of factors including PAB availability.

In the event that a project does not move forward within required ORCA timelines or does not meet required standards within the ORCA process, PAB will be reallocated by OHCS.

Additional Process Information

1) For selected applicants, the projects must meet ORCA standards and expectations, including, but not limited to, standards, timelines, and documentation. These are in addition to, not in lieu of, requirements and expectations from the QAP and any other programmatic requirements of the LIHTC program,
2) After Impact Assessment application evaluation, projects must receive HSC approval for state resource commitments if such resources are needed for the project and included in the initial proforma. A Letter of Intent (LOI) will be issued by OHCS based on an up-to amount for both the gap resources and PAB,
3) At the Financial Eligibility step, project sponsors provide a comprehensive, detailed proforma, with cost estimates supported by bids. The LOI is updated with a more precise amount at this time,

4) The proforma provided at Financial Eligibility should have,

    a. Costs within 10% of the Impact Assessment proforma and the allowable PAB further refined, and

    b. Complete due diligence submitted by the readiness timeline requirements.

5) Projects may be held at the final step in the ORCA process, the Commitment step, until closing dates are available. If a project is held by OHCS for reasons outlined in this Plan or at OHCS's discretion, the readiness timeline requirements are suspended during that period. Once projects have finished the Commitment step, they are moved forward into the closing stage and have no more than 6 months to close. Projects that do not close in the 6 month period will be removed from the queue and must restart the ORCA process,

6) Projects must return to HSC at completion of the Commitment step to lock in the PAB rate. Once the PAB allocation is locked, any surplus can be released.

9% Low-Income Housing Tax Credits

Intake and Request Form

Projects applying for 9% LIHTC resources must complete a 9% LIHTC Request Form identifying their interest. The 9% Request Form will be available for a minimum of six weeks, and the open period will be announced by OHCS through a Technical Advisory at least two weeks in advance of opening.

The 9% Request Form will be used to evaluate, screen, and, if necessary, rank 9% project applications by the adopted tie-breaker criteria. While it will not include all documentation required for finalizing resource commitments, it will require more information and detail than the general ORCA Project Intake form.

Projects recommended for 9% LIHTC will be required to meet all applicable evaluation standards in the ORCA to retain resource reservation. Information provided in the 9% Request Form and following through the application process constitute application commitments for the project. Such commitments made regarding the character, quality, and financing of a project in the 9% selection process will be enforced during the underwriting process and beyond. Departure from those commitments will trigger reconsideration of the award.

Application Process

Projects are evaluated using the process laid out by OHCS below, and the number of projects selected are based on available resources identified as available for that funding round. Applications for 9% LIHTC are accepted and reviewed annually as funding availability allows. 9% LIHTC projects will be notified of their status, and those selected to move forward into the ORCA process will be given access to a Procorem Workcenter to begin the ORCA process's Impact Assessment.

Applicants not selected can choose to have the project placed on a reserve list for consideration of any potential 9% LIHTC credits that may come available. This option remains active through September of each calendar year. The reserve list is cleared each year on October 1. If have opted in as 9% LIHTC reserve projects and sufficient credits become available (from a return of credit or otherwise) projects are funded in order from the original tiebreaker list as resources will allow. If 9% LIHTC are not fully allocated after all eligible projects are selected, or sufficient credits are returned from a failed project OHCS may, at its discretion, either consider projects on a first-come first-reviewed basis or open a subsequent window or windows for acceptance of intake forms for 9% LIHTC projects.

For selected applicants, all projects must meet ORCA standards and expectations, including, but not limited to, standards, timelines, and documentation. These are in addition to, not in lieu of, requirements and expectations from the QAP and any other programmatic requirements of the LIHTC program.

Project Criteria

In order to select new construction projects to access 9% LIHTC through the ORCA process, OHCS will use the following criteria to create the list of projects that are eligible to be moved forward to Impact Assessment. Projects must meet mandatory threshold criteria and 3 or more supplemental criteria to meet the eligibility standard.

If the total resources requested by projects that meet minimum threshold for this evaluation is greater than the total resources available, projects will then be evaluated against tie-breaker criteria. The number of projects selected to move forward with the comprehensive ORCA application using 9% LIHTC will depend upon total resources available.

Mandatory Criteria

Projects must meet all of the following mandatory criteria.

Responsive to Tenant/Community Needs

1. Project includes features in the design, services, site location, or other project considerations that are tailored to the population being served (e.g. appropriate levels of supportive services for chronically homeless households, co-located ECE facility for families with young children, universal design features for older adults and people with disabilities, transportation opportunities or unique design features for veterans, unique features or access to locations of cultural significance for communities of color, etc.).

2. Project demonstrates alignment with the Oregon Housing Needs Analysis (OHNA) and local jurisdiction housing production strategies, in that there is shown to be a need for the AMI level the project is proposing. Small cities under 10,000 population without an OHNA requirement are exempt from this requirement.

Community Needs

3. Project has supporting documentation from a local Housing Authority demonstrating that a commitment is in place to market available units to their wait list, or will rely on coordinated entry for tenant referrals.

Supplemental Criteria

Projects must meet at least three of the following supplemental criteria. While encouraged, projects will not be prioritized over other projects for including more than three of these criteria.

Responsive to Tenant/Community Needs

1. Project incorporates an average unit Area Median Income (AMI) of less than 50% or are including Project-Based Rental Assistance (PBRA) with at least 20% of their units.
2. Project contains facilities or space designed to support families with young children as defined by OAR 813-125-0011.
3. Project includes accessible units beyond minimum code requirements.

Economic/Workforce Impact

4. Project includes features in the design, services, site location or other project considerations that provide opportunities for employment to residents and benefit to the community (e.g. co-located ECE facility for families with young children, access to community college or workforce training site, walkable access or access to transit to high job density locations).

Section 42 considerations

5. Projects demonstrate evidence of historic value for the community, including Projects using the federal Historic Tax Credit (HTC) as part of the Project financing, and are: Listed, or have been determined eligible for listing, in the National Register of Historic Places administered by the U.S. Department of the Interior in accordance with the National Historic Preservation Act of 1996; or Located in a registered historic district and certified by the Secretary of the U.S. Department of the Interior as being of historic significance to that district.
6. Projects that have formally committed to meeting the Department's Sustainability Standards which include energy efficiency expectations that exceed current State of Oregon Energy Code requirements.
7. Projects intended for eventual tenant ownership.

Organization Type

8. Lead developer is a Culturally Specific Organization and/or a nonprofit organization developing in a rural area.

Tiebreakers

Projects that meet the threshold for evaluation under the above criteria will be further prioritized, if necessary, using the following criteria, in the order listed below, with a. being the first considered and d. being the last:

a. Policy enriched:

Project contains at least one of the following characteristics:

- Permanent Supportive Housing (meeting all PSH standards described in the ORCA, and with a minimum of 25% or 5 units, whichever is greater, dedicated to this model),
- Contains facilities or space designed to support families with young children defined by OAR 813-125-0011,
- Enhanced accessibility as defined in Attachment A: Enhanced Accessibility Standards.

b. Federal Subsidy Leverage:

Project has committed leverage of at least $100,000 of HOME, or Community Development Block Grant Funds (CDBG), Tax Increment Finance, or another OHCS-approved place-based economic development fund that is awarded for gap funding by Participating Jurisdictions in lieu of HOME.

c. Efficient Unit Production:

Projects will be ranked based on the total number of credits requested per units being provided for the community, with the lowest ratio first and the highest ratio last.

d. Average AMI:

Projects will be ranked based on the lowest average household AMI served, with the lowest average AMI being first and the highest last.

Preservation Projects

Preservation projects are defined by the Preservation Funding Frameworks adopted by OHCS to include: projects at risk of loss due to physical or financial challenges, properties with federal project-based rent assistance at imminent risk of loss, and expiring properties at risk of conversion to market-rate. To apply for 9% LIHTC, preservation projects will also submit a 9% Request Form which will have the applicant provide project-specific details for the resource investment request. These 9% Request Forms for Preservation will be evaluated in alignment with criteria established within the OHCS Preservation Funding Framework. This framework establishes criteria to assess risk within each of the following applicable preservation project types: Risk of Loss Physical or Financial Challenges; Risk of Loss Federal Project-Based Rent Assistance; Risk of Loss Expiration and Conversion to Market-Rate.

OHCS will evaluate applications against criteria in their respective preservation-type to identify projects that meet Critical Priority thresholds. Once all Critical properties are identified, if there are more projects than are able to be funded, OHCS will utilize tiebreakers to determine which projects will be selected to move forward into the ORCA process. If no Critical properties are identified, OHCS will follow the same process but evaluate properties in the High Priority category. If no High Priority properties are identified, OHCS will follow the same process but evaluate properties in the Medium Priority category.

For the purposes of preservation priorities, households that meet both of the following criteria are considered vulnerable:

- Households that are **Very Low Income** (earning 50% or less of the Area Median Income), **and**

- **One or more of the following is true** of the household:
    - One or more resident identifies as a person with disabilities (including behavior health challenges, substance use disorder, etc.),
    - One or more resident represents a historically underserved population,
    - The primary language spoken in the household is a language other than English,
    - Includes one or more children under 18,
    - At least one member of the household is 62 years old or older.

Project Criteria: Risk of Loss Physical or Financial Challenges

For properties at risk of loss due to physical or financial challenges being experienced, those deemed to be **critical** priority will be those in which all of the following are true:

1) Applicant is a Culturally Specific Organization;
2) Project is currently at-risk; and,
3) Two thirds or greater of households in the property are considered vulnerable by OHCS's definition.

Those deemed to be a **high** priority will be those in which all of the following are true:

1) Applicant is either a Culturally Specific Organization or a Culturally Responsive Organization;
2) Project is at-risk within the next five years; and,
3) One third or greater of households in the property are considered vulnerable by OHCS's definition.

Those deemed to be a **medium** priority will be those in which all of the following are true:

1) Project is at-risk within the next seven years; and,
2) One third or greater of households in the property are considered vulnerable by OHCS's definition.

Project Criteria: Risk of Loss Federal Project-Based Rent Assistance

For properties at risk of loss of existing Federal Project-Based Rent Assistance (PBRA), those deemed to be **critical** priority will be those in which both of the following are true:

1) PBRA is at risk within two years of the date of application; and,

2) At least 50% of the units in the property have PBRA.

Those deemed to be **high** priority will be those in which both of the following are true:

1) PBRA is at risk within five years of the date of application; and,

2) At least 50% of the units in the property have PBRA.

Those deemed to be **medium** priority will be those in which the following is true:

1) PBRA is at risk within seven years of the date of application.

Project Criteria: Risk of Loss Expiration and Conversion to Market-Rate

For properties at risk of loss due to expiration of affordability covenants and potential conversion to market-rate, those deemed to be **critical** priority will be those in which either:

1) The property is in a census tract defined as rural by OHCS; or

Both of the below are true:

1) Either:

    a. Fifty percent or more of units in the property either are rent-restricted to 50% AMI or lower, or have PBRA attached; or,

    b. Twenty five percent or more of units in the property either are rent-restricted to 30% AMI or lower, or have PBRA attached;

    And,

2) One third or greater of tenant households are considered vulnerable by OHCS's definition.

Those deemed to be **high** priority will be those in which the both of the following are true:

1) Either:

    a. Twenty five percent or more of units either are rent-restricted to 50% AMI or lower, or have PBRA attached; or,

    b. The project includes any units rent-restricted at 30% AMI or lower;

    And,

2) One third or greater of tenant households are considered vulnerable by OHCS's definition.

There is no **medium** priority categorization for this preservation type.

Preservation Tiebreakers

Projects that meet threshold meeting the Critical priority definitions above will be further prioritized as necessary, using the following criteria, in the order listed below (with criteria 1. being the first considered and criteria 4. being the last) if all else is equal:

1) Projects in the Federal Project-Based Rent Assistance category,
2) Projects in the At Risk of Loss: Expiring Affordable Properties category (ranked in order of date of expiration of latest expiring restrictions, from soonest to latest),
3) Projects in Census Tracts with the highest market rate rents, as published by HUD,
4) Projects that would preserve the greatest number of rent-restricted units.

Programmatic Requirements

Minimum Requirements for LIHTC Projects

OHCS has the following minimum requirements for any LIHTC-funded project. Developers must demonstrate through their application, during underwriting, in the lease-up process, and throughout the extended use period their compliance with all applicable requirements. Failure to meet any of the criteria may disqualify a project from receiving any funding presently or in the future.

Long-Term Affordability

All Projects awarded 9% LIHTC must remain affordable for 60 years.

All 4% LIHTC Projects must remain affordable for 60 years except for Projects where LIHTC resources are paired with other OHCS resources offered for 4% LIHTC pairing for at least 30 years. When this pairing happens, the LIHTC Project’s affordability will be at least 30 years and will match the affordability of the paired source if it is over 30 years.

Resyndication Restrictions

Projects funded with LIHTC in 2025 and after are not eligible to apply for an additional 4% or 9% LIHTC within 20 years of the Project’s Placed-In-Service date. Exceptions may be granted at the sole discretion of OHCS in cases where it determines there is a risk of physical, affordability, or other loss.

Limited Partnership Agreement (LPA)

All project applicants and owners are responsible for understanding the specifics of their Limited Partnership Agreement. OHCS expects all parties to execute the LPA document in good faith and maintain the goal of producing and maintaining affordable housing throughout Oregon.

Violence Against Women Act

In conformity with the Violence Against Women Act (VAWA) of 2013, an applicant for or tenant of housing assisted under the LIHTC Program may not be denied admission to, denied assistance under, terminated from participation in or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault or stalking if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy. An incident of domestic violence, dating violence, sexual assault, or stalking shall not be considered a lease violation by the victim, nor shall it be considered a good cause for an eviction. If a tenant who is a victim requests an early lease termination, lease bifurcation from the abuser, or transfer to another unit because they are in danger, a LIHTC owner, manager, or agent thereof shall make every effort to comply with the request and shall not penalize the tenant.

Waiver of Qualified Contract

By submitting an application for LIHTC funding, all LIHTC Applicants waive the right to request a qualified contract under Section 42(h)(6)(E)(i) of the Code. Thus, any OHCS-required extended use commitment shall not terminate at the end of the compliance period but will have a minimum duration of 60 years for 9% LIHTC and either 60 years or, if paired with a source that has a shorter affordability period, either 30 years or the length of affordability for the paired resource, whichever is greater, for 4% LIHTC transactions.

Asset Management Compliance and Project Monitoring

As the authorized allocating agency for the state of Oregon, OHCS is responsible for monitoring Projects for compliance with Section 42 of the Code, corresponding Treasury regulations, and any other applicable IRS guidance (rulings, procedures, decisions, notices, and any other applicable IRS guidance), the Fair Housing Act, state laws, local codes, OHCS loan or regulatory documentation, and any other legal requirements in administering the LIHTC Program. Project owners (Owners) must comply with all such requirements if implemented after this QAP is approved. OHCS is also responsible for establishing monitoring procedures to verify compliance and is required by law to report noncompliance to the IRS. Monitoring each Project is an ongoing activity that extends throughout the affordability period (a minimum of 30 years).

Projects with funding sources obtained from OHCS in addition to the tax credits, will be monitored for the most restrictive requirements of all combined OHCS programs. Owners must be aware of the differences in Program regulations, including PSH projects which must adhere to OHCS' PSH Standards and policies for tenant selection and low-barrier screening.

The OHCS’ LIHTC Compliance Manual is incorporated here by reference and may be found at https://www.oregon.gov/ohcs/compliance-monitoring/pages/compliance-lihtc-program.aspx. OHCS may perform an on-site review of any building in the Project, interview residents, review resident applications and financial information, and review the Owner’s books and records relating to the Project as consistent with the law and as OHCS determines it to be appropriate. Owner must provide OHCS reasonable access to the Project and its books and records, and reasonably cooperate in all such compliance monitoring. In connection with these obligations, an Owner must take all reasonably necessary actions to allow OHCS to inspect housing units occupied by residents.

Program compliance

All OHCS Projects must satisfy the Program Requirements for each applicable OHCS funding source reserved. Each OHCS funding source has separate requirements, which can be found in the supplemental Program manuals.

Relocation Plan

If any relocation or displacement of existing tenants might occur because of an allocation, the development team must provide a satisfactory relocation plan to OHCS including a complete survey of existing tenants. The tenant survey must be in the OHCS-provided format and can be augmented to include copies of the third-party verifications before construction closing for the project.

Ownership Integrity

OHCS may reject any application or solicitation of funding where any member, officer, principal, or entity within the Project ownership, management, or development team:

Is under investigation by a public body or has a pending claim, indictment, suit, action, or other proceeding against them. Has filed for or has a foreclosure judgement against. Has been removed as owner, managing partner, or developer by other project lenders and funders within the previous five years.

Has been convicted of or been determined by an administrative or judicial (whether criminal or civil) order or judgment to have committed fraud, misrepresentation, theft, embezzlement, or any other act of moral turpitude (including, but not limited to any felony or malicious behavior) within the previous ten years.

Single-Asset Ownership

OHCS requires that each Project be owned by a single-asset entity duly organized under the laws of the State of Oregon, or if allowed by OHCS, duly authorized to conduct business in the State of Oregon.

Reservation and Extended Use Agreement

Projects that receive an OHCS allocations must enter into a Reservation and Extended Use Agreement (REUA), satisfactory to OHCS, which includes executing and recording, at the Applicant’s expense, a follow-on declaration of restrictive covenants and executing and recording other documents about the Project satisfactory to OHCS. The provisions of the REUA, including the declaration of restrictive covenants, will apply throughout the applicable “Affordability Period,” which includes the initial fifteen (15) year compliance period, and an additional “extended low-income use period” as referenced in the Project’s restrictive use agreements.

Right of First Refusal (ROFR)

Applicable to Projects with Non-Profit General Partners. OHCS reserves the right to require any or all of the following concerning LIHTC applications and funded projects:

1) Provisions to be included in the Applicant's organizational documents limiting transfers of partnership or member interest or other actions detrimental to the continued provision of affordable housing,
2) A letter of intent from a tax credit investor that grants to a qualified not-for-profit organization a right of first refusal (the "ROFR") to purchase the project for a below-market purchase price (the "ROFR Purchase Price"), following the expiration of the tax credit compliance period, in accordance with Section 42(i)(7) of the Code,
3) Terms in the extended use agreement requiring notice and approval by OHCS of transfer of partnership or member interests,
4) Debarment from the program of Project sponsors, investors, syndicators, or lenders having demonstrated a history of conduct detrimental to long-term compliance with any extended use agreements, whether in Oregon or another state and the provision of affordable tax credit units, and
5) Provisions to implement any amendment to the IRC or any future federal or state legislation, regulation, or administrative guidance.

The decision whether to institute and the terms of, any such requirements shall be made by OHCS as reasonably determined to be necessary or appropriate to achieve the goals stated in this section and to be in the best interest of the Plan.

LIHTC Reservation Requirements

All LIHTC Applicants must comply with the requirements of the ORCA, in addition to these requirements, the following will also be applicable.

Requirements for Reservation

Those projects selected by OHCS as recipients of LIHTCs will be issued a LIHTC reservation (REUA), Carryover Allocation (if applicable), and Form 8609 (Outlined in the Place-In-Service Allocation Requirements section). OHCS may disqualify the Project/Applicant and cancel the LIHTC reservation and/or Carryover Allocation if requirements are not met by the deadlines set by OHCS.

Reservation Period

If the Applicant does not satisfactorily complete the conditions of the LIHTC REUA and/or Carryover Allocation Agreement, OHCS may rescind the LIHTC Reservation for the project. OHCS may reallocate any 9% LIHTCs returned or rescinded. OHCS will require each Applicant who has received a LIHTC reservation to demonstrate the project is making satisfactory progress toward completion through regular progress reports.

No Representation or Warranty

Issuance of an OHCS funding resource reservation shall not constitute or be construed as a representation or warranty as to the feasibility or viability of the Project, or the Project's ongoing capacity for success, or any conclusions with respect to any matter of federal or state law. All OHCS resources are subject to various state and federal regulations governing the specific Program from which they are obtained, and Applicants are responsible for the determination of their Project's eligibility and compliance consistent with all Project requirements.

Determination of the LIHTC Allocation Authority Year (9% Specific)

When making a reservation of LIHTC, OHCS reserves the right to make an allocation of a future year's credit ceiling (Forward Allocation). Such Forward Allocation(s) may be full or partial for the Project(s). The applicable QAP will be the plan in place for the earliest funding cycle in which an award of funds is received.

Carryover Allocation Requirements (9% LIHTC Specific)

Once a project is successfully selected for an allocation of 9% LIHTCs. The following requirements must be met in addition to any of those requirements by the department or other resources allocated to the project.

9% LIHTC Carryover Allocation Agreement

9% LIHTC Applicants, on or before November 1st of the LIHTC Allocation Authority Year, must submit either an application for LIHTC Carryover Allocation (if the Project is still in the construction phase), or a final application indicating the Project has been placed-in-service. All LIHTC Carryover Allocations will be made on a per Project basis. The LIHTC amount that qualifies for a reservation to any Project is the lump sum amount of available to each qualified building in the Project. The actual amount of LIHTCs available for any specific building will be apportioned from the lump sum Carryover Allocation of Credit and determined when that building satisfies the placed-in-service allocation requirements.

10% Carryover Test for 9% LIHTC Projects

Within twelve (12) months of the date of the Carryover Allocation Agreement, the 9% LIHTC Applicant must demonstrate to the satisfaction of OHCS that it has incurred more than ten percent (10%) of the reasonably expected basis of the Project by certifying to OHCS that it has fulfilled this requirement and by submitting a CPA's certification.

The required CPA's certification should itemize all the costs incurred to satisfy the ten percent (10%) requirement. If the Applicant is itemizing any portion of the developer fee or consultant fees for purposes of satisfying the ten percent (10%) requirement, the certification must contain a detailed breakdown of the services performed by the developer and each consultant and the amount of the fees apportioned to each service. The Applicant must also submit a copy of all developer and consultant contracts as well as an itemized statement apportioning the fees earned to each service provided.

OHCS may require the Applicant to submit additional documentation of the costs reflected in the certification and OHCS may limit or exclude certain costs if it cannot determine that they are reasonable and appropriate.

Exchange of 9% Credit Award for Subsequent Years Credit Allocation

Once an Applicant has received a reservation of LIHTCs, the Applicant has the responsibility to complete the Project by the timelines identified in IRC Section 42 and outlined by OHCS. OHCS reserves the authority to exchange an allocation of credits from one year to credits in the subsequent year with the amount unchanged. Applicants must demonstrate good cause to return their reservation to OHCS, and is limited to one return per application. This practice is also called a “credit swap” or a “credit refresh.”

No later than March 31st of the year following the reservation of LIHTC, an Applicant may request to return its allocation and exchange it for an award of the same amount of credits from the next year.

For example, a 2025 awarded Project that receives a forward reservation of 2026 tax credits may upon good cause swap those 2026 credits, if requested by March 31, 2026, for an allocation of 2027 credits. This is necessary if the Project will not be placed in service by December 31, 2028, but instead will be placed in service by December 31, 2029.

After LIHTCs have been returned, an Applicant may apply for additional LIHTCs. Projects must comply with the requirements applicable in the initial year of award and all representations made in the initial application (unless specifically and explicitly waived by OHCS).

Placed-In-Service Allocation Requirements

All LIHTC Applicants are required to complete a final application containing required documentation. Any changes from the Equity Closing are subject to OHCS review and approval before the issuance of IRS Form 8609. Projects with excess funds must return those funds to one or more of the public funders upon Project completion. OHCS funding resources will have a priority for return upon the determination of excess funds for the Project.

OHCS will accept and process final application documents and issue IRS Form 8609(s) throughout the year. OHCS reserves the right to set a schedule for review and approval of 8609(s). Commercial costs should be separated from the cost certification in an individual column or deducted from the total residential costs. In either circumstance, the budget use pages should identify both components of cost separately. However, a Project Owner must submit a complete application with all Placed-In-Service documentation, including the independent Certified Public Accountant’s Report (Cost Certification) and the certificates of occupancy for each building in the Project at least sixty (60) days prior to when the Owner expects to receive the IRS Form 8609.

Upon completion of the Project, for 4% LIHTC Projects, the Borrower will provide to OHCS an analysis of the breakdown of the bond-funded costs for the Project, to meet the federal tax requirements described in the Project’s Tax Certificate and Agreement (or other similar document) in a form certified by an authorized representative of the Borrower (commonly referred to as a “Good Costs

Certificate"), together with more detailed backup information as requested by OHCS or Bond Counsel for the State.

Project Changes

An Applicant must notify OHCS in writing of, and obtain its written consent to, any material changes in a Project. An Applicant must notify OHCS when a material change is first identified. OHCS will endeavor to respond within thirty (30) days after receiving the notice of a material change and request for consent. OHCS may give or withhold its consent, or condition its consent, subject to its reasonable discretion. A "material change" includes, but is not limited to, a change in:

1) The number of buildings or units,
2) The project contact person,
3) The Identity of Interest disclosure,
4) The development team,
5) The project's total project costs,
6) A financing source (whether debt or equity),
7) Operating revenue or expenses for the project of more than ten percent,
8) Anything that would result in a change in the standards OHCS uses to evaluate projects,
9) Changing the scope of the project, such as adding or subtracting buildings, square footage, units, and design elements that impact the budget and livability of tenants,
10) Changing project type and switching to a different intended tenant population,
11) Replacing sponsor and project ownership in a way that has a financial impact on the project,
12) Showing a gap, after funding approval and prior to closing and construction start, of more than 10 percent of OHCS investment (exclusive of tax credits).

OHCS will determine whether a change in a project is substantial and triggers the requirement to return the project to a previous step in the ORCA process. The written request for approval of a material change in a Project must include a narrative description and other supporting documentation, plus the applicable revised pages of the application. If OHCS grants the request, including as modified or conditioned by OHCS, it may adjust the amount of the funding allocation to ensure the pro forma "sources and uses" of the Project remain in balance.

Cost Savings Clause

Construction contracts that include any provision for cost savings that are to be retained by the general contractor or split with the Project Applicant or Developer are not permitted. All ORCA-specific policies related to cost savings apply to LIHTC.

Project Transfer or Assignment Requiring OHCS Consent

A Project transfer or assignment requiring OHCS consent includes any direct or indirect sale, contribution, assignment, lease, exchange, transfer, or other change in:

1) An interest in the land, the Project, or any building,
2) An ownership interest in the entity that is the Applicant or Project Owner,
3) The rights, title, or interest of the Applicant or Project Owner in any agreement to which OHCS and the Applicant or Project Owner are parties,

The following transfers or assignments do not require the prior written consent of OHCS:

1) The grant of a security interest or lien junior to the interest of OHCS, or
2) The issuance, redemption, or transfer of stock or shares of a corporation that is not a closely held corporation.

Process and Requirement for Obtaining OHCS Consent

The first step in obtaining OHCS's written consent to a Project transfer or assignment is to advise OHCS in writing of the proposed transfer or assignment. At a minimum, the Applicant should describe:

1) The name of the Project,
2) The names of the Applicant and/or the Owner, the proposed transferor and transferee, and all other relevant parties,
3) A complete description of the proposed transfer or assignment, including the proposed effective date, and
4) Any special circumstances related to the proposed transfer or assignment.

After OHCS's receipt of the written request, OHCS will advise the Applicant of OHCS's requirements and conditions that must be satisfied to obtain the consent, including payment of document preparation charges and applicable legal fees. If the Applicant committed to participate under the set-aside category for Qualified Non-Profit, any transfer or assignment must ensure that the Project continues to qualify for such set-aside category.

Construction Closing

For 9% LIHTC transactions, the Applicant must give OHCS at least thirty (30) days' written notice of the scheduled Construction Closing. At least ten (10) days before the Construction Closing, but after the general contractor bids have been received, the Applicant must submit to OHCS the Project's final development budget, final sources of funds, and documentation to substantiate the final budget.

For 4% LIHTC transactions, the Applicant must give OHCS the Project's final development budget pro forma, final sources of funds, and documentation to substantiate the final budget items at least ten (10) days before submission to the OHCS Finance Committee for approval.

Market Study

Applicants must submit a complete market analysis before receiving a 9% LIHTC or 4% LIHTC allocation. The deadline for submission will be established within the Financial Eligibility step of the ORCA process for projects selected for funding. Applicants should read and refer to the LIHTC Market Analysis Guidelines for a full description of OHCS policies and guidelines. Selected projects must use approved OHCS Market Analysts as required in code at IRC §42(m)(1)(A)(iii).

The Market Analysis Guidelines can be found at:
https://www.oregon.gov/ohcs/development/Documents/admin/market-analysis-guidelines.pdf

The Approved Market Analyst List can be found at:
https://www.oregon.gov/ohcs/development/Documents/LIHTC/Approved-Market-Analysts-List-12-01-21.pdf

Considerations

Reservation of Rights

Project/Request Denial. OHCS, in its sole discretion, may reject an application where the Applicant, Owner, principal, consultant, or other participant concerning the proposed Project, previously has done any of the following:

1) Participated in a project that failed to complete a Project in accordance with requests or certified plans presented to OHCS or other public or private allocating agencies,
2) Failed to complete a Project within the time schedule required or budget indicated in the request,
3) Failed to effectively utilize previously allocated Program funds and was notified of such failure to meet appropriate utilization in advance of request or NOFA closing date,
4) Participated in a Project that was found to be in non-compliance with Program rules as evidenced by OHCS or other public or private Allocating Agency Project monitoring and missed the cure time deadline given in writing,
5) Been debarred or otherwise sanctioned by OHCS or other state, federal or local governmental agency,
6) Been convicted within the last ten (10) years of criminal fraud, misrepresentation, misuse of funds, or moral turpitude or currently is under indictment for such an offense,

7) Been subject to a bankruptcy proceeding within the last five (5) years,

8) Otherwise displayed an unwillingness or inability to comply with OHCS requirements,

OHCS reserves the right to disapprove any Application if, in OHCS's judgment, the proposed Project is not consistent with the goals of providing decent, safe and sanitary housing for low-income persons. OHCS may impose additional conditions on Project Applicants for any Project as part of the application, reservation or allocation processes.

Documentation of Discretion

OHCS may, at its sole discretion, award credits in a manner not in accordance with the requirements of the QAP. If any provision of this QAP (or documents incorporated herein by reference) is inconsistent with any provisions (current or as amended) of IRC Section 42, corresponding Treasury Regulations, and applicable IRS guidance, or any existing State Laws or State Administrative Rules governing the LIHTC Program, the provisions of IRC Section 42, corresponding Treasury Regulations, and applicable IRS guidance, state laws or state administrative rules take precedence over the QAP.

Policy on Exceptions/Waiver Requests

All OHCS policies, other than those mandated by Section 42 of the Code, are considered as guidelines and may be waived by OHCS at its sole discretion. A written request for a waiver or exception, accompanied by justification, may be submitted to OHCS. QAP waivers will be documented for all Projects and regular periodic publications of waivers will identify the Applicant, the QAP provision waived, and the reason for waiver. In addition, the summary for Projects recommended for funding may identify and explain waivers granted for any Projects listed.

Applicants, lenders, or syndicators must submit any request for a waiver or exception to a policy in writing with a full justification at least 30 days prior to the construction/equity closing date for applications. Furthermore, OHCS reserves the right to waive any provision or requirement of the QAP that is not stipulated in Section 42 of the Code in order to affirmatively further fair housing.

If OHCS acts contrary to or fails to act in accordance with this Plan, the ORCA, or any other Program Requirement, such act or omission does not constitute a waiver by OHCS of any obligation on the part of a Project, person or entity to comply with the provisions of this Plan, the ORCA, or other Program Requirements, or establish a precedent for any other Project, person or entity. In any event, no waiver, modification, or change of a requirement set forth in an OHCS Program Manual, or of any other Program Requirement will be binding upon OHCS unless set forth in writing, signed by an authorized agent of OHCS, and consistent with law.

Partial Invalidity

If any provision of this QAP, or the application of this Plan to any person or Project, is found by a court to be invalid or unenforceable, the remainder of this Plan, or the application of that provision to persons or circumstances other than those with respect to which the provision was held invalid or unenforceable, shall not be affected. Each provision of the Plan shall be valid and enforceable to the fullest extent permitted under State or federal law.

OHCS Sole Discretion

OHCS reserves the right to determine at application, reservation and/or at any point during the underwriting process and at its sole discretion, whether the Third-Party Letters of Interest or Intent, Award Letters, or Commitment Letters are satisfactory, and whether a lender or investor possesses the financial or other capacity to make a specific loan or investment. A change in the Project's financing structure or financing terms after reservation of OHCS funds must be brought to the attention of OHCS. OHCS may in its sole discretion re-underwrite the Project, which may result in all or a part of OHCS resources being recaptured or reduced by, or returned to, OHCS.

Project/Request Denial

OHCS may reject an application where the Applicant, owner, principal, consultant, or other participant with respect to the proposed Project, previously has:

1) Participated in a Project that failed to complete Projects in accordance with requests or certified plans presented to OHCS or other public or private allocating agencies,
2) Participated in a Project that failed to complete a Project within the time schedule required or budget indicated in the request,
3) Participated in a Project that failed to effectively utilize previously allocated Program funds and was notified of such failure to meet appropriate utilization in advance of the request or ORCA cycle closing date,
4) Participated in a Project that has been found to be in non-compliance with Program rules as evidenced by OHCS or other public or private Allocating Agency Project monitoring and missed the cure time deadline given in writing,
5) Been debarred or otherwise sanctioned by OHCS or other state, federal or local governmental agency,
6) Been convicted within the last ten (10) years of criminal fraud, misrepresentation, misuse of funds, or moral turpitude or currently is indicted for such an offense,
7) Been subject to a bankruptcy proceeding within the last five (5) years,
8) Otherwise displayed an unwillingness or inability to comply with OHCS requirements.

OHCS reserves the right to disapprove any application if, in OHCS's judgment, the proposed Project is not consistent with the goals of providing decent, safe, and sanitary housing for low-income persons. OHCS may impose additional conditions on Applicants for any Project as part of the application, reservation, or allocation processes.

Financial Solvency

As part of the application and at such other times as required by OHCS, the Applicant must provide a certification concerning the financial solvency of the Applicant, the Project, and certain Project participants in the form required by OHCS.

If the certification discloses any financial difficulties, risks, or similar matters that OHCS believes in its sole discretion might materially impair or harm the successful development and operation of the Project as intended, OHCS may:

1) Refuse to allow the Applicant or other participant to participate in the Tax Credit Program or other OHCS Programs,
2) Reject or disqualify an application and cancel any LIHTC reservation or allocation,
3) Demand additional assurances that the development, ownership, operation, or management of the Project will not be impaired or harmed (such as performance bonds, pledging unencumbered assets as security, or such other assurances as determined by OHCS).

Take such other action as appropriate

The Applicant must also immediately disclose if there is a material change in the matters addressed in the certification throughout the application process and throughout the development and operation of the Project. Failure to do so may result in a loss of reservation.

Disclaimer

Issuance of a LIHTC reservation pursuant to a Reservation and Extended Use Agreement, a LIHTC Carryover Allocation (Carryover) or a placed in service allocation as indicated by OHCS or the IRS Form 8609, shall not constitute or be construed as a representation or warranty as to the feasibility or viability of the Project, or the Project's ongoing capacity for success, or any conclusion with respect to any matter of federal or state income tax law. All LIHTC allocations are subject to the Code and corresponding Treasury Regulations governing the LIHTC Program, and Applicants are responsible for the determination of a Project’s eligibility and compliance. If statements in this QAP are in conflict with Section 42 of the Code and corresponding Treasury Regulations, the Code and such regulations shall take precedence. While this QAP and the applicable ORCA processes govern OHCS’s process of allocating LIHTC, Applicants may not rely upon this QAP as an interpretation of IRS Code requirements.

No executive, employee or agent of OHCS, or of any other agency of the State, or any official of the

State, including the Governor, shall be personally liable concerning any matters arising out of, or in relation to, the allocation of the State's LIHTC allocation, or the approval or administration of this QAP.

Lenders and investors should consult with their own tax or investment counsel to determine whether a Project qualifies for LIHTCs, or whether an investor may use the LIHTCs, or whether any Project is commercially feasible.

Violations

OHCS may exercise any of the Remedies described below if:

1) The Applicant fails to comply with any Program Requirement including, but not limited to, the timely payment of charges and fees and the execution and recording of documents satisfactory to OHCS,
2) OHCS determines the Applicant or other Program participant made a material misrepresentation, affirmatively or by omission,
3) OHCS determines the Applicant or other Program participant is debarred from accessing Program resources or otherwise is not a qualifying Applicant, or
4) The Applicant, Owner, or other Program participant defaults with respect to any Program Requirement or obligation to OHCS.

OHCS will have no duty, obligation, or liability to the Applicant, the lender, the tax credit investor, or other related Program participant for exercising such remedies. Applicant and related Program participants, including lenders and tax credit equity investors, expressly waive any claims, causes of action or other remedies against OHCS with respect to a disqualification, cancellation, or modification as described above as a condition of Applicant's filing of its application or their participation in the Program.

Remedies

In the event of any failure to adhere to the terms of this Plan or any Program Requirements, including as described above in the Violations section, OHCS may elect to pursue any and all remedies available to it under the Program Requirements, including executed documents, or otherwise available to it at law. These remedies include, but are not limited to:

1) Cancellation of an application,
2) Revocation or modification of an Allocation Credit or other award of OHCS resources,
3) Debarment of person or entity from accessing OHCS Programs,
4) Recoupment of allocated or disbursed resources,
5) Specific enforcement,
6) Actions for direct, indirect, consequential, or punitive damages,

7) Appointment of a Project receiver,

8) Foreclosure of secured interests.

Furthermore, OHCS may, and specifically reserves the right to, modify, waive, or postpone any restrictive covenants or equitable servitudes with respect to the Project or any part thereof.

No Third-Party Liability: Nothing in the Program Requirements is intended, or shall be construed, to create a duty or obligation of OHCS to enforce any term or provision of the Program Requirements or exercise any remedy on behalf of, at the request of, or for the benefit of, any former, present, or prospective resident. OHCS assumes no direct or indirect obligation or liability to any former, present, or prospective resident for violations by the Applicant, Owner or any other Program participant.

Effective Date

This Qualified Allocation Plan shall be effective upon its approval and execution by the Governor and shall remain in effect indefinitely or until modified or terminated.

Appendix A: Enhanced Accessibility Standards

Enhanced Accessibility Standards
Checklist for use with the QAP

Projects seeking the LIHTC incentives connected with this checklist must comply with Enhanced Accessibility principles listed in the table below.

Use of the terms "Accessibility" and "Accessible" in this document acknowledges that accessibility is a fundamental element of Universal Design. The required elements in this checklist benefit all users regardless of their needs.

New Construction
New Construction projects must complete the Mandatory items listed in table NC1. Place checkmark after each item being committed to for the subject project.

Table NC1 Mandatory Items for New Construction		
No	✓	Mandatory Items
01	☐	Design team will conduct at least one accessible design strategy workshop at the beginning of Schematic Design. This workshop must be designed to orient the design team to accessible/universal/inclusive design possibilities for the project. The workshop must be facilitated by accessibility/universal/inclusive design expert or trained professional. The workshop may be integrated with other development team collaborative work sessions. The following brief report on the Accessibility Workshop must be submitted during the Financial Eligibility Phase of the ORCA which includes the following information: a) The date the workshop was held. b) A basic description of how the workshop was conducted c) The name of the primary facilitator of the workshop and the name of their organization. d) Key members of the development team that were in attendance, their roles on the project, and the names of their organizations. A brief summary of the Universal Design (UD) / Inclusive Design (ID) strategies and goals for the project. UD/ID strategies and goals that are standard practice for the project team should be included in this summary. Because Accessibility is being prescribed by this requirement, this UD/ID Summary is intended to focus more on UD/ID thinking that may be integrated into the project, however the summary may include Accessibility related enhancements that may not be prescribed under item 02 of Table NC-1.
02	☐	Project must achieve equivalency with ADA Title II Accessibility Requirements. OHCS funding program participants should refer to Section 233 of the 2010 ADA Standards for Accessible Design | ADA.gov which defines the scoping and technical requirements under this standard.

		In addition, the scoping requirements given in Section 233.3.1.1 and 233.3.1.2 of the above referenced standard **are doubled** for the purposes of achieving eligibility for the funding incentives connected with the requirements listed in this Table. This means that projects must make **10%** of the dwelling units fully accessible for mobility impaired persons and **4%** of the dwelling units must include "communication" design elements as prescribed in Section 233 of the ADA Standard for Accessible Design. If more than 10% of dwelling units are designed to achieve ADA Title II Accessibility Requirements, the additional Accessible units will count towards achieving compliance with item 03 of this Table.
03	☐	In addition to the units satisfying item 02, a minimum of 20% (rounded up to the next whole unit; for example, a project with 11 total units would require 2 Type A units, a project with 41 total units would require 8 Type A units, etc.) of the dwelling units must comply with ICC A177.1 Type A unit requirements. All projects must have at least one Type A unit.
04	☐	All units meet or exceed CDM v 3.1 Unit Size minimum requirements per Chapter 6.1, Item N15.01. Project is not eligible for Variance Requests to reduce this requirement.
05	☐	All dwelling units meet CDM v3.1 Clothes Washer and Dryer requirements per Chapter 6.1, Item N18.01. Project is not eligible for Variance Requests to reduce this requirement.

Appendix B: Public Comments and Responses

Submitter	Organization	Issue	Comments & Feedback	OHCS Response
Martin Leung	BRIDGE	Preservation-Rural	We concur with OHCS goals to balance rural and urban projects and recommend establishing a 20% set-aside rather than automatically ranking all rural projects as critical priority. As currently written, this may result in a funding round where only rural projects are funded and all urban projects are excluded regardless of their ability to meet OHCS goals for affordability or potential impact to tenants. For example, a rural project with no vulnerable households and rents similar to market-rate may inadvertently receive funding over an urban project that has substantially discounted rents and highly vulnerable residents.	We believe even with the automatic qualification of rural expiring projects as "Critical" priority that we will still have a mix of rural and urban projects.
Martin Leung	BRIDGE	Preservation-Definition for Risk of Loss	We concur with OHCS's draft guideline to limit eligibility to properties that are expiring within the next seven years and recommend expanding the definition of risk of loss to include properties that are currently in contract or have been acquired by nonprofits or Public Housing Authorities (PHAs) from for-profit sellers in the past 5 years.	We are considering how we will support acquisition efforts where a preservation-motivated buyer has purchased a property with short-term financing.
Martin Leung	BRIDGE	Preservation-Definition for Risk of Loss	A 5-year look back limit on nonprofit or PHA ownership can better meet OHCS' intention to prevent nonprofits and PHAs from utilizing limited Preservation funds to recapitalize their existing portfolio with expiring regulatory agreements, rather than acquiring properties for preservation.	We are considering how we will support acquisition efforts where a preservation-motivated buyer has purchased a property with short-term financing.

Martin Leung	BRIDGE	Preservation-Affordability Relative to Market	We recommend modifying the definition to be based on the actual difference between market-rate rents and weighted average in-place rents at the property. In addition, we recommend prioritizing properties based on the level of discount versus market-rate rents.	We continue to look for ways to evaluate potential negative impact to tenants, and will consider this metric the next time we revise criteria.
Martin Leung	BRIDGE	Preservation-Affordability Relative to Market	Affordability is more accurately measured with the actual in-place rents paid by residents rather than regulatory rent limits as many properties have rents lower than the rent limit due to the State rent stabilization law and OHCS rent increase policy.	We continue to look for ways to evaluate potential negative impact to tenants, and will consider this metric the next time we revise criteria.
Martin Leung	BRIDGE	Preservation-Affordability Relative to Market	In some submarkets, due to decline in rents or oversupply, market-rate rents may be below 50% AMI rent limits and thus offer no affordability to residents. Conversely, in stronger submarkets with access to high-quality schools, parks, and other amenities, 60% AMI rent limits can be significantly lower than market rents. As currently written, a property that offers no discount to market-rate rents may be prioritized over a property that offers 10-20% discount to market rents.	We continue to look for ways to evaluate potential negative impact to tenants, and will consider this metric the next time we revise criteria.

Martin Leung	BRIDGE	Preservation-Affordability Relative to Market	Applicants can provide market-rate rents as part of ORCA application, subject to existing OHCS market analysis guidelines	We continue to look for ways to evaluate potential negative impact to tenants, and will consider this metric the next time we revise criteria.
Martin Leung	BRIDGE	Preservation-Impact to Tenant	We recommend prioritizing projects with 40% or more vulnerable households as critical priority and 20% or more as high priority to better differentiate critical versus high priority projects.	We continue to look for ways to evaluate potential negative impact to tenants, and will consider this metric the next time we revise criteria.
Martin Leung	BRIDGE	Preservation Tiebreakers	As currently written in the Preservation guidelines, community need is based on the number of Affordable Housing Units Per Low Income Households (60%MFI) in a census tract. Most census tracts in the State have no affordable housing units making this an ineffective tiebreaker. In addition, some census tracts may be incorrectly characterized as low community need due to anomalies in census tract boundaries and affordable housing properties that may be located on the outermost portion of a census tract.	We continue to look for ways to evaluate potential negative impact to tenants, and will consider this metric the next time we revise criteria.

Martin Leung	BRIDGE	Preservation- Definition for Risk of Loss	As currently written, nonprofits and PHAs would be incentivized to acquire properties only when OHCS has funding available through ORCA and would be discouraged from acquiring an at-risk property even if they have access to short-term acquisition financing from third parties. Nonprofits and PHAs typically do not have long-term capital for preservation but many have access to short-term acquisition loans that allows for a faster close and enables them to be competitive with for-profit buyers with timely access to acquisition capital.	We understand acquisition is risky and difficult, and we need to prioritize funding in a way that's transparent and defensible.
Martin Leung	BRIDGE	Preservation Tiebreakers	We recommend using subsidy requested per unit as the second tiebreaker to encourage cost efficient acquisitions that reflect fair market value and discourage above-market acquisitions. We also recommend replacing rent burden with the affordability relative to market as a tiebreaker and using the same tiebreakers between the Preservation program and Qualified Allocation Plan.	Tiebreakers have been revised to remove rent burden and substitute one based on market-rate rents.
Martin Leung	BRIDGE	Preservation Tiebreakers	As currently written in the Qualified Allocation Plan, rent burden in the census tract is used as a second tiebreaker and we believe affordability relative to market is a better measure of burden since it is based on actual in-place rents versus market rents. Since this metric is already used to prioritize projects, we recommend using this as a third tiebreaker rather than second tiebreaker	Tiebreakers have been revised to remove rent burden and substitute one based on market-rate rents.

Martin Leung	BRIDGE	Preservation-Definition for Risk of Loss	As currently written, the definition excludes all properties owned by nonprofits and PHAs regardless of acquisition date, which inadvertently discourages and disincentivizes these entities from pursuing preservation activities. This does not align with OHCS policy to grow the capacity of nonprofits, PHAs, Culturally Specific Organizations, and Culturally Responsive Organizations.	Nonprofits and PHAs are still eligible for funding under the other preservation categories.
Martin Leung	BRIDGE	Preservation-Definition for Risk of Loss	As currently written, a for-profit buyer is eligible for Preservation funding for at-risk expiring properties which does not align with OHCS goal of supporting nonprofits and PHAs to acquire properties from for-profits to prevent displacement of low-income households.	We don't exclude for-profit partners who commit to OHCS goals and requirements.

Martin Leung	BRIDGE	Preservation-Definition for Risk of Loss	Regulatory restrictions for properties that nonprofits and PHAs recently acquired from for-profits remain at-risk of expiration as there is no legal requirement for regulatory agreements to be extended. Without preservation funding from OHCS, nonprofits and PHAs may have no choice but to consider selling at-risk assets and recoup limited capital to redeploy it towards other mission-aligned and financially feasible projects.	Understood and thank you for your feedback.
Martin Leung	BRIDGE		We recommend a clarification in the note that the ownership and expiration period is measured from the date of the ORCA intake application	Thank you for your feedback.
Shelly Cullin	Chrisman Development	Preservation	I would just like to verify that for preservation projects, OHCS allows the 30% basis boost for 9%, but it is not eligible for 4%, is that correct.	This is correct.

Ellen Meyi-Galloway	City of Eugene	Tiebreakers, PJs	Pg 16, Line 24, It is not clear what 'significant' federal HOME funds means. Is there a specific dollar amount that would be 'significant'?	Yes, it will be defined as a minimum of $100,000. The intent is to maximally leverage federal subsidies. Related to the QAP for 9% LIHTC project selection, we have expanded our tie-breakers to include projects that have local HOME, or Community Development Block Grant Funds (CDBG), Tax Increment Finance, or another OHCS-approved place-based economic development fund that is awarded for gap funding by Participating Jurisdictions in lieu of HOME, in an effort to support alignment with funding partners seeking to utilize time-sensitive leveraged funds.
Ellen Meyi-Galloway	City of Eugene	Supplemental Criteria, Responsive to Tenant/Community Needs	Pg 15, Line 27, Right now it seems that because of the uncertainty of ORCA funding/ timing, it may make more sense for projects to be in the ORCA process on the Waitlist before applying for HOME funds or other local subsidies. However, that means local governments would need to defer to State priorities instead of local governments prioritizing development proposals meeting community needs.	OHCS does not require a project to come in at any point in time, just that they are ready to proceed once they begin the process. As always, state funding is contingent on available resources in the same way that it always has been, but timing for when projects come to us to apply for that funding is more flexible than it has ever been.
Ellen Meyi-Galloway	City of Eugene	Supplemental Criteria, Responsive to Tenant/Community Needs	Pg 15, Line 27, The listed items under this supplemental criteria does not speak to specific local needs determined by the community itself. How would the QAP support responsiveness to local priorities in the ORCA intake phase? This question applies to all of ORCA, not just the QAP/ LIHTC.	The ORCA contains mandatory standards around community engagement, as well as components of the project resulting from that engagement that is responsive to the needs expressed through that engagement, including resident services and project design.

Ellen Meyi-Galloway	City of Eugene	Tiebreakers, PJs	Pg 16, Line 24, For this tiebreaker, how will OHCS identify if a development proposal has a legitimate local subsidy award or recommendation for award, or if the developers just indicated HOME funds in their proposed financing (but the local jurisdiction did not award HOME funds)? We propose OHCS communicate with local jurisdictions about which development proposals were awarded or recommended for local subsidy awards.	It is OHCS's intent to confirm with Participating Jurisdictions whether funding awards have been recommended for projects claiming that resource in their applications.
Ellen Meyi-Galloway	City of Eugene	Tiebreakers, PJs	Pg 16, Line 24, Jurisdictions have other funds besides HOME in development proposals that we would also want to prioritize such as HOME-ARP, Construction Excise Tax revenue (called Affordable Housing Trust Funds in Eugene), and other resources. We propose that the tiebreaker says something like ‘Participating Jurisdiction: local investment such as HOME funds or other subsidies.	OHCS will expand this definition to include all federal resources that may otherwise be lost if not utilized.
Jessica Woodruff	Community Development Partners	Preservation Risk of Loss Federal PBRA	Pg 17, Line 19, 2 years is not sufficient time to ensure a project is preserved. It can often take 5+ years to ensure a recapitalization/renovation. Projects within 10 years should be eligible to apply.	The full definition of our priorities for this preservation category includes projects expiring within the next seven years. For the preservation projects in this LIHTC round we are focusing on the critical priority of projects at imminent risk of loss.
Jessica Woodruff	Community Development Partners	Preservation Risk of Loss Expiration and Conversion	Pg 17, Line 22, is there a year threshold on this Project Criteria area?	Yes, this category is limited to projects where the latest affordability restrictions expire within seven years.

Mariana Crawford	Consultant	Conduit Bond Charges	The IRS limits such fees as per IRC Section 148 - https://www.irs.gov/pub/irs-pdf/p5005.pdf	Our proposal follows all IRS limits, and has been vetted and approved by our financial advisors. The proposed charges are under what the agency is legally allowed to charge in terms of "full spread" from what the IRS allows under current tax law. For certain structures like short-term draws, related parties and re-issuances, we will work with our advisors (bond counsel, financial advisors, our internal debt management team) to get as close to the present value of this charge as possible, which might require different calculations.
Mariana Crawford	Consultant	Tiebreakers	Pg 16, please reconsider tiebreakers that are quantifiable in advance of the competitive process. Please remove the leverage of federal HOME funds, as many counties are reliant on OHCS as their PJ and have no access to HOME funds on a regular basis. A tie breaker should be relevant and applicable to all projects equitably across the state. Likewise, we recommend removal of efficient unit production as a tie breaker since this is not a number that can be easily determined before the application is submitted, thus relying on accurate calculations by OHCS.	Thank you for this feedback. The intent is to maximally leverage federal subsidies. Related to the QAP for 9% LIHTC project selection, we have expanded our tie-breakers to include projects that have local HOME, or Community Development Block Grant Funds (CDBG), Tax Increment Finance, or another OHCS-approved place-based economic development fund that is awarded for gap funding by Participating Jurisdictions in lieu of HOME, in an effort to support alignment with funding partners seeking to utilize time-sensitive leveraged funds.
Mariana Crawford	Consultant	Conduit Bond Charges	OHCS's fees are competitively priced, when compared to similar sized issuers throughout the country. OHCS's fees are not the lowest for an issuer of its size and sole de facto state issuer of conduit bonds. Further, the complexity of issuance has not dramatically changed since 2019. Page 14 of the study identifies state level issuer fees range between \$250-\$7,500 for state-level issuers; and \$1,500-\$3,000 for issuers with authority in multiple states, of which OHCS is not.	Some of the state HFA issuers that we looked at include Washington, DC, California, Rhode Island, South Dakota and Colorado. All of these states have both an issuance charge and an annual ongoing charge. We do believe that the complexity of bond issuance has changed since 2019: larger issuances, more complex structures, and increases in the fees OHCS pays to legal/financial advisors.

Mariana Crawford	Consultant	Additional Process Information	Pg 13, Additional Process Information needs substantial revision. Please note competitive funding should not be subject to Housing Stability Council, but to a competitive process that is objective, quantifiable and replicable before and after submission of application such that it results in the same outcome.	OHCS is statutorily required to have any funding award in excess of $1,000,000 approved by our Housing Stability Council. Frameworks are approved prior to funding availability, and Housing Stability Council approves those with the expectation that OHCS staff will conduct a process and project application reviews in alignment with those approved standards.
Mariana Crawford	Consultant	Conduit Bond Charges	On the issue of the Conduit Bond Charges, we propose you leave these unchanged until the next QAP for the following reasons: There have not been industry wide reasons to increase any of these fees, to the degree OHCS proposes. The Council of Development Finance Agencies (CDFA)'s 2019 survey remains the most comprehensive study in response to the effect of the Tax Cuts and Jobs Act of 2017 ((TCJA) on the conduit bond industry. That study indicated 82% of issuers charge an initial issue fee, with 61% of issuers charging an application fee. (see CDFA study herein linked) The reason the issue has not been as thoroughly researched since 2019 is that there have been no changes in the market as impactful as TCJA.	Thank you for sharing the CDFA survey - we did use this document in our analysis. This study is not specific to housing agencies (state or otherwise), and includes other types of conduit bonds, including hospital, student loan and industrial development bonds, which we found hard to compare to OHCS multifamily conduit bonds.

Mariana Crawford	Consultant	LIHTC/ORCA Integration	PAGE 5, row 8 (4%) and row 13 (9%), ORCA and the tax credit program should remain independent from each other by continuing to use of the well-established doctrine of the subsidy layering review (SLR), by fully funding each project at a level that "is not more than necessary." (please refer to the Federal Register Administrative Guidelines: Subsidy Layering Review for Project-Based Vouchers) While gap funding may be needed by LIHTC funded projects, the controlling doctrine should remain SLR, not ORCA. SLR has been an important component of affordable housing finance funding for several decades. SLR emerged as a response to concerns about the efficient use of public funds in affordable housing development. Its primary purpose is to ensure that government assistance is not excessive and that projects receive only the necessary amount of subsidy to make them viable. SLPR emerged in 1990 with the Cranston-Gonzalez National Affordable Housing Act of 1990 and was subsequently affirmed through the HOME program implementation, the Housing and Economic Recovery Act of 2008 (HERA), the 2013 HOME Final Rule and most recently, the Project-Based Voucher (PBV) Program through the February 2020 updated guidelines. OHCS has a long history of practicing the SLR doctrine and should continue to do so through the ORCA process in such a way as to clearly be able to support the delivery of affordable housing without creating confusion and delay.	Subsidy layering review will still happen as part of the ORCA process during the Financial Eligibility step. The ORCA was developed with substantial public engagement and in conjunction with our governing body, the Housing Stability Council. The intent was always to integrate tax credits into the ORCA process.

Mariana Crawford	Consultant	Conduit Bond Charges	While the context points to the Chelsea Decision (see 23rd Chelsea Associates LLC v. Commissioner of Internal Revenue) as a reason for increasing fees (because they can be included in basis) we believe this reasoning short sighted at a time when Oregon ranks 3rd (google search) or 8th (according to 12/28/24 WW article) in the nation for people experiencing homelessness; and first in the nation for unsheltered homelessness among families with children. The time for OHCS to raise its fees is not when the fees can be included in basis thus increasing the cost of each unit of housing, but when OHCS becomes the market maker in delivering its resources to developers such that Oregon homelessness is at the bottom 25% of the national pack. Until then, all funds should be directed toward the delivery of units.	Thank you for this comment - we agree that Oregon faces a housing and homelessness crisis that demands action and innovation. All charges collected go back into OHCS' mission to provide stable and affordable housing and consider how to make our funding streams and resources more sustainable.
Mariana Crawford	Consultant	Rural Definition	Pg 9, Row 20, Rural is not defined in the QAP except by reference to ORCA. We suggest that OHCS define rural in line with the US Department of Agriculture (USDA) which is tasked with, among other things, providing affordable housing support in rural areas across the country. As such, rural projects should be any building that meet the USDA rural eligibility per the USDA multifamily eligibility map at: https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp. The map is simple to use. If an address is eligible for USDA affordable housing programs, then it should also be recognized as Rural according to OHCS and eligible for 9% credit priority funding.	OHCS has received significant negative feedback in the past for using multiple definitions of rural for different programs. Our research team did significant research into best practices and data used nationally and arrived at the definition being used now.
Mariana Crawford	Consultant	Re-Evaluation of Reservation	Pg 10, Row 17-21, we suggest removal of this section as it has the high potential of creating instability which will result in reduced credit pricing for Oregon tax credit projects against what is likely to be a highly competitive credit pricing market in 2025-2026. Oregon is not a market that leads credit pricing. And both developers and investors need the predictability not being repriced and re-traded.	OHCS needs standards to be met related to timelines and if they cannot, must reserve the right to re-evaluate the reservation. The state does not provide awards of funding with no ability to rescind if expectations are not being met.

Mariana Crawford	Consultant	Returned/Unused LIHTC Allocation Authority	Pg 10, Row 6, Please define the word "active" – it is unclear what this means. Projects are only active if there is sufficient transparency to understand what makes a project active, such as its rank on the waitlist, only in so far as the waitlist is published.	The 9% LIHTC projects will have a different process for selection than projects seeking other resources. We will rephrase from waitlist to better reflect the intent here, which is ranking order for the current open 9% round.
Mariana Crawford	Consultant	Basis Boost Criteria	Pg 9, Row 22 & 23, We take issue with the word "goals" – please replace with units – tax payer dollars should not be spent on goals, but concrete units. The basis boost should be available to project that commit to some minimum number or percentage of permanent supportive housing units.	OHCS used the word goals in an attempt to expand beyond simply the creation of units but the wraparound support of tenants that is a requirement of the PSH model. We understand the confusion and will seek better framing.
Mariana Crawford	Consultant	LIHTC/ORCA Integration	PAGE 5, row 8 (4%) and row 13 (9%), In funding affordable housing projects, OHCS must take the lead by fully funding projects without unnecessarily creating a gap to be filled by ORCA sources. From a development perspective, the fewer sources of funding, either federal, state or both within a project's capital stack results 2 things: 1. a viable project that will expediently deliver units; and, 2. a project assisted by total sources in an amount that 'is not more than necessary' to make the project feasible when considering all other government assistance, if any are necessary.	This is one of the intents of the ORCA - for OHCS to have a better understanding of the full financing needs of a project and be able to support a project achieve a capital stack that gets them there.

Mariana Crawford	Consultant	Universal Design Standards definition	Please define universal design standards. Like our many colleagues, we practice and are supportive of advancing accessibility through design. For a working definition, we suggest you start with adherence to the Federal Fair Housing Act, which requires seven universal design features in residential buildings built after 1991 for projects of four or more units, along with compliance with the Americans with Disabilities Act (ADA) which establishes minimum requirements for accessible built environment design and construction	Based on similar feedback, OHCS is replacing "Universal Design" with "Enhanced Accessibility." OHCS has also included specific requirements to meet this standard.
Mariana Crawford	Consultant	9%/ORCA Integration	PAGE 5, row 8 (4%) and row 13 (9%), 9% credits are competitive credits and ORCA is not a competitive process. Please revise the QAP to reflect a competitive process that reflects the requirements of competitiveness as required by Section 42 of the IRC.	One of the critical updates to the QAP was the development of a competitive selection process for 9% LIHTC projects that can be used within the ORCA process.
Mariana Crawford	Consultant	Returned/ Unused LIHTC Allocation Authority	Pg 10, Row 10-12, please revise to reflect relevance to the competitiveness of credits, as this is just a description of internal practices. As a forward allocating agency, this practice is the only viable action to be taken.	The information outlined in the QAP explains that the 9% LIHTC project selection process meets the Section 42 requirements for competition.

Mariana Crawford	Consultant	Returned/Unused LIHTC Allocation Authority	Pg 10, Row 13-14, we suggest deletion of this statement as it results in incoherent action in a competitive environment.	OHCS disagrees with this assertion, as competition does occur within distinct set aside categories.
Mariana Crawford	Consultant	Tax Credit Pay In Schedules	Pg 18, Row 30, we suggest removal of tax credit pay in schedules, as this will result in lower tax credit pricing across all Oregon projects.	We have removed the tax credit equity pay in schedule.
Mariana Crawford	Consultant	Basis Boost Criteria	Pg 9, Row 28 & 29, May we suggest revision of #8) to support housing in cities and counties that have not had an investment of LIHTC in the last 5 years or have not been able to get funding of more than 40 units in the last 3 years.	We will consider for the next QAP update.

Traci Manning (Public Hearing)	HDC NW	Material Change (expansion on above written comment)	I counted 5 references in various places in the QAP to clarify what happens if something changes and some of them can be pretty punitive like if project costs change. Well, of course, project costs are going to change, and they are also inconsistent throughout the document. So performance guidelines. There's kind of a list of what might you know what you need, what changes you need to report on page 10. There's reevaluation has a definition, reevaluation of a reservation on page 12. There's a definition of substantial changes which is kind of similar. On page 14 there's a paragraph about reconsideration again very similar. Under what circumstances is there reconsideration? And then, on page 24, there's a section labeled project changes again, a similar but not exactly the same list. So for the purposes of clarity, transparency, simplicity really encourage that we create one definition of what is considered a substantial change. And what happens if there's a substantial change that allows for some cushion, right? Because you don't want to trap yourself into having to waive a rule. And you know, as we all talk about as a group, a lot, uncertainty is really not desirable in development. The lenders hate it, the investors hate it, we hate it. And having these really rigid sort of process rules around what happens if something changes introduces the potential for a lot of uncertainty that I don't think you intend to. I know we don't want. And so we'll, I'll submit some specific ideas for trying to use the same language for all those different things, and trying to make them real to the process. Certainly, if a project has gone sideways we don't want to waste any allocation and have that understanding of how a good project a project you want to fund will change over time and at least consolidate some of those 5 different sections.	OHCS has standardized the definition for material change throughout the document. It is intended to not be punitive for expected fluctuations in cost or minor project updates as projects move through the ORCA, but also creates a reasonability standard by which projects must be far enough along in the planning process to be committing to the project characteristics that they are claiming at Impact Assessment and able to move quickly after funding approval by HSC after that step. This helps sponsors from potentially taking advantage of the rolling nature of the ORCA to move projects forward without actually being ready.

Traci Manning	HDC NW	9% Tiebreakers	Early childhood education centers and PSH are both more difficult to achieve in rural settings.	There have a been a number of very successful projects in rural Oregon to go through OHCS's PSH Institute and create successful projects that are currently housing chronically homeless individuals and families. OHCS has also recently conducted a study showing the urgent need for more childcare facilities in rural Oregon and there are examples of models that will work in those communities, as well as case studies, within that study that is also on our website.
Traci Manning	HDC NW	9% Tiebreakers	We acknowledge that having some guardrails for cost per unit is important. However, using lowest tax credit allocation per unit in addition to those limits has some undesirable consequences.	OHCS understands the concerns around this criterion but also must balance the need for stewardship of public resources and need to make the most efficient investments possible to get the most from the limited amount of credits available. This tiebreaker has been lowered on the list but is still an important consideration.
Traci Manning	HDC NW	9% Tiebreakers	A preference for number of units produced over number of people housed. Smaller units are less expensive to build and use less tax credits, but house fewer people. The pool of housing funded would most likely contain a higher proportion of studios and one-bedroom units. The pool of units (except for PSH units with rent subsidy) funded will have higher rents, because they can support more debt and therefore need fewer tax credits.	OHCS understands the concerns around this criterion but also must balance the need for stewardship of public resources and need to make the most efficient investments possible to get the most from the limited amount of credits available. This tiebreaker has been lowered on the list but is still an important consideration.

Traci Manning	HDC NW	9% Request Form	Knowing what information will be required for the 9% Request as soon as possible will provide more equitable ability for all organizations to make the best application possible. Shorter time frames for pulling together information tend to advantage larger, more resourced organizations.	The information required for the 9% Request Form will include information related to the relevant criteria depending on project type. Six weeks will be allowed for the application and the intention is to have a simple enough application that this is not challenging for anyone that has a project ready to move forward.
Traci Manning	HDC NW	9% Criteria	Can you confirm how the requirement to close in 12 months relates to the 9% Request Form? Does the 12 month clock to start ticking after 1) 9% Request Form 2) Impact Assessment 3) HSC approval? Can you confirm that those items occur in that order	The 12 month requirement for 9% LIHTC projects will begin after the project receives HSC approval to move forward into Financial Eligibility. Projects applying for 9% LIHTC will be expected to be far enough along to provide Impact Assessment responses in a timely manner, however.
Traci Manning	HDC NW	9% Tiebreakers	The incentive to increase debt per unit also produces lower expenses per unit (so that there is more revenue available to pay the mortgage), which means the project is less resilient to increases in operating costs and more likely to require intervention for long term preservation.	OHCS has a mandate to fund as many units as possible with our available resources and trusts that the development community in Oregon will continue working with us to make projects more resilient to shifts in the market.

Traci Manning	HDC NW	Developer Fee	Prior versions of the QAP included a table of maximum developer fee for various project and funding types. By leaving it out and defaulting to the General Policy and Guideline Manual, the effect is to cut maximum fees for tax credit projects by 2%. Developer fee not only acknowledges the resources required to develop a project but also the risk, which is greater in a tax credit project with its myriad of regulations, costs and guarantees. During the sudden and sharp increase in labor, interest rates, supplies and other costs during the pandemic, relying on developer fee as a source of funding was the only thing that got many projects to completion. Revenues are down and expenses are way up for existing affordable housing portfolios. Many nonprofit owners have used hundreds of thousands of dollars to over $1 million from their project and organizational reserves to keep the doors open and are not getting paid for the resident services they are providing. Most would not have had those reserves available if it weren't for past developer fee earnings.	OHCS is not updating its developer fees for LIHTC. They will be in an updated table in the GPGM with the gap only developer fees and will be unchanged from the prior QAP table.
Traci Manning	HDC NW	9% Tiebreakers-Universal Design	Universal Design. We are very supportive of advancing accessibility and Universal Design. However, without a current definition of Universal Design, the first tiebreaker is difficult to evaluate. It is possible that there will be more projects that meet one of the three criteria included than there are resources available, as Universal Design is potentially accessible for all projects. Depending on how intense the criteria are for Universal Design, it could become a threshold criteria or a new b or c. The lack of a definition of Universal Design is a large challenge for Sponsors going into this first funding round. eration will have the following less desirable consequences.	Based on similar feedback, OHCS is replacing "Universal Design" with "Enhanced Accessibility." OHCS has also included specific requirements to meet this standard.
Traci Manning	HDC NW	9% Criteria	We have seen in some places a proposal for a $3 million limit on OHCS subsidy when combined with 9% tax credits. This is a critical limitation in determining project feasibility. Many projects are spending time and resources currently determining feasibility. Is this limit being proposed?"	Yes, there will be a $3 million limit on gap subsidy for 9% LIHTC deals. This limit will be in the updated ORCA manual.

Traci Manning (Public Hearing)	HDC NW	Technical	You've probably caught it already. One of the criteria, and the tricky bit is, I think it's 1 of the Federal criteria that you ask about is historic. If the thing I can't remember what it is, but if it's historic, then you get some points for it, and I think that's a Federal thing. But the header for that section is for new construction projects. So the historic and new construction, don't work well together.	These criteria are also applicable to acquisition/rehab projects. This is a required selection criteria by Code.
Traci Manning	HDC NW	Definitions	For clarity and predictability, we recommend aligning definitions about what constitutes a “material change”, “substantial change” and “project changes” and what actions OHCS may take as a result “re-evaluation” “reconsideration”. In addition, we recommend creating objective standards (10% change in total project cost) that will not overburden the sponsor or OHCS with reporting or evaluating, such as would be created by requiring an action and evaluation of every change in project cost or every design element.	OHCS will ensure the definition used for material change in the ORCA is used across the board.
Traci Manning (Public Hearing)	HDC NW	Equity Pay in Schedule	I do want to second Stefs comment about the pay-in fee schedule. I think that there are so many nuances to negotiating a tax credit price. It could depend on where the tax credit investors are at in their calendar in their tax year and it just feels like a level of detail that we wouldn't really want in the QAP. I think if it's something that OHCS wants to engage more with, maybe there's better ways to do that. But I think it could backfire have some unintended consequences.	Thank you for your feedback, OHCS will remove this from the QAP.

Michael Fu (forwarded to the QAP email)	Home Forward	Conduit Bond Charges	High bond issuance costs means more complex LIHTC deal executions. There are Treasury Regulations that apply to our LIHTC projects, in particular, the Program Investment Rule that states if bond issuance costs are too high (higher than 0.125% on an annual basis) then the Bond holder and the LIHTC investor can't be the same entity. This presents a big issue for developers because lenders and investors often only will participate in your deal if they can be the LIHTC investor and the bond holder (construction lender). We've had to go down more complex deal structures (cash collateralized bonds, Baldwin) or multiple construction lenders (PCC Killingsworth) to get partners. This just adds cost and complexity to our deals, further diminishing the units we can build.	Our proposal follows all IRS limits, and has been vetted and approved by our financial advisors. The proposed charges are under what the agency is legally allowed to charge in terms of "full spread" from what the IRS allows under current tax law. For certain structures like short-term draws, related parties and re-issuances, we will work with our advisors (bond counsel, financial advisors, our internal debt management team) to get as close to the present value of this charge as possible, which might require different calculations. We understand that there can be efficiency when the bond holder and LIHTC investor are the same entity, and will continue to allow related parties.
Jonathan Trutt	Home Forward	Expiring projects at risk of conversion to market-rate	Pg 16, line 32, Further definition is needed here. "Expiring projects" should include any OHCS-funded property, regardless of the ownership status, within 10 years of the expiration of its affordable housing covenants. "Regardless of ownership status" is important because a project acquired by a nonprofit or housing authority from a profit-motivated owner should not lose its "expiring use" status simply because of the involvement of a mission-based organization. Similarly, because of the operating pressures experienced by all affordable owners, OHCS should not assume that affordable housing properties owned by nonprofits nearing the end of their affordability term are any less at risk of market conversion than those owned by profit-motivated owned owners. "Risk of conversion to market-rate" should account for the reality of local market conditions. There could be properties where market conversion would make no difference in the rents charged. The fact of an expiring affordability covenant should not, in and of itself, be a reason to offer a preserving entity 9% LIHTCs set aside via the QAP.	Given that the cost to preserve all expiring properties is likely to far outstrip available resources, we are focusing on projects whose conversion to market could have the greatest negative impact to tenants. We fully realize that nonprofits and PHAs sometimes do dispose of assets they can no longer effectively manage; some of this need we address in other preservation categories. We also see those owners as far less likely for-profit owners to allow projects to convert to market rate. Restricted rents relative to market is something we are looking closely at, and we are adjusting the final tiebreakers to partially account for that.

Jonathan Trutt	Home Forward	Conduit Bond Charges	Pg 7, Line 10, The size of OHCS bond issuance fees already create financing challenges and unnecessary complication due to Program Investment Rules. The department's proposal to further increase bond fees reinforces these challenges and directs funding away from unit production. Additionally, the proposed on-going compliance charge appears to be a substantial increase from current amounts. If true, this will only further increase annual operating costs and, in turn, increase demand for gap funding resources such as LIFT.	Thank you for your feedback. The proposed recurring charge is a 0.25% annual charge on the outstanding (or drawn) balance of the total bond, that continues yearly until the bond is fully paid off. The charge is assessed on whatever is outstanding, so this includes short-term if it is outstanding during the yearly calculation. As of June 2024, costs associated with conduit bond issuance are now allowed to generate eligible basis for the computation of Low-Income Housing Tax Credits (LIHTC). This ruling should help offset some of the increase in issuance charges that sponsors may face in LIHTC deals because of these proposed changes.
Jonathan Trutt	Home Forward	Waitlist	Pg 14, Line 23, This policy appears in the 9% section, but is not clearly limited to 9% LIHTC requests. This prohibition would create an impossible situation for many tax credit projects—whether 4% or 9%-- which often need gap funding sources such as LIFT or GHAP or PSH in addition to their tax credits. contradicts the ORCA's stated goal of "match[ing] projects with the appropriate funding sources" (ORCA Manual, p. 4) and its recommendation that "that applicants apply with a willingness to be flexible and accept a different resource than originally requested and/or a combination of OHCS resources, as this flexibility may allow for an expedited funding process." (ORCA Manual, p.13) This limitation should therefore be eliminated from the QAP.	OHCS agrees and has updated the language here and modified the process to clarify the intent. Projects may remain on a reserve list for 9% LIHTC that will be picked from if more credits become available. This list does not count against project limit, but if the same project receives an LOI for a different resource it will be removed from the 9% LIHTC reserves.

Michael Fu (forwarded to the QAP email)	Home Forward	Conduit Bond Charges	Higher bond fees directly lower the amount of housing we can build by directing funds away from construction.	Thank you for your feedback. As of June 2024, costs associated with conduit bond issuance are now allowed to generate eligible basis for the computation of Low-Income Housing Tax Credits (LIHTC). This ruling should help offset some of the increase in issuance charges that sponsors may face in LIHTC deals because of these proposed changes.
Jonathan Trutt	Home Forward	Closing Extension Request	Pg 8, Lines 30-31, This should be revised to 60 days. Thirty days can prove insufficient to handle a last-minute challenge that arises just before closing.	Thank you for your feedback. OHCS will consider for the next QAP update when we have been able to evaluate more project's experience going through this process, but hope the incentive here is to not need an extension because the project is truly ready to proceed in advance of getting to this point.
Michael Fu (forwarded to the QAP email)	Home Forward	Conduit Bond Charges	Can you clarify how the recurring annual charges will be calculated under the new PAB bond issuance rules?	The proposed recurring charge is a 0.25% annual charge on the outstanding (or drawn) balance of the total bond, that continues yearly until the bond is fully paid off. The charge is assessed on whatever is outstanding, so this includes short-term if it is outstanding during the yearly calculation.

Jonathan Trutt	Home Forward	Waitlist Process	The waitlist process for 4% LIHTC projects is contrary to the overall goal of a managed queue of 4% LIHTC projects. A PAB allocation process that utilizes an improved scheduling tool (as recommended above) at the completion of the ORCA's Financial Eligibility Stage—i.e. after projects have already successfully completed many scheduling milestones—would best facilitate a managed queue. On the other hand, the application of a "first completed, first reviewed / waitlisted" model at Impact Assessment introduces scheduling arbitrariness into the process. Completing Impact Assessment depends on how (a) how quickly sponsors fill out forms and do minimal design work and (b) how quickly the Applications Team processes sponsor-information provided. This could lead to unwanted results: i.e. a project that has building permits and could close within a year is waitlisted behind a project that is first beginning design and is at least two years from closing.	Thank you for your feedback. OHCS will be adding additional information to the ORCA Impact Assessment step to assess viability of 4% projects with PAB to close in this calendar year, including 50% and 95% designs and final permit approval anticipated dates.
Jonathan Trutt	Home Forward	Ability to Service Debt	Pg 6, Line 11, Operating costs have increased dramatically in the past three years. All discussions of right-sizing debt must account for post-COVID operation cost realities.	Thank you for your feedback, OHCS agrees and this is the reason that we have increased gap subsidy limits as well as updated our proforma to include an overall escalation of construction costs.

Jonathan Trutt	Home Forward	4% & 9% LIHTCs	Pg 37, Both the QAP and ORCA have bright-line tests as projects advance towards financial close that do not reflect realistic development timelines and processes. Specifically: A requirement that any project lock in its budget six months before its closing is untenable. This is especially true for tax credit projects, which often have to revise budgets based on information that materializes during the private sector underwriting and credit approval process. Additionally, sponsors commonly have to value engineer their design based on general contractor bids received shortly before closing. Sending projects to the beginning of ORCA for adjusting the budget and/or design during the last six months before closing assumes that sponsors can exercise a level of control that they simply do not have.	We appreciate this feedback. Projects can make non-material changes without sending projects to the beginning of ORCA; this includes up to 10% of OHCS investment amount.
Jonathan Trutt	Home Forward	Universal Design	Pg 16, Line 23 & Pg 9, Line 23, Universal Design is an amorphous concept. It does not have single, clear definition. Thus, it is inappropriate to use as a tiebreaker or reason for a basis boost.	Based on similar feedback, OHCS is replacing "Universal Design" with "Enhanced Accessibility." OHCS has also included specific requirements to meet this standard.
Jonathan Trutt	Home Forward	Waitlist Process	OHCS should eliminate the “first completed, first reviewed” element of PAB allocation determinations. It should rely solely instead on the improved project scheduling information described above when making PAB allocations. These allocations should be tracked publicly on the ORCA dashboard in conjunction with projects’ progress towards scheduling milestones.	Projects that are able to close in calendar year 2025 will be prioritized for review, as projects that cannot close in 2025 are not eligible for that resource.
Jonathan Trutt	Home Forward	Affordability Period	If certain OHCS gap resources (e.g. 11Q Bonds) cannot require 60-year affordability, OHCS should clarify which resources face this restriction and the reasons why (e.g. constitutional restrictions, statutory language, etc.)	The affordability section of the LIFT manual has been updated to allow for pairing LIFT with other OHCS resources that have a 60-year affordability period.

Michael Fu (forwarded to the QAP email)	Home Forward	Conduit Bond Charges	Housing Authorities can issue our own bonds if we can get an allocation of PABs. OHCS's rules that if we get gap funding from OHCS we cannot be the bond issuer means we cannot avoid the issue described in (2). Allowing Housing Authorities to use our bonding capacity when being supported by OHCS with gap funds could also help solve the issue.	Thank you for your feedback. While we are not contemplating policy change at this time, OHCS has set-aside $100M in PABs for Housing Authorities for 2026.
Jonathan Trutt	Home Forward	Affordability Period	Sixty-year affordability should be a baseline requirement for all 4% LIHTC projects. The QAP language on affordability terms for 4% LIHTC projects paired with other resources is unclear. (p. 19.) It appears to leave the door open to affordability periods of less than 60 years. If so, it will hasten the expiring restriction challenges that the PuSH program seeks to address.	OHCS has been working towards this over the past several years and will continue to push on it. Most OHCS programs now are at this 60-year minimum.
Jonathan Trutt	Home Forward	Affordability Period	Regardless of affordability term restrictions imposed by other state resources paired with 4% LIHTCs, OHCS should require 60-year affordability for all 4% projects as a matter of policy. This would not present underwriting challenges even if other state resources cannot require 60-year affordability periods. Lenders and investors are accustomed to underwriting projects where different funding sources bring different affordability periods.	OHCS has been working towards this over the past several years and will continue to push on it. Most OHCS programs now are at this 60 year minimum.

Jonathan Trutt	Home Forward	4% & 9% LIHTCs	The QAP and ORCA's six-month closing timeline for 4% LIHTCs is too ambitious and has a Catch-22 as its core. If strictly enforced, it will lead to the misallocation of sponsor and OHCS staff time. The ORCA and QAP state that a 4% LIHTC project in the Commitment Step will return to Impact Assessment if it fails to close withing six months of funding award. (ORCA Manual, p. 35; QAP p. 13, lines 27-29). Meeting this timeline will require sponsors to lock in debt and equity terms prior to knowing a project's OHCS-assigned closing date. However, lenders and investors cannot provide debt and equity pricing until they know the closing date. Competitive selection of lenders / investors is usually an eight to twelve-week effort, which will effectively burn through two to three months of the QAP/ORCA's six-month closing timeline. Reaching closing within three or four months of lender / investor selection is technically possible, but extremely ambitious. The three to four months prior to a closing is exactly when a project's inevitable complexities come into sharpest focus and get the greatest scrutiny from lenders and investors. Responding to their questions is a time-intensive process that may require delaying closing a few weeks. A pass/fail test exactly six months after funding award would therefore regularly cause projects to start, stop and re-start. This process will burden sponsors' and OHCS staff because pausing and restarting projects is always more work than simply seeing them through from start to finish.	We appreciate this feedback. The goal is that 4% projects close in calendar year 2025 and the state maximizes use of all PAB allocation.
Jonathan Trutt	Home Forward	Risk of Loss of Federal Project Based Subsidy	Pg 16, lines 37-38, The definition of "Risk of Loss" should include all public housing properties undertaking a preservation effort via HUD's Rental Assistance Demonstration (RAD) or Section 18 programs. Given Congress' decades of disinvestment in public housing, this entire portfolio of deeply affordable housing stock is at risk of loss.	A project pursuing RAD could qualify for preservation funds under the Risk of Loss: Physical or Financial Challenges category.

Jonathan Trutt	Home Forward	4% & 9% LIHTCs	Changes to a project's design and/or budget during this period should be expected as a standard part of the closing process.	The ORCA process supports this by accommodating project changes up until final resource commitment in the Commitment step.
Jonathan Trutt	Home Forward	Tenant vulnerability in Preservation projects	Pg 18, lines 13-14, The 2023 Preservation Framework does not define tenant vulnerability. Households in projects at risk of loss due to physical or financial conditions could meet any number of potential definitions of this term. Adding this criterion will impose arbitrary distinctions and will not effectively distinguish between projects seeking limited resources. It should be eliminated.	There is a definition in the Preservation Funding Framework; this definition should be included in the QAP for clarity.
Jonathan Trutt	Home Forward	Project Changes	Pg 24, Line 18, Project Changes should include material deviations from the revised project schedule described above under Theme #2.	Thank you for your feedback, this section has been edited to include what constitutes a material change.
Jonathan Trutt	Home Forward	4% & 9% LIHTCs	Projects should not rick losing their place in the closing queue unless they present a request for OHCS resources (other than 4% LIHTCs) that exceeds 10% of the amount approved by Housing Stability Council in conjunction with the ORCA's Commitment Step. The QAP appears to adopt this recommendation. (p. 9, lines 11 – 12.) The ORCA should be updated to match this language from the QAP.	Thank you for your feedback, we endeavor to make documents as consistent with each other as possible.
Jonathan Trutt	Home Forward	Leveraging Local Funds	Pg 17, Line 24, The Revised 2022 QAP allowed for priority allocation of PABs / 4% LIHTCs for projects with "significant local funds"—i.e. "a project that has the lesser of 10% of its total project resources or $5 million dollars from a local jurisdictional gap subsidy source." This prioritization has been eliminated from the current draft QAP. It should be reinstated as a prioritization factor within the managed queue system for 4% LIHTCs. Similarly, it should be included within the second tiebreaker for 9% LIHTCs, which currently only considers leverage of federal HOME funding.	Thank you for your feedback. 4% LIHTC projects are noncompetitive, and will follow the ORCA process.

Jonathan Trutt	Home Forward	Flawed Project Scheduling Tool	The Project Schedule utilized by OHCS has been largely unchanged for twenty years. It does not track the interlinked, critical milestones that sponsors use to build a project's development and closing schedule. It should be overhauled by a team of external experts to properly track these milestones and establish accountability for meeting them. Examples of some critical milestones not currently included in the Project Schedule include (but are not limited to): Land use approval(s) submission and approval, Design review submission and approval, Design milestones such as schematic design, design development, construction drawings. HUD Environmental Review submission and approval. Lender & LIHTC selection. OHCS should require project schedules at ORCA Intake and use them as an initial screening tool to determine which efforts can advance to the Impact Assessment stage. Sponsors should be allowed reasonable grace periods for missing the various milestones. Each project's schedule should be published on a publicly available dashboard to ensure transparency and accountability.	Thank you for your feedback, we will consider this as part of the next round of ORCA updates.
Jonathan Trutt	Home Forward	Waitlist Process	Waitlisted projects should not count towards the two projects per sponsor per Impact Assessment phase. The reason is that this limitation can keep viable projects building momentum towards closing stuck in Intake. OHCS will therefore lack a clear understanding of what is in the pipeline and how fast it can move.	Thank you for your feedback, we will consider this as part of the next round of ORCA updates.

Jonathan Trutt	Home Forward	Geographic Set Asides related to ORCA	OHCS needs to clarify (1) whether LIHTC resources do or do not count towards the three geographic set-asides and (2) the relationship between Impact Assessment completion, project waitlisting and geographic set-asides. Regarding #1, sponsors waitlisted in the Western and Metro regions are curious whether the coming availability of LIHTCs will enable their projects to proceed to Financial Eligibility. Regarding #2, sponsors in the Metro region need clarification why projects that have completed Impact Assessment are being waitlisted when, according to ORCA pipeline information as of 12/27/24, there is a $104 million difference between the Metro Geographic Set-Aside and the ORCA conditional funding commitments approved by Housing Stability Council.	LIHTC resources do not count toward the three geographic set asides in the ORCA.
Jonathan Trutt	Home Forward	9% LIHTC Maximums	All the limitations from previous QAPs on the amount of 9%s are not in the current draft. OHCS should continue to implement 9% LIHTCs limitations to ensure that no one project or sponsor is able to receive a disproportionate amount of 9% tax credits.	9% LIHTC set asides and project limits will be included in the ORCA manual.
Jonathan Trutt	Home Forward	HOA Project List	Pg 12, line 15, Timing needs clarification: Do the years run January through December or July through June?	4% tax credits and PABs follow the calendar year.

Jonathan Trutt	Home Forward	4% LIHTCs	Regarding 4% LIHTCs, the ORCA and QAP are too permissive on the front end (ORCA Impact Assessment and Financial Eligibility) and too prescriptive as projects approach closing (ORCA Commitment). ORCA processes will govern 4% LIHTC applications. (QAP, page 5, lines 8-9.) However, the ORCA Impact Assessment step over-relies on sponsor representations and does not effectively distinguish viable projects from infeasible ones. Sponsors willing to agree to OHCS policy goals and do minimal design work can move any two projects from Intake into the Impact Assessment queue. At that point, they have a year to complete Impact Assessment (ORCA Manual, p. 14). Once projects clear Impact Assessment, OHCS first begins to take a more in-depth look at project viability during Financial Eligibility. Failure to make progress on Financial Eligibility evaluation standards for six months (nine months for Rural Development projects) will send a project back to Intake. (ORCA Manual, p. 28.) This approach has two drawbacks. First, it will compel OHCS to devote significant staff time during Impact Assessment and Financial Eligibility to projects that ultimately prove infeasible. Having successfully steered two projects through Impact Assessment, Home Forward can attest to the amount of iterative work required, even though Impact Assessment's primary goal is a review of alignment with OHCS policy objectives. (ORCA Manual, p. 13.) Second, it gives sponsors far too long—up to 18 months—to demonstrate that a project is realistic and truly moving forward. This extended timeframe will hinder OHCS' efforts to spur affordable housing supply via 4% LIHTCs as quickly as possible. It will complicate the difficult task of allocating over-subscribed Private Activity Bond and gap resources via a transparent and predictable managed queue. A few years into the ORCA process, we will have data on which potential 4% LIHTC projects cleared Impact Assessment and then failed to complete Financial Eligibility. Home Forward believes that this data will demonstrate a pattern: overly optimistic assumptions regarding construction cost and/or scheduling. Both of these key predictors of a project's success or failure	Thank you for your feedback.

			are detectable at the moment it makes the early jump from Intake to Impact Assessment.	

Jonathan Trutt	Home Forward	4% LIHTCs	OHCS should be more discriminating in determining which 4% LIHTCs projects move from Intake to Impact—both in terms of financial feasibility and project schedule. Building an effectively managed 4% LIHTC queue will require Impact Assessment work that goes beyond demonstrating policy alignment. It will require initial due diligence on projected construction costs (by utilizing cost data OHCS currently collects) and scheduling milestones	Thank you for your feedback.
Jonathan Trutt	Home Forward	4% & 9% LIHTCs	Both the ORCA and QAP should be revised to give sponsors a year, and one 60-day grace period, to close after assignment of a closing date by OHCS.	Thank you for your feedback.
Jonathan Trutt	Home Forward	Flawed Project Scheduling Tool	OHCS relies on a flawed project scheduling tool. This reliance undermines the goal of a managed queue of LIHTC and other resources. The QAP says that “Through the ORCA, PAB will be tracked and allocated based upon a first complete, first reviewed process and in alignment with the estimated closing date of the project as provided by the applicant.” (p.11, lines 28 - 30). The assumption underlying this statement is that OHCS has information at its disposal to determine whether sponsors are progressing towards their closing date. This assumption is inaccurate.	Thank you for your feedback.

Jonathan Trutt	Home Forward	PHA Set Aside	Pg 7, Lines 26-28, Public Housing Authority projects using the set-aside should not count towards the ORCA maximums on the number of projects per sponsor per ORCA phase. Counting such projects towards these maximums would run contrary to the purpose of the set-aside.	Thank you for your feedback.
Jonathan Trutt	Home Forward	Excess Funds	Pg 23, Line 37, "Excess funds" should be defined. The definition should exclude a reallocation from deferred to current developer of up to 25% of the total developer fee. This ability to reallocate funding to defer less developer fee will enable project sponsors to better shoulder the development and operational risks that, increasingly, are draining their resources.	Thank you for your feedback.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Inequities for Rural Organizations and Smaller Developers	Move away from timestamp-based waitlists and implement a managed queue system where projects are matched with resources based on readiness and regional priorities.	OHCS has standards and requirements for project timelines for all projects applying for funding. ORCA allows project developments to move swiftly through the funding process to receive final funding commitment before financial close, it also provides up to 6 months in the financial review process for those who need that time to complete needed diligence. Where we are offering time-sensitive resources such as the 4% LIHTC PAB resources for 2025, we are including narrower requirements for documentation to support readiness to construction closing this year. Given that developers need resource certainty to invest in readiness along with resource over subscription, OHCS is relying on

				holding ORCA process standards as an equitable form of providing resource access that prioritizes timely delivery of housing to community. Where regions collaborate with the development community to prioritize what projects seek ORCA resources, they would be able to do so.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Inequities for Rural Organizations and Smaller Developers	Rural community-based organizations cannot often compete effectively in a process that favors larger, well-resourced organizations. Projects by long standing community based organizations in these areas are frequently delayed or overshadowed by projects with greater institutional backing, as they are able to more quickly navigate the application process. This dynamic exacerbates inequities and leaves critical rural housing needs unmet. Capacity Gaps: Smaller rural organizations often cannot meet the rigid deadlines or navigate the extensive requirements of ORCA and QAP processes.	OHCS has established a team of Technical Advisors that works statewide to support rural nonprofits in navigating the ORCA and QAP processes. The ORCA has a funding set aside available to culturally specific organizations and nonprofits developing in rural areas and has also dedicated capacity and predevelopment funds that prioritized rural communities. Additionally, while ORCA allows project developments to move swiftly through the funding process to receive final funding commitment before financial close, it also provides up to 6 months in the financial review process for those who need additional time to complete needed diligence.

Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Inequities for Rural Organizations and Smaller Developers	Implement a milestone-based tracking system that evaluates projects based on readiness and documented progress (e.g., permitting and funding commitments). This would prioritize shovel-ready projects over those that are years away from groundbreaking.	Projects that are years away from groundbreaking are not eligible for funding. The reason OHCS has specific expectations around timelines is to ensure that projects that are not ready to proceed are not awarded resources in lieu of projects that are ready to move forward and can use the resources sooner. ORCA allows project developments to move swiftly through the funding process to receive final funding commitment before financial close, it also provides up to 6 months in the financial review process for those who need additional time to complete needed diligence.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Inequities for Rural Organizations and Smaller Developers	Systemic Barriers: The existing intake and waitlist systems disproportionately benefit organizations with more resources, effectively sidelining smaller, community-focused entities.	OHCS has established a maximum of two projects per organization on the waitlist to keep larger developers from pushing out those who may take longer to get their application ready. Additionally, while ORCA allows project developments to move swiftly through the funding process to receive final funding commitment before financial close, it also provides up to 6 months in the financial review process for those who need additional time to complete needed diligence.

Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Improving Transparency and Accountability	The absence of a standardized milestone tracking system allows projects to hold spots in the queue without demonstrating sufficient progress.	The ORCA process has milestones and because LIHTC resources will be part of the ORCA, LIHTC projects will be subject to ORCA milestones. OHCS was told during initial engagement around the ORCA that it was unreasonable to have expectations of developers before providing at least some soft commitment of funding and thus have not done so for projects in the waitlist that have not received an LOI and resource reservation.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Inequities for Rural Organizations and Smaller Developers	Shovel-Ready Delays: Rural projects that are shovel-ready are often deprioritized in favor of less-prepared projects, due to ambiguous milestones.	OHCS has the same standards and requirements for project timelines for all projects applying for funding. ORCA allows project developments to move swiftly through the funding process to receive final funding commitment before financial close, it also provides up to 6 months in the financial review process for those who need additional time to complete needed diligence.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Improving Transparency and Accountability	Publish project schedules, including milestones and commitments, on a publicly accessible dashboard. This would increase transparency and accountability while enabling sponsors to understand their position in the queue.	OHCS is not holding projects on the waitlist to timelines. OHCS was told during initial engagement around the ORCA that it was unreasonable to have expectations of developers before providing at least some soft commitment of funding and thus have not done so for projects in the waitlist that have not received an LOI and resource reservation.

Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Improving Transparency and Accountability	Clearly define terms such as "universal design," ensuring they are measurable and feasible across diverse project types. For example, universal design standards should be tailored to accommodate both urban and rural realities.	OHCS has pivoted to a focus on accessibility as a feature of universal design that has been identified as a critical need in properties statewide. We will have more in depth engagement on moving into more fully universal design projects over the coming year and will be including geographic considerations in those conversations.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Inequities for Rural Organizations and Smaller Developers	Establish rural-specific tiebreaker criteria that recognize unique challenges, such as limited access to wraparound services or the infeasibility of co-located amenities in sparsely populated areas.	Thank you for your feedback; OHCS has led deliberate PSH investments to support capacity building and training and technical assistance to rural communities and have invested in the CARE program to foster support for project efforts to co-locate supports for families within affordable housing properties.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Bond Issuance Fees and Developer Compensation	Removing caps on bond issuance fees creates uncertainty and could discourage development.	While we are removing caps on bond issuance fees, there will be a standard and predictable structure of 1.5% of the full tax-exempt portion of the bond. Although OHCS' 4% LIHTC allocation is three times oversubscribed, we acknowledge that this change could create uncertainty for sponsors.

Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Improving Transparency and Accountability	Introduce objective benchmarks for evaluating project progress, such as permitting, secured funding, and pre-construction readiness, to ensure that only viable projects advance in the process.	These are all standards within the ORCA. The ORCA is designed to set key milestones for project approvals to ensure they are meeting standards. If they are not meeting standards in a timely fashion as defined by the ORCA, they will not advance in the process.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Improving Transparency and Accountability	Terms like “universal design,” “substantial project change,” and “affordability requirements” lack precise definitions, leading to inconsistent application.	OHCS will include more detailed definitions for some of the terms in question. Based on similar feedback, OHCS is replacing "Universal Design" with "Enhanced Accessibility." OHCS has also included specific requirements to meet this standard.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Long-Term Affordability and Financial Sustainability	Allocate resources to support a mix of AMIs, considering the total subsidy per unit and long-term operational sustainability. This approach would avoid creating financially fragile projects.	OHCS is not the developer. Developers are the entities responsible for taking on the project risk and modeling in a way that ensures the ability to maximize subsidy OHCS can offer and achieve long term sustainability.

Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Long-Term Affordability and Financial Sustainability	Current policies allow for 30-year affordability in some cases, undermining the state's commitment to long-term housing stability.	OHCS has moved towards the 60-year affordability standard over the past several years on all programs and is committed to continuing to do so wherever possible.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Long-Term Affordability and Financial Sustainability	Require all OHCS-funded projects to meet a 60-year affordability standard, with nuanced approaches for mixed-finance projects to ensure feasibility.	OHCS has moved towards the 60-year affordability standard over the past several years on all programs and is committed to continuing to do so wherever possible.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Bond Issuance Fees and Developer Compensation	Maintain a cap on bond issuance fees, ensuring predictability and fairness for developers regardless of bond size.	With our current $150k cap, a $10M deal and a $50M deal pay the same in bond issuance charges, which we do not see as a reasonable comparison.

Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Inequities for Rural Organizations and Smaller Developers	Introduce policies that incentivize partnerships between larger developers and smaller or culturally specific organizations, without penalizing either party.	OHCS has attempted to do this through the creation of set asides and criteria that support culturally specific organizations.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Bond Issuance Fees and Developer Compensation	The exclusion of a developer fee schedule effectively reduces compensation for developers, limiting their capacity to manage project risks and reinvest in future projects.	The developer fee will be in the GPGM and will not be changed from the previously used LIHTC developer fees.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Bond Issuance Fees and Developer Compensation	Establish a standardized developer fee schedule to recognize the resources and risks involved in affordable housing development, particularly during periods of market volatility.	The developer fee will be in the GPGM and will not be changed from the previously used LIHTC developer fees.

Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Inequities for Rural Organizations and Smaller Developers	Develop technical assistance programs specifically tailored to the needs of rural and smaller organizations, focusing on navigating funding processes, compliance, and project management.	OHCS has established a team of Technical Advisors to support rural nonprofits in navigating the process.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Long-Term Affordability and Financial Sustainability	Emphasizing the lowest AMI units without adequate subsidies increases financial risks for developers and jeopardizes long-term project viability.	OHCS has a sliding scale of subsidy limits that increases as AMI restrictions go down.
Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Non-Profit Prioritization	Pg 5, Line 16, The State needs to prioritize the value of the nonprofit sector's commitment to produce housing that is affordable to lower income people over the long-term, as well as to stimulate investment in neighborhoods in need of revitalization. Nonprofit housing providers are credited for their connections to community and residents, their commitment to providing services for residents, and their potential for accessing affordable land and buildings. Set aside is too low. Specific to the 9% tax credits, the draft QAP has a set aside of 10% of the annual credit ceiling to Qualified Non-Profits.	Thank you for your feedback.

Kevin Cronin, Rita Grady, Brian Hoop	Housing Oregon, Polk CDC, Housing Oregon	Non-Profit Prioritization	Pg 5, Line 16, Increase set-aside for nonprofits: Change to 50% of the annual 9% tax credit ceiling must go to Qualified Nonprofits and Community Housing Development Organizations (CHDO).	Thank you for your feedback.
Manuela Ekowo	IBHS	Criteria	We strongly encourage OHCS to require or incentivize through the scoring criteria a designation from IBHS's Wildfire Prepared program for all single-family home projects seeking LIHTC funding in the state. Wildfire Prepared is a voluntary designation program designed to reduce the risk of home ignition. The program incorporates a set of critical mitigation actions that, when undertaken collectively, can meaningfully reduce the risk of a home igniting from embers, flames, and radiant heat. Mitigations include actions like installing a Class A fire rated roof; creating five feet of defensible space – the first five feet surrounding a home where combustible material is reduced; and installing ember resistant vents. Wildfire Prepared is currently available in Oregon	Thank you for your feedback. OHCS sees the value in resilient construction practices, and we thank you for bringing this to our attention and we will consider for the next QAP update.

Manuela Ekowo	IBHS	Criteria	In addition, we encourage OHCS to require installation of a sealed roof deck for all projects seeking LIHTC funding in Oregon—a protective measure that will protect buildings as their roof covers age. Based on decades of scientific research, a sealed roof deck can provide a secondary water barrier to the roof to help prevent water intrusion if the roof cover is compromised during high-wind events. We have found that a sealed roof deck can reduce water entry by as much as 95 percent and keep out nine bathtubs of water for every inch of rain that falls on a 2,000 square foot damaged, unsealed asphalt roof. To require a sealed roof deck for all projects and Wildfire Prepared for all single-family home projects, we suggest the following edits be made to OHCS's Draft 2024 QAP: Programmatic Requirements, Minimum Requirements for LIHTC Projects, Resilient Construction, Commit to resilient construction standards. All projects must install a sealed roof deck. All single-family home projects must obtain from the Insurance Institute for Business & Home, Safety a Wildfire Prepared designation.	Thank you for your feedback. OHCS sees the value in resilient construction practices, and we thank you for bringing this to our attention and we will consider for the next QAP update.
Manuela Ekowo	IBHS	Supplemental Criteria	To incentivize resilient construction standards, we suggest the following edits be made to OHCS's Draft 2024 QAP: Supplemental Criteria. Resilient Construction- Developments built with resilient construction standards will be awarded up to 3 points as described below. Resilient construction standards are optional. Sealed roof deck – 1 point, Single-family home projects that obtain from the Insurance Institute for Business & Home Safety a Wildfire Prepared designation can earn up to two additional points. Wildfire Prepared Home Base – 1 point & Wildfire Prepared Home Plus – 2 points.	Thank you for your feedback. OHCS sees the value in resilient construction practices, and we thank you for bringing this to our attention and we will consider for the next QAP update.

Manuela Ekowo	IBHS	Supplemental Criteria	As set forth below, a sealed roof deck and IBHS's Wildfire Prepared program provide science-based, field-proven tools for OHCS to incorporate resilience standards into the 2024 QAP. Investment in resilience will create safer homes that can withstand the increasingly severe weather Oregon faces. In addition, it will make these properties lower risk (and therefore more attractive risks) for property insurers. These resilience tools are particularly important in Oregon which experiences significant severe weather, particularly wildfires, which poses risk to homes and communities: Oregon has a variety of fuel types prone to fire across the state including three primary fire behavior regions, characteristically wet forests in coastal areas and on the northwest side of the state, dry forests on the east side of the state and intermixed forests in the inland southwest. Due to the impacts of fire suppression and prevention driven by the 1935 USFS 10AM Policy and Keep Oregon Green the natural fire frequencies of these landscapes have been interrupted, and fuels have accumulated. The changing climate in Oregon has also increased drought conditions and increased the state's fire seasons resulting in an increase of severe fire in Oregon. Oregon has seen an increase each decade from 1970 in the number of wildfires larger than 5,000 acres, total acres burned, and the mean size of wildfires despite a consistent number of wildfires in the state, highlighting the increasing severity and fire management challenges with wildland fires in Oregon.	Thank you for your feedback. OHCS sees the value in resilient construction practices, and we thank you for bringing this to our attention and we will consider for the next QAP update.

Manuela Ekowo	IBHS	Housing Resilience	Resilience is a Housing Issue- We encourage OHCS to treat resilience as a housing issue. OHCS's mission is to "provide stable and affordable housing and engage leaders to develop an integrated statewide policy that addresses poverty and provides opportunities for Oregonians." We assert that this mission cannot be met without investments in resilient construction. Investing in resilience for affordable housing helps ensure that people are not only housed, but that they remain housed following natural disasters. Quality housing that withstands severe weather allows working families to return home following natural disasters, which in turn supports local economies and economic revitalization by preventing businesses from closing from low demand and want of workers, protecting the local tax base. Low- and moderate-income people and families need housing that is affordable. And yet, housing is not, in fact, "affordable" unless it provides savings to the resident not just on the day of purchase (or lease signing), but on an ongoing basis as well. Investments in resilience provide ongoing savings to residents. Generally, risk reduction results in avoided damages from severe weather and reduced insurance premiums reflecting the reduction in risk. Further, given the risks facing Oregon housing stemming from wildfires, requiring or incentivizing resilient construction represents good stewardship of public resources. In addition, sealed roof decks can reduce the amplification of damage when roof covers fail, and rain intrudes residences. Resilient construction practices can help communities escape the costly build-damage-rebuild cycle that can take place in areas prone to severe weather.	Thank you for your feedback. OHCS sees the value in resilient construction practices, and we thank you for bringing this to our attention and we will consider for the next QAP update.

Manuela Ekowo	IBHS	Wildfire Preparedness	Wildfire Prepared Reduces the Risk of Home Ignition IBHS's Wildfire Prepared program brings together a systems-based approach of core mitigation actions that, when taken together, significantly reduce the risk of ignition when embers land on suburban properties and, should ignition occur, remove pathways leading flames to the home. The program has two levels: Wildfire Prepared Home™ provides a baseline level of risk reduction by protecting the home against ignition from embers. It includes mitigation actions focused on the roof, building features, and defensible space—particularly, the removal of combustible material from the five foot zone around the structure. Wildfire Prepared Home Plus™ adds an additional set of mitigation actions, such as noncombustible siding and dual paned, tempered glass windows, and wildfire resistant decking material, that reduce the risk of ignition from radiant heat.	Thank you for your feedback. OHCS sees the value in resilient construction practices, and we thank you for bringing this to our attention and we will consider for the next QAP update.
Manuela Ekowo	IBHS	Sealed Roof Decks	Sealed Roof Decks are a Low-Cost, High-Impact Mitigation Action- Sealing roof decks is a cost-effective, highly effective mitigation action that reduces loss from water damage if a roof cover is compromised. Roof decks can be sealed in a variety of ways: 1. Using tape and underlayment, which requires a certain tape and underlayment material applied directly to the roof deck. 2. Applying a full layer of self-adhering membrane to the roof deck. 3. Installing two layers of felt underlayment to the roof deck. 4. Applying spray foam on the underside of the roof at every joint and seam. With a variety of available methods and a strong ROI in averted losses, sealing roof decks is an easy way to improve the resilience of a building.	Thank you for your feedback.

Sarah Stevenson	Innovative Housing, Inc	Tiebreakers	Early childhood education centers and PSH are both more difficult to achieve in rural settings.	There have a been a number of very successful projects in rural Oregon to go through OHCS's PSH Institute and create successful projects that are currently housing chronically homeless individuals and families. OHCS has also recently conducted a study showing the urgent need for more childcare facilities in rural Oregon and there are examples of models that will work in those communities, as well as case studies, within that study that is also on our website.
Sarah Stevenson	Innovative Housing, Inc	PAB	Pg 12, Line 31, Clarify: “Changes in projects that incorporate value engineering” is not unclear. Is the intent that if a project's resource needs exceed the 10% threshold but the sponsor can bring them back within the 10% amount by VE then it does not constitute a substantial change?	Yes, value engineering is a potential strategy to help projects keep their budgets within the required amount. This is for changes that do not impact the project significantly in relation to the material changes categories listed in the QAP. VE is expected primarily before construction starts and should not compromise safety, health, and livability of the residents. So, yes, as long as it is truly VE your comment is correct with regards to intent of that note.
Sarah Stevenson	Innovative Housing, Inc	Re-evaluation of Reservation	“#2 the proposed Project will not have construction completion by the date mutually agreed upon.” Please clarify if OHCS will rescind reservation funding during construction – we strongly recommend this NOT be the case.	OHCS reserves the right to re-evaluate a reservation if projects are not meeting standards laid out in the QAP at any point in the development timeline. While it would be highly uncommon and a worst-case scenario for all parties, if the project is stalled to a degree that they cannot reconcile a completion date moving forward the state must have options at its disposal.

Sarah Stevenson	Innovative Housing, Inc	9% Application Process	Pg 28, Line 23, Development of projects during this period of time carried extreme and unanticipated risks. Yet the development of affordable housing during this time was critical, providing affordable housing for people negatively impacted by the pandemic and post-pandemic times. We understand a need for developers to perform to expectations but recommend adding mitigating language to this requirement so that sponsors who developed extremely difficult projects in recent years can still have confidence in submitting funding requests without risk of rejection.	It is developers/sponsors responsibility to navigate the risk associated with development of affordable housing, it is OHCS responsibility to effectively and responsibly manage public funding for affordable housing. There need to be timing expectations for projects so that funded projects move forward to construction as quickly as possible.
Sarah Stevenson	Innovative Housing, Inc	Project Schedule	OHCS should improve its project schedule to better match development realities. QAP says that "Through the ORCA, PAB will be tracked and allocated based upon a first complete, first reviewed process and in alignment with the estimated closing date of the project as provided by the applicant." When in the ORCA process is this happening? If a managed queue is the goal, the appropriate time would be Impact Assessment in conjunction with a proper scheduling tool that (a) tracks the right benchmarks (not what's in there now) (b) holds sponsors accountable with reasonable grace periods (i.e. isn't all or nothing if you're off by a week on a major milestone) (c) published each project's schedule commitments on a dashboard to ensure accountability within the overall system.	OHCS is not holding projects on the waitlist to timelines. OHCS was told during initial engagement around the ORCA that it was unreasonable to have expectations of developers before providing at least some soft commitment of funding and thus have not done so for projects in the waitlist that have not received an LOI and resource hold.
Sarah Stevenson	Innovative Housing, Inc	Tiebreakers	We acknowledge that having some guardrails for cost per unit is important. However, using lowest tax credit allocation per unit in addition to those limits has some undesirable consequences, including: A preference for number of units produced over number of people housed. Smaller units are less expensive to build and use less tax credits, but house fewer people. The pool of housing funded would most likely contain a higher proportion of studios and one-bedroom units. The pool of units (except for PSH units with rent subsidy) funded will have higher rents, because they can support more debt and therefore need fewer tax credits. The incentive to increase debt per unit also produces lower expenses per unit (so that there is more revenue available to pay the mortgage), which means the project is less resilient to	OHCS understands the concerns around this criterion but also must balance the need for stewardship of public resources and need to make the most efficient investments possible to get the most from the limited amount of credits available. This tiebreaker has been lowered on the list but is still an important consideration.

			increases in operating costs and more likely to require intervention for long term preservation.	
Sarah Stevenson	Innovative Housing, Inc	9% Request Form	Knowing what information will be required for the 9% Request as soon as possible will provide more equitable ability for all organizations to make the best application possible. Shorter time frames for pulling together information tend to advantage larger, more resourced organizations.	The information required for the 9% Request Form will include information related to the relevant criteria depending on project type. Six weeks will be allowed for the application and the intention is to have a simple enough application that this is not challenging for anyone that has a project ready to move forward.
Sarah Stevenson	Innovative Housing, Inc	Affordability Period	Pg 18, Line 18-23, Why are 4% projects paired with other OHCS resources granted a potentially shorter affordability period? We'd like to understand where this requirement lives and who has authority to change it.	OHCS has been working towards this over the past several years and will continue to push on it. Most OHCS programs now are at this 60 year minimum. The affordability section of the LIFT manual has been updated to allow for pairing LIFT with other OHCS resources that have a 60-year affordability period.
Sarah Stevenson	Innovative Housing, Inc	Waitlist	Only one waitlist project at a time is contrary to the point of the ORCA. Page 4 of the ORCA says what we heard repeatedly in the ORCA design process: "In the new ORCA, OHCS will match projects with the appropriate resources." The waitlist's "pick a funding lane" requirement contradicts this approach. What if you happen to say PSH when you could get funded faster via GHAP or Housing Trust Fund, etc.? Do 4% LIHTCs count as a "resource" for the purpose of limiting waitlist eligible to one funding resource as a time? Or is "resource" defined as solely as state funds?	OHCS retains the ability to assign resources as they fit best. The waitlist is not resource specific, with the exception of LIHTC which was not available when the waitlist started. It is the intention in the future to have PAB included with other resources here as well.

Sarah Stevenson	Innovative Housing, Inc	PAB & 4%	Pg 11-12, Line 36-2, Question: what happens to the project(s) that lose(s) PAB? Will it be provided PAB from the next allocation?	Projects applying for PAB will be evaluated in the same way as other projects applying through the ORCA. If a project loses their PAB they would need to resubmit an application to update the project in a way that accounted for whatever the cause of that PAB loss was.
Sarah Stevenson	Innovative Housing, Inc	Waitlist	Waitlisting projects based on timestamps is crosswise with a managed queue. For example, a project with building permits that needs $10M of gap funding and could close in 6 months might get stuck behind a project asking for $50 million that, by its own schedule, isn't going to start construction for two years. That doesn't make sense.	Projects that are years away from groundbreaking are not eligible for funding. That is why OHCS keeps more rigid timelines, to keep these future projects that are not ready to proceed from holding resources that could be utilized sooner by more prepared projects.
Sarah Stevenson	Innovative Housing, Inc	Conduit Bond Charges	Issuance Charge: Keep the cap, even if it is increased. The cap ensures predictability when laying multiple funding sources together to pay for all of the bond issuance fees. The issuance fee should not exceed $200,000 for all OHCS costs. These costs are not in the control of the developer/sponsor regardless of how big or small the bond issuance amount.	Thank you for your feedback. With our current $150k cap, a $10M deal and a $50M deal pay the same in bond issuance charges, which we do not see as a reasonable comparison. In our research, we did not see many examples of caps on issuance fees for state HFAs.

Sarah Stevenson	Innovative Housing, Inc	Developer Fee	During the sudden and sharp increase in labor, interest rates, supplies and other costs during the pandemic, relying on developer fee as a source of funding was the only thing that got many projects to completion.	Thank you for your feedback. OHCS hopes the ORCA process will help alleviate some of these issues by waiting until later in the process for a full commitment of resources, but also reiterates the developer fee is not changing from the previous QAP.
Sarah Stevenson	Innovative Housing, Inc	Developer Fee	Revenues are down and expenses are up for existing affordable housing portfolios. Last fiscal year IHI spent over $1M of our organizational reserves to keep our properties doors open; at the same time, because there is insufficient cash flow we are also not being paid the resident services, partnership management, or asset management fees on which we rely to cover our staffing costs. We would not have essential reserves to keep our company running or to subsidize our properties if it weren't for past developer fee earnings.	Thank you for your feedback. OHCS hopes the ORCA process will help alleviate some of these issues by waiting until later in the process for a full commitment of resources, but also reiterates the developer fee is not changing from the previous QAP.
Sarah Stevenson	Innovative Housing, Inc	9% Application Process	Pg 8, Line 14-15, Comment: The goal of a managed queue where the next project up is matched with the available and appropriate sources is a good one. Having multiple waitlists and having to choose one feels contrary to meeting this goal. If that isn't feasible yet, please provide clear direction on whether a sponsor can have multiple projects on a single waitlist (such as the 9% or 4%), and whether they can maintain their spot on a waitlist while applying for an alternative funding source	The 9% LIHTC projects will have a different process for selection than projects seeking other resources. We will rephrase from waitlist to better reflect the intent here, which is ranking order for the current open 9% round.

Sarah Stevenson	Innovative Housing, Inc	9% Application Process	Pg 26, Line 30, We recommend increased flexibility and better understanding around recent development challenges so that new applications are not rejected if a former project was not completed on schedule or within budget. Prior to the pandemic, these criteria were predictable and regularly achievable. However, during the pandemic and post-pandemic periods, the marketplace was highly unpredictable, resulting in many impacts: instability in cost escalation of products during construction, labor shortages impacting the timely completion of tasks, less experienced labor impacting timely completion and exposure to extra costs, illness impacting the timely completion of tasks, material and product shortages, and long delays in delivery, impacting time and cost, significant interest rate changes during construction	OHCS commits to working with partners around their projects, while also committing to fairness in the process to other projects that are more ready to proceed and can close in the agreed upon window.
Sarah Stevenson	Innovative Housing, Inc	Project Performance Guidelines	Pg 8, Line 30-31, Which financial close date does the 30-Day extension apply to for the “30-day extension to the financial close date per project”? From which phase?	This is not for one of the ORCA steps, rather it is for the financial closing date committed to at the Commitment step that should be no more than six months from receipt of a reservation letter.
Sarah Stevenson	Innovative Housing, Inc	Tiebreakers	Universal Design. We are very supportive of advancing accessibility and Universal Design. However, without a current definition of Universal Design, the first tiebreaker is difficult to evaluate. It is possible that there will be more projects that meet one of the three criteria included than there are resources available, as Universal Design is potentially accessible for all projects. Depending on how intense the criteria are for Universal Design, it could become a threshold criteria or a new b or c. The lack of a definition of Universal Design is a large challenge for Sponsors going into this first funding round.	Based on similar feedback, OHCS is replacing "Universal Design" with "Enhanced Accessibility." OHCS has also included specific requirements to meet this standard.

Sarah Stevenson	Innovative Housing, Inc	Basis Boost	pg. 9, Line 23, Clarify: how will OHCS evaluate Universal Design standards objectively	Based on similar feedback, OHCS is replacing "Universal Design" with "Enhanced Accessibility." OHCS has also included specific requirements to meet this standard.
Sarah Stevenson	Innovative Housing, Inc	Affordability Period	Pg 19, 60-year affordability should be across-the-board for all OHCS-funded projects. QAP language is confusing and leaves the door open for 30-year affordability on 4% projects.	OHCS has been working towards this over the past several years and will continue to push on it. Most OHCS programs now are at this 60 year minimum.
Sarah Stevenson	Innovative Housing, Inc	Preservation	Pg 18, Line 1-9, Preservation Tiebreakers- Based on phrasing, it appears that preservation criteria are pass/fail and are not weighted in any way, which disadvantages projects with physical challenges (which may have also been factors in rent increases).	We have revised the tiebreakers from the previous version, but it's true that other priorities are weighted more in the revised tiebreakers.

Sarah Stevenson	Innovative Housing, Inc	PAB & 4%	Pg 11, Line 28-30, Clarify: What selection impact is meant by "in alignment with the estimated closing date".	The order of applications will be based on a first complete, first reviewed process based on the developer's estimated closing date.
Sarah Stevenson	Innovative Housing, Inc	Basis Boost	pg. 9, Line 15-19 & pg. 16, Line 25-26, Clarify: How will OHCS ensure the Boosted Projects aren't negatively affected by the 9% tiebreaker of Efficient Unit Production?	OHCS moved the efficiency tiebreaker down the priority list, below several project types eligible for the basis boost.
Sarah Stevenson	Innovative Housing, Inc	Developer Fee	Prior versions of the QAP included a table of maximum developer fee for various project and funding types. By leaving it out and defaulting to the General Policy and Guideline Manual, the effect is to cut maximum fees for tax credit projects by 2%. Developer fee not only acknowledges the resources required to develop a project but also the risk, which is greater in a tax credit project with its myriad regulations, costs and guarantees.	The developer fee will be in the GPGM and will not be changed from the previously used LIHTC developer fees.

Sarah Stevenson	Innovative Housing, Inc	Project Performance Guidelines	Pg 8, Line 33-34, Clarify: next steps after formal notification of a material project change.	Thank you for your feedback. The QAP describes next steps after formal notification of a material change.
Sarah Stevenson	Innovative Housing, Inc	Preservation	Pg 16, Line 30-32, Rephrase: specify “projects with expiring affordability”	We're defining this as "projects whose last affordability restrictions expire within the next seven years"
Sarah Stevenson	Innovative Housing, Inc	Project Performance Guidelines	Pg 8, Line 33-34, Clarify what constitutes a “material change” in the project's development costs or a financing source? (Note that #7/OpEx quantifies this as 10% which is clearer	Thank you for your feedback, this section has been edited to include what constitutes a material change.

Sarah Stevenson	Innovative Housing, Inc	Definitions	Providing consistent, objective definitions regarding what constitutes a project change, and predictability as to what actions OHCS may take as a result. For clarity and predictability, we recommend aligning definitions about what constitutes a “material change”, “substantial change” and “project changes” and what actions OHCS may take as a result “re-evaluation” “reconsideration”. In addition, we recommend creating objective standards (10% change in total project cost) that will not overburden the sponsor or OHCS with reporting or evaluating, such as would be created by requiring an action and evaluation of every change in project cost or every design element.	OHCS will ensure the definition used for material change in the ORCA is used across the board.
Sarah Stevenson	Innovative Housing, Inc	Preservation	Pg 17, Preservation Project Criteria- Comment: Consider instead of restating Critical Priority here, refer to the Preservation Framework. That way, you can update the Preservation Critical Criteria as needed without needing to also update the QAP. Seems like that would provide more both more flexibility and more clarity.	This is a great suggestion, and we will consider implementing this for the next QAP.
Sarah Stevenson	Innovative Housing, Inc	Minimum Tax Equity Pay-in Schedule	Pg 18-19, Line 30-3, Is there a better way to get to the desired outcome? For instance, there may be greater value in negotiating to have equity paid in later to increase the price beyond what the interest cost will be for having to borrow additional funds, resulting in a net gain. This equation may also be impacted by the timing of the payments (how close they are to quarters or year end). Constraining negotiations that may ultimately be of benefit to the project's bottom line seems unnecessary, adds another burden to the process, and is potentially harmful.	Thank you for your feedback, OHCS will remove this from the QAP.

Sarah Stevenson	Innovative Housing, Inc	Preservation	Pg 18, Line 1-9, Preservation Tiebreakers- How is rent burden evaluated? Against CURRENT rents, or against MAX rents? If current rents, this disadvantages sponsors who have kept rents artificially low by choice (to meet community need and/or because area rents wouldn't easily support higher rents) or because of OHCS policy on increases.	We removed rent burden from the revised tiebreakers.
Sarah Stevenson	Innovative Housing, Inc	Conduit Bond Charges	Annual Charge on Balance: It is unclear what is meant by outstanding balance. Is this the amount undrawn or drawn? We recommend eliminating this charge. Overall, the increase in bond fees across the board is troubling. These cost increases from the State may have unintended consequences that ultimately make bond deals more difficult than they already are.	By outstanding balance, we mean the drawn amount.
Sarah Stevenson	Innovative Housing, Inc	Affordability Period	Pg 19, Line 26-30, Does the Waiver of Qualified Contract section conflict with this?	Thank you for the feedback, change made.

Sarah Stevenson	Innovative Housing, Inc	PAB	Pg 12, Line 26, We recommend the phrase “may be” instead of “will be”	Thank you for your feedback.
Sarah Stevenson	Innovative Housing, Inc	PAB	Pg 12, Line 31, We recommend including a comment that OHCS has the discretion to consider other conditions outside of the sponsor’s control to not be substantial changes	Thank you for your feedback.
Sarah Stevenson	Innovative Housing, Inc	Affordability Period	“Gap only” projects are currently moving through HSC with only 30-year affordability commitments.	Thank you for your feedback.

Sarah Stevenson	Innovative Housing, Inc	Basis Boost	pg. 9, Lines 15-19, Will 4% LIHTC projects remain eligible for basis boost?	Yes
Erica Mills	Neighbor-works Umpqua	Supplemental and Tiebreaker Criteria	Criteria such as low AMI, cost-efficiency, PSH, and TODs are all biased against rural projects. OHCS should include rural as a weighted priority criterion and ensure that all tie-breaker rules are equitable for rural communities.	While projects that are located in TODs are eligible for basis boost in the QAP, so are any project located in rural communities. TODs are listed as an example for how a project could demonstrate "including features in the design, services, site location or other project considerations that provide opportunities for employment to residents and benefit community", but is certainly not the only way that it can be demonstrated; listed examples also refer to location proximity to jobs and can include any number of options that are applicable to rural communities. Subsidy limits are higher in rural communities to acknowledge the operational needs in rural communities.

Erica Mills	Neighbor-works Umpqua	Co-Located Childcare Requirements	Institutional childcare models are not effective in rural areas, where informal, home-based childcare is more prevalent. It may be very challenging for ECEs in rural projects to remain open, risking long term commercial vacancies. Further, requiring home-based-childcare-ready units in rural projects is impractical and also risks creating long-term vacancies.	We will be referencing the definition at Oregon Admin Code 813-125-0011 for what qualifies as an “ECE facility”. The definition includes regulated subsidy providers, registered family child care, certified family child care, and certified child care center. Registered family and certified family child care are typically provided within residential homes. Our emphasis on co-located ECE facilities was informed by a recent study we conducted that showed the urgent need for more childcare facilities in rural Oregon. The study provided examples of models that will work in those communities, as well as case studies.
Erica Mills	Neighbor-works Umpqua	Transportation Bias	The emphasis on public transportation and scoring criteria for Transportation-Oriented Districts (TODs) disadvantages rural areas, where public transportation is often nonexistent or limited. TODs exist only in select urban areas, making this criterion unattainable for the majority of the state. OHCS must adjust these criteria to account for the realities of rural geography and infrastructure.	While projects that are located in TODs are eligible for basis boost in the QAP, so are any project located in rural communities. TODs are listed as an example for how a project could demonstrate "including features in the design, services, site location or other project considerations that provide opportunities for employment to residents and benefit community", but is certainly not the only way that it can be demonstrated; listed examples also refer to location proximity to jobs and can include any number of options that are applicable to rural communities.

Erica Mills	Neighbor-works Umpqua	General	The QAP draft in its current form perpetuates systemic inequities that disadvantage rural projects and organizations. Rural communities face unique challenges, including higher costs of doing business, food deserts, stagnating or declining economies, limited talent pools, scarce resources, limited partners or limited partner capacity, and fewer funding opportunities. OHCS must consider these realities to ensure equitable access to LIHTC and other funding resources across the OHCS portfolio.	LIHTC resources will be allocated to projects through the ORCA process, which has a funding set aside available to culturally specific organizations and nonprofits developing in rural areas. This set-aside is intended to address the issues that are cited in this comment. Other ORCA policies are intentional in striving to respond to the market realities in rural communities, including higher subsidy limits for rural projects, rural capacity and predevelopment investments, and regional set-asides.
Erica Mills	Neighbor-works Umpqua	First Come First Serve re ORCA	This approach inherently disadvantages smaller, rural, and lower-capacity organizations in favor of larger, well-resourced and/or urban entities. Rural organizations often lack the bandwidth to compete quickly in funding cycles. This dynamic forces rural groups to partner with for-profit entities or consultants, which can lead to financial exploitation, reduced developer fees, and projects that are unsustainable in the long term. OHCS must reevaluate this process to ensure equitable access.	The ORCA has a funding set aside available to culturally specific organizations and nonprofits developing in rural areas. This set-aside is intended to address the issues that are cited in this comment. Additionally, while ORCA allows project developments to move swiftly through the funding process to receive final funding commitment before financial close, it also provides up to 6 months in the financial review process for those who need additional time to complete needed diligence.
Erica Mills	Neighbor-works Umpqua	Per Unit Cost Efficiency	Prioritizing cost efficiency leads to value engineering that compromises long-term sustainability, resulting in rapid physical deterioration and financial distress. Developers should be rewarded for creating durable, long-term investments that prioritize quality and resilience over short-term cost savings. Projects should be investments in a healthy future, rather than a race to assemble low-quality units with limited life-spans.	OHCS deprioritized this tiebreaker. Federal and state requirements prohibit the construction of low quality units with limited life-spans. The state also has limited resources and the need is great. As everyone doing this work knows this is a balancing act of getting the most units for the highest quality possible with the resources that the state is choosing to invest in affordable housing development.

Erica Mills	Neighbor-works Umpqua	Project Changes	The draft QAP penalizes projects for changes in Total Project Costs, Operating Revenue, or Financing Sources without adequately accounting for external factors such as new tariffs, workforce shortages, or changes to Build America Buy America (BABA) regulations. OHCS must introduce flexibility to accommodate such economic shifts and ensure projects remain viable despite unforeseen challenges.	OHCS allows projects to provide updated financial information around the cost of the project, and relies on development teams to do the needed diligence to meet standards in the ORCA to receive finalized funding commitment from the state. OHCS includes reasonability standards to ensure that projects are only coming to the state when they are ready to proceed. OHCS understands that projects change and allows for flexibility, but has standards that can and have been met by developers that understand as fully as possible their project and its budget before receiving a funding commitment from the state.
Erica Mills (Public Hearing)	Neighbor-works Umpqua	Cost Escalations	I would like 1st to underscore what Traci was just saying about cost escalations and the punitive QAP items in response to that. And I think, as we're entering a new Federal administration, and we can fully anticipate that there's going to be some implications that may dramatically impact the cost of construction in the near future, that it would be wise to incorporate some proactive response to that, so that we're not putting you in a position where you're having to create exceptions and waivers on a regular basis.	Subsidy limits have been increased significantly by the state at the launch of the ORCA. We are unable to affect changes at the federal or macroeconomic level that may impact projects, but do not want to preempt things that have not manifested yet with major policy changes and provide less resources to less projects that need them right now.
Erica Mills	Neighbor-works Umpqua	Need for a Second Comment Period	The current draft contains significant areas of concern. A second comment period after revisions is essential to ensure meaningful stakeholder engagement and equitable outcomes.	OHCS is unable to extend our engagement further and still utilize the tax credits we receive in 2025; OHCS has engaged on issues related to application process, resources, and tax credits over the past year and will engage in the future related to other change opportunities.

Erica Mills	Neighbor-works Umpqua	Universal Design Requirements	Universal design principles must be clearly defined and adapted for rural projects. Preservation projects may face prohibitive costs to meet universal design standards, making this requirement inequitable for rehabilitation efforts, which are disproportionately relevant in rural communities.	Based on similar feedback, OHCS is replacing "Universal Design" with "Enhanced Accessibility." OHCS has also included specific requirements to meet this standard. This standard is not applicable to preservation projects, which have separate evaluation criteria beginning on page 18.
Erica Mills	Neighbor-works Umpqua	Bias toward PSH	PSH is far more challenging to implement in rural areas due to limited partner organizations, workforce capacity, general operational challenges and scarce funding. OHCS must ensure that prioritization of PSH does not come at the expense of rural projects.	Thank you for your feedback. OHCS has made deliberate capacity investments in rural communities seeking to engage in providing supportive housing in a direct acknowledgement that the network of needed partnerships is complex and has unique challenges in rural communities.
Erica Mills	Neighbor-works Umpqua	Lower AMI Residents	Serving lower AMI residents increases operational costs due to higher demands for durable materials, intensive property management, and high-touch resident services. In rural areas, where support services and operational capacity are minimal, these challenges are amplified. OHCS should recognize the higher per-unit costs required to serve these populations sustainably. Incentivizing large percentages of lower AMI units, or disincentivizing diverse AMI mixes, threaten the long term operational viability of a project, and drive a need for urgent recapitalization and/or rehabilitation upon LHTC Investor exit. Incentivizing higher AMI units, such as 80%-120% could improve project performance in the short and long term, while also improving human and social outcomes.	LIHTC is not legally allowed to be used for any units over 60% area median income (AMI) unless the project is using average income. When using average income 80% AMI is the legal limit. OHCS provides higher subsidy per unit for units restricted at lower AMI levels.

Erica Mills	Neighbor-works Umpqua	Subjective "Reasonableness" Criteria	Evaluation criteria based on "reasonableness" are too subjective and fail to account for rural-specific cost drivers, such as limited contractor availability and higher operational expenses. OHCS must define "reasonable" in a way that is equitable and context-sensitive.	OHCS relies on information provided to justify the costs of the development as the source for reasonability; any further dictation by the state about what reasonability means will have the impact of limiting flexibility and ability to be responsive.
Erica Mills	Neighbor-works Umpqua	Separate Scoring Criteria for Rural Projects	To address the unique challenges rural projects face, OHCS should implement entirely separate scoring criteria for rural projects and/or rural-based organizations.	Thank you for your feedback. The criteria established are not scored, and will allow projects in communities statewide to meet them and be considered for resources within their geographic region or other set-aside.
Erica Mills	Neighbor-works Umpqua	Sustainability Standards and Climate Resilience	Sustainability requirements must align with Oregon Department of Energy initiatives and ORMEP program guidelines while addressing rural-specific needs. For example, wildfire mitigation (e.g., tree or brush removal), air filtration or sealing for smoke, and backup generators are critical rural climate resilience measures. These may not produce any energy savings but are essential for protecting health and safety.	This has been a topic of engagement and discussion both internally and externally for several years now, and will continue to be moving forward to find the best path towards climate resilience.

Erica Mills	Neighbor-works Umpqua	Long-Term Affordability and Resyndication Restrictions	The combination of long-term affordability and 20-year resyndication restrictions is incongruous with low AMI, low subsidy per unit, and high efficiency criteria. These requirements place an undue burden on rural projects, which are more expensive to build and operate. The rigid restrictions exacerbate financial instability for rural developments, making it harder to sustain high-quality housing over time.	OHCS finances projects that are to remain affordable and viable for 60 years of operations; it is not feasible to re-invest in the entire affordable portfolio every 20 years.
Erica Mills	Neighbor-works Umpqua	Criteria for CSOs and Rural Organizations	Rural organizations and CSOs face similar challenges and should be treated equitably in mandatory, supplemental, and tie-breaker criteria. Both should be heavily weighted to ensure fair competition for LIHTC resources.	Thank you for your feedback. CSOs and Rural nonprofit development are both within the same set-aside with dedicated resources for gap subsidy in the ORCA.
Erica Mills	Neighbor-works Umpqua	Local Planning	Mandatory alignment with local jurisdiction Housing Production Strategies (HPS) unfairly penalizes rural communities that are not required to complete these strategies until after LIHTC rounds. OHCS must address this misalignment to avoid excluding rural projects. OHNA places burdens on rural municipal governments without additional funding or capacity building to accomplish the requirements. Many rural communities may fail to be compliant with OHNA obligations and deadlines. Tying funding awards to local government performance unfairly punishes rural projects, and arguably perpetuates an economic death spiral.	Small cities (under 10,000 population) are exempt from this criteria, as stated on page 16, lines 17-18.

Destin Ferdun (forwarded to the QAP email)	Northwest Housing Alternatives	Developer Fee	Do you know if or where developer fee is addressed in the draft QAP? I am trying to trace the allowed/proposed Developer Fees under the new 4% QAP, (and for that matter ORCA.) It looks to me like the 4% guidelines are silent on it and refer underwriting to the ORCA, and the ORCA refers to the General Policy Management Guidelines, and the Guidelines are linked below: I am hoping that a few words are missing from the general guidelines and that the first section with the 16%/14%/12%/10% table is referring to Cash Developer Fee? rather than the Total developer fee (cash, deferred, invested)? Often we try to maximize basis in projects in order to maximize private equity investment and reduce public subsidy dollars needed. In recalculating an earlier project where we had a max of 15% total developer fee (cash, deferred, and invested.) compared to listed 10% listed for an over a 100 unit project, the delta of private equity is a startling loss, about 1.5M at 85 cents yield. Are there opportunities to maximize basis through use of "Invested Developer Fee" or utilize the full availed Deferred Developer Fee available from 15 year cash flow?	The developer fee calculation has always been inclusive of both cash and deferred fee.
Lydia Slocum	NW Housing	Basis Boost	Consider using HUD definition of rural project for 30% basis boost to align with federal program.	OHCS has received significant negative feedback in the past for using multiple definitions of rural for different programs. Our research team did significant research into best practices and data used nationally and arrived at the definition being used now.

Lydia Slocum	NW Housing	Mandatory Criteria	please describe on how Responsive to Community Needs criterion #2 (aligns with OHNA) will be evaluated through the ORCA. Will this be a check the box or narrative?	This will be a 1 to 2 sentence narrative demonstrating understanding of the jurisdiction's needs, whether unit income levels or defined populations, as described in OHNA data or HPS if available.
Lydia Slocum	NW Housing	General	ORCA underwriting parameters are not aligned with LIHTC processes nor listed in QAP. Current ORCA underwriting should not be assumed to meet LIHTC project needs. Therefore, it is critical to see these in draft to comment and provide input on the QAP, also to meet the project planning and preparation timelines, and commit funds to moving projects forward. Example: ORCA total developer fee is low and anticipates direct grant programs, whereas Developer Fee for LIHTC projects is basis eligible and an important tool for the Investors to not recognize profit during the 15 year LIHTC period. Therefore it is crucial that Total Developer Fee be at higher levels for LIHTC to take full advantage of basis eligible deferred developer fee and other risk management scenarios.	OHCS is not updating its developer fees for LIHTC. They will be in an updated table in the GPGM with the gap only developer fees and will be unchanged from the prior QAP table.
Lydia Slocum	NW Housing	Supplemental Criteria	define "rural nonprofit organization." Does this mean rural-serving or physically located in a rural area. In either case, also clarify if this criterion uses HUD or ORCA definition of rural.	This means a project located in a rural area as defined by OHCS through the ORCA definition.
Lydia Slocum	NW Housing	Project Performance Guidelines	Pg 12, Page - LIHTC Allocation Application Process - Project Performance Guidelines: clarity needed on what constitutes a change in "total project costs" (item d(5)). Recommend a change of 10% or more, to align with other areas of the QAP and ORCA.	Same feedback for the same language included in "PAB Award Calculations and Commitments"

Lydia Slocum	NW Housing	Equity Pay in Schedule	please consider the potential negative consequences of this requirement – with strict requirements for pay in, investors may lower pricing to reflect lack of competition / appetite for deals.	Thank you for your feedback, OHCS will remove this from the QAP.
Danell Norby	Portland Housing Bureau	Overall	Need to include opportunities to align with local priorities, particularly prioritizing projects with significant local funding commitments. Relying on ORCA readiness/a fully funded budget as a proxy for local commitment does not necessarily result in alignment with local priorities. Projects that seek 4% LIHTC without local PHB investment, for example, tend to include shallower affordability, fewer family-sized units, and fewer PSH units compared to PHB-awarded projects. They may therefore have a simpler capital stack and demonstrate a fully funded budget more easily than projects requiring PHB gap financing.	Thank you for this feedback. Related to the QAP for 9% LIHTC project selection, we have expanded our tie-breakers to include projects that have local HOME, or Community Development Block Grant Funds (CDBG), Tax Increment Finance, or another OHCS-approved place-based economic development fund that is awarded for gap funding by Participating Jurisdictions in lieu of HOME, in an effort to support alignment with funding partners seeking to utilize time-sensitive leveraged funds. Additionally the efficient unit production measure will preference projects with other local resources committed to the project.
Danell Norby	Portland Housing Bureau	9% Tiebreakers	Participating Jurisdiction: Tiebreaker should include significant local jurisdiction leverage from any funding source, not limited to HOME funding.	Thank you for this feedback. The intent is to maximally leverage federal subsidies. Related to the QAP for 9% LIHTC project selection, we have expanded our tie-breakers to include projects that have local HOME, or Community Development Block Grant Funds (CDBG), Tax Increment Finance, or another OHCS-approved place-based economic development fund that is awarded for gap funding by Participating Jurisdictions in lieu of HOME, in an effort to support alignment with funding partners seeking to utilize time-sensitive leveraged funds.

Danell Norby	Portland Housing Bureau	9% Tiebreakers	Efficient Unit Production: Ranking based on credits per unit means that projects with smaller units (SROs/studios/1 BRs) will be ranked higher than those with larger units. Suggest ranking based on credits per bedroom instead of per unit, to not disincentivize family sized units.	OHCS's subsidy limits are scaled to bedroom sizes, which gives significantly more funding to projects with more bedrooms. The overall limit on available gap financing along with this tiebreaker calculating on a per unit basis attempts to not disincentivize smaller unit sizes if they make sense for the project and community; additionally local jurisdictions who are able to invest to support development in the community would provide advantage to projects in the application process.
Danell Norby	Portland Housing Bureau	ORCA Process	OHCS should consider more strategically matching projects with available resources instead of letting sponsors choose which resource they are in line for	Strategically matching projects to available resources is the intent of the ORCA. OHCS is working to incorporate LIHTC as directly as possible while accounting for the differences in early project planning that comes from using that resource, and will strive to improve alignment over time. OHCS has stood up a new Technical Advisor team that is providing assistance to project sponsors on their applications including resources.
Danell Norby	Portland Housing Bureau	ORCA Process	Need more up-front controls early in ORCA (e.g., at impact assessment) to distinguish viable projects from non-viable projects	We appreciate this comment. The impact assessment step of the ORCA is to assess the project's viability as it relates to program and policy requirements. The financial eligibility step then evaluates the financial viability of the project. Final commitment of resources occurs 6 months prior to financial closing, allowing OHCS to rescind resource holds for projects unable to meet standards at any step.

Danell Norby	Portland Housing Bureau	ORCA Process	Need grace periods to meet major milestones particularly closer to closing. For example, a 90-day extension to reach closing before the project moves back to an earlier ORCA step	OHCS commits to working with partners around their projects, while also committing to fairness in the process to other projects that are more ready to proceed and can close in the agreed upon window. OHCS encourages projects to come to receive funding as prepared as possible to move as quickly as possible.
Danell Norby	Portland Housing Bureau	Affordability Period	Ensure that all OHCS funding includes 60 years of affordability at minimum	OHCS has been working towards this over the past several years and will continue to incorporate updates as is possible given our financing tools. Most OHCS programs now are at this 60 year minimum.
Danell Norby	Portland Housing Bureau	Preservation Tiebreakers	Census tracts with greater rent burden (greater share of rent burdened households) may not be the most effective metric, if seeking to identify tracts where displaced residents would have difficulty finding replacement housing. For example, census tracts that have already gentrified may have more expensive rents but a lower share of rent-burdened households, if many low-income households have already been displaced. Suggest replacing this with a metric such as census tracts with a lower share of units affordable to low/mod-income households.	We have modified the preservation tiebreakers in response to feedback like this; rent burden is no longer a tiebreaker.

Kathleen Mertz	REACH	ORCA QAP Alignment	Layering the QAP onto the ORCA is counter-intuitive to the national affordable housing tax credit industry's understanding of how to administer this program and execute on affordable housing unit production with expediency. The ORCA does not follow industry expectations about soft funding commitments, readiness to process, private market underwriting criteria. Rather than creating a new process, it is most helpful for developers to have a very predictable process. Real estate development is a high-risk activity and the State is well suited to support this production by simplifying, streamlining, and expediting resource delivery. Having 3+ entry points for funding at a "one stop shop" complicates this, not to mention the intense vulnerability of being on a waitlist with no transparency about when and how a project will be funded.	It is unclear what entry points you are referencing, but one of the primary intents of the creation of the ORCA was to make a predictable process. Layering LIHTC into that will help make that more predictable as well, but as we integrate it for the first time we are having to align midstream. There will only be one entry point - the Intake Form. All criteria needed to receive a funding award are published and if a project can meet them they will receive a funding award when resources are available. We believe this is incredibly predictable, especially compared with our previous processes involving 10 or more NOFAs with separate criteria and scoring processes.
Kathleen Mertz	REACH	Conduit Bond Charges	Additionally, the project should not cost more money related to issuance fees just because the bond size is larger. This paperwork and other requirements are the same for a $50,000 bond as for a $50,000,000. The legal documents do not increase in length, nor does the TEFRA hearing costs, HSC costs, wire transfers, email traffic, electronic processing, etc. If this is not the case, the state should supply the detailed data related to each bond transaction so that the public can see exactly how the costs are being incurred before making any changes to the program fees.	We do believe that the complexity of bond issuance has changed since 2019: larger issuances, more complex structures, and increases in the fees OHCS pays to legal/financial advisors. Projects that cost more money are using more of a limited and constrained resources, and all charges collected go back into OHCS' mission to provide stable and affordable housing and consider how to make our funding streams and resources more sustainable.

Kathleen Mertz	REACH	Project Selection Process	Pg 11, Line 31, how is the State proposing to strive to maximize leverage? I think the developer should be able to propose the financing structure they think best fits the project.	OHCS updated our funding processes to make most efficient use of state resources in as timely a manner as possible. This includes PAB and will be incorporated as such. We will work with partners on their needs for specific projects, but also reserve the ability to adjust the program through which resources are provided where it helps support those goals.
Kathleen Mertz	REACH	Tiebreakers- Efficient Unit Production	Pg 16, Line 25, Efficient unit production should be the last criteria used as market forces for material and labor costs are totally out of the control of the developer so the credit per unit is a false indicator of strength/need of a project.	OHCS understands the concerns around market conditions but also must balance the need for stewardship of public resources and need to make the most efficient investments possible to get the most from the limited amount of credits available. This tiebreaker has been lowered on the list but is still an important consideration.
Kathleen Mertz	REACH	General	Pg 3, Line 33, Capitalize "Historic" so there is a clear reference to formally identified historic properties, rather than just older properties	This was not updated due to the nuance of the property not needing to necessarily be formally identified as historic in the National Register of Historic Places, so long as it is in a registered historic district and certified as being of historic significance by the Secretary of the US Dept of Interior.

Kathleen Mertz	REACH	Project Criteria: Risk of Loss Physical	Pg 17, Line 12, What is the criteria for evaluation of "currently at risk"?	Risk of loss in this category is defined in the Preservation Funding Framework as "the property has urgent repair needs and/or operational losses that can't be addressed through existing reserves or cash flow, and those challenges threaten the housing stability and/or health and well-being of tenants."
Kathleen Mertz	REACH	Mandatory Criteria	Pg 15, Line 20, If a project is put on a PHA waitlist, that should only be a marketing opportunity, not an evaluation criteria for whether the project meets community needs. I recommend this criteria change to reflect developer/manager experience with LIHTC compliance. This is a high stakes IRS program that includes recapture risk that could bankrupt a sponsor if they don't have the appropriate experience to participate, or are not partnered with an experience developer or manager. Ultimately, private banks and investors are in deal for the financial benefits and so they too need to know the sponsor/developer/PM has experience with the program or they won't investor or lend. It behooves the State to make experience a mandatory criteria for any allocation of tax credits – this is in the best interest of the developer and the project's long term stability and sustainability.	Having a commitment from a local Housing Authority demonstrating they will market available units to their waitlist is a required selection criteria in Code. Developer experience is a standard in the ORCA Impact Assessment step that all projects must meet to be considered for a funding recommendation.
Kathleen Mertz	REACH	Project Selection Process	Pg 11, Line 36, Is "PAB Timeline Prioritization" a defined term? What does this mean exactly? This seems like a subjective process that does not support nonprofit developer needs for predictability. How will the State guard against a project falling apart because it sat on a waitlist for so long that market forces have changed to financial sustainability of it? For example, a project could pass Impact Assessment but not financial eligibility, and be higher on a waitlist than a project that would fly through financial eligibility and close more quickly than the former project.	This is not different than the currently existing ORCA process. What we mean is that we will prioritize review of projects who are eligible for 2025 PAB/4% (which would have to demonstrate that they can close in calendar year 2025). That does not mean that projects jump ahead of other projects, but that we will seek to commit the 2025 PAB resources to projects that demonstrate ability to meet that closing timeline.

Kathleen Mertz	REACH	Additional Process	Pg 13, Line 22, This requirement does not take into account waitlist delays. For example, a project proforma could change between Impact and Financial Eligibility if it sits on a waitlist for 7 months. “a)” should be deleted as a criteria.	Projects will not be put on a waitlist for 9% LIHTC. If a project that was awarded fails to meet standards review, those credits will be offered to the project that was next in line for tiebreakers. If that were to occur, the applicant would be given an opportunity to update their commitments.
Kathleen Mertz	REACH	Project Changes	Pg 24, Line 25, Change in staff contact person should be removed as a “material change” definition.	The intent is that projects provide notice to OHCS with material changes. OHCS then has 30 days to respond to give or withhold its consent. The staff contact person is an important role and OHCS needs to receive formal notice when this changes to a different person.
Kathleen Mertz	REACH	Additional Process	Pg 14, Line 11, Remove words “character and quality” as they are subjective terms. The QAP should be an objective process. Design, target population, etc may be more appropriate words.	OHCS used these broader terms to encapsulate all commitments being made in the 9% request form. We will be more clear in documentation but do not feel this is the best place to list out every project detail. We do appreciate and agree on the desired objectivity.

Kathleen Mertz	REACH	Conduit Bond Charges	Issuance Charge: Keep the cap, even if it is increased. The cap ensure predictability when laying multiple funding sources together to pay for all of the bond issuance fees. The issuance fee should not exceed $200,000 for all OHCS costs. These costs are not in the control of the developer/sponsor regardless of how big or small the bond issuance amount. In other states, when there is a 3rd party issuer, developers can control costs based on fair market forces of competition that keep legal fees, for example, in check. In Oregon, the developer/sponsor is beholden to the state procurement and hiring process which is not fault of the developer and should not be borne by project budget, i.e., other soft lenders. There should be more incentive to reduce the cost of bond issuance, not increase it.	Thank you for your feedback. With our current $150k cap, a $10M deal and a $50M deal pay the same in bond issuance charges, which we do not see as a reasonable comparison. In our research, we did not see many examples of caps on issuance fees for state HFAs.
Kathleen Mertz	REACH	Reservation of Rights	Pg 26, Line 23, Doesn't the State have a "qualified developer" process as part of the ORCA? It would be helpful to document that process in the QAP under this section. Additionally, this section seems very duplicative of the section "Project/Request Denial" section on page 28	Thank you for your feedback. The ORCA does have a pre-qualification process and all LIHTC applicants will have to complete that process. This section in the QAP transparently lays out OHCS's rights as the tax credit allocating agency.
Kathleen Mertz	REACH	Basis Boost	Pg 9, Line 22, Are the "permanent supportive housing goals" quantifiable? Do you mean includes dedicated PSH units? If so, spell that out more clearly.	OHCS used the word goals in an attempt to expand beyond simply the creation of units but the wraparound support of tenants that is a requirement of the PSH model. We understand the confusion though and will seek a better framing.
Kathleen Mertz	REACH	9% Application Process	Pg 14, Line 16-33, This is confusing to have multiple queues when 9% is layered with gap sources too. Wouldn't that lead to two waitlists for the same project?	The 9% LIHTC projects will have a different process for selection than projects seeking other resources. We will rephrase from waitlist to better reflect the intent here, which is ranking order for the current open 9% round.

Kathleen Mertz	REACH	General	Pg 6, Line 32, Decreasing rents should be removed as an adjustment tool. Project revenue affects too many other parts and pieces of the underwriting with the private market financing partners.	This tool is one of several available and in some instances provides a positive outcome for all parties, including tenants. OHCS will keep this as an option but understands that it does not work in all situations.
Kathleen Mertz	REACH	9% Application Process	Pg 8, Line 10-24, It seems extra complicated to enter a 9% queue with no connection to ORCA, especially if a project needs both 9% LIHTC and other gap resources. It is unclear how a developer can navigate two points of entry for the same project. Additionally, if a project needs multiple sources of funding, couldn't it potentially be on two waitlists at the same time? The waitlist process is overly complicated and the predictability of the application process is not clear.	9% LIHTC applications will go through a selection process and if selected, receive a WorkCenter and proceed through the ORCA process. Applicants can request gap financing as part of the ORCA process.
Kathleen Mertz	REACH	General	Pg 3, Line 30, Is this a violation of protected classes under Fair Housing?	No, this selection criterion is required to be used by Section 42(m)(1)(C) of tax credit code from the Internal Revenue Service (IRS) and must be followed by tax credit allocating agencies.

Kathleen Mertz	REACH	Project Selection Process	Pg 11, Line 29, The “first complete, first reviewed process” is fundamentally flawed. This is entirely based upon State FTE resources for review, not actual readiness to proceed. For example, my project is listed farther down on the “waitlist” based on a timestamp that required a resubmission because a State staff person asked for additional information that was not required at the time of the impact assessment application. Having a multimillion dollar real estate deal subjected to staff person review of completeness, when subjectivity is at play, is not predictability for the nonprofit development community. A managed queue is a good thing, but a project should not drop down the readiness list for funding due to wordsmithing of an application narrative nor a request for additional information. I recommend more of a checklist style that a staff person can review the checklist of items submitted to get into line, rather than relying on the narrative content description which could be subjected to personal style.	OHCS has added a Cure Period process and more detailed rubrics to streamline our review processes and make criteria less subjective, as is the intent of the entire ORCA process.
Kathleen Mertz	REACH	Basis Boost/ Universal Design	Pg 9, Line 23, Meeting Universal Design Standards is not a clear path. This should be removed.	Based on similar feedback, OHCS is replacing "Universal Design" with "Enhanced Accessibility." OHCS has also included specific requirements to meet this standard.
Kathleen Mertz	REACH	Timelines	Pg 13, Line 3, More attention to defining readiness to proceed is needed throughout the ORCA process. Permit Ready letters, soft lender commitments, and any important deadlines associated with the project should be part of the readiness evaluation	All of these components are a part of the ORCA, but OHCS is committed to continuing to improve our readiness standard in collaboration with our partners.
Kathleen Mertz	REACH	Project Selection Process	Pg 11, Line 33, removed “and readiness requirements” at the end of that sentence. The ORCA process is supposed to take readiness into account.	You are correct, but we felt the need to reiterate within the QAP that prioritizing ready projects is a fundamental goal in that stage of the process.

Kathleen Mertz	REACH	Re-evaluation of Reservation	Pg 10, Line 17, when could/would this re-evaluation occur? When does a "Reservation" become an "Allocation" – at 8609? It is good to define it so that developers have predictability that a reservation wouldn't be pulled out from under them whilst during construction due to delays that are out of their control.	The re-evaluation would occur due to one of the events listed in the QAP. Re-evaluation could occur from reservation letter to placement in service.
Kathleen Mertz	REACH	Tiebreakers-PJs	Pg 16, Line 24, HOME funds are dwindling and with the new administration, this doesn't seem like a compelling matching resource that should settle a tie-breaker. Many projects have little or no ability to use significant HOME funds in their project. I recommend changing this tie-breaker criteria to be either "soft sources" leverage or voluntary reduction of credit ask.	This criterion was created in response to HOME PJs across the state asking for consideration of local federal funding in the prioritization process.
Kathleen Mertz	REACH	Fair Housing Act compliance	confirm that there is not a disparate impact on protected classes related to the "culturally specific" or "tenant populations of individuals with children" references or public policy goals.	OHCS works with our partners at the Department of Justice to confirm legal sufficiency of all of our programs and policies.
Kathleen Mertz	REACH	Re-evaluation of Reservation	Pg 10, Line 18, The ORCA process could take longer than 300 days, which is out of the control of developer and also risks timeliness to close.	OHCS appreciates this feedback. We are monitoring this new process and will make adjustments based on real-world outcomes.

Kathleen Mertz	REACH	Relocation Plan	Pg 20, Line 21, There should be a clarification that this applies to "Permanent" Relocation. Temporary relocation for a rehab should not apply to this section.	Thank you for your feedback. OHCS requires a relocation plan for both temporary and permanent relocation of tenants.
Kathleen Mertz	REACH	Preservation Tiebreakers	Pg 18, Line 8, This criteria disincentivized projects that need significant capital repairs, which are likely the buildings most in need of preservation dollars. Similar to the other tiebreaker section, this could be a leverage or voluntary reduction of credit requested criteria.	We are balancing several competing demands in preservation, and properties in need of rehab are just one of these.
Kathleen Mertz	REACH	Financial Solvency	Pg 29, Line 4, Sponsor financial strength at any given moment should not define their ability to participate in this program. The State is not in a position to "believe" (judge or evaluate) a certification about the financial solvency of an organization. Experience with owning and operating LIHTC properties is an objective criteria that can be used for evaluation. This section should be removed in its entirety.	Thank you for your feedback. The state will maintain its authority to evaluate applicants against this standard.

Kathleen Mertz	REACH	9% LIHTC	Pg 5, Line 16, Change to "50%" of the annual credit ceiling must go to Qualified Non-Profits "and Community Housing Development Organizations (CHDO)"	Thank you for your feedback. OHCS will consider for the next QAP update.
Kathleen Mertz	REACH	Basis Boost	Pg 9, Line 32, add "10) Projects developed by Community Housing Development Organizations (CHDO)"	Thank you for your feedback. OHCS will consider for the next QAP update.
Kathleen Mertz	REACH	Supplemental Criteria	Pg 16, Line 15, Add Community Housing Development Organization (CHDO) to the list of supplemental criteria for Organization Type.	Thank you for your feedback. OHCS will consider for the next QAP update.

Kathleen Mertz	REACH	Project Criteria: Risk of Loss Physical	Pg 17, Line 11, Add Community Housing Development Organization (CHDO) as a critical priority	Thank you for your feedback. OHCS will consider for the next QAP update.
Kathleen Mertz	REACH	Minimum Tax Equity Pay In Schedule	Pg 18, Line 30, The State should not be defining the equity negotiations on capital contributions. The developer should be allowed to negotiate this in the best interest of the project and their own development. I recommend removing this section altogether. For example, a project should be able to negotiate a pay-in schedule that maximizes the equity available based on the time-value of money. For example, if my investor can squeeze out $0.005 per credit if I forgo a 65% complete equity payment, then I should be able to drive that financial bargain for my project without State intervention.	Thank you for your feedback, OHCS will remove this from the QAP.
Kathleen Mertz	REACH	General	Pg 12, Line 28, Add “significant” before “change in resource needs	Thank you for your feedback, this section has been edited.

Kathleen Mertz	REACH	9% Credit Exchange	Pg 23, Line 29, This paragraph is confusing. I think it should read "If LIHTCs are exchanged, the project must continue to comply with the requirements applicable in the initial year of award…" The first and last sentence of the paragraph make this confusing. It reads like if I return credits, then I need to start over with a new application, but the rest of this section speaks to the exchange process, which doesn't require a full new application.	Thank you for your feedback, this section has been edited.
Kathleen Mertz	REACH	General	Pg 6, Line 23, Should "determination" be changed to "allocation"?	Thank you for your feedback, OHCS does not believe so.
Kathleen Mertz	REACH	Preservation Tiebreakers	Pg 18, Line 7, Change the rent burden tiebreaker criteria to "Historic Property listed or eligible to be listed on the National Register". The rent burden criteria is only solved with operating subsidy not capital subsidy so this is not a meaningful tiebreaker criteria for a capital source. Additionally, a project could have multiple existing soft debt or other lenders that could be influencing the rents charged and are therefore not in the control of the developer/sponsor to change.	Tiebreakers have been revised to remove rent burden.

Kathleen Mertz	REACH	General	Pg 6, Line 28, When would changes be made? Is this after HSC but before Project Commitment (in ORCA process)? Reduction in Deferred Developer fee should NOT be counted against an over-subsidization calculation.	This would happen after HSC but before Commitment.
Kathleen Mertz	REACH	Conduit Bond Charges	Annual Charge on Balance: It is unclear what is meant by outstanding balance. Is this the amount undrawn or drawn? Why would a developer have to pay a large issuance charge, and an ongoing charge during construction, when it is also having to pay interest on the same amount of money through the construction lender? This appears to be double dipping on fees related to the same bond transaction. This should not be an annual fee related to outstanding balance. If this is related to an annual fee through the life of the bond, then a nominal flat fee for servicing the bond is palatable and can be more easily budgeted as a fixed fee from the operating expense.	By outstanding balance, we mean the drawn amount.
Kathleen Mertz	REACH	ORCA Process	Pg 13, Line 16, Recommend HCS meet twice monthly to move projects through ORCA with more urgency to produce and preserve affordable housing across the state.	Thank you for your feedback.

Kathleen Mertz	REACH	Conduit Bond Charges	Overall, the increase in bond fees, across the board, is troubling. The annual charge on balance fee could incentivize the MTEB back-to-back bond structure, which is bad for the projects. This structure is very rigid and unfavorable to the developer/sponsor because of the inability to restructure a deal midway should a risk need to be mitigated, or if there are cost savings, or the market changes to affect operating costs, etc. The bond deals are structured 2-3 years before conversion, and so the developer needs as much flexibility as possible through this financing cycle. These cost increases from the state may have unintended consequences that ultimately make bond deals more difficult than they already are.	Thank you for your feedback.
Kathleen Mertz	REACH	Definitions	Add defined terms. Sometimes items are capitalized and sometimes not, so it is confusing as to whether there is a reference to a specific defined term.	Thank you for your feedback.
Kathleen Mertz	REACH	General	Add an index of all cross referenced policy or guideline documents. For example, some information is repeated or cross referenced in GPGM or ORCA or other documents. Having a full list of those intersectional documents will benefit the users of the QAP.	Thank you for your feedback.

Kathleen Mertz	REACH	PIS Allocation Requirements	Pg 23, Line 37, Paying down deferred developer fee should be an eligible cost that would not trigger "excess funds". This should be clearly called out as excluded under an "excess funds" calculation.	Thank you for your feedback.
Kathleen Mertz	REACH	Construction Closing	Pg 26, Line 2-8, The tenor of the QAP changed at this paragraph because it is so detailed prescriptive. This paragraph can be handled in the reservation letter or other program areas rather than in the QAP.	Thank you for your feedback.
Kathleen Mertz	REACH	OHCS Sole Discretion	Pg 28, Line 15, Add "increased" as another option for OHCS.	Thank you for your feedback.
Kathleen Mertz	REACH	Financial Solvency	Pg 29, Line 8, Are there objective criteria the State is seeking when defining "any financial difficulty, risk or similar matter"? This section should be removed in its entirety.	Thank you for your feedback.

Stefanie Kondor (Public Hearing)	Related NW	Conduit Bond Charges	It looks like OHCS is increasing their bond fees. This has already been a real challenge. There is an existing problem that we face locally with issuance charges being already sized as large as they are, which often breaches the program investment rules on. A project that I closed last year, we had this issue on a small PSH deal where I have to have 2 construction lenders. Oftentimes your debt and equity will come from the same source, which is fantastic, because you usually benefit from better cost of capital and better equity pricing. And in those issues in those situations, because the issuer fees are so high, we ended up having to have a second construction lender come in and take out before we convert to Perm to basically facilitate some of the bond issuer charge fee issues. So we went and looked at what other States are doing, what Colorado, Arizona, Utah, which I feel like, are very similar in population and probably deal flow. OHCS is over double of any of the other States. So OHCS is bond charge, I think, is proposed at 1.5%. Arizona is 0 point 0 2%. Utah is 0 point 7 5%. And Colorado is a half a percent. This can be hundreds of thousands of dollars. There are ways to structure this where you're still getting money to OHCS for transaction fees. There's ways to do this work with your bond council. There's several States that have surmounted this issue. But Oregon still has not evolved from this issuer charge and now it's exacerbated by increasing the fee. So I really really encourage you to look at this because it's going to again. This impacts your equity that's in the deal. You may be leaving money on the table because there are investors and lenders that can't do the deal, or you're having to charge additional origination fees because you're having to work with 2 construction lenders, and it just makes it cumbersome. You have to go through this whole takeout. It's like a whole second, you know. It's not as arduous as a closing but there's still, you know, a lot of things to do there and it's risk, because it's another actionable item. So I really encourage to look at that in and of itself, and to increase it just is really going to be problematic.	Some of the state HFA issuers that we looked at include Washington, DC, California, Rhode Island, South Dakota and Colorado. All of these states have both an issuance charge and an annual ongoing charge. We do believe that the complexity of bond issuance has changed since 2019: larger issuances, more complex structures, and increases in the fees OHCS pays to legal/financial advisors. Importantly, OHCS differs from most other states in that it is a one-stop shop for many types of funding including tax credits, subsidies and bonds. In other states, sponsors apply to several organizations for their funding, each with their own charges and processes. We understand that there can be efficiency when the bond holder and LIHTC investor are the same entity, and will continue to allow related parties.

Nate Grein	Related NW	Conduit Bond Charge	We're writing to express concern about the update to the proposed conduit bond charges. There are collateral damages associated with such a change, which can significantly increase costs on a PAB funded project. Most importantly, this change magnifies the existing problem developers face locally with issuance charges being sized as large as they are, which often breaches program investment rules. This often times will disallow a debt provider to also provide equity to a project. It is common that a direct lender/investor will propose on a project and price competitive discounts to both equity pricing and on debt pricing based on using the same provider for both. This discount can be significant, ultimately lowering the amount of public subsidy a project may need to become feasible. We come across the program investment problem issue on many current projects, and by increasing the issuance charge, it only makes it worse. This will decrease the competitive market for transactions, ultimately impacting our entire development/funder community. If fees in fact do need to increase as significantly as this proposal indicates, perhaps it should be spread out among the other offerings, and not piled solely on the conduit bond program. As an example, METRO will typically make an award, and then add to the award the amount of their fee. Maybe this could be instituted in lieu of increasing bond charges, which will hurt debt and equity pricing.	Our proposal follows all IRS limits, and has been vetted and approved by our financial advisors. The proposed charges are under what the agency is legally allowed to charge in terms of "full spread" from what the IRS allows under current tax law. For certain structures like short-term draws, related parties and re-issuances, we will work with our advisors (bond counsel, financial advisors, our internal debt management team) to get as close to the present value of this charge as possible, which might require different calculations. We understand that there can be efficiency when the bond holder and LIHTC investor are the same entity, and will continue to allow related parties.
Nate Grein	Related NW	ORCA 2 Deal Cap	The two deal cap per ORCA section is, in our view, extremely concerning. The proposed limitation will have long term ramifications to each and every firm operating in this industry, to their pipeline and to their business. It will shape who we are able to work with on a partnership level and will inform the scale at which we are able to operate.	This limitation has been in place since the launch of the ORCA and will continue to remain in place. This incentivizes sponsors to move projects more quickly through the process by prioritizing those that are most ready to proceed, and also keeps individual sponsors from stacking projects in the waitlist to the detriment of other sponsors.

Nate Grein	Related NW	CSO Set Aside	Another consideration on this subject is that the set aside is outsized relative to demand. Early indications from 2024 ORCA data suggests that the Rural NP and CSO set aside is undersubscribed. Rather than delay the allocation of needed resources through end of year recycling, would it not be more productive to right size this set aside and provide additional funds to oversubscribed set asides.	The point of the set aside for CSOs and rural nonprofit development is to hold resources for those organizations that may take longer to get to the readiness standard expected of projects in the ORCA pipeline. It is not surprising that this is not the first set aside to be fully subscribed, and in fact reflects the intent.
Nate Grein	Related NW	CSO Set Aside	Perhaps it would be instructive to look to Washington's tax credit allocation process to mitigate some of these identified issues. WSHFCs policies promote an array of opportunities to reach the State's strategic housing initiatives through a scoring system that allows the developer to put forth the best and most feasible project. This creates multiple avenues for partnerships with CSO's whereby smaller CSOs can gradually increase their participation in affordable housing- building capacity and experience through partnering. Typically, at project inception, a smaller CSO comes on as a service provider, and then builds acumen to become an MGP, with an interest sized to their commensurate participation in risk and workload. As the CSO increases their participation, staff and expertise to drive development as the majority owner/developer then their ownership stake should increase. Unfortunately, in Oregon, by limiting the participation to 40% dev fee or 51% ownership, OHCS is eliminating many small up and coming CSO from participating in affordable housing- this is not equitable. You will ultimately be favoring a small few larger, sophisticated CSOs.	Thank you for your feedback. Washington is a different state and has different priorities and processes and realities that do not apply to Oregon. OHCS prioritizes CSOs in a multitude of ways and will continue to do so and engage with CSOs on the best ways to do so.

Nate Grein	Related NW	ORCA Waitlist	The proposed approach to managing the ORCA waitlist—effectively timing of OHCS' receipt of a 'complete' Impact Assessment—puts an incredible amount of power with OHCS. While we appreciate OHCS' commitment to adhering to objective standards, there are two key problems with this approach. First, because the same reviewer can't possibly review every submission, there will be considerable variability in project reviews and the issues that OHCS requires to be cured. Two identical projects, for example, may land on drastically different places on the waitlist, strictly because a project detail that caught one reviewer's eye, didn't catch another's. The result is a lack of consistency and a lack of objectivity. Second, we do not believe that the requirements for the Impact Assessment are rigorous enough to properly vet the overall quality of a project. Deals with limited equity impact and sponsors with ongoing development/operational challenges will have full access to limited and precious resources. Given the breadth and severity of the housing crisis, this lack of prioritization feels problematic.	Thank you for your feedback. OHCS staff refer to multiple objective rubrics and guidelines when assessing projects that have been submitted through the ORCA with the purpose of avoiding subjectivity in evaluations.

Nate Grein	Related NW	Developer vs. Consultant	Because development consultants are not limited by the two deal cap per ORCA section, the proposed framework benefits consultants, while disadvantaging true co-developers, such as turnkey partners. Turnkey developers are vital to affordable housing production—by lending their expertise to smaller non-profits, as well as their capacity to act as financial guarantors, turnkey developers can create bespoke communities for their partners while minimizing that partner's financial exposure. Under the proposed ORCA framework, development consultants—who take on none of a transactions' financial guarantees—are heavily favored, thereby deterring partnership opportunities and misallocating risk onto smaller owners. We believe that OHCS should establish clear guidelines about exceptions to the two deal cap. Given this specific concern, OHCS should clarify that projects developed on a turnkey basis will not be applicable to the project cap of the co-owner providing development services. This will decrease risk for smaller organizations, leverage the strength of existing development groups, and provide new and smaller organizations the opportunity to be in an ownership role. Development is a risky endeavor and the financial risks can be destabilizing; especially for smaller organizations. Turnkey development supports these organizations to expand their reach while avoiding unnecessary risk. Conversely, removing this cap will decrease risk for smaller organizations, leverage the strength of existing development groups, and provide new and smaller organizations the opportunity to be in an ownership role. Development is a risky endeavor and the financial risks can be destabilizing; especially for smaller organizations. Turnkey development supports these organizations to expand their reach while avoiding unnecessary risk. Note, Related's turnkey projects have us in the deal (as AGP/co-owner) until 8609 as we provide full guaranties and cover the lion's share of the predevelopment on their behalf. We should not be penalized for participating in the deal in a way that protects the non-profit's interest. Turnkey development, where the developer exits at 8609 and CSO takes full ownership should	Thank you for your feedback. OHCS is continuing to engage with partners on the role of consultants and how that should be accounted for in our evaluation of development teams and their capacity.

			count not towards the turnkey developer in the “two count” but for the final owner, the CSO “culturally specific organization”.	

Nate Grein	Related NW	CSO Set Aside	Under the proposed QAP and ORCA allocation framework, all CSOs developing affordable housing are effectively equal in their business acumen, capacity, and solvency. We know, of course, that this is not the case. Our state contains a broad spectrum of CSOs, from new and emerging non-profit organizations to established organizations that have been serving diverse communities for decades. The 25% set aside as proposed would significantly favor the latter, while creating concerning barriers for the former to build capacity through partnerships. Disincentivizing collaboration within the industry at this point in time feels converse to OHCS' mission	OHCS has an array of capacity building and predevelopment options that support CSOs that are emerging. We encourage collaboration, but require genuine collaboration backed by resources.
Nate Grein	Related NW	General	We appreciate that ORCA embodies a tremendous amount of collective effort and we have seen firsthand OHCS' deep commitment to improving resource allocation processes at the state. With any large-scale system overhaul, there will of course be changes, unknowns, and new challenges. On this subject, we think one area that has been relatively underdiscussed in the QAP/ORCA feedback to date pertains to predictability. In our industry, as you all know, predictability of dates and processes is critical. The regularity of NOFA rounds and allocation cycles led to a natural development sequence that was navigable and structured. Regularity for developers breeds confidence, which then translates into deal making and production. Our fear is that the development community's justified concern about waitlist management and a lack of predictability will jeopardize the overall pipeline across the state. With so much unknown about the next few years and a higher perception of risk, developers are cautious to move deals forward. With this in mind, what we ask is that OHCS retains its commitment to transparency, communication, and engagement. Without clear instructions, accurate information about the availability of resources, and adequate notice about upcoming changes, the months ahead will be very challenging for all stakeholders.	Thank you for your feedback. OHCS recognizes how important it is to remain transparent with our partners and we appreciate your patience as we navigate this new process together.

Nate Grein	Related NW	ORCA 2 Deal Cap	We believe that OHCS should seriously reconsider this policy. Our suggestion is to remove the cap altogether. Sponsors should be empowered to bring all viable projects to the agency. All deals that are able to proceed through ORCA's clear and objective standards should be encouraged to do so, regardless of the project sponsor. We need to embolden the development community, not create new policy barriers that will stymie production.	Thank you for your feedback. This policy encourages more project sponsors to enter the pool by not monopolizing the resources to a small pool of developers.
Nate Grein	Related NW	ORCA 2 Deal Cap	Developers may take on larger and larger projects as they try and maximize production under the two project cap. The number of smaller, infill projects may suffer, which may, in turn, negatively impact smaller scale developers unable to provide guarantees for larger developments.	This policy keeps larger developers from putting so many projects into the pipeline that smaller developers do not have an opportunity to receive funding.
Nate Grein	Related NW	CSO Set Aside	We understand that OHCS has sought to address this precise issue through two qualifiers for CSO partnerships—that 50% of the partnership is owned by a CSO or that the organization receives 40% of developer fee. Again, we appreciate OHCS' intent with this proposed policy, but this proposal will create a significant discrepancy between risk and reward within the partnership. The non-CSO partner would take on all guarantees for the project (as has historically occurred) but would see massively reduced returns. Our question to OHCS is this—is the agency's imperative to build capacity for CSOs or to produce affordable housing? If its primary objective is the expeditious delivery of housing, than this policy is out of alignment with the mission.	OHCS assumes that prioritizing CSOs does not deprioritize production but instead that building capacity increases the opportunities for production.

Nate Grein	Related NW	ORCA 2 Deal Cap	Due to ORCA, developers with no affordable housing experience have a clear path to an award. On one hand, this will diversify the industry. On the other, production rates may suffer as inexperienced developers work through their first affordable housing developments. What's more, OHCS's Asset Management division will be strained as the number of developers requesting state resources balloons.	OHCS is committed to helping emerging developers and has created a team of Technical Advisors to assist development teams throughout the process.
Nate Grein	Related NW	ORCA 2 Deal Cap	Lastly, we are deeply concerned about overall efficiency. Let's say, for example, a developer has three viable projects ready to develop. Due to the cap, the developer submits the two projects that it believes are most feasible. One project is funded and moves into Financial Eligibility, while the second remains in Impact Assessment Review due to oversubscription of a certain set aside. The third unsubmitted project remains in Intake, though, as it turns out, it would have been funded due to set aside availability. In order to move this third project through Impact Assessment, the developer is forced to remove the second project from the waitlist, further delaying its delivery. While this is just a hypothetical, it does highlight negative spillover effects of capping the number of deals developers can bring to OHCS.	The ORCA was designed to be more efficient for the financing of affordable housing generally.
Nate Grein	Related NW	ORCA 2 Deal Cap	Moreover, relevant sponsors should have the ability to self-select the lead sponsor relative to the two project cap. This will yield much needed flexibility and encourage partnerships within the development community. As OHCS knows, partnership is the bedrock of affordable housing production—creating new barriers to collaboration is converse to the agency's mission.	OHCS allows projects to form their development teams however they desire.

Nate Grein	Related NW	80% AMI in LIFT	LIFT currently only allows for funding to 60% AMI or less. However, LIHTC allows units to be up to 80% AMI with an income averaging 60% AMI on a blended basis. This means in a LIHTC deal you would offset the 80% AMI with 30% -50% units to get your deal to be 60% on a blended basis. LIFT needs to align with LIHTC better as this will serve a greater span of incomes, would create more proceeds offsetting the subsidy needs and bring another tool to address housing needs in a community. When OHCS was asked if they would be amending LIFT policy for 80% AMIs, the agency said no; we are hoping someone can figure out a work around- this answer is concerning and inefficient.	This would require a statutory change to the LIFT program (ORS 458.480).
Stefanie Kondor (Public Hearing)	Related NW	LIFT 80% AMI Restrictions	In prior conversations, it's not in the QAP but I feel like we really should address the fact that LIFT can't be used for 80% AMI units. I say this because, you know, income averaging with section 42 does allow for 80%. And you should be putting force subsidy. If you really are saying that resources are finite. This is a really great place for bang for your buck. So by aligning that 80%, all you're saying is that on a blended basis, your units have to be at 60% or less right? But you can go up to 80%. And what that does is it allows for you, having deeper affordable units and some middle income housing. And what on a blended basis, you're at 60%. So to offset those 80%, you're putting in some 30% units, some 40% units. And that can really be a fantastic way to deliver a broader spectrum of income and also work on income averaging. So it's just matching the funding up. So that's one I would advocate for.	This would require a statutory change to the LIFT program (ORS 458.480).

Nate Grein	Related NW	Equity Pay in Schedule	While it is advantageous to have front loaded pay-in schedule, investors are not always willing to meet these thresholds, and sometimes lower other paired debt pricing. OHCS needs to stay out of dictating the investors deal, each deal is unique and, by mandating this criteria, you may be reducing the number of investors that will participate in a deal. Also, not only will these pay-in requirements negatively impact pricing, but often times a developer can't even use that level of equity early on because of the 50% test. This is not a well thought out provision. We highly recommend you speak with an investor about this, I imagine they would share this sentiment and more.	Thank you for your feedback, OHCS will remove this from the QAP.
Stefanie Kondor (Public Hearing)	Related NW	Minimum Tax Equity Pay in Schedule	Pg 18, We have not historically seen anything like this before. It's saying that, given the scarcity of state and local resources leverageable for the development of affordable rental housing and extreme tight margins in the project development, OHCS is requiring minimum tax credit equity contribution benchmarks. So you're asking for 5% at close. You're asking for 20% at 65% at or before 65% project completion and then another 65% installment at a hundred percent completion and then the remainder at before 8609 issuance. So I think, just from my perspective, what I've seen that every deal is very unique. Every deal is going to have to negotiate that with their investor. You're going to see with this stringent of a criteria, a reduction in pricing. So you know, you may want to get your equity in the front end because you think that that's going to reduce the ask of lift. But it doesn't actually work that way because most of the time that equity you can't even touch because you have to get through your 50% test. So I would really really encourage you to pull that out. Talk to an investor or 2, because it's not going to work.	Thank you for your feedback, OHCS will remove this from the QAP.

Erika Holzhauer	Rural Community Assistance Corporation	Mandatory Criteria	Pg 15, Line 10, The examples listed work in urban areas but not in rural areas, supportive services are sparse or lacking entirely, ECE facilities aren't a viable option, transportation opportunities are missing in many places. Pine Acres, being a rehab, cannot choose its site location, and services in this small town are sparse. Many projects are left to try and incorporate universal design to meet this criterion. Universal design is not uniformly defined and, on an acquisition/ rehab may not always be the best use of funds if there are other Fire Life Safety issues that are more urgent	There have a been a number of successful projects in rural Oregon to go through OHCS's PSH Institute and house chronically homeless individuals and families. OHCS has also recently conducted a study showing the urgent need for more childcare facilities in rural Oregon and there are examples of models that will work in those communities, as well as case studies, within that study that is also on our website. Transportation opportunities are not included as a specific criteria anywhere within the QAP, and in the ORCA there is differentiated criteria for rural to address the different ways transportation access manifests in those communities. Universal design is not a mandatory criteria but will be more defined in final draft. Preservation projects are not going to use the same criteria as new construction projects - please see Preservation Projects subsection of the Project Selection Process section of the QAP draft.
Erika Holzhauer	Rural Community Assistance Corporation	Tiebreakers	Tie Breaker A Policy enriched: i. PSH is not viable in most rural places, neither is the co-located ECE facility leaving again universal design which may not be appropriate on an acquisition/ rehab	There have a been a number of successful projects in rural Oregon to go through OHCS's PSH Institute and house chronically homeless individuals and families. OHCS has also recently conducted a study showing the urgent need for more childcare facilities in rural Oregon and there are examples of models that will work in those communities, as well as case studies, within that study that is also on our website.

Erika Holzhauer	Rural Community Assistance Corporation	Supplemental Criteria	Pg 15, Line 30, Rural communities cannot easily meet this: 1. This is not a viable model in a rural environment with a small project, 2. Most rural families rely on in-home care and not a childcare facility, 3. Much more difficult on an acquisition/rehab	OHCS has also recently conducted a study showing the urgent need for more childcare facilities in rural Oregon and there are examples of models that will work in those communities, as well as case studies, within that study that is also on our website. We will more specifically define what qualifies as an ECE facility. Preservation projects are not going to use the same criteria as new construction projects - please see Preservation Projects subsection of the Project Selection Process section of the QAP draft.
Erika Holzhauer	Rural Community Assistance Corporation	Supplemental Criteria	Pg 15, Line 32, Again, the co-located ECE facility is not viable and economic development in the rural communities is much different than in urban areas. Access to transit may be non-existent, workforce training sites and colleges are minimal with some communities not having any access to these facilities. Yet people live there and still need affordable housing, despite the lack of services available in the communities.	This criterion is meant to be specific to the community the project will be in, and the examples provided are not an all-inclusive list. If there are other ways in which the community will benefit economically from housing tenants here, which many rural communities have advocated to OHCS is a major reason for the need for affordable housing in their cities, that would count here.
Erika Holzhauer	Rural Community Assistance Corporation	Mandatory Criteria	Pg 15, Line 17, This requirement should be eliminated. It is an unfunded mandate that many rural towns will find difficult to meet because they lack the capacity to complete the OHNA on their own and lack the financial means to obtain the technical assistance needed. The timing of the deadlines for completing the OHNA varies by city and does not foot with the timing in the OHCS application. Many of the cities aren't required to have an OHNA for several years. Please remove this requirement; it will prevent projects in rural towns from applying.	Small cities (under 10,000 population) that are exempt from OHNA requirements are also exempt from this requirement, as stated in the QAP draft. For cities of 10,000 population or greater, the option exists to align with a city's Housing Production Strategy if it has not updated it since the new OHNA requirements were enacted.

Erika Holzhauer	Rural Community Assistance Corporation	Subsidy Limits	Clarify whether subsidy limits listed in the ORCA manual apply to the QAP and tax credit distribution as well.	The updated ORCA will have different gap subsidy limits for non-LIHTC and LIHTC projects. LIHTC gap subsidy limits must be used for any gap financing, these subsidy limits have been published and presented at Housing Stability Council and included the LIHTC frameworks on the OHCS website.
Erika Holzhauer	Rural Community Assistance Corporation	Rural inequities	The current OHCS QAP is likely to result in inequitable distribution of funds to rural communities because the project criteria and tie breakers are easier to meet by urban projects than rural areas. Furthermore, in several places the QAP references comparisons between projects for efficiency and other qualities yet there is no indication that like projects will be compared with like. Urban and Rural should not be compared with each other; rather urban projects should be compared against urban and rural against rural for all metrics (within urban and rural there can be categories for type of project such as low rise, high rise, acquisition rehab, etc.). I strongly urge OHCS to categorize their comparisons so that urban and rural areas are not competing against each other and projects can be compared with similar project types in terms of geography, building & construction type. Rural projects struggle with many of the criteria used in project standards and tie breakers.	The ORCA has a funding set aside available to culturally specific organizations and nonprofits developing in rural areas. This setaside is intended to address the issues that are cited in this comment as gap funding for LIHTC projects can be accessed by eligible organizations.
Erika Holzhauer	Rural Community Assistance Corporation	Preservation	Pg 17, Line 16, Risk of Loss Federal PBRA: PBRA is at risk within two years of application: considering it is likely that rural projects will be on a wait list for funding given the current criteria it seems like 2 years from date of application may be too soon of an expiration maybe use the 2 years as a tiebreaker so more urgent projects with PBRA loss are prioritized. Use 3-5 years, the time it takes to fund and construct a project as the cut off for PBRA in this criterion.	The full definition of our priorities for this preservation category includes projects expiring within the next seven years. For the preservation projects in this LIHTC round we are focusing on the critical priority of projects at imminent risk of loss.

Erika Holzhauer	Rural Community Assistance Corporation	Preservation Tiebreakers	Pg 18, Line 8, Projects requesting lower subsidy per unit and 4) projects with the lowest AMI rent restrictions- Leans towards urban as again the leverage (read additional resources) needed to get the project to allow for lowest AMI rent restrictions isn't available in rural areas like they are in urban areas.	The full definition of our priorities for this preservation category includes projects expiring within the next seven years. For the preservation projects in this LIHTC round we are focusing on the critical priority of projects at imminent risk of loss.

Erika Holzhauer	Rural Community Assistance Corporation	Preservation	The Pine Acres project will not be a critical priority preservation project because the lead developer is not a CSO, and it falls into the category of Risk of Loss Physical or Financial Challenges. The project is owned by a CRO, a community-based nonprofit which reflects the overall community and is less diverse than the CSO requirements. This means it will likely be on a wait list behind other urban projects. The composition of rural areas in Oregon does not always meet the requirement of being a "community of color" however, the areas are considered underserved, and many meet multiple CJEST criteria. There are only a few CSO's in rural Oregon and some lack the capacity to undertake a housing project. I call this to your attention because in the LIHTC criteria (Page 16 Line 15) your intention to serve rural areas is noted when the supplemental criteria number 8 lists being a CSO or rural nonprofit, it is recommended that this criterion be added to Risk of Loss Physical or Financial Challenges to allow rural projects to compete. Additionally, OHCS' requirement that the CSO lead the project at 51% Partnership interest would prevent a lower capacity CSO from being able to lead a project when supported by an organization like RCAC. When we partner with someone and our guarantees are on the line, we require 51% ownership so we can make a protective decision if need be. We are nonprofit, and our interest is in seeing the partner nonprofit build its capacity and retain ownership of the project. Perhaps allow CSO's to have partners that can add to their capacity while still allowing the CSO to qualify as leading a project based on who plans to operate the project, who owns it at the end of the tax credit period and how decisions are made. We typically have a 51/49 split when our guarantees are on the line, with developer fee negotiated separately.	The full definition of our priorities for this preservation category includes projects owned by a CRO as "High Priority" where they're at risk of loss and at least a third of the tenant households are considered vulnerable.

Erika Holzhauer	Rural Community Assistance Corporation	Preservation	Pg 17, Line 8, Risk of loss physical or financial challenge: Applicant is a CSO- please include or a rural non-profit	The full definition of our priorities for this preservation category includes projects owned by a CRO as "High Priority" where they're at risk of loss and at least a third of the tenant households are considered vulnerable.
Erika Holzhauer	Rural Community Assistance Corporation	Supplemental Criteria	Pg 15, Line 28, Rural projects have less resources to leverage, there are fewer funding sources available to rural projects, there are fewer private foundations and grant sources. Therefore, being able to make a project average an AMI of 50% or less is more difficult than in an urban environment because the capital stack may be different and access to Project Based Rental Assistance may not be available. This requirement means that either the project has PBRA or 30% /40% units without PBRA (Dangerous to the project) to bring down your AMI.	OHCS provides higher subsidy limits in rural areas, and a sliding scale of higher subsidy limits per unit for lower AMI levels. Supporting the most vulnerable Oregonians is a priority of the agency.
Erika Holzhauer	Rural Community Assistance Corporation	Definitions	Add definitions to the document. Include: a. Material Change (there are several lists of what a material change is, and they differ from each other, consolidate into one list and use it consistently throughout the document), b. A consistent working definition of rural, c. Define the technical terms in the document: such as vulnerable tenants, Universal design, and ECE facility (what constitutes an ECE Facility) and all other OHCS defined or capitalized terms in the document.	OHCS has definitions in the ORCA for material change and rural, which will also be applicable for LIHTC projects. Technical terms in the document that need further definition will be clarified.

Erika Holzhauer	Rural Community Assistance Corporation	Tiebreakers	Tie Breaker B PJ funding– Many rural areas don't have this available but are in the OHCS allocation for balance of state.	OHCS is aware of this and also wants to ensure limited Federal resources that the state will lose if it does not take advantage of are able to be utilized.
Erika Holzhauer	Rural Community Assistance Corporation	Preservation Tiebreakers	Rural projects could be a preservation tie breaker.	The first tiebreaker is projects with federal project-based rent assistance, which we expect to be primarily RD-funded projects at risk of loss.
Erika Holzhauer	Rural Community Assistance Corporation	Rural inequities	Leverage requirements for projects that don't separate out rural will inevitably provide urban projects an advantage as many more resources are available in urban areas.	OHCS does not have any requirements for leverage and provides increased subsidy limits for projects in rural areas.

Erika Holzhauer	Rural Community Assistance Corporation	Supplemental Criteria	Pg 16, Line 10, Clarify whether a project qualifies if it uses another sustainability standard that exceeds OHCS' standard?	As long as it also meets the Core-Development Manual's requirements of OHCS, this is fine.
Erika Holzhauer	Rural Community Assistance Corporation	Preservation	Pg 17, Line 28-30, Either 50% of units are <= 50% AMI or have PBRA attached, or 25% or more of the units are <=30% AMI or have PBRA attached. Many rural projects do not have PBRA and under this criterion they would not qualify. This does not support those rural nonprofits that have been maintaining affordable housing in their communities in good faith that they could recapitalize their projects at some point in the future. Rather it penalizes them for trying to maintain the properties by not providing a pathway for repositioning.	All rural projects at risk of conversion to market are defined as a "Critical" priority.
Erika Holzhauer	Rural Community Assistance Corporation	Programmatic Requirements	Pg 18, Line 30, Minimum Tax Equity Pay-In Schedule: This will reduce the amount of equity the tax credits bring in because of asking for 65% of equity at project completion when many people bridge this equity with a loan to get the higher pricing on the credits; the further out the pay in the more cents per dollar of credit. This will impact rural projects: their resources are slim, and they need every extra cent they can get on their tax credits because rural areas already get lower pay-in rates than urban areas. Secondly, this pay in schedule may not be what the project needs. If the point is to make sure there is sufficient developer fee to cover any cost overruns by virtue of the pay-in schedule, then I suggest making those requirements known in a development services agreement template that can be vetted by the developers and the investors. In general, the negotiations that maximize the capital stack should be left to project owners and investors to determine the best solution for their project given the structure and each party's needs.	Thank you for your feedback, OHCS will remove this from the QAP.

Erika Holzhauer	Rural Community Assistance Corporation	Tiebreakers	It would be useful to base tiebreakers on other criteria that better reflect the populations we are trying to serve, including lowest AMI tenants, and tenant vulnerability, and that don't penalize rural projects just by virtue of their location and the lack of services available in rural towns. People with low incomes in the rural US deserve affordable housing too and eliminating their projects because they don't look like urban projects is not helpful. Tiebreakers a and b eliminate or make it nearly impossible for rural projects to compete and tiebreaker c leans towards urban.	Thank you for your feedback
Erika Holzhauer	Rural Community Assistance Corporation	Tiebreakers	Tie Breaker C Efficient Unit production: i. Rural places don't compete as well on the basis of efficient unit production because contractor costs are frequently higher, housing for contractors on remote locations is an extra expense. Efficiency is based on tax credit usage which means to be efficient you must leverage other sources to reduce the tax credit usage, this just isn't possible in rural communities, there aren't other sources. Further, the metric is geared toward one-bedrooms and studios as they will be most efficient in unit production and the housing need in rural communities is frequently family housing not necessarily singles. It is in everyone's best interest to compare projects to like projects, rural family to rural family, urban singles to urban singles.	Thank you for your feedback
Erika Holzhauer	Rural Community Assistance Corporation	Tiebreakers	Tie breaker d. Lowest Average HH AMI Served: This leans towards urban because it requires additional leverage to meet.	Thank you for your feedback

Erika Holzhauer	Rural Community Assistance Corporation	Tiebreakers	Recommend a rural nonprofit being a tie breaker here too since the majority are urban oriented.	Thank you for your feedback
Erika Holzhauer	Rural Community Assistance Corporation	Preservation	Pg 17, Line 25, Risk of loss expiration and conversion to market: The property is rural – Thank you for this	Thank you for your feedback
Erika Holzhauer	Rural Community Assistance Corporation	Preservation Tiebreakers	Pg 18, Line 5, Projects meeting critical priority in the Federal PBRA Category – The timing of the PBRA expiration should be 2 years or less here, but in category Risk of Loss PBRA should be 3-5 years to allow time for waitlist.	Thank you for your feedback

Pooja Dalal	Self Enhanceme nt Inc.	Tiebreakers	Total credits per units – Is unit size being considered? Hypothetically, a building, can fit either ten 3-bed units or thirty-1bed units. 30 - 1 bed units will use less tax credits than the 10 – 3-bed units, hence tax credits per unit used will be less in the 30. So is OHCS saying that they will prioritize 1 bedroom units over family sized units?	OHCS's subsidy limits are scaled to bedroom sizes, which gives significantly more funding to projects with more bedrooms. The overall limit on available gap financing along with this tiebreaker calculating on a per unit basis attempts to not disincentivize smaller unit sizes if they make sense for the project and community.
Pooja Dalal	Self Enhanceme nt Inc.	Mandatory Criteria	Does the project need to have all of its units on a local authority waitlist? What are the eligible local authorities? What sort of documentation is required? Has it been considered how Culturally Specific Organizations who are also Lead Developers will be impacted by this rule? They would have to place a waitlist above the needs of their specific communities they serve and whom they are building for.	Public Housing Authorities can provide a letter committing to marketing the units. It will not negatively impact Affirmatively Furthering Fair Housing marketing practices or other similar types of recruitment. This is one of the required selection criteria from Code.
Pooja Dalal	Self Enhanceme nt Inc.	Mandatory Criteria	It is not clearly defined how the project needs to be aligned with OHNA. Can a link to the OHNA be sent and what part of the OHNA the project needs to align with?	This will be a 1 to 2 sentence narrative demonstrating understanding of the jurisdiction's needs, whether unit income levels or defined populations, as described in OHNA data or Housing Production Strategy (HPS), if available.

Pooja Dalal	Self Enhancement Inc.	Supplemental Criteria	How many accessible units beyond the code minimum? Will a project providing 5 more than code be prioritized over a project providing 2 more than code?	One or more units beyond code minimum. No, a project providing more units beyond the code minimum will not be prioritized over projects providing fewer units over the code minimum.
Pooja Dalal	Self Enhancement Inc.	9% LIHTC General	If the project meets more than 3 supplemental criteria, will that project be preferred over a project that meets only 3 supplemental criteria?	No, a project that meets more than 3 supplemental criteria will not be preferred over projects that meet 3 supplemental criteria.
Pooja Dalal	Self Enhancement Inc.	Tiebreakers	Can b. be explained more, especially for emerging developers? What does significant Home fund leverage mean?	This will be defined as a minimum of $100,000 of available federal resources committed to the project.

Pooja Dalal	Self Enhancement Inc.	Tiebreakers	In Policy enriched: Are there certain policies which are more preferable than others, i.e. will PSH take priority over ECE?	No, there are no policies that are preferable to others.