

General Housing Account Program (GHAP)



Program Manual

Rental Contact

Kate Hillig
Program Analyst
(971) 720-3255

Kate.Hillig@hcs.oregon.gov

Capacity Building Contact

Kimie Ueoka
Senior Capacity Building Analyst
(971) 239-2950

Kimie.Ueoka@hcs.oregon.gov

May 2024

Contents

The General Housing Account Program (GHAP) - Overview.....	- 3 -
Eligible Applicants	- 3 -
Conditions, Limitations Relating to Funding	- 3 -
Use of OHCS Legal Documents.....	- 3 -
GHAP Development.....	- 4 -
Introduction	- 4 -
Eligible Beneficiaries.....	- 4 -
Eligible Activities	- 4 -
Affordability Period	- 5 -
Application Requirements.....	- 5 -
GHAP Grants.....	- 5 -
GHAP Construction and Permanent Development Loans.....	- 5 -
GHAP Operating Grants.....	- 6 -
Veteran’s GHAP (VGHAP)	- 6 -
GHAP Capacity Building	- 6 -
Purpose	- 6 -
GHAP Capacity Building Resource Pathways.....	- 7 -
GHAP CB Program Foundations, Guidance, and Focus	- 7 -
Eligible Entity Types.....	- 7 -
Eligible Beneficiaries.....	- 7 -
Eligible Activities	- 8 -
Funding Limitations	- 8 -
Application Process	- 9 -
Application Opening & Closing.....	- 9 -
Application Closing.....	- 9 -
Application Re-Opening	- 9 -
Questions and Requests for Clarification.....	- 9 -
Fund Oversubscription/Tiebreakers.....	- 10 -
Application Modification or Withdrawal.....	- 10 -
Application Due.....	- 10 -
Awards.....	- 10 -
Disbursement of Funds	- 10 -
Reporting.....	- 11 -
General Terms and Conditions.....	- 11 -
GHAP CB Definitions.....	- 11 -
References	- 13 -

The General Housing Account Program (GHAP) - Overview

The General Housing Account Program (GHAP) was created by the 2009 Legislature to expand the State's supply of housing for low and very low-income families and individuals. It has three separate elements: rental development, capacity building, and development of veteran serving rental housing. Funds for the program are generated from state document recording fees (DRF). GHAP can be used statewide, including on tribal lands and is one of the most flexible housing development funding sources that OHCS coordinates.

Eligible Applicants

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

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

Conditions, Limitations Relating to Funding

Eligible Applicants are required to follow conditions as described in OAR 813-055065, including but not limited to:

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

Use of OHCS Legal Documents

Applicant must execute and (if requested) record all documents required by OHCS (in form and substance satisfactory to OHCS) binding the ownership entity and the Project to comply with Program Requirements.

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

OHCS will only consider project specific changes when it can be demonstrated that they are necessary for the project to move forward. Any proposed changes must be submitted in writing to OHCS staff. Any changes are subject to OHCS's sole discretion. Applicants must allow adequate time for review and comment by OHCS. All changes must be expressly approved by OHCS, in consultation with DOJ, prior to execution and recording. No Applicant) should contact the DOJ directly before being authorized by OHCS to do so for projects with funding commitments. Applicant is responsible for legal and administrative costs incurred by OHCS in negotiating Applicant's proposed changes to documents.

GHAP Development

Introduction

By rule GHAP is designed to provide grants and loans to construct new housing, to acquire and/or rehabilitate existing structures, or to operate housing for low or very low-income households.

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

Eligible Beneficiaries

GHAP is intended for low and very low-income households, including families and single individuals.

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

A very low-income household is a household that earns 50% AMI or less, subject to adjustment for areas with unusually high or low incomes or housing costs, all as determined by the Housing Stability Council according to information from HUD.

Current income limits, historical data, and FAQs on HUD's income limit data can be found here:

www.HUDuser.gov/portal/datasets/il.html

Eligible Activities

Eligible activities for GHAP funding include the following:

- Construct new rental housing to serve low and very low-income households.
- Acquire and/or rehabilitate existing structures of housing units serving low and very low-income households.
- Engineering, feasibility studies, appraisals, architectural plans, site acquisition, or other necessary professional services.
- GHAP resources may be made available to operate housing for low and very low-income households, see GHAP Operating section of the manual for more detail.

GHAP funds are available through the Oregon Consolidated Application (ORCA). Applicants must disclose the intended purpose for GHAP funds requested for their project within their ORCA application. (Construction, preservation, rehabilitation, and/or operations.)

Affordability Period

GHAP funded projects will be subject to an affordability period of 60 years from project completion. The affordability period is the term in which the project must offer restricted units to low and very low-income residents only.

Application Requirements

Applications for GHAP and Veterans GHAP (VGHAP) will be evaluated based on the requirements and standards detailed in the Oregon Central Application (ORCA).

- Projects that demonstrate a strong probability of serving the target group or income level for the longest period of time, with a minimum affordability period set by the department policy
- Awards will be made in the form of grants or loans.
- All units within the project are GHAP restricted units, with exception of market rate units. (GHAP funding cannot be used to construct market rate units in a mixed-use project.)
- For projects involving a mix of market rate units and affordable units, the percentage of GHAP funds cannot exceed the percentage of low and very low-income units within the project. (Example: If 20% of the units within a project will be affordable to persons with income at or below 80% of median, then no more than 20% of the total project development cost may be requested from GHAP).
- Costs incurred pre-financial closing: GHAP funds can be used for eligible project related costs incurred no more than 6 months prior to the date of the ORCA Reservation Letter. Only project related costs will be considered.
- Costs resulting from holding land, for example, annual property taxes, landscape maintenance, other maintenance, and title holding costs are not eligible.

GHAP Grants

A project assisted with GHAP funds must remain affordable to Low and Very-Low Income residents at the term of affordability.

A GHAP funded project must maintain compliance with funding terms and conditions for all applicable periods, including but not limited to:

- Continued use of the project for the targeted tenant group;
- Continued compliance with applicable affordability, reporting and monitoring requirements;
- Continued maintenance of the project in a safe and sanitary condition; and
- Continued provision of supportive services

GHAP Construction and Permanent Development Loans

The funding recipient may request GHAP funds as a loan and the Department will not unreasonably deny that request. The following loan terms apply:

- The term of a GHAP loan can be 30-60 years. The term for each project will be determined on a case-by-case basis by OHCS, at its discretion.
- Loan rates and terms, if applicable, may be requested by the borrower and shall be determined by OHCS. Loan rates and terms may be based on factors such as project need, funding resources

outside of OHCS, and market conditions. Loan interest rates as determined by OHCS cannot be greater than the US Treasury Long Term Obligation at the time of closing.

- Resources awarded as a loan will require the execution of a Loan Agreement and Promissory Note and the execution and recording of a Trust Deed and Regulatory Agreement and Declaration of Restrictive Covenants. If the project has resources through the federal Low Income Housing Tax Credit program an Operating Agreement may be used in place of the Regulatory Agreement and Declaration of Restrictive Covenants.
- All GHAP loans are subject to OHCS's published charges table at the time of closing.

GHAP Operating Grants

Operating Agreements may be available if they would be an eligible use in the fund offering, currently the ORCA. Operating Grants must meet the following parameters:

- A maximum award of \$100,000.
- To be capitalized up front with Department oversight/monitoring as deemed necessary and based on proven measures that demonstrate long term operating results.
- Allowable for operating reserves, rent subsidy and eligible services in conjunction with current project application for capital funding.
- Operating subsidies limited to development where 100% of the units serve residents at or below 50% AMI.
- Projects with operating contracts or 100% Project-based Rent Assistance are not eligible.

Veteran's GHAP (VGHAP)

Veteran's GHAP is for development of affordable rental housing to serve Veterans. 25% of the annual GHAP allocation is reserved for projects seeking to serve Veterans and their specific needs. Projects utilizing this set-aside may be Veteran's only or a mix with other sources, and the Veterans units will be disclosed within the grant/loan documents in the unit mix. Veterans GHAP units are not tied to specific units within the project but are instead based off of unit type.

VGHAP projects must follow all GHAP rules and regulations and must include a Resident Services plan reflecting the planned provided services to the Veteran population the project will serve.

GHAP Capacity Building

Purpose

Oregon Housing and Community Services (OHCS) established the Affordable Rental Housing (ARH) Capacity Building (CB) program to support the important role our local and regional housing partners play in fostering community, health, and housing stability. Nonprofit housing developers, local housing authorities, and Tribal Nation housing entities are uniquely positioned within their communities to support placemaking and provide culturally specific and responsive housing and resident services. Local governments also play a key role in facilitating the development and long-term viability of affordable rental housing projects.

The GHAP Capacity Building (GHAP CB) resource is generated from revenue from County Document Recording Fees into the General Housing Account Program (GHAP) and GHAP CB receives 8% of the funds transferred into GHAP.

Multi-year, adequate, and flexible support is the central theme across feedback. ARH-related capacity building is complex. It can take years for an organization or housing team to build the skills and internal systems needed to effectively build and operate affordable rental housing. Stakeholders have also repeatedly emphasized a multi-faceted approach to capacity building is needed to serve the varied needs of current and emerging developer organizations and local governments. In response to these diverse needs, OHCS has developed three distinct pathways for accessing and utilizing ARH capacity building resources.

GHAP Capacity Building Resource Pathways

- **ORCA Capacity Building Grants** – Capacity building grants towards new and existing ARH
- **Training and Workforce Program Investments** – Grants and contracts to provide professional training programs for ARH-specific skills
- **Innovation and Regional Impact Grants** – Grants to support innovative capacity solutions, regional capacity building efforts, and projects that align with OHCS priorities and goals

GHAP CB Program Foundations, Guidance, and Focus

Decisions related to investment of the GHAP CB resource are informed by stakeholder-identified capacity building needs and follow ARH strategic and structural guidance:

- Statewide Housing Plan Priorities
- Oregon Housing Needs Analysis
- HUD Consolidated Plan and Fair Housing Analysis of Impediments
- OHCS statutes and rules
- ARH Division Goals
- Executive Orders, Legislation, and other direction from the Governor’s Office and Legislature
- GHAP Capacity Building Program Framework

Eligible Entity Types

- Nonprofits
- Public Housing Authorities
- Native Nations and Tribally Designated Housing Entities
- Local Governments (Rural focus)

**GHAP rules also allow for GHAP CB funds to pass through GHAP eligible entities to any of the above entity types. OAR 813-055-0020(3)*

Eligible Beneficiaries

GHAP CB is intended to benefit organizations that develop and/or operate affordable rental housing for low and very-low income households, including families and single individuals.

A low-income household is a household that receives more than 50 percent and not more than 80 percent of the median family income for the area, subject to the adjustment for areas with unusually

high or low incomes or housing costs, all as determined by the State Housing Council according to information from the U.S. Department of Housing and Urban Development (HUD).

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

Eligible Activities

Eligible activities under GHAP CB funding opportunities include but are not limited to:

- Adding or expanding Grantee housing staff capacity
- Staff, Board, community partner training and education
- Acquiring technical assistance, including contracting with consultants
- Community engagement, networking costs
- Acquiring hardware or software
- Strengthening organizational management systems
- Strategic planning activities
- Paying for Asset Management evaluation activities
- Paying for other expenses reasonably necessary to meet their identified organizational or regional capacity building priorities related to ARH development or portfolio management and preservation
- Curriculum development costs
- Needs assessments
- Training delivery costs
- Communication and outreach expenses
- Paying for the following project-related predevelopment soft costs (up to 10% of the total Grant Funds) such as:
 - Accounting and financial analysis;
 - Research, required audits, and legal consultant fees

When GHAP CB funds are made available (through the ORCA, Procurement Opportunity, or NOFA), the intended use of funds and eligible activities will be clearly stipulated and may include the above activities in full or part.

GHAP CB grants allow for up to 15% of the total requested amount to be allocated for indirect costs. Tribal Nations may request an indirect rate that aligns with their NICRA needs.

Funding Limitations

Funding limits for GHAP CB-funded rolling and one-time resource offerings will be posted to the GHAP CB webpage and updated quarterly. GHAP CB is required to follow conditions as described in OAR 813-055-, including but not limited to:

- Availability of funds and authority to disburse
- Execution and recording of all funding documents

- Performance of all conditions precedent to funding
- Continued maintenance

Application Process

- **ORCA Capacity Building Grants** - Online application is accessed through the ORCA Intake Form.
- **Training and Workforce Program Investments** - Funds will be announced through an OHCS Request for Applications (RFA) or Request for Proposals (RFP) provided by OHCS Procurement and the application process will follow OHCS Procurement's policies and procedures related to grants and contracts.
- **Innovation and Regional Impact Grants** - Grant applications and processes will be outlined within individual notifications for each offering. Some resource opportunities will be offered through the ORCA and some will be provided through OHCS Procurement. Application processes will align with the policies and procedures of the resource pathway through which it is being offered.

Application Opening & Closing

OHCS will announce program openings and closings through a Technical Advisory email and an announcement on the OHCS website. The application will remain open until all funds have been exhausted or an announcement closing the resource offering has been made. GHAP CB is an independent program and other program announcements including the GHAP funding for development resources are not tied to GHAP funding availability unless specifically included in the Technical Advisory announcement.

Application Closing

GHAP CB resource offerings will close along application timelines established by OHCS' procurement process or when available funding is exhausted. Closed resource offerings will be announced through a Technical Advisory process and announced on the OHCS website. Applications will not be accepted after the resource offering has closed. For resource offerings with a rolling application period, applications that were received prior to the closing announcement but unable to be funded will be notified of funding exhaustion. If previously submitted applications cannot be fully funded, but some funding is available, OHCS may provide the next applicant to be funded with the option of accepting reduced funding or withdrawing their application until additional funding is available. OHCS may hold an application until additional funding is available.

Application Re-Opening

OHCS anticipates that County document recording fees will transfer into the GHAP CB account on a quarterly basis. The program will resume accepting applications for resource offerings with a rolling application period as sufficient funds become available to meet the requirements and purpose of the specific offering. Information about available funds will be provided in an announcement utilizing the OHCS Technical Advisory email process and a posting on the OHCS website. Applications will be accepted in accordance with program opening guidance.

Questions and Requests for Clarification

For questions about the GHAP CB program, grant offerings, or your grant application, email hcs.ghap.cb@hcs.oregon.gov.

Fund Oversubscription/Tiebreakers

Resource offerings with a rolling application window are first-come-first-reviewed with criteria designed for approval of an application on its own merits. If multiple applications are received on the same day which would result in available funds being oversubscribed, the following tiebreaker system will be used.

In the event of the oversubscription of a fund the following progression (in the listed order) will be applied to determine applicant grant funding:

1. OHCS will provide grant funds to the organization with the most experience serving as a primary developer.
2. If a funding determination cannot be made from use of subsection 1 above, OHCS will provide grant funds to the organization with the highest number of units in their portfolio of ARH properties.

Application Modification or Withdrawal

If an Applicant wishes to make modifications to a submitted Application, it must submit its modification via email to hcs.ghap.cb@hcs.oregon.gov.

If an Applicant wishes to withdraw a submitted Application, it must submit a written notice signed by an authorized representative of its intent to withdraw via email to hcs.ghap.cb@hcs.oregon.gov.

Application Due

This offering is provided with a rolling application window. All qualifying applications that meet the eligibility criteria will be accepted until all available funds have been committed.

All Application modifications or withdrawals must be received prior to completion of grant agreement.

Awards

Applications will be awarded in accordance with the requirements of the specific resource offering. ORCA CB Grants have a rolling application period and will be awarded on a first come, first reviewed basis as applications are determined eligible and as program resources allow. OHCS staff will initially review applications for eligibility, including organizational type and eligibility of uses identified. Staff will then review applications based on the evaluation criteria listed within the application. Applications that meet evaluation standards will then be contacted by OHCS staff to complete grant or contract documents. Resource offerings provided through OHCS Procurement will follow OHCS Procurement's policies and procedures related to grants and contracts.

Disbursement of Funds

Funds will be disbursed in accordance with the requirements of the specific resource offering. Grants and contracts funded with GHAP CB resources may be distributed through reimbursement to grantee for completed activities or advance on award for planned activities. Reimbursement is on a quarterly basis and requires grantees to provide quarterly disbursement invoices and supporting documentation of expenses, as outlined in their grant agreement. Advances on grant awards may not exceed \$150,000 and require grantees to provide quarterly reconciliation invoices and supporting documentation of expenses, as outlined in their grant agreement.

Reporting

Awardees will be required to provide a twice-yearly progress report for each year of the grant using the GHAP CB Progress Reporting Form. The report will include aggregate data about services and participants, metrics defined by the applicant in their application and other metrics to be defined collaboratively by the grantee and the OHCS grant or contract administrator.

An itemized account of expenditures and required documentation will be submitted with each invoice for reimbursement or reconciliation (when funds have been advanced). The compensation method will be determined by OHCS with Applicant's feedback from grant application and written into the final grant agreement.

General Terms and Conditions

GHAP CB-funded resource offerings accessed through the ORCA process will adhere to the General Terms and Conditions outlined within the ORCA.

GHAP CB-funded resource offerings accessed through OHCS Procurement will adhere to the General Terms and Conditions outlined within the RFA or RFP.

GHAP CB Definitions

Agreement Documents means the funding documents, the final form of which are satisfactory to OHCS, in consultation with the Oregon Department of Justice and executed in connection with the Grant or Contract.

Allocation includes any GHAP CB funding allocated under the Oregon Centralized Application (ORCA), an OHCS Procurement Opportunity, or an ARH Notice of Funding Availability.

Applicants means persons or entities submitting an Application for GHAP CB funds.

Balance of State means any City, County, or other geographic region in Oregon that is not served by its own HUD Participating Jurisdiction to administer the HOME program. As of the release of this Program Manual, the regions of Oregon served by their own HUD PJ and thus not considered Balance of State are: City of Eugene, City of Springfield, City of Salem, Clackamas County, Marion County, Multnomah County, and Washington County.

Capacity Building: Activities and resources needed to bring an individual, organization, or system to the next level of operational, programmatic, financial, or comprehensive development so it may more effectively advance our shared goals related to affordable rental housing in Oregon.

Community-Based Organization (CBO): A community-based organization is a non-profit organization that is representative of a community or significant segments of a community, identifies priority issues and solutions in a process led by or in partnership with the service community, works to meet community needs, and provides educational or direct services to individuals in the community.

Communities of Color: Identity-based communities that hold a primary racial identity that describes shared racial characteristics among community members. The term aims to define a characteristic of the community that its members share (such as being African American) that

supports self-definition by community members, and that typically denotes a shared history and current/historic experiences of racism. Given that race is a socially defined construct, the definitions of these communities are dynamic and evolve across time.

Culturally Responsive Organization (CRO): An entity that comprehensively addresses power relationships throughout the organization, from the types of services it provides and how it maximizes language accessibility to its human resources practices—who it hires, how they are skilled, prepared and held accountable, to its cultural norms, its governance structures and policies, and its track record in addressing conflicts and dynamics of inclusion and exclusion, to its relationships with racial groups in the region, including its responsiveness to expectations. Furthermore, a Culturally Responsive Organization is one that is dynamic, on a committed path to improvement and one that is hardwired to be responsive to the interests of Communities of Color. Culturally Responsive Organizations hire and train culturally and linguistically diverse staff to meet the needs of the diverse communities they serve.

Culturally Specific Organization (CSO): An entity that provides services to a cultural community and the entity has the following characteristics:

- Majority of members and/or clients must be from a particular Community of Color; Organizational environment is culturally focused and the community being served recognizes it as a culturally-specific entity that provides culturally and linguistically responsive services;
- Majority of staff must be from the community being served, and the majority of the leadership (defined to collectively include board members and management positions) must be from the community being served;
- The entity has a track record of successful community engagement and involvement with the community being served; and
- The community being served recognizes the entity as advancing the best interests of the community and engaging in policy advocacy on behalf of the community being served.

Electronic Signature means symbols or other data in digital form attached to an electronically transmitted application, grant agreement, or contract as verification of the sender's intent to sign. With such signature, the signer attests that they will meet and comply with all the requirements and conditions of the ORCA, Procurement Opportunity, or Notice of Funding Availability (NOFA).

Emerging Developer and Sponsor Organizations: Nonprofit organizations that (1) have past experience as a key or primary community partner in ARH development projects or in ongoing operation of ARH properties, and (2) are preparing to serve, or are currently serving as the primary developer or sponsor for an identified ARH project for the first or second time.

Established Developer and Sponsor Organizations: Nonprofit organizations that have served as primary developer or sponsor for three or more “placed in-service” ARH development projects or ARH properties.

Local Government means any city, county or metropolitan service district formed under ORS chapter 268 or an association of local governments performing land use planning functions under ORS 195.025 (as defined by ORS 197.015).

Minority, Women, and / or Emerging Small Businesses (MWESB) means businesses registered with the State MWESB Program, called Certification Office for Business Inclusion and Diversity (COBID) <https://www.oregon.gov/biz/programs/COBID/Pages/default.aspx>, or those that meet the OHCS MWESB Program’s self-certification requirements <https://www.oregon.gov/ohcs/development/pages/mwesb-sdvbe-rental-housing.aspx>.

Native American Tribe, Tribe or Tribal Nation: A federally recognized Native American Tribe or Indian Tribe in Oregon, as defined in ORS 182.162, or related to the same.

Procorem WorkCenter: A secure portal technology solution by ProLink Solutions™ and used by OHCS to help facilitate collaboration and communication models for all Applicants and future housing partners. The Procorem WorkCenter includes a repository for electronic document submission, a task management and tracking tool, an events calendar, and communication features.

Rural Communities: The OHCS Rural - Urban definition first evaluates housing density by census tract. Those tracts with 640 or more housing units per square mile are tentatively considered urban, below 640 housing units is rural. Next, OHCS uses the National Center for Health Statistics County Schema to better understand what the economic and geographic environment the tract is part of. Link to OHCS’ Rural or Urban Status Map - <https://experience.arcgis.com/experience/8bfb23d2e24044188dfe74cda32350db>

Rural Organization: A developer or sponsor organization or entity that is based in a Rural Community.

Rural-Serving Organization: A developer or sponsor organization with multiple properties or projects in Rural Communities, or seeks to expand their development and sponsorship activities into a Rural Community.

References

The State Statutes that address the General Housing Account Program are located at:

Stat. Auth.: ORS 456.555, 458.665

Stats. Implemented: ORS 456.515 to 456.725, 458.665,

The Administrative Rules that address the General Housing Account Program are located at:

OAR 813-055-0001 to 813-055-0095