



2023 M-BOS Last Gap FAQ

September 12, 2023

The below FAQ incorporates questions submitted to bond.info@portlandoregon.gov and the Q&A portion of the Mandatory Developer Information Session held on Wednesday, August 30th. Questions and answers have been paraphrased for clarity.

Questions and responses are organized into sections by topic:

- Funding Sources and Eligibility
- Technical and Format

Funding Sources and Eligibility

Q1. I have a project that is under 20 units which is below the PHB Investment Requirements for project size and will reach Temporary Certificate of Occupancy soon. I want to convert all to affordable at 60% AMI and below. May I apply for funding under the 2023 MBOS Last Gap?

A1. The City is seeking to increase its total affordable housing stock as quickly as possible, and exceptions may be sought. As indicated in the MBOS, a preference is given to units that are to be regulated at 30% AMI and/or for permanent supportive housing.

Q2. I have a project that has financially closed, with no existing affordability restrictions. Is my project eligible for Metro Bonds?

A2. Yes, if there are no existing affordability restrictions, the project is eligible for Metro Bonds and Multnomah County General Funds. If there is an existing regulatory agreement or affordability restrictions, the project is not eligible for Metro Bond Funds, but may be eligible for Multnomah County General funds if the funds can expand affordable and deeply affordable housing units. Please note: if a project is mixed use and has some restricted units and some market rate, the market rate units can be supported by Metro Bond Funds if converted to affordable units. Please see below.

Q3. I have a project that is mixed income (market rate and with affordable as required by inclusionary housing). We have an affordability requirement on some of the units, but not all. Can the units that are not covered under the regulatory agreement be eligible for Metro Bond Funds?

A3. Yes, the market rate units that are being converted to affordable and are not covered under the existing affordability requirement for inclusionary housing may be supported by Metro Bond Funds and/or Multnomah County General Funds.

Q4. Is it required that the developer or project team have non-profit status to submit a proposal?

A4. No, this is not a requirement.

Q5. Do projects need to comply with the PCEF/PHB MOU (i.e., 20+ units, rental only, 60% AMI or below) in order to qualify for PCEF funds through this M-BOS Last Gap?

A5. Yes, to the listed requirements for eligible projects. All projects applying to PCEF funds should also have been awarded competitive funding from PHB and/or OHCS and these should be new construction or substantial rehabilitation/redevelopment of an existing affordable rental project.

Q6. Do the PCEF wage requirements preclude use of volunteer-based labor for construction?

A6. Volunteer hours are acceptable and not subject to PCEF wage standards.

Q7. PHB Green Building Policy - New construction certification, is there a pathway to obtain an alternative certification instead of the three listed, if it's also been approved by OHCS?

A7. Please submit detailed information on the proposed alternative certification pathway and explain why your project is not pursuing one of the third-party certifications included in PHB's Green Building Policy, and how this alternative pathway will meet PHB's Policy goals and requirements.

Q8. PCEF - We've had correspondence with PCEF with potential funding associated with CLT as an eligible item if closing/start construction after 12/2023, can you elaborate if this is an item eligible for PCEF funds?

A8. CLT is not an Eligible Use Measure for PCEF funds offered through this MBOS. Please refer to Form K – PCEF Eligible Costs Application for energy efficiency measures supported through this MBOS.

Q9. For projects applying for PCEF funds, I see that the source of the estimated cost should be described in the Form K. But does backup need to be submitted, like a bid or estimate from the contractor, to support that value?

A9. No, backup does not need to be submitted at time of application. If applying for PCEF, please complete Form K – PCEF Eligible Costs Application and refer to Appendix J – PCEF Funds Grant Agreement for further guidance.

Q10. Can a project only apply for PCEF funding through the 2023 M-BOS Last Gap?

A10. Yes, although it is still required to submit all other required forms even if only applying for PCEF, as PHB reserves the right to award other resources offered through this MBOS.

Q11. Services funding, is it possible to receive additional services funding above and beyond the \$10,000/unit/year, if we've been awarded the \$10,000/unit/year from another non-PHB funding source?

A11. Projects that have already been awarded \$10,000/unit/year in services funding from another source (e.g. OHCS) can include information about additional services funding needed to support the project. The JOHS is open to discussing these needs and potentially committing additional dollars, particularly for projects where at least 25% of units are designated as PSH to ensure they can provide 24/7 staffing.

Q12. Will rental units at the 60% of AMI levels qualify for funding under this program?

A12. While priority will be placed on proposals with 30% units and PSH units, 60% units are eligible to receive funding from Metro Bond and Multnomah County General Funds.

Q13. I talked to the Mapps Mayor Campaign prior to the presentation last week and agreed to make a campaign contribution. Your team stated, very clearly, no contact with elected officials, or staff. Does my campaign contribution currently disqualify my team from submitting for funds under this program at this time?

A13. As stated in Section IX.4 – General Conditions, project teams are cautioned not to undertake any activities or actions to promote or advertise their proposals to review committee members, City staff, PHB or other funding partners. Specifically, project teams may not lobby City staff or funding partners to influence the outcome of the solicitation evaluation and selection process.

Q14. For letters of intent from lenders and investors, will unexecuted agreements be acceptable, where negotiations are ongoing?

A14. Please give indication of key terms and conditions from lenders and investors, if known. Timing of the financing LOIs should be indicated under Schedule I – Proposed Project Schedule and Schedule J – Readiness to Proceed Checklist

Q15. Would PHB and HF consider fewer than then minimum 9 S8PV to expedite readiness to proceed?

A15. No, PHB cannot commit to less than 9 S8PV. Please note that even one voucher will require a HUD Environmental Review.

Q16. Will slides be posted on M-BOS webpage?

A16. Yes, please see the slides posted [here](#).

Q17. Can a project team meet with PHB staff to discuss eligible funding uses prior to submitting proposals?

A17. No, PHB is under active solicitation, therefore we cannot meet with project teams at this time. Project teams should make assumptions and considerations to the best of their ability. Specifically for PCEF Funds, refer to Form K – PCEF Eligible Costs Application. Additionally, PHB will review applications and may find that the project would benefit from a different funding source than the application initially identified.

Q18. If a project has already closed and had completed OHCS form, can OHCS forms be used in place of required forms outlined in 2023 M-BOS Last Gap Solicitation?

A18. Yes, to reduce redundancies, please use OHCS forms if already completed.

Q19. What is the Program Delivery Fee for Metro Bond funds?

A19. There is a Program Delivery Fee for the \$10M in Metro Bond funds. PHB includes the PDF in the final award amount. For example, if a project applies for \$2M, when awarded, PHB will gross up to cover program delivery fees. Proposals do not need to include Program Delivery Fees into the Project Uses and Sources as PHB will gross-up awarded amounts.

Q20. Can you clarify how to move forward with readiness to proceed and how that relates to choice limiting action, going out to bid?

A20. A project cannot enter into a new contract once you have applied. Proposal submittal is considered application date.

Q21. Can you please clarify cautioned to not promote or advertise projects?

A21. Other than our project team interviews as part of the 2023 M-BOS Last Gap process, please do not lobby, or otherwise promote your project to, any other city employee, community member or possible evaluation committee member. Internal project communication and community engagement work and early assistance meetings are acceptable.

Q22. If I am not awarded funds through the 2023 M-BOS Last Gap, what happens to the federal nexus requirements?

A22. If not awarded, the federal nexus, and the requirements that fall within the federal nexus, are removed and choice limiting actions can be taken at that time. PHB will provide a letter releasing the project from the federal nexus applicable to the MBOS.

Q23. If blocked by regulatory agreement requirements, can a project still apply for PCEF?

A23. Yes, you are still able to apply for PCEF.

Q24. I have a project that has PSH and vouchers through OHCS, but needs additional capital funds. We are not adding any additional 30% units or new voucher units. Does this align with the intention of this M-BOS?

A24. Yes. Please apply for capital funds under Metro Bonds and/or Multnomah County Funds.

Q25. Would a Supportive Housing Services Plan be required if no additional PSH units are being added through 2023 M-BOS Last Gap, but are already in the deal through OHCS?

A25. No, no additional PSH narrative would be required.

Q26. I have a project with a confirmed OHCS reservation letter but has not financially closed on OHCS funding. Would these be considered new units?

A26. Yes, as long as there is no executed regulatory agreements or restrictive use covenants.

Q27. I have a 100% PSH project in ICURA. Does Coordinated Access take priority over N/NE Preference Policy?

A27. We do not overlay Coordinated Access with N/NE Preference Policy. So, if a project is 100% PSH you will use Coordinated Access. This also applies to PBS8, there is no overlay with Preference Policy.

Q28. For projects already in construction, but do not already have a regulatory agreement, how will the Last Gap funds work with other funding sources?

A28. The intent is to expedite this process. PHB expects Metro funds will still go in as a cash flow share loan that is subordinate to any existing construction loans and repaid only if there is sufficient cash flow after Priority Payments (see Appendix B PHB Underwriting Metric Guidelines).

PCEF funds will be awarded as a grant to the developer/sponsor, who in turn will provide a subordinated shareholder loan to the project company, as this is the structure acceptable under traditional 4% low-income housing tax credit, limited partnership agreements.

If these financing structures do not work for a project under construction, please explain in the project narrative how the project intends to use the PHB fundings.

Q29. What is the timeline for underwriting, and can it be expedited?

A29. PHB cannot expedite the underwriting process. To ensure that it goes smoothly, PHB request that Project Narratives are complete and that pro-formas are in working order so that underwriters and Metro have everything they need

Technical and Format

Q1. Form H has multiple tabs. Can you clarify which one is the Proforma tab you want us to use? Is it the "Sources and Uses" tab?

A1. Please refer to Appendix I of the NOFA for a listing of required tabs in Form H. Not all tabs need to be completed.

Q2: Do all tabs of the OHCS pro forma (Form H) need to be completed - narratives, schedule, etc. since the application has separate forms requesting that information?

A2: The project narrative tab of the OHCS pro forma (Form H) is not required, but the development schedule is required. Please refer to Appendix I of the NOFA for a listing of required tabs in Form H. Not all tabs need to be completed. Form I, Proposed Project Schedule, is also required.

- Q3. Please clarify which, if any, printed pages are required from the Form H (Proforma) to be printed to PDF and included in a requested “All pages in the application must be numbered”?**
- A3. No pages of the pro forma (Form H) should be printed to PDF. Please submit the pro forma as an Excel file. You do not need to number the pro forma pages/tabs.
- Q4. Should the narrative section of the OHCS pro forma be filled out?**
- A4. No, please fill out only the requested tabs of the OHCS pro forma template (Form H) as outlined in Appendix I. This includes project details, development schedule, and financial information tabs. Please ensure that the OHCS pro forma tab named “Blank Worksheet” is completed in order for PHB to extract your project information.
- Q5. Can the “Organizational Financial Statements for last two years” not be included in the requested “All pages in the application must be numbered”?**
- A5. It is fine to leave the Financial Statements out of the proposal page numbering. Please submit all Organizational Financial Statements as separate PDF documents.
- Q6. Is it acceptable to number items by Form/Section and then page number (example D-1, D-2, D-3) or when numbering all pages is it required that the applicant start with 1 and end with the final page (example: 1-330)?**
- A6. It is fine to number the items by Form/Section. Page limits are as follows: total combined page limit for the Project Overview Narrative is 15 pages (not including questions and instructions). Page limit for the Supportive Housing Services Plan is 4 pages.
- Q7. Does PHB want us to keep the text of the narrative documents intact and answer after each question, or is it ok to remove the question and just keep the headers and answer the question after the header?**
- A7. Please keep the section headers, but it is fine to remove the questions/prompts.
- Q8: To clarify the application submission materials, is it correct that the Project Site Checklist does not have to be completed?**
- A8: The Project Site Checklist (OHCS form) is not a required document for the 2023 M-BOS Last Gap, unless the proposal is requesting PBS8 Vouchers, or the project has a commitment of other federal funds. Please see page 15 of the NOFA for a list of required forms. For guidance on which tabs of the OHCS pro forma to complete, please refer to Appendix I of the NOFA.

Q9: Do you have a specific pro forma or budget format requirement for the homeownership component?

A9: We ask that you use the OHCS pro forma template (Form H) for homeownership.

Q10. How does PHB value studio units when calculating the average bedroom size ratio?

A10. SROs are counted as 0.5 bedrooms and studios count as 0.75 bedrooms when calculating average number of bedrooms.