

# **Rules Advisory Committee Local Innovation and Fast Track (LIFT) Homeownership Program**

**Date/Time:** March 18 at 2 p.m. to 3 p.m.

**Location:** [Teams](#)

**Participants:** Committee Members (listed on second page)  
+ Open to public for observation

## **Meeting Objectives**

- Conduct Rules Advisory Committee with a diverse group of individuals who are directly impacted by the Local Innovation and Fast Track (LIFT) Homeownership Program.
- To create space to uncover different perspectives that can inform the proposed amendments and gather feedback about the potential impacts as required by state rules development process.

## **Agenda**

### **Welcome & Introductions**

- *Be prepared to share:* name, pronouns, work affiliation and position, and what lens or unique perspective do you bring to today's discussion on the LIFT program.

### **Background on the mission of OHCS and a look at the proposed LIFT rule changes & RAC Responsibility**

### **Opportunity to Review & Improve the Drafted Economic and Fiscal Impact Statements**

- How will this rule remove barriers and/or otherwise improve access for the communities that you serve?
- Do you see opportunities to adjust the rule to better serve those communities?
- Once this rule is amended, what will your organization need to support this change?

### **Impact Assessment**

- State RAC procedures require assessment of impact in the following areas:
  - fiscal impact on state agencies, local government, or the public
  - potential of significant adverse impact on small businesses
  - reporting and other administrative activities required for compliance
- Program staff are seeking specific input on the updated inheritance policy

### **Next Steps & Closing**

- Review comments and feedback collected during the meeting
- Announce future engagement opportunities & public comment period

*Point of Contact:*

Jessica MacKinnon [Jessica.mackinnon@hcs.oregon.gov](mailto:Jessica.mackinnon@hcs.oregon.gov)

# Rules Advisory Committee

## Local Innovation and Fast Track (LIFT) Homeownership Program

### Rules Advisory Committee Members

1. OHCS Rules Lead and RAC Facilitator: Jessica MacKinnon and Rachel Pallatin
2. RAC Members:

Nora Cronin, DevNW	Andrew Heben, SquareOne
Jessica Therkelsen, TrustedHomes	Sara Padilla, Habitat Oregon
Joseph Gavrilovich, HfH Portland	Katie Ulrich, Proud Ground
Scott Norquist, Bend-Redmond HfH	Ivy Grant, PHB
Kelsey Juve, WorkingHomes	Alex Annand, CASA
Lucinda Taylor, HfH Lincoln County	Larry Kine, Thistle and Nest
Jessy Ledesma, Homework Dev	Representative from Newberg
Pooja Dalal, SEI	Habitat

### Process Agreements from Rules Advisory Committee

This is intended to be a creative, brave space where we can think about how best to serve Oregonian with this rule change to remove barrier to access housing resources. To accomplish this, participants are asked to respect the following process agreements:

- **Seek common ground & understand divergence:** Practice “Yes, And” to affirm shared values while building on and expanding ideas. Be clear, yet constructive where you have differing experiences and opinions.
- **Share airtime:** Everyone deserves to be heard, and everyone has a piece of the truth. Challenge yourself to engage in ways that honor the voices and thinking space of others. Practice “W.A.I.T”: ask yourself, *Why am I talking? Or Why aren't I talking?*
- **Active virtual participation:** To respect the topic, each other, and to make the most of our time together, please practice active virtual participation to the maximum extent able. This includes making sure your zoom name is accurate, keeping your video on, using chat and Q&A functions, raising your hand to engage in open dialogue, responding to polls, engaging in virtual activities, and minimizing multi-tasking.
- **Take care of yourself:** We strive to facilitate high impact RACs where we use our limited time to the fullest, please do what you need to take care of yourself so you can participate fully and do your best thinking.

*Point of Contact:*

Jessica MacKinnon [Jessica.mackinnon@hcs.oregon.gov](mailto:Jessica.mackinnon@hcs.oregon.gov)

## Local Innovation and Fast Track (LIFT) Program Permanent Rule Filing Fiscal Impact Statements

- 1. Identify whether the rules will have a fiscal impact, either negative or positive, on state agencies, local government, or the public, and if so, the extent of the impact.**

The fiscal impact of adopting the new LIFT manual is anticipated to be minimal, the largest of which is an increase in the LIFT Reservation Charge from 1.5% of the LIFT award to 2% of the LIFT award. This translates to an increased cost of approximately \$1,000 per home for developers.

- 2. Identify whether the rules will have a significant adverse impact on small businesses. What can be done to mitigate the impact on small businesses?**

The rule change will not have an adverse impact on small businesses. Many changes reflected in the LIFT Homeownership program manual are intended to improve access to the program for small businesses.

- 3. Estimate the number of small businesses subject to these rules, identify types of businesses and industries with small businesses subject to these rules.**

These rules will apply only to affordable homeownership developers applying for the LIFT Homeownership program, or fewer than 20 small businesses each year.

- 4. Describe the projected reporting and other administrative activities required for compliance, including costs of professional services.**

The rule change will not impact existing reporting requirements for OHCS or developers.

- 5. Identify equipment or supplies, labor and increased administration required to comply with rules.**

LIFT applicants are anticipated to see decreased labor and administration if they are not selected for funding. Labor and administration for applicants selected for funding should remain the same.

- 6. Describe how OHCS involved small businesses in the development of these rules.**

OHCS hosted an extensive engagement process when developing the new LIFT homeownership process including focus groups, surveys, and larger public meetings with affordable homeownership stakeholders. Small businesses were included in all steps of this process.

**7. Describe how you represent the community impacted by these rule changes. What are the racial equity impacts with these rule changes?**

These rule changes aim to increase access to the program for all LIFT Homeownership development partners, including small and rural developers and Culturally Specific Organizations. The LIFT Homeownership application evaluation process ensures that applicants have adopted equitable processes to include, provide outreach to, and serve populations underrepresented in homeownership in ways that comply with the Fair Housing Act. Other than expanding the program's reach to new partners serving diverse communities across the state, the rule changes make no provisions related to racial equity due to statutory limitations on authority.





OREGON HOUSING *and*  
COMMUNITY SERVICES

# Local Innovation and Fast Track Homeownership Program Manual

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Revised 2/2/2026

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## Overview

This Manual is adopted by reference in OAR 813-135-0025.

The Local Innovation and Fast Track (LIFT) Program is administered by Oregon Housing and Community Services (OHCS) and funded through the allocation of Article XI-Q general obligation bond proceeds. LIFT was established in statute in 2015 to expand the supply of affordable housing in Oregon for households with low incomes across the state and, in particular, historically underserved communities, including Communities of Color and Rural Communities.

LIFT supports the creation of new rental and Homeownership Projects. LIFT Homeownership funding can be used to support the construction of new affordable Homes for purchase and the conversion of existing nonresidential buildings into new affordable Homes for purchase. This Manual describes the requirements and guidelines for LIFT Homeownership. It covers Program information and requirements throughout the cycle of the LIFT Program including the Application process, underwriting and loan Closing, the construction period, Project completion, and compliance throughout the duration of the LIFT Affordability Period.

## Purpose of the Manual

The purpose of this Manual is to outline many of the requirements of LIFT Homeownership. OHCS strongly recommends that potential LIFT Applicants and their Development Team read the entirety of the Manual to understand the requirements of any Project prior to initiating an Application for funding. Additional resources may be found on the [OHCS website](#).

## Approval and Effective Date of the Manual

This Manual shall be effective when it is adopted by reference into administrative rule. It shall remain in effect indefinitely, unless the rule adopting it by reference is amended or repealed. Upon adoption of the Manual into administrative rule, the provisions of this Manual will apply to all Projects submitted for Application Jan. 1, 2026, or later.

## Administration and Interpretation of the Manual

OHCS is authorized to interpret and administer the Manual. In addition, OHCS has the authority to interpret and administer any specific Program regulation, policy, related administrative rule, Program Requirement, or other Project requirement subject to the limitations of law.

OHCS regularly sends out information including, but not limited to, funding offering information, regulatory changes, training, etc., to interested parties in

the form of email communications referenced as Homeownership Division technical advisories.

### Program Contact

LIFT Homeownership is managed by OHCS' Homeownership Division. Any questions or comments regarding this Program or Manual should be directed to the senior Homeownership Development program analyst via the following methods:

- By email: [HO.Development@hcs.oregon.gov](mailto:HO.Development@hcs.oregon.gov)
- By phone: 503-986-2000
- By mail: Oregon Housing and Community Services  
Attn: Homeownership Development  
725 Summer St. NE, Suite B | Salem, OR 97301

### Statutes and Rules Relevant to LIFT

Many of the requirements for LIFT Homeownership come directly from Oregon Revised Statutes (ORSs) and Oregon Administrative Rules (OARs). The below statutes and rules pertain to OHCS, the LIFT Program, and Article XI-Q bonds.

- **ORS Chapter 456** – Housing statutes, including Housing and Community Services Department definitions, administration, bonding, etc.
- **ORS 458.480 – 458.490** – LIFT statutes
- **OAR Chapter 813** – Administrative rules for Housing and Community Services Programs (to the extent applicable)
- **OAR Chapter 813, Division 135** – LIFT Program administrative rules
- **ORS 286A.816 – 286A.826 and OAR 122-075-0100 – 122-075-0160** – Statutory framework and administrative rules related to the administration of Article XI-Q bonds

### Public Records

Materials and information submitted to OHCS are subject to public disclosure unless otherwise exempt from disclosure under ORS 192.355(24) or any other provision of the Oregon Public Records Law. OHCS provides no assurance that any materials provided to OHCS can be protected from public release.

### Waivers

If OHCS acts contrary to or fails to take action in accordance with the Manual or any other Program Requirement, such act or omission does not constitute a waiver by OHCS of an obligation of a Project, Person, or other entity to comply

with the provisions of the Manual, other Project requirements, or formal commitments made, or establish a precedent for any other Project, Person, or entity. No waiver, modification, or change of the Manual, any other OHCS Program Manual, or any other Program Requirement or Project requirement will be binding upon OHCS unless it is in writing, signed by an authorized agent of OHCS, and consistent with law.

### **Remedies**

OHCS may, among other actions, deny an Application, reject an Application, or terminate an Application or Project in process for a failure to comply with Program requirements.

### **Charges**

LIFT Applicants and Borrowers are responsible for payment of several charges during the cycle of the LIFT Application, loan, and compliance monitoring period. Details of charges and their amounts are explained in the applicable NOFA but, in general, include the following:

- Application charge due at submission of Concept Proposal
- Recipient charge due during Due Diligence
- Reservation charge due at Closing of escrow
- Document preparation charge due at Closing of escrow. The number of recorded documents may vary depending on the Project.
- Pass-through DOJ charge typically due at or after Closing of escrow, depending on the timing of costs incurred.
- Annual compliance monitoring charge due each year after the first Home in each Project has sold or 36 months after the Reservation Letter date, whichever is sooner.

Invoices for charges will be due and payable within 30 days of the invoice date. Invoices that are not paid within 90 days of the due date may be referred to Oregon Department of Revenue for collections. OHCS and DOJ charges are not eligible uses of LIFT funds and must be paid using another available funding source.

### **Fair Housing and Civil Rights Compliance**

Applicants and Borrowers must:

- Comply with all applicable state and federal nondiscrimination laws.
- Act affirmatively (including the use of appropriate outreach) to ensure those who may be or are at risk of being underserved are provided with appropriate access to resources.

- Comply with Equal Opportunity Employment standards in hiring and retaining Personnel.
- Satisfy any population-specific or service standards as required in Program requirements or as set forth in Project agreements.
- Display the Fair Housing name and/or logo when Homes are marketed or promoted.

### **Acknowledgment of OHCS**

Oregon Housing and Community Services shall be listed by name on all materials where the Project contributors are listed or named.

## **General Program Information**

### **Program Goals**

The purpose of the LIFT Program is to expand the supply of affordable housing in Oregon for households with low incomes through the allocation of proceeds from Article XI-Q general obligation bonds. The LIFT Homeownership Program aims to place quality affordable Homes quickly in operation in historically underserved communities, including in Communities of Color and Rural Communities. Each NOFA may set forth additional Program goals.

### **Engagement of Communities of Color**

To meet the legislative intent of LIFT and to further OHCS' policy priorities around racial equity, all Projects must have a track record of, or plan for, engaging Communities of Color, as that term is defined in the applicable NOFA. Any approach must include intentional and meaningful engagement including, but not limited to, planning for the Project, marketing the Homes, and supporting Qualified Homeowners in buying and maintaining their Home.

Engagement with Communities of Color can be achieved in several ways and should be relevant to the community where the Project is located and any focus population anticipated to be served by the Project. Outreach strategies might include such things as:

- An ongoing service partnership with a Culturally specific or Culturally Responsive Organization, as those terms are defined in the applicable NOFA;
- Project building design influenced and informed by the community or communities the Project is serving;

- A Project explicitly designed and located to address displacement of Communities of Color; or
- Agreements with area service providers to engage in culturally appropriate services for residents.

Additionally, each Project is required to submit a relevant marketing and outreach plan designed to publicize the availability of new housing opportunities created by the Project. The plan should be accessible to Communities of Color in the Applicant's service area, address any barriers that Communities of Color might encounter in applying for and accessing housing, and identify ways to further fair housing affirmatively. For more information on affirmatively furthering fair housing, see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608 and Executive Order 12892.

### **Service to Rural Communities**

LIFT prioritizes Rural Communities as areas historically underserved in housing production. As such, consideration of Rural Communities and rural developments will be provided in each NOFA.

## **General LIFT Requirements**

LIFT Homeownership funding is made available through a Notice of Funding Availability (NOFA). Applicants must satisfy the requirements listed below to be eligible to apply and qualify for LIFT funds.

### **Article XI-Q General Obligation Bond Requirements**

The LIFT Program is funded by the proceeds of general obligation bonds issued pursuant to Article XI-Q of the Oregon Constitution. The "Agency Guide to Financing Capital Projects with Article XI-Q Bonds," published by the Oregon Department of Administrative Services, lays out requirements for Article XI-Q bonds. For instance, OHCS must Operate or own the qualified property that it funds. Many of OHCS' operational controls are contained in an Operating Agreement that is recorded against the land that is part of the Project.

### **Eligible Borrowers**

LIFT Borrowers and all other entities that will have an ownership interest in the land during the Affordability Period must be eligible covenant holders as defined in ORS 456.270(3).

### **Eligible Activities**

LIFT Homeownership funding must be used to increase the number of net affordable Homes in Oregon. Eligible activities include new construction of

affordable Homes for purchase or the conversion of existing non-residential structures to affordable Homes for purchase. Manufactured Homes qualify for LIFT funding if they are permanently affixed to a foundation.

### **Affordability Restrictions**

Homes funded by LIFT must maintain affordability for households earning 80% of the Area Median Income or less (see definition of “Affordability Requirements”). The Affordability Period begins with the first Home sale and extends for a minimum period of 20 years after the sale of every Home in the Project. The LIFT loan will be due and payable in full on the maturity date set forth in the loan agreement. The LIFT Borrower may elect to satisfy the LIFT loan by extending the loan beyond the initial maturity date and maintaining an Affordability Period for another 20 years. The LIFT Borrower may also elect to satisfy the LIFT loan by a combination of repayment and affordability as acceptable to OHCS.

Mixed-income Projects may be eligible for the LIFT Program, but the LIFT funds provided for such a Project must be used for costs associated with the Homes reserved solely for households at or below 80% of AMI.

### **Mixed-Income Projects**

OHCS may finance only the portion of housing Projects consisting of units rented to households with an income below 80% of AMI. OHCS will utilize a calculation referred to as the applicable fraction when allocating the LIFT-funded portion of a mixed-income housing Project’s shared costs, including infrastructure, parking, and other amenities included in the Applicant’s pro forma development plan.

The applicable fraction used in determining shared costs in a mixed-income Project shall be determined based on the lesser of the proportion of affordable units or the proportion of affordable floor space. OHCS will calculate both fractions for each mixed-income Project and apply the smaller fraction to determine the shared cost allocation.

Outdoor spaces such as community gardens or playgrounds, recreational facilities, and parking areas, may be included, provided there is no separate fee for the use of the facilities and they are made available on a comparable basis to all residents in the Project.

The applicable fraction is determined using the lesser of the following formulas:

$$\text{Unit Fraction} = \frac{\text{\# of 80\% AMI Homes}}{\text{Total number of Homes}} \qquad \text{Floor Space Fraction} = \frac{\text{Floor space of 80\% AMI Homes}}{\text{Total floor space of all Homes}}$$

## Shared-Equity Models

To be eligible for LIFT Homeownership funds, Developers must use a shared-equity model in which an eligible covenant holder maintains ownership of the land and Qualified Homeowners purchase the individual Homes. Developers must show that they have the infrastructure or partnerships in place to steward LIFT-built Homes throughout the Affordability Period.

Examples of common shared-equity models include:

- Land trusts, including community land trusts (CLTs)
- Leasehold condos

Other eligible shared-equity models include, but are not limited to:

- Manufactured dwelling parks (owned cooperatively or by a nonprofit organization)
- Cooperative housing models, including limited equity cooperatives

## LIFT Loan Terms

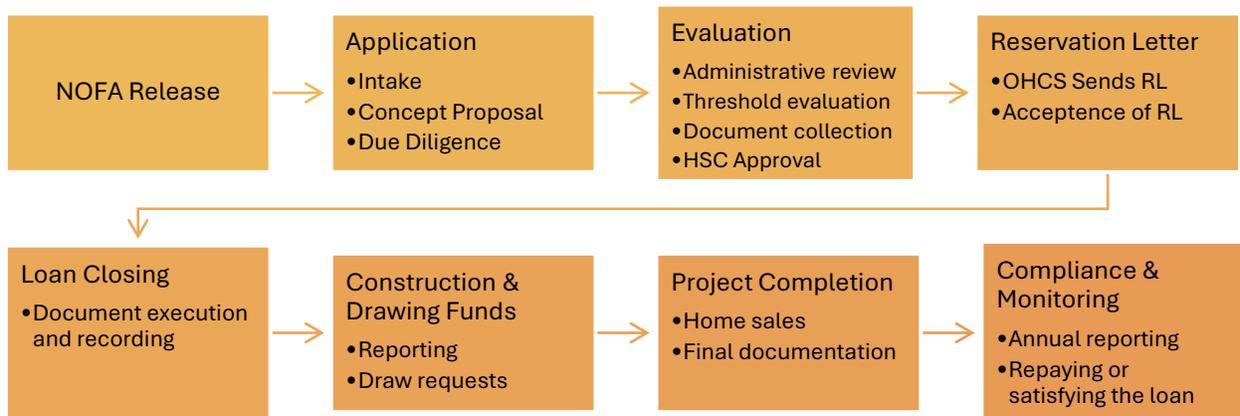
The LIFT loan must be secured by a first-lien deed of trust acceptable to OHCS and recorded against the fee interest in the property. OHCS may secure a first lien deed of trust recorded against the Project improvements as well. OHCS may share a first lien security interest with other lenders, subject to the execution of OHCS' Intercreditor Agreement and other documents necessary to establish the relative priority and rights of the parties.

LIFT funds are loaned at 0% interest with deferred payments throughout the Affordability Period. Loans are due and payable upon the maturity date set forth in the loan agreement. In lieu of repayment, LIFT loans can be satisfied by extending the maturity date and Affordability Period for an amount of time at least equal to the original Affordability Period (20 years) or by a combination of repayment and extended affordability as acceptable to OHCS. (See OAR 813-135-0040.)

The Affordability Period, Borrower responsibilities, rights, remedies, and other information will be set forth in an Operating Agreement that encumbers the property. For all Projects, the affordability requirements begin on the date that any Home in the Project is first conveyed to a Qualified Homeowner and expire not sooner than 20 years after the sale of every Home in the Project. This ensures that all Homes in the Project experience the full Affordability Period.

## LIFT Program Life Cycle

The following graphic shows a high-level overview of the stages of the LIFT Program from NOFA release to compliance and monitoring. The following sections lay out the Program requirements for each stage of LIFT.



## Application Requirements

### LIFT Homeownership NOFA

When funding is available, OHCS will release a public Notice of Funding Availability (NOFA) with a timeline and process for accepting Applications. The NOFA reiterates requirements of the LIFT Program, describes the Application process, and lays out any specific terms of the funding, including subsidy amounts and set-asides.

### Per-Home Subsidies

OHCS typically funds Projects based on the number of Homes and bedroom count. LIFT Homeownership is intended to provide gap funding for the construction of for-sale Homes and offset the difference between the cost of construction and the Home sales price. Within the NOFA, OHCS will list the limits for per-Home subsidy amounts. The maximum amount of subsidy that a LIFT Homeownership Project can request is calculated using the lesser of the following:

- The maximum per-Home subsidy identified in the applicable NOFA; or
- The amount of funding necessary to ensure the Project is financially viable. OHCS will verify this number considering the following items:

- A detailed pro forma and thorough evidence of costs;
  - At least one other source of funds is committed or highly likely in addition to LIFT and sales proceeds;
  - Net profits including Developer fee do not exceed 14%; and
  - The LIFT funds, plus all other Project debt, do not exceed the anticipated value of the completed Project as determined by a relevant appraisal (see appraisal requirements in the “Additional Due Diligence Requirements” section).
- Depending on funding availability each year, OHCS may also implement an additional per-Project or per-entity cap to ensure funding is available for more Projects.

### Funding Set-Asides

A NOFA may incorporate soft set-asides for available LIFT funds. The set-asides ensure that targeted or underserved Applicants or Projects are considered for funding. Set-asides will be reserved for a given time frame before being released to the broader pool of Applicants. Details of set-aside categories and timelines will be identified in the applicable NOFA.

### Application Process

LIFT Applicants will be evaluated through a multistep Application process that will be addressed in detail in the applicable NOFA. In general, the process includes the following:

- **Intake:** Prospective Applicants must submit an online Intake form to indicate interest in applying for the NOFA. This form will include limited screening questions and initial details about the Project and will notify OHCS to create a Procorem™ WorkCenter for the Applicants to submit the rest of the Application.
- **Concept Proposal:** Applicants will submit a more thorough Application including more details about the proposed Project, Development Team, and timeline. This stage will enable OHCS to evaluate Developer experience, Developer capacity, and experience with the proposed shared-equity model. If the Applicant passes minimum thresholds, this stage will secure an Applicant’s position in the first-come, first-served selection process.
- **Due Diligence:** If an Applicant passes the Concept Proposal and there is funding available for their position in the Application queue, they will be invited to complete Due Diligence. This stage includes the pro forma, the

evaluation of remaining threshold criteria, and the submission of any other documents required to move forward with LIFT.

Requirements and deadlines for each step of the Application process will be clearly stated in each published NOFA. Applications that are unable to meet requirements or complete Due Diligence by the deadline will be denied and the funding allocated to another Project.

## **Evaluation of Applications**

Applicants are evaluated based on the standards and criteria published in the applicable NOFA. Applicants must demonstrate, or partner with a Developer who can demonstrate sufficient experience and capacity to complete the proposed Project successfully on time and within budget. Additionally, Applicants must demonstrate that they have experience administering a land trust or other applicable shared-equity model or have partnered with an organization that has this type of experience. Funds will be awarded on a first-come, first-served basis to Applications that meet all required eligibility standards and minimum administrative and threshold requirements.

### **Administrative Review**

Minimum administrative requirements include, but are not limited to, the following criteria:

- Application Completeness: The submitted Application is complete and contains all required documents;
- Timeliness: Applicants must demonstrate that the Project is ready to proceed. At a minimum, Applicants will be asked to provide details or evidence of the following:
  - The Applicant has obtained and will maintain site control in the form of an undivided fee simple interest, an option to purchase dating beyond the anticipated LIFT Closing timeline, or other documentation suitable, as determined in OHCS' sole discretion, to prove site control.
  - The site is suitable for the intended Homeowners, for the proposed Project, and able to comply with LIFT and Article XI-Q bond timelines.
  - The Project meets all timeliness requirements including evidence of appropriate zoning, site control, and a timeline that demonstrates the following:

- Closing of the LIFT loan by the relevant deadline for the applicable NOFA;
  - Start of vertical construction within 18 months of receiving the Reservation Letter;
  - Completion of Home construction within 36 months of receiving the Reservation Letter; and
  - Sale of all Homes within 42 months of receiving the Reservation Letter.
- Applicant Integrity: To qualify for funding, neither the Applicant nor any member or entity within the Development Team may meet any of the following criteria:
  - Is under investigation for, has been indicted for, or has been convicted of fraud or an act of moral turpitude within the previous 10 years;
  - Is or has been involved in a bankruptcy proceeding within the previous five years;
  - Has been debarred or otherwise sanctioned by a local, state, or federal agency, or
  - Has outstanding charges owed to OHCS from previous Applications or Projects.

If an Applicant cannot meet the administrative requirements listed in the NOFA, the Applicant is not eligible for LIFT funding and the Application will be denied. If an Applicant passes the administrative review, the Application is moved to an evaluation of minimum thresholds.

### **Minimum Threshold Requirements**

An Applicant must meet minimum threshold standards to OHCS' satisfaction in each of the following categories to be eligible for funding. Minimum threshold standards will include an evaluation of specific criteria within the following categories:

- Developer capacity demonstrates that the Borrower and Development Team can take on and successfully complete the Project within the required timeline.
- Developer experience shows that the Development Team has the expertise required to complete the Project.

- Efforts have been undertaken to engage with, contact, or otherwise include communities or populations underrepresented as Homeowners.
- The Project is financially feasible, and Applicant has tried to contain costs and mitigate risk (as detailed in the [Financial Requirements section](#) below).
- The Project characteristics demonstrate that the development is intentionally designed to meet the needs of its residents and the community.
- The Applicant has experience with the shared-equity model chosen for this Project and has developed sufficient policies and processes to operate it.

A detailed scoring rubric that lists criteria under each category will be published with each NOFA.

### **Financial Requirements**

Applicants must be financially sound, and the Project must be financially viable. Applicants will be required to submit organizational financial statements showing cash position, debts and assets, and track record of financial health. Applicants must have plans in place to address cost overruns and may be required to provide evidence of risk mitigation measures such as a guarantee, performance bond, or certain amount of liquidity.

Applicants are required to submit a detailed pro forma that includes all financing sources, anticipated Home sale prices, and evidence of Project costs. Applicants must provide evidence of at least one additional funding source that covers costs that are not eligible for LIFT funds. Additionally, the pro forma must show sufficient funding in total and year-to-year during the construction period. The Application must show consideration of increasing costs, including the following required construction contingencies:

- Hard Cost Contingency: Between 2.5% and 5% of associated costs
- Soft Cost Contingency: Between 2.5% and 5% of associated costs
- Escalation: Between 3% and 10% of associated costs

### **Developer/Borrower Maximum Profit**

The combined Developer fee and Borrower profit may be no more than 14% of the total actual costs incurred for development of the Project. All consultant fees (other than arm's length architectural, engineering, appraisal, market study, and syndication costs), and other fees paid in connection with the Project

for services that would ordinarily be performed by a Developer, as determined by OHCS, shall count toward the maximum Developer fee/Borrower profit. Examples of consultant fees that will count toward the maximum Developer fee/Borrower profit include but are not limited to:

- Any profits to the Project sponsor if different than the Developer
- Developer fees
- Project management fees
- Consultant and grant writing fees
- Development consultant fees

Developer fees for new construction and conversion activities are calculated as:

$$\frac{\text{Developer Fee} + \text{Consultant Fee}}{\text{Acquisition} + \text{Hard Costs} + \text{Soft Costs} + \text{Developer Fee} + \text{Consultant Fees}}$$

### **General Contractor Maximum Fees**

When the general Contractor is a Related Entity/Person, or otherwise has an Identity of Interest with the Applicant or Project owner, the general Contractor's maximum combined profit, general conditions, and overhead is limited to 10% of total rehabilitation/construction costs plus site work costs. All other general Contractors will be limited to 14% of total rehabilitation/construction costs plus site work costs.

### **Documentation Requirements**

OHCS will require the submission of documentation that enables it to assess the Applicant, Project, financial requirements, and overall Project risk. Specific document requirements will be listed in the applicable NOFA and may include, but are not limited to, Articles of Incorporation showing the legality of the entity, recent financial statements, Development Team biographies, commitment letters from lenders and other financing sources, memorandums of understanding with relevant stakeholders, and organizational bylaws.

At any point during the life of the LIFT Project, OHCS reserves the right to request additional documentation from Applicants or Borrowers to ensure Project feasibility and compliance with LIFT requirements.

### **Additional Due Diligence Requirements**

During the Due Diligence step of the Application and/or prior to Closing on the LIFT loan, the Borrower must submit documents that show that the Project meets

all requirements to close on the LIFT loan and begin development. Such documentation includes, but is not limited to:

- Evidence of property ownership, clear title, and status of the Borrower and Development Team through documents such as property deeds, Secretary of State business registry, and title insurance.
- Evidence of compliance with other state and local agencies such as appropriate zoning, determination on prevailing wage requirements, and fair housing review.
- Evidence of environmental assurance, including:
  - Department of State Lands wetlands review
  - A Phase I Environmental Study report that is dated within 12 months of the applicable NOFA Application Submission Date. If the study identifies an REC (Recognized Environmental Condition), OHCS may require follow-up studies, a mitigation plan, revised pro forma, etc.
- Evidence of appropriate insurance as required in the applicable NOFA. The policy(s) must be active on or before the date of executing the loan documents and remain active throughout the Affordability Period.
- An as-built appraisal completed by a certified appraiser including the following considerations:
  - Value must be determined considering the land and all future site work, structures, and other capital improvements.
  - Calculations must consider any existing restrictions attached to the land or the use of the land (not including LIFT or other future restrictions).
  - The appraisal must name OHCS as an intended user of the appraisal and grant permission to OHCS to discuss the report with its preparer.
  - The appraisal must show a value equal to or greater than 100% of the total debt on the Project, including the LIFT loan, construction financing, and any other financing sources that may take a security interest in the property.
- A final draft of a pro forma and supporting evidence demonstrating all sources have been identified and committed and updated expenses showing continued compliance with all requirements and restrictions listed in the Manual and applicable NOFA.

- To secure a funding reservation, requirements listed in this section must be completed prior to approval of the Application. Requirements will be detailed in an attachment to the invitation to complete Due Diligence.

## **Misrepresentation and Fraud**

OHCS may disqualify an Applicant or Project, or cancel funding, if the Applicant, a co-Applicant, or a representative of an Applicant or co-Applicant makes a material misstatement, omission, or misrepresentation to OHCS; or is currently under investigation by a public body for, has a pending claim, indictment, suit, action, or other proceeding against them for, or 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 10 years. OHCS, in its sole discretion, may also exercise any and all other remedies available, or otherwise available by law.

Applicants must also disclose and describe to OHCS all Identities of Interest that exist with respect to the Applicant and the Project. Such disclosures shall be made when the Application is submitted and at any point at which an Identity of Interest is created after the Application has been submitted. Identities of Interest that are not disclosed may result in disqualification, a cancellation of funding, a breach of a resulting agreement, or other measures as determined by OHCS.

## **Application Denial**

An Applicant may resubmit an updated version of a Project that was denied for preliminary or threshold review issues or for lack of available funds. OHCS reserves the right to deny any Application for any reason.

## **Application Approval**

Successful Applications are brought to the Housing Stability Council (HSC) for approval. If HSC approves the Project, the Applicant will receive a Reservation Letter from OHCS stating the award amount and conditions of acceptance. The period to finalize legal documents and fulfill remaining requirements for Closing the LIFT loan begins the day an Applicant accepts the Reservation Letter.

## **Loan Closing**

OHCS legal documents must be executed through a title company representative. Borrowers must open escrow with an appropriate title company and provide OHCS the necessary details to complete the Loan Closing. The LIFT Loan Closing must be completed simultaneously with any construction loans or similar funding sources.

If Borrowers are using LIFT funds to purchase the land, OHCS may include a disbursement of LIFT funds via escrow for this purpose. If the property includes any other debts related to development of the Project, such as a preconstruction loan, including a loan under the Land Acquisition Program or Homeownership Development Incubator Program pre-development loan, those loans must be paid off during escrow or subordinated to the LIFT loan.

Borrowers are expected to meet any final Closing conditions prior to the deadline listed in the applicable NOFA. Projects that do not meet the deadline may have their funding reservation rescinded or may be required to complete and resubmit new documents including, but not limited to, Phase 1 Environmental Study, appraisal, and other documents determined by OHCS to require updating.

## **Construction Requirements and Drawing Funds**

### **Construction Standards**

Developments must follow all applicable state and local requirements. Applicants must obtain the required building permits prior to starting construction, and certificates of occupancy must be obtained for all Homes at Project completion. Project partners and/or stakeholders other than OHCS may have their own Project requirements. Borrower and the Development Team must satisfy all Project requirements from all Project stakeholders.

Unless OHCS approves an exception, Homes must meet or exceed minimum floor area requirements and include proportional and appropriate sizes for each room and living space.

Home Type	Minimum Floor Area (Sq. Ft.)
Studio	350
1 Bedroom	600
2 Bedroom	800
3 Bedroom	1,000
4 Bedroom	1,250

LIFT construction requirements are intended to encourage innovation and allow for all types of new construction. Traditional and alternative methods of new construction are allowed. Innovative and cost-saving construction that serves low-income populations is encouraged. Construction that balances the initial cost of building with ongoing costs of the Homeowner (e.g., energy standards, low-maintenance lawns, and other factors) is recommended.

At minimum, all Homes must be built to 30-year building standards and adhere to applicable portions of OHCS' Core-Development Manual (CDM), which is available on the OHCS website.

Evidence that the Project's general Contractor is currently licensed with the Oregon Contractor's Certification Board (CCB) in good standing is also required.

## Development Timeline

OHCS requires that Projects be planned and fully financed (except for OHCS funding) at the time of Application and ready to proceed upon meeting all requirements in the Project Reservation Letter.

Homes must be ready for initial sale within 36 months of the date of the Reservation Letter. The Project's construction schedule submitted with the Application must support the 36-month completion requirement. OHCS expects that the LIFT loan will close within six months of the date the Reservation Letter was issued. Vertical construction should begin within 18 months of the Reservation Letter issue date, and Certificates of Occupancy are required within 36 months of the Reservation Letter date with a six-month grace period to complete the sale of all the LIFT-funded Homes in the Project.

## Recorded Ground Lease

LIFT Borrowers are required to submit a copy of the recorded ground lease or other documents relevant to the Project's shared-equity model. The ground

lease must be recorded in the county where the Project is located prior to selling the first Home.

## **Reporting Requirements**

### **Quarterly Progress Reporting**

Borrowers must complete and submit progress reports detailing updates and overall status of the Project. Reporting requirements begin once the Reservation Letter is executed and continue until all Homes have sold and all completion conditions (see section titled “Completion Conditions”) have been met.

### **Ongoing Reporting and Documentation**

Borrowers must provide documentation showing the continued success of the Project and solvency of the Project and organization. Applicable documents may include, but are not limited to, annual tax returns, certificates of insurance, certificates of occupancy, household income verification, and certificates of ongoing compliance.

### **Notification Requirements for Problems or Changes**

LIFT Borrowers must promptly notify OHCS of changes to the Project that may affect a Borrower’s ability to comply with the Program requirements. This includes, but is not limited to, changes in the Project’s development schedule, number of LIFT-funded Homes in the Project, unit mix (bed/bath count) of LIFT-funded Homes, design characteristics (e.g., square feet, construction type), staff, funding, substantial changes in Project costs, ground lease terms, etc. OHCS reserves the right to approve or reject proposed changes, and changes made without notification and consent of OHCS may result in revocation of OHCS funds.

Any changes to the property’s legal description after the loan Closing will require an amendment to the LIFT regulatory documents and recording thereof. Changes in the property’s legal description can cause delays in the sale of the newly built Homes if not addressed promptly.

Borrowers may notify OHCS of any problems, delays, or changes through quarterly reports or via direct notice to relevant HOD staff.

### **Equity in Contracting**

Minority, Women-Owned, Emerging Small Business, and Veteran Business Enterprises (MWESB/VBE) are those registered with the state as such through the Certification Office for Business Inclusion and Diversity (COBID) process, or self-

identifying as such. All Applicants must identify approaches and/or targets for contracting with MWESB/VBE-certified or -eligible Contractors/Subcontractors in the construction and operation of the proposed Project.

All Projects that receive LIFT funds must adhere to OHCS' Homeownership Division Equity in Contracting Program Manual, which is included in this Manual as Appendix A. Borrowers must submit an initial report after Closing the LIFT loan and final report once all Homes have sold and all completion conditions have been met.

## **Draw Requests**

Borrowers may begin drawing on the LIFT award at or after Closing. All LIFT funds should be disbursed or requested for disbursement within 36 months of the Reservation Letter date. LIFT funds may be used in escrow at the time of LIFT Loan Closing to pay off land acquisition or other eligible expenses incurred prior to financial close. After the LIFT loan documents are recorded, Borrowers will be limited to one draw request per month. The Borrower is not required to make a draw request each month.

All draw requests must be substantiated by relevant invoices, receipts, or other documentation demonstrating that the cost has been incurred and that the expenses are eligible for payment with LIFT funds.

## **Allowable Expenses**

State-issued Article XI-Q bonds that are allocated for LIFT Homeownership Development must be used for costs that can be capitalized, like land acquisition, site development, and construction for affordable housing. LIFT Homeownership Development Projects will follow eligible costs in accordance with the Agency Guide to Financing Capital Projects with Article XI-Q Bonds available on the Department of Administrative Services website.

Examples of allowable bond costs:

- Land acquisition loan
- Site development and infrastructure
- Construction
- Construction loan interest and fees
- Consultant, engineering, surveys
- Architecture, design
- Development Contractors and Subcontractors

Examples of unallowable bond costs:

- Related party (e.g., OHCS funds cannot be used to pay OHCS charges)
- Debt reduction (e.g., construction loan principal)
- Insurance, property taxes
- Title and escrow charges, recording fees
- Public infrastructure (e.g., public sidewalks and curbs that are not on the Project site)
- Moving or relocation
- Pollution remediation
- Rent (e.g., temporary office space for employees)
- Operating costs (e.g., office supplies, training, meals, postage, printing, etc.)
- Indirect or administrative expenses (e.g., operating and replacement reserves, staff payroll, etc.)
- Certain direct labor costs if the Borrower is serving as their own general Contractor

## Project Completion and Ongoing Compliance

### Home Sales

Borrowers must submit documentation showing that completed Homes and Qualified Homeowners meet Program Requirements. Such documentation includes, but is not limited to:

- Certificates of occupancy for each Home, due within 30 days of their issue date.
- Income certification forms and demographic data for each Qualified Homeowner, due within 30 days of sale. Income certification for Qualified Homeowners may be verified at the time of the Home purchase date or no more than one year prior to that date. Area median income must be at or below 80%, adjusted by family size, as determined by OHCS based on information from HUD. Income certification is required for all subsequent Homebuyers during the Affordability Period.
- Qualified Homeowners shall have the opportunity to provide their demographic data to the Borrower, but the Borrower must inform Qualified Homeowners that providing such data is optional.

## **Completion Conditions**

For a Project to be considered complete, OHCS requires documentation to indicate that the Homes are ready for sale and a summary of the final Project's characteristics and costs. Required documentation includes, but is not limited to, photos of the front exterior of each completed Home, final subdivision maps, and final verification of each Home's size, bed and bath count, materials, and utilities.

Applicants must also submit a final pro forma including actual financing sources and sales proceeds, debt repayment, and final Project costs. The final pro forma must comply with all profit requirements, and the Developer/Borrower profit percentage must be no higher than the amount proposed and approved in the Application.

Lastly, OHCS may require written statements on the implementation of outreach to Communities of Color for Homeownership opportunities and vendor services. Additionally, OHCS collects Equity in Contracting data through a final report.

OHCS reserves the right to request reimbursement for undue or unallowable profit.

## **Compliance and Monitoring**

### **Annual Monitoring and Reporting**

Annual compliance monitoring begins for each Project at the beginning of the calendar year following the first Home sale. As part of this process, Borrowers must submit the following:

- A Certificate of Continuing Program Compliance, due at the beginning of each calendar year. The certificate verifies that Homes are sold and resold only to Qualified Homeowners and demonstrates compliance with property maintenance and repairs, insurance, defaults, financial statements, and other requirements.
- Annual monitoring charges will be assessed and invoiced to each Borrower entity. As of the date of this Manual, charges are assessed at \$25 per Home per year.

### **Home Sales and Subsequent Purchases**

When a Qualified Homeowner sells their Home and a new Qualified Homeowner buys it, the entity subject to the LIFT Operating Agreement must notify OHCS of the sale. This must happen within 30 days of a LIFT Home being sold to a new

Qualified Homeowner. The Borrower must submit income verification documents showing that the new Qualified Homeowner is earning at or below 80% of AMI and provide any other necessary documents for the Home sale.

For Projects closing after adoption of this Manual, if a Home is transferred to an heir through inheritance, the heir may only occupy the Home if they are a Qualified Homeowner. An heir who is a Qualified Homeowner and wishes to retain the Home must occupy it as their primary residence. The Borrower must submit all required documentation to OHCS as though it were a Home sale. If the heir does not meet the requirements to be a Qualified Homeowner, they must initiate the sale of the Home to a Qualified Homeowner in accordance with Program Requirements.

### **Restrictive Covenants**

Throughout the Affordability Period, the Affordability Requirements and other covenants stated in the LIFT agreements are covenants that run with the property and will pass to and be binding on Borrower's successor in title as provided in the LIFT agreements.

### **Renewed Affordability Period**

The LIFT loan will be due and payable in full on the LIFT loan maturity date. As provided by OAR 813-135-0040, the Borrower may elect to satisfy the LIFT loan by extending affordability for another 20 years, or by combining loan repayment and affordability extension in a manner that is approved by OHCS.

## **Definitions**

Capitalized terms used in this Manual have the meanings provided below or in applicable statutes or rules, unless the context clearly requires otherwise.

**Affordability Period** – The period during which the Affordability Requirements apply. The Affordability Period begins on the date that any Home in the Project is first conveyed to a Qualified Homeowner and expires no sooner than 20 years after the sale of every Home in the Project. If the Borrower chooses to satisfy the LIFT Homeownership loan by extending affordability, rather than by repayment of the LIFT loan, affordability must be maintained for an additional 20 years beyond the initial 20 years of affordability. OHCS may, at its sole discretion, extend the Affordability Period for periods of time matching corresponding periods of time during the Affordability Period for which OHCS determines Borrower to be in material noncompliance with any of the terms of the Operating Agreement.

**Affordability Requirements** – A Borrower may enter into a land lease only with a Qualified Homeowner, and the lease payment that the Qualified Homeowner is required to pay — when combined with any mortgage payment owed by such Qualified Homeowner for the Home — may not exceed what is considered affordable, as determined by HUD on an annual basis, to a household with an income of 80% of AMI. The Affordability Requirements apply for the duration of the Affordability Period.

**Applicable Notice of Funding Availability (NOFA)** – The Notice of Funding Availability that applies to the year the Application is submitted.

**Applicant** – A person or entity that applies for LIFT housing Program funds by completing an Application provided by OHCS.

**Application** – All forms, information, and exhibits that an Applicant must submit in a request for LIFT Homeownership funds for a Project.

**Area Median Income (AMI)** – The median income for the county in which the Project is located, adjusted for family size, as determined by the OHCS using HUD information.

**Borrower** – The entity to which LIFT funds are issued upon satisfaction of all conditions of the Reservation Letter. The Borrower is responsible for ensuring that all Program Requirements are fulfilled.

**COBID** – Certification Office for Business Inclusion and Diversity

**Concept Proposal** – The second step of the multistep Application process that secures an Applicant's place in line. This step focuses on experience, capacity, and readiness and can be submitted in the Procorem™ WorkCenter. This step will be completed by all Applicants.

**Contingency** – A set-aside of funds to be used for construction or development conditions that are not certain to occur. OHCS sets a maximum allowable contingency amount when determining the LIFT award amount.

**Contractor/Subcontractor** – An entity that contracts to perform work in conjunction with the Project or work generated by expenditure of OHCS financing.

**Developer** – An organization with a controlling interest in the proposed or funded Project that is or will be compensated for that controlling interest.

**Development Team** – All persons and organizations materially involved in the acquisition, construction, rehabilitation, development, or improvement of the

Project, including but not limited to the Applicant/Borrower, Developer, Project management consultant, and general Contractor.

**Due Diligence** – The third step of the Application process that ensures all Program Requirements are met. This step is broken into three stages and will be completed in the Procore™ WorkCenter only by Applicants invited to complete the step.

**Eligible Covenant Holder** – Defined in ORS 456.270(3). Applicants and Borrowers must be Eligible Covenant Holders.

**Emerging Small Business (ESB)** – An ESB is a for-profit business in Oregon that meets specific thresholds on the number of employees and annual gross receipts, as published by COBID.

**Home** – A dwelling built as part of a Project that receives LIFT Homeownership funds that will be sold to a Qualified Homeowner.

**Homeownership Division (HOD)** – The section of OHCS that is responsible for the funding and administration of the LIFT Homeownership Program and other Homeownership-related programs.

**Identity of Interest** – A financial, familial, or business relationship that permits less than arm's length transactions. Examples of relationships in which an Identity of Interest may be present include, but are not limited to: related entities/persons; persons, entities, or organizations affiliated with or controlled by or in control of another; existence of a reimbursement program or exchange of funds; common financial interests; common officers, directors, stockholders, or managers; or family relationships between officers, directors, or stockholders.

**Intake** – The first step of the multistep Application process that involves completing a form available online. This step serves as a screening tool for basic eligibility and a notification for OHCS to allow the Applicant access to the Procore™ WorkCenter. This step will be completed by all prospective Applicants.

**Local Innovation and Fast-Track Housing Program (LIFT, LIFT Program, or LIFT housing Program)** – The Program established by ORS 458.480 – 458.490 and implemented by OHCS.

**LIFT Homeownership** – The part of the LIFT Program that is administered by the Homeownership Division and that provides funds to build Homes for purchase.

**Loan Closing** – The stage in the funding process when applicable conditions of the Reservation Letter are satisfied and all relevant legal documents are executed, meaning that the Borrower is legally obligated to the terms of the agreement. The Borrower can begin drawing LIFT funds.

**Manual** – The LIFT Homeownership Manual (this document).

**Minority** – Persons who identify as a member of one or more of the following racial or ethnic groups: American Indian or Alaskan Native, Asian, Black /African American, Native Hawaiian or other Pacific Islander, Hispanic or Latino, or other racial/ethnic groups as those groups are specified from time-to-time by OHCS.

**Minority Business Enterprise (MBE)** – An MBE is a business that is both owned and controlled by Minorities. This means that there must not be less than 51% Minority ownership of the business and the Minority ownership must control the management and daily operations of the business.

**Notice of Funding Availability (NOFA)** – The document that announces LIFT Homeownership funding availability and describes the requirements to apply for that funding.

**Operate** – Having sufficient direct or indirect control of qualified property that reasonably enables OHCS, in its determination, to ensure the qualified property's use for the purpose of providing affordable housing under the LIFT housing Program established in ORS 458.485.

**Operating Agreement** – An agreement between OHCS and the Borrower that imposes affordability covenants on the land that is part of the Project, and in which the proposed Project owner agrees, among other things, to build and maintain the Project and comply with Program Requirements.

**Program(s)** – A specific source of state or federal funds that provides a methodology to award those funds for the development of affordable housing Projects.

**Program Requirements** – Collectively, all of the following, including as may be amended from time to time: all performance requirements, restrictive covenants, warranties, liabilities, operational standards, and other obligations of the Borrower arising under the terms and conditions of the LIFT Program, including applicable provisions of Article XI-Q of the Oregon Constitution, the LIFT agreements, the affordability requirements, OHCS' administrative rules, applicable OHCS Manuals, applicable OHCS orders and directives, and other

applicable federal, state, and local laws, ordinances, codes, rules, and regulations.

**Project** – A low-income Homeownership development for which funding, in whole or in part, is sought from or obtained from OHCS. A Project may include land, one or more Homes, other buildings, and any associated common areas. A Project may be located on a single site or on scattered sites.

**Qualified Homeowner** – A homeowner whose income, at the date of the Home purchase or no more than one year prior to that date, is at or below 80% of AMI, adjusted by family size, as determined by OHCS based upon information from HUD.

**Related Entity/Person** – These include, but are not limited to: (1) members of a family; (2) a fiduciary and either a grantor or a beneficiary of a trust; (3) a party and a federally tax-exempt organization that the party or members of the party's family controls; (4) a party and either a corporation or a partnership in which the party has more than a 50% ownership interest; (5) two business entities, either corporations or partnerships, where a party has more than a 50% interest in each; (6) two corporations that are members of the same controlled group; and (7) two parties engaged in trades or businesses under common control.

**Reservation Letter** – A letter to the Borrower that sets forth the award amount and conditions of acceptance. The Borrower must sign and return the letter to OHCS to accept the conditional award.

**Rural Communities** – OHCS defines Rural Communities through a process evaluating housing density, data from the National Center for Health Statistics, and distance to the nearest metropolitan area. Applicants should use the [OHCS Rural or Urban Status Map for Homeownership](#) to identify if they are in an eligible rural Census tract.

**Veteran Business Enterprise (VBE)** – A veteran business enterprise is a veteran-owned small business that is at least 51% owned by a veteran.

**Women Business Enterprise (WBE)** – A WBE is a business that is both owned and controlled by women. This means that there must not be less than 51% women ownership of the business and the women ownership must control the management and daily operation of the business.

## Appendix A: Oregon Housing and Community Services Homeownership Division Equity in Contracting (EIC) (formerly MWESB/VBE) Program

The OHCS Homeownership Division is committed to ensuring that Minority, Women, Emerging Small Business (MWESB) and Veteran Business Enterprise (VBE) firms have equitable access to business opportunities created through OHCS-financed developments. To advance this commitment, OHCS:

- Encourages firms that self-identify as MWESB or VBE to obtain COBID certification.
- Promotes the use of diverse firms, labor, and materials in Projects to support OHCS' Diversity, Equity, and Inclusion (DEI) and Equity and Racial Justice (ERJ) goals.

All OHCS-financed developments are subject to Equity in Contracting (EIC) requirements, including partner marketing, outreach, and performance goals. Financing applies to Programs such as:

- Local Innovation and Fast Track (LIFT) Homeownership
- Homeownership Development Incubator Program (HDIP)
- Any other OHCS Homeownership Division funding for construction or construction-related activities supporting affordable Homeownership.

Participation by MWESB/VBE-certified firms in OHCS-funded construction aligns with state and federal efforts to eliminate bias and remove barriers, ensuring these firms can fully compete to provide goods and services for affordable housing development in Oregon.

### Responsibilities

All partners applying for development financing utilizing OHCS funds are required to identify an EIC plan outlining efforts to contact and contract with COBID and non-COBID certified Contractors and Subcontractors, notifying the enterprises of the bidding opportunities in the construction and operation of the proposed Project.

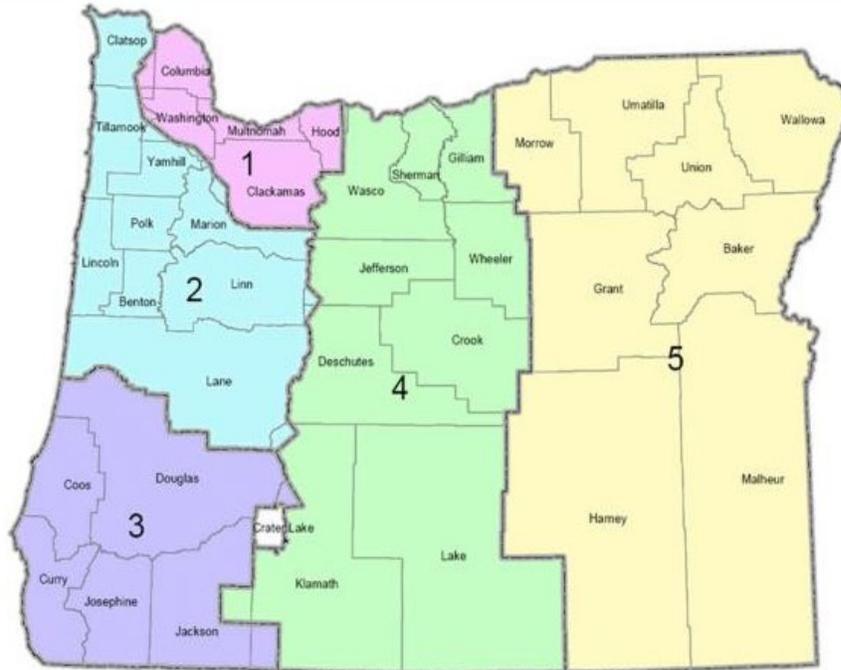
### OHCS Responsibilities

- Notify the partner at the approval of funding of the MWESB/VBE firm of participation goals and objectives along with where to find this Manual on the OHCS website:  
<https://www.oregon.gov/ohcs/Homeownership/Pages/mwesb.aspx>
- Monitor performance of partner with respect to EIC and OHCS requirements.

## Partner Responsibilities

- Develop and submit an EIC plan outlining MWESB/VBE participation goals and steps to achieve them, including outreach to COBID and non-COBID firms for bidding opportunities.
- Provide a general Contractor profile, team demographics, and history of addressing DEI, including marketing strategies and culturally relevant outreach.
- Document MWESB/VBE engagement across all Project phases and costs (site work, pre-development, hard/soft costs, fees).
- Report Subcontractor outreach efforts, mentor/protégé partnerships, and list all COBID and non-COBID MWESB/VBE firms used.
- Use OHCS COBID fact sheets to encourage certification for non-COBID firms.
- Submit OHCS reporting forms on time, including MWESB/VBE contract awards and GC profits when applicable.

## Regions and Goals



Region No.	Region	Counties	Goal
1	Metro Oregon	Clackamas, Columbia, Multnomah, Washington and Yamhill	30%
2, 3	Non-Metro	Clatsop, Tillamook, Yamhill, Polk, Marion, Lincoln, Benton, Linn, Lane, Coos, Douglas, Curry, Josephine and Jackson	20%
4, 5	Rural Oregon	Wasco, Sherman, Gilliam, Jefferson, Wheeler, Crook, Deschutes, Klamath, Lake, Morrow, Umatilla, Union, Wallowa, Grant, Baker, Harney and Malheur	20%

OHCS understands the challenges and differences in demographics, certified firms, and availability of resources for the different regions in Oregon. OHCS will continue to seek partner feedback to determine the feasibility of these goals.

### Participation and Affirmatively Marketing to MWESB/VBE Firms

To meet OHCS Equity in Contracting (EIC) goals, partners are expected to engage COBID-certified and non-certified MWESB/VBE firms actively in all OHCS-financed construction Projects.

MWESB/VBE participation will be calculated based on total construction costs, including:

- Site work and pre-development.
- Hard and soft costs.
- Professional and administrative fees.
- Closing and carrying costs.
- Other Project-related fees.

Non-COBID MWESB/VBE firms may be included in EIC reporting if they meet ownership and control requirements.

Partners are encouraged to:

- Use local labor and community partnerships.
- Support apprenticeship and workforce development Programs.
- Promote volunteer initiatives that strengthen economic vitality and create pathways out of poverty.

These efforts help expand MWESB/VBE participation in Oregon's construction industry.

### **Documentation and Good-Faith Efforts**

Partners must maintain evidence of outreach to MWESB/VBE general Contractors, Subcontractors, and related businesses. Outreach efforts must allow sufficient time for firms to participate in bidding or Application processes.

Acceptable good-faith efforts include:

- Requiring prime Contractors to engage with MWESB/VBE firms.
- Adding qualified MWESB/VBE firms to solicitation lists.
- Using resources from COBID, Business Oregon, PBDG, Office of Veterans Business Development, Oregon Association of Minority Entrepreneurs, Native American Business Network, and women-focused business networks.
- Soliciting MWESB/VBE firms whenever they are potential sources.
- Breaking down requirements into smaller tasks or quantities to maximize participation.
- Establishing delivery schedules that encourage MWESB/VBE involvement.

## Requirements for Tribal-led or Tribal-owned Projects

Tribal governments often have Tribal Employment Rights Offices (TEROs) that dictate what percentage of Contractors and workers on a Project must be Tribal members. The federal Department of the Interior also sets standards for Tribal participation in Tribal-owned or -led developments. When reporting MWESB/VBE participation, Tribal-owned or -led Projects may use either OHCS' EIC goals or their own TERO requirements. Tribal-led or -owned Projects will submit a narrative detailing their EIC plan in the Project Application.

## Compliance and Reporting

At Application, partner certifies (by signing the attached certification) that they will comply with laws prohibiting discrimination in employment. Once funded, partners are required to submit biannual reports demonstrating outcomes of their efforts to contract with MWESB/VBE Contractors/Subcontractors and submit a final report outlining the partner's efforts in meeting their target goals.

### General

- Partner and general Contractor will record name, address, and bid information and results of the bid for all MWESB/VBE firms and submit to OHCS via OHCS EIC Biannual Report form.
- Partner and general Contractor will record name and COBID number (if applicable) in OHCS EIC form.
- Partner and general Contractor will record name, address, and bid information of any non-COBID MWESB/VBE firms bidding on Project and submit to OHCS via EIC form.
- Partner will record information regarding any organizations that provide volunteer labor or other services that provide opportunities to underserved communities, train underserved youth for jobs, or other such DEI/ERJ goals.
- OHCS will review and record compliance with applicable goals.

### At the start of construction

- Partner and general Contractor will continue (if necessary) to solicit bids as required through construction completion.
- Partner and general Contractor will report new bids (if any) and contracts through construction completion.
- OHCS will continue to monitor EIC participation until construction completion.

### Upon completion of construction

- Partner and general Contractor must update the OHCS MWESB/VBE firm participation and submit a final report reflecting the COBID and non-COBID MWESB/VBE's participation level in the OHCS-funded development.