



HPOF HOMEOWNERSHIP PROGRAM

2022 Notice of Funding Availability

Published: May 16, 2022

Responses due: June 13, 2022

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I. Introduction and Goals

The Washington County Office of Community Development (OCD) announces the availability of HPOF Homeownership Program (the Program) funds to help create affordable homeownership opportunities for first-time, low-income homebuyers in Washington County.

Program objectives are met through two basic models of assistance: 1) subordinate mortgage loans, also known as down payment assistance; and 2) permanent affordability, through a community land trust, which increases the supply of homes affordable to the initial and successive homebuyers.

This Notice of Funding Available (NOFA) is for each of the aforementioned models. Within this document you will find criteria regarding applicant, program and project eligibility, application requirements and funding details. The application itself is a separate document and can be found [here](#). If required, assistance in utilizing ZoomGrants may be obtained by contacting our office.

Funds awarded will be sourced from County General Funds. This first round of funding will provide up to \$2.9 million dollars, split 60/40, between permanent affordability and downpayment assistance.

II. General Program Funding Policies

The overarching policy document that governs the use of all HPOF Homeownership funds is the HPOF Matrix. The document should be reviewed thoroughly and understood by all applicants.

Please refer to the HPOF Matrix for the program requirements governing all eligible uses including information regarding homebuyer eligibility, homebuyer contribution, and property purchase limits. The policies below apply to all funds provided through this NOFA.

Income Limits: Depending on the model, the maximum eligible household income is 100% of area median, adjusted for household size. These limits are usually updated annually in the spring. Homebuyers' income eligibility will be determined based on income limits in effective at the time of initial purchase.

Homebuyer Education and Counseling: Is required to be carried out according to Partner Agency's policy.

Home Purchase Price Limit: The program will utilize the OHCS Acquisition Limit which is currently valued at **\$453,048**.

Residency: Homebuyers must reside or work in Washington County.

III. Evaluation Criteria for Subordinate Mortgage Loans – Downpayment Assistance Applications

1. *Timeliness:* Applications must provide evidence of an existing waiting list, see application, or the ability to perform effective outreach to create buyer demand and housing stock supply sufficient to use funds within the contracted period.
2. *Organizational Capacity:* Applications must provide evidence that applicant has the capacity to complete homebuyer down payment assistance activities. Applicants should be able to provide evidence of their ability to provide culturally competent assistance to households who are members of groups with low homeownership rates, including people of diverse ethnic and cultural background and people with disabilities and households that have language or other barriers to homeownership.

IV. Evaluation Criteria for Applications for Permanent Affordability

1. *Project Plan:* Applications must demonstrate that the project fulfills the goals of the Homebuyer Assistance Program and results in affordable homeownership.
2. *Organizational Capacity:* Applications must demonstrate that the applicant has the organizational and financial capacity to complete the proposed project. Capacity includes having sufficient staff with the technical knowledge, experience, and time to oversee the affordable housing program, the financial capacity to sustain the organization throughout the period of the project and sufficient staff resources to respond to County and community concerns.
3. *Capacity for and Experience with Stewardship:* Applications must demonstrate that the applicant has the organizational capacity for and experience successfully stewarding on-going affordability of homeownership units and supporting homeowner success. This includes having long-term organizational viability and the staff capacity to steward affordability.

V. Application Information

1. *Application Assistance:* Prospective applicants should review this NOFA, the application forms, and the Matrix thoroughly to understand County's funding priorities, program requirements and the application process. OCD expects applicants to have homebuyer assistance expertise or to partner with agencies who do.
2. *Application Completeness and Assembly:* OCD will allow minor deficiencies in funding applications to be corrected and clarifications to be made by applicants during the review process. Otherwise, incomplete applications will not be considered for funding.
3. All applicants must submit the full application online via ZoomGrants. Hard copy applications will not be accepted.
4. *Application Schedule:*
 - May 16, 2022 Release of NOFA
 - June 13, 2022 Applications due to OCD via ZoomGrants
 - June 21, 2022 Target date for issue of notice to approved applicants
 - Mid July 2022 Target date to begin processing contracts
5. *Where to submit applications:*

Applications will be submitted online via ZoomGrants. Application

can be found [here](#)

VI. Disclaimers and Disclosure

This NOFA is not a commitment or contract of any kind. OCD reserves the right to pursue any and/or all ideas generated by this request. Costs for developing submissions are entirely the responsibility of the applicant and shall not be reimbursed. OCD reserves the right to alter timelines, amend or retract the NOFA, waive as informality any irregularities in submittals, and/or reject any and all submissions. OCD reserves the right to waive any requirements of this RFP when it determines that waiving a requirement is in the best interest of the County.

All proposals and related materials become the property of the County upon delivery to OCD.

The applicant recognizes and agrees that the County will not be responsible or liable in any way for any losses that the respondent may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties.

PARTNER REQUIREMENTS	PRIMARY NONPROFIT LENDER	SECONDARY NONPROFIT LENDER	PERMANENT AFFORDABILITY Community Land Trust)
Apply through a competitive process	X	X	
Apply through a non-competitive process. Certain organizational and programmatic thresholds will need to be met. If multiple Community Land Trusts apply the application will be competitive.			X
Demonstrate serving historically marginalized communities	X	X	X
Documented programmatic policies guiding decision making	X	X	X
Provide evidence of meeting past homeownership objectives	X	X	X
Demonstrate capacity to meet households-served objectives	X	X	X
Demonstrate a successful track record of loan recapture stewardship and reuse.	X		X
Demonstrate an ability to; recapture, steward, and reuse loans		X	
501c3, DUNS#, and no findings	X	X	X
At least three years of providing sustainable homeownership services including higher lien position loans.	X		X
Less than three years providing homeownership services and or less than three years of second lien position lending and or no recapture experience but has demonstrated experience providing smaller loans/grants and or closing costs/prepays.		X	
PROGRAMMATIC REQUIREMENTS			
Applicant must reside or work in Washington County	X	X	X
Home must be located in the county; all jurisdictional areas are eligible	X	X	X
Annual household income capped at 80% AMI			X
Annual household income capped at 100% AMI	X	X	
HUD first time homebuyer certification	X	X	X
Note and Deed must include county specific requirements (SEE BELOW)	X	X	
The amount of the DPA loan shall be determined by the maximum 1 st mortgage loan available to the applicant when the nonprofit lender has no cost burden policy. <i>The county will look more favorably on nonprofit lenders with cost burden policies, especially when serving lower AMI households.</i>	X	X	X
DPA loans above \$10,000 are to be forgiven at 20% year 10 and 20% every five years thereafter. At 30 years the full amount is forgiven.	X		
DPA loans of \$10,000 or less are grants.		X	
Interest rate must be 0% with no payments until recapture triggered	X	X	
A Deed of Trust required with a lien order secondary only to a larger loan.	X	X	
Recapture; must be willing to work with the county on 1 st mortgage refinance language policy as well as upon the death of the owner/occupant policy.	X	X	
Recaptured loan amounts to be used for same purposes as proscribed herein.	X	X	X
A household may not receive loans, closing costs, or prepaids from more than one nonprofit funded by this program			
OHCS Acquisition Limit. Currently \$453,048	X	X	X
Prior to each qualified forgiveness portion, nonprofit lender must confirm occupancy. All previous forgiveness is lost if no owner occupancy.	X	X	X

May require FHA and or VA pre-approval prior to using these funds		X	X	X
Reporting; likely transaction based and quarterly.		X	X	X
PROGRAM OFFER				
Up to \$135,000 per home on average to be used for principal reduction and one or more of the following; grant to cover all or portion of closing costs/prepays (any buydowns must be well thought out), up to an \$8,000 post homeownership grant for energy and cooling improvements (full house A/C is strongly encouraged if not existing and fully functional), and admin, capped at \$8,000.				X
Up to \$90,000 per home on average to be used for principal reduction and one or more of the following; grant to cover all or portion of closing costs/prepays (any buydowns must be well thought out), up to an \$8,000 post homeownership grant for energy and cooling improvements (full house A/C is strongly encouraged if not existing and fully functional), and admin, capped at \$5,600.			X	
Up to \$25,000 per home on average to be used for one or more of the following; principal reduction, grant to cover all or portion of closing costs/prepays (any buydowns must be well thought out), up to \$8,000 post homeownership grant* for energy and cooling improvements (full house A/C is strongly encouraged if not existing and fully functional) and admin, capped at \$2,500. *Energy grants may only be offered when program DPA has been provided.		X		

Note, Deed, and other requirements

1. 30 yr fixed rate deferred payment loan at 0% interest rate
2. Recapture required of non-forgiven portion of each loan, which may not be prorated between forgiveness periods.
3. Applicant must have a subordination policy that covers the event of a refinance.
4. When net proceeds from an Arm's Length Transaction sale are not enough to pay off the loan that portion covering the shortage shall be forgiven, except no portion of the proceeds shall be used to cover the default portion of any lower loan/deed.
5. Applicant must have a recapture policy to cover in the event of the death of the owner/occupant.
6. Lender must be named as hazard insurance loss payee.

HPOF Homeownership Down Payment Assistance application – Round 1

Opening Statement

By providing down payment and closing cost assistance, limited repairs, principal reduction, and education to low-moderate income families and non-profit agencies serving households in Washington County, HPOF Homeownership assists to improve the quality of life for those families and their community. The partnership between local housing development agencies and Washington County provides the opportunity to achieve homeownership in Washington County.

To improve access to homeownership while proportionately increasing the number of permanently affordable homes for underserved populations, the Office of Community Development, Washington County has developed a five-year program providing down payment, closing/prepays, admin, and energy efficiency including cooling assistance to eligible homeownership nonprofits serving Washington County. Funding has no federal or state character and is intended to not overburden partners with county specific requirements. Program parameters were determined based upon feedback from an outside workgroup and surveys of homeownership providers.

There are two application paths. One for DPA applicants and the other for Permanent Affordability applicants.

Instructions

1. Review Policy Matrix, attached, prior to applying
2. Review all scoring questions prior to applying
3. After review of the Policy Matrix and questions below please choose whether you are applying as a Primary Lender or a Secondary Lender.
 - Primary Lender
 - Secondary Lender
 - Permanent Affordability via Community Land Trust (this application will branch to a different set of questions.)

Scored Responses (up to 100 pts available)

- 1) How many years has your organization provided homeownership lending opportunities for wage earning families?

Pts: 14/9/3

- Over 5
- Over 3
- Over 1

- 2) Lending Policies. Please check all that apply. **Pts: 8/8/8/6, total of 30 pts available** - Applicant must be willing to share requested policies below, with the county, upon 24-hour notice. If an applicant is determined to not have documentation supporting checked boxes the applicant's total score will be reduced by two and half times the value originally scored.

- Does your organization have written policies guiding/directing staff approaches to each homeownership program offered?
- Does your org have a written cost burden policy limiting housing and debt ratios for lower income buyers?
- Does your org have written policies guiding/directing staff approaches to recapture and reuse of home loans?
- Does your org have a written refinance policy that guides when subordination to a new loan is allowed?

Narrative is optional but limited to no more than 300 words.

3) The county seeks partnerships that place a priority on serving Black, Indigenous, Latino/a/x, other people of color and immigrant and refugee populations . Please respond to the following questions using no more than 600 words. **Up to 12 pts available**

- a. What more recent policy changes have been made to improve sustainable homeownership for historically marginalized populations?
- b. What organizational limitations have created barriers to serving diverse communities and how are you removing those? (i.e., lack of staff diversity; lack of bilingual staff, translated documents or other efforts to assure language access; lack of knowledge of cultural norms; lack of knowledge of economic inequities and racism in housing; not addressing community distrust due to historic predatory and discriminatory lending practices)
- c. How are you tailoring your outreach efforts to engage diverse populations? Describe how specific strategies are tailored to specific communities.

4) Sustainability courses currently offered whether directly or in partnership. **2 pts each, up to 12 total**

- Post homeownership maintenance
- Post homeownership budgeting
- Post or pre homeownership guidance
- Post or pre homeownership crisis management
- Pre homeownership budgeting for post homeownership
- If you offer other sustainable services list them briefly below
(1) _____

Please provide each of the applicable certificate templates with your application. Narrative is required to describe the makeup of each course offered. Narrative is limited to 400 words.

Please list homeownership partnering agencies (including 1st mortgage and nonprofit/agency lenders).

Agency	Their Service	# of years	# of homes (est. ok)

5) Delivery performance and historically served household’s table. Please complete the table below for each calendar year. **Up to 12pts available**

Year	# of households your org initially committed to a funding source to serve with homeownership.	# of households served with homeownership during the initial agreed upon time period?	The name(s) of the agency(s) that funded your program?	Of the households served w/ homeownership what was the average household AMI?	How many of the new households were historically marginalized?
2019					
2020					
2021					

You may add narrative if you like limited to no more than 300 words. Scorers will strongly consider equity performance along with overall performance. Potential awardees will be asked for a primary funding agency contact.

- 6) The county will require awardees, in most cases, to recapture down payment assistance provided within parameters outlined in the policy matrix. Therefore, the county is seeking applicants with a successful history of stewarding of recaptured loans. Please share your organization's recapture triggers, how you account for recaptured funds, how recaptured funds may be reused, when recaptured funds may be used, and who are the organizations that you report to regarding recaptured funds. *Narrative limited to 600 words. **Either 10 or no pts.***

Scorers are looking for responses that meet/exceed provided county policies, are well thought out, and give the impression the applicant is an experienced homeownership lender. This is an all or no pts response. It is anticipated that applicants with little or no recapture experience are more likely to be eligible as a Secondary Nonprofit Lender.

- 7) Lessons learned. Over the years of providing homeownership, it stands to reason that there were lessons learned, perhaps of significance. Please share lessons learned and how changes made impacted your organization and or your clients. Topics might include; deeds and notes, recapture, counseling, the pandemic, outreach, serving historically marginalized, AMI served, partners, lenders, credit scores, operations, and the marketplace. **Up to 10 pts available.**

Narrative limited to 800 words. Scorers are looking for programs that noted operational or approach changes needed within their organization, how they adapted, and what the results were.

Not scored - While the questions below are not scored any one or all will likely weigh in the outcome.

1) Commitment

- a. # of new households, over an 18-month period, estimated June start, your organization commits to creating at the level of funding noted in the Policy Matrix:

Any narrative limited to 300 words.

2) Waitlist

- a. # of currently bank preapproved households, within the last six months, for a mortgage of at least \$300,000, on your waitlist:
b. # of prequalified households, not included in the count above, by staff or a lender, for the same amount as above:

- 3) If with this application your organization seeks to increase its number of households served, year over year with homeownership, how have or will you address capacity concerns? What limited the number of households served in the past?

Narrative limited to 600 words.

- 4) Does your organization have a note and deed it uses when lending? If so when were the documents last reviewed and by whom? Name, title, and organization please:

Any narrative limited to 100 words.

- 5) The county seeks applicants interested in coordinating post homeownership energy improvements, while strongly encouraging air conditioning. You will note in the policy matrix there are funds available for this work. The county is interested in your willingness to coordinate the work between a third-party provider and the new homeowner(s). Examples of third-party providers might include, Home Depot, Lowes, Sears, a contractor partner, MWESB contractor partner, and volunteer labor, if such labor is normal to your organization.

- 6) If not already included in written policies, is your organization willing to add language pertaining to what takes place upon the death of the owner occupant and what takes place with regards to recapture when a first mortgage refinance is requested? *The county seeks language that best protects the family of a deceased owner in terms of financial well being*
- 7) Please submit the following documentation for our review and approval:
- a. 501c3
 - b. Articles of Incorporation
 - c. By Laws
 - d. Duns #
 - e. most recent audit and any single audit,
 - f. most recent year-end financials,
 - g. YTD financials, through at least March 31, 2022, and
 - h. applicable program org chart with years of experience of each employee listed.
- 8) (optional) Policy requires at least three years of providing sustainable homeownership services to be considered a primary lender. If your organization has less than three years of providing sustainable homeownership lending services, why should the county consider funding your application as a Primary Nonprofit Lender or a Secondary Nonprofit Lender?

Narrative limited to 800 words

Permanent Affordability Application

Opening Statement

While this application is not competitive the county will require certain thresholds to be met, therefore award will be subject to responses to the following.

Please provide the following;

- a. most recent audit and any single audit,
 - b. most recent year end financials,
 - c. YTD financials, through at least March 31, 2022, and
 - d. applicable program org chart with years of experience of each employee listed.
2. Please respond to the following.
- a. With reduced equity what does CLT homeownership provide a household needing equity for family value causes or for sale and repurchase of a different home? Please cite specific examples.
 - b. Because some equity in the permanently affordable home leaves with the seller, what is the impact on future permanent affordability of the home, especially after a second sale? Are additional resources needed to maintain long term affordability?
3. Lending Policies. Please check all that apply. (Applicant must be willing to share requested policies below, upon request, prior to award)
- Does your organization have written policies guiding/directing staff approaches to potential permanent affordability applicants?
 - Does your org have a written cost burden policy limiting housing and debt ratios for lower income buyers?
 - Does your org have written policies guiding/directing staff approaches to recapture and reuse of home loans?
 - Does your org have a written refinance policy that guides when subordination to a new loan is allowed?

Narrative is optional but limited to no more than 300 words.

4. The county seeks partnerships that place a priority on serving Black, Indigenous, Latino/a/x, other people of color and immigrant and refugee populations . Please respond to the following questions using no more than 600 words.
- a. What more recent policy changes have been made to improve sustainable homeownership for historically marginalized populations?
 - b. What organizational limitations have created barriers to serving diverse communities and how are you removing those? (i.e., lack of staff diversity; lack of bilingual staff, translated documents or other efforts to assure language access; lack of knowledge of cultural norms; lack of knowledge of economic inequities and racism in housing; not addressing community distrust due to historic predatory and discriminatory lending practices)
 - c. What are your unique outreach efforts to engage these populations?
5. Sustainability courses currently offered whether directly or in partnership. *total*
- Post homeownership maintenance
 - Post homeownership budgeting
 - Post or pre homeownership being a good neighbor
 - Post or pre homeownership crisis management
 - Pre homeownership budgeting for post homeownership
 - If you offer other sustainable services list them briefly below
- (1) _____

6. Delivery performance and historically served household's table. Please complete the table below for each calendar year. (For Proud Ground only, please provide Washington County households only.)

Year	# of households your org initially committed to a funding source to serve with homeownership.	# of households served with homeownership during the initial agreed upon time period?	The name(s) of the agency(s) that funded your program?	Of the households served w/ homeownership what was the average household AMI?	How many of the new households were historically marginalized?
2019					
2020					
2021					

You may add narrative if you like, limited to no more than 300 words.

7. Commitment

- i) # of new households, over the contract period, estimated July start, your organization commits to creating at the level of funding noted on the Policy Matrix:

Any narrative limited to 300 words.

8. Waitlist

- i) # of currently bank preapproved households, within the last six months, for a mortgage of at least \$300,000, on your Washington County waitlist:
- b. # of prequalified households, by staff or a lender, for the same amount as above: