

2018 MULTIFAMILY RENTAL APPLICATION SCORING CRITERIA

Red Font denotes new changes

Total Possible Points

- HOME-100 pts.
- **HTF - 115**

Minimum Threshold Score - 60 pts.

MINIMUM THRESHOLD REQUIREMENTS

NOTE: Applications for funding will not be considered for scoring unless all numbered items below are included in the application:

1. _____ Most recent CPA prepared 3rd party certified financial statement from Applicant, Developer, and Project Owner (general partner). Owner statement not required if entity is newly formed organization.
2. _____ **PNA for all acquisition and/or rehabilitation activities (see chapter 2)**
3. _____ **Phase 1 Environmental Site Assessment (see Chapter 8- Removed from Minimum Threshold Requirements)** (Strikethrough added 8/7/2018 to align this document with Chapter 8-minimum threshold requirements, which were revised and effective as of 5/15/2018.)
4. _____ **Exhibit S- Site Selection and Environmental Checklist (see Exhibit S)**
5. _____ Language Access Plan for Limited English Proficient Persons (LEP) (see chapter 6)
6. _____ Section 3 and MBE/WBE Outreach plan (See chapter 6)
7. _____ **Capital Needs Assessment (CNA) for all projects (see chapter 2)**
8. _____ Operating Costs (see chapter 8-minimum threshold requirements)
9. _____ Market Study (see exhibit M for requirements)
10. _____ Affirmatively Furthering Fair Housing *Resolution* adopted by the proposed project's unit of local government (see chapter 8- Fair Housing)
11. Fair Housing- Submit one of two documents:
 - _____ A. If proposed project is located in a CDBG Entitlement city, submit Current Analysis of Impediments to AFFH (a.k.a. Fair Housing Assessment);
 - _____ B. If proposed project is not located in CDBG Entitlement city, submit a Fair Housing Assessment Plan as adopted by the local unit of government (see chapter 8- Minimum Threshold Requirements)
12. _____ Evidence applicant and developer have the capacity to begin construction within 12 months and complete the project within a reasonable time period
13. _____ Evidence of site control that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (see chapter 9 and exhibit O)
14. _____ Owner/Developer/Management Capacity Certification Form (see exhibit W)
15. _____ IHFA Request for Release of Information (see HOME & HTF Administrative Plan, Exhibit X)
16. _____ A proforma that incorporates the following three assumptions
 - 7% vacancy
 - 2% annual increase in income

2018 MULTIFAMILY RENTAL APPLICATION SCORING CRITERIA

- 3% annual increase in expenses

PROJECT VIABILITY (HOME- Possible 64 Points) (HTF- Possible 79 Points)

SCORING CRITERIA	Possible Points	Points Earned	Identify the location of evidence/documentation in the application by page # and/or exhibit
-------------------------	------------------------	----------------------	--

2018 MULTIFAMILY RENTAL APPLICATION SCORING CRITERIA

<p>Investment per total number of units ≤ \$15,000</p> <p style="text-align: right;">Total Possible Points</p>	<u>5</u>		
<p>Project Reserves</p> <ul style="list-style-type: none"> • \$300 or more per unit/year for duration of loan • CNA including timeline for associated costs that supports the level of proposed replacement reserves <p style="text-align: right;">Total Possible Points</p>	<u>6</u>		
<p>Deferred Developer Fee Minimal deferred developer fee < 25% of the total developer fee</p> <p style="text-align: right;">Total Possible Points</p>	<u>4</u>		
<p>Project Viability Proforma demonstrates positive net cash flow after all financial obligations are met, based on required rent level(s)</p> <p style="text-align: right;">Total Possible Points</p>	<u>10</u>		
<p>Funding Commitments Written commitments from all proposed funding sources</p> <p style="text-align: right;">Total Possible Points</p>	<u>4</u>		
<p>Combined Debt Service Coverage Ratio (including HOME/ HTF payment) ≥1.10</p> <p style="text-align: right;">Total Possible Points</p>	<u>10</u>		
<p>LIHTC Annual Partnership Fees</p> <ul style="list-style-type: none"> • < \$3,000 annual Limited Partnership • Taken after HOME/HTF debt service payment <p style="text-align: right;">Total Possible Points</p>	<u>3</u>		
<p>Loan Repayment</p> <ul style="list-style-type: none"> • Regular Scheduled Payment-Owner commits to repaying entire HOME/HTF loan using regular scheduled payments • <u>30-year Repayment</u>: Pro forma demonstrates repayment of HOME/HTF loan in annual payments within 30 years. <p style="text-align: right;">Total Possible Points</p>	<u>15</u>		
<p>HTF Funding Priorities Because HTF funds will be awarded most often as a grant or a 0%, due-on-sale loan, an HTF-funded project would normally not receive the points available under Loan Repayment scoring category. Therefore, when the application includes HTF funding, the application could receive the following points if the project meets the following HTF-Specific</p>			

2018 MULTIFAMILY RENTAL APPLICATION SCORING CRITERIA

<p>IV. <u>Affordability Period Duration</u></p> <p>Must meet A-B to receive pts.</p> <p>In addition to the 30-year HTF Period of Affordability, the owner commits to A & B (the pro forma must support the period of affordability and any extended use period):</p> <p>A. An HTF-Extended Use Period that mirrors the LIHTC extended use period regarding household income and rent levels;</p> <p>B. During the HTF-Extended Use Period, owner must commit to the non-displacement of all HTF tenants housed under the original HTF rent and income restrictions.</p> <p>V. <u>Leverage from Non-Federal Sources</u></p> <p>To be considered, the application must document all sources the funding are committed at application. For scoring purposes, "commitment" is defined as a letter (on letterhead) from the issuing entity that outlines the source of funding, the purpose of the funding (i.e. construction, interim, permanent), and the financing terms.</p> <p>VI. <u>Priority Housing Needs</u></p> <p>The project will provide a tenant preference (of a minimum 3 units) for 2 of the 3 Priority Housing Needs categories, (identified in the Consolidated Plan).</p> <p>A. ≤30% AMI (families or individuals)</p> <p>B. Elderly (at least one member of the household is age 62 or older)</p> <p>C. Disabled</p> <p align="right">Total Possible Points</p>	<p align="center">2</p> <p align="center">2</p> <p align="center">3</p> <p align="center">3</p> <p align="center"><u>15</u></p>		
<p>Nonprofit Ownership Structure</p> <ul style="list-style-type: none"> • Non-profit • IHFA-Certified CHDO <p align="right">Total Possible Points</p>	<p align="center">2</p> <p align="center">2</p> <p align="center"><u>4</u></p>		

2018 MULTIFAMILY RENTAL APPLICATION SCORING CRITERIA

<p>Applicant/Developer/Owner Financial Capacity To receive points, the sponsor developer and project owner will each show positive net income for the most recent fiscal year end, as reported in the third party CPA-Prepared Financial Statements</p> <p style="text-align: right;">Total Possible Points</p>	<u>3</u>		
---	----------	--	--

PROJECT IMPACT (36 Points)			
<p>Affirmatively Furthering Fair Housing Local unit of government demonstrates commitment to affirmatively furthering fair and affordable housing through various measures</p> <p style="text-align: right;">Total Possible Points</p>	<u>4</u>		
<p>Letters of Support</p> <ul style="list-style-type: none"> • Local government support for proposed housing • Community-based support <p style="text-align: right;">Total Possible Points</p>	<u>2</u>		
<p>Special Housing Needs Population*</p> <ul style="list-style-type: none"> • Elderly – 62 years of age and older, all household members must be age-eligible; and/or • Disabled; • ≤30 AMI <p><small>*minimum one rental unit designated to the Special Needs population during the Period of Affordability to receive the points</small></p> <p style="text-align: right;">Total Possible Points</p>	<u>6</u>		
<p>Match exceeds minimum requirement</p> <ul style="list-style-type: none"> • >25% • >35% (in addition to 5 pts for min. match) <p style="text-align: right;">Total Possible Points</p>	<u>8</u>		
<p>Site Suitability / Zoning</p> <ul style="list-style-type: none"> • Currently meets local zoning requirements • Proximity of services to project’s target population, i.e. transportation; health care; schools, retail; cultural resources; social support services <p style="text-align: right;">Total Possible Points</p>	<u>6</u>		

2018 MULTIFAMILY RENTAL APPLICATION SCORING CRITERIA

<p>Green Building Design</p> <ul style="list-style-type: none"> • Energy Star – Version 2.0: 2006 Guidelines through 07/01/2011 and Version 3.0: Version 3.0 ENERGY STAR Reference Design with All Checklists (HUD has a new report for Energy Star activities); • LEED Certification • Enterprise Green Communities Certification • IHFA Green Building Standards(Project must have a minimum of 10 items to receive points) <p style="text-align: right;">Total Possible Points</p>	<p>6</p> <p>6</p> <p>6</p> <p>5</p> <p><u>6</u></p>		
<p>Design / Amenities</p> <ul style="list-style-type: none"> • Site and unit designs are beneficial to proposed tenant population (e.g. family vs. elderly) • Amenities are consistent with affected market area and substantially similar developments. <p style="text-align: right;">Total Possible Points</p>	<p>2</p> <p>2</p> <p><u>4</u></p>		