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APPLICATION and SCORING CRITERIA

Introduction

This chapter identifies the requirements for a HOME and HTF application.

Multi-Family Application: <http://www.ihfa.org/ihfa/multifamily-housing/low-income-housing-tax-credits-lihtc.aspx>

1. Complete application Scoring Criteria Worksheet and submit it with the application. The worksheet includes scoring categories with an additional column for the applicant to identify where the relevant documentation is located within the application. This will help expedite the scoring process. This is the same criteria and points that will be used to score the application.
2. Exhibit “I” of the online multifamily rental application identifies the HOME and HTF requirements to be included with the application. **IMPORTANT:** An incomplete application may not meet minimum threshold.
3. Questions regarding the HOME and HTF requirements should be directed to the Grant Programs Technical Assistance Coordinator at 1-877-4GRANTS (1-877-447-2687).
4. **IHFA has determined that due to the long-term compliance requirements as established by the HOME program, which include a repayment liability to IHFA, it will not fund multifamily rental housing activities with CHDO Set-Aside funds.**

NOTE: Applicants are directed to the market study requirements found in Exhibit M of this plan.

Notice of Funding Availability (NOFA) and the Application Process

Beginning January 1, 2017, HOME and & HTF multifamily rental funds will normally awarded through a published NOFA one time each calendar year. Awards are based on a competitive application scoring process. When necessary to address identified housing needs, IHFA may act outside the normal framework of the competitive application process to fund projects that demonstrate exceptional community value. If this need arises, IHFA will advertise the need, the activity requirements, and may act as the sponsor of the project, which includes negotiating with a qualified entity to act as the project owner or developer. IHFA may need to publish more than one NOFA in a calendar year. Such action will require the review and approval of IHFA’s Resource Allocation Committee.

At its discretion, IHFA may include additional bonus scoring criteria for a funding round to address current affordable housing needs in a particular area in Idaho. Should IHFA identify any additional Bonus Scoring Criteria for a funding round, the NOFA will include the Bonus Scoring Criteria and possible points. If a disproportionate regional investment of HOME funds exists in a specific county or region, IHFA, at its discretion, may restrict funding availability in a specific county or region, during any funding round. Any such restriction will be announced in the

published NOFA for the affected funding round.

Successful applicants will be required to submit additional information and finalize all financing within a designated timeframe. If not completed within the designated timeframe, this may result in the withdrawal of the *conditional reservation* or commitment of funds.

Application materials include a table indicating how points are awarded to each application.

NOTE: A joint HOME and Tax Credit application will require two complete copies.

- 1) IHFA will conduct a site analysis, financial feasibility, environmental factors, and compliance with program regulations and other federal requirements.
- 2) IHFA will perform an assessment of the organizational capacity to sustain the viability of the project throughout the period of affordability.

Good Standing

IHFA will determine the current standing of an owner/agent involved in a proposed project. This includes developer, owner, sponsor, applicant, management company that includes a current member, partner, or shareholder who owns a majority percentage. The owner/developer and/or agent of a proposed HOME project may be determined Not in Good Standing if found to have serious, ongoing or pervasive non-compliance issues. Owner may be considered Not in Good Standing if in arrears or in default of HOME payments.

IHFA may choose not review a HOME application if the owner/agent of a proposed HOME project is determined to be *Not in Good Standing*. Actions required to resolve this determination may include but are not limited to, a change in the management company, and/or the potential disqualification of entities or individuals with a legal interest in project.

In addition to a Not in Good Standing determination by IHFA, any repetitive unresolved material and significant finding, or negative response(s) from another organization or public jurisdiction about an owner/developer/agent may prevent an award of funds. IHFA may rescind the award if funds have not been committed.

MINIMUM APPLICATION THRESHOLD CRITERIA

- Most recent 3rd party CPA-prepared financial statements from sponsor-applicant, developer, and owner (e.g. general partner). Owner statement is not required if entity is newly organized
- A Physical Needs Assessment for acquisition and/or rehabilitation activities, that outlines the costs and items that represented in the proposed replacement reserve account. IHFA requires the PNA to assess the project's major systems, this includes the current condition, intermediate, and long-term needs, to adequately fund replacement reserve account during the period of affordability [24 CFR 92.251].
- All operating costs must be in sufficient detail to compare line items against properties that are similar in physical type and size, so that the PJ may determine whether the planned expenditures are sufficient and reasonable. The operating budget should include general management expenses, maintenance and operating costs, any project paid utilities, taxes, insurance premiums, and adequate deposits to replacement reserves. In most cases, evaluation of total operating costs should be summarized in "per unit per year" amounts rather than as a percentage of projected revenue.
- Market study, conducted by IHFA-approved provider as required (see Exhibit M for requirements) that describes the methodology in which the demographic and income data was collected and analyzed and ultimately supports the conclusions and recommendations
- Fair Housing
 - 1) Affirmatively Furthering Fair Housing (AFFH) Resolution adopted by the proposed project's unit of local government (City or County) depending on the location of the project) **If the local government has not adopted AFFH Resolution, the application does not meet minimum threshold and will not be scored.**
 - 2) Applicant to submit one of the following at application:
 - If the proposed activity is in a CDBG Non-Entitlement area, submit the local jurisdiction's most recent Fair Housing Assessment Plan as submitted and reviewed by the State of Idaho's CDBG Program (Department of Commerce);
or
 - If the proposed activity is located in a CDBG Entitlement Area (cities of Boise, Nampa, Meridian, Lewiston, Coeur d' Alene, Idaho Falls, and Pocatello are defined as CDBG Entitlement Areas in Idaho), then submit the local jurisdiction's most recent *Analysis of Impediments To Affirmatively Further Fair Housing*;
or
 - If the local jurisdiction has never received State of Idaho CDBG funds (hasn't

completed a Fair Housing Assessment Plan), and the project is not located in a CDBG entitlement area, then the owner will submit the Fair Housing Assessment Plan as completed by the local jurisdiction, that meets the requirements of the State of Idaho's CDBG Program.

- Demonstrates developer/sponsor ability to begin construction within 12 months and complete the project within a reasonable time period
- Evidence of site control that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and appropriate Environmental Review process (See Chapter 9; Exhibit O)
- Owner/Developer/Management Capacity Self-Certification Form
- Pro forma that incorporates the following assumptions:
 - 1) 7% vacancy factor
 - 2) 2% annual increase in income
 - 3) 3% annual increase in expenses
- Release of Information

Disclosure of Application Information

The applicant understands and agrees that all information contained in the application and submitted with the application may be disclosed to the public by the Idaho Housing and Finance Association. Appraisals, if provided by a third party to IHFA may be exempt from disclosure under the Idaho Public Records Act. However, in all events, the applicant agrees any market feasibility study submitted to IHFA shall be open to disclosure to the public, and the applicant shall make whatever arrangements are necessary with the preparer of such study, in order that such study may be disclosed.

Alternative Site and Project Modification Analysis (24 CFR 58.5)

Analysis must include other reasonable courses of action that were considered. Include other sites, design modification, or uses of the proposed site. Analysis must describe the benefits and adverse impacts to the human environment of each alternative site(s) and the reason(s) for rejecting it. Requirements are found in Exhibit H of the online HOME and LIHTC application <https://www.idahohousing.com/federal-programs/home-program>

★New- See Exhibit R of this Plan for a sample analysis that must be submitted as part of the HOME/HTF application for funding (rental housing projects).

Market Study

A separate study is required to assist the applicant and IHFA to determine a need for, and marketability of, the affordable units in the area where the project is proposed.

The *market value appraisal* is defined as a study that includes a determination of the market value of the project for lending purposes.

Refer to Exhibit M of this plan for the most current Market Study requirements.

A list of approved Market Study providers is available at <http://www.ihfa.org/pdfs/ApprovedMarketProvider.pdf>

Consistency with Consolidated Plan

Scoring criteria is designed to approve rental activities that are consistent with the goals and strategies of the State of Idaho's Five-Year Consolidated Plan for Affordable Housing and Community Development. The criteria is designed to rate the comparative quality of each activity. This includes amount of funds requested, long-term viability, and other factors such as are the experience of the development team, community support, green building design, HOME eligible match, and leverage.

Letters of Community Support

IHFA intends to notify local public officials, and/or public housing agencies of proposed rental housing developments submitted by housing sponsors that are within their market area. The notification will all input, support, and/or comments as it pertains to the housing development.

The housing sponsor may elect to submit a letter of community support with their HOME application and are encouraged to do so in accordance with the Plan. The public official and/or public housing director submitting the letter of community support for the housing development should address in their letter the following issues:

- Support for affordable housing;
- Support for the development of additional housing units at the rent levels proposed; and
- Acknowledgment there is a need for additional rental units.

Conditional Reservation

Within 60 days of the published due date for applications, IHFA will announce a conditional, non-binding reservations of funds. A *conditional reservation* is considered merely a way to earmark the funds. IHFA will then conduct a complete review and assessment of proposed project prior to issuing a conditional commitment of funds.

Environmental Review

No funds may be *committed* to a HOME activity or project before the completion of the environmental review and approval of the Request for Release of Funds from the United States Department of Housing and Urban Development (HUD). This also applies to any affiliate or related entities. 24 CFR 58.22 prohibits the commitment of HOME and HTF funds on any physical activity once the project becomes federal until environmental clearance is obtained. A project becomes federal when an application for HUD funding is submitted. In some cases, if a third party purchased a property for a private project, that party is not precluded from later applying for and using Federal funds for other activities, including construction, rehabilitation,

and demolition.

Upon the submission of an application for funding, the completion of an environmental review is mandatory before (1) any physical action is taken on a site or (2) the commitment or expenditure of HUD or non-HUD funds are used for property acquisition, demolition, rehabilitation, conversion, repair, or construction activity(s). Doing so prior to completion of the environmental review process may cause the denial of any federal funds for that project.

Increase in Funding Award or Change In The Scope Of Work

When funding (from any source) is increased, or the scope of work changes, the ER may require re-evaluation.

Choice-Limiting Alternative

Non-governmental entities must refrain from undertaking activities that would have an adverse environmental impact, or would otherwise limit the choice of reasonable alternatives until HUD has issued an approval of the “Authority to Use Grant Funds”. HOME and/or HTF funds may not be used to reimburse an entity for project-related costs until the approval by HUD of the Request for Release of Funds is issued. A contractor, owner, or developer must not take actions that would have an adverse impact, or limit the choice of reasonable alternatives except for activities that are exempt or excluded (24 CFR, Parts 58.34 and 58.35). Examples of exempt activities include environmental studies, insurance, engineering, design costs.

Purchase Option Agreement / Conditional Contract

Effective January 1, 2015, Purchase Option Agreements and Conditional Contracts (see definition below) signed on or after this date must adhere to the following requirements:

- 1) A **Purchase Option Agreement** is a legal agreement between the potential buyer of real property and the owner, giving the potential buyer the exclusive right to buy the property at a specific price, within a specific timeframe. *A Purchase Option Agreement is defined as an agreement that does not impose any obligation upon the potential buyer to purchase the property. The Purchase Option Agreement obligates the seller to sell at the specified price, if the potential buyer exercises the option in the manner described in the contract.*

A Purchase Option Agreement can be used for any type of assisted activity, including new construction and the purchase of existing units.

- 2) A **Conditional Contract** is a legal agreement between the potential buyer and the owner that includes conditions which must be met for the obligation to purchase to become binding.

A Conditional Contract can only be used for existing single-family (1-4 unit) and existing multi-family residential properties.

NEPA case law has determined entering into Purchase and Sales agreement (either a

Purchase Option agreement or a Conditional Contract) is a choice-limiting action. Therefore, if the agreement is entered into before the environmental review is complete, it is a violation of 24 CFR 58.22, unless the following additional requirements are met.

- 1) The agreement includes the following (or similar intent) Environmental Review Clearance Clause:
 - "This agreement is subject to a determination by IHFA on the Desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR Part 58"
 - No transfer of title to the purchaser or removal of the environmental condition(s) in the purchase contract occurs unless and until IHFA determines, on the basis of the environmental review, the transfer to the buyer should go forward, and IHFA has obtained approval of a Request for Release of Funds and environmental certification, where applicable. IHFA shall use its best efforts to conclude the environmental review of the property expeditiously."
- 2) **For existing multi-family rental structures only** - The structure(s) is not located within a Special Flood Hazard Area;
- 3) The cost of the option should be a reasonable nominal portion of the purchase price. For multi-family, if the option is non-refundable deposit, it cannot exceed 3% of purchase price or less.
- 4) The term or automatic renewal language is sufficient to provide assurance the agreement will not expire prior to loan closing.

When an application or Exhibit S has been submitted to IHFA, the ER Process has begun. No choice-limiting activity(s) can be undertaken by an owner, developer, and/or contactor until a Request for Release Of Funds (RROF) is issued. This includes expending any public or private funds AND/OR executing an agreement to conduct any of the following activities regarding a specific site:

- a) Property acquisition
- b) Rehabilitation
- c) Conversion
- d) Leasing
- e) Renting
- f) Repair
- g) Construction
- h) Demolition

Engaging in any choice-limiting activity before the entire Environmental Review process is complete may result in the denial of federal funds to the project.

Other Federal Regulatory Requirements

- The Submission and approval of an Affirmative Marketing Plan (if over 5 assisted units)
- Proof of outreach to Minority-Owned and Women-Owned Businesses Enterprises

Commitment of funds

Projects receiving an award of HOME Funds are reasonably expected to start construction within twelve months.

After a reservation of HOME funds is issued, IHFA will provide a list of items needed to proceed to a Commitment of HOME funds. This generally includes the following:

- Complete organizational documents from the Borrower entity;
- All general partners in the borrower entity such as Articles of Incorporation, By-Laws, and Board Resolution authorizing the indebtedness;
- Partnership or limited partnership agreements for the Borrower entity and all general partners in the Borrower entity;
- Evidence of filing with the Secretary of State for all corporate and partnership entities.
- Requirement for submission of a current, signed, dated financial statement from the Borrower entity (including nonprofit corporations) and all general partners in the borrower entity.
 - (a) For a corporation (other than a nonprofit corporation) or a trust, financial statements will be required from each member, stockholder, or beneficiary who holds an interest in the organization in excess of 10 percent.
 - (b) For a partnership, financial statements will be required from each general partner who holds an interest in the organization.
 - (c) For owner entity not legally organized at application, financial statements will be required from all proposed parties in proportion to the proposed ownership interest of each party. Owner entity must be legally organized prior to the commitment of funds.
 - (d) For cases in which financial statements are required from an individual, the financial statements must also include the financial interest and signature of the spouse.

All financial statements submitted shall contain the following statement immediately preceding the signature line

"I/we certify the above is a true and accurate reflection of my/our financial condition as of the date stated herein. This statement is given for the purpose of inducing the Idaho Housing and Finance Association to make a loan or to enable the Idaho Housing and

Finance Association to make a determination of continued eligibility of the applicant for a loan as requested in the loan application of which this statement is a part."

IHFA will issue a commitment in the form of a *Funding Award Agreement* upon which the HOME and/or HTF loan may be approved:

- After the environmental review has been completed and HUD has released funds for the project (See pg. 6 **Increase in Funding Award or Change In The Scope Of Work**)
- After IHFA legal counsel has determined that the applicant entity is a legal entity with authority to undertake the obligations of the loan
- After a full review of all materials needed for issuance
- **The project's architectural plans and specifications have been reviewed and approved by both the IHFA-HOME architect consultant and the owner/developer architect. Both parties must agree to project Fair Housing Design requirements, as applicable to the scope of the project. If both parties are unable to reach consensus, the more stringent interpretation will apply.**

The Award Agreement will highlight the salient points of the loan and regulatory agreement and specify the conditions under which the loan will be made.

Within the timeframe specified in the condition reservation (generally not to exceed 6 months), IHFA should receive evidence of firm commitment of construction and permanent financing from all other lenders and investors in a manner acceptable to IHFA.

IHFA may place additional conditions on a HOME/HTF project. This includes conditions identified in the application for which points were earned, lower rent limits, a longer period of affordability, and/or requiring a lower income level to be served, etc.

An award of funds should not be construed as a representation or warranty regarding the feasibility or viability of the project or the project's ongoing capacity for success.

Eligible Applicants

- Units of local government
- Qualified Non-profit housing development organizations
- Local or Indian Housing Authorities
- Private housing developers

Applications from Native American Tribes for the development of affordable housing for its Tribal members must include a copy of the HUD-approved Housing Plan, demonstrate how funding granted to the Tribe through the Native American Housing Assistance and Self-Determination Act (NAHASDA) is being used to meet the housing needs of low-income households, and describe the additional needs that would be met with an award of funds.

Waiver Request- Maximum Number of Assisted Projects and Funding

To provide the most equitable access to funds, certain limitations may apply. A project sponsor, owner, or developer cannot have more than three (3) assisted projects under development at any one time, or a combined award of funds at any one time, to any one sponsor or developer that exceeds \$3,000,000. In order for an assisted project in development not to be counted in either of these totals, the project must be completed within 60 days after the due date for the HOME application for the additional project or projects. The limitation of three assisted projects under development at any one time may be waived provided the applicant can demonstrate organizational capacity, financial strength, and experience in successfully managing more than 3 projects under development simultaneously.

[2/1/2017- The new 10-day requirement for waiver request language below was adopted by the IHFA board of Commissioners in December 2016, and is effective 1/1/2017. The requirement applies to both HOME and HTF programs, although it was initially (and incorrectly) added to the Plan as an HTF-Specific requirement. As of 2/1/2017 this section is corrected.]

A waiver request must be submitted in writing at least 10 working days prior to the application deadline. In addition, the following criteria will be evaluated when a waiver is requested:

- Will the project serve a Special Housing Needs population as identified in the Consolidated Plan;
- Is the project located in an underserved area or a community defined as rural by USDA-RD [see Chapter 1];
- Is the project defined as "Rental Housing Preservation" (See Chapter 2@ Definitions)

HTF-Specific

An HTF owner or developer cannot have more than three (3) HTF-assisted projects under development at any one time, of a combined total of HTF funds at any one time, of \$2,000,000.

Rental Housing Developer Fee Calculation

1. HOME and/or HTF and Low-Income Housing Tax Credit- Defer to the LIHTC calculation of the Developer Fee for joint projects
2. HOME or HTF (no LIHTC)- Maximum - 14%- Based on
 - Characteristics of the development, i.e. special needs, elderly;
 - Total development costs (includes both eligible and non-eligible costs)
 - Size of the project;
 - Type of development i.e. acquisition, acquisition and rehabilitation, new construction;

In the event of an increase in development costs, the developer fee is limited to the original approved amount.

New Construction

Developer fee for new construction rental housing projects may not exceed the percentages as identified in the table below. Developer fee includes overhead, profit, and consultant fees for services normally performed by the Developer.

Total Development Cost*	Maximum Developer Fee
Less than 6 Million	14%
6-8 Million	12%
More than 8 Million	10%

*Total Development Cost does not include Developer Fee or Development Reserves

Acquisition

The acquisition cost will be limited to the lesser of the sale price or the appraised value of the property as determined by a third party MAI appraiser. Such appraisal must include both an “as is” restricted rent value and an “as is” market rent value (net of appraiser recommended repairs/rehab and dollar balance of replacement reserves) of the existing development with land value broken out separately.	Maximum Developer Fee
As determined by MAI Appraisal	5%

Acquisition and Rehabilitation

Total rehabilitation cost is defined as hard & soft development costs, excluding developer fee.

*Total Acquisition and Rehabilitation Costs	Maximum Developer Fee
Less than 6 Million	14%
6-8 Million	12%
More than 8 Million	10%

Faith-based Organizations

Pursuant to 24 CFR Section 92.257, religious or faith-based organizations are eligible to participate in the HOME and HTF program, on the same basis as any other organization. Organizations directly funded may not engage in inherently religious instruction, such as worship, religious instruction, or proselytize, as part of the assistance funded by Federal funds. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assisted property and participation must be voluntary for the beneficiaries of the assistance.

Federal funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent those structures are used for inherently religious activities. Federal funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent those structures are used for conducting eligible activities. Where the structure is used for both eligible and inherently religious activities, Federal funds may not exceed the cost of those portions of cost attributable to eligible activities within cost accounting requirements applicable to Federal funds.

Request for Additional Funds

Additional funds may be requested after initial application through project closeout. Requests will be considered if due to changes in the scope of work, inflationary increase, etc.

Community-Based Housing Development Organizations (CHDOs)

CHDOs are nonprofit organizations have met specific requirements as defined by the HOME regulations (Chapter 5). IHFA must reserve a minimum 15% of the annual HOME allocation for investment in housing developed, sponsored (see definition in Chapter 5), or owned by CHDOs. If the CHDO is involved in a project as an owner, it must have legal title or a valid contract of sale. If it owns the project in partnership, it must be the managing general partner. While acting in any of the capacities specified, the CHDO must have effective decision-making control of the development and/or management of the project.

Property Management Capacity

A determination of property management capacity will be made at the sole discretion of IHFA, as determined by the IHFA Compliance and Grant Programs Managers. If IHFA determines any substantial and significant unresolved material noncompliance with the provisions found in the HOME Regulatory Agreement, in previous developments owned or managed by the Sponsor or the Sponsor's management agent, it may result in the failure of a proposed development to meet the HOME Management Capacity Threshold. In making this determination, IHFA will consider circumstances beyond the sponsor's control, i.e. accidents or acts of nature.

Scoring Criteria and Categories

Applications that do not meet the minimum application threshold may not be scored and/or considered for funding. Applicable HOME statutory and regulatory requirements must be addressed in the application to be considered for funding.

The application material will be scored based upon the latest and most complete information included in the application. Any application that IHFA considers incomplete and/or does not meet minimum threshold will not be scored. In cases where assertions are made in the application and IHFA deems further clarification is needed, IHFA, at its sole discretion, may request additional information related to the assertion(s).

IHFA identified the following categories to evaluate and score HOME funding applications:

- **Viability – 64 points**
- **Project Impact – 36 points**

Applications meeting the minimum score of 60 points will be ranked. In the event of a tied score, the following will be the procedure to break said tie:

- The application with the most favorable HOME loan repayment structure will be awarded one (1) additional point to break the tie.
- In the event those tied applications have identical proposed HOME loan repayment structures, the application with the lowest total cost per total number of units will be awarded one (1) additional point to break the tie.

VIABILITY

HOME Investment Per Total Number Of Units

Applications that maximize HOME resources will score points based on the HOME-dollars-per-unit amount. Projects will receive points in this category if the total amount of HOME funds requested, divided by the total number of units in the project, results in a per-unit cost at less than or equal to \$15,000.

Project Reserves

IHFA compliance monitoring tracks multi-family project reserves and minimum balances necessary for ongoing property management and capital needs, on a statewide basis. Applications budgeting annual per-door funding amounts for project reserves that exceed the current minimum balances, are eligible for points in this category.

Applications demonstrating project reserves of \$500 per unit per year or more will receive points. Applications that include a detailed Capital Improvement Plan with timeline for associated costs **adjusted for inflation**, supporting the proposed level of project reserves will receive additional points.

Deferred Developer Fee,

An application can receive points in this category for minimal deferred developer fee, defined as less than 25% of the total developer fee.

Project Viability

Applications containing a project pro forma that demonstrates a positive net cash flow, after all financial obligations are met, based on required rents.

Projects often target lower income households to achieve increased scoring, while practically sacrificing the project's financial feasibility as a result of the associated lower rental income. This criterion is intended to encourage applicants to consider the

implications of targeting lower income levels while affecting the long-term viability of the project by decreasing the total income a project can generate. Although serving lowest income households is a mission-driven goal, a project can achieve more stable long-term viability by utilizing higher rent levels while still meeting the income targeting requirements for HOME.

Funding Commitments

Application includes commitments for **all** of the proposed sources of funds excluding HOME and LIHTC will receive points in this category.

An application that proposes multiple financing sources, but does not provide documented commitments for each source will not receive points in this category. In order to be considered a commitment, it must be in writing, on letterhead of the issuing entity, provide the purpose and/or source program, e.g., Construction/Interim, Permanent, HUD- 202 or 811, USDA Section 515, etc., the amount of the funding; the terms of the commitment, and any financing terms.

Combined Debt Service Coverage Ratio

In order to receive points for this category, the project pro forma demonstrates financial feasibility while satisfying all HOME income and affordability requirements at a Combined Debt Service Coverage Ratio of 1.10 or greater. This includes providing adequate cash flow to meet all required debt service and repay the HOME loan in full within the required term of the loan.

LIHTC Project Fees

Projects utilizing Low Income Housing Tax Credits with a Limited Partnership ownership structure, can receive points if the limited partnership fees are taken after the HOME debt service payment is made. An application can also receive points if the Limited Partnership entity agrees to limit combined annual partnership fees to less than \$3,000, using an inflation factor of less than two percent (2%).

Loan Repayment

- Structured Repayment- Project owners that commit to the repayment of the HOME loan using regular scheduled payments (i.e. are included in the primary lender's debt service coverage requirements) will be awarded points.
- 30-Year repayment of HOME- Project owners that commit to the repayment of the entire HOME loan in annual payments within 30 years or less, as demonstrated in the pro forma, will be awarded points.

HTF-Specific

Because HTF funds will be disbursed as either a grant or a 0% due-on-sale loan, an HTF-funded project would not normally be eligible to receive the 15 pts available under this scoring category. Accordingly, when an application includes HTF funds, the application could receive 15 pts if the project meets the following HTF-specific criteria:

HTF- Specific Project Applications Only- HTF Funding Priorities	Possible Pts
Proposed language	15
<p>I. <u>Geographic Diversity</u> Must meet A-C</p> <ul style="list-style-type: none"> A. Project meets Minimum Threshold Criteria as defined in the annual Administrative Plan https://www.idahohousing.com/documents/admin-plan-ch8-home-rental-activities-application.pdf; B. Project site complies with HUD's <i>Site and Neighborhood Standards</i> [24 CFR Part 92.202 and §983.57(e)(2) & (3)] as determined by IHFA; VI) C. The project site is located in an <i>Opportunity Incentive Area</i> (Located in a census tract with a poverty rate that is less than or equal to the corresponding city's Persons in Poverty Rate. If the city's population is less than 5,000, or if the development is located in a census tract located outside of the corresponding city limits, then the site's census tract poverty rate will be compared against the corresponding county's Persons in Poverty Rate.) 	3
<p>II. <u>Applicant Capacity</u> Must meet A-C</p> <ul style="list-style-type: none"> A. Owner/developer has experienced development staff or are partnering with an experienced development entity; B. Developer has experience developing other federal affordable housing programs; C. Developer has a proven track record developing projects within a reasonable timeframe- Funds were committed within 6 months of award, construction began within 12 months of award, and project completed in IDIS within 2 years. 	2
<p>III. <u>Project-based Rental Assistance</u></p> <p>The extent to which the project has project-based rental assistance. Other mechanisms that ensure affordability for extremely low-income households, such as operating assistance reserves, may also be considered.</p>	2
<p>IV. <u>Affordability Period Duration-</u></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> <ul style="list-style-type: none"> A. An HTF-Extended Use Period that mirrors the LIHTC extended use period regarding household income and rent levels; 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 	2

<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>	3
<p>VI. <u>Priority Housing Needs</u></p> <p>Project will provide a housing preference (minimum 3 units) for 2 of the 3 Priority Housing Needs categories below, as identified in the Consolidated Plan.</p> <ol style="list-style-type: none"> 1. ≤30% AMI (families or individuals) 2. Elderly (at least one member of the household is age 62 or older) 3. Disabled 	3

Ownership Structure

To receive points, the application proposes one of two ownership structures. To receive maximum points in this category, the ownership structure must also have funding commitment from Home Partnership Foundation using Equity Partnership Funds.

- Qualified Non-profit (including Land Trust)
- IHFA-certified CHDO
- Equity Partnership Funds investment within the Home Partnership Foundation

To earn points in this category, a project with a proposed Limited Partnership must legally designate the non-profit entity or CHDO as the owner and as the managing general partner with active decision-making authority throughout the development phase.

Sponsor/Developer/Project 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 Statement of Cash Flow from the third party CPA-Prepared Financial Statements

PROJECT IMPACT:

HUD Outreach requirements

To receive points in this category, the application must include a written outreach plan. HOME projects are required to provide outreach to LEP and MBE/WBE populations. To receive points in this category, both plans must be submitted and include the following:

- (1) Limited-English Proficiency (LEP) requirements must include the type of services offered and when these services will be provided.
- (2) Additionally, the plans must provide evidence that, during the development phase, the applicant will work to provide Economic Opportunities to low-income persons and businesses (Section 3) as well as Minority and Women-Owned Business Enterprises.

Supportive Services Plan

To receive points the application must include a written satisfactorily detailed, Voluntary Supportive Services Plan (See Exhibit L for minimum requirements).

Affirmatively Furthering Fair Housing

Points may be awarded if the Project is located in a community (city/county) in which the local unit of government is establishing, maintaining and/or publicizing a means for all residents to understand fair housing rights and responsibilities and/or file complaints. Documentation the community (city/county government) has implemented one or more of the following will receive points.

- Shares and/or displays information on the statewide Fair Housing Campaign/2-1-1 Care Line (information and referral for fair housing questions)
<http://fairhousingforum.org/disabilities/fair-housing-campaign-goes-statewide/>
- Shares and/or displays materials for www.housingidaho.com to increase housing choice for all residents and to offer housing providers a bilingual, ADA-compliant means to list rental housing.
- Supports a local fair housing task force or advisory committee that includes policy makers, building professionals, consumer advocates, and housing providers.
- Provides referrals to available fair housing resources.

Letters of Support

Applications may earn points in this category if the application includes letter(s) of support dated and signed within 30 days from the application submission date, by a local government official(s) and/or from local service agency(s). Letters should reference the proposed project specifically and detail the type of support being committed.

While no minimum number of letters is required as part of this scoring the community size and complexity will be taken into consideration, and the relative impact of letters' support offered will be evaluated accordingly.

Special Needs Housing Populations

Projects that propose at least one unit for special needs housing as defined below, will receive maximum points.

- Elderly – At least one household member must be age 62 years or older.
- Disabled- As defined by Federal law, Executive Order, or HUD regulation
- Households with incomes $\leq 30\%$ AMI

If an application receives points for a Special Needs Housing population, the assisted unit(s) must remain designated as a Special Needs Housing unit(s) throughout the period of affordability.

Match

HOME applicants are expected to provide a minimum 25% eligible match at application submission.

To receive points in this category, the proposed match must exceed the minimum 25%. The applicant may receive additional points if the eligible match exceeds 35% of the HOME loan amount. Match documentation must be eligible and clearly identified to receive points. IHFA will determine match eligibility. Non-eligible match will be subtracted from the total match sources, generating a final calculation of the total match ratio for the project. This calculation will determine the match percentage. HOME may choose not to recommend the approval of the application if it does not identify and clearly document eligible match.

Site Suitability / Zoning

Points under this criterion will be considered if the application provides evidence through documentation of the following through appropriate public documents or objective data:

- The project as proposed meets the current zoning;
- Proximity of the site to services for the target-population e.g., transportation, health care facilities, schools, retail, cultural resources, social supportive services

Points for the zoning requirement will not be awarded for projects that are eligible under a proposed Special Use Permit. The zoning designation must be in place at or before the time of the application for HOME funds.

Green Building

Points can be earned for meeting one of four Green Building Design Standards or certifications:

- Energy Star
- LEED
- Enterprise Green Communities
- IHFA-HOME Green Building Standards

To receive points for Energy Star design requirements, the applicant must document Energy Star Reference Design in all Checklists.

To receive points for the IHFA-HOME Green Building Standards, the application must contain evidence the project will meet a minimum of 10 IHFA Green Building Standard items (see Exhibit V of this plan).

Design / Amenities

To be considered for points, the application must demonstrate **any** of the following:

- Site and unit design is beneficial to proposed tenant populations;
- Amenities are consistent with the market area.