# Multifamily Rental Application & Scoring Criteria

APPLICATION and SCORING CRITERIA

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APPLICATION and SCORING CRITERIA

Introduction

This chapter identifies the requirements for a HOME application.


1. Complete application Scoring Criteria Worksheet and submit it with the HOME 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 HOME application.

2. Exhibit “I” of the HOME/LIHTC Application identifies the HOME requirements to be included with the application. IMPORTANT: An incomplete application may not meet minimum threshold.

3. Questions regarding the HOME application and requirements should be directed to the HOME Technical Assistance Coordinator at 1-877-4GRANTS (1-877-447-2687).

NOTE: Applicants are directed to a substantial change in the HOME’s market study requirements found in Exhibit M of this plan.

Notice of Funding Availability (NOFA) and the Application Process

HOME funds are normally awarded through a published NOFA twice each program year. Awards are based on a competitive application scoring process.

IHFA reserves the right, when necessary, to address identified housing needs by acting outside the framework of the NOFA and application process to fund projects that demonstrate exceptional community value. If the need arises to use HOME funds in this way, IHFA will advertise the need, activity requirements, and/or may act as the sponsor of the project or negotiate with a qualified entity to act as the project sponsor. Such actions 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 HOME funds’ 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 may result in withdrawal of the Conditional Reservation or Conditional Commitment of HOME funds.

HOME 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 HOME and other federal requirements of all HOME applications.

2) IHFA will perform an assessment of the organizational capacity to sustain the viability of the HOME project throughout the HOME Period of Affordability.

**Good Standing**

IHFA will determine the current standing of an owner/agent involved in a proposed HOME project (includes developer, owner, sponsor, applicant, management company which includes a current member, partner or shareholder who owns a majority percentage). An owner/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. Action 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, a repetitive unresolved material and significant finding or other negative response(s) from another organization or public jurisdiction (defined above) may prevent an award of HOME funding. If already awarded, IHFA may rescind the award of HOME funds if not already committed. (See Request for Release of Information form).

**Minimum Application Threshold Criteria**

- Most recent 3rd party CPA-prepared financial statement from Sponsor/applicant, Developer, and Project Owner (General Partner). Project Owner statement is not required if entity is newly organized

- For all projects- Include a Capitol Needs Assessment for new construction activities, or a Physical Needs Assessment for acquisition and/or rehabilitation activities, that outlines the costs and items that represented in the proposed replacement reserve account. HOME requires the CNA/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 HOME Period of affordability [24 CFR 92.251].
• 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 is not an Entitlement Area, the local jurisdiction is required to complete a Fair Housing Assessment Plan 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

PLEASE NOTE: 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, except that 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)**

To help ensure other reasonable courses of actions and other sites were considered and not selected, applicant will describe benefits and adverse impacts to the human environment of each alternative site and the reason(s) for rejecting it.

**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](http://www.ihfa.org/pdfs/ApprovedMarketProvider.pdf)

**Consistency with Consolidated Plan**

HOME 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 HOME funds requested, long-term viability, and other factors such as the experience of the development team, community support, green building design, HOME eligible match, and leverage.

**Letters of Community Support**

The Association 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 for HOME funds under this Administrative Plan. The notification permits input, support, and/or comments as it pertains to the housing development. Such input may be considered in the underwriting of the development during the application process.

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 conditional, non-binding Reservations of Funds. A Reservation of Funds is merely a way of earmarking resources. IHFA will begin the process of completing IHFA and federal requirements as necessary prior to issuing a Conditional Commitment of Funds.

**Regulatory Requirements**

Prior to executing a Commitment of HOME funds, IHFA requires an Environmental Review Clearance.

HUD regulations at 24 CFR 58.22 prohibit the Commitment of expenditure of HUD or non-HUD funds on any physical activity once the project becomes "federal". For environmental purposes, it becomes "federal" when a sponsor/applicant submits an application for HUD funding.

In some cases, where a third party in good faith purchased properties as a private project, the party is not precluded from later applying for and using HOME funds for other activities, including construction, rehabilitation, and demolition.

**NOTE:** Upon the submission of an application for HOME funds, the completion of the environmental review process 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.

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), according to Notice CPD-01-11 issued by HUD on July 17, 2001. This also applies to any affiliate or related entities.

**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 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). Such exempt activities include environmental
studies, and payment to a variety of soft costs such as insurance purchase, engineering, or 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 HOME-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 HOME loan closing.

5) For single family, activities, a non-refundable deposit cannot exceed $1000

When a HOME 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  
- Proof of outreach to Minority-Owned and Women-Owned Businesses Enterprises

Commitment of HOME 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 HOME 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 HOME commitment in the form of a written agreement upon which a HOME loan may be approved:

• After the environmental review has been completed and HUD has released funds for the project

• 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 HOME written agreement to commit HOME funds will highlight the salient points of the HOME Loan and Regulatory Agreement and will specify the conditions under which the loan will be made.

Within the timeframe specified in the HOME written agreement (generally not to exceed 6 months after the date of the commitment of HOME funds), IHFA shall receive evidence of firm commitment of construction and permanent financing from all other lenders and investors, in a manner acceptable to IHFA.
IHFA will allow 180 days from the date the reservation of HOME funds is issued, to document all other funding sources that are committed to the project.

IHFA reserves the right to rescind the Commitment of HOME Funds if an owner/sponsor fails to secure other financial commitments in a timely manner. Any extension is the sole discretion of IHFA.

IHFA may place additional conditions on a HOME-assisted project. This include conditions identified in the HOME 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.

A Commitment of HOME 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, or a guarantee of HOME funds.

**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 HOME funds.

**Waiver Request- Maximum Number of HOME Projects and Funding**

To the most equitable access to HOME funds, certain limitations may apply. A project sponsor or developer cannot have more than three (3) HOME-assisted projects under development at any one time, or a combined commitment of HOME funds at any one time, to any one sponsor or developer, that exceeds $1,300,000.00 or $2,000,000. In order for a HOME-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 HOME-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.

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

- Project would serve a Special Needs population as identified in the Consolidated Plan;
- Project is located in an underserved area or rural community (see Chapter 1);
- Project is defined as "Rental Housing Preservation" (See Chapter 2@ Definitions)
Rental Housing Developer Fee Calculation

1. HOME and Low-Income Housing Tax Credit- HOME will defer to the LIHTC calculation of the Developer Fee for joint projects
2. HOME (no LIHTC)- Maximum - 14%- Based on
   - characteristics of the development, i.e. special needs, elderly;
   - total development costs (includes both HOME-eligible and Non-HOME 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 multi-family rental 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.

<table>
<thead>
<tr>
<th>Total Development Cost*</th>
<th>Maximum Developer Fee</th>
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<tbody>
<tr>
<td>Less than 6 Million</td>
<td>14%</td>
</tr>
<tr>
<td>6-8 Million</td>
<td>12%</td>
</tr>
<tr>
<td>More than 8 Million</td>
<td>10%</td>
</tr>
</tbody>
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*Total Development Cost does not include Developer Fee or Development Reserves

Acquisition

For multi-family rental projects, 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.

<table>
<thead>
<tr>
<th>As determined by MAI Appraisal</th>
<th>Maximum Developer Fee</th>
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<td></td>
<td>5%</td>
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Chapter 8

Acquisition and Rehabilitation

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

<table>
<thead>
<tr>
<th><em>Total Acquisition and Rehabilitation Costs</em></th>
<th>Maximum Developer Fee</th>
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<tbody>
<tr>
<td>Less than 6 Million</td>
<td>14%</td>
</tr>
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<td>6-8 Million</td>
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<td>More than 8 Million</td>
<td>10%</td>
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</table>

Faith-based Organizations

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

HOME funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent those structures are used for inherently religious activities. HOME 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, HOME funds may not exceed the cost of those portions of cost attributable to eligible activities within cost accounting requirements applicable to HOME funds.

Request for Additional HOME Funds

Additional HOME funds may be requested after initial application up to project close-out. Request 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.
**Financing Terms**

The amount of funds available for a project may not exceed the amount necessary for its financial feasibility using lending criteria consistent with project development lending policies of the Idaho Housing and Finance Association. The HOME Program offers flexibility in the type of financial assistance offered to an applicant. The following forms of assistance are allowed under the HOME Program:

- Interest-bearing loans
- Non-interest bearing loans
- Deferred loans

**HOME Consortia**

The HOME Regulations permit contiguous units of local government to create a consortium of governments for the purpose of meeting the threshold requirements for receiving a direct allocation of HOME funds. Funds awarded to a HOME consortium typically are shared on a pro rata basis by the participating governments. The formation of such consortia could reduce the overall amount of HOME funding IHFA awards to other agencies within the State of Idaho. Participation in a consortium could also cause the local jurisdiction to no longer be eligible to receive state HOME funds for affordable housing projects within its jurisdiction, thus severely limiting the amount of HOME funds that could be awarded within its borders. When asked to indicate its support of the formation of a HOME consortium, as required by the Regulations, Idaho Housing and Finance Association will respond according to how the formation of the consortium would affect the availability of HOME funds within the state as a whole and whether the formation of the consortium would have a detrimental effect on the administration of the state HOME Program Performance and Outcome Measurement Standards.

**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 were 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 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 1 additional point to break the tie.

**VIABILITY:**

**HOME Investment per total number of units**

Applications which 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 which 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 Section 202/811, 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%).

**HOME Loan Repayment**

- Structured Repayment- Project owners that commit to the repayment of the entire HOME loan using Regular Scheduled Payments (i.e. which are included in the primary lender’s debt service coverage requirements) will be awarded points in this section.
• 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 in this section.

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 Flows 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/](http://fairhousingforum.org/disabilities/fair-housing-campaign-goes-statewide/)
- Shares and/or displays materials for [www.housingidaho.com](http://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. To serve Special Needs Populations may receive points if the project targets one of the following categories, and 100% of the units will target the population:

- **Elderly** – All household members are age 62 years or older. All household members must be age-eligible.

- **Disabled** – As defined by Federal law, Executive Order or HUD regulations, (ADA, Fair Housing Act, etc.) define a person with disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment; or is regarded as having such impairment."

- **Transitional Housing** – Defined as housing that will facilitate the movement of previously homeless individuals and families to permanent housing within 24 months or such longer period (Section 424(b) of the McKinney Act (42 U.S.C. 11384(b))).
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 EnergyStar design requirements, the applicant must document EnergyStar 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.