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APPLICATION SCORING CRITERIA AND THRESHOLD REQUIREMENTS

Applicability

HOME and Housing Trust Fund Programs-Multifamily Rental Activities

Introduction

- This chapter outlines the requirements for a HOME and HTF multifamily rental application.
- The Multifamily Rental Application is available at LIHTC [Multifamily Rental Housing application](#) and at [HOME Program - Idaho Housing and Finance Association](#)
- Applicant should follow the guidance provided in most current Annual Administrative Plan available on the IHFA website at <https://www.idahohousing.com/federal-programs/home-program>
- An incomplete application may not meet minimum threshold.

Questions regarding the HOME and HTF requirements should be directed to the HOME Programs Technical Assistance Officer a 208-331-4873.

Notice of Funding Availability (NOFA) and the Application Process

Application Funding Round- The timing of the multifamily rental application round follows the LIHTC Application Period. The funding round is normally each ~~September~~. **August**

Notice of Funding Availability-

Each application-funding round follows a published NOFA process.

- ~~If the need arises, IHFA may act outside the normal framework of the competitive application process to fund a project(s) that demonstrates exceptional community value. If this need arises, IHFA will publish a NOFA that identifies the area, activity requirements, and proposed funding. IHFA may act as a project sponsor and negotiating with a qualified entity to act as the project owner or developer. Such action would require approval by the IHFA Project Finance Committee.~~
- IHFA may include additional/bonus scoring criteria in a specific application funding round to address current affordable housing needs in a particular area in Idaho. The NOFA will include the criteria and possible points.
- If a disproportionate investment of HOME/HTF/NSP funds exists in an Idaho county or region, IHFA, at its discretion, may restrict funding to the specific county or region during a specific funding round. The restriction will be identified in the published NOFA.

Application Submission Requirements

- 1) A Table of Contents that correspond to individual scoring categories and specific IHFA requirements
- 2) A joint HOME and LIHTC project requires the submission of two complete applications
- 3) Application must be received by 5:00 p.m. on the date and place specified in the published NOFA

Applicant

IHFA will determine the current standing of the proposed project owner and its agents during the application review process. This includes the developer, owner, management company, current member, partner, and/or shareholder who own a majority percentage. The owner and/or agent of a proposed project may be determined to be Not in Good Standing if IHFA determines there are serious, ongoing, or pervasive non-compliance issues in other projects. An Owner may be determined to be Not in Good Standing if current project(s) are in arrears or default on a HOME loan.

- i. IHFA may choose not to review an application if the owner and/or agent are determined to be **not** in Good Standing. Actions to resolve this determination may include, but not limited to, a change in property management, and/or potential disqualification of certain entities or individuals with an interest in the project, legal or otherwise.
- ii. In addition to a Not in Good Standing determination, any repetitive, or unresolved material or significant finding, or negative response(s) from another organization or jurisdiction may prevent an the award of funds. If funds have been awarded, IHFA may rescind the award. These actions do not apply if funds have been committed.
- iii. See Chapter 7 for additional information regarding Good Standing.
- iv. Successful applicants are required to submit additional information and finalize all financing within a specified timeframe identified in the Conditional Reservation Letter. If these conditions are not satisfied within the specified timeframe, a conditional reservation or funds may be withdrawn.

Disclosure of Application Information

Public Records Requests- The applicant understands information contained in 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. However, in all events, the applicant agrees any market feasibility study submitted to IHFA shall be open to disclosure. Applicant shall make necessary arrangements with the preparer of the study so that the 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 <https://www.idahohousing.com/documents/approved-market-study-provider-list.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 include 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~~ 90 days of the published due date for applications, IHFA will announce a conditional, non-binding reservation of funds. IHFA will then conduct a complete review and assessment of the proposed project prior to issuing an award agreement of funds. A conditional reservation is defined as a way to earmark the funds.

Environmental Review

No funds will 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 the application for HUD funding is submitted to IHFA. 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 submission of the application for funding, the completion of an environmental review is required before any physical action is taken on a site or the commitment and any expenditure of HUD or non-HUD funds on property acquisition, demolition, rehabilitation, conversion, repair, or construction activities. Violating one or both actions may prohibit the use of Federal funds in the 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 any 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 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 can be used for any activity, including new construction

or the purchase of existing units.

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.

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

Imposes conditions on both buyer and seller which must be met for the obligation to purchase to become binding.

- 3) NEPA case law has determined entering into a Purchase and Sales agreement (either a Purchase Option agreement or a Conditional Contract) is a choice-limiting action unless the following requirements are evident in the agreement:

The agreement includes the following (or similar intent) Environmental Review clauses:

- "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"; and
- "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."

- 4) **Existing multi-family rental structures** - The structure(s) is not located within a Special Flood Hazard Area;

- 5) 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.

- 6) The term or automatic renewal language is sufficient to provide assurance the agreement will not expire prior to loan closing.

When an application is submitted to IHFA, the ER requirements are triggered. Therefore, no choice-limiting actions can be undertaken by an owner, developer, 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 action before Environmental Review process is completed, 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 an Award Agreement of funds. This generally includes the following:

- Complete organizational documents from the Borrower entity;
- All ~~general~~ partners/**owners/members** 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/**or** partnership entities.
- Requirement for submission of a current, signed, dated financial statement from the Borrower entity (including nonprofit corporations) and all ~~general~~ partners/**owners/members** in the borrower entity.

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%**.

For a partnership, financial statements will be required from each general partner who holds an interest in the organization.

- (a) 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.
- (b) 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 an award 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 **Error! Reference source not found.**)
- 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 conditional reservation letter (generally not to exceed 6 months), IHFA should receive evidence of a 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 to 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 of Maximum Number of Assisted Projects and Funding

(HOME) 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 (3) 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 three (3) projects under development simultaneously.

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:

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

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

Developer Fee Calculation

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

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 - 15%- Based on
 - 1) Characteristics of the development, i.e. special needs, elderly;
 - 2) Total development costs (includes both eligible and non-eligible costs)
 - 3) Size of the project;
 - 4) Type of development i.e. acquisition, acquisition and rehabilitation, new construction;

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	15%
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	15%
6-8 Million	12%
More than 8 Million	10%

Contractor Fees

<p>An Identity of Interest exists whenever the development team includes entities whose individual principals are also the principals in other entities of the development team.</p> <ul style="list-style-type: none"> • Principals: Individual owners, shareholders, directors, officers, employees, authorized representative of said entity <p>The Contractor Fee is limited to the following percentage when IHFA determines an Identity of Interest exists.</p>	
<p>Total Units (includes manager/ employee unit(s))</p>	<p>Allowable Contractor Fee as a percentage of construction/ rehabilitation costs</p>
<p>New Construction: 1 - 50 units</p>	<p>10%</p>
<p>New Construction: 51+ units</p>	<p>8%</p>
<p>Acquisition and/or Rehabilitation-All developments</p>	<p>10%</p>

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. No projects funded with HOME/HTF may engage in inherently religious instruction, such as worship, religious instruction, or proselytizing. If any organization conducts such activities, they must be offered separately, in time or location from the assisted property. Tenant/applicant participation is strictly voluntary and in no way connected to approval/tenancy or 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 residential units. Where a structure is used for

residential living and inherently religious activities, 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 IHFA's HOME Programs Department. If IHFA determines there are substantial and significant unresolved material noncompliance with the provisions in the HOME Regulatory Agreement in previous project(s) owned or managed by the Applicant or Applicant's proposed property management company, this may result in the failure of a proposed project to meet the HOME management capacity threshold requirements. When making a determination, IHFA will consider any circumstances beyond the applicant's control, i.e. accidents or acts of nature.

MINIMUM APPLICATION THRESHOLD CRITERIA

- Most recent third party CPA-prepared financial statement from applicant, developer, and owner (e.g. general partner). Owner financial statement is not required if the entity is newly formed.
- **Physical Needs Assessment-Required for all acquisition and/or rehabilitation projects. The PNA will determine the scope of rehabilitation. See Chapter 2, for PNA requirements.**
- **Capitol Needs Assessment- Required for all projects- Must be in sufficient detail to determine amount of funds needed for intermediate and long-term needs and costs as represented in the proposed replacement reserve account. See Chapter 2 for CNA requirements.**
- **[Removed as a application threshold requirement effective 5/15/2018]**

~~Phase 1 Environmental Site Assessment— Assisted properties shall be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property. A Phase 1 ESA report is valid for 180 days, and may require an update based~~

~~on the timing of the environmental review process. See Chapter 6 for Phase 1 ESA requirements~~

- **Exhibit S- Site Selection and Environmental Checklist.** Previously, submission of this form was recommended, but is now required as part of the application. See Exhibit S of this Administrative Plan.
- **HUD Programs Outreach Plans that describe the following:**
 - 1) **Language Access Plan for Limited English Proficient (LEP) Persons.** See Chapter 6 for LEP requirements.
 - 2) **Outreach to Section 3 Persons and Businesses and Minority and Women-Owned Business Entities (MBE/WBE).** Evidence the plans were followed will be required as part of the project close-out.
- 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-See Exhibit M for requirements
- 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 unit of local government has not adopted an AFFH Resolution, the application does not meet minimum threshold and will not be scored.**
 - 2) Applicant will submit one of the following:
 - a. If the proposed activity is located in a CDBG Non-Entitlement area, submit the local jurisdiction's most recent Fair Housing Assessment Plan reviewed by the State of Idaho's CDBG Program (Idaho Department of Commerce); or
 - b. If the proposed activity is located in a CDBG Entitlement Area (Boise, Nampa, Meridian, Lewiston, Coeur d' Alene, Idaho Falls, Caldwell, and Pocatello), submit that city's most recent Analysis of Impediments To Affirmatively Further Fair Housing. **If the city's Analysis of Impediments or Affirmative Housing Assessment document is available online, then applicant need only provide IHFA with the link to the online document (hard copy would not be required); or**
 - c. If the local jurisdiction in which the property will be located has never received State CDBG funds (and hasn't completed a Fair Housing Assessment Plan on their own), or the project will not be located in a CDBG Entitlement area, then applicant must request **a Fair Housing Assessment Plan be completed by the local jurisdiction.** The plan must contain the same components as the State of Idaho's

CDBG Program.

- Evidence the applicant and developer have the experience and capacity 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 Environmental Review Procedure 24 CFR 58.22 (See Chapter 6, 9 and Exhibit O)
- Owner/Developer/Management Capacity Self-Certification Form (See Exhibit W)
- Pro forma that incorporates the following assumptions:
 - 1) 7% vacancy factor
 - 2) 2% annual increase in income
 - 3) 3% annual increase in expenses **including replacement reserves**
- Release of Information (See Exhibit X)

SCORING CATEGORIES & CRITERIA

Applicable HOME/HTF regulatory and IHFA requirements must be addressed in the application to be considered for funding. An application will be scored based on 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 but IHFA deems further clarification is needed, IHFA may, at its sole discretion, 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**
- **If an application includes a request for HTF funds, the total possible points are 115**

An application score 60 points or more, 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/HTF loan repayment structure will be awarded one (1) additional point;
- If the applications have identical proposed HOME/HTF loan repayment structures, the application with the lowest total cost per total number of units will be awarded one (1) additional point

PROJECT VIABILITY

Total Investment per Total Number of Units

Application will receive points in this category if the total amount of (HOME and/or HTF) funds requested, divided by the total number of units in the project, results in a per-unit cost \leq \$15,000.

Project Reserves

~~HFA 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 at ~~\$500~~ \$300 per-unit per-year for the duration of the loan, will receive 3 points.

Applications that include a detailed Capital Needs Assessment with a timeline and associated costs increasing by 3% each year for the life of the loan, adjusted for inflation, that supports the proposed level of project reserves will receive an additional 3 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

A proforma that demonstrates positive net cash flow after all financial obligations are met based on the ~~most restrictive~~ required rent levels.

Projects often target lower income households to achieve increased scoring may sacrifice the project's financial feasibility as a result. This category is intended to encourage an applicant to consider the implications of targeting lower income levels.

~~Although targeting lower income households may be mission driven, the project may achieve stable long term viability by utilizing rent levels allowed while still meeting the income targeting requirements for HOME.~~

Funding Commitments

To receive points, application will include written commitments from all proposed funding sources (excluding HOME/HTF, and LIHTC). An application with proposed funding sources but does not include evidence of the commitments will not receive points.

A funding commitment must be on letterhead from the issuing entity, which includes the financing and commitment terms, the type of funding (construction/interim/permanent), the amount, and source of funding (HUD 202/811, USDA, etc.)

Combined Debt Service Coverage Ratio

In order to receive points for this category, the project pro forma demonstrates financial feasibility while satisfying HOME/HTF program 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

The 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~~ **three** percent (3%).

Projects utilizing LIHTC with a Limited Partnership ownership structure, can receive points if the limited partnership fees are taken after the HOME debt service.

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.~~
- **Regular Scheduled Payment- When feasible, as determined by IHFA, the payment would be amortized and fixed. The amount of payment will be determined by IHFA.**
- 30-Year repayment of HOME- Project owner commits to a repayment of the entire HOME loan in annual payments within 30 years or less, as demonstrated in the proforma, will be awarded points.

HTF-Specific Scoring Categories

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 points available under this Loan Repayment scoring category. Accordingly, when an application includes HTF funds, the application could receive 15 points 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></p> <p>Must meet A-C</p> <p>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;</p> <p>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)</p> <p>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.)</p>	<p>3</p>
<p>II. <u>Applicant Capacity</u></p> <p>Must meet A-C</p> <p>A. Owner/developer has experienced development staff or are partnering with an experienced development entity;</p> <p>B. Developer has experience developing other federal affordable housing programs;</p> <p>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.</p>	<p>2</p>
<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>	<p>2</p>
<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> <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>2</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>3</p>
<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 	<p>3</p>

Nonprofit 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, owner and developer will 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:**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 Choice

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 residents to understand fair housing rights and responsibilities and how to file a complaint.

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 it includes letters of support, dated and signed within 30 days of the application submission date, by a local government official(s) and/or from local service agency(s). Letter should reference the proposed project and provide details and reason(s) for the support.

While there is no minimum number of support letters required as part of this scoring category, the community's size will be taken into consideration. The support offered in the letter(s) will be evaluated accordingly.

Special Needs Housing Populations

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

Match is not required in HTF only funded projects.

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 population
- Amenities are consistent with the market area and substantially similar developments.