

# MULTIFAMILY AFFORDABLE HOUSING PROGRAM

## EVALUATION CRITERIA OVERVIEW AND SCORING SHEET

All applications must be determined to meet the following threshold requirements **before** the application will be evaluated and scored for funding. Projects not meeting the minimum threshold requirements will not be evaluated, scored, or deemed eligible for funding. A minimum of **80** points are required to be eligible for funding. Meeting the minimum score does not constitute funding or guarantee an award.

### Threshold Requirements

THRESHOLD REQUIREMENTS	
Eligible Activity: New Construction, Substantial Rehabilitation, Reconstruction	Eligible Project Type (e.g., multifamily housing, senior, special needs/vulnerable populations, supportive housing)
Eligible Applicant	Minimum Development Size
Tie-Back to Disaster	Has Demonstrated Local Support
Eligible Location within a HUD-Identified MID	Application is timely and complete with supporting documentation.
Meets National Objective  Developer/Development Team is not on suspension and debarment list	Commitment to Minimum Building Standards <ul style="list-style-type: none"> <li>- Green and Resilient</li> <li>- Broadband, where feasible</li> <li>- Energy Efficiency</li> </ul>

### Evaluation Criteria

EVALUATION AND SCORING	
REVIEW FACTORS	POINTS
Project Readiness	Maximum 20 points
Project Budget and Leveraging	Maximum 25 points
Sources and Uses	Maximum 10 points
Experience and Qualifications	Maximum 20 points
Affordability- Unit and Income Mix	Maximum 10 points
Scope of Development	Maximum 10 points
Proximity to Amenities Increasing Opportunity	Maximum 5 points
Special Consideration for Disadvantaged and Vulnerable Populations	Maximum 4 points
Total Points, including Special Consideration Points	Maximum 104 points

Applications will be evaluated and scored on a variety of factors, including but not limited to:

**Project Readiness (maximum 20 points):** Applicant has some form of site control, and the project is anticipated to receive entitlements within a year of award of funding. Higher points maximum the maximum points for this criterion will be awarded for projects that are shovel ready or able to proceed with construction within 6 months or less.

**Project Budget and Leveraging (maximum 25 points):** Project budget is complete and anticipated development costs meets cost reasonableness. Project meets minimum leveraging criteria (i.e., CDBG-DR funding does not exceed 40% of Total Development Costs), 20-year proforma demonstrates long-term financial viability and positive cashflow during affordability period.

**Sources and Uses (maximum 10 points):** All sources and uses of funds (federal, state, local, private, etc.) are clearly included and accompanied by sufficient evidence of commitment, all financial gaps are adequately covered, funding is available and eligible for proposed uses, and there is no Duplication of Benefits from any sources.

**Experience and Qualifications (maximum 20 points):** Development Team has recent demonstrated experience successfully completed affordable housing project(s) similar in size, scope, budget, and complexity of funding. Greater points will be given for the number of completed projects. Additionally, the Development Team must demonstrate operational and fiscal capacities.

**Affordability – Unit and Income Mix (maximum 10 points):** All units will be affordable to lower income households; unit mix is proportionate amongst income levels.

**Scope of Development (maximum 10 points):** Scope of proposed development, including maximizing the number of housing units provided, adequate open space and community areas, onsite amenities, and building design and aesthetics are appropriate to the surrounding area/community. Please note: projects serving special populations with increased accessibility requirements must provide more than the minimum 5% of units for mobility and 2% of units for visual/audio accessibility accommodations.

**Proximity to Amenities Increasing Opportunity (maximum 5 points):** Projects are in locations that increase access for lower income households to transportation, amenities, parks, education, health, goods, services, job and employment centers, etc.

**Special Consideration for Disadvantaged and Vulnerable Populations (maximum 4 points):** Projects that serve and benefit the most at-risk and vulnerable populations may receive additional points, as follows:

- Project has greater than 10% of units serving ELI households **(2 point)**
- Project serves Elderly Persons **(1 point)**
- Project serves individuals with at least one disability **(1 point)**

MINIMUM THRESHOLD REQUIREMENTS		Requirement Met?	
1. <b>Eligible Activity</b> – Is the proposed project new construction in conformance with HCDA 105 (a)?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. <b>Eligible Applicant</b> – Is the applicant a local unit of government? <b>Developer co-applicant</b> – Is Developer co-applicant listed on suspension and debarment list?		<input type="checkbox"/> Yes <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> No
3. <b>Eligible Location</b> – Is the proposed project located in and benefits one of the HUD-Identified Most Impact and Distressed (MID) areas?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. <b>Designated MID</b> - Which MID is the proposed project located in? <input type="checkbox"/> Gladwin <input type="checkbox"/> Midland <input type="checkbox"/> Saginaw			
5. <b>Tie-Back to Disaster</b> – Has the Tie-Back to the disaster adequately been demonstrated and documented (i.e., reports, unmet needs assessments/analyses, photos, media, etc.)?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. <b>Eligible Project Type</b> – Is the proposed an affordable multifamily project?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. <b>National Objective</b> – Does proposed project meet a National Objective? Which National Objective?		<input type="checkbox"/> Yes <input type="checkbox"/> LMH	<input type="checkbox"/> No <input type="checkbox"/> UN
8. <b>Minimum Development Size</b> – Does proposed project have at least 5 multifamily units?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
9. <b>Minimum Building Standards</b> – Does the proposed project reflect a commitment to the following in its building design and construction standards? <ul style="list-style-type: none"> <li><input type="checkbox"/> Green and Resilient Standards</li> <li><input type="checkbox"/> Broadband Infrastructure</li> <li><input type="checkbox"/> Energy Efficiency</li> </ul>		<input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No
10. <b>Local Support</b> – Does the proposed project have demonstrated local support?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
11. <b>Application</b> – Was the application submitted on time? Is the application complete and accompanied by required supporting documentation?		<input type="checkbox"/> Yes <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> No
12. <b>Eligible to Proceed</b> - Does proposed project meet all of the threshold requirements and can be deemed eligible for evaluation and scoring for funding considerations?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
EVALUATION CRITERIA		Maximum Points	Awarded Points
<b>A minimum of 80 points required to be considered for funding</b>			
<b>A. Project Readiness</b>		<b>20</b>	
<b>1. Site Control</b>		10	
<ul style="list-style-type: none"> <li>• Property is owned evidenced by a grant deed or warranty deed <b>(10 points)</b></li> <li>• Current Purchase Agreement <b>(5 points)</b></li> <li>• Current Purchase Option Agreement <b>(5 points)</b></li> <li>• Lease Agreement <b>(2 points)</b></li> <li>• None of the Above <b>(0 points)</b></li> </ul>			
<b>2. Project Approvals</b>		5	
<ul style="list-style-type: none"> <li>• All entitlements and approvals have been obtained <b>(5 points)</b></li> <li>• Entitlements are anticipated to be received within 6 months <b>(3 points)</b></li> <li>• Entitlements are anticipated to be received in 1 year or more <b>(2 points)</b></li> <li>• Entitlements are anticipated to be received in more than 1 year <b>(0 points)</b></li> </ul>			
<b>3. Quotes/Bids</b>		5	
<ul style="list-style-type: none"> <li>• All construction contracts have been executed and project is ready to proceed <b>(5 points)</b></li> <li>• Contractor estimates only <b>(2 points)</b></li> <li>• Applicant/Developer estimates only <b>(0 points)</b></li> </ul>			
<b>B. Project Budget and Leveraging</b>		<b>25</b>	

1. Project budget is a detailed, line-itemed budget that is comprehensive, breaks down all costs, costs are reasonable and demonstrates value for the investment (i.e., lower cost per unit than per unit subsidy limit). <b>(up to 10 points)</b>	10	
2. Project has firm financial commitments/letters of intent to fund: <ul style="list-style-type: none"> <li>greater than 60% of total project costs, not including the amount of CDBG-DR requested funds. <b>(10 points)</b></li> <li>at least 60% of total project costs, not including the amount of CDBG-DR requested funds. <b>(5 points)</b></li> </ul>	5	
3. Project operating proforma includes all income and expenses, debt service, annual escalators, vacancy rates, required reserves and reflects a positive cashflow for a minimum of 20 years: <ul style="list-style-type: none"> <li>Meets requirement <b>(5 points)</b></li> <li>Does not meet requirement <b>(0 points)</b></li> </ul>	5	
4. Amount of CDBG-DR funding requested is within the program minimum of \$1,000,000 and/or maximum of \$3,500,00 and all proposed CDBG-DR funded units conform with the maximum subsidy unit for each unit size: <ul style="list-style-type: none"> <li>Meets requirement <b>(5 points)</b></li> <li>Does not meet requirement <b>(0 points)</b></li> </ul>	5	
<b>C. Sources and Uses</b>	<b>10</b>	
1. All project expenses and sources of funding are accounted, calculations are free of errors and no funding gaps, beyond the amount of requested CDBG-DR funding exists, and no Duplication of Benefits. <b>(up to 10 points)</b>	10	
<b>D. Experience and Qualifications</b>	<b>20</b>	
1. Unit of Local Government– Does the local government possess staffing and financial capacities to manage grant and the developer? <b>(up to 5 points)</b>	5	
2. Development Team – Does the proposed developer have experience developing multifamily affordable housing projects that include a variety of state and federal funding? <ul style="list-style-type: none"> <li>5+ projects <b>(5 points)</b></li> <li>2-4 projects <b>(3 points)</b></li> <li>1 project <b>(1 points)</b></li> <li>0 projects <b>(0 points)</b></li> </ul>	5	
3. Development Team – Has the proposed developer demonstrated fiscal integrity? <ul style="list-style-type: none"> <li>A third-party accounting firm audits organization’s financial statements, annually. <b>(5 points)</b></li> <li>A third-party accounting firm <u>does not</u> audit organization’s financial statements, annually. <b>(2 points)</b></li> </ul>	5	
4. Development Team – Has the proposed developer demonstrated fiscal capacity? <ul style="list-style-type: none"> <li>Audited financials were submitted and reflect no audit findings and positive cashflow. <b>(5 points)</b></li> <li>Non-audited financial statements were submitted and reflect positive cashflow. <b>(2 points)</b></li> <li>No financial statements were submitted, or financial statements reflect audit findings, or financial did not reflect positive cashflow. <b>(0 points)</b></li> </ul>	5	
<b>E. Affordability – Unit and Income Mix</b>	<b>10</b>	
1. <b>Unit Affordability:</b> <ul style="list-style-type: none"> <li>All units are restricted to serve households up to 80% AMI, with a majority of the units serving households earning up to 60% AMI, inclusive of 30% AMI. <b>(5 points)</b></li> </ul>	5	

<ul style="list-style-type: none"> <li>Project includes market rate units. <b>(3 points)</b></li> </ul>		
<p>2. <b>Unit Mix:</b></p> <ul style="list-style-type: none"> <li>Unit mix is proportional amongst income levels <b>(5 points)</b></li> <li>Unit mix is disproportional among income levels and not substantiated by market study or market data <b>(0 points)</b></li> </ul>	5	
<b>F. Scope of Development</b>	<b>10</b>	
<p>1. Project description provides a broad overview of the project, purpose and need, adequately addresses tie-back to disaster, describes site characteristics (both positive and negative), identifies number of units that will be created, target populations and income levels to be served, special populations that will be served, supportive market data, support services to be provided, if any, use of open space and common areas, project amenities such as pool, BBQ areas, tot lots, etc., application includes site plans, project renderings, etc. <b>(up to 10 points based upon narrative response)</b></p>	10	
<b>G. Proximity to Amenities Increasing Opportunity</b>	<b>5</b>	
<p>1. Project is in a location that increases access to public transportation, parks, education, health, goods, services, employment, etc. for lower income households:</p> <ul style="list-style-type: none"> <li>Within 1/4 mile <b>(5 points)</b></li> <li>Within 1/2 mile <b>(3 points)</b></li> <li>Within 1 mile <b>(1 point)</b></li> </ul>	5	
<b>H. Special Consideration for Disadvantaged and Vulnerable Populations</b>	<b>4</b>	
<p>1. Project may earn one point for each:</p> <ul style="list-style-type: none"> <li>Has greater than 10% of units serving Extremely Low Income households <b>(2 point)</b></li> <li>Serves Elderly Persons <b>(1 point)</b></li> <li>Serves individuals with at least one disability <b>(1 point)</b></li> </ul>	4	
<b>Total possible points including bonus points</b>	<b>104</b>	