

Affordable Rental Housing Development Funding Evaluation Criteria

Executive Summary

The City of San Antonio (the City) is the recipient of funding from the U.S. Department of Housing and Urban Development (HUD), which includes the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Program. The City undergoes an Annual Action Plan process to set aside funding for affordable housing and community development activities. The Evaluation Criteria outlined in this document will be utilized as a decision making tool to assess and prioritize requests for Federal funding set aside for the creation or preservation of affordable rental housing. HOME funds can be used for acquisition, new construction or rehabilitation and CDBG funds can be used for acquisition, infrastructure improvements, and rehabilitation of affordable rental housing.

The development of these Evaluation Criteria was compiled using HUD regulatory requirements, national best practices, Housing Policy Framework Report, and input from Community Housing Development Organizations (CHDO) and affordable housing developers. The application review will include a threshold assessment, project prioritization, underwriting review, and an assessment by an evaluation panel as outlined in this document. If an applicant does not meet the threshold requirements, the application will not move forward for review.

Evaluation Criteria	Maximum Points
Experience and Capacity	15
Project Readiness	20
Project Site Characteristics and Amenities	25
HUD Regulatory Conditions	5
Efficient Use of Funds	5
Underwriting	30
Total Point Scale	100

Phase I. Review- Threshold Requirements

Applicants must submit documentation that fully demonstrates their compliance with the requirement below. Failure to include such documentation and to meet the eligibility requirements will result in elimination of the application for funding consideration without further review.

All applications must meet the following threshold requirements:

- ✓ The application serves households at 60% or below the Area Median Income (AMI)
- ✓ The application meets the objectives of the HOME program to: provide safe, decent affordable housing to lower-income households
- ✓ The applicant must complete the Affirmative Fair Housing Marketing Plan for Multifamily Housing (AFHM) and it must comply with the standards set by HUD Multi-Family AFHM form 935.2a
- ✓ The property must be located within the City of San Antonio
- ✓ The project must meet an eligible use for HOME to include acquisition, new construction or rehabilitation of affordable rental housing or eligible CDBG uses in support of affordable housing such as public improvements, acquisition, rehabilitation, public site improvements
- ✓ The applicant must have secured site control
- ✓ The applicant must provide a site plan
- ✓ The applicant must provide an appraisal with conclusions supporting the applicable project pro forma assumptions
- ✓ The application should include an Executive Summary that includes a project timeline with a defined scope of work and describes the population to be served
- ✓ The applicant must provide a relocation plan for persons who are displaced temporarily or permanently as prescribed in the Uniform Relocation Act.
- ✓ The applicant must provide a detailed development budget and Pro-Forma as indicated in the application
- ✓ The applicant must provide a rent schedule consistent with program rent limits on restricted CDBG and HOME units

Phase II-Project Prioritization Criteria

Once the threshold review ascertains that the application is eligible, each application be reviewed in the Prioritization Phase and will receive points on the following: Experience, Project Readiness, Project Site Characteristics and Amenities, HUD Regulatory Conditions, Efficient Use of Funds and Underwriting Criteria. In this phase, Absolute Points are automatic points if the application meets evaluation criteria. Rank score points are awarded based on a comparison of all applications.

A. Experience (up to 15 points):

Evaluation Criteria	Source	Absolute	Rank Score
The applicant's prior performance with CDBG/HOME funds includes evidence that project timelines were met, monthly reports were submitted timely, applicant met compliance monitoring requirements, and funds were expended in accordance with funding agreements.	HUD		✓
The application clearly indicates the project will be undertaken by a project owner/developer and property manager with a demonstrated track record and personnel experienced in completing quality affordable rental housing development.	HUD		✓

B. Project Readiness (up to 20 points):

Evaluation Criteria	Source	Absolute	Rank Score
The applicant must include a Market Study that clearly documents an inadequate supply of affordable, decent, safe, and sanitary housing stock to serve low and moderate renters that the proposed project would address.	HUD	✓	
The application contains a Phase I environmental assessment submitted with the application.	Best Practice	✓	
The application includes evidence that zoning/land entitlements have been approved.	Best Practice	✓	
The application demonstrates the total project budget is adequate to complete the project as described and includes commitment letters from all sources of funds are included.	HUD		✓

C. Location Amenities (up to 25 points)

Evaluation Criteria	Source	Absolute	Rank Score
<p>Application indicates that the project is located near the following amenities :</p> <ul style="list-style-type: none"> a. a public park that is not greater than 1 mile from the project area; b. public transportation stop/station that is not greater than 1 mile from the project area; c. a full service grocery store that is not greater than 1 mile from the project area; <i>(The grocery store is defined as offering a wide variety of fresh, frozen, canned and prepared foods, fresh meats, poultry, seafood, fresh fruits and vegetables, and a selection of baked goods, dairy products and household goods.)</i> d. a community center, a senior center or a book-lending library facility that serves the population residing in the proposed project area and is less than a mile from the site; e. a hospital or medical clinic facility that serves the population residing in the proposed project area and is less not greater than a mile from the area; f. a major employment center where the population residing in the proposed project area may work and is less than a 20 minute commute; g. a public school that is less than a mile from the proposed project area; additional consideration for projects less than ¼ mile from a public school; h. an amenity deemed valuable by the residents in the area; and i. a unique location amenity that was a consideration in selecting the project location. 	Housing Policy Framework		✓
Applications that include project locations set in one of the City's high priority areas as defined in the Request for Application (RFA).	Housing Policy Framework	✓	
The application includes a plan to preserve existing rental units and rehabilitate them into affordable units.	Housing Policy Framework	✓	

The application identifies resident services to include agreements with third-party service providers may include provide on-site educational, wellness and/or skill building classes.	Housing Policy Framework		✓
The application identifies innovative strategies in the project's building strategy. This may include but are not limited to: white roofs, energy conservation, the use of longer lasting materials, or enhanced accessibility.	Housing Policy Framework		✓

D. HUD Regulatory Conditions (up to 5 points)

Evaluation Criteria	Source	Absolute	Rank Score
Applicant is currently a certified Community Housing Development Organization (CHDO) or meets the CHDO eligibility criteria	HUD	✓	
The application indicates a preference for employment, training and contracting opportunities directed to local low- and very low-income persons, to the greatest extent possible, as defined in the HUD Section 3 Act of 1968. Requirements can be reviewed at: https://www.hud.gov/section3	HUD	✓	

E. Efficient Use of Federal Funding (up to 5 points)

Evaluation Criteria	Source	Absolute	Rank Score
Application shows that Federal dollars are leveraged to the maximum extent possible	Housing Policy Framework		✓
Application indicates sources of HOME match funds	HUD		✓

F. Underwriting (up to 30 points)

Evaluation Criteria	Source	Absolute	Rank Score
The applicant's project is viable for an affordability period	Housing Policy Framework		✓
The application contains a Sources & Uses balance, including that all costs are reasonable	HUD		✓
The applicant's experience and financial capacity is appropriate to project	HUD		✓
Return/profit to owner/applicant is reasonable and not excessive	HUD		✓
Applicant demonstrates that HOME/CDBG gap financing is necessary	HUD		✓
The application prioritizes housing units for individuals whose household income is <i>below</i> 60% of the AMI.	Housing Policy Framework		✓

Phase 3- Evaluation Panel Review

An Evaluation Panel comprised of City Leadership will validate the Absolute and Rank Scores. The objective of the Evaluation Panel is to recommend the application that is most responsive to the project needs within HUD funding criteria and local initiatives. The highest scoring application will be recommended to City Council for funding. It should be noted that the highest scoring CHDO application will receive priority over other applications as it will allow the City to meet the CHDO set aside requirements as required by HUD statute.

Evaluation Criteria Waiver and Appeal Process (include Appeal Process)

Although the Evaluation Criteria provide a tool for awarding Federal funding, at any time, the Director has the discretion to waive the Evaluation Criteria on a case by case basis so long as such waiver does not conflict with Federal, State, and local regulations. Applicants of these federally funded programs have the ability to appeal the Department's determination. Applicants must submit an appeal in writing. The Director will have 30 days to make a determination.

Any applicant who is adversely affected in connection with the proposed award of a contract may file a protest with the Director of Finance and appeal any adverse decision to the City Manager of the City of San Antonio. The applicant must deliver a written notice of protest to the Finance Director within seven (7) calendar days of the posting of the intent to award. If the applicant does not file a written notice within this time, the applicant will have waived all rights to formally protest the intent to award.