

# Affordable Homeownership 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 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 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.

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

## **Phase 1-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 80% or below the Area Median Income (AMI);
- ✓ The applicant must complete the Affirmative Fair Housing Marketing (AFHM) Plan for Single Housing and it must comply with the standards set by HUD Single-Family AFHM form 935.2B;
- ✓ The application meets the objectives of the HOME program to: provide safe, decent affordable housing to low-income households;
- ✓ 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;
- ✓ A third-party appraisal (to substantiate both the initial purchase price of the land/structure and the as-completed value of the project);
- ✓ 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.

**Phase 2-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 and Capacity (up to 15 points):**

<b>Evaluation Criteria</b>	<b>Source</b>	<b>Absolute</b>	<b>Rank Score</b>
The application clearly indicates the project will be undertaken by an applicant/project owner with a demonstrated track record and personnel experienced in completing quality affordable housing development.	HUD		✓
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 applicant has a housing counseling plan in place to assist homebuyers with purchasing an affordable home.	HUD		✓

**B. Project Readiness (up to 20 points):**

<b>Evaluation Criteria</b>	<b>Source</b>	<b>Absolute</b>	<b>Rank Score</b>
Applicant has a pipeline of eligible buyers who are interested in the homes and the neighborhood and buyers who are credit and income qualified.	HUD	✓	
The application has a Phase I environmental assessment completed and submitted with the application.	Best Practice	✓	
The application includes evidence that zoning/land entitlements have been approved.	Best Practice	✓	
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. Project Site Characteristics and 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"> <li>a. a public park that is not greater than 1 mile from the project area;</li> <li>b. public transportation stop/station that is not greater than 1 mile from the project area;</li> <li>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></li> <li>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;</li> <li>e. a hospital or medical clinic facility that serves the population residing in the proposed project area and is not greater than a mile from the area;</li> <li>f. a major employment center where the population residing in the proposed project area may work and is less than a 20 minute commute</li> <li>g. a public school that is less than a mile from the proposed project area;</li> <li>h. an amenity deemed valuable by the residents in the area</li> <li>i. a unique location amenity that was a consideration in selecting the project location</li> </ul>	Housing Policy Framework		✓
The project is located in one or more of the City’s designated high priority initiatives areas as defined in the Request for Applications (RFA).	Housing Policy Framework	✓	
The application creates new affordable housing units and/or includes a plan to preserve existing houses and rehabilitate them into affordable units.	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		✓
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**D. HUD Regulatory Requirements (up to 5 points)**

Evaluation Criteria	Source	Absolute	Rank Score
The 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: <a href="https://www.hud.gov/section3">https://www.hud.gov/section3</a>	HUD	✓	

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

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

**F. Underwriting (up to 30 points)**

<b>Evaluation Criteria</b>	<b>Source</b>	<b>Absolute</b>	<b>Rank Score</b>
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		✓

**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. All applications will be ranked by score and the highest scoring application(s) will be recommended for funding. In addition, the highest scoring application(s) that assists the City in meeting the CHDO set-aside requirements will automatically be recommended for HOME funding.

**Evaluation Criteria Waiver and Protest 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.

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 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.