

**Scoring Guidance for the Fiscal Year 2019 Arlington County Notice of Funding Availability (NOFA) for Federal and Local Loan Funds**

<b>FEDERAL REQUIREMENTS</b>		
<p><i>The use of Federal CDBG and HOME funds require adherence to Federal compliance and only certain projects are eligible and/or feasible. Therefore, only applicants that propose use of Federal CDBG and HOME funds and are determined by staff to be feasible according to timing and other requirements as noted in the application will be considered for funding. Only projects that are eligible for use of Federal funds will be able to utilize any additional local loan funds that may be available. <b>Applications that do not propose feasible use of Federal funds will not be eligible for local funding through this NOFA process.</b></i></p>		
<b>Category</b>	<b>Guidance</b>	<b>Max Points Available</b>
Project Timeliness	<ul style="list-style-type: none"> <li>Project can be committed / allocated by March 2019 (commitment means that all necessary Federal compliance as listed on the application and including items such as Environmental Review be completed and project has received County Board approval)</li> <li>Project can be completed (construction and title transfer complete, units ready for occupancy, final draws disbursed) and funds expended by May 2023.</li> </ul>	Must meet staff determination of eligibility / timeliness for consideration (threshold).

<b>POLICY - 40% Weight</b>			
<b>Category</b>	<b>Guidance</b>	<b>Max Points Available</b>	<b>AHMP #</b>
<b>SUPPLY</b>		<b>84</b>	<b>1</b>
Commitment Period	Highest Points: 60+ years.	0 to 3	1.1.5
Units below 60% AMI	Highest Points: 25% or more of CAFS at 50% AMI or below.	0 to 10	1.1.6
Family-Sized Units or Senior Housing	Highest Points: 50% or more of CAFS are family sized, 10% or more of CAFS are 3+ bedrooms, or project is age-restricted senior housing.	0 to 8	1.1.8, 2.4.1
Units in Transit Corridor	Highest Points: Close proximity to transit.	0 to 3	1.1.9, 3.2.2
MARK/CAF Preservation	Highest Points: Building contains MARKS, especially MARKS for-sale on the open market, or contains existing CAFs that will expire in 5 years or less.	0 to 15	1.1.2,1.1.3
Future Development Opportunity	Highest Points: Provides future infill/redevelopment opportunity.	0 to 5	1.1
Time-Sensitivity	Highest Points: Urgent capital needs and/or time-limited funding at risk.	0 to 10	1.1
Consistency with Small Area/Sector Plans	Highest Points: Project is consistent with existing small area or sector plans. If development is located in an area that does not have a small area or sector plan, development is consistent with the General Land Use Plan.	0 to 5	County Land Use Policies
Geographic Distribution	Tier 1 - Located in the Rosslyn-Ballston or Jefferson-Davis Metro Corridors as defined on the General Land Use Plan or is within 1/4 mile of Lee Hwy.	25	1.1.4, 3.2
	Tier 2 - Located in a census tract that is below the regional average poverty rate and is not in the metro corridors or within 1/4 mile of Lee Hwy.	20	
	Tier 3 - Located in a census tract with 1x to 2x the regional average poverty rate and is not in the metro corridors or 1/4 mile of Lee Hwy.	15	
	Tier 4 - Located in a census tract with 2x to 3x the regional average poverty rate and is not in the metro corridors or within 1/4 mile of Lee Hwy and is not mixed-income.	10	
	Tier 5 - Located in a census tract that has 3x or greater the regional poverty rate at any point over the past three years and is not mixed-income.	0	
	<i>Note: Mixed-income is defined as containing at least 40% of units as unrestricted. Developments located in Tiers 4 and 5 that are mixed-income will receive the next highest Tier points. Applications that contain existing CAFS will receive full points.</i>		
<b>ACCESS</b>		<b>6</b>	<b>2</b>
Permanent Supportive Housing Units	Highest Points: 10% or more of CAFS are PSH.	0 to 3	2.3.2, 2.5.2
Accessible Units	Highest Points: 10% or more of CAFS are accessible as per ADA and ANSI A117.1 with Type A units and roll-in showers, to include 2% of units being accessible for people with visual or hearing impairments.	0 to 3	2.5.3
<b>SUSTAINABILITY</b>		<b>10</b>	<b>3</b>
Design Team Experience	Highest Points: Design team with extensive experience in green design and construction.	0 to 2	3.3
Industry Best Practices	Highest Points: Project pursuing LEED or EarthCraft certification with ongoing energy use tracking.	0 to 3	3.3
Building Innovation	Highest Points: Projects pursuing innovative, industry recognized "green" building standards such as, but not limited to, Passive House, Living Building Challenge and EnergyStar Certification.	0 to 5	3.3
<b>Total Potential Score - Policy</b>		<b>100</b>	
<b>Weight</b>		<b>40%</b>	
<b>Total Maximum Final Score - Policy</b>		<b>40</b>	

<b>PROJECT EXPERIENCE &amp; READINESS - 20% Weight</b>		
<b>Category</b>	<b>Guidance</b>	<b>Max Points Available</b>
<b>TEAM EXPERIENCE</b>		<b>55</b>
Development Experience	Highest Points: Demonstrated record of success working with County or other jurisdictions including: taking projects through a community process and obtaining entitlement approvals; applying for and receiving Low Income Housing Tax Credits and Historic Tax Credits (if applicable); applying for and receiving federal funds (if applicable); closing on debt and equity financing; history of repayment; and obtaining building permits.	0 to 15
Project Completions	Highest Points: Proven track record of completing projects on budget and on schedule.	0 to 10
Property Management	Highest Points: Proven track record of compliance with affordability and physical condition requirements and overall tenant satisfaction.	0 to 10
Partnering with Service Providers	Highest Points: Experience partnering with service providers and/or plan for delivering services.	0 to 10
Fiscal & Organizational Health	Highest Points: Applicant is fiscally and organizationally sound. Applicant supplies latest audited financial statements or equivalent.	0 to 10
<b>READINESS</b>		<b>45</b>
Site Control	Highest Points: Currently owns property or has an executed Letter of Intent with the seller or a Purchase Contract.	0 to 15
Planning, Design, and Construction Process	Highest Points: Architectural concept plans prepared; site plan or use permit process identified and discussed with County Planning staff; construction estimates prepared.	0 to 10
Timeline & Schedule	Highest Points: Demonstrates a feasible plan with major milestones accomplished within schedule requirements. Includes plan for due diligence (appraisal, market study, environmental) and relocation strategy (if applicable).	0 to 10
Public Participation Process	Highest Points: Civic association consulted, appropriate schedule for public participation process.	0 to 10
<b>Total Potential Score - Project Experience and Readiness</b>		<b>100</b>
<b>Weight</b>		<b>20%</b>
<b>Total Maximum Final Score - Project Experience and Readiness</b>		<b>20</b>
<b>BUDGET - 40% Weight</b>		
<b>Category</b>	<b>Guidance</b>	<b>Max Points Available</b>
<b>CAPITAL BUDGET</b>		<b>50</b>
Sources of Funds	Highest Points: Financing plan is sound, reasonable, creative and includes competitive sources such as discounted land, Federal Home Loan Bank Affordable Housing Program, and the Virginia Housing Trust Fund. County funds request demonstrates minimum gap financing needed with: reasonable tax credit assumptions; maximized first mortgage; and reasonable debt coverage and interest rate assumptions. Mortgage source is compatible with County loan terms. For related party acquisitions: seller note finances the difference between acquisition price and existing debt on property and transaction costs. A draft tax credit scoring sheet is included (if utilizing 9% tax credits).	0 to 10
Uses of Funds	Highest Points: Budget is clear, accurate, and thorough; acquisition costs are at or below appraised value; construction costs are reasonable and supported by contractor estimates; and fees and soft costs are reasonable. If requesting Federal funds, the budget includes appropriate associated costs such as Davis Bacon, Environmental Assessment, Relocation, and other costs applicable to federal funding.	0 to 10
Federal/Local Loan Fund Cost per Unit	Highest Points: \$85,000/unit or less. Consideration for exceeding \$85,000/unit will be given to projects that include a 3rd party land purchase, are within the metro corridor as defined in General Land Use Plan, serve very low-income or special needs households, or use concrete and steel construction.	0 to 10
Leveraging	Highest Points: 3:1 (outside funds to County funds) leverage or higher.	0 to 10
Amount of Developer Fee & Percent Deferred	Highest Points: Fee within VHDA guidelines; 50% is deferred. The deferred developer fee is repaid within the required time window. <i>Note: Portion of developer fee received in cash cannot exceed \$2.5 million for 4% tax credit projects.</i>	0 to 5
Developer Contribution	Highest Points: Developer Contribution equal to 10% of County loan request. Fifty percent (50%) may come from a seller note.	0 to 5
<b>OPERATING BUDGET</b>		<b>50</b>
Proforma	Highest Points: A 30-year proforma in active excel spreadsheet format is included with reasonable assumptions and escalation factors; income consistently exceeds expenses and mortgage payments. A Year 15 plan/exit analysis is included if tax credits are being utilized.	0 to 10
Income	Highest Points: Income projections are consistent with rents for targeted households; vacancy rates and other income are reasonable.	0 to 10
Operating Costs	Highest Points: Consistent with other recent developments.	0 to 10
Priority Payment Fees & Replacement Reserves	Highest Points: Priority Payment Fees are no more than \$200/unit. Replacement Reserves are adequate and reasonable and consistent with County loan policy.	0 to 10
Repayment Schedule	Highest Points: County loan payment equal to at least 50% of residual receipts and loan crests within 15 years (or reasonable plan for repayment of the loan is proposed). County loan repayments are maximized to the extent feasible.	0 to 10
<b>Total Potential Score - Budget</b>		<b>100</b>
<b>Weight</b>		<b>40%</b>
<b>Total Maximum Final Score - Budget</b>		<b>40</b>