

Selection (Scoring) Criteria for Impacted and Non-Impacted Areas

PART 2: AFFORDABLE HOUSING TRUST FUND
SELECTION CRITERIA

I. INTRODUCTION: Projects are evaluated against a total of 18 selection or scoring criteria, which is divided into three parts. The first part is comprised of 17 selection criteria that apply to all proposed projects. The remaining two parts are comprised of one selection criteria that is specific to projects located within poverty impacted areas or poverty non-impacted areas. Depending upon whether a project is located in an impacted area or a non-impacted area, proposals will be evaluated according to one of the two selection criteria point structures listed below.

II. MINIMUM POINT THRESHOLD: A funding proposal needs at least 20 points in two selection criteria (“Financial Soundness and Management” and “Economic Integration”) to meet the initial minimum point threshold and 86 points in all categories to meet the total minimum point threshold. A proposed project must meet both the minimum 20 point threshold and the minimum 86 total point thresholds to be underwritten and considered for funding.

III. SELECTION CRITERIA FOR ALL PROJECTS:

A. Financial Soundness and Management: Up to 25 Points Total

Underwriting Criteria: Up to 10 points for being underwritten according to the CPED's underwriting standards with approximately one point for each of the standards listed in Attachment 11;

Secured Funding: Up to 5 points for the percentage amount of other funding sources which have been secured as follows:

<u>Percentage of Project Financing Secured</u>	<u>Points</u>
0% to 20%	0
20.1% to 40%	2
40.1% to 60%	3
60.1% to 80%	4
80.1% or more	5

Property Management Plan: Up to 5 points for the quality of the management plan.

Developer's Comparable Project Experience: Up to 5 points for the developer's experience in developing and operating projects of this type.

B. Economic Integration: Up to 20 Points

Project meets the mixed-income goals on basis of percentage of low-income units (affordable to 50% of AMI) to the total number of units.

<u>Percentage of Low-Income Units</u>	<u>Points</u>
20% of total units	15
20.1% to 40%	20
40.1% to 60%	10
60.1% to 80%	5
80.1% to 100%	0

C. Ratio of Soft Costs to Total Project Costs: Up to 15 Points

Points given on the % of total project costs that are considered soft costs or costs of intermediaries. For the purposes of this provision, "Costs of Intermediaries" shall be consistent with Minnesota Housing Finance Agency.

<u>% of Total Project Cost</u>	<u>Points</u>
>24%	0
15.1% - 24%	5
0% - 15%	15

D. Family Housing: Up to 15 Points

The project provides family housing whereby 25% or more of the rental units in the project have three or more bedrooms. Points are awarded as follows:

<u>Percentage of Units 3+ BR</u>	<u>Points</u>
25% or less	0
25.1% to 50%	5
50.1% to 75%	10
75.1% or more	15

E. Design Quality and Compatibility: Up to 5 Points

Projects are evaluated to insure compliance with the Green Communities standards and the Healthy Housing Policy (see Part I, Section VI for more information), quality construction and aesthetically pleasing design which is compatible with the neighborhood will be awarded up to 5 points. The City Planning Department will be part of this review.

F. Provision of Resident Support Services: Up to 10 Points

Preference given to projects that provide resident support services or establish a strong, integrated referral system. Examples of support services include information and referral, advocacy, case management, self-reliance training, formation/existence of a resident association, and community building activities.

<u>System in place to provide support services:</u>	<u>Points</u>
Provide to >50% of households	10 points
Provide to >25% of households	8 points
Provide to >10% of households	6 points

<u>Strong, integrated support referral system:</u>	<u>Points</u>
Provide to >50% of households	5 points
Provide to >25% of households	3 points
Provide to >10% of households	1 point

G. Plan Conformance: Up to 10 Points

Preference to projects that conform to the City of Minneapolis Consolidated Plan, Comprehensive Plan, and/or to any city-adopted neighborhood plan document.

H. Proximity to Transit and Jobs; Density: Up to 20 Points

A. Transit-Oriented Development - The project is located within .50 miles of high service local fixed route transit or within .50 miles of a transit stop served by an express route or a limited stop route (10 points). Please see the Illustrative Transit Map in Attachment 12 as a supplement to other available transit information.

The project is located within .25 miles of any other transit stop (5 points)

B. Proximity to Jobs – Maximum number of points is 5.

C. Density: Higher Density Development – Maximum number of points is 5.

I. Project-Based Section 8 Program Assistance: Up to 10 Points

The developer has applied for 1) Project-based Section 8 units and has obtained a letter of support from Minneapolis Public Housing Authority, or 2) For other ongoing project assistance such as the HUD Supportive Housing Program.

J. Housing for Long Term Homeless (at 30% or less of AMI): Up to 10 Points

Project provides housing units for long term homeless households as defined by MHFA for HUD; household income must be 30% or less of AMI.

<u>% of LTH Units</u>	<u>Points</u>
40% of total units at or below 30% AMI	10 points
20% of total units at or below 30% AMI	5 points

K. Long-Term Affordability Period: Up to 10 Points

Preference is given to those projects that demonstrate the ability to serve tenants for the longest period of time. The project must either cash flow for the period of proposed affordability or an operating deficit fund must be established at the beginning of the project.

<u>Affordability Period</u>	<u>Points</u>
30 years or more	10 points
25 years or more	8 points
20 years or more	5 points

L. Senior Housing: Up to 15 Points

Senior independent rental congregate and/or assisted living meeting development goals and objectives of the Minneapolis Senior Housing Policy and which is 100% senior (55 years and older).

M. Neighborhood Support: Up to 5 Points

Proposed project is supported by the recognized neighborhood organization based on review of design and land use issues.

N. Expiring Tax Credits: Up to 5 Points

Proposed project results in preserving long-term affordability of expiring tax credit units.

O. Leverage: Up to 10 Points

Total AHTF amount awarded and current AHTF request divided by Total Development Cost equals leverage ratio percentage.

<u>Leverage Ratio</u>	<u>Points</u>
0 – 5%	10
5.1% - 10%	5

P. Community Housing Development Organization: Up to 5 Points

Project is owned, developed or sponsored by a Community Housing Development Corporation (CHDO) as defined by HUD.

Q. Commercial or Community Corridor: Up to 15 Points

Preference to projects located on a Commercial Corridor or Community Corridor. The list of Commercial Corridors and the list of Community Corridors are found on Pages 1-27 AND 1-28 (Table 1a and Table 1b) of the Land Use Chapter of the Minneapolis Plan http://www.minneapolismn.gov/cped/planning/plans/cped_comp_plan_2030.

<u>Distance to Corridor</u>	<u>Points</u>
Contiguous with or within one parcel of a listed corridor right of way	15 points
Not contiguous but within ¼ mile (495 feet) of a listed corridor	10 points
Further than ¼ mile (495 feet) from a listed corridor	0 points

R. SELECTION CRITERIA SPECIFIC TO PROJECTS IN A POVERTY IMPACTED AREA: Preservation, Rehabilitation, Stabilization: Up to 10 Points

Project provides preservation, rehabilitation, and stabilization in impacted areas.

S. SELECTION CRITERIA SPECIFIC TO PROJECTS IN A POVERTY NON-IMPACTED AREA: New Construction or Positive Conversion: Up to 10 Points

Project provides new construction and positive conversion in non-impacted areas.