

Draft Scoring Guidance for the Fiscal Year 2022 Arlington County Notice of Funding Availability (NOFA) for County Loan Funds

County staff, in its sole discretion, may recommend any combination of Affordable Housing Investment Fund (AHIF), Community Development Block Grant (CDBG), or HOME Investment Partnership (HOME) sources (or other sources not specifically mentioned herein) for funding. Only applications that ~~propose can feasible~~feasibly use ~~of~~ Federal HOME and/or CDBG funds, as determined by staff to be feasible according to timing and other requirements as noted in the application, will be eligible for funding through this NOFA process. Please note that if a project is recommended for funding utilizing county HOME funds, the county may require the applicant to adhere to Community Housing Development Organization (CHDO) eligibility requirements and become certified as a CHDO to be able to accept HOME CHDO funds. ~~The use of Federal CDBG and HOME funds require adherence to Federal compliance and only certain projects are eligible and/or feasible.~~ Only projects that are eligible for use of Federal funds, as determined by staff, will be able to utilize any additional local loan funds that may be available.

POLICY - 40% Weight					
Category	Guidance	Max Points Available	Points W/ Weight Applied	AHMP #	
SUPPLY		89 84	35.6	1	
Commitment Period	Highest Points: 75+ years.	0 to 3	<u>0 to 1.2</u>	1.1.5	
Units below 60% AMI	Highest Points: 25% or more of CAFS at 50% AMI or below, <u>with an emphasis on the provision of 30% and 40% AMI units.</u>	0 to 10	<u>0 to 4.0</u>	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	<u>0 to 3.2</u>	1.1.8, 2.4.1	
Units in Transit Corridor	Highest Points: Close proximity to transit.	0 to 3	<u>0 to 1.2</u>	1.1.9, 3.2.2	
MARK/CAF Preservation	Highest Points: Project contains 30 or more MARKS, especially MARKS for-sale on the open market, or contains 30 or more existing CAFs that will expire in 5 years or less. Up to five points will be given to developments that contain more than one but less than 30 MARKS or 30 CAFs expiring in 5 years or less.	0 to 15	<u>0 to 6.0</u>	1.1.2, 1.1.3	
Future Development Opportunity	Highest Points: Provides future infill/redevelopment opportunity.	0 to 5	<u>0 to 2.0</u>	1.1	
Time-Sensitivity	Highest Points: Urgent capital needs and/or time-limited funding at risk.	0 to 10	<u>0 to 4.0</u>	1.1	
Consistency with Comprehensive Plan Goals, Sector Plans, and Small Area Plans	Highest Points: Project is consistent with existing Comprehensive Plan Goals, Sector Plans, and Small Area Plans. If development is located in an area that does not have any of the above, development is consistent with the General Land Use Plan.	0 to 5	<u>0 to 2.0</u>	County Land Use Policies	
Geographic Distribution	Tier 1 - Located in the metro corridors as defined on the General Land Use Plan or is within 1/4 mile of Lee Hwy.	25-30	10.0 or 12.0	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	<u>8.0</u>		
	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	<u>6.0</u>		
	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.	10	<u>4.0</u>		
	Tier 5 - Located in a census tract that has 3x or greater the regional poverty rate at any point over the past three years.	0	<u>0.0</u>		
	<i>Notes: Developments located in Tiers 4 and 5 that are mixed-income developments containing at least 40% of units as unrestricted and/or are located in a <u>Designated Qualified Opportunity Zone</u> will receive the next highest Tier points. Applications that contain existing CAFS with affordability restrictions expiring in 5 years or less will receive <u>25-30 points.</u></i>				
ACCESS		10	4.0	2	
Permanent Supportive Housing Units	Highest Points: 10% or more of CAFS are PSH. <u>Units are scattered evenly throughout the development.</u>	0 to 5	<u>0 to 2.0</u>	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. <u>No more than 50% of the PSH units are designated as accessible units.</u>	0 to 3	<u>0 to 1.2</u>	2.5.3	
Accessible Placement	Highest Points: Leases for Type-A accessible units will have clauses requiring that any tenant household which does not include a person with a disability will be required to transfer to another unit, of the same size and in the same property, if available, if an application is accepted from another household which does have a person or persons who would make use of the accessible features of the Type A unit. Reasonable transfer costs	0 or 2	<u>0 or 0.8</u>	2.5.3	

	resulting from such a move would be paid by the developer/owner.			
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Category	Guidance	Max Points Available	Points W/ Weight Applied	AHMP #
SUSTAINABILITY		186	7.2	3
Industry Best Practices	Highest Points: Project pursuing LEED Gold, or EarthCraft Gold, <u>or a building innovation (as listed in the Building Innovation criteria, below)</u> certification with ongoing energy use tracking.	0 to 2	<u>0 to 0.8</u>	3.3
Renewable Energy Baseline Requirement	<u>Baseline solar panels/integrated vegetated roof with solar panels requirement:</u> i. <u>On-site solar generation equal to at least 1.5 watts per square foot of the roof area (including mechanical area) -or-</u> ii. <u>Co-locating an integrated vegetated roof and solar whereby vegetated roof meets Virginia DEQ BMP standards and is equal to at least 12% of the roof area (including mechanical area) -and- on-site solar generation is equal to at least 1.0 watts per square foot of the roof area (including mechanical area)</u> <i>Notes: Developments without sufficient solar exposure due to shading by surrounding development may be exempted. Sufficient solar exposure is defined as having a Total Solar Resource Fraction (TSRF) or equivalent solar industry metric of 80% or greater for square footage of roof area needed to accommodate the minimum required solar PV array. An exemption request must include a report prepared by a qualified solar professional that documents insufficient TSRF. An exemption may also be considered for developments located in a designated historic preservation district and/or for developments utilizing federal and/or state historic tax credits.</i> Highest Points: <u>Renewable energy, such as solar, installed to supply 25% or more of the building's anticipated annual energy use. Must have a minimum of 5% of renewable energy installed to receive points.</u>	<u>0 to 4</u> -	-	3.3
Renewable Energy (Above Baseline Requirement)	Highest Points: i. <u>On-site solar generation equal to at least 3.0 watts per square foot of the roof area (including mechanical area) -or-</u> ii. <u>Co-locating an integrated vegetated roof and solar whereby vegetated roof meets Virginia DEQ BMP standards and is equal to at least 25% of the roof area (including mechanical area) -and- on-site solar generation is equal to at least 2.0 watts per square foot of the roof area (including mechanical area).</u>	<u>0 to 4</u>	<u>0 to 1.6</u>	<u>3.3</u>
Building Innovation	Highest Points:– Pursue, but not necessarily earn Passive House Institute US+ (PHIUS+). The applicant will be expected to complete a <u>PHIUS+ feasibility study (or equivalent study if pursuing Net Zero, Zero Carbon, or LEED Zero)</u> which will be reviewed by County staff after the NOFA recommendation is made, and prior to County Board approval, to confirm that the project is designed to meet the PHIUS+, Net Zero, Zero Carbon, or LEED Zero requirements. Projects pursuing innovative, industry recognized "green" building standards such as, but not limited to, <u>Net Zero Energy Certification, Net Zero Energy Ready Certification, Zero Carbon Certification, and Passive House.</u> Utilization of a green or other workforce development organization that provides employment opportunities for low-income residents <u>during construction.</u>	0 to <u>7.5</u>	<u>0 to 2.8</u>	3.3
Building Innovation – Applied to Future Application	Points will be awarded to a developer that can provide certification for meeting one of the following. A document will be issued to the owner entity of the development to be used in one future application. The document is valid for 5 years and non-transferrable. i. <u>PHIUS+ Core or PHIUS+ 2018 certification – points for future applications after proof a development has become Passive House certified through Passive House Institute US.</u> ii. <u>Net Zero Energy certification - points for future applications after proof a development has become Net Zero Energy certified through the International Living Futures Institute.</u> iii. <u>Zero Carbon certification - points for future applications after proof a development has become Zero Carbon certified through the International Living Futures Institute.</u> iv. <u>LEED Zero certification - points for future applications after proof a development has become LEED Zero certified through the US Green Building Council.</u>	<u>5 (applied to future application)</u>	<u>2.0</u>	<u>3.3</u>

Category	Guidance	Max Points Available	Points W/ Weight Applied	AHMP #
SUSTAINABILITY (CONTINUED)		18	7.2	-
Digital Equity	Highest Points: Project proposing to provide in-unit broadband internet or Wi-Fi internet service to all units free of charge Tier 1: Provision of high-speed broadband internet to each unit free of charge with a managed support plan. Applicant agrees to ensure that there are internet options available for residents (free or otherwise) which are not limited to a single internet service provider (ISP) and proposes provision of digital literacy programming. The telecommunications infrastructure will include wiring infrastructure owned by the building owner to support the provision of current or future broadband services or other future technology needs.	5	2.0	
	Tier 2 - Provision of high-speed broadband internet to each unit free of charge with a managed support plan. Applicant agrees to ensure that there are internet options available for residents (free or otherwise) which are not limited to a single internet service provider (ISP) and proposes provision of digital literacy programming.	3	1.2	
	Tier 3 - Provision of high-speed broadband internet to each unit free of charge with a managed support plan. Applicant agrees to ensure that there are internet options available for residents (free or otherwise) which are not limited to a single internet service provider (ISP).	1	0.4	-
	<i>Notes: High-speed broadband is defined as the ability to support the capability of downloading and uploading data from the internet at a rate of at least 50 megabytes (Mbps) per second. The County recommends that project applicants consult its Digital Equity team about different approaches to broadband connectivity, including ConnectArlington.</i>			
Total Potential Score - Policy		1170		
Weight		40%		
Total Maximum Final Score - Policy		46.844		

PROJECT EXPERIENCE ORGANIZATIONAL CAPACITY & READINESS - 20% Weight			
Category	Guidance	Max Points Available	Points W/ Weight Applied
TEAM EXPERIENCE		55	<u>11.0</u>
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); <u>experience in green design and construction, including at least one of the following: LEED Platinum certification, EarthCraft Platinum Certification, Net Zero Energy Ready Certification, Net Zero Energy Certification, Zero Carbon Certification, Passive House Certification</u> ; closing on debt and equity financing; history of repayment; and obtaining building permits.	0 to 15 13	<u>0 to 3.0</u>
Design Team Sustainability Experience	Highest Points: Design team with extensive experience in green design and construction, including one of the following: LEED Platinum certification, EarthCraft Platinum Certification, Net Zero Energy Ready Certification, Net Zero Energy Certification, Zero Carbon Certification, Passive House Certification.	0 to 2	
Project Completions	Highest Points: Proven track record of completing projects on budget and on schedule.	0 to 10	<u>0 to 2.0</u>
Property Management	Highest Points: Proven track record of compliance with affordability and physical condition requirements and overall tenant satisfaction.	0 to 10	<u>0 to 2.0</u>
Partnering with Service Providers	Highest Points: <u>Plan for delivering services and/or e</u> Experience partnering with DHS, mental health service providers, and other service providers. and/or plan for delivering services.	0 to 10	<u>0 to 2.0</u>
Fiscal & Organizational Health	Highest Points: Applicant is fiscally and organizationally sound. Applicant supplies latest audited financial statements or equivalent.	0 to 10	<u>0 to 2.0</u>
READINESS		45	<u>9.0</u>
Site Control	Highest Points: Currently owns property or has an executed Letter of Intent with the seller or a Purchase Contract.	0 to 15	<u>0 to 3.0</u>
Planning, Design, and Construction Process	Highest Points: Architectural concept plans prepared; site plan or use permit application has been approved by the County Board (if applicable) process identified and discussed with County Planning staff ; construction estimates prepared.	0 to 10	<u>0 to 2.0</u>
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). <u>Applicant demonstrates that closing on project financing can occur within one year of obtaining an award of 9% LIHTC or within one year of being notified of selection through the NOFA process if not utilizing 9% LIHTC.</u>	0 to 10	<u>0 to 2.0</u>
Public Participation Process	Highest Points: Civic association consulted, appropriate schedule for public participation process.	0 to 10	<u>0 to 2.0</u>
DIVERSITY AND RACIAL EQUITY		30	<u>6.0</u>
Diversity and Racial Equity	Highest Points: Has strategies in--place that foster and promote racial and ethnic diversity, equity, and inclusion within management operations and program development. Submits and implements a training and education plan that addresses the relationship between racism and housing both nationally and within the communities served. Professional development opportunities and policies are used to identify and invest in staff diversity among leadership levels. Strategies are in-place to ensure racial and ethnic inclusion at the Board of Directors level.	0 to 30	0 to 6.0
Total Potential Score --Project Experience- Organizational Capacity and Readiness		130 100	
Weight		20%	
Total Maximum Final Score - Project Experience-Organizational Capacity and Readiness		<u>26.0</u>	

BUDGET - 40% Weight			
Category	Guidance	Max Points Available	Points W/ Weight Applied
CAPITAL BUDGET		60	24.0
Sources of Funds	Highest Points: Financing plan is sound, reasonable, creative and includes competitive and/or outside sources (beyond tax credit equity) such as the Federal Home Loan Bank Affordable Housing Program and the Virginia Housing Trust Fund.	0 to 5	<u>0 to 2.0</u>
Financing Gap	Highest Points: 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.	0 to 5	<u>0 to 2.0</u>
Leveraging	Highest Points: Leverage ratio that is 1:5 or higher (County funds to outside funds).	0 to 10	<u>0 to 4.0</u>
Uses of Funds	Highest Points: Budget is clear, accurate, and thorough. Project includes discounted land and/or acquisition costs are below appraised value. 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 5	<u>0 to 2.0</u>
Construction and Soft Costs	Highest Points: Construction costs are reasonable and supported by contractor estimates; fees and soft costs are reasonable.	0 to 5	<u>0 to 2.0</u>
County Loan Fund Cost per Unit	Highest Points: Less than \$85,000/unit. 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, are pursuing a building innovation , or use concrete and steel construction.	0 to 15	<u>0 to 6.0</u>
Amount of Developer Fee & Percent Deferred	Highest Points: Fee within VHDA-Virginia Housing guidelines (if applicable) and 50% is deferred. The deferred developer fee is repaid within the required time window. <i>Note: For 4% low income housing tax credit projects, the developer fee cannot exceed what is claimed in eligible basis.</i>	0 to 5	<u>0 to 2.0</u>
Developer Contribution	Highest Points: Developer Contribution equals at least 10% of County loan request. Fifty percent (50%) may come from a seller note.	0 to 10	<u>0 to 4.0</u>
OPERATING BUDGET		40	16.0
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 5	<u>0 to 2.0</u>
Income	Highest Points: Income projections are consistent with rents for targeted households; vacancy rates and other income are reasonable.	0 to 5	<u>0 to 2.0</u>
Operating Costs	Highest Points: Consistent with other recent developments.	0 to 5	<u>0 to 2.0</u>
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 5	<u>0 to 2.0</u>
Residual Receipt Payments	Highest Points: County loan payment equal to at least 50% of residual receipts, which is calculated as remaining cash flow following payment of senior debt service, operating expenses, replacement reserves and priority payment fees.	0 to 10	<u>0 to 4.0</u>
Repayment Schedule	Highest Points: Loan crests within 15 years (or reasonable plan for repayment of the loan is proposed). County loan repayments are maximized to the extent feasible. County receives repayment starting the first year of operation.	0 to 10	<u>0 to 4.0</u>
Total Potential Score - Budget		100	
Weight		40%	
Total Maximum Final Score - Budget		40	