

2018-2019 Qualified Allocation Plan - Site and Market Review - Review and Scoring Criteria

Development Name / Location:		Development Type (NC/Rehab, Population(s) Served):		Reviewed By:	
				Score:	

SITE AND MARKET STUDY MANDATORY STANDARDS - IHDA's Strategic Planning and Research Department (SPAR) will review every Site and Market Study submitted in conjunction with an application for funding through IHDA's Multifamily Finance Department. All Site and Market Studies must meet mandatory standards discussed in detail in IHDA's STANDARDS FOR SITE AND MARKET STUDIES (available on www.ihda.org). If the following mandatory standards are not met, SPAR will reach out to the applicant and request the missing information. The applicant will be provided 72 hours to provide the missing information. Failure to provide missing information may result in denial without additional review.

- Site and Market Study is no more than 6 months old at the time of submittal or, if the Study is more than 6 months old, the study includes an update that brings all critical demographics and occupancies up to date (updates may be submitted up to 18 months beyond the date of the original study only).	Compliance achieved (before or after outreach)?	
- All inclusions required by the IHDA "2018-2019 Standards for Site and Market Study" are provided.		
- Proper insurance forms and documentation showing NCHMA membership for the Site and Market Study firm are provided.		
- Completed Site and Market Study Summary Form is included (current form available on www.ihda.org).		
- Site and Market Study substantiates all data and assertions presented on the Site and Market Study Summary Form.		

CHANGES IMPACTING MARKET REVIEW - The following changes within a Primary Market Area (PMA) from the time of Preliminary Project Assessment (PPA) approval to the time of application may impact the review of the submitted Site and Market Study.

- Occupancy at existing affordable properties in the PMA have drastically changed since the time of the PPA to indicate that the market is no longer viable.	
- IHDA funded projects within the PMA have been identified as problematic since the time of PPA approval indicating a possible problematic approval of application.	
- Changes to the unit mix from the time of PPA approval change the project in such a way that it is no longer viable within the PMA.	

Full Application Scoring Review Criteria - The Site and Market Review will yield a score range of -3 to +3 points to be applied to the application's overall score (0 points is intended to be a standard score). The Site and Market Review consists of three (3) main Review Categories with Criteria specific to each category. Each Criteria will be reviewed to determine if the proposed site and/or market Meets Expectations (0), Exceeds Expectations (+), or Does Not Meet Expectations (-). Each Review Category will be assigned a score of +1, 0, or -1 based on an average of the Criteria scores. The Review Category scores will be added together to determine the Site and Market Review score for the application.

Review Category #1 - Project Targeting & Marketability:

<u>Criteria</u>	<u>Information to be Considered in Review</u>	<u>Scoring Key</u>	<u>Criteria Score (+, 0, -)</u> (Notes To Be Included When Necessary)	<u>Review Category Score</u> (-1, 0, +1)
Targeted Population (As related to the Primary Market Area (PMA))	Distribution (as percentages) of affordable housing units by primary population served (Senior, Family, Supportive Housing, SLF)	Meets Expectations (0): Proposed targeted population is currently targeted in 16% and 74% of the affordable units in PMA		
		Exceeds Expectations (+): Proposed targeted population is currently targeted in between 0% and 15% of the affordable units in PMA		
		Does Not Meet Expectations (-): Proposed targeted population is currently targeted in between 75% and 100% of the affordable units in PMA		
Targeted Income Levels (As related to the PMA)	Distribution (as percentages) of affordable housing units by primary income level served (30%, 60%, 80%, etc.) ARUS DATA	Meets Expectations (0): Proposed targeted income level(s) is/are served by the affordable / rent-restricted units in PMA, but there is still demonstrated demand for additional units at this income level.		
		Exceeds Expectations (+): Proposed targeted income level(s) is/are not well represented by the affordable / rent-restricted units in the PMA		
		Does Not Meet Expectations (-): Most / all of the affordable / rent-restricted units in the PMA serve this income level		
Marketability / Visibility of Site	Statement of how visible the site is with an explanation or a developed marketing plan <i>PLEASE NOTE: If visibility is not a viable measurement of marketability, IHDA will consider objective examples of marketability that are specifically provided and discussed within the Site and Market Study only. Subjective criteria (i.e. appeal of site, beauty of location, etc.) will NOT be considered.</i>	Meets Expectations (0): Development will not require any special considerations (such as off-site signage informing public of existence of property) for marketing		
		Exceeds Expectations (+): Development is located on a major thoroughfare and is easily seen from drive-by and foot traffic, or has developed an alternative marketing plan that should enhance the marketability of the project.		
		Does Not Meet Expectations (-): Development is not easily seen from roadways and would require special signage to locate		

Review Category #2 - Comparison to Market and to Comparable Properties:

<u>Criteria</u>	<u>Information to be Considered in Review</u>	<u>Scoring Key</u>	<u>Criteria Score (+, 0, -)</u> (Notes To Be Included When Necessary)	<u>Review Category Score</u> (-1, 0, +1)
Unit Mix	Statement of unit mix (# of bedrooms)	Meets Expectations (0): Unit mix is appropriate for population served and matches the standard for the PMA (as determined by comparable properties). Project offers more than one bedroom type		
	Review of unit mix from comparable properties	Exceeds Expectations (+): Proposed development would add needed unit types to the community and offer multiple bedroom types		
Unit sizes	Statement of unit size (square footage) for all units in the development	Meets Expectations (0): Unit size is appropriate for population served and matches the standard for the PMA (as determined by comparable properties)		
	Review of unit size from comparable properties	Exceeds Expectations (+): Proposed units on average are larger than comparable properties		
Proposed Rent Structure	Complete rent schedule for proposed development	Meets Expectations (0): Rents are within range of average rents at comparable properties		
	Rent schedules from comparable properties	Exceeds Expectations (+): Units will provide a lower-than-average rent level that is not prevalent in the PMA		
Development Amenities (As related to the comparable)	Statement of development amenities for the proposed site	Meets Expectations (0): Proposed development includes amenities equal to the standard on-site amenities in PMA		
	Evaluation of the proposed development amenities including an explanation of how they are equal to, superior, or inferior to comparable in the market	Exceeds Expectations (+): Proposed development includes amenities that are superior to the standard on-site amenities in PMA		
		Does Not Meet Expectations (-): Proposed development includes amenities that are inferior to the standard on-site amenities in PMA		
		PLEASE NOTE: Developments that would be marketed to seniors must have a senior center or alternative resources offered for seniors.		
Unit Amenities (As related to other units in the comparable)	Statement of the general amenities for the proposed units	Meets Expectations (0): Proposed development includes in-unit amenities equal to the standard on-site amenities in PMA		
	Evaluation of the proposed unit amenities including an explanation of how they are equal to, superior, or inferior to comparable in the market	Exceeds Expectations (+): Proposed development includes in-unit amenities that are superior to the standard on-site amenities in PMA		
		Does Not Meet Expectations (-): Proposed development includes in-unit amenities that are inferior to the standard on-site amenities in PMA		

Review Category #3 - Demand and Rent-Up:

<u>Criteria</u>	<u>Information to be Considered in Review</u>	<u>Scoring Key</u>	<u>Criteria Score (+, 0, -)</u> (Notes To Be Included When Necessary)	<u>Review Category Score</u> (-1, 0, +1)
Demographic Projections - Households (for ages served by project and for all age groups in PMA)	Household trending estimates and projections at least 5 years into the future	Meets Expectations (0): 0% to 5% projected household growth for ages to be served		
		Exceeds Expectations (+): Greater than 5% growth in households projected for ages to be served		
<p><i>PLEASE NOTE: Explanations of Demographic Projections that are outside the expected ranges will be reviewed on a case-by-case basis. Explanations must be supported by additional data and/or documentation and weigh factors that clearly demonstrate that the declining projection is not a warning factor about a market or the demand for the proposed housing activity.</i></p>				
Demographic Projections - Population (for ages served by project and for all age groups in PMA)	Population trending estimates and projections at least 5 years into the future	Meets Expectations (0): 0% to 5% projected population growth		
		Exceeds Expectations (+): Greater than 5% growth in population projected		
<p><i>PLEASE NOTE: Explanations of Demographic Projections that are outside the expected ranges will be reviewed on a case-by-case basis. Explanations must be supported by additional data and/or documentation and weigh factors that clearly demonstrate that the declining projection is not a warning factor about a market or the demand for the proposed housing activity.</i></p>				
Job growth (will not be considered for developments marketed to Frail Elderly (such as SLFs), or Elderly projects (aged 65+) or in some cases, "special needs" projects)	List of major employers in PMA	Meets Expectations (0): There are employment centers in the PMA, but no growth is anticipated		
	Economic stability analysis	Exceeds Expectations (+): Employment centers are in the PMA, and growth is anticipated		
<p><i>PLEASE NOTE: Explanations demonstrating why the loss of major employers will not impact the market for the proposed development will be considered only if the explanations are reasonable and are supported by data and/or documentation.</i></p>				
Penetration Rate	Statement of penetration rate that uses all income qualified households and all income restricted units (not just IHDA units) for PMA only (do not include SMAs)	Meets Expectations (0): Penetration Rate is between 10% and 25%		
		Exceeds Expectations (+): Penetration rate is less than 10%		
Capture Rate	Statement of capture rate that uses all income qualified households for PMA only (do not include SMAs)	Meets Expectations (0): Capture rate is between: 2% and 5% for family deals, 5% and 7% for elderly deals, and 10% and 15% for SLFs		
		Exceeds Expectations (+): Capture rate is less than: 2% for family deals, 5% for elderly deals, and 10% for SLFs		

NOTES: