

## 2022-2023 Qualified Allocation Plan - Site and Market Review - Review and Scoring Criteria

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

**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](http://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 9 months old at the time of submittal or, if the Study is more than 9 months old, the study includes an update that brings all critical demographics and occupancies up to date (updates may be submitted up to 21 months beyond the date of the original study only).	Compliance achieved (before or after outreach)?	
- All inclusions required by the IHDA "2022-2023 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 <a href="http://www.ihda.org">www.ihda.org</a> ).		
- 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)
<b>Targeted Population</b> (As related to the Primary Market Area (PMA))	Distribution (as percentages) of affordable housing units by primary population served (Senior, Family, Supportive Housing, SLF)	<p>Meets Expectations (0): Proposed targeted population is currently targeted in 16% and 74% of the affordable units in PMA</p> <p>Exceeds Expectations (+): Proposed targeted population is currently targeted in between 0% and 15% of the affordable units in PMA</p> <p>Does Not Meet Expectations (-): Proposed targeted population is currently targeted in between 75% and 100% of the affordable units in PMA</p>		
<b>Targeted Income Levels</b> (As related to the PMA)	Distribution (as percentages) of affordable housing units by primary income level served (30%, 60%, 80%, etc.) ARUS DATA	<p>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.</p> <p>Exceeds Expectations (+): Proposed targeted income level(s) is/are not well represented by the affordable / rent-restricted units in the PMA</p> <p>Does Not Meet Expectations (-): Most / all of the affordable / rent-restricted units in the PMA serve this income level</p>		
<b>Marketability / Visibility of Site</b>	Statement of how visible the site is with an explanation or a developed marketing plan	<p>Meets Expectations (0): Development will not require any special considerations (such as off-site signage informing public of existence of property) for marketing</p> <p>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.</p> <p>Does Not Meet Expectations (-): Development is not easily seen from roadways and would require special signage to locate</p>		
<p><b>PLEASE NOTE:</b> 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.</p>				

**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)
<b>Unit Mix</b>	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 Does Not Meet Expectations (-): Proposed development adds unit types for which there is no demonstrated demand and only one bedroom type		
<b>Unit sizes</b>	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 Does Not Meet Expectations (-): Proposed units on average are smaller than comparable properties		
<b>Proposed Rent Structure</b>	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 Does Not Meet Expectations (-): Units are proposed to be rented at a higher level than comparable units in the PMA		
<b>Development Amenities (As related to the comparable)</b>	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		
			<b>PLEASE NOTE:</b> Developments that would be marketed to seniors must have a senior center or alternative resources offered for seniors.	
<b>Unit Amenities (As related to other units in the comparable)</b>	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)								
<b>Demographic Projections - Households</b> (for ages served by project and for all age groups in PMA)	Household trending estimates and projections at least 5 years into the future	<table border="1"> <tr> <td data-bbox="877 394 1119 423">Meets Expectations (0):</td> <td data-bbox="1119 394 1438 423">0% to 5% projected household growth for ages to be served</td> </tr> <tr> <td data-bbox="877 423 1119 469">Exceeds Expectations (+):</td> <td data-bbox="1119 423 1438 469">Greater than 5% growth in households projected for ages to be served</td> </tr> <tr> <td data-bbox="877 469 1119 514">Does Not Meet Expectations (-):</td> <td data-bbox="1119 469 1438 514">Unexplained decline in households projected for ages to be served</td> </tr> </table> <p><b>PLEASE NOTE:</b> 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.</p>	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	Does Not Meet Expectations (-):	Unexplained decline in households projected for ages to be served				
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Does Not Meet Expectations (-):	Unexplained decline in households projected for ages to be served											
<b>Demographic Projections - Population</b> (for ages served by project and for all age groups in PMA)	Population trending estimates and projections at least 5 years into the future	<table border="1"> <tr> <td data-bbox="877 594 1119 623">Meets Expectations (0):</td> <td data-bbox="1119 594 1438 623">0% to 5% projected population growth</td> </tr> <tr> <td data-bbox="877 623 1119 669">Exceeds Expectations (+):</td> <td data-bbox="1119 623 1438 669">Greater than 5% growth in population projected</td> </tr> <tr> <td data-bbox="877 669 1119 714">Does Not Meet Expectations (-):</td> <td data-bbox="1119 669 1438 714">Decline in population projected</td> </tr> </table> <p><b>PLEASE NOTE:</b> 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.</p>	Meets Expectations (0):	0% to 5% projected population growth	Exceeds Expectations (+):	Greater than 5% growth in population projected	Does Not Meet Expectations (-):	Decline in population projected				
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<b>Job growth</b> (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)	<table border="1"> <tr> <td data-bbox="569 784 814 813">List of major employers in PMA</td> </tr> <tr> <td data-bbox="569 846 814 875">Economic stability analysis</td> </tr> </table>	List of major employers in PMA	Economic stability analysis	<table border="1"> <tr> <td data-bbox="877 784 1119 813">Meets Expectations (0):</td> <td data-bbox="1119 784 1438 813">There are employment centers in the PMA, but no growth is anticipated</td> </tr> <tr> <td data-bbox="877 813 1119 859">Exceeds Expectations (+):</td> <td data-bbox="1119 813 1438 859">Employment centers are in the PMA, and growth is anticipated</td> </tr> <tr> <td data-bbox="877 859 1119 904">Does Not Meet Expectations (-):</td> <td data-bbox="1119 859 1438 904">Major employers are anticipated to be leaving the PMA</td> </tr> </table> <p><b>PLEASE NOTE:</b> 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.</p>	Meets Expectations (0):	There are employment centers in the PMA, but no growth is anticipated	Exceeds Expectations (+):	Employment centers are in the PMA, and growth is anticipated	Does Not Meet Expectations (-):	Major employers are anticipated to be leaving the PMA		
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<b>Penetration Rate</b>	Statement of penetration rate that uses <b>all</b> income qualified households and all income restricted units (not just IHDA units) <b>for PMA only</b> (do not include SMAs)	<table border="1"> <tr> <td data-bbox="877 967 1119 997">Meets Expectations (0):</td> <td data-bbox="1119 967 1438 997">Penetration Rate is between 10% and 25%</td> </tr> <tr> <td data-bbox="877 997 1119 1042">Exceeds Expectations (+):</td> <td data-bbox="1119 997 1438 1042">Penetration rate is less than 10%</td> </tr> <tr> <td data-bbox="877 1042 1119 1071">Does Not Meet Expectations (-):</td> <td data-bbox="1119 1042 1438 1071">Penetration Rate is more than 25%</td> </tr> </table>	Meets Expectations (0):	Penetration Rate is between 10% and 25%	Exceeds Expectations (+):	Penetration rate is less than 10%	Does Not Meet Expectations (-):	Penetration Rate is more than 25%				
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<b>Capture Rate</b>	Statement of capture rate that uses <b>all</b> income qualified households for <b>PMA only</b> (do not include SMAs)	<table border="1"> <tr> <td data-bbox="877 1084 1119 1130">Meets Expectations (0):</td> <td data-bbox="1119 1084 1438 1130">Capture rate is between: 2% and 5% for family deals, 5% and 7% for elderly deals, and 10% and 15% for SLFs</td> </tr> <tr> <td data-bbox="877 1130 1119 1175">Exceeds Expectations (+):</td> <td data-bbox="1119 1130 1438 1175">Capture rate is <b>less than:</b> 2% for family deals, 5% for elderly deals, and 10% for SLFs</td> </tr> <tr> <td data-bbox="877 1175 1119 1221">Does Not Meet Expectations (-):</td> <td data-bbox="1119 1175 1438 1221">Capture rate is <b>more than:</b> 5% for family deals, 7% for elderly deals, and 15% for SLFs</td> </tr> </table>	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 <b>less than:</b> 2% for family deals, 5% for elderly deals, and 10% for SLFs	Does Not Meet Expectations (-):	Capture rate is <b>more than:</b> 5% for family deals, 7% for elderly deals, and 15% for SLFs				
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**NOTES:**