

PRIVATE ACTIVITY BONDS APPLICATION SCORING CRITERIA

Multi-Family Applications

The Private Activity Bond Authority (PAB) Staff and approved consultants will evaluate all Private Activity Bond (PAB) applications submitted. In the event that demand for funding exceeds the supply of PAB volume cap, the applications will be scored or numerically ranked for the purpose of allocation. In the absence of scoring, applications must meet the criteria of the Low-Income Housing Tax Credit (LIHTC) Program administered by Utah Housing Corporation and address any questions and/or concerns raised by PAB Staff.

PAB reserves the right of administrative prerogative in the allocation of private activity bonds.

The criteria used to score applications is outlined in UCA 63M-1-3005 and the Private Activity Bond Authority Program Administrative Rule R357-8-4. Points will be awarded in the following areas:

1. Efficiency – Category weighting – X30

a. Tax-Exempt (TE) Bonds per Affordable Unit. Projects will be scored by the amount of TE bonds/affordable unit. The lower the amount of TE bonds per affordable unit, the higher the score. Development costs must be reasonable as determined by staff.

Points will be awarded as follows:

Placement	Points Awarded
Lowest Ratio	20
2 nd Lowest Ratio	15
3 rd Lowest Ratio	10
4 th Lowest Ratio	5

b. Reasonable Costs. Applicants providing verified reasonable costs will receive 15 points. Verified costs include bids from a general contractor or estimated costs provided by a commercial construction estimating service. A signed letter must be submitted from one of those parties signifying that such verified costs are in character with the proposed project. Staff must concur with the reasonableness of such bids or estimated costs.

2. Underserved Locations – Category weighting – X1

Projects located in any county of the state other than Salt Lake, will receive 20 points.

3. Readiness – Category weighting – X20

In addition to the threshold requirements (see LIHTC application), projects will receive points for each item completed.

Building Readiness:

- a. Signed contractor bids. (10 points)
- b. Final density approved. (5 points)
- c. All public body approvals. (15 points)
- d. Building permit can be issued. (20 points)

Financial Readiness:

- a. Signed Letter(s) of Intent from lender(s). (20 points)
- b. Signed Letter(s) of Intent from investor(s). (20 points)
- c. Closing date for financing. (10 points)

4. Experience – Category weighting – X10

- a. Applicants* that have previously developed a multi-family project of 50 or more units in Utah will receive 10 points.
- b. Applicants* that have previously developed a multi-family project using Private Activity Bonds and/or 9% LIHTC will receive 20 points.
- c. Applicants* that have previously developed two or more Utah multi-family projects using Utah Private Activity Bonds will receive 10 points for every project developed, up to a maximum of four projects.

(* Staff will determine the experience of the individual or ownership that is applying as the “applicant.”)

5. Mixed-Income Project – Category weighting – X10

A mixed-income project uses three or more different rent schedules, including market-rate units. A mixed-income project will receive 10 points if:

- a. The following three rent schedules are used: 1) market-rate; 2) 60%-50% AMI; and 3) 49% AMI and below (excludes Special Needs Housing);
AND
- b. Each rent schedule has a minimum of 10% of the total number of units in the project.

6. Taxable Bonds and Other Debt Financing – Category weighting – X20

Currently, there is no requirement to use taxable bonds.

- a. A project with any debt financing (other than Private Activity Bonds) that exceeds 10% of the total debt will be awarded 10 points. (Excludes deferred developer fee structured as debt.)
- b. For every 5% increase above the 10% threshold, the project will receive an additional 10 points.

7. Community Involvement – Category weighting – X10

Projects that include grants, loans or financial concessions applied for from a public entity or have formally applied for grants, loans or financial concessions will receive points. This community involvement does not include acquisition of property from a public entity. The total amount of each financing source must equal at least ½ of 1% of the total project cost. For every source of financing, up to a maximum of five, the applicant receives 15 points.

8. Difficult to Develop Areas – Category weighting – X1

a. Projects to be developed on a site that has documented environmental issues will receive 40 points.

b. Applicants working to correct the environmental issues with the site will receive 15 points. Applicants must: 1) define the environmental issues to be addressed; and 2) submit a process schedule and a firm written commitment to mitigate issues.

c. Financial analysis/cost estimate associated with mitigation issues must be included.

d. Projects to be developed in a Qualified Census Tract Area (30% Bonus Area) will receive 55 points.

9. Acquisition/Rehabilitation/Historic Projects – Category weighting – X1

There is no separate pool of tax-exempt bonds (“Bond Cap”) for Acquisition/Rehabilitation (A/R) projects; however, the preservation and reuse of buildings when economically feasible and when renovations can meet current codes is a worthy objective.

a. Projects that include buildings with historic designation by appropriate state and federal agencies will receive 10 points.

b. Projects that use historic tax credits will receive an additional 10 points.

c. Projects that include buildings with lead-based paint will receive an additional 10 points.

To receive A/R points, the following requirements must be met:

a. If 30% of residents will be displaced as a result of higher rents, a relocation plan must be presented.

b. Current rent roll must be included in the application.

c. A current appraisal (no more than 4 months old) must be submitted with the application.

d. A/R projects must address the issues of lead-based paint and asbestos by either a capital assessment or separate report. Funding by a government agency for remediation of lead-based paint or asbestos will be awarded 10 points.

10. Project Costs Efficiency – Category Weighting X20

The following types of costs will be judged on both the residential unit cost and the square footage cost:

- a. Site and Direct Costs (Site and Direct Costs are per application less permit and impact fees.
- b. Total Development Costs (Total Development Costs are per application less permit fees and land.)

Points will be awarded as follows:

Placement – Points	S/D Costs/Unit	S/D Costs/SF	Total DC/Unit	Total DC/SF
Lowest Costs – 20				
2 nd Lowest – 15				
3 rd Lowest – 10				
4 th Lowest – 5				