

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

M E M O R A N D U M

TO: All Interested Parties
FROM: Brooke Boston, LIHTC Co-Manager
SUBJECT: 2003 Score Weighting and 2003 Qualified Allocation Plan
DATE: September 16, 2002

On September 12, 2002, the Board of the Texas Department of Housing and Community Affairs approved a Draft Qualified Allocation Plan and Rules to be released for public comment. The Board also wanted to garner input from the public on the weighting of scores.

The 2003 Draft Qualified Allocation Plan reflects a proposed point structure in Section 49.9, relating to selection criteria. To assist the public in evaluating the weighting of the proposed points, two tables are provided.

In the first table, each of the 2003 selection criteria have been evaluated for the proportional amount they contribute to the total score. However, because developments are not able to achieve all points (as some are mutually exclusive or are financially infeasible), it is difficult to define a "Total" score by which to calculate the proportions. Therefore, two scenarios are provided below. The first reflects the maximum available under each scoring category, with a Maximum Total Score; this scenario does not account for feasibility or points that are mutually exclusive. The second scenario is based on an "Average" development. For purposes of this scenario, Average does not include: small developments; HOPE VI, 811 or 202 funds; existing market-rate developments; PHA developments; transitional housing; or historic developments.

In comparison, the final scores for the 2002 application round yielded an average development score of 122, a median development score of 128 and a mode of 141. Based on this information, it is evident that some scores were quite a bit higher than the Average scenario provided in the above table for 2003. The primary reason for this difference is that several of the selection criteria in 2002 that were "high point" items have been removed from the 2003 QAP including points for density and for mixed-income and elderly developments.

The second table provides a historical look at the selection criteria from 2002, by set-aside, and depicts the points and proportional weight of those points for the highest scoring development in the set-aside as well as the median development for the set-aside.

I hope this information proves useful in your review of the 2003 Draft QAP.

Table 1.

QAP Citation 49.9(f)	Issue	Maximum		Sample Scenario	
		Number of Points	Portion of Total	Number of Points	Portion of Total
(1)(A)-(D)	Development Location	5	3%	5	4%
(1)(E)	Development Location Ratio	8	4%	6*	5%
(2)	Housing Needs	20	10%	14*	12%
(3)(A)	Consolidated Plan Consistency	6	3%	6	5%
(3)(B)	Community Support Letters	6	3%	6	5%
(4)(A)	Square Footage Minimums	NA	NA	NA	NA
(4)(B)	Serving Families with Children	8	4%	8	7%
(4)(C)	Cost per Square Foot	1	1%	1	1%
(4)(D)	Unit Amenities	10	5%	10	8%
(4)(E)	Existing Residential Development	4	2%	0	0
(4)(F)	Operating Reserves	6	3%	6	5%
(4)(G)	Historic Property Designation	6	3%	0	0
(4)(H)	Small Development	5	3%	0	0
(4)(I)	HOPE VI, 202, 811	5	3%	0	0
(4)(J)	PHA Developments	5	3%	0	0
5(A) or (B)	HUB or Joint Venture	3	2%	3	3%
(6)(A)	Coordination with Texas Workforce	2	1%	2	2%
(6)(B)	Supportive Services	6	3%	6	5%
(7)	Transitional Housing	15	8%	0	0
(8)(A)	LI – Rents below Max TC Rents	12	6%	8**	7%
(8)(B)	LI – Units at 30, 40 & 50 of AMGI	37.5	19%	11.5**	10%
(9)	Affordability Period	14	7%	14	12%
(10)	Right of First Refusal	5	3%	5	4%
(11)	Pre-Application Points	7	4%	7	6%
(12)	Point Reductions	0	0%	0	0
	TOTAL	196.5	100%	118.5	100%

* The points on these two items are tied directly to the development location. While the maximum allowable is feasible depending on location, lower points were used for a more conservative average.

** The financial ability of an Applicant to achieve the maximum number of points on these two items is not considered typical. Therefore, these point awards are based on an assumption that it would only go 10% below the maximum tax credit rents; and that it will designate 10% of its units at 30% of AMGI, 10% of its units at 40% of AMGI, and 40% of its units at 50% of AMGI, and the remaining units at either 60% or market rate. Weight A is used for the Average scenario.

Table 2, Part 1

Selection Criteria Weighting in each Set-Aside by Points and Proportion (Part 1)									
Provided for the Highest Scoring Development in the Set-Aside and the Median Development in the Set-Aside									
2002 QAP Citation 49.7(f)	Issue	Rural Set-Aside				General Set-Aside			
		High (#02046)		Median (#12153)		High (#02147)		Median (#02026)	
		Pts. Awd.	% of Total	Pts. Awd.	% of Total	Pts. Awd.	% of Total	Pts. Awd.	% of Total
(1)(A/E)	Development Location	0	0%	5	5%	5	3%	5	4%
(1)(F)	Development Location Ratio	6	4%	0	0%	2	1%	2	2%
(2)	Housing Needs	17	11%	19	18%	17	10%	17	13%
(3)(A)	Consolidated Plan	6	4%	6	6%	6	4%	6	5%
(3)(B)	Community Support Letters	3	2%	2	2%	2	1%	0	0%
(3)(C)	Neighborhood Letters	1	1%	0	0%	0	0%	0	0%
(4)(A)	Square Footage Minimums	NA	NA	NA	NA	NA	NA	NA	NA
(4)(B)	Federally Assisted Building	5	3%	0	0%	0	0%	0	0%
(4)(C)	At-Risk Development	8	5%	0	0%	0	0%	0	0%
(4)(D)	Serving Families w/ Children	0	0%	0	0%	8	5%	0	0%
(4)(E)	Cost per Square Foot	1	1%	1	1%	1	1%	1	1%
(4)(F)	Unit Amenities	6	4%	8	8%	10	6%	10	8%
(4)(G)	Density	6	4%	6	6%	6	4%	6	5%
(4)(H)	Existing Development	0	0%	0	0%	0	0%	0	0%
(4)(I)	Mixed Income	0	0%	0	0%	8	5%	0	0%
(4)(J)	Historic Property	0	0%	0	0%	0	0%	0	0%
(4)(K)	Small Development	0	0%	5	5%	0	0%	0	0%
(4)(L)	HOPE VI, 202, 811	0	0%	0	0%	0	0%	0	0%
(5)	HUB or Joint Venture	3	2%	3	3%	3	2%	0	0%
(6)	Supportive Services	7	4%	0	0%	7	4%	7	5%
(7)(A)	Elderly Developments	0	0%	8	8%	0	0%	8	6%
(7)(B)	Transitional Housing	0	0%	0	0%	0	0%	0	0%
(7)(C)	LI Units	54	34%	42	40%	58	35%	38	29%
(8)	Affordability Period	14	9%	0	0%	14	8%	14	11%
(9)	Right of First Refusal	5	3%	0	0%	5	3%	5	4%
(10)	Pre-Application Points	15	10%	0	0%	15	9%	15	11%
(11)	Point Reductions	0	0%	0	0%	0	0%	-2	2%
	TOTAL	157	100%	105	100%	167	100%	132	100%

Table 2, Part 2

Selection Criteria Weighting in each Set-Aside by Points and Proportion (Part II)									
Provided for the Highest Scoring Development in the Set-Aside and the Median Development in the Set-Aside									
		At-Risk Set-Aside				Nonprofit Set-Aside			
		High (#02056)		Median (#02165)		Median (#02099)		Median (#02068)	
2002 QAP Citation 49.7(f)	Issue	Pts. Awd.	% of Total	Pts. Awd.	% of Total	Pts. Awd.	% of Total	Pts. Awd.	% of Total
(1)(A/E)	Development Location	5	4%	5	4%	5	3%	5	4%
(1)(F)	Development Location Ratio	4	3%	4	3%	2	1%	4	3%
(2)	Housing Needs	18	13%	17	14%	17	12%	17	13%
(3)(A)	Consolidated Plan	6	4%	6	5%	6	4%	6	5%
(3)(B)	Community Support Letters	4	3%	2	2%	0	0%	3	2%
(3)(C)	Neighborhood Letters	2	1%	0	0%	2	1%	0	0%
(4)(A)	Square Footage Minimums	NA	NA	NA	NA	NA	NA	NA	NA
(4)(B)	Federally Assisted Building	0	0%	0	0%	0	0%	0	0%
(4)(C)	At-Risk Development	0	0%	8	7%	0	0%	0	0%
(4)(D)	Serving Families w/ Children	8	6%	8	7%	8	5%	8	6%
(4)(E)	Cost per Square Foot	1	1%	1	1%	1	1%	1	1%
(4)(F)	Unit Amenities	10	7%	10	8%	10	7%	10	8%
(4)(G)	Density	6	4%	6	5%	6	4%	0	0%
(4)(H)	Existing Development	0	0%	0	0%	0	0%	0	0%
(4)(I)	Mixed Income	0	0%	0	0%	4	3%	0	0%
(4)(J)	Historic Property	0	0%	0	0%	0	0%	0	0%
(4)(K)	Small Development	0	0%	0	0%	0	0%	0	0%
(4)(L)	HOPE VI, 202, 811	0	0%	0	0%	0	0%	0	0%
(5)	HUB or Joint Venture	3	2%	3	3%	3	2%	3	2%
(6)	Supportive Services	5	4%	7	6%	7	5%	7	5%
(7)(A)	Elderly Developments	0	0%	0	0%	0	0%	0	0%
(7)(B)	Transitional Housing	0	0%	0	0%	0	0%	0	0%
(7)(C)	LI Units	34	24%	22	19%	42	29%	30	23%
(8)	Affordability Period	14	10%	14	12%	14	10%	14	11%
(9)	Right of First Refusal	5	4%	5	4%	5	3%	5	4%
(10)	Pre-Application Points	15	11%	0	0%	15	10%	15	12%
(11)	Point Reductions	0	0%	0	0%	0	0%	0	0%
	TOTAL	140	100%	118	100%	147	100%	128	100%