

NOAH Program Application Review and Scoring - primarily for City staff use, shared for transparency

Applicants are not required to fill this out. This scoring matrix outlines the threshold requirements that each project proposal must meet in order to be considered for NOAH funding. If a project meets all threshold requirements, then City staff will move onto the scoring portion to assess project alignment with HRA preservation priorities and feasibility.

Project Address:	
Applicant Name:	
City Staff Name:	
Review Date:	

Threshold Requirements for Application Consideration	"X" if complete	City Staff Notes
Demonstrated real estate experience relative to proposed project		
Completed pre-application meeting with City staff		
Pre-approval letter or other preliminary documentation of proposed financing from a first mortgage lender is included with the application. For example, an email from a loan officer is sufficient.		
Signed purchase agreement or option to purchase		
Completed NOAH Preservation Fund application form		
Projected expenses are supported with 3 years of operating & management expenses from property applicant plans to acquire or a similar one		
Rent Roll is provided showing current vacancy rate and current rents- proforma assumptions should start with the same/similar vacancy and rents		
Proforma provided: must include 1) sources and uses tab; 2) cash flow analysis matching term of City loan. The proforma must show that the project meets underwriting standards as published in the NOAH Pund guidelines, shown below.		
<i>Cash flow tab shows DCR of 1.11 or more in Y1; and 1.00 or more in Y2 and later</i>		
<i>Expense trend factor is at least 1% more than income trend factor (e.g. 3% expense and 2% income factors)</i>		
<i>The project rents for affordable units should not exceed the most recent applicable Multifamily Tax Subsidy Projects (MTSP) rent limit.</i>		
<i>Vacancy rate is a minimum of 5%, and is similar to the vacancy rate shown on the submitted rent roll</i>		
<i>Replacement reserve is included (initial reserves, as well as an annual deposit) of at least \$250 per unit</i>		
<i>At least 80% of all units affordable at 60% AMI or less (no restrictions needed on remaining 20% of units)</i>		
<i>At least 20% of all units affordable at 50% AMI or less; this counts towards the 80% of units at 60% AMI threshold too</i>		
<i>Sources & uses proforma shows at least a 3% contribution to the project by the borrower or member of the borrower entity; this could include a personal guarantee of up to 2% of project cost but at minimum a 1% cash equity contribution is required</i>		
<i>If a developer/acquisition fee is included on proforma, it is less than 2% of the acquisition cost</i>		

Scoring Category	Scoring Subcategory	Scoring Questions	Max Question Points	Max Subcategory Points	Assigned Score	Weight	Directions for City staff reviewers	Justifications by City staff reviewers
HRA Preservation Priorities (Total Weight: 47.86%)	Small and emerging developers & owner/operators (count all that apply)	Developer is an emerging developer (5 or fewer projects, and a total of total of less than 100 units of housing owned, and/or less than 10,000 Sq. ft. of commercial space owned) and/or owner/operator Developer participated in public or community initiative related to emerging developers	15 15	30		5.13%	Refer to application packet, Alignment w/ HRA Preservation Priorities section, questions 5 & 6 (yes = 15 points, no = 0 points)	
	Deeper affordability (calculate based on building/portfolio makeup)	Minimum affordability commitment of 60% units at 60% AMI, 20% of units at 50% AMI, 20% of units w/ no restrictions Additional 60% AMI rent and income restricted units - project receives 0.5 point per ADDITIONAL % of units restricted at 60% AMI (max 20% possible) Additional 50% AMI rent and income restricted units - project receives 1 point per ADDITIONAL % of units restricted at 50% AMI (max 60% possible) Percentage of 30% AMI rent and income restricted units - project receives 1.5 points per % of units restricted at 30% AMI (no max %, however projects with a large portion of 30% AMI units should be able to clearly demonstrate financial feasibility)	0 10 60 150*	150		25.64%	*The max subcategory points for deeper affordability are based on 1.5 points * 100% units at 30% AMI = 150 points. City staff understand this affordability level might be uncommon, not financially feasible, or come with additional service coordination/costs. This maximum is for the purposes of calculating an overall score without capping 30% AMI units per project given deeper affordability is a priority.	
	Longer affordability (pick one)	Project preserves affordability for 20 years (minimum loan term) Project preserves affordability for 25 years Project preserves affordability for 30 years (maximum loan term)	0 25 50	50		8.55%	Refer to application packet, Acquisition Information section, question 8	
	Community ownership	Project has feasible plan for a limited equity cooperative or other form of community ownership as described by the applicant.	15	15		2.56%	Refer to application packet, Alignment w/ HRA Preservation Priorities section, question 3 (yes = 15 points)	
	Supportive housing programs	Project will participate in other programs which provide housing opportunities to individuals with housing barriers such as criminal history.	15	15		2.56%	Refer to application packet, Alignment w/ HRA Preservation Priorities section, question 4 (yes = 15 points)	
	Maximizes city resources (pick one)	Project is feasible with City contribution of \$20,001-\$25,000 per 60% AMI unit; \$40,001-\$45,000 per 50% AMI unit; \$55,001-\$60,000 per 30% AMI unit Project is feasible with City contribution of \$15,001-\$20,000 per 60% AMI unit; \$35,001-\$40,000 per 50% AMI unit; \$50,001-\$55,000 per 30% AMI unit Project is feasible with City contribution of \$15,000 or less per 60% AMI unit; \$35,000 or less per 50% AMI unit; \$50,000 or less per 30% AMI unit	0 10 20	20		3.42%	Refer to proforma, main tab, cell F23	
Project Feasibility (Total Weight: 9.40%)	Stabilized building	Building has current occupancy of at least 90%	10	10		1.71%	Refer to rent roll	
	Appropriate scaling for developer	Developer has enough experience with owning rental properties to take on the project they propose (e.g. if the developer is an emerging developer, scaling up from owning 5 units to owning 15 demonstrates reasonable business growth, whereas scaling from a single duplex to owning a larger 20-40 unit property indicates a greater degree of risk an uncertainty for the borrower)	30	30		5.13%	Refer to application packet, Real Estate Development Experience section, questions 1-3	
	Tenant relocation (pick one)	If project requires tenants to relocate, a detailed relocation plan is provided. (application requirement) Project will not require current tenants to temporarily or permanently relocate.	0 15	15		2.56%	Refer to application packet, Alignment w/ HRA Preservation Priorities section, question 1	
Financial Feasibility (Total Weight: 42.74%)	Assumptions	Project has conservative assumptions around expenses and income (this would typically mean that expenses and income should not change by more than 5% in the first year or two without a very clear explanation of how this would take place, such as a situation where there is high vacancy due to rehab needs, and the budget includes sufficient rehab of those vacant units)	50	50		8.55%	Refer to proforma	
	Project will result in high quality housing units and well maintained building systems (pick one)	Building has considerable deferred maintenance. Project budget includes enough rehab to address anticipated capital needs and maintenance issues, but the building will require additional rehab out of cash flow in future years to improve living conditions.	0	50		8.55%	Refer to proforma, main tab, cell J35 & sources section	
		Building is in average condition for a NOAH property, and the project budget includes some light rehab or repairs to address immediate maintenance needs or capital repairs.	10					
		Building is average to above average condition already, and project budget includes a generous assumption about repairs needed to address potential capital needs, to be confirmed through a capital needs assessment.	25					
		Substantial rehab is included in project sources and/or building and housing units are in "like new" condition, e.g. due to a recent gut rehab or substantial building upgrade. Any budgeted rehab dollars are expected to exceed costs associated with a capital needs assessment (CNA), to be completed as a part of underwriting.	40					
	Previous tier (40 point level) met. Rehab budget and/or existing building conditions also include energy efficiency improvements (e.g. insulation or efficient HVAC systems) to help control ongoing operating costs.	50						
Debt service coverage ratio (DCR)	Project has DCR of at least 1.11 in year 1 and 1.00 or better in years 2-20 (threshold requirement)	0	150		25.64%	Refer to proforma, cash flow tab, cell C47		
	Project has DCR of at least 1.11 in year 1 and 1.15 or better in years 2-20 (sufficient cash flow for operational cushion)	50						
	Project has DCR of at least 1.2 in years 1-20 (comfortable operational cushion for property to hedge against potential for increased expenses or reduced income due to vacancy or uncertainty in rental market)	150						

Total 585 0 0.00%