



**APPENDIX A
HDF AND HOME AFFORDABLE HOUSING
PROJECT RANKING CRITERIA**

HDF AND HOME AFFORDABLE HOUSING PROJECTS RANKING CRITERIA

(Approved by the HOME Advisory Group - May 27, 2003)

All applications for affordable housing financing from the DuPage County Housing Development Fund (HDF), the American Dream Downpayment Initiative (ADDI), and the HOME Investment Partnerships (HOME) program will be evaluated in accordance with the following criteria. Figure A-1 summarizes the criteria and point system and details follow.

Figure A-1
SUMMARY OF THE SELECTION CRITERIA AND POINT SYSTEM

Category	Possible Points	Explanation
Minimum Requirements	N/A	All applicants must meet the minimum requirements regarding: <ul style="list-style-type: none"> • eligibility • applicant capacity and project planning • financial underwriting analysis • project marketing • site/structure suitability • displacement of households • receiving the minimum of 70 points in the point system
Meeting Consolidated Plan Affordable Housing Objectives	70	A cost/benefit analysis is used to evaluate: <ul style="list-style-type: none"> • persons benefited • income targeting • addressing affordable needs • impact on affordability • making accessibility improvements • impacts on neighborhood quality <p>Total public costs are calculated on a present value basis and may be adjusted for high land costs and the permanency of the affordable housing benefit. Leveraging of HDF/HOME/ADDI dollars is also part of the analysis.</p>
Meeting Other Consolidated Plan Objectives	36	Proposals are evaluated in relation to: <ul style="list-style-type: none"> • support services provided • geographic distribution of affordable housing • interagency coordination • uniqueness (undertaking a demonstration activity)
Project Readiness	10	Proposals are evaluated in relation to the start-up and planning work that is complete at the time of application and the degree to which there are obstacles remaining that would prevent timely completion of the project.
Stability of Operating Funding	10	Proposals are evaluated in regard to the adequacy of the project's long-term income stream and/or the proportion of anticipated operating funding that is committed.
TOTAL	126	

I. MINIMUM PROGRAM REQUIREMENTS

The following criteria are minimum thresholds for consideration of an application. No points are awarded, but all of these basic criteria requirements must be met in order for the application to be considered for funding.

A. Eligibility

The proposed activity must be eligible for funding in accordance with applicable federal regulations and local requirements. You are encouraged to discuss your project with the Community Development staff to assure compliance.

1. **Federal Requirements** These requirements include the regulations of the HOME Investment Partnerships Act (HOME) program and the Community Development Block Grant (CDBG) program. There are many issues covered by these regulations including affordability to low income persons, maximum per unit subsidies, matching requirements, and other factors.
2. **State/Local Requirements** Many projects will also be receiving IHDA or other State financing, and will be subject to their requirements, including underwriting requirements. In addition, the DuPage Community Development Commission and the HOME Advisory Group have established policies for funding of housing rehabilitation activities with the HOME and CDBG programs. These policies, as well as other local eligibility criteria, are described in sections B through G below. Because the CDC staff generally cannot make determinations regarding compliance with State and local requirements, the County's analysis will be in contact with these jurisdictions regarding such compliance. It is also understood that such determinations by State and local officials may not be made until after the County's review, which means that any approvals from the HOMAG or County must be contingent on these determinations.

B. Applicant Capacity and Project Planning

Evidence must be provided showing that the applicant has the expertise and the staff capacity to carry out the proposed activity. If it is determined by the County that the applicant does not have adequate capacity, they are not eligible for funding. The following will be examined.

1. **Qualifications and Experience of the Development/Implementation Team** The applicant must include information about the persons or organizations who will be responsible for carrying out all aspects of the project and must provide information about the qualifications of these persons or organizations. As applicable, the applicant must show expertise in the following areas: (a) development and finance; (b) construction (including design and management); (c) housing management (including marketing, leasing, etc.); (d) management of physical assets; and (e) service delivery.
2. **Completeness of Project Planning** A comprehensive project plan must be submitted detailing all anticipated costs and providing a time line for completion. Figure A-2 outlines this requirement.
3. **Licenses and Certificates** The applicant must provide proof that: (a) it has received all appropriate licenses and certificates that will be required to undertake the proposed activity; or (b) it has applied for and has a reasonable expectation of receiving these licenses or certificates in a timely manner.
4. **Past Performance and Status of the Applicant's Other Projects** The applicant's past performance in completing projects in a timely manner and in accordance with all requirements and acceptable business practices will be considered. Also to be considered is the status of the applicant's other outstanding projects. If the applicant already has other HDF and/or HOME projects underway that require significant additional work to complete, funding for additional new projects may not be approved.

C. Financial Underwriting Analysis

This analysis focuses on the proposed project's marketing and its costs and financial requirements. All projects will be evaluated in accordance with six objectives.

1. **Cost Inclusiveness and Reasonableness** The applicant must supply a breakdown of all project development and operating costs, which will be reviewed. The analysis will: (a) examine anticipated project costs and will compare them to other similar projects to assure that costs are not excessive or understated; and (b) check the list of anticipated costs to assure that needed items are not overlooked (e.g., the cost of marketing or replacement reserves).

2. **Commitments of Other Financing** The applicant must show that sufficient funds will be available to finance the project. Evidence of commitment of resources or schedules indicating the timing of receipt of these commitments are required. The county reserves the right to contact organizations that will be providing other financing to determine the likelihood of receiving a commitment.

Figure A-2
SUMMARY OF PROJECT PLANNING REQUIREMENT

Requirement	When It's Required	What is Required
Detailed Scope of Work	Applies to all new construction, rehab, and/or acquisition proposals. Information submitted at time of proposal.	<u>Project Minimum: \$10,000</u> List of all proposed work meeting the following: <ul style="list-style-type: none"> • All activities must be eligible • For rehab, must correct all structural deficiencies • For new construction, must cover all components of construction • Work must address applicant's space needs • Costs must be reasonable • Time schedule must be reasonable (may be phased over time) • Resources must be available to complete all work • Format must be acceptable
County Inspection	Applies to all rehab and/or acquisition proposals. Information submitted: <ul style="list-style-type: none"> • Prior to acquisition (when acquisition is involved) • Prior to agreement approval (for rehab only) 	On-site inspection by County staff to: <ul style="list-style-type: none"> • Verify scope of work • Assure addressing HUD housing quality standards • Suggest addressing other deficiencies • With special approval, inspections may be delegated to subrecipient.
Moderate Rehab Cost Limits	Applies to all rehab and/or acquisition proposals where rehab is not considered substantial.	<u>Project Minimum: \$10,000</u> The following per-unit limits apply: <ul style="list-style-type: none"> • Apartments (total structure) - \$15,000 • Apartments (interior only) - \$10,000 • House/townhouse/duplex (total structure) - \$25,000 • House/townhouse/duplex (interior only) - \$15,000
Substantial Rehab Option	Applies to all rehab and/or acquisition proposals where rehab costs are expected to exceed moderate limits. Information submitted as indicated.	<u>Project Minimum: \$10,000</u> The following must be submitted with the proposal: <ul style="list-style-type: none"> • Statement of objectives to be achieved (rationale for higher costs) • Specific cost estimates • The following must be supplied before final approval but after inspection • Actual scope of work and costs

3. **Efficient Use of HOME/HDF/ADDI Funds** The applicant must demonstrate that reasonable efforts have been made to obtain non-Federal financing for the project. A review of projected revenues, expenses, debt service, and returns on equity for the project will be done to determine if the project can support additional non-Federal financing, and, in some cases, CDC staff may recommend that the applicant pursue other resources. Projects expecting to receive HOME financing must also demonstrate how HOME non-Federal matching requirements will be met.
4. **Favorable Market** This part of the analysis will examine the market for the proposed project. A market analysis, showing a favorable market for the proposal, must be submitted with the application. The amount of detail required for this analysis will be dependent on the size of the proposed project and the type of project.
5. **Subsidies and Layering** DuPage County will not invest any more HOME/HDF/ADDI funds, in combination with other governmental assistance, than is necessary to provide affordable housing. Subsidy from the County's HOME program will not exceed the maximum per-unit subsidies applicable to the HOME program. The analysis of the proposed project will examine various financial indicators to determine that the owner's expected rate of return on investment is adequate to assure long-term stability, but is not excessive.

6. **Risk Management** The analysis of the proposed project must demonstrate that HDF/HOME/ADDI funds are not excessively at risk. Analysis must show that the short and long-range financial obligations of the project will be met, including sufficient cash flow to meet all debt service requirements and sufficient reserve to maintain the project. In most cases, the property or other capital assets must secure these funds. The county may approve a project where the value of property or other assets is not sufficient to cover the HOME/HDF/ADDI investment if: (a) the costs for the activity are determined to be reasonable compared to other alternatives; and (b) there are no other alternatives that would meet the same need where the investment could be secured by the property or capital assets.

D. Marketing of the Project or Program

There are three components of marketing that must be reviewed and approved.

1. **Promotion of the Project/Program and Selection Policies** The applicant must describe in detail how the affordable project or program will be promoted and how the participants (tenants, home buyers, residents, etc.) will be selected.
2. **Affirmative Marketing** The promotion and selection policies the applicant will use for the program or project must specifically describe how the project or program will be affirmatively marketed to groups in the housing market area that are least likely to apply for the housing because of its location and other factors without special outreach efforts. Prior to final approval of the project or program, the applicant must submit an Affirmative Fair Housing Marketing Plan. A form for this plan is available from the County Development Department office.
3. **Local Preferences** The selection policies the applicant will use for the program or project must specifically describe any local preferences. Generally, local preferences more specific than the DuPage HOME consortium area will be permitted only if the unit of local government for which the preference has been established (such as a municipality) is contributing substantially to the project. Such a contribution may be in the form of locally controlled funding that is specifically provided to the project or program. A contribution may also be in the form of zoning relief or other concessions to the project or program that would not ordinarily be made and that are key to the project or program's feasibility. In no case, will local preferences be permitted if the preference will: (a) significantly constrain the marketing of the project; or (b) be in conflict with affirmative marketing plans.

E. Suitability of the Proposed Site and/or Structure

The following characteristics of the proposed site and/or structure will be examined.

1. **Local Regulations** The proposed use and structure must be consistent with the zoning, building, subdivision, and other regulations of the appropriate jurisdiction.
2. **Environmental Hazards** The site and structure must be free of environmental hazards or the activity must include actions to eliminate these hazards. Such hazards may include lead, chemicals, underground storage tanks, etc.
3. **Historic Preservation** The site and structure must meet applicable historic preservation requirements. The CDC staff will be checking with the State Historic Preservation Office as well as with local historic preservation organizations.
4. **New Units By New Construction or Adaptive Re-use** For projects that create new units by new construction or adaptive re-use, the review will include review for consistency with the HOME Advisory Groups policy of geographically distributing affordable housing.

5. **Site Control** The general rule is that, before any funding for a project can be approved, the applicant must have control of the site on which the proposed project will be implemented. Further, all set-asides or commitments of funds remain contingent on retaining this site control. Therefore, loss of site control is cause for termination of a set-aside or commitment. Site control may be in the form of ownership, a signed purchase contract, or an option. An exception to this site control rule may be made if it is general knowledge that suitable sites are readily available in the open market, or the applicant provides acceptable evidence of this availability.

F. Displacement of Households

If the proposed project will result in the displacement of households, a separate determination as to whether to permit the relocation of these households will be required from the CDC Executive Committee or the HOME Advisory Group. This determination will be based on an evaluation of the estimated cost of relocation, the hardship of relocation on the residents to be located, and the difficulty of the relocation process when compared to the benefits expected to be derived from the proposed project.

G. Minimum Point Requirement

Applications receiving fewer than 70 points in Parts II through V will not be eligible for funding.

II. MEETING CONSOLIDATED PLAN AFFORDABLE HOUSING OBJECTIVES (70 Points Possible)

This part evaluates the costs incurred in relation to the benefits derived from the proposed activity. The evaluation of benefits includes the number of persons housed, but is adjusted based on targeting to lower income, the type of activity undertaken, impact on the neighborhood, etc. Cost calculations consider all of the public cost associated with the project, taking into account any future income stream that will be derived from the project. The benefit of leveraging DuPage County HDF/HOME/ADDI funds with other funds is calculated separately.

Figure A-3
OCCUPANCY ASSUMPTIONS

Number of Bedrooms	Non-senior Households	Senior-only Households
Zero	1.0	1.0
One	1.5	1.2
Two	3.0	1.5
Three	4.5	N/A
Four	6.0	N/A
Five	7.5	N/A
Six	9.0	N/A

A. Calculating Benefits

Benefits are based on the number of people benefited, their income level, and the impact of the activity on affordable housing needs and the neighborhood.

1. **People Benefited** Some projects will be able to specifically predict the number of persons benefited. An example would be a group home with a specific capacity. Others only describe a mix of units and the number of bedrooms per unit. For projects of this type (including transitional housing), HOME occupancy standards (defined in Figure A-3) may be used. Note that “seniors only” developments have lower assumed occupancy. If the housing proposed is to be temporary housing with average length of occupancy of less than a year (e.g., temporary shelter), the persons benefited will be based on the stated capacity of the facility. Likewise, for any facility that lists its capacity in “beds” rather than “units,” persons benefited will be based on that capacity.

Figure A-4
MULTIPLIERS OF PERSONS BENEFITED BASED ON INCOME

Income Level	Multiplier
0-30% of Median Family Income	1.50
31-50% of Median Family Income	1.25
51-60% of Median Family Income	1.20
61-80% of Median Family Income	1.00
81-100% of Median Family Income	0.75

2. **Adjustment for the Permanency of the Benefit** If the housing created is expected to be in place and affordable for at least 20 years, the benefit is considered permanent. If the benefit is expected to be for less than 20 years (and there is no provision to recapture funds such as a mortgage), a prorated adjustment in the number of persons benefited will be made accordingly. An example would be a project that is committing to only 10 years of affordability would have its persons-benefited number cut in half. Conversely, any project that commits to more than 20 years of affordability, in essentially an irrevocable commitment, will have the persons-benefited number increased. For each year beyond twenty years of affordability, a 2.5% increase in persons benefited will be added up to a maximum of an additional 20 years (a 50% increase in persons benefited).

3. **Adjustment for Income Targeting** This adjustment is designed to place higher priority on projects that target to lower incomes, and it recognizes that there are higher costs associated with targeting to lower incomes. The multipliers in Figure A-4 are used to adjust the number of persons benefited as calculated in section #1 above. The total income targeting multiplier for the project is a pro-rated number based on the percent of persons benefited that are in these income groups.

4. **Adjustment for Addressing Affordable Housing Needs** This adjustment adds a positive weight to the cost/benefit analysis based on the project's impact on the affordable housing market. Figure A-5 shows the multipliers for making these adjustments. It is in two parts. If the needs in the second part are addressed, the multiplier in the first part may be increased by the amount shown. The multipliers in Figure A-5 indicate that the highest priority is on adding rental units and promoting homeownership. However equal value is placed on addressing housing quality problems when this is combined with substantial improvements in the management of housing.

Figure A-5
MULTIPLIERS FOR ADDRESSING AFFORDABLE HOUSING NEEDS

Part 1: Impact on the Housing Market and Stock	Multiplier
Adds to, or preserves the quantity of, the affordable rental housing stock by new construction, by renovation of a non-residential or vacant structure into standard housing; or by rescuing housing from demolition.	2.1
Promotes homeownership by providing assistance to first time or low-income homebuyers in the form of mortgage or down payment assistance.	2.1
Promotes homeownership by providing assistance to existing low-income homeowners in the form of rehab assistance or other appropriate assistance.	2.1
Completes rehab of existing substandard housing where substantial repair or replacement of structural and other components is required if the building is to continue to provide safe and adequate shelter (considered "Major Deficient").	1.8
Completes rehab of existing substandard housing where work is required that goes beyond normal maintenance, but there are no serious structural failures (considered "Minor Deficient").	1.0
Does not include significant rehab, or completes rehab of existing housing where defects are minor and can ordinarily be corrected in the course of normal maintenance (considered "Basically Sound").	0.7
Part 2: Other Affordable Housing Objectives Met	Added Multiplier
Affordable rental housing is part of a mixed income development. Developments of more than eight units will receive this full multiplier if only eight units are considered affordable. Any development of 40 units or more with no more than 20% affordable units will receive the full multiplier. Pro-rated percentages may be awarded, and this multiplier may not be combined with the scattered site multiplier.	0.3
Housing activity promotes scattered site availability of affordable rental housing. To meet this standard, the activity will have no more than eight units in any one location.	0.3
The affordable rental housing development includes units of three bedrooms or more.	0.3
The affordable rental housing development is for non-senior families or non-senior individuals.	0.3
Substantially improves the management of existing rental housing, and this improvement is documented by appropriate evidence.	0.3
Addresses a special priority as specifically identified and approved by special action of the HOME Advisory Group. Examples of special priorities may include a Consolidated Plan need that has not been addressed by recent applications and requires special emphasis, or a municipal redevelopment priority (e.g., supported as part of a neighborhood strategy area).	Max. of 0.3

5. **Adjustment for Impact on the Affordability of the Existing Housing Stock** The multipliers in Figure A-6 apply to projects that propose acquisition of existing housing stock that is basically sound or has only minor deficiencies. This table indicates that acquiring owner or rental housing that is already affordable to certain low or moderate-income groups only to make it available as owner or rental housing to other low income groups is generally encouraged only if the improvement in affordability is substantial.

6. **Adjustments for Accessibility Improvements** Projects that improve the housing stock by making it more accessible to people with disabilities will receive additional consideration. The multiplier is 1.1 for projects that exceed the standards of the Americans with Disabilities Act (ADA) and are shown to make units barrier free to people with disabilities. In some cases, unique physical needs will be addressed by a proposed project requiring special site or design considerations that will add to costs in a substantial way. In these cases, a 1.5 multiplier will be used.

7. **Adjustments for Impact on Neighborhood Quality** Figure A-7 makes adjustments based on the impact the housing activity has on the neighborhood. Except as shown in Figure A-7, all other proposals will have a multiplier of 1.0.

B. Calculating Costs

Costs are calculated as the total net public cost associated with the proposed project. Public costs will include: (a) the county's HDF/HOME/ADDI investments; (b) other

federal, state, and local government investments of funds; and (c) the cost of any tax exemptions or government fee waivers. Any future recapture of public funds will be subtracted from the initial outlay. Recaptured funds will be discounted to present value. The guidelines are as follows:

1. **Grants or Other Contributions Not Expected to be Repaid** These costs are calculated at face value. For example, a \$100,000 grant has a public cost of \$100,000.
2. **Forgivable Loans** There is no assumption that funds from forgivable loans will be recaptured in the future. In other words, it is assumed that they will be forgiven. Therefore, they are treated the same as grants and are calculated at face value.
3. **Deferred Payment Loans** These loans will be recaptured some day, but the time frame for this recapture is uncertain. Unless there is evidence to the contrary, it will be assumed that recapture will come in one lump sum after 20 years.
4. **Loans with Specific Repayment Schedules** Recapture of the funds will be in accordance with the repayment schedule with all future payments being discounted to present value.

Figure A-6
MULTIPLIERS FOR MAKING HOUSING AFFORDABLE

Previous Affordability Level	Made Affordable to:			
	81-100% of MFI	51-80% of MFI	31-50% of MFI	30% or less of MFI
101%+ MFI	0.90	1.00	1.20	1.40
81-100% MFI	0.40	0.90	1.00	1.20
51-80% MFI	0.20	0.40	0.90	1.00
31-50% MFI	0.10	0.20	0.40	0.90
30% or less MFI	0.00	0.10	0.30	0.40

Figure A-7
MULTIPLIERS FOR IMPACT ON NEIGHBORHOOD QUALITY

Levels of Impact	Multiplier
Major Impact – Neighborhood Blighted Neighborhood has been designated as blighted in accordance with CDC policies, and the proposed housing activity will have a major impact on improving the blighting conditions (e.g., at least 10% of the housing stock of the neighborhood will be improved).*	1.7
Major Impact – Neighborhood Not Blighted Neighborhood has not been designated as blighted in accordance with CDC policies, but the proposed housing activity will have a major impact on improving the area (e.g., at least 10% of the housing stock of the neighborhood will be improved).*	1.5
Minor Impact – Neighborhood Blighted Neighborhood has been designated as blighted in accordance with CDC policies, and the proposed housing activity will have a minor impact on improving the blighting conditions (e.g., less than 10% of the housing stock of the neighborhood will be improved).*	1.2

* In order to receive these points, a local commitment to improvements (e.g., infrastructure investments, a neighborhood resource center, etc.) must be present.

5. **Tax Exempt Financing and Tax Credits** This type of financing creates a loss of tax revenue to Federal or State government. The cost of taxes forgone will be calculated and included in the analysis.
6. **Local Financial Incentives** If local government provides for property or sales tax rebates, or a waiver of fees that would ordinarily be collected, these forgone revenues will be part of the analysis.
7. **Rental Assistance** Annual rental assistance will be calculated in accordance with the length of term of the rental assistance contract.
8. **Discount Rate** To determine present value, future recapture will be discounted in accordance with the federal government's cost of money. This is defined as the yield on U.S. Treasury Bonds with maturities equal to the expected time before recapture, and the rate used will be the one for the week when the applications were due.
9. **Adjustment for High Property Costs** For projects that are proposed in locations outside of communities of affordable housing concentration and neighborhoods of low income concentration, and the land costs associated with the project are high in relation to other projects due to this location, land costs will be adjusted to negate this negative cost benefit impact. Evidence for making this adjustment must be submitted by the applicant and is subject to approval by the county.

C. **Calculating Points for Cost/Benefit**

The total cost/benefit score is calculated in two parts as described below.

1. **Total Public Cost per Person Benefited as Adjusted (50 points possible)** The adjusted number of persons benefited is calculated in accordance with section "A" above, and the costs are calculated in accordance with section "B." For proposals where the total cost per person benefited is less than or equal to \$5,000, the cost benefit score will be 50. For proposals where the total cost per person benefited is greater than or equal to \$30,000, the cost benefit score will be zero. For proposals where costs per person benefited is between these two figures, the cost/benefit score will be calculated based on a straight line extrapolation between zero and 50 points. For example, a calculated cost/benefit of \$17,500 per person would receive 25 points because it is exactly half way between \$5,000 and \$30,000.
2. **Leveraging of HDF/HOME/ADDI Funds (20 points possible)** Leveraging of these funds is encouraged because it makes more efficient use of limited county resources for affordable housing, and because leveraging brings other resources (private, State, and other Federal) into the area to address affordable housing needs. For each percent of the proposed project that is covered by resources other than the county's HDF/HOME/ADDI programs, 0.25 points will be awarded. The maximum of 20 points will be reached when other resources cover 80% of total project costs.

III. **MEETING OTHER CONSOLIDATED PLAN OBJECTIVES (36 Points Possible)**

There are program objectives of the Community Development Block Grant (CDBG) and HOME programs that are emphasized in the program regulations or the DuPage County Consortium's Consolidated Plan for Housing and Community Development. Points are awarded based on how well the project or program meets these objectives.

A. **Services Provided (7 points possible)**

The proposed activity should provide services in accordance with the needs of the persons being served

by the activity. The primary focus would be to assist clients and/or residents in achieving or maintaining their maximum level of self-sufficiency. Services may be provided by the applicant itself or by a specific strategy of coordinating with other agencies.

1. Up to 5 points will be awarded if it is determined that the applicant will be providing services at a level that are expected for the type of client or resident that is the target of the proposed activity. Figure A-8 outlines possible service components for various types of needs. The list of services in Figure A-8 is meant only to be illustrative of service levels.
2. Up to 2 additional points will be awarded if it is determined that the applicant will be providing an extraordinary level of service to the target clients or residents. These would go significantly beyond the levels illustrated in Figure A-8.

Figure A-8
SERVICE COMPONENTS FOR VARIOUS NEEDS

Housing Need	Service Components
Elderly Renters	Health care, nutrition services, life skill support, recreation, and transportation as appropriate to the needs of residents
Other Renters	Access to recreation and after school activities
Existing Homeowners	Counseling to determine appropriate rehabilitation work to be completed and follow-up on quality of work completed
New Homeowners	Pre-purchase counseling on financial responsibilities of ownership, home maintenance training, and follow-up default counseling
Homeless Persons	Job counseling and services, housing counseling, case management as needed, and transportation
Non-homeless persons with Special Needs	Appropriate services for the need being addressed including counseling, therapy, health care, and transportation

B. Geographic Distribution of Affordable Housing (20 points possible)

These points are awarded in accordance with the policy on geographic distribution adopted by the HOME Advisory Group on June 28, 1994. For more information about this policy and the definitions of the terms that appear below (such as "community of affordable housing concentration" and "neighborhood of low income concentration"), the applicant should consult this policy. A copy is attached as Exhibit A.

1. Projects located in communities of affordable housing concentration will receive no points for encouraging greater locational choice. Projects located outside of these areas will receive 10 points.
2. Projects proposed in neighborhoods of low income concentration will receive no points for encouraging greater locational choice. Projects outside of these neighborhoods will receive 10 points.
3. Projects proposed in locations outside of, but adjacent to, neighborhoods of low income concentration will receive no points if they will have the effect of expanding the low income concentration.
4. Projects proposed in areas that would ordinarily not receive points according to "1", "2", and "3" above will receive these points for encouraging locational choice if supported by the local jurisdiction and one of the following conditions is met.
 - a. A market analysis shows that sufficient opportunities do not exist to carry out this project outside the area.
 - b. An assessment shows that the proposed project will reduce, or have an insignificant effect on, the local concentration of low income persons.
 - c. The proposed project is part of a community program to meet overriding local housing needs and is part of a neighborhood stabilization activity.

C. Interagency Coordination (6 points possible)

Points are awarded in accordance with the applicant's efforts in coordinating its proposed activity with other agencies providing similar and related services.

1. 6 points are awarded if it is determined that the applicant's proposed activity is part of a collaborative effort of two or more agencies where this collaboration is necessary to the success of the proposed activity. It should be shown that the collaboration results in improved cost effectiveness in the implementation of the proposed project or program.
2. 4 points are awarded if it is determined that the applicant is effective in using other organizations to deliver services to clients or residents and has formal arrangements for the delivery of these services.
3. 2 points are awarded if it is determined that coordination is informal. This would also include any specific arrangements for mutual referrals.

D. Demonstration Activity (3 points possible)

An affordable housing activity that is determined to be particularly unique will be eligible for 3 points as a demonstration activity. Such an activity will not have been tried before in a situation (market, regulatory environment, etc.) like that found in the DuPage Consortium area.

IV. PROJECT READINESS (10 Points Possible)

This category evaluates the degree to which start-up work is complete at the time of the application, and what obstacles may stand in the way of completing the project. Figure 9 shows points that will be awarded for project readiness.

In Figure A-9, the applicant is considered to have project planning work partially complete if preliminary engineering/architectural is done or if a detailed preliminary work program is done. If this work is complete in final form, final project planning work is considered complete.

Figure A-9
POINTS FOR PROJECT READINESS

	Preliminary Project Planning Not Complete	Preliminary Project Planning Complete	Final Project Planning Complete
No Significant Obstacles	8	9	10
Moderate Obstacles	4	5	6
Severe Obstacles	0	1	2

Based on past experience, the obstacles in the way of completion are more important than the status of project planning.

Expanded definitions of these categories are provided following Figure 9.

A. No Significant Obstacles

The project will be considered to have no significant obstacles if the project appears to be ready for immediate start-up. Indicators of this level of readiness include, but are not limited to, the following:

1. The applicant currently owns or is in control of the land where the project will be located, or, alternately, the applicant is very flexible regarding the site to be purchased and there is an abundance of suitable properties available.
2. The project is consistent with applicable regulations and ordinances (e.g., zoning or environmental concerns).
3. Documentation of commitments for needed matching funds and operating funds is provided.

A. Moderate Obstacles

These obstacles are those that would not allow immediate start-up of the project. That is, there are relatively minor activities that need to be completed. Indicators of this level of readiness may include the following; however, these will not be considered as significant obstacles if (1) there is substantial written evidence that these activities would be complete in less than 90 days, or (2) the applicant has phased the project so that these activities are all that is to be completed in the first year.

1. The applicant has identified several potential properties in specific locations that would meet their needs.
2. Rezoning of property is required.
3. Needed matching and operating funds are available, but applicant has not received commitments for them.

B. Severe Obstacles

Obstacles are considered severe if it is likely (based on past experience with similar activities) that preliminary activities will delay start-up by several months. These activities may include the following.

1. The applicant has not indicated that properties are available that would meet their needs.
2. There are major legal or project set-up issues that could take a substantial amount of time to resolve.
3. Applicant does not provide adequate documentation showing needed matching and operating funds are available.

V. STABILITY OF OPERATING FUNDING (10 Points Possible)

Up to 10 points is available in this category based on the percent of the operating budget for the proposed activity that is committed or supported by reasonable expectations of receiving funding. Figure A-10 provides examples.

Figure A-10
POINTS FOR STABILITY OF OPERATING BUDGET

Level of Stability	Points Awarded	Examples
Committed Funding	1 point for each 10% of operating budget	Cash on hand, grants with commitments in hand, pro-forma and strong market analysis showing adequate income stream, tested underwriting criteria for home buyers
Supported Funding	0.7% for each 10% of operating budget	Expected grants with a history of approval, expected contributions consistent with past history