

## **24 NCAC 01M .0304 RANKING CRITERIA**

(a) Applications meeting the threshold requirements will be ranked within their respective areas using a competitive point ranking system. No more than 25 percent of the total points available will be awarded under any single criterion. For rental projects the agency will consider the following ranking criteria:

- (1) Project Location. Points will be awarded if previous program rental projects have not been sited in the county or city.
- (2) Sponsor Experience. Points will be awarded based on successful development experience for similar types of projects including, but not limited to, the number of units developed and the avoidance of mortgage defaults or adverse management agent proceedings.
- (3) Affordability. Points will be awarded based on the affordability of the project to eligible households and length of time the development will remain affordable to low-income households.
- (4) Feasibility. Points will be awarded based on the agency's analysis of the economic feasibility of the project using factors including, but not limited to, the debt service coverage ratio, the anticipated occupancy rate, the projected per unit operating costs, the proposed per unit construction cost, the status of zoning and other development permits and the status of construction and permanent financing.
- (5) Other Contributions. Points will be awarded based on the percentage of the project replacement cost that is derived from other below-market-rate sources of debt financing and from equity financing.
- (6) Project Impacts. Points will be awarded based on the relative extent of housing needs in the county of the proposed project.
- (7) Special Needs. Points will be awarded for projects that will serve populations with special housing needs including the homeless, the elderly, persons with disabilities and large families, based on the percentage of units reserved for those households and the types of services to be provided to the households.
- (8) Market, Site and Building Characteristics. Points will be awarded based on: the extent of demand documented by the project's market study; if the project helps distribute low-income housing units in the community or is part of a neighborhood revitalization strategy; if the site provides good access to employment, shopping, services and transportation; if there are no incompatible land uses impacting the site; and based on the quality of the site plan and building design.

(b) Applications for home ownership projects meeting the threshold requirements will be ranked within their respective areas using a competitive point ranking system. No more than 25 percent of the total points available will be awarded under any single criterion. For home ownership projects the competitive ranking criteria will include:

- (1) Project Location. Points will be awarded if previous program home ownership projects have not been sited in the county or city.
- (2) Sponsor Experience. Points will be awarded if the principal has successful development experience for similar types of projects including, but not limited to, the number of units developed, and the avoidance by the principal or marketing/sales agent of mortgage defaults, bankruptcy, adverse fair housing disputes, adverse civil rights disputes and adverse proceedings and settlements involving the Department of Housing and Urban Development (HUD) or the Farmers Home Administration (FmHA).
- (3) Affordability. Points will be awarded based on the affordability of the units to eligible households, the replacement cost of the homes and the monthly cost including principal, interest, taxes and insurance (PITI) of the homes.
- (4) Feasibility. Points will be awarded based on the agency's analysis of the economic feasibility of the project using criteria including, but not limited to, the energy efficiency of the homes, the amount of the downpayment and closing costs to be paid by the homebuyers, the projected length of time to complete the project, the status of zoning and subdivision approval, and the status of construction and permanent financing.
- (5) Other Contributions. Points will be awarded based on the percentage of the project replacement cost that is derived from other below-market-rate sources of debt financing and from equity.
- (6) Impacts. Points will be awarded based on the relative housing needs in the county of the proposed project.
- (7) Special Needs. Points will be awarded for projects that will serve populations with special housing needs including families in assisted rental housing, the elderly, persons with disabilities and large

families, based on the percentage of units reserved for households with special needs and the types of services and the extent of services to be provided for the households.

- (8) Market, Site and Building Characteristics. Points will be awarded if the project helps distribute low- and moderate-income housing units in the community or is an integral element of a neighborhood revitalization strategy; if the site provides good access to employment, shopping, services and transportation, if there are no incompatible land uses impacting the site; and based on the quality of the site plan and building design.

*History Note: Authority G.S. 122A-5; 122A-5.1; 122E-4; 122E-5; 122E-8; Eff. November 2, 1992; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 23, 2017.*