AFFORDABLE HOUSING SCORECARD
APPLICATION

The Affordable Housing Scorecard will provide an initial review for applicants requesting partnerships with granting entities (MHA, MHFC, or PFC) to provide tax-exemption benefits for rental housing projects. Projects must score a minimum of 12 points to move forward to the next round of review. Meeting the minimum number of points does not guarantee approval of the project. Following the initial review, a more detailed analysis will be required as part of the granting entity's review process. Please see the Project Consideration Flowchart *(Attachment A)* for more information.

<u>Applicant Information</u>
Developer Contact Information: _____

Name: _____

Email: _____ Phone Number: _____

Address: _____

<u>Property Information</u>
Property Location: _____ Property Zip Code: _____

Parcel ID Number: _____ Quadrant *(Attachment B)*: _____

Current Zoning/Land Use: _____

Proposed Zoning/Land Use: _____

<u>Proposal Information</u>
Minimum Requirements:
- Project must provide rental housing units (either single- or multi-family residential).
- Project must include at least 50% of the total units as affordable units (80% AMI or lower).
- Project must include a minimum of 5% of the total units at 30% AMI.

Project Description: _____

_____

_____

_____

_____

Project Type: *(please check one)*

☐ New Build ☐ Rehabilitation ☐ Renovation ☐ Acquisition

Housing Type: *(please check one)*

☐ Single-Family Rental ☐ Multi-Family Rental

Property Tax Assessment:

Category	Amount
Land Value	$
Existing Improvements	$
Proposed Capital Improvement Costs	$
Total Assessed Value	$

Unit Affordability and Unit Type: *(please include the number of units per category)*

	Efficiency/ Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total
Market Rate						
80% AMI						
70% AMI						
60% AMI						
50% AMI						
40% AMI						
30% AMI						
Total						

Market Rents

	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Market Rent					
Note: Average Market Rents for Each Unit Type as Supported by the Supplied Rent Roll and by a Market Study or Comparable (please provide current rent roll)					

Proposed Rents

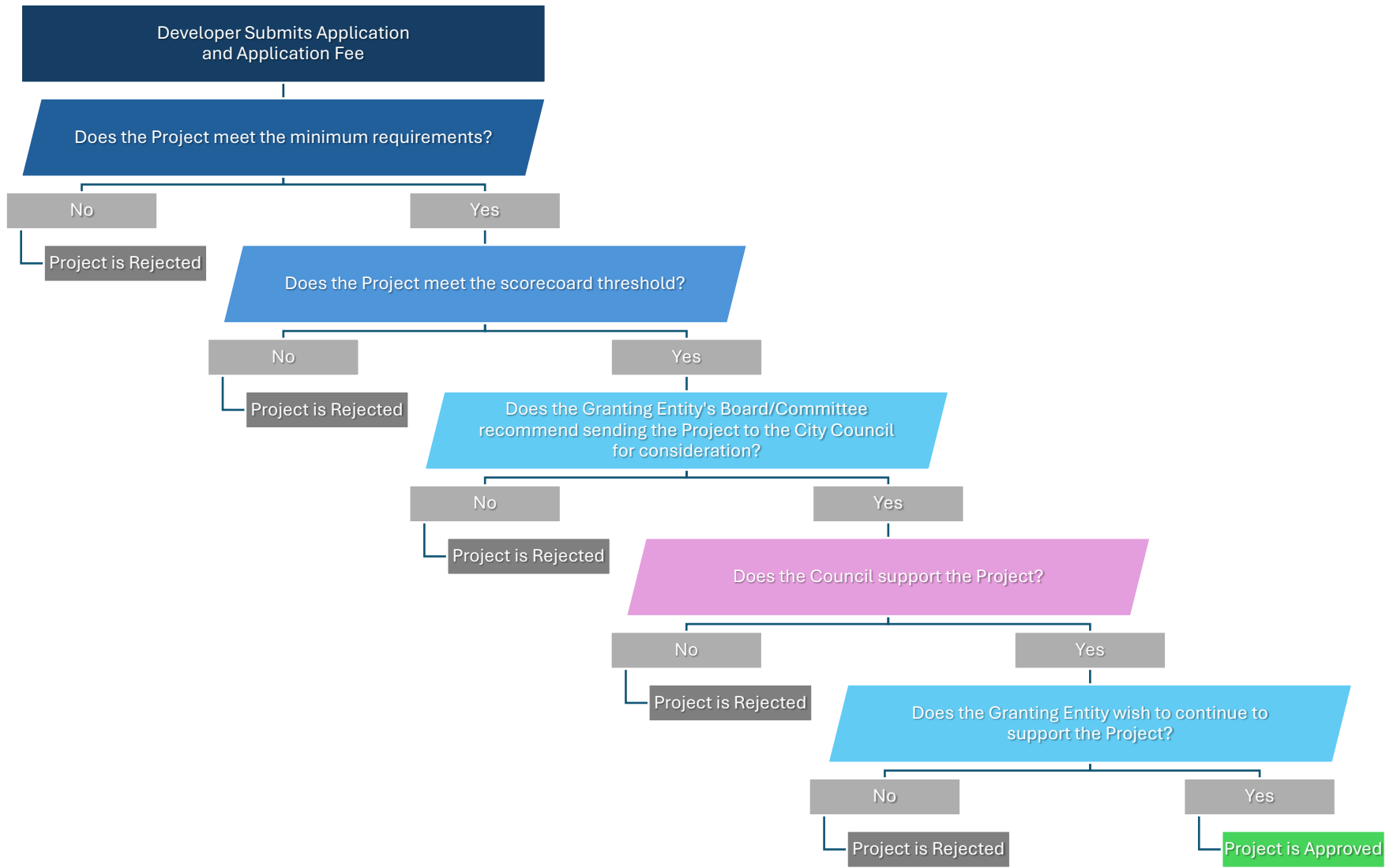|	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
30% AMI					
50% AMI					
60% AMI					
80% AMI					
Note: Utilize rent calculations from the Novogradac Rent and Income Limit Calculator; https://ric.novoco.com/tenant/rentincome/calculator/z1.jsp					

Rental Assistance Programs: (please indicate if the project will accept rental assistance programs)

☐ None ☐ Housing Choice Vouchers

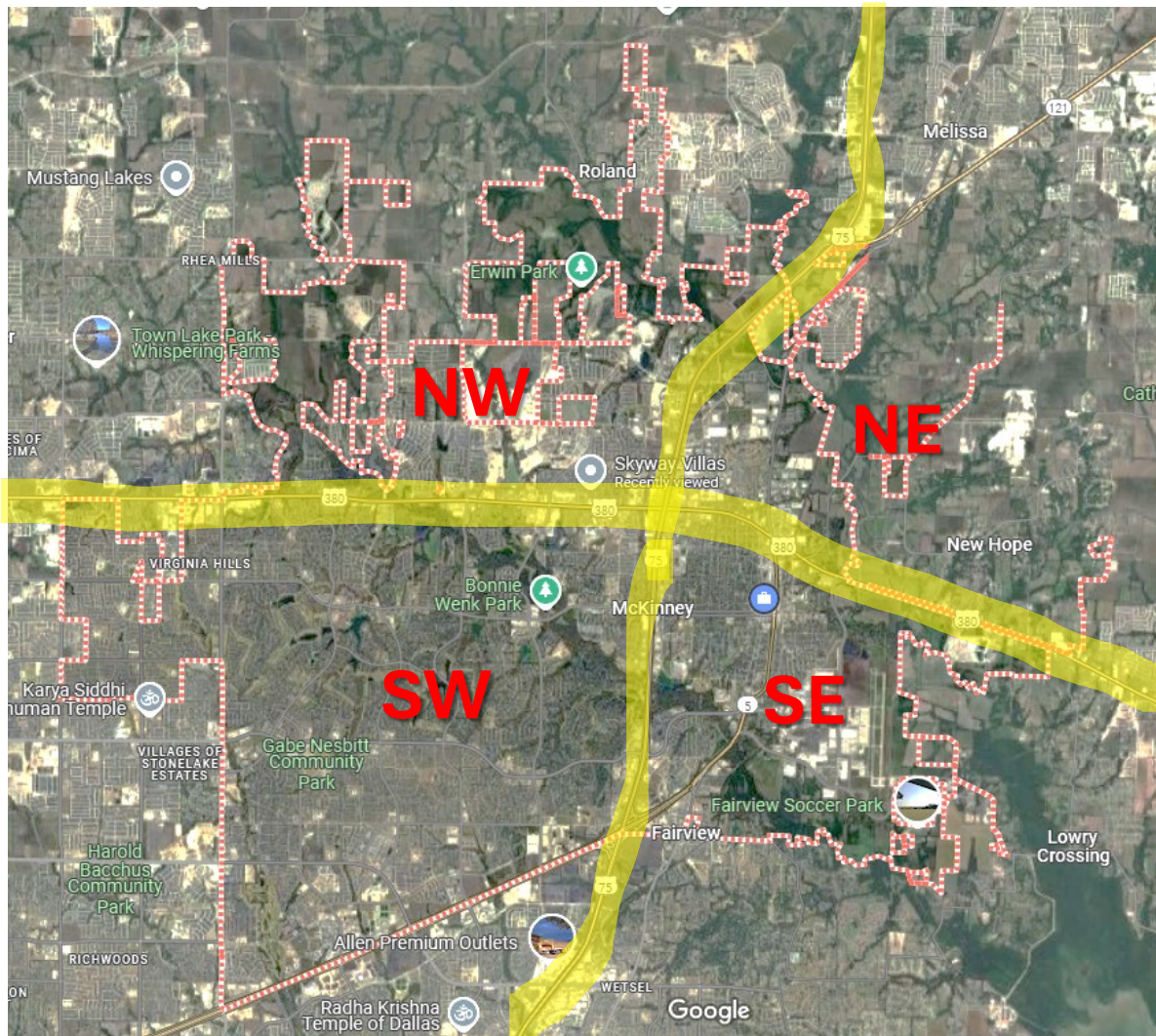☐ Tenant-Based Rental Assistance ☐ Other: _____

Granting Entity Benefits: *(please include estimates over the initial 10-year timeframe)*

Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Reoccurring											
Annual Lease Payments	$	$	$	$	$	$	$	$	$	$	$
Compliance Fees	$	$	$	$	$	$	$	$	$	$	$
Other:	$	$	$	$	$	$	$	$	$	$	$
Other:	$	$	$	$	$	$	$	$	$	$	$
Reoccurring Subtotal:	$	$	$	$	$	$	$	$	$	$	$
One-Time											
Professional Fees	$	$	$	$	$	$	$	$	$	$	$
Construction Cost Tax Savings	$	$	$	$	$	$	$	$	$	$	$
Refinance Fee	$	$	$	$	$	$	$	$	$	$	$
Disposition/Transfer Fee	$	$	$	$	$	$	$	$	$	$	$
Other:	$	$	$	$	$	$	$	$	$	$	$
Other:	$	$	$	$	$	$	$	$	$	$	$
One-Time Subtotal:	$	$	$	$	$	$	$	$	$	$	$
Total	$	$	$	$	$	$	$	$	$	$	$

Attachment A:
Project Consideration Flowchart

Developer Submits Application
and Application Fee

Does the Project meet the minimum requirements?

No → Project is Rejected

Yes → Does the Project meet the scorecoard threshold?

No → Project is Rejected

Yes → Does the Granting Entity's Board/Committee recommend sending the Project to the City Council for consideration?

No → Project is Rejected

Yes → Does the Council support the Project?

No → Project is Rejected

Yes → Does the Granting Entity wish to continue to support the Project?

No → Project is Rejected

Yes → Project is Approved

Note: Please reference the Texas Department of Housing and Community Affairs Property Inventory Map for the location of affordable housing projects: https://arcg.is/19GyXC0

Category	Definition	Notes
Amount of Affordable Units	Per the Texas Local Government Code (Chapters 392 and 394), the minimum requirement for tax exemption projects is 50% of the units at 80% AMI. The goal of this category is to prioritize projects that provide a greater amount of affordable housing units. Projects with a greater amount of affordable units will be awarded more points.	Minimum requirement is for all projects to provide at least 50% of the total units as affordable units.
Affordability Level	Per the Texas Local Government Code (Chapters 392 and 394), the minimum requirement for tax exemption projects is 50% of the units at 80% AMI. The goal of this category is to prioritize projects that provide more housing units at deeper affordability levels (i.e., units at 30% AMI). Projects with deeper affordability levels will be awarded more points.	Minimum requirement is for all projects to provide at least 50% of the total units at 80% AMI.
Housing Type	The goal of this category is to diversify the types of affordable housing opportunities. Projects that include single-family housing will be viewed more favorably than multi-family housing.	The Affordable Housing Scorecard is limited to rental projects. Homeownership projects are encouraged and will be evaluated separately.
Rent Saving to Tax Exemption Ratio	The goal of this category is to prioritize projects that will provide a greater amount of rent savings (over a 10-year period) to offset the tax exemptions that are being provided by the City of McKinney, Texas ("City"). The ratio is calculated by dividing the rent savings by the amount of tax exemptions provided by the City. Projects with a greater ratio will be awarded more points.	Refer to the **Rent Saving** and **Tax Exemption** tabs for the methodologies and assumptions to calculate each value.
Granting Entity Benefit (one-time)	The goal of this category is to prioritize projects that will provide additional one-time funds to the granting entities in return for the tax exemptions. These funds may include acquisition fees, professional fees, construction cost tax savings, and refinance fees that will be provided over the lifetime of the project. Disposition/transfer fees are excluded since these are speculative estimates (unless there is a specific guarantee provided). Projects that provide a greater amount of benefit will be awarded more points.	
Granting Entity Benefit (reoccurring)	The goal of this category is to prioritize projects that will provide additional reoccurring funds to the granting entities in return for the tax exemptions. These funds may include annual lease payments, and/or compliance fees (over a 10-year period). Projects that provide a greater amount of benefit will be awarded more points.	
Location	The goal of this category is to diversify the location of affordable housing projects and avoid the concentration of projects in one area. The City will be divided into quadrants based on the intersection of US 380 and US 75. Projects located west of US 75 will be awarded more points.	Please reference the Texas Department of Housing and Community Affairs Property Inventory Map for the location of affordable housing projects: https://arcg.is/19GyXC0
Project Type	The goal of this category is to prioritize projects that will provide the greatest amount of investment into the community. Rehabilitation projects are awarded the greatest amount of points due to the significant reinvestment in existing older buildings that may not receive additional investment on their own. New builds will introduce the most amount of investment into the surrounding neighborhood. Renovation projects will provide minor improvements. Acquisition projects will not include any capital improvements. Projects that are provide a greater amount of investment into the community will be awarded more points.	

Points	Amount of Affordable Units	Affordability Level	Housing Type	Rent Saving to Tax Exemption Ratio	Granting Entity Benefit (one-time)	Granting Entity Benefit (reoccurring)	Location	Project Type
4	Project includes 90- 100% affordable units	At least 5% of the total units at 30-40% AMI; and an additional 20% or more of the total units at an AMI lower than 80%	Single-Family Rental	$4.00 or more in rental savings per $1.00 in McKinney tax exemption provided over a 10-year period	$3.5 million or more in one-time payments over the 10-year proforma period of the project	20% of the total Tax Exemption or more over a 10-year period	Northwest Quadrant	Rehabilitation (property is 15-years or older and will include significant improvements)
3	Project includes 75-89% affordable units	At least 5% of the total units at 30-40% AMI; and an additional 15-19.9% of the total units at an AMI lower than 80%		Between $3.00 to $3.99 in rental savings per $1.00 in McKinney tax exemption provided over a 10-year period	Between $3-3.4 million in one-time payments over the 10-year proforma period of the project	Between 15-19.9% of the total Tax Exemption over a 10-year period	Southwest Quadrant	New Build
2	Project includes 56-74% affordable units	At least 5% of the total units at 30-40% AMI; and an additional 5-14.9% of the total units at an AMI lower than 80%	Multi-Family Rental	Between $2.00 to $2.99 in rental savings per $1.00 in McKinney tax exemption provided over a 10-year period	Between $2.5-2.9 million in one-time payments over the 10-year proforma period of the project	Between 10-14.9% of the total Tax Exemption over a 10-year period	Northeast or Southeast Quadrant (aka "Eastside") (not located within a 2-mile radius of affordable housing)	Renovation (property is under 15 years old and will include minor improvements)
1	Project includes 50-55% affordable units	At least 5% of the total units at 30-40% AMI		Between 1.00 to $1.99 in rental savings per $1.00 in McKinney tax exemption provided over a 10-year period	Between $1-2.4 million in one-time payments over the 10-year proforma period of the project	Less than 5-9.9% of the total Tax Exemption over a 10-year period	Northeast or Southeast Quadrant (aka "Eastside") (located within a 2-mile radius of other affordable housing)	Acquisition (will not include any improvements)
0				Less than $1.00 in rental savings per $1.00 in McKinney tax exemption provided over a 10-year period	Less than $1 million in one-time payments over the 10-year proforma period of the project	Less than 5% of the total Tax Exemption over a 10-year period		

Proposed Units

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
30% AMI					
50% AMI					
60% AMI					
80% AMI					

Rows 3-6 Breakdown of the Proposed Unit Types and Affordability Levels

Rows 11 Average Market Rents for Each Unit Type as Supported by the Supplied Rent Roll and by a Market Study or Comparable (please provide current rent roll)

Rows 17-20 Proposed Rents Utilizing the Novogradac Rent and Income Limit Calculator for Each Unit Type; https://ric.novoco.com/tenant/rentincome/calculator/z1.jsp

Market Rents

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Market Rent					

Note: Average Market Rents for Each Unit Type as Supported by the Supplied Rent Roll and by a Market Study or Comparable (please provide current rent roll)

Proposed Rents

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
30% AMI					
50% AMI					
60% AMI					
80% AMI					

Note: Utilize rent calculations from the Novogradac Rent and Income Limit Calculator; https://ric.novoco.com/tenant/rentincome/calculator/z1.jsp

Novogradac Rent and Income Limit Calculator Instructions

Step 1:

Affordable Housing Program	Other Federal, State, or Local Program
State	Texas
Statistical Area & Name	Collin County -- Dallas, TX HUD Metro FMR Area

Step 2:

Base the calculations on the HUD Published Income Limit	AMI
Enter other scenarios below	Enter project AMIs
Inputted Persons Per Bedroom for Rent Limit Calculations	1.5 Persons/Bedroom

Rent Savings

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Subtotal
30% AMI	$ -	$ -	$ -	$ -	$ -	$ -
50% AMI	$ -	$ -	$ -	$ -	$ -	$ -
60% AMI	$ -	$ -	$ -	$ -	$ -	$ -
80% AMI	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -

Note: Comparing to Fair Market Rents for zip code 75069

Rent Savings Over 10-years

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Subtotal
30% AMI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
50% AMI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
60% AMI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
80% AMI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Note: Assumes annual increase of 3%

Property Tax Estimate	Year 1	Year 2	Year3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Land Value:		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*assuming a 5% increase per year
Capital Improvement Costs:			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	** assuming construction is completed within 2 years
Total Assessed Value:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

Taxing Entity	Tax Rate	Year 1	Year 2	Year3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Subtotal
Collin County	0.001493	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City of McKinney	0.004155	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
McKinney ISD	0.011252	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Collin County Water District	0.009192	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Collin College	0.000812	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Source: https://taxpublic.collincountytx.gov/TaxEstimator/CalculateTaxes?Command.TaxYear=2024&Command.TaxUnitCodes=01&Command.TaxUnitCodes=14&Command.TaxUnitCodes=73&Command.TaxUnitCodes=201&Command.TaxUnitCodes=60&Command.PropertyValue=500000

B2	Existing Land Value
B3	Existing Improvements
C3	Existing Improvements + Capital Improvements