

Completing a Successful Application

October 25, 2016

Chas Olson
Stephanie Pierson
Scott Rounds



Building A Better Quality of Life

First Steps

- Know the project concept
- Determine the need
- Financial feasibility
- Quality design
- Pay attention to detail

Know Your Project

- READ THE ALLOCATION PLAN
- Pay attention to funding limits
- Use SDHDA's financial feasibility projections
 - 7% vacancy
 - 2% rent increase
 - 3% expense increase
- Provide a brief but specific project narrative
- Project must be feasible

Know Your Project

- Data on application pages must match data in supporting documentation
- Provide documentation for operating expense
 - Similar development financials
 - Service providers
 - Local officials – property tax assessment
- Readiness to proceed
 - Financing documentation
 - Site control documentation
 - Zoning, utilities, etc.

Miscellaneous

- Be accurate
 - E.g. Project characteristics are filled out and signed off on by architect, builder, etc.
 - Plans and specifications should be consistent with Exhibit 4 project characteristic
- Don't confuse minimum requirements with point requirements
- Points for Local Support
 - The support must enhance feasibility, reduce project costs, help achieve greater affordability or enhance the capacity of the applicant

SDHDA Resources

● Application Checklist

1. Completed and signed Application form
2. Market Study
3. Project Narrative
4. Chief Executive Officer letter (Exhibit 3)
5. Utility Allowance Calculation
6. Pro forma
7. Three years annual financial statements
8. Documentation of Operating Expenses
9. Legal opinion of good standing
10. Site Control
11. Architectural site plan
12. Architectural floor and unit plan
13. Zoning letter and project plat
14. PHA Notification
15. Nonprofit Description
16. Local area map
17. Executed Project Characteristics (Exhibit 4)
18. Documentation of local financial support
19. Applicant's Characteristics
20. Service provider letters
21. Documentation of financing
22. Documentation of equity commitment
23. Lead Based Paint Disclosure
24. Relocation Plan
25. Tenant Questionnaire
26. Current tenant rent roll
27. Detailed rehabilitation listing
28. Community Revitalization Plan
29. Lease purchase management plan
30. Intent to serve families with children
31. Availability of utility service
32. HOME Match (Exhibit 7)
33. Consultant Agreement
34. Application Fee of \$500 (HOME ONLY)

SDHDA Resources

Self-scoring worksheet

		Sub Points	Points Available	Project Points
A	NEED		150	
B	PRIMARY SELECTION CRITERIA			
1	Deep Income Targeting		90	
	a. 30% of Units at 50% AMI	30		
	b. 7% of Units at 40% AMI	30		
	c. 3% of units at 30% AMI	30		
2	Extended Use Commitment (10 years)		50	
3	Construction Type		70	
	a. Rehabilitation or Reconstruction	50		
	b. Rehabilitation or Reconstruction with Historic Nature	20		
	c. New Construction with 8 units or less per building	10		
	d. New Construction Assisted Living Facility	10		
	e. New Construction Congregate Care Facility	10		
4	Concerted Community Revitalization Plan		30	
	a. And in a Qualified Census Tract	30		
5	Mixed Income		50	
	a. 5.00% to 10.00%	20		
	b. 10.01% to 20.00%	30		
	c. 20.01% to 30.00%	40		
	c. 30.01% to 40.00%	50		

SDHDA Resources

6	Financial Support from Local Sources		25	
7	Applicant Characteristics		40	
	a. Developer Experience - Track Record	20		
	b. Minority or Woman Owned	10		
	c. Owner Equity of 10.00% or more	10		
	d. Deduction if not in "Good Standing"	-25		
8	Tenant Ownership		50	
9	Service Enriched Housing		25	
	a. Homeless			
	b. Physically Disabled			
	c. Mentally Disabled			
	d. Developmentally Disabled			
	e. Frail Elderly (congregate care)			
	f. Families with Children			

SDHDA Resources

10	Section 811 Set-aside Units		40
	a. 10.0% to 15.0%	20	
	b. 15.01% to 20.0%	30	
	c. 20.01% to 25.0%	40	
11	Accessible Units (required 5% mobility & 2% Sensory)		20
	a. 5.00% to 10.0%	10	
	b. 10.01% to 15.0%	15	
	c. 15.01% to 20.0%	20	
12	Efficient use of Tax Credits or HOME Funds (Use Higher of the two)		50
	HTC	HOME	
	a. \$ 0 to \$4,999	< \$20,000	50
	b. \$5,000 to \$5,999	\$20,000 to \$29,999	40
	c. \$6,000 to \$6,999	\$30,000 to \$39,999	30
	d. \$7,000 to \$7,999	\$40,000 to \$49,999	20
	e. \$8,000 to \$8,999	\$50,000 to \$59,999	10
13	Soft Cost Ratio		40
	a. 0.00% to 9.99%	40	
	b. 10.00% to 14.99%	30	
	c. 15.00% to 19.00%	20	
14	Project Location		40
15	Individuals with Children		10
16	Public Housing Authority Notification		10

SDHDA Resources

C	READINESS TO PROCEED			
1	Plans and Specifications		25	
2	Site Control		25	
3	Financing Commitments		60	
	a. Construction Financing Commitment	20		
	b. Permanent Financing Commitment	20		
	c. Equity Commitment	20		
4	Utilities		20	
5	Zoning		10	
6	Platting		10	
D	PROJECT CHARACTERISTICS		200	
	TOTAL		1140	

● Contact SDHDA staff with questions!

Final Thoughts

- Quality Design
 - Projects should be creative and have amenities designed to promote the marketability of the property
 - You design, to include point amenities are to fall within SDHDA finance limits
- Location, Location, Location
- Pay attention to detail – make sure documents are properly completed, reviewed, and signed

Questions?

Contact information:

- Chas Olson, Housing Development Officer
 - 605.773.4132 chase@sdhda.org
- Stephanie Pierson , Housing Development Officer
 - 605.773.4582 stephanie@sdhda.org
- Scott Rounds, Housing Development Officer
 - 605.773.4532 scott@sdhda.org

SD Housing Development Authority

3060 East Elizabeth Street

Pierre, SD 57501

Fax: 605-773-5154



Building A Better Quality of Life