ARK-TEX

REGIONAL REVIEW COMMITTEE GUIDEBOOK

2019-2020 TXCDBG FUNDING PROGRAM

June 14, 2018

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PART I

ARK-TEX REGIONAL REVIEW COMMITTEE

APPLICANT GUIDELINES

2019/2020 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The ARK-TEX Regional Review Committee (RRC) Guidebook has been prepared in accordance with the 2018 TxCDBG Action Plan and the 2019-2020 Regional Review Committee Charter and Scoring Guidelines for the Community Development Fund.   The Guidebook provides eligible applicants from the ARK-TEX Council of Governments region with the application guidelines necessary to be scored under the ARK-TEX RRC scoring criteria.

Any questions regarding the RRC or the Guidebook should be directed in writing after the ARK-TEX RRC Guidebook has been published on the website of the Texas Department of Agriculture (TDA) to:

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TDA website: www.texasagriculture.gov

PART II

ARK-TEX RRC Approved Actions

1. The ARK-TEX RRC held an RRC Meeting on June 14, 2018, to hear public comments on the proposed objective scoring criteria, and to approve the RRC Guidebook, project priorities and the objective scoring criteria.

2. The RRC selected the Texas Department of Agriculture as support staff to develop and disseminate the RRC Guidebook. The RRC selected the Texas Department Agriculture as support staff to calculate the RRC scores and provide other administrative RRC support.

3. The RRC established the maximum grant amounts for the region:

   - Single jurisdiction: $ 275,000.00
   - Multi-jurisdictions: $350,000.00

4. The RRC did not establish set-asides for housing and non-border colonia projects.

PART III

ARK-TEX RRC OBJECTIVE SCORING CRITERIA

**SUMMARY OF ARK-TEX RRC
OBJECTIVE SCORING CRITERIA:**

Total points by ARK-TEX: **180 points**

Project Type: **Total points 29**

1. Priority

- First priority – **29 points**

- Second priority - **22 points**

Need/Distress: **Total points 108**

2. What is the individual poverty rate (poverty percentage) of the applicant's jurisdiction? **Maximum 14 points**

3. What is the per capita income of the applicant's jurisdiction? **Maximum 8 points**

4. What is the unemployment rate for the applicant's jurisdiction based on the appropriate county data? **Maximum 14 points**

5. Has the applicant been funded in the previous 2 Community Development/Community Development Supplemental (CD) application cycles? **Maximum 72 points**

Resources: (Match/Cost Effectiveness/Financial Capacity) **Total points 43**

6. What is the applicant's match amount? **Maximum 36 points**

7. Is the project categorized as a water or sewer project? If yes, complete question a.; if no, complete question b.

> a. Is the applicant's water or sewer rate equal to or above the average of all applicants as related to the project(s) being submitted for TxCDBG funding? **(Maximum 7 Points)**

> b. Is the applicant's ad valorem tax rate equal to or above the average for all applicants as related to the project(s) being submitted for TxCDBG funding? **(Maximum 7 Points)**

**ARK-TEX RRC OBJECTIVE SCORING QUESTIONS/
SCORING FACTORS**

MAXIMUM TOTAL OBJECTIVE SCORE POSSIBLE: 180

*   **PROJECTS THAT INCLUDE MULTIPLE PRIORITY LEVELS MUST BE PRORATED BASED ON PERCENTAGE OF ALL TXCDBG DOLLARS.**

*   **PROJECTS THAT INCLUDE MULTIPLE JURISDICTIONS – THE APPLICANT WITH THE LARGEST PERCENTAGE (%) OF BENEFICIARIES WILL BE CONSIDERED THE APPLICANT OF RECORD**

<u>**PROJECT TYPE/PRIORITY – Total Points 29**</u>

1. Is the project categorized as a first priority or second priority?

Methodology: Table 1 will be reviewed to determine the appropriate project type category based on TXCDBG funds requested and points will be assigned. Projects that include multiple priority levels must be prorated based on percentage of all TXCDBG dollars. Using as a base figure the TXCDBG funds requested minus the TXCDBG funds requested for administration, a percentage of the total TXCDBG construction and engineering dollars for each activity is calculated. (Engineering dollars will be assigned either on a pro-rata basis or on the actual dollars applicable to each activity.)   Administration dollars requested is applied on pro-rata to these amounts. The percentage of the total TXCDBG dollars for each activity is then multiplied by the appropriate score and the sum of the calculations determines the score. Related acquisition costs are applied to the associated activity.

Project Types: **SCORE**
1. First Priority – Water, sewer, yard lines, streets, drainage, roads and bridges to include septic tanks

     First Priority Projects: **29 Points**   _____

2. Second Priority – Housing or all other eligible projects

Second Priority Projects: **22 Points**   _____

Data Source: As stated below:
RRC Project Priorities: <u>RRC Guidebook</u>
Project Type: <u>CD Application Table 1 verified by TDA</u>

Information Needed From Applicant to Score:
List of projects submitted by type as stated in Table 1 (list as many as applicable)

1. _____

2. _____

3. _____

4. _____

NEED/DISTRESS – Total Points 108

2. What is the individual poverty rate (poverty percentage) of the applicant's jurisdiction?

(Maximum 14 Points)   SCORE _____

Methodology:

Poverty rate may be determined by reviewing the U.S. Census 2016 American Communities Survey (ACS) 5 year estimate data, Table B17021 for the applicant's jurisdiction. Once this information is obtained for each applicant, the poverty rate for each applicant is calculated by dividing the total number of persons at or below the designated poverty level by the population from which poverty persons was determined. Once this has been determined, the average poverty rate of the applicants is determined by dividing the sum of all poverty rates by the number of applicants.

Next, a base is determined by multiplying the average poverty rate by a constant such as 1.25 to represent 125%. The poverty rate is then divided by the base for each applicant to determine their poverty factor.

Finally, to determine scores the poverty factor for each applicant is multiplied by the total maximum allowable points. **Any applicants exceeding the total allowed points will be capped at the maximum.**

For example, a region has five applicants. The average rate of the five applicants is .2647. A constant of 1.25 is multiplied by the average poverty rate to determine the base. The poverty rate of each applicant is then divided by the base to determine their poverty factor. Finally, scores for each applicant are determined by multiplying the poverty factor by the maximum available points for this scoring criterion.

EXAMPLE

Applicant	Poverty Rate	Poverty Factor	Score
A	.1960	0.5924	8.2932
B	.4096	1.2379	14.0000
C	.2276	0.6879	9.6302
D	.3760	1.1364	14.0000
E	.1143	0.3454	4.8363

Average: 1.3235 / 5 = .2647   Base = 1.25 * .2647 = .3309

** Any applicants exceeding the total allowed points will be capped at the maximum**

Data Source: As stated below
Population and Poverty Rate: 2016 Census ACS 5 year estimate, Table B17021
Information Needed From Applicant to Score:

Total Population of Applicant's Jurisdiction: _____

Applicant's Poverty Rate: _____

3. What is the per capita income of the applicant's jurisdiction?
(Maximum 8 Points)   SCORE _____

Methodology: Per capita income may be determined by reviewing the U.S. Census 2016 American Communities Survey (ACS) 5 year estimate data for the applicant's jurisdiction. Once this information is obtained for each applicant, the average annual per capita income is calculated by dividing the sum of all annual per capita incomes by the total number of applicants.

Next, a base is set to provide a constant for the equation. The base is calculated by multiplying the average per capita income by a set number such as .75 to represent 75%. The base is then divided by the annual per capita income for each applicant. This number is referred to as the annual per capita income factor.

Finally to determine the score for each applicant the annual per capita income factor is multiplied by the total maximum allowable points. **Any applicants exceeding the total allowed points will be capped at the maximum.**

For example, a region has five applicants. The average annual per capita income of the five applicants is $34,200. A constant of .75 is multiplied by the annual average per capita income to determine the base (25,650). The base is then divided by the annual per capita income of each applicant to determine their per capita income factor. Finally, scores for each applicant are determined by multiplying the per capita income factor by the maximum available points for this scoring criterion.

Projects that include multiple jurisdictions – the applicant with the largest percentage (%) of beneficiaries will be considered the applicant of record.

EXAMPLE

Applicant	Per Capita Income (PCI)	PCI Factor	Score
A	$36,000	.7125	5.7000
B	$32,000	.8016	6.4125
C	$33,500	.7657	6.1254
D	$34,000	.7544	6.0353
E	$35,500	.7225	5.7803
	$171,000		

Average: 171,000 / 5 = 34,200   Base= .75 * 34,200 = 25,650
Any applicants exceeding the total allowed points will be capped at the maximum

Data Source: As stated below
Per Capita Income for Applicant's Jurisdiction: 2016 Census ACS 5 Year Estimate, Table B19301
Information Needed From Applicant to Score:
Per Capita Income for Applicant's Jurisdiction: _____

4. What is the unemployment rate for the applicant's jurisdiction based on the appropriate county data?

(Maximum 14 Points)   SCORE _____

Methodology: The unemployment rate for the applicant's jurisdiction may be determined by reviewing county data from the Tracer section of the Texas Workforce Commission's website. Next, the average unemployment rate of the applicants is determined by dividing the sum of all unemployment rates by the number of applicants.

Next, a base is determined by multiplying the average unemployment rate by a constant such as 1.25 to represent 125%. The unemployment rate is then divided by the base for each applicant to determine their unemployment factor.

Finally, to determine scores, the unemployment factor for each applicant is multiplied by the total maximum allowable points. **Any applicants exceeding the total allowed points will be capped at the maximum.** For example, a region has five applicants. The average unemployment rate of the five applicants is .2647. A constant of 1.25 is multiplied by the average unemployment rate to determine the base (0.3309). The unemployment rate of each applicant is then divided by the base to determine their unemployment factor. Finally, scores for each applicant are determined by multiplying the unemployment factor by the maximum available points for this scoring criterion.

EXAMPLE

Applicant	Unemployment Rate	Unemp Factor	Score
A	.1960	0.5924	8.2932
B	.4096	1.2379	14.0000
C	.2276	0.6879	9.6302
D	.3760	1.1364	14.0000
E	.1143	0.3454	4.8363

Average: 1.3235 / 5 = .2647   Base = 1.25 * .2647 = .3309
** Any applicants exceeding the total allowed points will be capped at the maximum**

Data Source: As stated below:
TWC Tracer Annual Data as Provided on the TDA Website (to be available approximately 30 days prior to the application deadline.)

Information Needed From Applicant to Score:
Applicant's unemployment rate for TWC Annual Data: _____

5. Has the applicant been funded in the previous 2 Community Development/Community Development Supplemental Fund (CD/CDS) application cycles (2015/2016 OR 2017/2018)?
(Maximum 72 points)   **SCORE** _____

<blockquote>

If not funded in previous 2 CD cycles	72 points
If funded in 1 of 2 previous CD cycles	36 points
If funded in 2 of 2 previous CD cycles	0 points

</blockquote>

Data Source: **as stated below.**
TDA Tracking System Report

Methodology: Data source documentation will be reviewed and points will be assigned. Multi-jurisdiction applications will be scored based on whether the same multi-jurisdiction applications were submitted and/or funded in 2015/2016 or 2017/2018.

Information Needed From Applicant to Score:
Funded in Previous 1 or 2 CD/CDS cycles (both cycles need to indicate No to receive 72 points):

2015-2016   _____ Yes _____ No   **2017-2018**   _____ Yes _____ No

If Yes, List Contract Number _____   If Yes, List Contract Number _____

RESOURCES (MATCH/COST EFFECTIVENESS/FINANCIAL CAPACITY) TOTAL POINTS 43

6. What is the applicant's match amount?

 (Maximum 36 Points)   SCORE _____

 (Match Amount / TxCDBG Funds Requested)

Methodology: If the project is for beneficiaries for the entire county, the total population of the county is used. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category is based on the actual number of beneficiaries to be served by the project activities. If the project serves beneficiaries for applications submitted by cities, the total city population is used.

Applicant(s) population equal to or less than 1,500 according to the 2010 Census:

• Match equal to or greater than 5% of grant request	**36 points**
• Match at least 4% but less than 5% of grant request	**29 points**
• Match at least 3%, but less than 4% of grant request	**22 points**
• Match at least 2%, but less than 3% of grant request	**14 points**
• Match less than 2% of grant request	**0 points**

Applicant(s) population equal to or less than 3,000 but over 1,500 according to the 2010 Census:

• Match equal to or greater than 10% of grant request	**36 points**
• Match at least 7.5% but less than 10% of grant request	**29 points**

• Match at least 5%, but less than 7.5% of grant request   **22 points**

• Match at least 2.5%, but less than 5% of grant request   **14 points**

• Match less than 2.5% of grant request   **0 points**

Applicant(s) population equal to or less than 5,000 but over 3,000 according to the 2010 Census:

• Match equal to or greater than 15% of grant request   **36 points**

• Match at least 11.5% but less than 15% of grant request   **29 points**

• Match at least 7.5%, but less than 11.5% of grant request   **22 points**

• Match at least 3.5%, but less than 7.5% of grant request   **14 points**

• Match less than 3.5% of grant request   **0 points**

Applicant(s) population over 5,000 according to the 2010 Census:

• Match equal to or greater than 20% of grant request   **36 points**

• Match at least 15% but less than 20% of grant request   **29 points**

• Match at least 10%, but less than 15% of grant request   **22 points**

• Match at least 5%, but less than 10% of grant request   **14 points**

• Match less than 5% of grant request   **0 points**

Data Source: As Stated Below:
Applicant Match: SF 424, and Applicant's Resolution or 3rd Party Commitment letter
Population: 2010 Census Data Summary File 1 Table P1
County Unincorporated Water/Sewer Beneficiaries: CD Application Table 1 Verified By TDA

Information Needed From Applicant to Score:

Applicant Population: _____

County Unincorporated Water/Sewer Beneficiaries: _____

Applicant TxCDBG Amount: $_____

Applicant Match From All Sources: $_____

7. Is the project categorized as a water or sewer project?

- If yes, complete question 7 a.;

- if no, complete question 7 b.

7 a.   What is applicant's water or sewer rate compared to all applicants as related to the project(s) being submitted for TxCDBG funding?
(Maximum 7 Points)

Methodology: Applicant information related to a utility rate will be reviewed and points will be assigned**.** Applicant must provide the official public record to document the adopted water rate for 5,000 gallons or sewer rate assuming 5,000 gallons of water as of January 1, 2018.

The utility rate of the applicant or the service provider must be associated with the project submitted for TxCDBG funding. Example: If the project is water, then the water rates will be compared to the water rates of all applicants with a water project. However, if the application for TxCDBG funding is for both water and sewer projects, then the score the applicant receives for each rate will be averaged to arrive at a final score.

The applicants' average utility rate will be calculated by dividing the sum of all utility rates by the total number of applicants for the region. Utility rates will be awarded points based upon the following:

Utility rates equal to or above the average rate	7 points
Below average utility rates within a 15% difference of the average rate	6 points
Below average utility rates within a 30% difference of the average rate	4 points
Below average utility rates within a 45% difference of the average rate	2 points
Below average utility rates within a 60% difference of the average rate	1 point
Below average utility rates with a greater than 60% difference of the average rate	0 points

Data Source: As stated below:
Utility Rate: Official public record of action of the appropriate governing body (examples: ordinance or resolution)
Project Submitted: CD Application Table 1 Verified By TDA
Information Needed From Applicant to Score:
Project(s) request for TxCDBG funding is for (mark as many as applicable):
Water _____
Sewer _____

Utility Rate:
Utility Rates as of January 1, 2018: _____

7 b.   Is the applicant's ad valorem tax rate compared to all applicants as related to the project(s) being submitted for TxCDBG funding?
(Maximum 7 Points)

Methodology: Applicant information related to the ad valorem tax rate will be reviewed and points will be assigned**.** Applicant must provide the official public record to document the adopted tax rate as of January 1, 2018.

The ad valorem tax rate of the applicant must be provided for projects submitted for TxCDBG funding that are not water or sewer. **If the application is for multiple projects (i.e. water or wastewater and another eligible activity), all scores received for each rate will be averaged to arrive at a final score.**

The applicants' average tax rate will be calculated by dividing the sum of all tax rates by the total number of applicants for the region. Ad valorem tax rates will be awarded points based upon the following:

Tax rates equal to or above the average rate   7 points
Below average tax rates within a 15% difference of the average rate   6 points
Below average tax rates within a 30% difference of the average rate   4 points
Below average tax rates within a 45% difference of the average rate   2 points
Below average tax rates within a 60% difference of the average rate   1 point
Below average tax rates with a greater than 60% difference of the average rate   0 points

Cities will be compared to cities and counties will be compared to counties. **If there is only one county applicant, the applicant will be compared to the tax rates of all counties in the region on the specific date given above.**

Data Source: As stated below:
Tax Rate: Official public record of action of the appropriate governing body (examples: ordinance or resolution)
Project Submitted: CD Application Table 1 Verified By TDA

Information Needed From Applicant to Score:
Project(s) request for TxCDBG funding is for (mark as many as applicable):
All Other Eligible Activities _____
Tax Rate:
Adopted ad valorem tax rate as of January 1, 2018: _____