

# Attachment A Supplement

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The following Regional Review Committee (RRC) Guidebook questions are a collection of the 24 approved 2017-2018 RRC guidebooks. TDA staff has reviewed similar questions, including questions using functionally similar methodologies, and determined these may be consolidated into a single question for the purposes of this publication.

If an RRC has questions regarding the verbatim wording of a previously approved guidebook question, please contact TDA.

# Project Based Criteria

## Project Type

**PT1** Is the project categorized as an RRC priority?

**PT2** Does the project address first time public water and/or first time public sewer service?

**PT3** Does the project address a target area of a city or county or is the project providing city-wide or county-wide benefit?

**PT4** Does the project address a target area of a city, county, or service-provider area, or is the project providing city-wide, county-wide, or service-area-wide benefit (hereafter referred to as 'area wide')?

## Project Merits

**PM1** Has the applicant received a letter of violation from the state?

**PM2** Does the project submitted for TxCDBG funding provide any first-time public water or sewer service, the installation of any first time septic systems or does the applicant have an Order, Agreed Order, Notice of Enforcement Letter or Notice of Violation Letter with TCEQ with respect to the proposed project as of the application deadline? (If a portion of a project serves other than first time recipients, points will be awarded on a percentage basis.)

**PM3** Is this project categorized 100 % as addressing a TCEQ Notice of Violation, a first-time public water or sewer including yard lines, any other water/sewer project, or all other?

**PM4** How many households served by the project as a percentage of total households in the applicant's jurisdiction?

**PM5** What is the total number of active water connections provided by the application's service provider compared to the median of active water connections of all service providers in applications of applicants for water or sewer projects (excluding OSSF)?

## Project Cost

**PC1** TxCDBG Funds Requested Equal to or Less than \$XXX,XXX?

# Need/Distress Criteria

## Poverty Rate

**PR1** What is the poverty rate of the census geographic area?

**PR2** What is the beneficiaries' low-to-moderate income percentage for the applicant's project as compared to the average low-to-moderate income percentage of all applicants?

**PR3** What is the poverty rate (poverty percentage) of the project service-area compared to the region?

**PR4** What is the low-to-moderate income percentage for the beneficiaries submitted in the 20XX-20XX CD application?

## Per Capita Income

**PCI1** What is the per capita income of the census geographic area?

**PCI2** What is the applicant's per capita income in relation to the highest and lowest values for incorporated cities/counties as defined by the U.S. Census in the region?

**PCI3** What is the per capita income of the project service-area compared to the region?

**PCI4** Is the applicant's per capita income below the state average per capita income?

### Unemployment Rate

**UR1** What is the unemployment rate for the census geographic area based on the appropriate county data? (Relative to applicants)

**UR2** What is the 20XX annual unemployment rate for the project service-area area based on the appropriate county data? (Relative to region)

### Previous Funding

**PF1** Has the applicant been funded in the previous X CD application cycles?

**PF2** What is the total amount of TxCDBG funds during the last X-years TxCDBG CD Cycle?

## Resources Criteria

### Match

**M1** What is the applicant's match amount?

**M2** Is the applicant or the service provider leveraging funds from other source?

### Financial Capacity

**FC1** 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 OR 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?

**FC2** For water-related projects, what is the residential utility rate per 5,000 gallons of water as set by the service provider, OR, for sewer-related projects, what is the monthly sewer rate assuming 5,000 gallons? If the project is neither water nor sewer related, what is the ad valorem tax rate for the same time period? (Relative to all applicants)

**FC3** What is the per capita bonded indebtedness for the applicant as compared to the average of the per capita bonded indebtedness of all applicants?

**FC4** What is the applicant's residential water rate per 5,000 gallons for the project area(s) compared to the average residential water rate per 5,000 gallons for project areas of all applicants for the region, effective as of X/X/20XX?

**FC5** What is the total residential water rate per 5,000 gallons and/or the monthly residential sewer rate (assuming the same 5,000 gallons) per meter provided by the applicant's service provider as related to the project being submitted for TxCDBG funds?

**FC6** Has the applicant or the service provider increased the appropriate utility rate for water or sewer projects or the ad valorem tax rate above the effective tax rate for all other projects in the time period between X/X/20XX and the application deadline?

**FC7** What is the applicant's combined annual water, utility and tax rates as compared to the applicant's *median* household income (household contribution)?

**FC8** Is the service provider collecting the maximum sales tax allowable by law, if eligible?

**FC9** What is the total debt per active residential water and/or sewer connections within the application's service provider area?

## Cost per Household

**CH1** What is the cost per household in TxCDBG dollars requested in the CD Fund application? (Relative to applicant average)

**CH2** What is the applicant's cost per household of TxCDBG dollars? (Relative to all applicants)

## Cost per Beneficiary

**CPB1** What is the cost per beneficiary?

**CPB2** What is the cost per beneficiary for each applicant's jurisdiction in comparison to the cost per beneficiary for all applicants?

**CPB3** What is the cost per beneficiary? (Relative to applicant median)

**CPB4** What is the cost per low-to-moderate income (LMI) beneficiary for each applicant's jurisdiction in comparison to the average cost per low-to-moderate income beneficiary for all applicants?

**CPB5** What is the cost per low- to-moderate income beneficiary?

## Per Capita Property Taxable Value

**PCP1** What is the per capita property taxable value for the applicant's jurisdiction as compared to the average per capita property taxable value of all applicants for the region?

**PCP2** Does the service provider collect a property tax?

**PCP3** What is the local (applicant) property tax rate for calendar year 20XX? For multi-jurisdictional projects, the applicant of record shall be the entity with the largest percentage of beneficiaries.

**PCP4** What percentage increase has the applicant experienced in its taxable property valuation for 20XX? For multi-jurisdictional projects, the applicant of record shall be the entity with the largest percentage of beneficiaries.

# Methodologies

## Project Type Criteria (PT1-PT2)

**PT1 Is the project categorized as an RRC 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.

**Data Source:** RRC Guidebook, CD Application Table 1

**COG(s):** AACOG, ATCOG, BVCOG, CAPCOG, CBCOG, CTCOG, CVCOG, DETCOG, GCRPC, HGAC, HOTCOG, LRGVDC, MRGDC, NCTCOG, NORTEX, PBRPC, PRPC, RGCOG, SETRPC, SPAG, STDC, WCTCOG

**PT2 Does the project address first time public water and/or first time public sewer service?**

**Methodology:** Points are awarded if the project includes first-time sewer/water service. If the project is a combination of both types of service, points will be pro-rated based on TxCDBG construction dollars.

**Data Source:** CD Application Table 1

**COG(s):** HGAC, NCTCOG

**Project Type Criteria (PT3-PT4)**

**PT3 Does the project address a target area of a city or county or is the project providing city-wide or county-wide benefit?**

**Methodology:** CD Application Table 1 Beneficiary Data Form verified by TDA will be reviewed and points will be assigned. If the application addresses both a target area project(s) and city-wide or county-wide project(s), then the points will be assigned based on the largest number of beneficiaries for either the target area project or citywide/county-wide project (beneficiaries for multiple target areas will be combined).

**Data Source:** CD Application Table 1

**COG(s):** TEXOMA

**PT4 Does the project address a target area of a city, county, or service-provider area, or is the project providing city-wide, county-wide, or service-area-wide benefit (hereafter referred to as 'area wide')?**

**Methodology:** If the application addresses a combination of target area project(s) and 'area wide' project(s), then the points will be assigned based on the largest number of beneficiaries for either the target area project(s) or 'area wide' project(s) (beneficiaries for multiple target areas will be combined.)

Projects that have scattered beneficiaries throughout the city or county or entire area of a service provider where a specific target area is not identified the project(s) will be considered 'area-wide'. Examples of these types of projects: a septic tank replacement project that will serve beneficiaries throughout the county or housing rehabilitation that will provide benefit to low-to- moderate income persons located throughout a city.

**Data Source:** Census Data Summary File 1 Table P1, Map of census area, CD Application Table I

**COG(s):** HOTCOG

**Project Merits Criteria (PM1-PM2)**

**PM1 Has the applicant received a letter of violation from the state?**

**Methodology:** In order to receive points for this section, the project an applicant is seeking to resolve must be for the same type of activity (water or sewer) cited in the letter of violation received from a State or Federal agency and must be active. For scoring purposes, an applicant will be defined as a city

or county OR an applicant city or county submitting an application on behalf of a service provider. For this application, a letter of violation from the Texas Commission on Environmental Quality (TCEQ) includes a Notice of Violation (NOV), a Notice of Enforcement (NOE), and Administrative Orders (Agreed and Default).

**Data Source:** Copy of Violation

**COG(s):** BVCOG, CVCOG

**PM2 Does the project submitted for TxCDBG funding provide any first-time public water or sewer service, the installation of any first time septic systems or does the applicant have an Order, Agreed Order, Notice of Enforcement Letter or Notice of Violation Letter with TCEQ with respect to the proposed project as of the application deadline? (If a portion of a project serves other than first time recipients, points will be awarded on a percentage basis.)**

**Methodology:** Points for Public Water/Sewer Service projects or Installation of Septic Tanks, Septic Systems or Water and/or Wastewater Yard Line projects are awarded based on a percentage of the number of total project beneficiaries who will receive first-time service. Total number of project beneficiaries and the number of project beneficiaries who will receive first-time service will be determined by TDA during initial application review. Any determined percentage that is .5 or above will be rounded up to the next whole number. Any percentage that is .4 or below will be rounded down to the next whole number.

**Data Source:** CD Application Table 1, Documentation of applicable violation

**COG(s):** SETRPC

### **Project Merits Criteria (PM3-PM4)**

**PM3 Is this project categorized 100 % as addressing a TCEQ Notice of Violation, a first-time public water or sewer including yard lines, any other water/sewer project, or all other?**

**Methodology:** To receive assigned points for a category, 100% of the TXCDBG funds requested must address the category for which the points are assigned. There will be no pro-ration. Multi-activity projects where more than one category is addressed, the project will be assigned points in the lowest applicable category.

To receive points assigned for a Texas Commission on Environmental Quality (TCEQ) Notice of Violation, the applicant must have a Notice of Violation with respect to the project as of the application deadline. If applicant is currently under Notice of Enforcement, the Notice of Violation must also be submitted as evidence of inspection violations.

Projects that address installation of on-site septic tanks will be scored under "All Other".

Projects that address remediation or mitigation of on-septic system systems for the purpose of connecting to a public system will be considered First-time public sewer, only if it is associated with a first-time service project.

**Data Source:** Copy of Violation, TxCDBG application

**COG(s):** GCRPC, SETRPC

**PM4 How many households served by the project as a percentage of total households in the applicant's jurisdiction?**

**Methodology:** Applicant will identify the total number of households within its jurisdiction/service area:

A. for water/sewer projects, this number will be the number of residential connections to the appropriate utility (for a city, this will also include any connections it has that are located outside its city limits, if any);

B. for all other projects, this number will be the total number of households within the applicant's jurisdiction (counties should exclude households that are located within an incorporated area or city).

Applicant will identify the number of households receiving benefit from the proposed project. Applicant will then divide the number of households receiving benefit by the total number of households within its jurisdiction/service area. Points will be assigned based on where the % falls into according to the scoring matrix above.

If an application has multiple proposed projects, each project is to be scored individually and the resulting points will be averaged to arrive at an application's final score.

**Data Sources:** Certification of connections, CD Application Table I, Census Data Summary File 1 Table P1

**COG(s):** CTCOG

**PM5 What is the total number of active water connections provided by the application's service provider compared to the median of active water connections of all service providers in applications of applicants for water or sewer projects (excluding OSSF)?**

**Methodology:** This score is determined by comparing the service provider's number of active water connections to the median of active water connections of all service providers in applications of for water or sewer projects (excluding OSSF). The calculation considers the service provider's number of active water connections compared to the median number of active water connections for all service providers. The service provider's number of active water connections is derived from data provided by the service provider that states the number of active water connections and is certified by the Chief Financial Officer and the Chief Executive Officer of the service provider as of X/XX/20XX. The median is arrived by listing the lowest to the highest number of active water connections of each service provider and identifying the statistical median. The service provider's number of active water connections percentage of the median for all service providers is determined by dividing the service provider's total number of active water connections by the median number of active connections accounts for all service providers.

Active water connection - a water connection that the service provider bills on regular interval (i.e.: monthly, quarterly, semi-annually, annually or any other regular interval) Service provider - the entity actually providing the water service. (i.e.: City, MUD or other service provider doing business under the laws of Texas)

**Data Source:** Certification of active water/sewer connections.

**COG(s):** PBRPC

### Project Cost Criteria (PC1)

#### PC1 TxCDBG Funds Requested Equal to or Less than \$XXX,XXX?

**Methodology:** TxCDBG Funding Amount requested will be the sole determinant in awarding points within this category. TxCDBG Funds requested of \$XXX,XXX or less will be given maximum points, all other amounts will be given the lesser points.

NOTE: Per the 2017-2018 RRC Guidebook, no question may award points for a dollar threshold of less than \$275,000.

**Data Source:** SF424

**COG(s):** CVCOG, LRGVDC, MRGDC, STDC, TEXOMA

### Poverty Rate Criteria (PR1)

#### PR1 What is the poverty rate of the census geographic area?

**Methodology:** Poverty rate may be determined by reviewing the U.S. Census 20XX American Communities Survey (ACS) 5 year estimate, table B17001 for the census geographic area. Once this information is obtained for each applicant and the target area identified on the census map, 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. If the target area(s) encompasses more than one census geographic area (such as two or more Census Tracts the property rate shall be calculated as follows: sum of the total number of persons at or below the designated poverty level of all census geographic areas in the target area divided by the sum of the total population from which poverty persons was determined of all census geographic areas in the target area.

**Data Source:** ACS 5 year Table B17001



**COG(s):** AACOG, ATCOG, CAPCOG, CBCOG, ETCOG, HOTCOG, NCTCOG, PBRPC, SPAG, WCTCOG

### Poverty Rate Criteria (PR2-PR3)

**PR2 What is the beneficiaries' low-to-moderate income percentage for the applicant's project as compared to the average low-to-moderate income percentage of all applicants?**

**Methodology:** Beneficiaries' Low-to-Moderate Income Percentage (LMIP) may be determined by reviewing Table I – Benefit to Low and Moderate Income Persons from the CDBG application. Once this information is obtained for each applicant, the LMIP for each applicant is calculated by dividing the low/mod beneficiaries by the total number of beneficiaries. Once this has been determined, the average LMIP of the applicants is determined by dividing the sum of all LMIP's by the number of applicants.

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

Finally, to determine scores the 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.

**Data Source:** CD Application Table I

**COG(s):** RGCOG

**PR3 What is the poverty rate (poverty percentage) of the project service-area compared to the region?**

**Methodology:** Poverty rate may be determined by reviewing the U.S. Census American Communities Survey (ACS) 5 year estimate data, table B17001 for the applicant's jurisdiction (i.e., census tracts, city-wide, and other boundaries as applicable). 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 applicants' poverty rate is compared against the poverty rate of the region, XX.X%. Data for poverty rate will be presented to one decimal place. Rounding to one decimal place will use the following method. Numbers above five will be rounded up and numbers below five will be rounded down.

In the case of projects with multiple jurisdictions, the poverty rate for the jurisdiction with the most beneficiaries will be used.

**Data Source:** ACS 5 year Table B17001

**COG(s):** HGAC

### Poverty Rate Criteria (PR4)

**PR4 What is the low-to-moderate income percentage for the beneficiaries submitted in the 20XX-20XX CD application?**

**Methodology:** Applicants are required to meet the 51% low/moderate income benefit for each activity as a threshold requirement. This score is determined by dividing the number of low/moderate income project beneficiaries submitted in the 2015-2016 CD application by the total number of project beneficiaries.

**Data Source:** CD Application Table 1

**COG(s):** MRGDC, NORTEX, STDC

### Per Capita Income Criteria (PCI1)

**PCI1 What is the per capita income of the census geographic area?**

**Methodology:** Per capita income may be determined by reviewing the U.S. Census American Communities Survey (ACS) 5 year estimate. Once this information is obtained for each applicant and the target area identified on the census map, 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. If the target area(s) encompasses more than one census geographic area (such as two or more Census Tracts, the per capita income shall be calculated as follows: sum of Aggregate Income in 5 year estimate (B19313) of all census geographic areas in the target are divided by the sum of the Total Population (SF 1 P1) of all census geographic areas in the target area.

**Data Source:** ACS 5 year Table B19301 **OR** If geographic area contains more than one Census Tract: SF1 P1 and B19313

**COG(s):** AACOG, ATCOG, CBCOG, ETCOG, GCRPC, HOTCOG, NCTCOG, PBRPC, PRPC, WCTCOG

### Per Capita Income Criteria (PCI2)

**PCI2 What is the applicant's per capita income in relation to the highest and lowest values for incorporated cities/counties as defined by the U.S. Census in the region?**

**Methodology:**

$$12 \text{ pts} - \left( \frac{X - \text{Min}}{\text{Max} - \text{Min}} \right) \times 12 \text{ pts}$$

Points Awarded (to two decimal places)

*Incorporated Cities:*

X = the city's per capita income according to ACS data

Min = the lowest per capita income among all incorporated cities in the region according to ACS data

Max = the highest per capita income among all incorporated cities in the region according to ACS data

*Counties:*

X = the per capita income of the unincorporated areas of the applicant's county according to ACS data

Min = the lowest per capita income among all the counties—excluding incorporated cities— in the region according to data

Max = the highest per capita income among all the counties—excluding incorporated cities— in the region according to ACS data

*For Target Area Benefit Cities or Counties:*

X = the average per capita income among all Census Tracts that intersect the applicant's feature according to ACS data

Min = the lowest per capita income among all Census Tracts in the region according to ACS data

Max = the highest per capita income among all Census Tracts in the region according to ACS data

**Data Source:** ACS 5 year Table B19301

**COG(s):** BVCOG

### **Per Capita Income Criteria (PCI3-PCI4)**

#### **PCI3 What is the per capita income of the project service-area compared to the region?**

**Methodology:** Per capita income may be determined by reviewing the U.S. Census 20XX American Communities Survey (ACS) 5 year estimate data for the applicant's project service-area based on census geographic areas (i.e., block groups, city-side, and other boundaries as applicable). Once per capita income has been determined, the applicant's per capita income is compared against the per capita income of the region, based on the 20XX ACS 5 year estimate data. Data for per capita income will be presented to two decimal places and rounded to whole dollars using the following method. Numbers above five will be rounded up and numbers below five will be rounded down.

**Data Source:** ACS 5 year Table B19301

**COG(s):** HGAC

#### **PCI4 Is the applicant's per capita income below the state average per capita income?**

**Methodology:** Per capita income shall be determined by reviewing the 20XX American Community Survey (5-Year Estimate) data for the applicant's jurisdiction population\*. Multi-jurisdiction applications shall use the average of the per capita income for the jurisdictions listed in the application. Each applicant shall be compared to the State of Texas's per capita income as per the 20XX American Community Survey, B19301.

**Data Source:** ACS 5 year Table B19301

**COG(s):** STDC

## Unemployment Rate Criteria (UR1-UR2)

**UR1 What is the unemployment rate for the census geographic area based on the appropriate county data? (Relative to applicants)**

**Methodology:** The unemployment rate for the census geographic area may be determined by reviewing county data from the Tracer section of the Texas Workforce Commission's (TWC) 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.

**Data Source:** TWC Tracer Data

**COG(s):** AACOG, ATCOG, CAPCOG, CBCOG, ETCOG, HGAC, NCTCOG, PBRPC, WCTCOG

**UR2 What is the 20XX annual unemployment rate for the project service-area area based on the appropriate county data? (Relative to region)**

**Methodology:** The annual 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. Once this has been determined, the applicants' annual unemployment rate is compared against the annual unemployment rate of the region. Data for unemployment will be presented to one decimal place and round using the following method. Numbers above five will be rounded up and numbers below five will be rounded down. In the case of projects with multiple jurisdictions, the unemployment rate for the jurisdiction with the most beneficiaries will be used.

**Data Source:** TWC Tracer Data

**COG(s):** HGAC

## Previous Funding Criteria (PF1-PF2)

**PF1 Has the applicant been funded in the previous X CD application cycles?**

**Methodology:** Data source documentation will be reviewed and points will be assigned.

Multi-jurisdiction applications will be scored based on whether the same multijurisdictional applications were submitted and/or funded for a fixed period

**Data Source:** TDA Tracking System Report

**COG(s):** ATCOG, BVCOG, CAPCOG, CTCOG, CVCOG, ETCOG, HGAC, NCTCOG, NORTEX, PBRPC, PRPC, SPAG, TEXOMA, WCTCOG

**PF2 What is the total amount of TxCDBG funds during the last X-years TxCDBG CD Cycle?**

**Methodology:** The TDA Tracking System Report will be reviewed to determine the total amount of TxCDBG funds awarded from TxCDBG funds awarded during the period of the last X-year TxCDBG cycle. The TDA Tracking System Report will exclude Planning / Capacity Building Fund, Texas Capital Fund, STEP Fund, and Disaster/Urgent Need funding. Projects that include multiple jurisdictions - the applicant with the largest percentage (%) of beneficiaries will be considered the applicant of record.

**Data Source:** TDA Tracking System Report

**COG(s):** HOTCOG

**Match Criteria (M1-M2)**

**M1 What is the applicant’s match amount?**

**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.

**Data Source:** Applicant Match: SF 424, and Applicant’s Resolution or 3rd Party Commitment letter, Census Data Summary File 1 Table P1, CD Application Table 1

**COG(s):** AACOG, ATCOG, BVCOG, CAPCOG, CBCOG, CTCOG, ETCOG, GCRPC, HGAC, HOTCOG, LRGVDC, MRGDC, NCTCOG, NORTEX, PRPC, RGCOG, SETRPC, SPAG, TEXOMA, WCTCOG

**M2 Is the applicant or the service provider leveraging funds from other source?**

**Methodology:** The commitment letters from a State source, Federal Source or other outside sources will be reviewed to determine the amount of leverage of funds injected into the project. In order to receive points under this criterion, the leveraging must be a minimum of 1% of the TxCDBG funds requested. For purposes of this criterion, leveraged funds include equipment, materials, and cash from sources other than the requesting entity. To calculate the leverage minimum, the following formula will be used:

$$\text{Leveraged Funds/TxCDBG Funds Requested} = \text{Percent Leveraged}$$

**Data Source:** Letter of Commitment from State, Federal, or other outside sources

**COG(s):** NORTEX

**Financial Capacity Criteria (FC1)**

**FC1 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 OR 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?**

**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 X/X/20XX.

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 must be at or above the average of all applicants on the specified date, given above. However, if the application for TxCDBG funding is for both water and sewer projects, then the applicant will receive the maximum points only if both adopted rates are above the average of all applicants. 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.

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 X/X/20XX. If the application is for multiple projects (i.e. water or wastewater and another eligible activity) documentation must be submitted to show that at least one appropriate rate was equal to or above all applicants' average rate.

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.

**Data Source:** Official public record of action of the appropriate governing body (examples: ordinance or resolution), Project Submitted: CD Application Table 1

**COG(s):** ATCOG

### **Financial Capacity Criteria (FC2)**

**FC2 For water-related projects, what is the residential utility rate per 5,000 gallons of water as set by the service provider, OR, for sewer-related projects, what is the monthly sewer rate assuming 5,000 gallons? If the project is neither water nor sewer related, what is the ad valorem tax rate for the same time period? (Relative to all applicants)**

**Methodology:** To determine the applicant's score, their water, sewer or ad valorem tax rate will be compared to the average rate of the applicants applying in the region.

Utility rates will be compared to like utility rates and tax rates to tax rates. If only one application of a certain project type is submitted, that applicant's score will be the average score received by applicant's applying for other project types. If an applicant applies for multiple projects, the scores for each activity will be averaged to determine the applicant's final score.

Water, sewer or ad valorem tax rates are to be determined from a certification of the water and/or sewer rates from a Certifying Official. Ad valorem tax rates are to be determined from a certification from the Chief Appraiser. Once this information is obtained for each applicant, the average utility or tax rate is calculated by dividing the sum of all rates 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 utility or tax rate by a set number such as 1.25 to represent

125%. The base is then divided by the utility or tax rate for each applicant. This number is referred to as the utility or tax factor. Finally to determine the score for each applicant the utility or tax factor is multiplied by the total maximum allowable points. Any applicants exceeding the total allowed points will be capped at the maximum. Any applicants exceeding the total allowed points will be capped at the maximum

**Data Source:** Certification from appropriate entity

**COG(s):** CAPCOG

### **Financial Capacity Criteria (FC3)**

**FC3 What is the per capita bonded indebtedness for the applicant as compared to the average of the per capita bonded indebtedness of all applicants?**

**Methodology:** This score is determined by comparing the per capita bonded indebtedness to the average per capita bonded indebtedness of all applicants. The calculation considers the applicant's per capita bonded indebtedness compared to the average per capita bonded indebtedness of all applicants. The applicant's bonded indebtedness is derived from the applicant's most current Comprehensive Annual Financial Report issued within the twenty (25) months of the application date. The applicant population is determined from 20XX American Community Survey, U.S. Census Bureau. The applicant's per capita bonded indebtedness is arrived by dividing the total bonded indebtedness by the applicant's total population. The average per capita bonded indebtedness for all applicants is determined by totaling the bonded indebtedness of all applicants and then dividing by the total population of all applicants.

The applicant's per capita bonded indebtedness percentage is determined by dividing the applicant's per capita bonded indebtedness by the average per capita bonded indebtedness for all applicants.

Bonded indebtedness - shall include, in addition to the principle, any interest accrued for this debt.

**Data Source:** Most Current Comprehensive Annual Financial Report, Census Summary File P1

**COG(s):** PBRPC

### **Financial Capacity Criteria (FC4)**

**FC4 What is the applicant's residential water rate per 5,000 gallons for the project area(s) compared to the average residential water rate per 5,000 gallons for project areas of all applicants for the region, effective as of X/X/20XX?**

**Methodology:** This score is determined by comparing the applicant's residential water rate per 5,000 gallons for the project area(s) compared to the average residential water rate per 5,000 gallons for project areas of all applicants of the region. This scoring question is applicable to all eligible activities submitted for 20XX-20XX CD Funding. If the project area(s) is not served by a public water system, the applicant will receive X points (\*100% of the project beneficiaries must be served by a non-public water source to receive the maximum points). If the project area(s) is served by a combination of public and private systems, the public residential water rate per 5,000 gallons will be used in the calculations to

determine the project area(s) residential water rate per 5,000 gallons for the applicant as described below.

Step 1. The applicant's residential water rate per 5,000 gallons for the project area(s) is derived from data provided by each of the applicant's service provider(s) that states the residential water rate for 5,000 gallons for the project area(s) and is certified by the Certifying Official (such as the Chief Financial Officer of the Chief Executive Officer) of the service provider as of X/X/20XX. Any project area(s) that is served by multiple water service providers or multiple 5,000 gallon residential rates the residential water rates per 5,000 gallons for each service provider and/or rates will be summed and then divided by the number of service providers to determine an average for the applicant. The applicant's average residential water rate per 5,000 gallons for the project area(s) will then be compared to the average for all applicants as described below.

Step 2. Rank the applicants by water rate results (highest rates at the top).

Step 3. The applicant's residential water rate per 5,000 gallons for the project area(s) will then be compared to the average residential water rate per 5,000 gallons for project areas of all applicants of the region and points will be assigned. Water rates per 5,000 gallons will be calculated to the cent (xx.xx) for comparison purposes and assignment of points. To calculate the number of applicants awarded points in each tier multiply the total number of applicants by 10%, and round up to get a whole number.

Step 4. Beginning at the top of the ranked list award the maximum points to the number of applicants calculated in Step 3, award the next tier of points to the next group of applicants based on the number of applicants calculated in Step 3 and continue until applicants are awarded points based on the level of their water rates. The lowest level may not have as many applicants as the number derived in Step 3.

**Data Source:** Evidence of water/sewer rate

**COG(s):** WCTCOG

### **Financial Capacity Criteria (FC5)**

**FC5 What is the total residential water rate per 5,000 gallons and/or the monthly residential sewer rate (assuming the same 5,000 gallons) per meter provided by the applicants service provider as related to the project being submitted for TxCDBG funds?**

**Methodology:** This score is determined by comparing the service provider's residential water and/or sewer rate to the median of residential water and/or sewer rates of all providers in applications of applicants for sewer/water projects excluding on-site septic systems. For applications that address water and sewer activities, the score will be determined by comparing the service provider's residential water rate to the median residential water rate of all providers in applications and the service provider's sewer rates to the median residential sewer rate of all providers in applications. Then points awarded for each area will be summed and then averaged together for an overall total point calculation. For Multi-jurisdiction applications- the service provider with the largest percentage (%) of beneficiaries will be considered the applicant of record.

Step 1. The service provider's residential water and/or sewer rate is derived from data provided by the service provider that states the residential water rates and/or monthly residential sewer rate per household and is certified by the Certifying Official (such as the Chief Financial Officer or the Chief



Executive Officer) of the service provider as of the twelve month period immediately preceding the date of the application.

Step 2. The median is arrived by listing the lowest to the highest residential water and/or sewer rates of each service provider and identifying the statistical median. If the service provider charges different rates for their service area (such as different rates for inside the city limits and outside the city limits) then rate will be determined by calculating the weighted average on number of connections per rate area.

Step 3. The service provider's residential water and/or sewer rate percentage of the median for all service providers is determined by dividing the service provider's residential water and/or sewer rate by the median residential water and/or sewer rate for all service providers.

Service Provider- The entity actually providing the service. (i.e. city, MUD or other service provider doing business under the laws of Texas)

Residential Rates – Rates established for residential customers.

**Data Source:** Evidence of water/sewer rate

**COG(s):** CTCOG

### **Financial Capacity Criteria (FC6)**

**FC6 Has the applicant or the service provider increased the appropriate utility rate for water or sewer projects or the ad valorem tax rate above the effective tax rate for all other projects in the time period between X/X/20XX and the application deadline?**

**Methodology:** Applicant information related to a utility rate (for water/sewer projects) or ad valorem tax rate above the effective tax rate (for all other projects) will be reviewed and points will be assigned. Applicant must provide the official public record to document that a utility rate or the ad valorem tax rate above the effective tax rate has been raised at least once between X/X/20XX, and the application deadline. Applicant must also provide official public record or a certified statement from the governing body of the applicant to document the utility rate in 20XX for comparison. The utility rate increase by 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 must have been raised during the applicable period. However, if the application for TxCDBG funding is for both water and sewer projects, then the applicant will receive the maximum points if at least one of the rates was increased. If the applicant's request for TxCDBG funding is not for a water or wastewater project, only then will the applicant be evaluated for scoring purposes based on an increase in the ad valorem tax rate above the effective tax rate. Example: If the request for TxCDBG funding is for road improvements, then the documentation related to an increase in the ad valorem tax rate above the effective tax rate will need to be submitted by the applicant to receive the maximum points.

If the application is for multiple projects that includes a water or wastewater project and another eligible activity, such as street repair or drainage, documentation must be provided that shows one of the appropriate rates was increased between X/X/20XX, and the application deadline, i.e. tax rate or water rates.

**Data Source:** Evidence of utility or tax rate increase, CD Application Table I

**COG(s):** HGAC, HOTCOG, NORTEX, PRPC, SPAG

### **Financial Capacity Criteria (FC7)**

**FC7 What is the applicant's combined annual water, utility and tax rates as compared to the applicant's median household income (household contribution)?**

**Methodology:** The applicant's Household Contribution may be determined by reviewing the applicant's official public records, Certified Tax Roll (or Summary statement of total tax roll values) and 20XX Census data for the applicant's jurisdiction. Once this information is obtained, the household contribution is calculated by totaling the annual residential (within city limits) water and sewer rates based on 5,000 gallons of water and the annual tax paid before exemptions on the average house value for the applicant's jurisdiction then dividing the total by the applicant's median household income. Once this has been determined, the average household contribution is calculated by dividing the sum of all household contributions by the number of applicants in the region.

Next, a base is set to provide a constant for the equation. The base is calculated by multiplying the average household contribution by a set number such as 1.25 to represent 125%. The annual household contribution for each applicant is then divided by the base. This number is referred to as the annual household contribution (AHC) factor.

Finally to determine the score for each applicant the household contribution factor is multiplied by the total maximum allowable points. Any applicants exceeding the total allowed points will be capped at the maximum. Cities will be compared to cities. Counties will be compared to counties except in the case where only one county in the region applies for funding. In such a case that county, will be allotted the average number of points received by cities.

**Data Source:** Certification of service provider's water and/or sewer rate, Certified tax roll, city ordinance or minutes of tax rate, average household value, median household income, ACS 5 year Table B19301

**COG(s):** GCRPC

### **Financial Capacity Criteria (FC8)**

**FC8 Is the service provider collecting the maximum sales tax allowable by law, if eligible?**

**Methodology:** This score is determined by reviewing the data source/information submitted by applicant to score and then points will be assigned accordingly.

**Maximum Sales Tax Allowable By Law:** The State of Texas maximum sales tax allowable by law is 8.25% and is the combined state sales and use tax of 6.25% and the local sales and use tax of 2%. For this scoring question, only the local sales and use tax (2% maximum) is under consideration.

For Multi-jurisdiction applications- the service provider with the largest percentage (%) of beneficiaries will be considered the applicant of record.

**Data Source:** Evidence of tax rate

**COG(s):** CTCOG

### **Financial Capacity Criteria (FC9)**

**FC9 What is the total debt per active residential water and/or sewer connections within the application's service provider area?**

**Methodology:** This score is determined by comparing the service provider's total debt per active water and/or sewer connection to the connection for all service providers in applications of applicants answering yes to question 5. The calculation considers the service provider's total debt per active water and/or sewer connection compared to the total median debt active water and/or sewer connection of all service providers. For applicants that address both residential water and sewer activities, the score for the water activity will be determined by comparing the service provider's total debt per active water connection to the median total debt per active water connection of all service providers in applications of applicants answering yes to question 5. Then the score for the residential sewer activity will be determined by comparing the service provider's total debt per active connection to the median total debt per active connection of all service providers in applications of applicants answering yes to question 5. The points awarded for each activity will be summed and then averaged together for an overall total point calculation.

Step 1: The applicant service provider's debt is derived from the service provider's Comprehensive Annual Financial Report as of 10/31/2014 and/ or a certification provided by the Certifying Official (such as Chief Financial Officer or the Chief Executive Officer).

Step 2: The service provider's total debt per active water and/or sewer connection is arrived by dividing the service provider's total debt by the number of active residential water and/or sewer connections.

Step 3: The median is arrived by listing the lowest to the highest the total debt per active water and/or sewer connection amount of each service provider and identifying the statistical median.

Step 4: The service provider's total debt per active water and/or sewer connection percentage of the median for all service providers is determined by dividing the service provider's total debt per active water connection for all service providers. Active water/sewer connection- A residential water/sewer connection that the service provider bills on regular interval (i.e. monthly, quarterly, semi-annually, annually or any other regular interval)

Service Provider- The entity actually providing the service. (i.e. city, MUD or other service provider doing business under the laws of Texas)

Debt – Any ongoing financial obligations including bonded indebtedness, bank notes, commercial loans, contractual agreements (such as lease/purchase contracts), etc.

Debt is defined as principle only.

**Data Source:** Certifying Official (such as Chief Financial Officer or the Chief Executive Officer) supplies certification of the number of active water residential connections, Comprehensive Annual Financial Report

**COG(s):** CTCOG

## Cost Per Household Criteria (CH1-CH2)

### CH1 What is the cost per household in TxCDBG dollars requested in the CD Fund application? (Relative to applicants' average)

This score is determined by dividing the total TxCDBG project dollars by the number of households identified in the CD Fund National Objective Data Form. Data for cost per household will be presented to two decimal places and rounded to whole dollars using the following method. Numbers above five will be rounded up and numbers below five will be rounded down.

**Data Source:** CD Application Table 1

**COG(s):** AACOG, HGAC

### CH2 What is the applicant's cost per household of TxCDBG dollars? (Relative to all applicants)

**Methodology:** This score is determined by comparing the applicant's cost per household (CPH) to the average CPH for all applicants. The calculation considers the difference in the applicant's CPH to the average CPH for all applicants. The applicant's CPH is determined by dividing the total TxCDBG project amount by the total number of households (Project Amount / Total households) covered by the project. The percent "% of CPH" is then determined by dividing the applicant's project CPH by the sum of the CPH of all applicants (CPH / Sum of CPH). The %CPH is then multiplied by 100. (project amount / Total households)= CPH  
(CPH / sum of CPH) = %CPH (%CPH \* 100) = Scoring Range

**Data Sources:** CD Application Table 1

**COG(s):** HOTCOG

## Cost Per Beneficiary Criteria (CPB1-CPB2)

### CPB1 What is the cost per beneficiary?

**Methodology:**

$$X = \frac{\text{Cost}}{\text{Beneficiaries}} = \text{Points Awarded (to two decimal places)}$$

X = the applicant's expenditure per person

Cost = the TxCDBG Grant amount in dollars

Beneficiaries = the amount of people projected to be served by the project

**Data Source:** CD Application Table 1

**COG(s):** BVCOG, NCTCOG, TEXOMA

### CPB2 What is the cost per beneficiary for each applicant's jurisdiction in comparison to the cost per beneficiary for all applicants?

**Methodology:** This score is determined by comparing the applicant's cost per beneficiary (CPB) to the cost per beneficiary for all applicants. The calculation considers the difference in the applicant's cost per

beneficiary to the cost per beneficiary for all applicants. The CPB is determined by dividing the total TxCDBG project amount by the total number of beneficiaries (Project Amount / Total Benes) covered by the project. The percent “% of CPB” is then determined by dividing the applicant’s project CPB by the sum of the CPB of all applicants (Cost Per Bene / Sum of Cost Per Benes).

Next, using one (1) as a base value, subtract the % CPB from one to determine the Absolute Beneficiary Score (ABS CPB = 1 – “% of CPB”).

Finally, the ABS CPB can be used as a final score per applicant if using this scoring criteria as a tie breaker question only; or if this criteria is to be used as a weighted scoring criteria, multiply the ABS CPB by the total maximum score for this question to determine the final score for each applicant (ABS CPB \* Total Points Available for this question). Any applicants exceeding the total allowed points will be capped at the maximum.

*(Project Amount / Total Benes) / (Cost Per Bene / Sum of Cost Per Benes) / (1 - % of CPB) / (ABS CPB \* Total Points Available)*

**Data Source:** CD Application Table I

**COG(s):** CAPCOG, LRGVDC, SETRPC, WCTCOG

### **Cost Per Beneficiary Criteria (CPB3-CPB4)**

#### **CPB3 What is the cost per beneficiary? (Relative to applicant median)**

**Methodology:** This score is determined by taking total TxCDBG funds requested and dividing by the number of beneficiaries identified within the application. If the application addresses a combination of target area projects and “area wide” projects, then the points will be calculated based on the largest number of beneficiaries for either the target area projects or “area wide” projects (beneficiaries for multiple target areas will be combined).

Once all applicant’s cost per beneficiary is determined, they will be ranked from lowest to highest to determine the median cost per beneficiary (if there are an even number of applicants, the middle two costs per beneficiary will be averaged to arrive at a median).

**Data Source:** CD Application Table I

**COG(s):** CTCOG

#### **CPB4 What is the cost per low-to-moderate income (LMI) beneficiary for each applicant’s jurisdiction in comparison to the average cost per low-to-moderate income beneficiary for all applicants?**

**Methodology:** This score is determined by comparing the applicant’s cost per LMI beneficiary (CPLMIB) to the average CPLMIB for all applicants. The calculation considers the difference in the applicant’s CPLMIB to the average CPLMIB for all applicants. The applicant’s CPLMIB is determined by dividing the total TxCDBG project amount by the total number of LMI beneficiaries (Project Amount / Total LMI Benes) covered by the project. The percent “% of CPLMIB” is then determined by dividing the applicant’s project CPLMIB by the sum of the CPLMIB of all applicants (CPLMIB / Sum of CPLMIB). Next, using one (1) as a base value, subtract the % CPLMIB from one to determine the Absolute Beneficiary Score (ABS CPB = 1 – “% of CPLMIB”). Finally, multiply the ABS CPB by 30 and subtract 20 to determine the final score for

each applicant (ABS CPB \* 30 - 20). Any applicants exceeding the total allowed points will be capped at the maximum.

**Data Source:** CD Application Table I

**COG(s):** HOTCOG

### **Cost Per Beneficiary Criteria (CPB5)**

**CPB5 What is the cost per low- to-moderate income beneficiary?**

**Methodology:** The CD Application Table 1, verified by TDA, will be reviewed and points will be assigned. The following calculation will be used to determine the cost per low-to moderate income beneficiary: Total TxCDBG Project Costs / Total No. of Low-to-Moderate Income Beneficiaries = Cost per Low-to-Moderate Income (Low/Mod) Beneficiary.

**Data Source:** CD Application Table I

**COG(s):** TEXOMA

### **Per Capita Property Taxable Value Criteria (PCP1-PCP2)**

**PCP1 What is the per capita property taxable value for the applicant's jurisdiction as compared to the average per capita property taxable value of all applicants for the region?**

**Methodology:** This score is determined by comparing the applicant's per capita net taxable property value to the average per capita net taxable property value of all applicants. The calculation considers the difference in the applicant's per capita net taxable property value to the average per capita net taxable property value of all applicants. The applicant's net taxable property value is derived from the 20XX net taxable property values as published each County Appraisal District. The applicant's per capita net taxable property value is derived by dividing the net taxable property value by the applicant's population. The average per capita net taxable property value of all applicant's is derived by totaling the net taxable property value of all applicants and then dividing by the total population of all applicants. The applicant's per capita percentage of the regional per capita average is determined by dividing the applicant's per capita net taxable property value by the average region per capita net taxable property value.

Next, subtracting the applicant's percentage of the region average from 100% determines the applicant's percentage below the region average. (Cities will be compared to all Cities and Counties will be compared to all Counties)

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

**Data Source:** Official public record of action of the appropriate governing body (examples: ordinance or resolution), CD Application Table 1

**COG(s):** AACOG, CAPCOG, CBCOG, HGAC, PBRPC, WCTCOG

**PCP2 Does the service provider collect a property tax?**

**Methodology:** For multi-jurisdictional applications, all jurisdictions are considered in the scoring process. Example 1: Jurisdiction A and B both collect a property tax. Jurisdiction A and B both collect a tax that is equal to or greater than \$0.10 per one hundred dollars.

**Data Source:** Evidence of property tax rate.

**COG(s):** CTCOG, HGAC, TEXOMA

### **Per Capita Property Taxable Value Criteria (PCP3-PCP4)**

**PCP3 What is the local (applicant) property tax rate for calendar year 20XX? For multi-jurisdictional projects, the applicant of record shall be the entity with the largest percentage of beneficiaries.**

**Methodology:** Data source information will be reviewed to determine if the property tax and points will be assigned. Property tax must be rounded up to four digits.

**Data Source:** Evidence of applicant tax rate.

**COG(s):** HGAC, TEXOMA

**PCP4 What percentage increase has the applicant experienced in its taxable property valuation for 20XX? For multi-jurisdictional projects, the applicant of record shall be the entity with the largest percentage of beneficiaries.**

**Methodology:** The applicant's property valuation for 20XX will be compared to the property valuation for 20XX. The 20XX property valuation will be divided by the 20XX property valuation. The percentage derived will be subtracted from 100% to determine the percentage increase and rounded to one decimal point. For multi-jurisdictional applications, the applicant with the largest percentage (%) of beneficiaries will be considered the applicant of record. A certification for the property valuations for 20XX and 20XX from the applicant's Chief Appraiser/Tax Collector shall be provided.

**Data Source: Data Source:** Official public record of action of the appropriate governing body (examples: ordinance or resolution), CD Application Table 1

**COG(s):** TEXOMA