ARK-TEX

REGIONAL REVIEW COMMITTEE GUIDEBOOK

2015-2016 TXCDBG FUNDING PROGRAM

July 29, 2014

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PART I

ARK-TEX REGIONAL REVIEW COMMITTEE

APPLICANT GUIDELINES

2015/2016 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The ARK-TEX Regional Review Committee (RRC) Guidebook has been prepared in accordance with the 2013 TxCDBG Action Plan and the 2015-2016 Regional Review Committee Scoring and Training 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 July 29, 2014, 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.

ARK-TEX RRC OBJECTIVE SCORING CRITERIA

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

Total points by ARK-TEX: **125 points**

Project Type: **Total points 20**

1. Priority

- First priority – **20 points**

- Second priority - **15 points**

Need/Distress: **Total points 75**

2. What is the individual poverty rate (poverty percentage) of the applicant's jurisdiction? **Maximum 10 points**

3. What is the per capita income of the applicant's jurisdiction? **Maximum 5 points**

4. What is the unemployment rate for the applicant's jurisdiction based on the appropriate county data? **Maximum 10 points**

5. Has the applicant been funded in the previous 2 Community Development/Community Development Supplemental (CD) application cycles? **Maximum 50 points**

Resources: (Match/Cost Effectiveness/Financial Capacity) **Total points 30**

6. What is the applicant's match amount? **Maximum 25 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 5 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 5 Points**)

ARK-TEX RRC OBJECTIVE SCORING QUESTIONS/
SCORING FACTORS

MAXIMUM TOTAL OBJECTIVE SCORE POSSIBLE: 125

*   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 20</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: **20 Points**   _____

2. Second Priority – Housing or all other eligible projects

Second Priority Projects: **15 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 75

2. What is the individual poverty rate (poverty percentage)
 of the applicant's jurisdiction?
 (Maximum 10 Points)   SCORE _____

Methodology:

Poverty rate may be determined by reviewing the U.S. Census 2012 American Communities Survey (ACS) 5 year estimate data, table B17001 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	0.5925	5.9250
B	.4096	1.2382	12.3820
C	.2276	0.6880	6.8800
D	.3760	1.1366	11.3660
E	.1143	0.3455	3.4550

Average: 1.3235 / 5 = .2647   Base = 1.25 * .2647 = .3308

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

Data Source: As stated below
Population and Poverty Rate: 2012 Census ACS 5 year estimate, Table B17001
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?
(<u>Maximum 5 Points)</u>   SCORE _____

Methodology: Per capita income may be determined by reviewing the U.S. Census 2012 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	3.5625
B	$32,000	.8016	4.0080
C	$33,500	.7657	3.8285
D	$34,000	.7544	3.7720
E	$35,500	.7225	3.6125
	$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: <u>2012 Census ACS 5 Year Estimate, Table B19301</u>
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?
(<u>Maximum 10 Points)</u>   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 (0.3308). 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	0.5925	5.9250
B	.4096	1.2382	12.3820
C	.2276	0.6880	6.8800
D	.3760	1.1366	11.3660
E	.1143	0.3455	1.73

Average: 1.3235 / 5 = .2647   Base = 1.25 * .2647 = .3308
** Any applicants exceeding the total allowed points will be capped at the maximum**

Data Source: As stated below:
TWC Tracer for 2013 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 2013 Annual Data: _____

5. Has the applicant been funded in the previous 2 Community Development/Community Development Supplemental Fund (CD/CDS) application cycles (2011/2012 or 2013/2014)?
(Maximum 50 points)   SCORE _____

If not funded in previous 2 CD cycles	50 points
If funded in 1 of 2 previous CD cycles	25 points
If funded in 2 of 2 previous CD cycles	0 points

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 r 2011/2012 or 2013/2014.

Information Needed From Applicant to Score:
Funded in Previous 1 or 2 CD/CDS cycles (both cycles need to indicate No to receive 50 points):

2011-2012 _____ Yes _____ No   **2013-2014** _____ Yes _____ No

If Yes, List Contract Number _____   If Yes, List Contract Number _____
RESOURCES (MATCH/COST EFFECTIVENESS/FINANCIAL CAPACITY) TOTAL POINTS 30

6. What is the applicant's match amount?
 (Maximum 25 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	25 points
• Match at least 4% but less than 5% of grant request	20 points
• Match at least 3%, but less than 4% of grant request	15 points
• Match at least 2%, but less than 3% of grant request	10 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	25 points
• Match at least 7.5% but less than 10% of grant request	20 points
• Match at least 5%, but less than 7.5% of grant request	15 points
• Match at least 2.5%, but less than 5% of grant request	10 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	**25 points**
• Match at least 11.5% but less than 15% of grant request	**20 points**
• Match at least 7.5%, but less than 11.5% of grant request	**15 points**
• Match at least 3.5%, but less than 7.5% of grant request	**10 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	**25 points**
• Match at least 15% but less than 20% of grant request	**20 points**
• Match at least 10%, but less than 15% of grant request	**15 points**
• Match at least 5%, but less than 10% of grant request	**10 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. 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 5 Points)

YES: 5 POINTS; No: 0 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, 2014.

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. Applicants with utility rates equal to or above the average will be given 5 points and applicants with utility rates below this average will be given 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, 2014: _____

> 7 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 5 Points)**

YES: 5 POINTS; No: 0 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, 2014.

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. Applicants with tax rates equal to or above the average will be given 5 points and applicants with utility rates below this average will be given 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, 2014: _____