Unified Scoring Committee

Texas Community Development Block Grant (TxCDBG) Program

Meeting Agenda

I. Welcome and Introduction of Committee Members

II. Consider and adopt charter for Unified Scoring Committee

III. **Verified Scoring Factors training – TDA staff**

IV. Public Comment

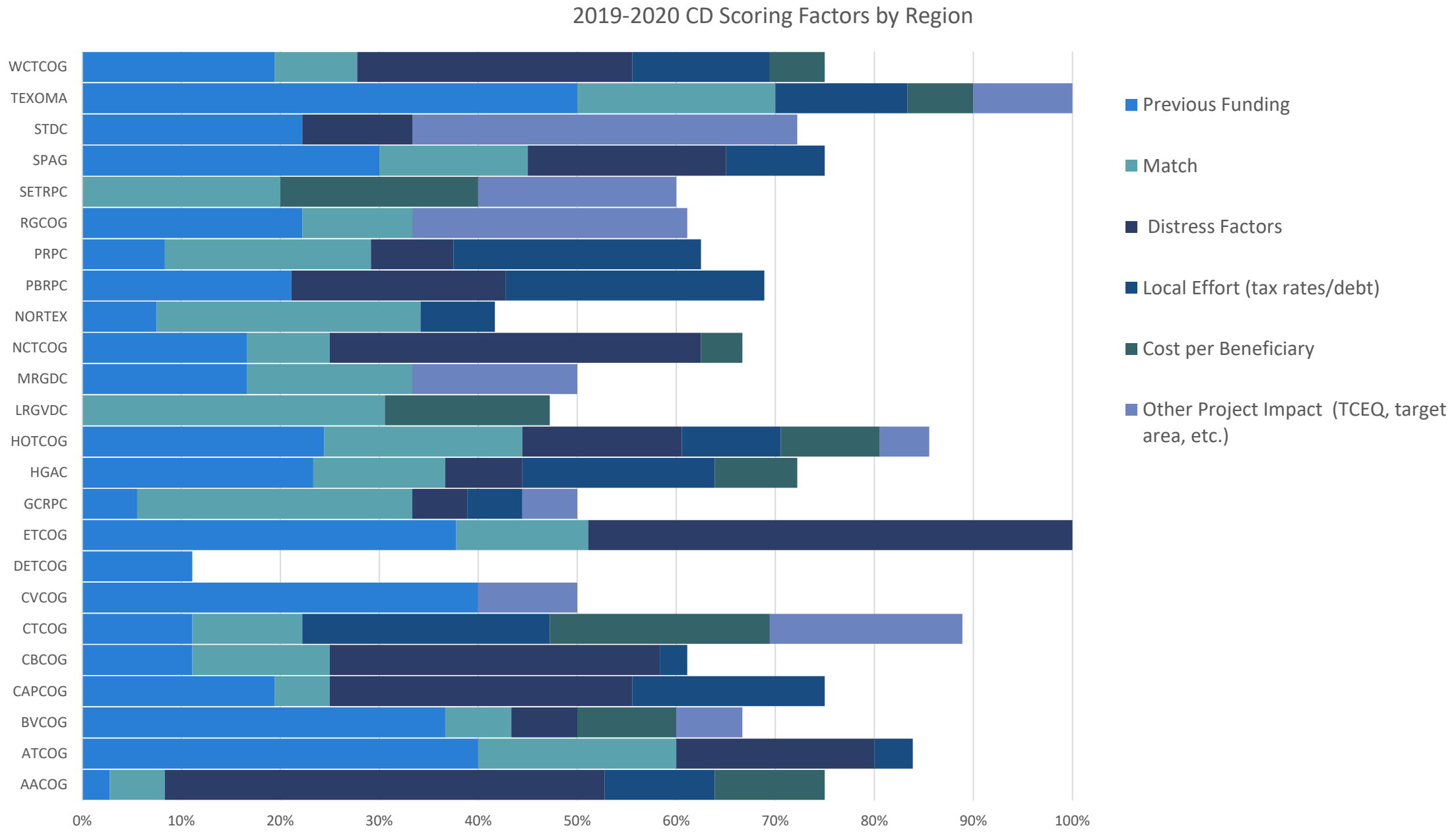
V. Discussion and action to adopt scoring factors for 2021-2022 Community Development (CD) Fund

VI. Adjourn

Verified Scoring Factors

- Factors listed in the 2021-2022 Community Development (CD) Fund Verified Scoring Factors guide have been pre-approved as “objective and verifiable” and therefore may be considered for selection by the Unified Scoring Committee.

- Project Based
- Need and Distress
- Resource


2019-2020 CD Scoring Factors by Region
WCTCOG
TEXOMA
STDC
SPAG
SETRPC
RGCOG
PRPC
PBRPC
NORTEX
NCTCOG
MRGDC
LRGVDC
HOTCOG
HGAC
GCRPC
ETCOG
DETCOG
CVCOG
CTCOG
CBCOG
CAPCOG
BVCOG
ATCOG
AACOG
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Previous Funding
Match
Distress Factors
Local Effort (tax rates/debt)
Cost per Beneficiary
Other Project Impact (TCEQ, target area, etc.)

2019-2020 Scoring Factors by Region

- 91% Previous Funding Factors
- 83% Matching Funds
- 58% ACS-based Need/Distress
- 58% Local Effort
- 62% Project Based Factors

Types of Data Sources

Applicant Provided

- Beneficiary Data
- Project Details
- Utility/tax rates
- Violation letters received

TDA Reports

- Applicant prior award history
- Prior contract performance

ACS Data

- Population
- Poverty rate
- Per Capita Income
- Unemployment

Data Source	Pro	Con
Applicant Provided	Provides **community** and/or **project specific** data, useful for scoring factors that consider an applicant's: • Project cost and activities • Need/distress • Financial capacity • Match contributions to project	Inconsistency in documentation can occasionally lead to requests for additional information and result in scoring delays.
Beneficiary Data	Provides **project specific** data, useful for scoring factors that consider an applicant's cost per beneficiary.	Verification of beneficiary data is lengthy process typically undertaken after scoring is finalized. Scoring factors utilizing beneficiary data will increase the amount of time needed to score 21-22 CD applications and potentially delay funding.
TDA Reports	Provides **community specific** data for: • Prior award history • Past contract performance	Data is broad and does not traditionally provide project specific information about a community's prior contracts.
ACS Data	Provides **community** or **census geography** specific data: • Population and demographic breakdown • Poverty status • Unemployment statistics • Per capita income	ACS data is based on 5-year estimates, based on the 2010 census data. Data discloses high margin-of-error for small population communities.

Previous Funding

Considers the frequency an applicant has been funded in previous funding cycles.

Pros	Cons
Prioritizes applicants that have not received CD awards in recent applicant cycles	As a result, recently funded communities may go 4+ years without receiving grant funds

Data Source: TDA Tracking System Report

Previous Funding - Example

Has the applicant been funded in the previous three (3) application cycles?

The applicant has not received funding during previous three funding cycles (0x)	60 Pts
The applicant has been funded once (1x) during previous three funding cycles	40 Pts
The applicant has been funded twice (2x) during previous three funding cycles	20 Pts
The applicant has been funded three times (3x) during previous three funding cycles	0 Pts

Match Contributions

Considers the amount of local funds injected into the project and the size of the applicant community.

Pros	Cons
Prioritizes applicants that commit local funds toward the project	Some communities may lack financial resources to commit toward project
Additional funds can increase project size and result in additional benefit	

Data Source: Application, local resolution or commitment letter

Example Methodology:

- Project is for beneficiaries of entire county, total county population is used.
- If project is for activities in unincorporated areas of county with a target area of beneficiaries, the population is based on the actual number of beneficiaries.
- If the project is submitted by a city, total city population is used.

Applicant(s) population equal to or less than 1,500 according to most recent ACS data:
Match equal to or greater than 5% of grant request
Match at least 4% but less than 5% of grant request
Match at least 3% but less than 4% of grant request
Match at least 2% but less than 3% of grant request
Match less than 2% of grant request

Applicant(s) population equal to or less than 3,000 but over 1,500 according to most recent ACS data:
Match equal to or greater than 10% of grant request
Match at least 7.5% but less than 10% of grant request
Match at least 5% but less than 7.5% of grant request
Match at least 2.5% but less than 5% of grant request
Match less than 2.5% of grant request

Applicant(s) population equal to or less than 5,000 but over 3,000 according to most recent ACS data:
Match equal to or greater than 15% of grant request
Match at least 11.5% but less than 15% of grant request
Match at least 7.5% but less than 11.5% of grant request
Match at least 3.5% but less than 7.5% of grant request
Match less than 3.5% of grant request

Applicant(s) population over 5,000 according to most recent ACS data:
Match equal to or greater than 20% of grant request
Match at least 15% but less than 20% of grant request
Match at least 10% but less than 15% of grant request
Match at least 5% but less than 10% of grant request
Match less than 5% of grant request

Per capita property taxable value

Considers the difference between an applicant's per capita net taxable property value to the average value of all applicants within region.

Pros	Cons
Prioritizes applicants that have small tax bases and receive less tax revenues per capita	Some communities may have large tax bases but minimal unencumbered financial resources
	Calculation puts small communities at disadvantage

Data Source: Self-reported certification based on County Appraisal District data.

Example Methodology:

- The applicant’s per capita appraised property value (PCPV) is arrived at by dividing the applicant’s net taxable appraised property value by the applicant’s population.
- The average PCPV of all applicants is derived by totaling the net taxable appraised 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 PCPV by the average regional PCPV.
- Next, subtracting the applicant's percentage of the region's average from 100% determines the applicant's percentage below the region's average.

Cities:

a) Applicant does not levy a property tax
b) Equal to or above region's average
c) Below region's average by up to 20%
d) Below region's average by up to 40%
e) Below region's average by up to 60%
f) Below region's average by more than 60%

Counties:

a) Applicant does not levy a property tax
b) Equal to or above region's average
c) Below region's average by up to 20%
d) Below region's average by up to 40%
e) Below region's average by up to 60%
f) Below region's average by more than 60%

Property Tax – Similar Factors

- Does service provider collect property tax?

- What percentage increase has the applicant experienced in its taxable valuation for 20XX?

Utility/Tax Rates – Recent Local Action

Considers a community's recent action to increase utility rate(s) or ad valorem tax.

Pros	Cons
Prioritizes applicants that have increased local utility rate(s) or ad valorem taxes in recent history.	Some communities may be reluctant or unable to increase taxes/rates.

Data Source: Official public record documenting rate/tax increase and effective date, and official public record documenting rate prior to utility/tax rate increase.

Example Methodology:

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

Applicant Response	**Points Assigned**
Yes, applicant increased rates above effective rate	15 Points
No, applicant did not increase rates above effective rate	0 Points

Utility/Tax Rates – comparison between applicants

Considers the difference between a community's utility/ad valorem tax rates and the average rate of all applicants within region.

Pros	Cons
Prioritizes applicants with higher utility and/or tax rates	Some communities may be unable or unwilling to raise rates
Demonstrates financial capacity to maintain infrastructure system improvements	

Data Source: Official public record/certification from appropriate entity

Example Methodology:

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?

Utility rates equal to or above the average rate
Below average utility rates within a 15% difference of the average rate
Below average utility rates within a 30% difference of the average rate
Below average utility rates within a 45% difference of the average rate
Below average utility rates within a 60% difference of the average rate
Below average utility rates with a greater than 60% difference of the average rate

Tax rates equal to or above the average rate
Below average tax rates within a 15% difference of the average rate
Below average tax rates within a 30% difference of the average rate
Below average tax rates within a 45% difference of the average rate
Below average tax rates within a 60% difference of the average rate
Below average tax rates with a greater than 60% difference of the average rate

Violation Letter

- Considers an applicant's need or distress based on recent violation notices from enforcement agencies such as Texas Commission on Environmental Quality (TCEQ) or U.S. Environmental Protection Agency (EPA).

Pros	Cons
Prioritizes projects that will address issues identified by enforcement agencies	Violations vary greatly; minor noncompliance with chemical storage standards to major violations in water quality standards
Potentially address issues prior to enforcement action/penalties are imposed on community	Factor only considers applications with water/sewer activities

- Data Source: Applicant provided letter of violation from TCEQ or EPA

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

In order to receive points for this section, the project activities must seek to resolve the issues 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).

Applicant Response	Points Assigned
Yes, applicant has received violation letter and is apply for activities to remedy issues	20
No, applicant has not received violation letter	0
No, applicant is not applying for activities to address issues cited in violation letter	0

Cost per Beneficiary

- Considers an application's cost to beneficiary ratio using an applicant's TxCDBG grant request and the number of beneficiaries the project proposes to benefit.

Pros	Cons
Factor incentivizes cost efficiencies and projects that have a large benefit	Verification of beneficiary documentation is a lengthy process and will delay scoring
	Projects with smaller benefit areas may still be high priority for some applicant communities

- Data Source: Survey data submitted with application file

What is the cost per beneficiary?

Example Methodology:

$$X = \frac{Cost}{Beneficiaries}$$ = 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

Cost per Beneficiary - Factor Variations

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

- 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?

Cost per Household

- Considers an application's cost to household ratio using an applicant's TxCDBG grant request and the number of households the project proposes to benefit.

Pros	Cons
Similar to cost per beneficiary, factor incentivizes cost efficiencies and projects with larger scale impact within community	Verifying households benefitting requires the verification of beneficiary documentation to be complete, therefore a delay in scoring results is likely.

- Data Source: Application and/or survey documentation submitted in app file

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

Example Methodology:

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.

Unemployment Rate

- Considers an applicant's recent unemployment rate and compares percentages across the region to determine scores.

Pros	Cons
Prioritizes communities experiencing higher unemployment rates	Unemployment trends are typically regional, and often the variation between applicants is less than .1 of a percent.

- Data Source(s): Texas Workforce Commission, Labor Market Information, ACS 5-year Estimate, Table DP05

What is the applicant's unemployment rate?

Example Methodology: Determined by reviewing the most recent U.S. Census American Community Survey (ACS) 5-year estimate Table DP05 for the applicant.

1. The average unemployment rate for the applicants is determined by dividing the sum of all unemployment rates by the number of applicants.
2. A base is calculated by multiplying the average unemployment rate by 1.25
3. The unemployment rate for each applicant is then divided by the base to determine their unemployment factor.
4. To determine the score, the applicant's unemployment factor is multiplied by the total maximum allowable points. Any applicants exceeding the total allowed points will be capped at the maximum.

Per Capita Income

- Compare's an applicant per capita income data to the region's average to assign points.

Pros	Cons
Prioritizes communities whose citizens earn less than other applicants within region	Calculation only averages data of communities that have applied
	Calculation caps points and rounds down to the set maximum. Therefore, the lowest PCI community may potentially receive the same points as other applicants.

- Important to define geography -
  - Census geographic area
  - Service area
  - City or County

Data Source: ACS 5-year Estimate, Table B19301

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

Example Methodology:

Per capita income (PCI) may be determined by reviewing the U.S. Census American Communities Survey (ACS) 5 year estimate. Once this information is obtained for each applicant, the average PCI for the region is calculated by dividing the sum of all 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 PCI by .75 to represent 75%. The base is then divided by the PCI for each applicant. This number is referred to as the PCI factor.

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

Per Capita Income – Factor Variations

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

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

Poverty Rate

- Considers the percentage of a community's population that is experiencing poverty and compares percentages across the region to determine scores.

Pros	Cons
Prioritizes communities experiencing higher poverty rates	Margin of error on ACS data varies depending on community's population

- Data Sources: ACS 5-year Estimate Table B17001

What is the poverty rate of the applicant?

Example Methodology:

Determined by reviewing the most recent U.S. Census American Community Survey (ACS) 5-year estimate Table B17001 for the applicant.

1. 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 impoverished persons was determined. Once this has been established, the average poverty rate is determined by dividing the sum of all poverty rate by the number of applicants.
2. A base is calculated by multiplying the average poverty rate by 1.25
3. The poverty rate of each applicant is then divided by the base to determine each applicant's poverty factor
4. 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.

Note: Cities will be compared to all cities, and counties will be compared to all counties

Poverty Rate – Factor Variations

- 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?

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

- What is the poverty rate of the census geographic area?

Questions?