

in the housing market area including economic and demographic information on very-low income frail elderly and persons with disabilities and information on current assisted living resources in the market area. In addition, HUD will consider your inability to fund the repairs or conversion activities from existing financial resources by examining project financial information or the organizations financial information for unused and underutilized commercial facilities. HUD will also consider your level of participation in your community's Consolidated Plan/AI, including your involvement with any faith-based organizations, associations, or any committees that support programs and activities that will enhance the project or the lives of the residents of the project. In evaluating this factor, HUD will consider the following: **(20 points)**

- (a) The need for assisted living among the elderly and disabled residents of the project taking into consideration those currently in need and the depth of future needs given aging in place. (Not applicable to applications to convert unused or underutilized commercial facilities to assisted living). **(7 points)**
- (b) The need for assisted living among very-low income elderly persons and persons with disabilities in the housing market area. **(3 points (10 points for applications to convert unused or underutilized commercial facilities to assisted living))**
- (c) Insufficient funding for any needed conversion work, as evidenced by the project's financial statements and specifically the lack of excess reserve for replacement dollars (R4R) and residual receipts; for unused and underutilized commercial facilities, by the organization's annual financial statement or annual report. **(9 points)**

If reserves and residual receipts are less than 10% of the total funds needed **(9 points)**; if reserves and residual receipts are 10-50% of need **(5 points)**; and if reserves and residual receipts are 51% or more of the total funds needed **(0 points)**.

For commercial properties, if the organization's available working capital exceeds 10 percent of the total conversion **(5 points)**, if the working capital is less than 10 percent of the total conversion **(9 points)**.