

## **Appendix D Aspire Project Scoring Questions**

The Authority is statutorily obliged to establish a system for scoring proposed Aspire projects to be used either to set a minimum acceptable scoring level or to allocate tax credits to the highest scoring projects in circumstances where there are more project funding requests than tax credit awards available.

Given the currently large pool of available credits relative to anticipated demand, staff recommend using a minimum score approach to assess whether a given project is consistent with the objectives, policy goals, and principles of the Aspire Program, rather than using scoring to competitively rank or compare projects against one another. Should demand increase and a comparative ranking of projects become necessary, staff will present a revised scoring rubric to the Board.

The recommended system would score projects with respect to five project parameters:

- Equitable Development
- Workforce Housing Opportunity
- Smart Growth/TOD
- Environmental Justice
- Climate Resilience

Respectively, the scoring questions posed would be:

1. “Will the Project Invest in and Improve the Public Realm of the Community where it is Located?”
2. For projects with a housing component, “Will the Project Increase Workforce Housing Opportunities?”
3. “Does the Project use “Smart Growth” Investments and Project Design to Increase Travel Choice and Reduce Environmental Impacts?””
4. If located in an overburdened community, “Will the Project Create New, Unsupported Environmental Impacts?”; and
5. If located in a FEMA-designated 100-year flood zone, “Has the Applicant Assessed the Project’s Climate Resilience?”

### Scoring

To achieve the minimum Aspire score and gain entrance to the program, a project would need to receive an affirmative response – with a corresponding point – for each of the scoring questions. Thus, the minimum score would be 5 out of 5.

The remainder of Appendix D provides details on the score evaluation method recommended to establish a project score in each of the five subject areas.

**Equitable Development – “Would the Project Invest in and Improve the Public Realm of the Community where it is Located?”**

This scoring parameter would ask – as part of the project itself or the project-supported Community Benefits Agreement (CBA) – whether programmatic or physical improvements are being made to the host community to address challenges that tend to correlate with:

- Historic underinvestment in low-income and areas designated in the Aspire statute as GMR, QIT, and Distressed Municipalities;
- Communities that are overburdened from an environmental impact perspective; and
- The mobility needs of communities that have reduced access to automobile transportation relative to more advantaged neighbors or neighboring communities

This parameter evaluates the following questions. The questions below do not have a minimum threshold. Does the project:

- Increase the amount of publicly accessible open space?
- Activate vacant or underutilized lands or buildings? In this context, activation refers to the term used in public open-space management and can involve temporary use of unused space, reuse of unused space, programming of space (events, activities, uses) in absence of activity, counter-programming (programming in contrast to and to diminish negative existing uses and activities).
- Remediate environmental contamination?
- Add new Green Stormwater Management Infrastructure?
- Improve access to municipal amenities (e.g., groceries, health care, community center, library) for existing community residents?
- Increase sidewalk coverage?
- Add elements to the streetscape that would improve safety for non-auto users beyond minimums required by law?
- Add elements to the streetscape that would improve ADA accessibility beyond minimums required by law?
- Add project elements that would increase Walk Score? Walk Score is an established and accepted methodology; it is described at <https://www.walkscore.com/professional/research.php>.
- Add transit access amenities (shelters, seating, etc.)? or
- Add street shade and shelter (shade cover from trees, awnings)?

*Scoring: Does the project do any four of the above and not reduce any of the above without restoration or mitigation?*

**Yes – 1 point awarded**

**No – 0**

### **Housing Opportunity: “Would the Project Increase Workforce Housing Opportunities?”**

This scoring parameter would be applied to projects with a housing component and would ask whether the proposed project increases housing opportunities for households with between 80% and 120% of area median income (AMI) (“workforce housing”).

The parameter would be structured to:

- Not penalize projects that have no housing component; and
- Not impose the requirement on communities that the Aspire statute and the ERA targets for increased economic support

The parameter would award a point to projects that make a minimum of 10% of residential units affordable to households in the target household income range.

Is the project a commercial project with no housing component?

**Yes – 1 point awarded**

**If no, then...**

Is it in a GRM, Enhanced Area, Qualified Incentive Tract (QIT), or Distressed Municipality?

**Yes – 1 point awarded**

**If no, then...**

If not in GRM, Enhanced Area, QIT, or Distressed Municipality, in addition to the 20% reservation for low- and moderate-income households required by Statute, does the project provide at least 10 percent of newly-constructed units as workforce housing?

**Yes – 1 point awarded**

**No – 0**

### **Smart Growth/TOD – “Does the Project use “Smart Growth” Investments and Project Design to Increase Travel Choice and Reduce Environmental Impacts?”**

This scoring parameter would ask whether the project increase travel choices and reduce environmental impacts by reducing reliance on automobile trip-making – and automobile travel – on a per household or per capita basis. This test would not ask whether automobile travel would be reduced in total. The reduction sought is on a per-capita or per-household basis and in comparison with the project NOT being done. Also, this test constitutes a simple add-on to the traffic analysis that any developer applicant will have to have engaged in order to satisfy required steps in the local development approvals process.

There are four rationales for this parameter, in that more walkable, transit-oriented communities:

1. Have been shown to reduce vehicle trip-making and vehicle travel per capita and per household;
2. Are needed to attract and accommodate the State's future workforce;
3. Are more affordable for more households, increasing equitable opportunity; and
4. Advance sustainability and climate impact mitigation goals.

A project could achieve the policy outcomes referenced above by:

- Including a mix of residential, retail, and commercial development;
- Adding retail/commercial development to a primarily residential community;
- Providing housing more densely than in the surrounding community;
- Being located near high-quality transit service;
- Providing less off-street parking compared to the surrounding community; and/or
- Improving local biking and walking networks.

Traffic planners have developed various proprietary “mixed use trip generation models” to measure the effects of the factors listed above on automobile travel and bike, walk, and transit trip-making. The United States Environmental Protection Agency has also developed a toolkit that is freely available to the public for the same purpose. Any capable traffic planning firm available to a developer applicant should be able to conduct the necessary measurement using such tools.

The scoring parameter would ask if the project, using a mixed-use trip generation tool (either proprietary or publicly available), would be forecast to have reduced vehicle trip-making per capita and reduced vehicle travel per capita – or no increase in either of these metrics – for the project environs, compared to NOT building the project as proposed. An affirmative answer would generate a point.

However, recognizing that the Legislature specifically exempted film production projects from place-based requirements, a film production project will receive a point for this scoring parameter.

To best reflect a project's Smart Growth characteristics, the project area for this scoring parameter is the most compact geography for which this analysis that is practicable (e.g., census block or traffic analysis zone).

### **Environmental Justice -- “Would the Project Create New, Unsupported Environmental Impacts?”**

This scoring parameter would ask: (1) if the proposed project includes a “facility” defined in P.L. 2020, c. 92 (N.J.S.A. 13:1D-157 to -161), “the Environmental Justice Law,” as potential sources of environmental and/or public health stressors, and whose construction or expansion would require an environmental justice impact statement and public hearing prior to NJDEP evaluating an application for an environmental permit; (2) if the project is located in a community identified as an “overburdened community” according to the Environmental Justice Law; and (3) if the project has received a permit from the Department of Environmental Protection. If the project were to meet each of these conditions it would achieve a point for this parameter test, and if it did not it would not.

The rationale for this parameter is that it would avoid allocation of Aspire tax credit awards to applicants whose projects would be at risk of triggering the Environmental Justice Law process (without having completed such process). It would also avoid mis-allocating NJEDA staff time to projects that may be held up by Environmental Justice Law concerns arising from the NJDEP review and process.

The structure of the proposed scoring for this parameter is as follows:

Is the proposed project a facility as defined in P.L. 2020, c. 92? (yes/no)

**If no, then the project receives 1 point**

If yes, then: is the project located in an overburdened community as defined in P.L. 2020, c. 92? (yes/no)

**If no, then the project receives 1 point**

If yes, then has it received the required permits or any other type of approval from NJDEP (which, pursuant to the Environmental Justice Law, means that NJDEP has published the developer's environmental justice impact statement and received and considered public comment from the required public hearing)?

**If yes, 1 point**

**If no, 0 points.**

### **Climate Resilience – “Has the Applicant Assessed the Project’s Climate Resilience?”**

This scoring parameter would ask whether the applicant has prepared a self-assessment of project vulnerability to climate risk, specifically an assessment of the risk to its project of its long-term viability, feasibility, and accessibility given forecast climate-related changes.

The rationale for the scoring parameter would be to advance the State's progress towards declared climate resilience objectives. Achieving a point is within the control of any applicant.

The principal objective of this parameter would be to assure applicant self-assessment, with applicants using scientific analysis approaches and reputable and current data. The report must identify and explain the analysis and identify the source of data.

Regarding the parameter itself, the question would be, for projects located in a 100-year flood zone as defined by the Federal Emergency Management Administration, has the applicant prepared an assessment of climate impact risk for the construction, reconstruction, relocation, or modification of any building, parking area, or any other project feature relating to site access, site services, or project-serving utilities?

And if so, has the applicant's climate impact risk assessment evaluated the susceptibility of its project and all project elements, to each of the climate risk elements listed below, within a 10-year timeframe and for the year 2050?

- Sea level rise
- Increased temperatures and urban heat island effects
- Changes in groundwater tables
- Increased rainfall intensity (and ability of low-impact development (LID) stormwater management methods to mitigate these)
- Other climate impacts that may affect the performance of the site in the future

And, finally, has/have the applicant(s) identified and described any specific project elements and/or risk mitigation mechanisms incorporated to address identified risks in the climate risk areas referenced above?

**Is project located in an identified climate risk zone (yes/no)**

**If no, 1 points**

**If yes, has applicant prepared a climate risk self-assessment that uses analysis approaches and data as described above?**

**If yes, 1 points**

**If no, 0 points.**