

# HOUSING STABILITY PROGRAM

## OVERVIEW & BEST PRACTICES WHEN SUBMITTING AN APPLICATION



June 19, 2024

[ohfa.org/housingstability](https://ohfa.org/housingstability)

**WHAT IS THE  
OKLAHOMA  
HOUSING STABILITY  
PROGRAM?**

# WHAT IS THE OKLAHOMA HOUSING STABILITY PROGRAM?

- HB 1031, which became Law on June 2, 2024, appropriated \$215 million from the Oklahoma State Legislature to the Oklahoma Housing Finance Agency to administer three activities:
  - \$100.7MM for the Oklahoma Homebuilder Program to facilitate the New Construction of Single-Family homes for purchase
  - \$63.55 MM for the Oklahoma Increased Housing Program to facilitate the New Construction of Rental housing
  - \$40MM for Down Payment and closing cost assistance for homebuyers

# HOW IS THE CONSTRUCTION FINANCING BEING ADMINISTERED?

- The more than \$164MM in construction financing is being made available through 0% interest, 24-month construction loans.
- 75% of funds available in rural Oklahoma, 25% of funds available in urban Oklahoma
- The funds are being awarded via a competitive application process which we will walk through in-depth during this training.
- These funds are for developers/homebuilders who will construct high-quality, innovative homes for rent and purchase, thus increasing the housing supply across the State of Oklahoma.
- These funds are not intended for individuals seeking assistance in constructing their own homes.



# OKLAHOMA INCREASED HOUSING PROGRAM



- Applicants must have a minimum liquid net worth of 5% of loan amount
- Developer / Builder fee will be capped at 10% of each draw
- 20% of the developer fee will be withheld until OHFA receives the Certificate of Occupancy
- General Contractor fees cannot exceed 15% of the total development funds
- The loan must be repaid before submitting another application



# OKLAHOMA INCREASED HOUSING PROGRAM

- Lesser of \$3 million, or 85% of Total Development Cost
- 0% interest, collateralized recourse construction loan with a term of - the lesser of 24 months or when stabilized occupancy of 85% is achieved
- If the loan is not repaid within 24 months, the interest rate accelerates to prime plus 4%
- New Construction of Single-Family homes and/or Multifamily residences for rent

# OKLAHOMA INCREASED HOUSING PROGRAM



Minimum of 5 Units,  
Maximum of 200 Units



Construction must  
start within 9 months  
of an award



Experience must be  
proportional to the  
number of units being  
proposed

# OKLAHOMA INCREASED HOUSING PROGRAM

- Rent capped at 125% of HUD Fair Market Rents for 3 years.
  - These rent limits are established by County and are available on OHFA's website.
- No income limits for renters
- Environmental Assessment Required Post Award
- Must adhere to the Oklahoma Uniform Building Code







# OKLAHOMA HOMEBUILDER PROGRAM

- 90% Financing (Homebuilder must provide 10% of their own money upfront)
- 0% interest, 24-month collateralized recourse construction loan
- If the loan is not repaid within 24 months, the interest rate accelerates to prime plus 4%
- New Construction of Single-Family homes or townhomes only; no duplexes or condos allowed

# OKLAHOMA HOMEBUILDER PROGRAM



Minimum of 5 homes, no more than 25 homes  
(Scattered sites allowed)



Construction must start within 180 days of an  
award



Experience must be proportional to the number of  
units being proposed

# OKLAHOMA HOMEBUILDER PROGRAM

- Applicants must have a minimum liquid net worth of 5% of the loan amount being requested
- General Contractor fees cannot exceed 15% of total development funds.
- Maximum sales price cannot exceed:
  - 1 Bedroom - \$208,049
  - 2 Bedrooms - \$252,994
  - 3 Bedrooms - \$327,293
  - 4+ Bedrooms - \$359,263
- Home Sizes must be between 1,000 and 2,000 square feet



# OKLAHOMA HOMEBUILDER PROGRAM

- Homes must be owner-occupied for 3 years (enforced by deed restriction)
- Housing Stability Program down payment assistance may be available
- No income limits for homebuyers unless downpayment assistance is being utilized
- Must adhere to the Oklahoma Uniform Building Code
- The loan must be repaid before submitting another application

# **EXAMPLES OF APPROVED DEVELOPMENTS**



## **NE OKC**

*Silva Development, LLC*

4 - 3 Bedroom

1- 4 Bedroom

Oklahoma Homebuilder Program



# Tahlequah and Dewey

*Green Companies  
Development Co.*

5 - 4 bedroom

Oklahoma Homebuilder Program



# Kingfisher

*Tivoli Homes, Inc.*

13 - 3 Bedroom

9 - 4 bedroom

Oklahoma Homebuilder Program





# Tuttle

*Tuttle Homes, LLC*

10 duplex units

3-bedrooms

Increased Housing Program



# Ardmore

*Creekside III Townhomes*

15 - 2 bedroom

15 - 3 bedroom

Increased Housing Program

**HOW DO I  
APPLY?**

# **BEST PRACTICES WHEN PREPARING AN APPLICATION FOR SUBMITTAL**

- Please note that all applications (forms, statements, and other documentation) must be typed. Handwritten applications will not be accepted.
- Applications are due no later than 3pm on the deadline date.
  - OHFA is not responsible for any Internet, computer, and uploading, etc. type of issues. Please leave yourself plenty of time.
- Upcoming Application Deadlines:
  - November 21 (for consideration at January Board of Trustees Meeting)

# BEST PRACTICES WHEN PREPARING AN APPLICATION FOR SUBMITTAL

- Step 1: All applications must be submitted via Dropbox. Please send an email to Eliezer Vargas and copy OHFA staff. Please include in the email: the name of your development, the developer, the entity requesting the link and the location of the proposed development.
  - Staff contact information can be found on page 5 of both applications.
- Step 2: A member of OHFA staff will reply all with a link to upload your application.
  - The link is specific to each development. Multiple proposed developments cannot be uploaded to the same link.

# BEST PRACTICES WHEN PREPARING AN APPLICATION FOR SUBMITTAL

- Step 3: Create one PDF document with bookmarks for each tab, even those that are N/A. The PDF should be named the same name you used to request a Dropbox link in step 1.
  - The tab labels are designed to help organize applications in a uniform way. It also functions as a checklist to ensure all Threshold Criteria are accounted for. Tab lists can be found on page 25 of the IHP application and page 24 of the OHP application.
- Step 4: Review the PDF file for clarity and verify that bookmarks work properly.
  - Verify readability after you scan/prepare a document. If a document is too small, or in any other way illegible, staff will not be able to evaluate information nor count it as submitted.

# BEST PRACTICES WHEN PREPARING AN APPLICATION FOR SUBMITTAL

- Step 5: Upload the PDF application file using the link provided.
- Once a document is submitted you cannot edit or retrieve it.
- Step 6: After submission, applicants should receive an email from Dropbox acknowledging a successful upload.

\*\*Applicants are strongly encouraged to upload their application well before the 3pm deadline. You may always provide supplemental information, but you cannot submit an application once the deadline has passed.



# Increased Housing

## Evaluation Criteria

Tab # <u>1</u>	Applicant Information Form and Application Certification
Tab # <u>2</u>	Development Description
Tab # <u>3</u>	Organizational Structure/Capacity
Tab # <u>4</u>	Financial Management
Tab # <u>4</u>	Executed Current Financial Statement
Tab # <u>5</u>	Market Analysis/Study
Tab # <u>6</u>	Development Management Control
Tab # <u>7</u>	Financial Feasibility and Viability
Tab # <u>7</u>	Source and Use of Funds Statement
Tab # <u>7</u>	Development Budget
Tab # <u>7</u>	Loan Collateral
Tab # <u>7</u>	Draw Schedule
Tab # <u>7</u>	Sources and Timing of Repayment
Tab # <u>7</u>	Rent and Expense pro forma
Tab # <u>8</u>	Partnerships
Tab # <u>9</u>	Development Readiness
Tab # <u>9</u>	Deed, Purchase Contracts, Option to Purchase etc.
Tab # <u>9</u>	Site Plan and Floor Plans
Tab # <u>9</u>	Zoning
Tab # <u>9</u>	Production/Implementation
Tab # <u>10</u>	Prior Contract Performance
Tab # <u>11</u>	Selection Criteria

# Homebuilder

## Evaluation Criteria

Tab # <u>1</u>	Applicant Information Form and Application Certification
Tab # <u>2</u>	Development Description
Tab # <u>3</u>	Organizational Structure/Capacity
Tab # <u>4</u>	Financial Management
Tab # <u>4</u>	Executed Current Financial Statement
Tab # <u>5</u>	Broker's Price Opinion
Tab # <u>6</u>	Development Management Control
Tab # <u>7</u>	Financial Feasibility and Viability
Tab # <u>7</u>	Source and Use of Funds Statement
Tab # <u>7</u>	Development Budget
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# **THRESHOLD CRITERIA**

# THRESHOLD CRITERIA SPECIFIC TO BOTH PROGRAM APPLICATIONS



Both program applications are very similar in nature with slight differences. Any differences will be specifically noted throughout the following slides.

# **THRESHOLD CRITERIA: TAB 1 – APPLICANT INFORMATION FORM**

- This form must be filled out completely and typed in order for an application to be considered complete.
  - Be sure to include the loan amount requested, the number of units to be developed, and all necessary contact information.
  - Please provide accurate contact information. If we cannot contact you about your application, it will not be considered for funding.
  - If you are planning to apply for Increased Housing Program funds in conjunction with OHFA's Affordable Housing Tax Credit Program, please submit both applications at the same time.

## **THRESHOLD CRITERIA: TAB 2 – DEVELOPMENT DESCRIPTION**

- A. Describe the location of the development. Please provide a statement listing the County, City, and street address of the development. If the street address is not known, the applicant must provide the County, City, and cross streets where the development will be located.
- Sites must be identified before applying. Speculative applications for developments without sites that have been identified will not be accepted.

# THRESHOLD CRITERIA: TAB 2 – DEVELOPMENT DESCRIPTION

B. Define the number and type of units. Please provide a statement listing the number of bedrooms, bathrooms, and square footage of each unit. If all units are identical, please state that this is the case. If the units will not be identical (varying in square footage or bedroom mix) please list each unit individually.

- **For the Oklahoma Homebuilder Program:** the proposed sales price for each home must also be listed here.
- Maximum sales price cannot exceed:
  - 1 Bedroom – \$208,049
  - 2 Bedrooms – \$252,994
  - 3 Bedrooms – \$327,293
  - 4+ Bedrooms – \$359,263

# THRESHOLD CRITERIA: TAB 2 – DEVELOPMENT DESCRIPTION

- C. Describe the type of construction codes or standards to be used. Applicant must provide a statement confirming that they will adhere to the Oklahoma Uniform Building code as well as meet applicable construction and design standards established by local, state and federal government entities.
- D. Describe all funding involved with the Development. This should include any private loans, grants, or other funds. If the applicant is not using any fund besides their own money and Housing Stability funds, these two sources of funding must still be listed.

# THRESHOLD CRITERIA: TAB 2 – DEVELOPMENT DESCRIPTION

- **Oklahoma Homebuilder Applicants:** Describe the Applicant's 10% upfront equity contribution. Please provide a written statement specifically defining the 10% equity that the applicant will be contributing.
  - If the applicant is using cash, please dictate the amount of cash that will be provided. The balance sheets provided later in the application should support the availability of these funds.
    - The applicant must still have 5% liquid net worth of what they are proposing to borrow. This 5% must be separate from any contribution being made to the development.
  - If the applicant is using land, please provide documentation to support that the land has sufficient value to meet the 10% requirement.
    - A formal appraisal of the land must be completed prior to loan closing, if awarded.

# **THRESHOLD CRITERIA: TAB 3 – ORGANIZATIONAL STRUCTURE AND CAPACITY**

- A. Identify the role(s) of the Applicant in the development. Please provide a statement explaining what role(s) you as the applicant intend to fill. There can be multiple roles listed. (Developer, Owner, etc.)
- B. If the Development involves a partnership – Describe both the applicant's role(s) and the partner's role(s) (general partner, co-manager, co-developer, etc.) If no other parties are involved in the development, please indicate that there are no other parties.



# **THRESHOLD CRITERIA: TAB 3 - ORGANIZATIONAL STRUCTURE AND CAPACITY**

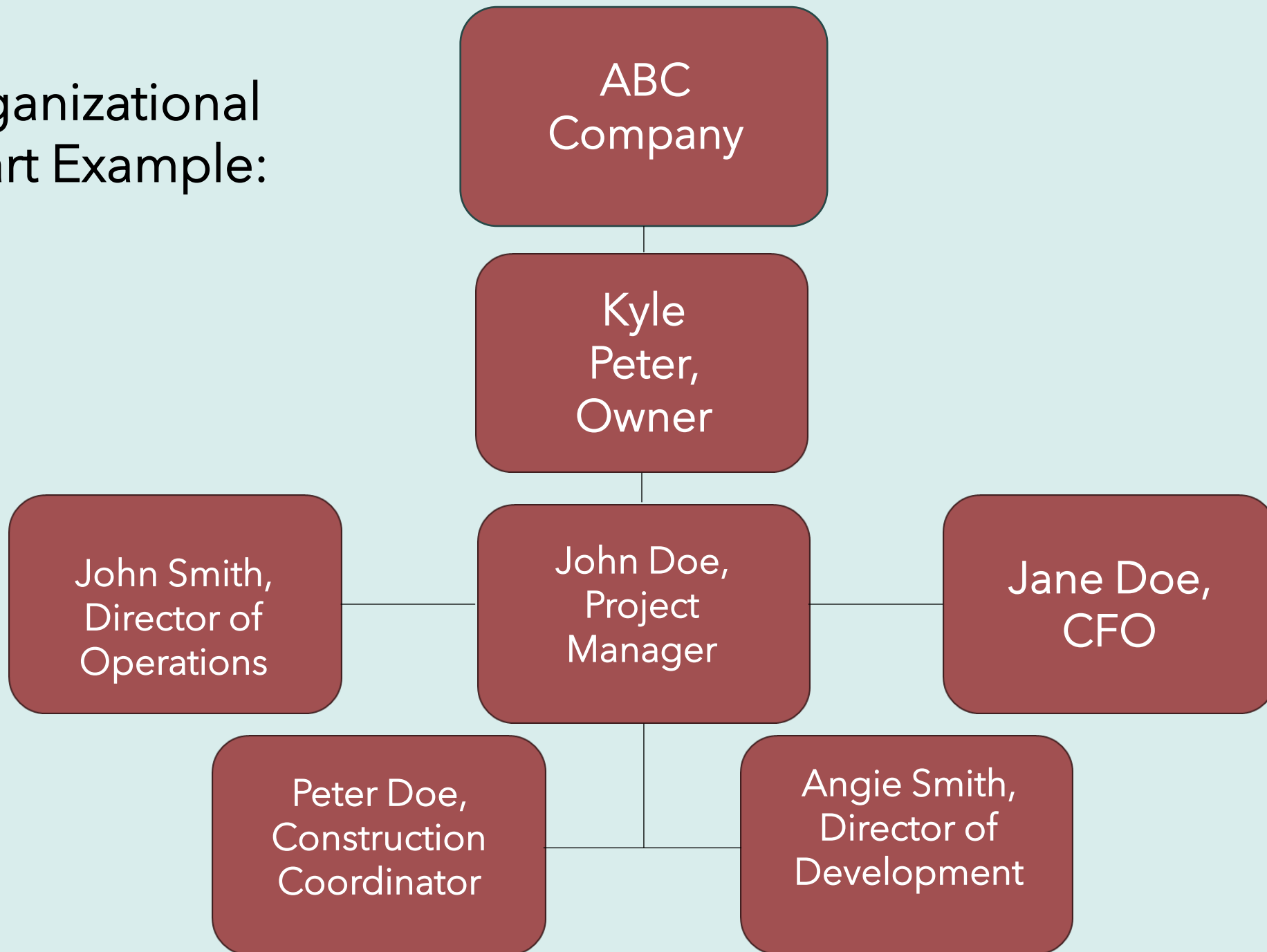
C. Organizational documents for all parties showing authorized individuals.

- Provide a certificate from the Secretary of State showing that all parties listed in sections A & B are in good standing.
- Provide the formation documents which lists who has the right to sign for the owner / developer and in what capacity (manager, CEO, etc.)

D. Organizational charts illustrating all housing personnel.

- Provide a chart showing all the people who work in your organization in a housing or construction capacity.

# Organizational Chart Example:



# **THRESHOLD CRITERIA: TAB 3 - ORGANIZATIONAL STRUCTURE AND CAPACITY**

## **E. Describe the experience of the organization**

- Provide a list of developments that the applicant has previously completed. Certificates of Occupancy or Placed-in-Service documentation must also be provided to support previously completed developments.
- Examples: Building permits, AIA G704s, Certificates of Substantial Completion

*\*\* When in doubt, contact a member of OHFA staff to get clarification on what you plan to submit. \*\**

## **F. Describe the experience of your staff**

- Detail the experience that each of your housing and construction team members have. Please list items such as education, years of experience, and roles played in previous construction developments.

# THRESHOLD CRITERIA: TAB 4 – FINANCIAL MANAGEMENT

- Describe financial policies and procedures, including internal controls.
  - Provide a statement detailing:
    - Who inside your company will be disbursing funds?
    - Who pays subcontractors?
    - What are their qualifications?
    - What documentation requirements do you have to make sure all funds are used correctly?
    - Do you keep a record of paid and received invoices?
    - How long are these records kept?

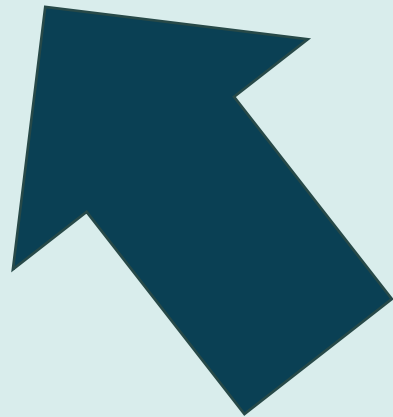
## **THRESHOLD CRITERIA: TAB 4- FINANCIAL MANAGEMENT**

- Provide the applicant's financial statements for the current year and two preceding years.
  - Financial statements should include Balance Sheets, Income Statements, and Profit and Loss Statements.
  - Applicants must have a minimum liquid net worth of 5% of what they are proposing to borrow.
  - If the applicant is offering personal funds as their Homebuilder equity contributions, these funds must be reflected here.
  - Tax returns for previous years are not sufficient as financial statements.
  - If the applicant is starting a new company for their application, financials for the parent company or company principals must be provided to support financial feasibility.

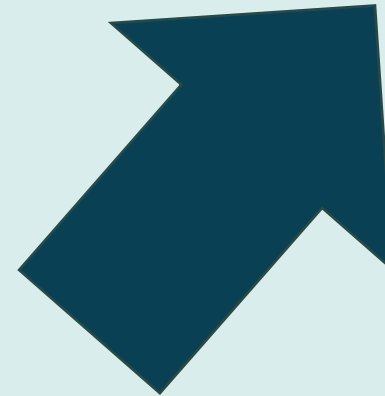
## TAB 5

### **THE MARKET RESEARCH REQUIREMENTS FOR EACH PROGRAM DIFFERS.**

Homebuilder Program:  
Broker's Opinion



Increased Housing Program:  
Market Study



# THRESHOLD CRITERIA: TAB 5 –BROKER’S OPINION (HOMEBUILDER)

- Broker’s Opinion must be provided with the application.  
Broker’s Opinion must include:
  - The date the report was prepared (Must be no more than 12 months from the time of application.)
  - The report must have been prepared for the applicant or the applicant’s designated representative.
- Broker’s opinion should include comparable homes in the market area within the last 12 months:
  - Active listings
  - Pending listings
  - Sold listings

# **THRESHOLD CRITERIA: TAB 5 –BROKER’S OPINION (HOMEBUILDER)**

- Comparable listings for established homes should include:
  - Sale Price of the comparable
  - Year in which the comparables were built
  - Bed and bathroom distribution
  - Square footage of each unit
  - Acreage which the comparables occupy
  - Number of Days on the market
  - Average price per square foot



# **THRESHOLD CRITERIA: TAB 5 –BROKER’S OPINION (HOMEBUILDER)**

- If the Applicant intends to claim points from ‘Proximity to Amenities’ a map showing the local amenities must be provided within the broker’s opinion and be prepared by the broker.
- If land is being purchased as part of the development, comparables should include undeveloped land.
- The Broker’s opinion should include a recommended sales price for the homes that will be constructed.

# **THRESHOLD CRITERIA: TAB 5 – MARKET STUDY (INCREASED HOUSING)**

For Increased Housing Applications, a market study must be provided. The information required in this study varies based upon the total size of the proposed development.

Required Information for proposed development containing 21 units or less:

- A. Detail the methodology and sources used in completing the market study. Include the qualifications of the individual(s) who participated in the development of the market study.
- B. Provide a map and description of the proposed site.
- C. Provide a narrative regarding the appropriateness of the location. This narrative should include the availability of community facilities and proximity to local schools and parks.

# THRESHOLD CRITERIA: TAB 5 – MARKET STUDY (INCREASED HOUSING)

- D. Identify the number of households in the market area which are of the appropriate age and size for the proposed Activity.
- E. Provide an expected time of market absorption of the proposed housing. (This is the amount of time it will take for the new units to be fully leased.)
- F. Calculate the capture rate by dividing the total number of units in the development by the total number of age, size, and comparable renter households in the primary market area.
  - For example, if you propose to build 10 units in an area with 500 potential renters, the capture rate would be 2%.

# THRESHOLD CRITERIA: TAB 5 – MARKET STUDY (INCREASED HOUSING)

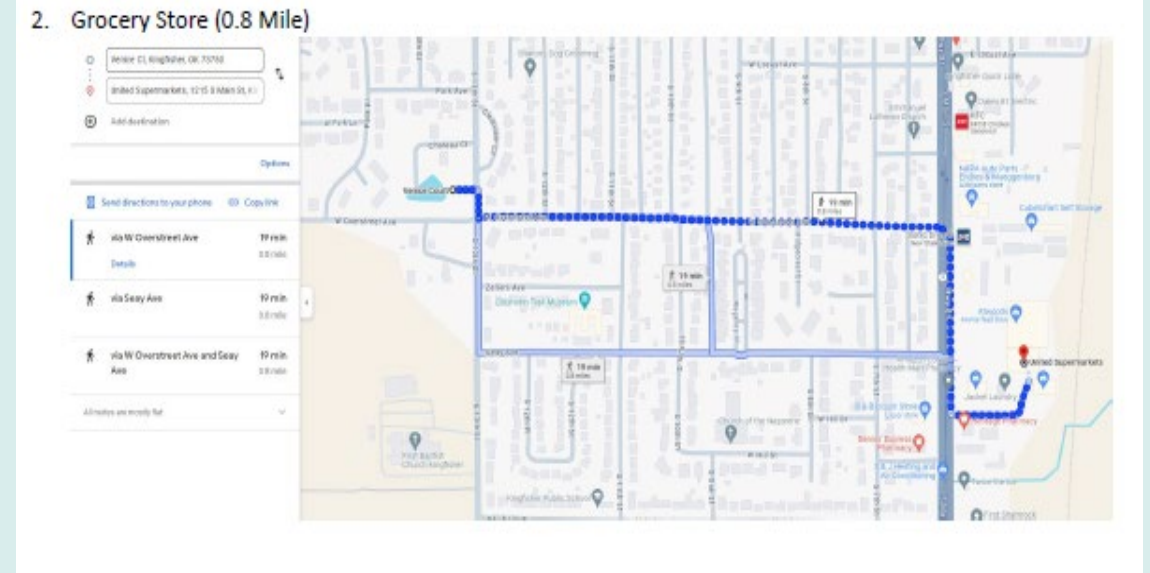
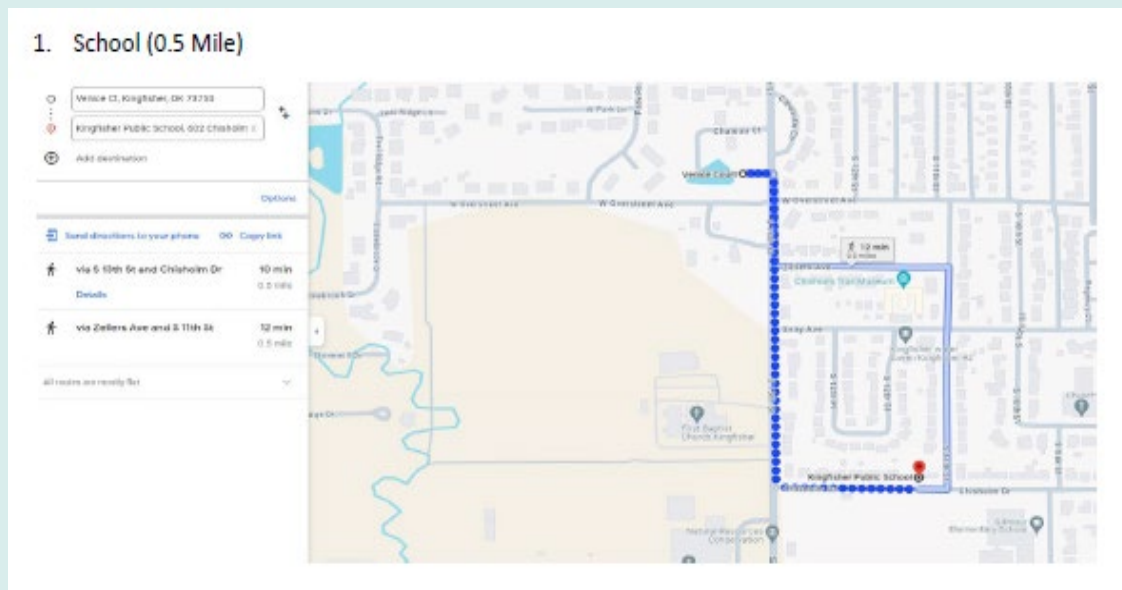
- If the applicant is proposing to build more than 21 units, the applicant must *also* provide the following:
  - An evaluation of the need for housing within the market area including a review of:
    - Economic and employment factors such as population growth trends, development activity, major employers, and labor force.
    - Demographic analysis of the market area, including population, households, and employment.

# **THRESHOLD CRITERIA: TAB 5 – MARKET STUDY (INCREASED HOUSING)**

- An assessment of the current housing supply type, quantity, unit mix, location, and age.
- A description of the potential effect on the occupancy rates of other comparable properties in the market area.
- A description of rents and vacancy rates of comparable housing.

# THRESHOLD CRITERIA: TAB 5 – MARKET STUDY (INCREASED HOUSING)

- If the Applicant intends to claim points from 'Proximity to Amenities' a map showing the local amenities must be provided within the market study.



# **THRESHOLD CRITERIA: TAB 6 – DEVELOPMENT MANAGEMENT AND CONTROL**

- Provide a narrative that details who will handle the supervision of the development. This narrative should include:
  - The name and job title of who will provide daily supervision to the development.
  - How the development will be supervised.
  - Who will provide production oversight to the point of completion.
  - Who will manage contractors and subcontractors.
  - How contractors and subcontractors will be managed.

# THRESHOLD CRITERIA: TAB 7 - SOURCES

Tab 7 should include all of the Excel sheets and financial documentation for the development. Every Excel sheet associated with the application should be completed.

## Homebuilder Program:

- Development Budget
- Cost per Square Foot
- Maximum Cost per Unit
- Unit Distribution
- Profit and Loss

## Increased Housing Program:

- Development Budget
- Cost per Square Feet
- Maximum Cost per unit
- Unit Distribution & Rents
- Development Expenses
- Pro Forma



# **THRESHOLD CRITERIA: TAB 7 - SOURCES**

- Describe all proposed sources of funding (private and public) and dollar amounts for each source.
- If only Homebuilder/Increased Housing program funds and the applicant's personal funds are being used, please provide a statement to this effect.
- If any other sources are being used (loans, grants, line of credit, etc.) commitment letters must be provided for each source.
- Commitment letters must include the loan amount, the interest rate, loan term, any required debt service coverage ratios, loan amortization period, borrower loan fees, collateral, and any conditions to the loan.

# THRESHOLD CRITERIA: TAB 7 – USE OF FUNDS

- Construction contract or preliminary bid(s).
  - Please provide any preliminary contracts available.
  - If none are available at the time of application, that is okay.
  - A construction bid is required for all applications which contain a partnership or where the applicant is not the sole developer.
- The Costs of Infrastructure
  - If raw land is involved, a cost estimate of infrastructure should be included. The estimate should include what infrastructure needs to be put in place and what funds will be used to pay for the infrastructure.
  - If no infrastructure work is needed, such as a city already has existing infrastructure on in-fill lots, please provide a statement to this effect.

# THRESHOLD CRITERIA: TAB 7 – DEVELOPMENT BUDGET

- The “Development Budget” form can be found in the associated Excel spreadsheets.
- The Budget should include all costs associated with the development.
  - If the application requires a Broker’s Opinion, be sure to include the cost of the report.
  - If land is being contributed to the development, but is already owned at the time of application, do NOT include the cost of land.
  - All costs listed on the Development Budget Excel sheet may not apply. Only list costs you plan to realize during construction.

VII. DEVELOPMENT BUDGET	
Blue Cells May Have Inputs	
Itemized Costs	Actual Costs
<b>LAND AND BUILDINGS</b>	
Land	
Existing Structures	
Demolition	
<b>1. SUBTOTAL</b>	0
<b>SITE WORK</b>	
On Site Work	
Off Site Work	
Environmental	
<b>2. SUBTOTAL</b>	0
<b>NEW CONSTRUCTION</b>	
New Structures	
Accessory Structures	
General Requirements	
Contractor Overhead	
Contractor Profit	
Construction Contingency	

# THRESHOLD CRITERIA: TAB 7 – LOAN COLLATERAL

- Applicant must fully describe the collateral for the Program loan.
  - Collateral - something pledged as security for repayment of a loan, to be forfeited in the event of a default
  - This is separate from the equity contribution or the cash on hand the applicant has to have. **In most instances, this will be the land where the development will be built.**

# THRESHOLD CRITERIA: TAB 7 – LOAN COLLATERAL

- A legal description for the land used in the development must be provided.
  - A full legal description must be provided for all land being used in the development. This legal can be obtained from a deed, from the county assessor, or from a purchase and sale contract.
- Examples:
  - Lot 1, Block 2 Golden Ridge Estates Oklahoma City, Oklahoma County
  - NW ¼ of the NW ¼ of Section 5, Township 14, Range 3

**\*\* Tip:** Ensure the legal description provided matches the legal description listed in the document(s) evidencing site control.

# THRESHOLD CRITERIA: TAB 7 - HOMEBUILDER

Cash flow Statement - The cash flow analysis must reflect the following:

- Estimated number of home closings and timing of closings
- Development Revenue - Sales and cost of sales
- Cash Flow - Net monthly Development revenue, total monthly Development expense
- Use of Cash Flow - Debt Repayment, Equity Repayment
- Sources of Investment - Debt, Owner Equity

# THRESHOLD CRITERIA: TAB 7 – INCREASED HOUSING

Rent and Expense Proforma:

- Pro forma must be a 3-year projection
- Rental Income (stabilized)
- Estimated vacancy rate
- Operating expenses
- Stabilized Net Operating Income (NOI)
- Debt service of private and public loans
- All fees such as incentive management, partnership management, asset management, etc.
- Debt coverage ratio - a minimum 1.15 DCR is required.

	%	Year 1	Year 2	Year 3
<b>Gross Residential Income</b>	2.0%	15,000	15,300	15,606
Other Income(not increasing)			-	-
Other income (increasing )	2.0%	2,000	2,040	2,081
Subtotal		17,000	17,340	17,687
less: vacancy	1.0%	170	173	177
<b>Net Income</b>		16,830	17,167	17,510
<b>Commercial Income</b>				
Market Rate Units		-	0	0
Other Commercial Income			0	0
Subtotal		-	0	0
less: Vacancy		-	0	0
<b>Net Commercial Income</b>		-	0	0
<b>Interest Income</b>			0	0
<b>Effective Gross Income (EGR)</b>		16,830	17,167	17,510
less:				
Annual Operating Expenses	5.0%	3,000	3,150	3,308
Annual Replacement Reserve	3.0%	1,500	1,545	1,591
<b>Net annual Operating Income (NOI)</b>		12,330	12,472	12,611
less: Annual Debt Service		10,000	10,000	10,000
Annual Cash Flow		2,330	2,472	2,611
<b>Debt Service Ratio</b>		1.23	1.25	1.26

# THRESHOLD CRITERIA: TAB 7 – DRAW SCHEDULE

- A sample draw schedule is provided in the application.
  - Applicants can submit their own draw schedule.
  - Applicants must draw the full amount that the draw schedule says is available to them.
- 10% of the total loan amount will be withheld and paid once Certificates of Occupancy (or another equivalent) have been received for all homes built using program funds.

## Sample:

Draw 1 (5%) – Pad

Draw 2 (10%) – Floor Slab

Draw 3 (25%) – Framing

Draw 4 (20%) – Dry-in

Draw 5 (10%) – Drywall

Draw 6 (30%) – Finishes/Certificate of Occupancy



# **THRESHOLD CRITERIA: TAB 7 – INSPECTIONS**

- OHFA will conduct a minimum of 3 construction inspections for OHP and a minimum of 5 construction inspections for IHP.
- OHFA will conduct an inspection each time a draw request is made. Once awarded funds, OHFA will establish a draw schedule that works best with the borrower's construction timeline. At this time, we anticipate conducting draws monthly.

# THRESHOLD CRITERIA: TAB 7 - SOURCES AND TIMING OF REPAYMENT

- Applicant must fully describe, in specific detail, the sources and timing of the repayment.
  - Homebuilder- All loans are due upon sale.
  - Increased Housing - All loans are due at the earlier of the end of the loan term or when stabilized occupancy of 85% is reached.



# THRESHOLD CRITERIA: TAB 8 – PARTNERSHIPS

- Partnerships - (May not be applicable to all developments)
  - A. Define the type of contribution a partner will be making.
    - This can be cash, services, volunteer labor or another substantial investment.
  - B. The anticipated return on investment for the partners.
    - When do partners expect to get a return?
    - What will that return look like? (partial ownership, cash pay out, etc.)

# THRESHOLD CRITERIA: TAB 8 - PARTNERSHIPS

- C. How will partner contributions be used to reduce the cost of production?
- Does the partnership offer services at a reduced price? Does the partner's contribution provide the financing needed that removes the need for a market rate loan?
- D. Timing of any partner contributions:
- Does the partner contribute to the development during construction, during the sell-off period for homebuilder/conversion for increased housing?
- E. Length of time associated with the contribution commitment
- When does the partner expect to see a return on their investment? Is the partnership temporary (only for the construction period or long term)?

# **THRESHOLD CRITERIA: TAB 9 – READINESS TO PROCEED**

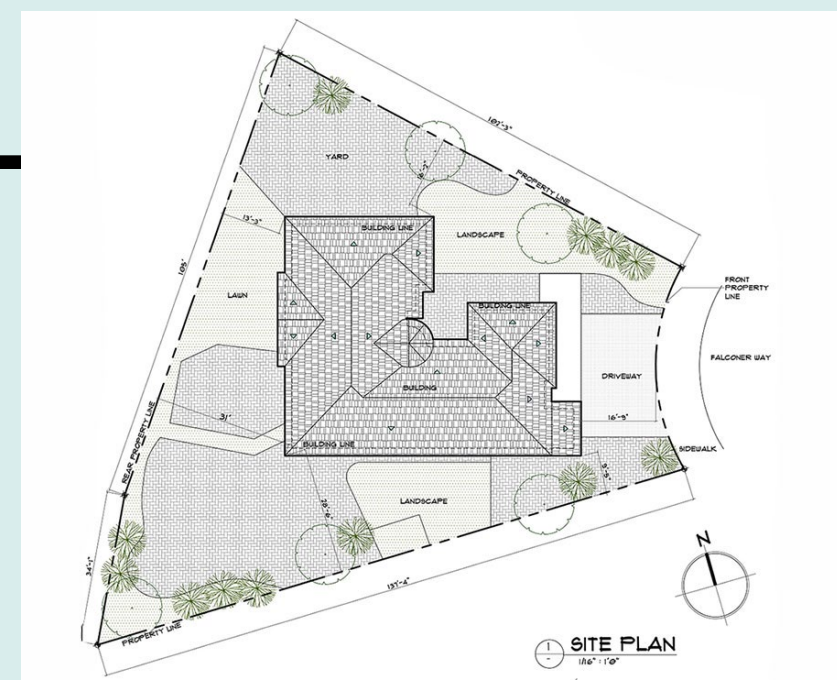
A. Site Control – the acceptable forms of which are:

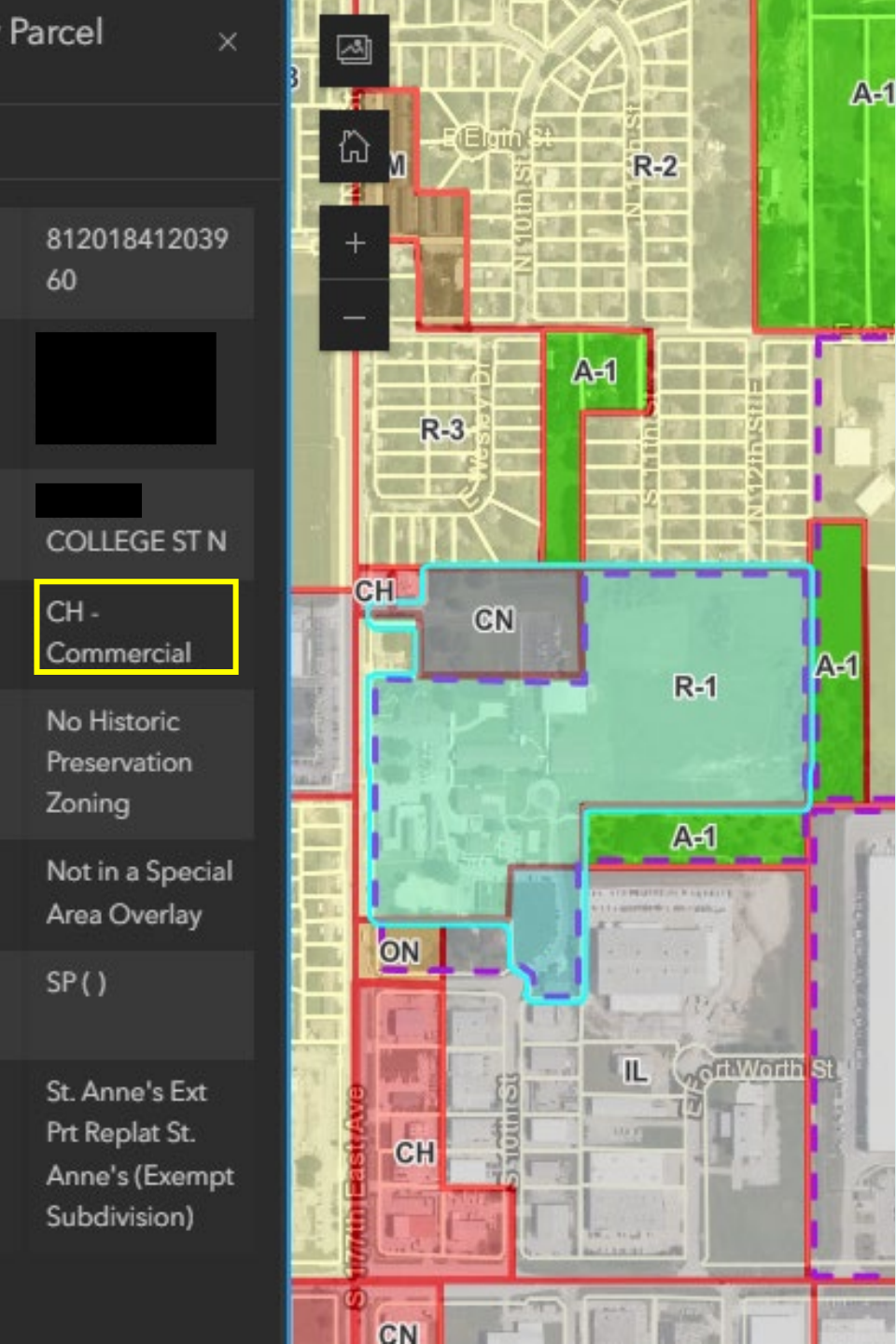
- Deed
  - Option to Purchase
  - Purchase contract
- Site control must be in place at the time of application. By extension, applicants must have sites picked out for the development before applying. Stating that sites will be identified once awarded is not sufficient.
  - Full copies of the deed, purchase contracts, or option to purchase must be submitted. These documents must list the applicant as the owner / potential owner. If a partner is providing land, please provide the deed in the partner's name.

# THRESHOLD CRITERIA: TAB 9 - READINESS TO PROCEED

## B. Site Plan and Floor Plans

- Site plans must include elevation
- A Site plan for each site should be provided if scattered sites are involved (Homebuilder)
- A Floor Plan for each unique unit should be submitted (If all units are identical, one floor plan can be submitted)





# THRESHOLD CRITERIA: TAB 9 – READINESS TO PROCEED

- C. Zoning must be in place at the time of application.
  - Zoning can be documented by a letter from the city/county or be stated on a printout from the county assessor.
  - Not all counties report their zoning with the assessor or have accessible assessor pages. If no assessor information is available a letter from the city/county must be provided.
  - Intent to get the property rezoned, or a letter stating that rezoning is being considered is not sufficient.

# THRESHOLD CRITERIA: TAB 9 – READINESS TO PROCEED

## D. 24-Month Production and Implementation schedule

- Must start on the anticipated loan closing date and go all the way to the full repayment of the loan to OHFA.
- Should include construction draw dates
- If applying for the Homebuilder program, it should list the addresses and actions taken on each home.

Example:

Award Date: May 01, 2024					
Loan Close: September 1, 2024					
		Unit 1	Unit 2	Unit 3	
<b>1st Draw:</b>		10/1/2024	11/1/2024	12/1/2024	
		\$10,000	\$11,000	\$10,000	
	Earth Work				
	Plumbing				
	Foundation				
<b>2nd Draw:</b>		11/1/2024	12/1/2024	1/1/2025	
		\$11,000	\$10,000	\$11,000	
	Framing				
	Lumber				



# THRESHOLD CRITERIA: TAB 9 – READINESS TO PROCEED



## E. Closing Documents Checklist

- The closing checklists can be found in the Homebuilder application on pages 25-26 and in the Increased Housing application on pages 26-27.
- If awarded, all of these items will be due to OHFA prior to the loan closing. Take some time to familiarize yourself with the list. Some items will take time to gather.

# THRESHOLD CRITERIA: TAB 10 – PRIOR PERFORMANCE

- Applicant must list previously funded OHFA-assisted developments that received an award over the prior 48-month period, if any. If the applicant has no prior contracts or experience with OHFA funds, please state that no prior experience exists.
- Prior performance with OHFA Funds: poor and slow performers that have received prior awards of OHFA funds may be denied funding based on an assessment of the applicant's current capacity to administer Oklahoma Increased Housing Program or Oklahoma Homebuilder Program resources in a timely and efficient manner. An applicant with a history of contract extensions, program design modifications, poor performance, cost overruns, change orders, delays, de-obligated funds, and/or improper uses of funds may not be considered for funding.

# **SELECTION CRITERIA**

# **SELECTION CRITERIA: TAB 11**

Tab 11 contains scoring criteria for the application.

1. Applications for proposed developments located in a State or Federally Declared disaster area (area must have been declared within the last 12 months) will be eligible to receive points. - 10 Points Possible
2. Applications for proposed developments located in an Oklahoma Department of Commerce Preference Site will be eligible to receive points. - 5 Points Possible

# SELECTION CRITERIA: TAB 11

## 3. Proximity to Amenities – 10 Points

Possible – Points will be awarded for each amenity that is located within a 1-mile radius of the development in urban areas or within a 4-mile radius of the development in rural areas.

To receive points, the applicant must provide a map in either the Broker's Opinion or Market Study identifying the amenities and their distance to the proposed development.

Amenities include:

- School
- Grocery Store
- Pharmacy
- Bus Stop/Access to Public Transportation
- Public Park
- Hospital or Urgent Care Center
- Daycare
- Library
- Bank
- Public Recreational Facility
- Police or Fire Station

# SELECTION CRITERIA: TAB 11

4. Visitability - 10 Points Possible - To receive points, applicants must commit to all of the following in at least 10% of the units built using program funds:

- Door openings must be at a minimum 32" to accommodate a wheelchair.
- One bathroom on the main floor of the property that is accessible by wheelchair, this does not apply to the shower.
- One zero-step entry located on at least one accessible entrance of the unit. If there is not one zero-step entry located on at least one accessible entrance to the unit, a ramp must be provided.

Attachment #1 Visitability Certification must be signed by a representative of the Ownership entity.

# SELECTION CRITERIA: TAB 11

5. Home Energy Rating System (HERS) - 10 Points Possible - Points will be awarded to proposed developments committing to receive a Home Energy Rating System (HERS) score within the range established below.

- HERS Score of less than or equal to 60 - 10 points
- HERS Score of 61-65 - 8 points
- HERS Score of 66-70 - 5 points
- HERS Score of 71-75 - 3 points

Attachment #2 Home Energy Rating Systems (HERS) Certification must be signed by a representative of the Ownership entity.

# SELECTION CRITERIA: TAB 11

6. Amenities - 10 Points Possible - Points will be awarded to proposed developments committing to provide any of the amenities listed in Attachment #3. Applicants will receive 1 Point for each Amenity selected unless otherwise stated, for a maximum of 10 points.

Attachment #3 Amenities Certification must be signed by a representative of the Ownership entity.



# **DOWNPAYMENT ASSISTANCE**

# DOWNPAYMENT ASSISTANCE

- The Oklahoma Housing Stability Program will offer \$40 million for Consumer Down Payment and Closing Cost Assistance. This program benefits individuals and families purchasing homes as their primary residence in Oklahoma.
- Grants of 5% of the total loan amount for down payment and closing costs will be made available to buyers purchasing homes produced by the Oklahoma Homebuilder Program.
- To learn more about OHFA's existing Down Payment and Closing Cost Assistance, please contact our Homeownership Director.
  - Valenthia Doolin  
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**Q & A**

# STAFF IS YOUR FRIEND! WE ARE ALWAYS AVAILABLE TO ANSWER QUESTIONS AND PROVIDE TECHNICAL ASSISTANCE.

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