

**OKLAHOMA HOUSING FINANCE AGENCY
RULE IMPACT STATEMENT
CHAPTER 30. RESIDENTIAL RENTAL MULTIFAMILY BOND PROGRAM**

a. DESCRIPTION AND PURPOSE OF THE RULE: The rules of this Chapter have been adopted for the purpose of complying with the provisions of the Administrative Procedures Act, 75 O.S., Section 250 et seq. This Chapter shall be applicable to OHFA programs, transactions and activities relating to the financing of multifamily rental Developments with tax exempt debt and/or taxable debt. The Trustees reserve the right to adopt, from time-to-time, priorities for financing of multifamily Developments pursuant to this Chapter, and to establish additional criteria for evaluating proposed Developments and Borrowers in regard to such priorities. Any such priorities and/or criteria shall be provided to each party inquiring about OHFA financing pursuant to this Chapter and will be posted on the website of OHFA. The Trustees are also required to administer the Program in a manner consistent with Oklahoma's Housing Antidiscrimination Act, 15 O.S., Sections 1451-1453 and all federal laws prohibiting discrimination, including 42 U.S.C., Section 1983 and the Fair Housing Act, as amended 42 U.S.C., Sections 3601 et seq.

b. DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULE, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULE: Qualified property owners applying for multifamily bonds and those approved for a bond issuance are the persons primarily affected by the Rules. Families and individuals utilizing the rental units will also be affected. Localities where the rental Developments are located may also be affected. See also, discussion at paragraphs c. and d.

OHFA bears the costs of developing and promulgating the Rules and for administering the Program. Property owners are required to pay fees to OHFA in connection with an application for and throughout several stages of the process. Annual compliance monitoring fees are also charged to property owners. Such fees help defray the costs of drafting and implementing the Rules and administering the Program.

OHFA has not received any information concerning cost impact from any private or public entities as of the last date of amendments to this Rule Impact Statement.

c. DESCRIPTION OF THE CLASSES OF PERSON WHO WILL BENEFIT FROM THE PROPOSED RULE: These Rules are intended to provide procedures for awarding Multifamily Bonds in a consistent manner. Qualified owners approved for an award of Multifamily Bonds benefit from the Program and the Rules. The intended effect of the Rules is to increase the availability of affordable housing for Oklahoma families and individuals thereby benefiting those families and individuals qualifying as tenants under the Program. The State will also benefit because affordable housing will be provided to the citizens of the State. Further, persons employed in the construction or housing industries can be reasonably expected to benefit from the Program because of new construction or rehabilitation of housing units.

d. DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULE UPON AFFECTED CLASSES OF PERSONS, POLITICAL SUBDIVISIONS, INCLUDING A DISCUSSION OF FEE CHARGES: The Program is also intended to have a positive economic impact for owners of residential dwellings, and for the State of Oklahoma. Developers and owners must comply with the Rules and other requirements which may increase their operating costs. However, the economic benefits of Multifamily Bonds should outweigh such effect. In most cases, proper use of the Program by the owner results in lower debt on the property, thereby allowing the owner to reduce rents and mitigate rent burdens on lower income families.

The Program assists political subdivisions such as cities and counties in providing affordable housing to low-to-moderate-income families without requiring the expenditure of local dollars for construction and rehabilitation.

As set forth in the Rules, fees are due at each of the following stages: Initial/Inducement Application, Conditional commitment/Final Financing approval. These fees are paid by Applicants and are based upon the amount requested. Applicants approved for an award are also responsible for the payment of annual Administrative and Compliance fees. In the event an owner wishes to transfer the ownership of a development, a fee is paid to cover costs associated with reviewing the request.

Persons requesting copies of rules or making Open Records Act requests pay a copy fee. A copy of the proposed rules will be available on the website, www.ohfa.org. The Open Records Act fees are as provided by statute.

e. PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULE AND ANY ANTICIPATED EFFECT ON STATE REVENUES INCLUDING ANY PROJECTED NET LOSS OR GAIN IN SUCH REVENUES: The costs associated with the proposed 2013 amendments to the Rules are estimated to be approximately \$2,500, consisting primarily of staff time, publication costs and copy costs. The cost of enforcing the Rules depends on several factors, including the length and frequency of on-site inspections of developments, responding to inquiries concerning a development or hearings, and the extent of voluntary compliance with the Rules.

OHFA does not directly receive state appropriated funds. These proposed Rules should have no impact on state appropriated funds. Generally, the fees paid by Developers are intended to offset the costs of implementing and enforcing the Rules. Extraordinary circumstances may require expenditures of OHFA's general funds.

The amendments to the Rules will benefit OHFA by streamlining procedures allowing for a more efficient administration of the Program.

f. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISION OR REQUIRE THEIR COOPERATION IN IMPLEMENTING OR

ENFORCING THE RULE: Some of the expected economic impacts on political subdivisions are described in paragraph d of this Rule Impact Statement. Because the Program requires new construction or substantial rehabilitation, developers are required to expend revenues for construction. This provides economic benefit to the community, through providing construction jobs and the sale of materials. The development also increases the property tax base for the community as well as providing safe, sanitary, decent housing at affordable rents to low-income families.

The Rules require all applicants to prepare a market study to assess (i) the housing needs of the locality where the proposed Development will be located, (ii) the absorption rates and existing occupancy rates for the locality, and (iii) the appropriateness of the location of the Development. This requirement is intended to provide the Trustees with an assessment of any impact of the Program on localities.

g. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULE WILL HAVE AN ADVERSE EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT: Small business developers and owners must comply with the Rules and Program requirements which may increase their operating costs. However, the positive impact of the Program far outweighs the possible increased cost to small business since proper use of the Program results in lower debt on the property, thereby allowing the owner to reduce rents and mitigate rent burdens on lower income families while at the same time reducing their overall costs.

h. MEASURES OHFA HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY METHODS OR NON-REGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES: The Oklahoma Administrative Procedures Act requires rules to be adopted for activities of an agency involving policies of general applicability and which describe procedural requirements of the agency. Therefore, to comply with the dictates of the Oklahoma Administrative Procedures Act, these Rules are mandatory. Accordingly, it does not appear to OHFA that there are any non-regulatory means to achieve the purpose of the Rules, nor any less costly or less intrusive methods for achieving the purpose of the Rules.

i. DETERMINATION OF EFFECT OF PROPOSED RULES ON PUBLIC HEALTH, SAFETY, AND ENVIRONMENT: The Program is intended to increase affordable housing within the State of Oklahoma and indirectly stimulate economic growth. See discussion under paragraph d, above. There are no other effects on public health, safety, or the environment.

j. DETERMINATION OF ANY DETRIMENTAL EFFECT ON PUBLIC HEALTH, SAFETY, AND ENVIRONMENT IF THE PROPOSED RULES ARE NOT IMPLEMENTED: None have been determined at this time.

k. DATE RULE IMPACT STATEMENT WAS PREPARED: This Rule Impact Statement was prepared January 27, 2021.