



OKLAHOMA HOUSING FINANCE AGENCY
Oklahoma Increased Housing Program
Application Packet

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Introduction to the Oklahoma Increased Housing Program

On June 2, 2023, Oklahoma House Bill 1031 became law, which established the Oklahoma Housing Stability Program (OHSP), and further created the Oklahoma Increased Housing Program and assigned administration to the Oklahoma Housing Finance Agency (OHFA). The purpose of the Oklahoma Increased Housing Program is to provide gap financing for the production of rental housing in Oklahoma. The Oklahoma Increased Housing Program will provide ~~an equity financing incentive a 0% interest, 24 month recourse construction loan~~ to for-profit and not-for-profit developers committed to building single-family and/or multifamily rental units across the State.

Funds Distribution

75% of the funds will be set-aside for proposed ~~development~~ Developments located in Non-Metropolitan Statistical Areas or rural areas as defined by the US Dept of Agriculture (rural areas) ~~, whichever is the least restrictive. and~~ The remaining 25% of the funds will be set-aside for proposed ~~development~~ Developments located in Metropolitan Statistical Areas (urban areas). Preference shall be given to applicants seeking to build homes and/or multifamily apartment units in communities that have been under a federally declared natural disaster within twelve (12) months of the date of application.

Oklahoma Increased Housing Program Guidance and Information

Applicants may access guidance and information from OHFA's ~~Housing Development Department. Information is also available at the OHFA~~ website: www.ohfa.org.

Applicants must demonstrate a clear understanding of the rules and regulations that govern the housing Activity to be undertaken, and clearly demonstrate their capacity to proficiently complete the proposed ~~Development~~ Development.

Board Consideration

All Applications will be considered and acted upon by the OHFA Board of Trustees at a board meeting.

The Board of Trustees may, in their discretion, after hearing the recommendations of Staff and the Applicants, elect to approve or deny an Application irrespective of the recommendation of OHFA Staff, if deemed in the best interests of OHFA and the needs of the State of Oklahoma. Accordingly, representatives of the Applicant are encouraged to attend the Board of Trustees meeting to answer any questions of the Board of Trustees, and to present evidence and argument in support of approval of the Application, if necessary. The Applicant's representative must be an official of the applicant. The Applicant may also be represented by legal counsel.

Neither an applicant nor members of the public shall communicate, directly or indirectly, with the Trustees regarding an application under consideration by OHFA (except upon notice and opportunity for all parties to participate).

In the event the ~~A~~ applicant disputes the recommendation of Staff, the ~~a~~ applicant must file **ten (10) copies** of any response(s) to Staff's recommendation, or other information they wish the Board of Trustees to consider, **not less than ~~five~~ seven (7) business days** prior to the commencement of the **Board** meeting when the Application will be considered.

In addition to the hard copies, ~~a~~Applicants must submit an electronic version of the response. If both the hard copy and the electronic version are not received, the responses will not be accepted or considered by Staff or the Trustees.

Funds Availability

There will be at least 45 days from the date of the award until funds can be accessed. During this time frame, loan documents will be prepared by OHFA, and ~~a~~Applicants ~~may beare~~ required to submit additional documentation. ~~The applicant will be provided a submission checklist after an award is made, and prior to~~ Subsequently, a loan closing will occur.

Funding Loan Application Process

The Oklahoma ~~Homebuilder~~Increased Housing Program will operate according to a predetermined published application timeframe, ~~commiserate~~commensurate with funds availability.

OHFA will conduct a thorough Application review and make funding recommendations based on the documentation submitted. All Applications will be considered and acted upon by the OHFA Board of Trustees at a Board meeting. Board meeting dates are posted on the OHFA website.

OHFA at its discretion may accelerate or delay the review of ~~a~~Applications. ~~if extenuating circumstances arise.~~

Applicants proposing to incorporate the use of the Oklahoma Increased Housing Program with OHFA's AHTC program must submit the Oklahoma Increased Housing Program Application at or before the time of the AHTC Application submittal. The Oklahoma Increased Housing Program Application must reference the tax credit Application. The Oklahoma Increased Housing Program funding commitment must be secured before Board consideration of the AHTC Application, and will be contingent upon Applicant's satisfaction of all AHTC Application requirements and receipt of an award of AHTC's at the next Board meeting making such awards. Due to time constraints, Oklahoma Increased Housing Program Applications that are involved in an AHTC Application will not be given a chance to submit a new Application after the AHTC deadline. This includes any Application resubmitted in response to a denial notification.

Oklahoma Increased Housing Program Applications proposing to incorporate the use of HOME funds must be contingently approved before the HOME award. A HOME Application will not be contingently approved based upon a future ~~OHP~~Oklahoma Increased Housing Program Application.

No funding wait lists shall be established, and **OHFA may cease accepting applications at any time. OHFA will post a notice on its website if it is no longer accepting applications.**

Oklahoma Increased Housing Program Funds may not be combined with any application for Oklahoma Affordable Housing Tax Credits.

Awards of Oklahoma Increased Housing Program funds are subject to availability of funds and the satisfaction of all underwriting and evaluation criteria.

Application deficiencies will be clearly communicated in writing to the applicant. Applicants will have a reasonable period of time to cure any deficiencies. Loan Applications that do not satisfy loan threshold criteria will not be eligible for funding.

Application Format and Supplemental Information

- See Attachment A. All Applications must be uploaded to OHFA’s Dropbox system. OHFA will not accept hard copies of applications.

IT IS THE RESPONSIBILITY OF THE APPLICANT TO VERIFY TIMELY RECEIPT OF THE APPLICATION BY DESIGNATED STAFF.

Technical Assistance

Applicants seeking technical assistance prior to the submission of an Application must make formal, written requests for technical assistance citing the specific topics of interest. Upon receipt of written requests for technical assistance, staff will contact applicants to establish a mutually agreeable date and time for technical assistance meetings that will include all relevant parties to the Application. Drop-in requests are not allowed.

Application Questions

Questions regarding Oklahoma Increased Housing Program Applications may be directed in writing to a Housing DevelopmentDevelopment staff member via email.

Oklahoma Housing Finance Agency
Housing Development (Oklahoma Increased Housing Program)
P.O. Box 26720
Oklahoma City, OK 73126-0720

All Housing ~~DevelopmentDevelopment~~ Staff can be accessed by e-mail or phone. ~~The individual fax number for each staff member is 405.419.9 plus the last three digits of that person’s phone number.~~

Housing ~~DevelopmentDevelopment~~ Management:

| | | | |
|--|---------|-----------------------------------|------------|
| darrell.beavers@ohfa.org 405.419.8261 | Housing | DevelopmentDevelopment | Director |
| danette.carr@ohfa.org 405.419.8136 | Housing | DevelopmentDevelopment | Supervisor |
| corey.bornemann@ohfa.org 405.419.8134 | Housing | DevelopmentDevelopment | Supervisor |

Housing ~~DevelopmentDevelopment~~ Allocation Analysts:

| | | |
|--|-----------------------|--------------|
| alicia.thomas@ohfa.org | HD Allocation Analyst | 405.419.8137 |
| eliezer.vargas@ohfa.org | HD Allocation Analyst | 405.419.8201 |
| emily.myers@ohfa.org | HD Allocation Analyst | 405.419.8135 |
| joshua.grizzell@ohfa.org | HD Allocation Analyst | 405.419.8231 |
| timothy.hicks@ohfa.org | HD Allocation Analyst | 405.419.8269 |

Applicant Experience

Experience must be proportional to the number of units and type being proposed, and financial and background information will be requested.

Construction Start

Applicants for Oklahoma Increased Housing Program ~~financing~~loan must be ready to close on the ~~financing~~loan and start construction within ~~180 days~~9 months of an award by OHFA's Board of Trustees. Failure to do so can result in termination of the ~~loan~~award commitment.

Construction Completion

~~Construction is considered complete when a certificate of occupancy is obtained and provided to OHFA. Awardees must complete construction (as evidenced by a Certificate of Occupancy) within twenty four (24) months of construction start.~~

Award Instrument and Terms

~~Funded Applicants must confirm program participation with signed Loan Agreements and Promissory Notes. General and special conditions will be contained within the Oklahoma Increased Housing Program documents. The maximum loan/contract period is twenty four (24) months. Agreements, along with any other documents deemed necessary by OHFA's legal counsel, will be used to contract with funded applicants in order to implement proposed Oklahoma Increased Housing Program housing development activities issued through OHFA. Appropriate general and special conditions will be contained within the Oklahoma Increased Housing Program documents.~~

OHFA regularly assesses the performance of its ~~a~~Awardees. In cases of non-performance and/or poor performance, OHFA may, where necessary, ~~request that the funds be recaptured~~call the note. Poor performance and non-performance will include but is not limited to:

- Actual ~~progress that~~progress varies substantially from the progress updates received.
- Proposed components of the ~~Development~~Development have failed to be included in the ~~Development~~Development. (E.g., funds were allocated to develop a three-bedroom apartment; developer modifies the proposed idea and begins construction on a two bedroom apartment.)
- Failure to comply with any other compliance guidelines which are described herein.

Funded applications and supplemental information are incorporated and made a part of the loan agreements. As such, they will be used to monitor ~~development~~Development activities, implementation schedules, and performance. Requests for consideration of modifications and extensions must be made in writing prior to any changes and/or modifications. OHFA reserves the right to reject the request for consideration. Modifications and extensions may be considered ~~only in extreme cases, and may be denied. Each circumstance will be examined~~ on an individual basis, allowing ~~Staff and/or the Board of Trustees~~OHFA to ~~either approve or deny the request, consider unforeseen events that would justify the request for consideration.~~ Extensions and/or modifications of loan terms are subject to Board Approval.

~~The financing will be the lesser of \$3,000,000 or 85% of the Total Development Costs (TDC) loan to value (LTV). In either event, the total amount of debt financing on the property during the construction period cannot exceed 85%.~~

Oklahoma Increased Housing Program funds will accrue zero interest. The term of the loan will be the earlier of 24 months or once the development reaches stabilized occupancy (85%).

If the loan is not repaid within 24 months, the interest rate will be accelerated to prime plus 3.

Funding Terms

Oklahoma Increased Housing Program funds will be used to provide an equity gap incentive in an amount up to \$25,000 per unit (3 or more bedrooms) or \$20,000 per unit (2 bedrooms) or \$15,000 per unit (1 bedroom) or \$5,000 per unit (efficiency/studio) to for profit and not for profit developers committed to new construction of single family and/or multifamily rental units across the State. Rents will be capped at 150% of FMRs for 3 years. Annual rent increases are (up to) limited to the lesser of the annual increase in the FMR or 5% increase annually. Selected developers will receive a subsidy amount to be paid once all Certificates of Occupancy have been submitted to OHFA.

Forms of Assistance

Oklahoma Increased Housing Program funds for rental housing new construction are intended to provide construction financing only and are extended in the form of collateralized recourse loans. gap funding equity incentive.

Maximum Funding Loan Amount

The award amount provided to any Applicant, owner, general partner, developer or combination thereof will be the lesser of \$3,000,000 or 85% of the Total Development Costs loan to value (LTV)(TDC), limited by the amount of money available at the time. Additionally this will be subject to the caps on maximum number of units, bedroom mix, as well as the restrictions on Rural and Urban use of the funds. Furthermore, developers will be limited to submitting one application, and will not be able to submit another application until certificates of occupancy are received and submitted to OHFA, the loan has been repaid, and all other appropriate closeout documentation has been submitted. This does not preclude the applicant from submitting an application for one of OHFA's other housing development programs.

Awardees shall have all other sources of financing secured in advance of OHFA's funding.

The Oklahoma Increased Housing Program maximum loan amount is the lesser of \$3,000,000 or 85% of the Total Development Costs (TDC) loan to value (LTV), in the form of a recourse loan to be paid as draw requests are submitted. Once a draw request is received, OHFA's designated construction inspector will conduct an inspection and document the construction progress. OHFA staff will review the inspection report and disburse approved draws. Builders will pay all construction inspection costs.

Rural Areas

Rural means any Non-Metropolitan Statistical Areas or rural areas as defined by the US Dept of Agriculture, whichever is least restrictive. Verification will be obtained by OHFA staff. The USDA Rural Eligibility Site may be accessed here:

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>. Urban Areas means any ~~Metropolitan Statistical Area (MSA), city, town, village or area not considered rural according to the above definition.~~

Financial Assistance for ~~Funding~~ Loan Application Preparation

OHFA assumes no responsibility for any costs associated with loan Application preparation or submittal of Application.

Prohibited uses of Oklahoma Increased Housing Program funds:

- Funds cannot be used to pay for ~~Development~~ Development costs outside stated contract periods.
- Funds cannot be used to pay for existing indebtedness.
- Funds cannot be used to pay for any ~~Development~~ Development that has begun construction prior to application submittal.

Eligible Entities

May include but not limited to:

- Political subdivisions (including, but not limited to, incorporated towns, cities, and counties, their trusts and authorities, and state trusts).
- Nonprofit organizations
- For-profit developers
- Native American Tribes

Eligible Activities

Applications can be for no more than 200 units. (Scattered site ~~development~~ Developments are eligible within one application, as long as it does not exceed 200 units).

Eligible funding Activities shall include:

- New construction of single-family or multifamily rental units ~~or multifamily rental units.~~
This does not preclude:
 - Mobile homes
 - Manufactured homes
 - 3D printed homes
 - Other innovative housing types

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Developer Fees/Contractor Profit

- OHFA allows for developer fees where appropriate, based on ~~†~~ Total ~~development~~ Development eCosts (TDC).
- A maximum of 10% of each Oklahoma Increased Housing Program draw request may be allowed for developer fees.

- OHFA will withhold twenty percent (20%) of the total Developer fee to be paid when OHFA receives the Certificate of Occupancy.
- Contractor Fees must not exceed fifteen percent (15%) of the total DevelopmentDevelopment funds. ~~(including contractor fees.)~~

Staff will thoroughly review proposed fees; therefore, providing documentation to justify the requested developer fee is **required**. OHFA reserves the right to adjust/reduce proposed developer fees. Circumstances that could result in adjustment include, but are not limited to:

- Location of DevelopmentDevelopment
- Size of the developmentDevelopment
- Accessibility to materials
- Related party transactions

Program Regulations

Oklahoma Increased Housing Program is not a federal program. However, any application combining resources from a federal program must follow applicable federal regulations for each of the federal sources of funding, in addition to any other laws and regulation that may be applicable.

Other Laws and Regulations

The Applicant, DevelopmentDevelopment Owner, DevelopmentDevelopment Team, Principals of each, and all Affiliates of each must comply with all applicable federal, State, and local laws, rules including, but not limited to, OHFA rules, regulations, and ordinances, including, but not limited to, regulations promulgated thereunder, the Oklahoma Landlord Tenant Act, the Titles VI and VII of the Civil Rights Act of 1964, as amended and Title VIII of the Civil Rights Act of 1968, as amended. Neither the Applicant, DevelopmentDevelopment, Owner, DevelopmentDevelopment Team, Principals of each, nor shall any Affiliates of each discriminate on the basis of race, creed, religion, national origin, ethnic background, age, sex, familial status or disability in the lease, use or occupancy of the DevelopmentDevelopment or in connection with the employment or application for employment of Persons for the operation and/or management of any DevelopmentDevelopment. The owner(s) of a developmentDevelopment will be required to covenant and agree in the Regulatory Agreement to comply fully with the requirements of the Fair Housing Act and the Americans with Disabilities Act as they may from time to time be amended, for the time period as promised in the application.

Application Analysis

Applications will be analyzed using Threshold and Selection criteria (scoring). Only applications that are responsive to all criteria will be eligible for funding. Fully responsive applications are defined as applications that provide full and complete developmentDevelopment documentation at the time of submission or upon request by OHFA Staff.

Additional information or clarification may be requested from an applicant after loan application submission.

Threshold Criteria

An applicant must meet **all Threshold** criteria listed below at the time of aApplication submission. Applicant must be an eligible entity and must provide a fully responsive aApplication.

Application responses are to be structured and have information presented in such a way as to fully address each criterion. The information, data, and statements provided in response to each criterion will be the basis for evaluating each application. Depending on the type of activity, some items may not be applicable. If so, ~~the~~ ~~a~~ applicant must indicate which items are not applicable. Applicant is responsible to review specific requirements and provide all necessary documentation.

1. **Applicant Information Form, Applicant Certification and Index of Evaluation Criteria Tabs (sequentially numbered)** - Pages ~~21-2323XX-XX25~~ of this Application Packet.

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2. **Development Description** - Applicant must provide a detailed ~~development~~ description that describes ~~development~~ activities and states the essential characteristics of the proposed ~~development~~. All plans/description, at a minimum, must include the following information:

Documentation Requirements:

- A. Identify the role of the ~~a~~ Applicant in the ~~D~~ development (e.g. owner, developer).
- B. Describe the location of the ~~D~~ development (e.g. County, City or Town, street address if known, or general location).
- C. Define the number and type of units. This must include bedroom mix.
- D. ~~Development~~ must adhere to the Oklahoma Uniform Building code as well as meeting applicable construction and design standards established by local, state and federal government entities, as evidenced by architect certification.
- E. Describe all funding involved with the ~~development~~, including, but not limited to:
 - ◆ Private lending sources
 - ◆ Grants and other federal, State or local government sources
 - ◆ Applicant's own funds

3. **Organizational Structure/Capacity & Management Control** – Applicants must demonstrate both staff and organizational expertise directly related to the type of proposed housing activity. Additionally, experience must be proportional to the number of units and type being proposed, ~~and financial and background information will be requested.~~ **Staff may run a credit report (at the expense of the Applicant) and an Oklahoma Supreme Court Network (OSCN) background check for each of the principals of the applicant prior to making an award of funds.**

Documentation Requirements:

- A. Describe the type of ownership entity of the developer and final owner (~~i.e.e.g.~~, sole proprietor, corporation, partnership, etc.).
- B. If the ~~development~~ involves other parties – Provide a narrative describing applicant's role as general partner, co-manager, co-developer, etc.
- C. Provide organizational documents for all parties showing authorized individuals.
- D. Organizational charts illustrating all housing personnel.
- E. Narrative describing the experience of the organization and staff persons in relation to the type of ~~development~~ being proposed, including the use of any federal or State assisted housing activities.
- F. Proof of staff and organizational experience related to the type of proposed ~~development~~.

- G. Applicant must identify previously funded OHFA assisted projects received over the prior ~~48-month~~48-month period, if any. Information must include applicant name, contract number, assisted activity, contract amount, original contract term, number of contract extensions, and the status of each contract.
- H. Prior performance with OHFA Funds: poor and slow performers that have received prior awards of OHFA funds (~~HOME, AHFC, HFF, and OHFF~~) may be denied funding based on an assessment of the applicant's current capacity to administer Oklahoma Increased Housing 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.
- I. Describe financial policies and procedures, including internal controls. The description must discuss disbursement of funds, requests for funds, and payment of subcontractors.
- J. The applicant's financial statements for the current year and two preceding years. The financials must be prepared by a CPA. Applicants must have a minimum liquid net worth of 5% of what they are proposing to borrow (this money cannot be contributed to this developmentDevelopment).
- K. Document and delineate the names and job titles of all staff persons responsible for the proposed activity and their areas of responsibility. This must include:
 - The processes that will be used to provide daily oversight for overall ~~development~~Development supervision.
 - The processes that will be used to provide production oversight to the point of construction completion.
 - Management of contractors and subcontractors.
4. **Partnerships** – If applicable, ~~loan a~~Applications must describe all partners, both financial and non-financial. Partnership documentation must clearly identify who the partners are, contributions to the ~~development~~Development, and the nature of those contributions.

Documentation Requirements:

- A. Whether the contribution is cash, professional services, volunteer labor, or other types of contribution.
 - B. The anticipated return on investment for the partners.
 - C. How the partner's contribution will be used to reduce the cost of production and/or construction.
 - D. The timing of the partner's contribution.
 - E. The length of time associated with the contribution commitment.
5. **Market Analysis/Study** – A market analysis is required for all types of activities. Proposed ~~development~~Developments of twenty-one (21) units or more must provide an independent ~~third party~~third-party market analysis. ~~Development~~Developments less than twenty-one (21) units can provide a locally produced market study that supports demand for the proposed ~~development~~Development. All market studies must be dated no more than 12 months prior to the date of the application. Applicants are required to demonstrate and document their familiarity with the market they propose to serve. Proposed ~~development~~Developments must be clearly market driven.

OHFA will review the market analysis to determine its implications for the financial viability of the property and whether it justifies the need for the number, size, and type of housing units proposed.

Documentation Requirements for ~~development~~Developments of twenty-one (21) units or more:

- A. The study must fully describe the methodology used and all sources of all data and information.
- B. A summary of the qualifications of the individual(s) who participated in the ~~development~~Development of the market study.
- C. A map and description of the proposed site. Physical features of the property, street and access information, availability of utilities, and zoning data. A discussion regarding the appropriateness of the location – availability of community facilities and proximity to local schools and parks, including the amenities listed in the ‘Proximity to Amenities’ Selection Criteria.
- D. An evaluation of the need for rental housing (as defined in this Application) within the market area including a review of economic and employment factors such as population growth trends, ~~development~~Development and activity, industry, major employers, and labor force.
- E. A demographic analysis of the market area, including population, households, and employment.
- F. An assessment of the current housing supply type, quantity, unit mix, location, age, condition, occupancy levels, and housing cost overburden statistics.
- G. An identification of the number of households in the market area which are of the appropriate income and size for the proposed activity.
- H. A description of the potential effect on the occupancy rates of other comparable properties in the market area.
- I. A description of rents and vacancy rates of comparable housing.
- J. The expected time of market absorption of the proposed housing.
- K. A calculation of capture rate by dividing the total number of units in the ~~Development~~Development by the total number of renter households in the primary market area.

Documentation Requirements for ~~development~~Developments of less than twenty-one (21) units:

- A. The study must fully describe the methodology used and all sources of all data and information.
- B. A summary of the qualifications of the individual(s) who participated in the ~~development~~Development of the market study.
- C. A map and a description of the proposed site. Physical features of the property, streets and access information, availability of utilities, and zoning data, including the amenities listed in the ‘Proximity to Amenities’ Selection Criteria.
- D. An identification of the number of households in the market area that are income eligible for the type of housing proposed.
- E. A calculation of the capture rate by dividing the total number of units in the Project by the total number of renter households in the primary market area.
- F. The expected time of market absorption of the proposed housing.

6. **Financial Feasibility and Viability** – Applicants must detail the exact activities and costs to be paid using Oklahoma Increased Housing Program funds. The Application must provide:

Documentation Requirements:

A. Sources

- All proposed sources (private and public) and dollar amounts for each source. All uses of funds associated with the ~~Development~~Development.
- Commitment letters with all terms (must include an interest rate or ceiling for variable rates) and conditions for all mortgages, grants, subordination agreements, bridge/interim loans, and various tax credits.
- ~~Development~~Development with a variable interest rate will be underwritten at the ceiling rate.
- Commitment letters must include the loan amount, fixed (or ceiling) interest rate, loan term, debt service coverage ratio, loan amortization period, borrower loan fees, collateral, and conditions precedent to funding.

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B. Uses of Funds:

- Construction contract or preliminary bid(s).
- If raw land ~~development~~Development is involved, cost estimate of infrastructure and committed source of infrastructure funding. Infrastructure developmentDevelopment paid for by Oklahoma Increased Housing Program funds must be directly related to the construction of units for this program.
- Agreements governing various reserves, which are capitalized at closing to verify the reserves cannot be withdrawn later as fees or distributions.

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C. ~~Development~~Development Budget

The Total ~~Development~~Development Budget must include all costs associated with the ~~development~~Development of the ~~Development~~Development, including:

- Construction “hard” costs
- Contractor profit
- Contractors Requirements - detailed breakdown of all costs.
- Contingency - a reasonable hard construction costs contingency may be included.
- Soft costs (architectural, engineering, legal, appraisal, etc.)
- Marketing costs
- Market Study
- Developer’s fees
- Insurance costs
- Real estate taxes
- Environmental Assessment
- Consultant fees
- All other projected costs

~~Housing Development Staff~~OHFA will review all costs to ensure that they are customary, reasonable and necessary. This will be based on the type of ~~development~~Development activity and comparable costs in the market area of the proposed ~~development~~Development. OHFA encourages realistic costs for Oklahoma Increased

Housing Program ~~development~~Developments, while encouraging cost efficient production and shall not give preference solely for lowest construction costs.

If documentation is not adequate and does not support the costs, ~~Housing Development Staff~~OHFA may request additional documentation.

D. Applicant must fully describe the collateral for the Oklahoma Increased Housing Program ~~loan financing~~. This description must include the legal description.

E. Rent and Expense pro forma – The pro forma must reflect the following:

- Rental Income (stabilized)
- Pro forma must be a 10-~~year~~ year projection for Oklahoma Increased Housing Program
- Achievable rent levels
- Estimated vacancy rate
- Operating expenses (detailed)
- Stabilized Net Operating Income (NOI)
- Debt service to 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~~required.

Pro forma must not be unduly conservative or overly optimistic.

F. Draws and inspections

1. The construction draw and inspection schedule will be approved by OHFA. Prior to construction commencement, awardees must provide OHFA's designated construction inspector with the preliminary plans and specifications. OHFA and its designated construction inspector will develop an inspection schedule specific to the ~~development~~Development. Draws may be made whenever the work covered by each draw has been inspected and approved by the designated construction inspector and OHFA. Regardless of the inspection schedule initially provided by the designated construction inspector, OHFA may inspect more or less frequently if deemed necessary by OHFA Staff or OHFA's designated construction inspector. At construction inspections, OHFA's designates construction inspector(s) will inspect for progress related to the draw schedule.

2. Draw Schedule – Below is a sample draw schedule that may be used by the applicant. In any event, OHFA will conduct a minimum of 5 construction inspections. 10% of the total loan amount will be withheld and paid once Certificates of Occupancy have been received for all units built using program funds.

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

G. –Applicant must fully describe, in specific detail, the sources and timing of the repayment. All loans are due at the earlier of the end of the loan term or when stabilized occupancy (85%) is reached.

7. ~~Development~~**Development** ~~Readiness – Loan~~ Applicants are reminded that plans and specs submitted as part of the application that is approved development designs that are subsequently funded are will be incorporated as part of the loan agreement. Therefore, loan ~~a~~Applicants must keep in mind that ~~development~~**Development** readiness, as stated within funded loan applications, will be used by Staff as a basis for measuring performance. ~~Development~~**Development**s must be ready to begin construction within ~~one hundred eighty (180) days~~nine (9) months of an award by OHFA’s Board of Trustees. ~~Extensions may be provided on a case-by-case basis.~~

Documentation Requirements:

- A. Site control evidenced by deed, purchase contract, option to purchase, ~~etc.~~
- B. Include ~~development~~**Development** site plan, floor plan(s), and elevations.
- C. Proper zoning in place with documentation including type and authorization date.
- D. Applicants must provide a 24-month production/implementation schedule that clearly identifies all major phases of the proposed ~~development~~**Development**.
- E. Closing documents checklist ~~will be provided to the applicant after the award.~~ (See Appendix A).

Selection Criteria

Applications will be scored using the Selection Criteria below. Notwithstanding the point ranking under the Selection Criteria, OHFA’s Trustees may in their sole discretion award funds to a ~~Development~~**Development** irrespective of its point ranking.

1. Proposed ~~Development~~Developments** Located in a Federally Declared Natural Disaster Area**

Total Points Possible: 10

Applications for proposed ~~development~~**Developments** located in a Federally Declared Natural Disaster Area (that has been declared within the last 12 months of the date of application) will be eligible to receive points.

2. Proposed Developments Located in an Oklahoma Department of Commerce Preference Site

Total Points Possible: 5

Applications for proposed Developments located in an Oklahoma Department of Commerce Preference Site will be eligible to receive points. A list of Preference Sites will be made available on OHFA’s website at least 60 days prior to each application due date.

2-3. Proximity to Amenities

Total Points Possible: 10

Points will be awarded for each item that is located either within a 1-mile radius of the proposed ~~development~~**Development** in urban areas or within a 4 mile radius of the proposed ~~development~~**Development** in rural areas. **Amenities must be measured from any edge of the site plan to any edge of an amenity. The Market Study provided with the application must**

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demonstrate that the selected Amenities are within ~~the~~ proximity of the ~~Development~~Development to receive points. If the Market Study does not demonstrate this, no points will be awarded. 1 Point each

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

3.4. Visitability

Total Points Possible: 10

To be eligible to receive points, applicants must commit to providing **all** three items listed below in at least ten percent (10%) of the units ~~built using program funds with a minimum of one (when calculating the percentage, OHFA will round up) (with a minimum of one, when calculating the percentage, OHFA will round up) built using program funds.~~ It is up to the applicant to follow all Section 504 requirements if applicable to the specific project. *Visitability* is the design approach for new housing such that anyone who uses a wheelchair or other mobility device should be able to visit.

Required items:

- 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 tub/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.

Documentation Requirements:

Attachment #1 Visitability Certification – This Certification must be signed by a Representative of the Ownership Entity.

4.5. Home Energy Rating System

Total Points Possible: 10

Points will be awarded to proposed ~~Development~~Developments committing to receive a **Home Energy Rating System (HERS)** Score within the ranges established below, as evidenced by a report from a Certified RESNET Home Energy Rater who conducted an inspection of the property post-construction. A random sampling of 20% of the units must be scored by the Certified RESNET Home Energy Rater. Please see the scale below for how points will be awarded.

- HERS Score of less than or equal to ~~8060~~ – 10 points

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- HERS Score of ~~81-85~~61-65 – 8 points
- HERS Score of ~~86-90~~66-70 – 5 points
- HERS Score of ~~91-95~~71-75 – 3 points

Documentation Requirements:

Attachment #2 Home Energy Rating System (HERS) Certification – specifically states that once construction of the ~~Development~~Development is complete, it will receive a HERS Score at or below what the Owner elected to receive points in this category, as evidenced by a report from a Certified RESNET Home Energy Rater who conducted an inspection of the property post-construction. This Certification must be signed by a representative of the Ownership entity. If the HERS Score in the report submitted with closeout documents is higher than the range committed to at the time of the initial Application, the Owner/Developer and any Principals thereof will not be eligible to receive any further Oklahoma ~~Increased~~-Housing Stability Program Funding.

5-6. Amenities

Total Points Possible: 10

Points will be awarded to proposed ~~Development~~Developments committing to provide any of the amenities more specifically listed on **Attachment #3**. Applicants will receive 1 Point for each Amenity selected (unless otherwise noted), up to 10, for a maximum of 10 Points.

Documentation Requirements:

Attachment #3 Amenities Certification – This Certification must be signed by a Representative of the Ownership Entity.

Tie Breakers

First, priority will be given to applications for proposed ~~development~~Developments located in a Federally Declared Natural Disaster Area (that has been declared within the last 12 months of the date of application).

Second, priority will be given to applications for proposed ~~development~~Developments located in a State Declared Disaster Area (that has been declared within the last 12 months of the date of application)

Third, priority will be given to the ~~development~~Development with the lowest Total Development Cost (TDC) per bedroom.~~largest number of bedrooms.~~

Lastly, if there are still two (2) or more applicants remaining tied, the final tiebreaker may be a random drawing.

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Attachment #1 – Visitability Certification

Visitability – 10 points

To be eligible to receive points, applicants must commit to providing **all** three items listed below in at least ten percent (10%) of the units built using program funds, with a minimum of one (when calculating the percentage, OHFA will round up to the next whole number). For example, if proposing to build 21 units, 10% = 2.1; 3 units would be required. ~~(with a minimum of one, when calculating the percentage, OHFA will round up) built using program funds.~~

Accepted items:

- Door openings must be at a minimum 32” wide 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 to 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.

Representative of the Ownership Entity

Date

Printed Name

DO NOT MODIFY THIS FORM.

Attachment #2 – Home Energy Rating Certification

~~Development~~Development Name: _____

The Undersigned hereby certifies:

- ~~That~~ Once construction of the ~~Development~~Development is complete, it will receive a HERS Score at or below the election they make below, as evidenced by a report from a Certified RESNET Home Energy Rater who conducted an inspection of the property post-construction. A random sampling of 20% of the units must be scored by the Certified RESNET Home Energy Rater.
- If the HERS Score in the report submitted with closeout documentation is higher than the range committed to at the time of the initial Application, the Owner/Developer and any Principals thereof will not be eligible to receive any further Oklahoma Increased Housing Program Funding.

Applicants may choose only one (1) of the following:

- HERS Score of less than or equal to ~~80~~60 – 10 points
- HERS Score of ~~81-85~~61-65 – 8 points
- HERS Score of ~~86-90~~66-70 – 5 points
- HERS Score of ~~91-95~~71-75 – 3 points

Representative of the Ownership Entity

Date

Printed Name

DO NOT MODIFY THIS FORM

Attachment #3 – ~~Development~~Development Amenities Certification

~~Development~~Development Name: _____

The Undersigned hereby certifies:

- The amenities will be included in the plans and specifications for the ~~Development~~Development and ~~that~~ they have been included in the construction budget.
- The amenities will be new and specific to the ~~Development~~Development and/or unit and not included in any other phase of the ~~Development~~Development if it is a multi-phase ~~Development~~Development and are not included in any other ~~Development~~Development located in close proximity to this ~~Development~~Development.
- That one hundred percent (100%) of the units in the ~~Development~~Development will be located within ½ mile of any amenities meant to serve the entire ~~Development~~Development even if more than one (1) of an amenity type must be included to meet this requirement.
- **This is an exclusive list and no substitutions will be permitted after a ~~Development~~Development has been awarded funds.**

The following items must be provided:

- Central heat and air
- Dishwasher
- Garbage disposal
- Washer and dryer hookups
- ~~Hard-wired~~Smoke detectors and carbon monoxide detectors

Applicants may choose up to ten (10) of the following items to receive up to 10 Points (1 Point per item, except the Storm Shelter/Safe room which is 5 points):

- Indoor Fitness center (for ~~Development~~Developments with 60 units or less: a minimum of two (2) pieces of equipment must be provided, for ~~Development~~Developments with greater than 60 units: a minimum of four (4) pieces of equipment must be provided.) (e.g. Treadmills, Weight Sets, Stationary Bicycles, etc.)
- Playground with three (3) or more different features grouped together. (e.g. Swings, Seesaws, Slides, etc.)
- Onsite computer workstations reserved strictly for use by the tenants with internet access (for ~~Development~~Developments with 60 units or less: a minimum of two (2) computers must be provided, for ~~Development~~Developments with greater than 60 units: a minimum of four (4) computers must be provided.)
- Covered parking – minimum of at least one covered parking spot for each unit
- Dog park
- Pool
- Splash pad
- Washer & Dryers in each unit

- Gated community providing keypad gates on all entrances to the ~~Development~~Development
- Ceiling fans (all beds & living)
- Charging station for electric cars – minimum of 1 station per 20 units
- ~~Garbage Disposal in each unit~~
- Sports Facilities which must be stationary and fixed to the ~~Development~~Development. (e.g. Soccer Field, Basketball Court, Tennis Court, Badminton, Shuffle Board, etc.)
- Security cameras that cover the entrances of each unit
- Security systems within each unit
- Outdoor grills – minimum of 1 grill per 20 units
- Outdoor covered seating
- Community room
- Smoke free policy for the building(s)
- Storm shelter or Safe room must be constructed in accordance with the most recent State of Oklahoma Uniform Building Code Commission minimum State requirement for storm shelters, which currently requires construction according to ICC/NSSA 500 Standard, FEMA 320 Guideline, FEMA 361 Guideline or other equivalent approved engineered system. Must accommodate all possible residents based on number of bedrooms, one (1) person per bedroom. Residents must have access.

Representative of the Ownership Entity

Date

Printed Name

DO NOT MODIFY THIS FORM

OHFA Oklahoma Increased Housing Program Application - Attachment A

Electronic Application Information

OHFA is not responsible for any Internet, computer, and uploading, etc. type of issues. Applicants are advised to upload electronic Application files before the deadline. Your Dropbox Application link will expire on the due date at 3:00 p.m. Central time; therefore, an Application cannot be submitted after the deadline.

Step 1: Request a Dropbox folder for the Application to be submitted by emailing any of the OHFA Allocation Analysts. The assigned folder name will be the “Name of Applicant-Activity-City” (Activity means Homeownership/Rental etc.). Provide this information in your request.

Step 2: The Analyst will “reply to all” in the email folder request by sending a link to the Dropbox folder. The link will be specific to that folder/Application. You can share the link with others. Please exercise caution when sharing the folder link, do not share with anyone you do not want to have access to the folder.

Step 3: Create one PDF document with bookmarks for each tab, even those that are N/A. For each tab, including those that are N/A, create a title page listing the same name as the bookmark name. The PDF should be named the same as the initial folder request, see Step 1 above.

Please use the tabs listed on the submission checklist as a guide for listing bookmark titles and title pages.

TIP: For more information about creating bookmarks see <https://helpx.adobe.com/acrobat/using/page-thumbnails-bookmarks-pdfs.html>.

Step 4: Review PDF file for clarity and verify bookmarks work properly. Verify readability after you scan/prepare a document. If a document is too small, or in any other way illegible, then Staff will not be able to evaluate information or count as submitted. This may cause you to Fail Threshold or not receive points. **TIP: When possible, convert documents directly to PDF, then insert signature pages into the PDF.**

Step 5: Upload PDF Application file. **Once a document is submitted you cannot edit or retrieve it.** If you need to submit a revised Application, then put Revised in the title. **OHFA’s Dropbox system is only for submitting Applications, not a method for Application preparation.**

Step 6: After submission, Applicants receive an email acknowledging successful upload.

OHFA Oklahoma Increased Housing Program Applicant Information Form

~~Development~~~~Development~~ Name (If applicable): _____

Applicant Name: _____

Address: _____

Phone: _____ Fax: _____

E-mail address: _____

Federal Employer Identification Number (EIN): _____

Name of Applicant's Authorized Representative: _____
(Official authorized signatory)

Name of primary contact person: _____

Phone: _____ Fax: _____

Address: _____

E-mail address: _____

Political Subdivision: _____ Town _____ City _____ County

_____ Public Trust _____ Non-Profit organization

_____ For-profit developer _____ Tribes

_____ Other-Describe _____

~~Development~~~~Development~~ funds loan request: \$ _____

Total Number of Units to be Developed _____

Total Number of Oklahoma Increased Housing Program Units to be Developed _____

~~Development~~~~Development~~ Activity (ies): (Check all that apply)

Single Family

_____New construction -Rental

Multi-Family

_____New construction - Rental

| Location of ~~Development~~Development: _____

Congressional District: _____

Oklahoma House District Number(s): _____

Oklahoma Senate District Number(s): _____

Double Click the EXCEL icon

Instructions are on the first tab. Once complete, print the Excel Worksheets and insert at the end of Tab 7 of this Application.

If the spreadsheets do not work for your project, contact OHFA Staff.

OHFA Oklahoma Increased Housing Program Application Certification

The Applicant hereby certifies that all of the information contained in this Application for funding through the Oklahoma Increased Housing Program is true and accurate to the best of my knowledge, and that all documentation supporting the information in this Application is on file in the Applicant’s office, available for review by Oklahoma Housing Finance Agency (OHFA) Staff during normal business hours.

Additionally, the Applicant understands that failure to provide any of the documentation necessary to support the information in this Application may result in the return of all Oklahoma Increased Housing Program funds, both expended and unexpended, in accordance with the Program Sanctions under the codified rules of OHFA, contained in Oklahoma Housing Stability Program Rules, Chapter 80.

Additionally, the Applicant understands that in the event Oklahoma Increased Housing Program funding is awarded, the content of the Application shall be incorporated as part of the funding. Activities, commitments, and representations offered in the Application that are not subsequently made a part of the ~~Development~~Development as funded, shall be considered a material contract failure, and may result in a repayment of all Oklahoma Increased Housing Program funds, or possible legal action for specific performance, and/or suspension from Program participation.

Applicant has read the Oklahoma Increased Housing Program Application Packet and will comply with the rules and requirements of the Oklahoma Increased Housing Program.

Name and Title (Type or Print) Date

Signature (SEAL)

State of Oklahoma
County of _____

Attest:
Subscribed and sworn to before me _____,

Notary Public _____

My commission expires _____,

Commission Number _____

Submission Checklist

The following is designed to serve as a general guide to Applicants regarding primary and supporting documents to be included in a Application for Oklahoma Increased Housing Program funding. Loan Applicants should carefully review all submission requirements within the Application to ~~insure~~ensure it is complete.

One Original Application

~~Threshold~~Evaluation Criteria

| | |
|----------------------------|---|
| Tab # <u>1</u> | Applicant Information Form and Application Certification |
| Tab # <u>2</u> | Development <u>Development</u> 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 <u>Development</u> 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 <u>Development</u> 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> Cash Flow Statement |
| Tab # <u>7</u> | Rent and Expense pro forma |
| Tab # <u>8</u> | Partnerships |
| Tab # <u>9</u> | Development <u>Development</u> 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 |

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**Appendix A – OKLAHOMA INCREASED HOUSING PROGRAM LOAN
CHECKLIST**

All items below must be received by OHFA 20 business days prior to loan closing. Piecemeal filings will not be accepted. All documents submitted should be tabbed, referencing the item numbers below.

1. Proposed Promissory Note (OHFA to prepare).
2. Proposed Real Estate Mortgage and Security Agreement with Power of Sale (OHFA to prepare).
3. Proposed Loan Agreement (OHFA to prepare).
4. Security Agreement UCC-1 (OHFA to prepare).
5. Organization documents specifying type of entity and individuals authorized to sign.
6. Certificate of Good Standing; Balance Sheet and Income Statement dated within 90 days of proposed loan date.
7. Operating Agreements.
8. Copy of Recorded Plat.
9. Address and legal description of each property to be covered by first mortgage.
10. Title Insurance Commitment or Title Opinion (OHFA to be insured).
11. Proof of site control (purchase contract, purchase option, etc.).
12. Copy of Proposed Deed.
13. Appraisal for property as is, and as built.
14. Flood Certificate for each property. Evidence of Flood Insurance is required for any proposed Development located in a floodplain.
15. Survey showing access to public streets and utilities.
16. Phase I Environmental Assessment of the site.
17. Zoning classification letter from city.
18. Current construction budget, building timeline, and proposed draw schedule, approved by architects.
19. Construction contracts (general contractor and subcontractor - AIA suggested).

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20. Insurance Certificate for general contractor.

21. Building Permits.

22. Bank Account wiring information (Account name, Bank name, routing #, Acct #) and Authorization Agreement for Pre-Arranged Deposits (ACH Credit).

23. Form W-9 completed by the owner.

24. Proof of insurance for each home/site. Provide evidence of Builder's Risk Coverage, by lot & block or street address, showing amounts and OHFA as loss payee.

Other information, as reasonable, may be requested by OHFA.

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