



**OKLAHOMA HOUSING FINANCE AGENCY  
2016 HOUSING TRUST FUND  
Allocation Plan**

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## **Introduction**

This 2016 Allocation Plan is necessary to implement the federal government's National Housing Trust Fund (HTF). The Oklahoma Housing Finance Agency (OHFA) has been designated by the Governor of the State of Oklahoma to administer the HTF for the State. HTF funding is provided through the U.S. Department of Housing and Urban Development (HUD). Oklahoma will receive the minimum state grant amount of \$3,000,000 in 2016.

All HTF funds that OHFA receives in 2016 will be used to provide housing for Extremely Low-Income families or families at or below the Poverty Line, whichever is greater. In accordance with 24 CFR Part 93, OHFA will allocate 10% of its grant to program planning and administration costs (\$300,000); up to one-third for funding operating cost reserves; the balance of the grant will provide capital funding for new construction or rehabilitation of housing units.

## **1. National Housing Trust Fund Strategic Plan §91.315(b)(2)**

### **Geographic Priorities**

The HTF funds will be targeted to address specific and critical needs in rental housing markets, including multiple geographic areas if at all possible.

### **Goals**

Because this is the fourth year of the 5-year strategic plan and the first year for HTF, the goals are the same as the 2016 Action Plan Update, as amended.

- Number of HTF units constructed or rehabilitated in 2016: 20
- Number of HTF units receiving operating subsidies in the form of operating reserves: up to 20

## **2. National Housing Trust Fund Action Plan §91.320(k)(5)**

### **Distribution of HTF funds**

OHFA for 2016 will not allocate funds to sub-grantees for their distribution to owners/developers. Instead, HTF funds will be distributed directly to owner/developers of affordable housing via OHFA's 2016 HTF Application, a competitive process of selecting the best possible Projects for an award of HTF funds.

### **Application Requirements and Selection Criteria**

Developers, owners, and the entire development team are required to meet the same threshold eligibility criteria as for other OHFA programs, as specified in the 2016 HTF Application Packet.

In addition, points will be awarded for certain other priorities, including those set forth in 24 CFR Part 91.320. **These are highlighted to distinguish them from OHFA's own requirements.** They may include, but are not limited to:

### **Threshold Requirements:**

- Affirmatively Furthering Fair Housing Marketing Plan
- Audit
- Program and Financial Monitoring

- Market Analysis
- Description of the Project
- Financing, Underwriting and Subsidy Layering
- **Applicant Organizational Structure, Capacity and Experience**
- Capital Needs Assessment (for acquisition/rehabilitation projects only)
- **Affordable Rents**

## **Priority (Points) for Awarding Funding to Eligible Applicants**

### **Geographic Diversity**

OHFA will give bonus points to the highest scoring applications from the two main areas of the State, the counties grouped with the Oklahoma City MSA for establishing the HOME Program Maximum Per-Unit Subsidy Limits, and the counties grouped with the Tulsa MSA for the same purpose. Due to the limited funding for 2016, OHFA believes that this is the most that can be done to encourage Geographic Diversity. Tiebreakers will be used if two or more applications achieve the same score.

### **Project-based Rental Assistance**

OHFA will award points for the preservation of rent-assisted projects; and for projects with binding commitments for project-based vouchers.

### **Duration of Affordability Period**

New Construction, rehabilitation, and rehabilitation and acquisition rental projects have an affordability period of thirty (30) years. OHFA will award points for Projects promising an additional ten (10) years of affordability.

### **Priority housing needs**

Oklahoma's most current Consolidated Plan (2013-2017) identifies priority housing needs among ELI renters for all renter household types from small and large families to elderly households. OHFA will award points for **the merits of the Application in meeting the State's priority housing needs** as set forth in the Consolidated Plan.

### **Leveraging**

OHFA will award points for leveraging the HTF funds with other funding sources, including **the extent to which an Application makes use of non-federal funding sources**, such as State and local funding sources and private funding. Points will not be awarded for funding from the developer or the ownership entity.

### **Readiness to Proceed**

Points will be awarded for the Applicant's **ability to undertake eligible activities in a timely manner**.

### **Special Populations**

Points will be awarded for Projects that propose to serve special populations. The special populations for 2016 will be the homeless, families or individuals dealing with mental and

physical disabilities, veterans, youth aging out of foster care, and individuals transitioning out of incarceration and their families.

### **Services for Special Populations**

OHFA will award points for access to high quality supportive services focused on staying housed, improving physical and mental health, increasing income and employment, and developing social and community connections. Applications for NHTF funding should be tied to funding for services that are appropriate to the population to be served.

Cross-agency collaboration is particularly important when serving an ELI population because they may be frequent users of other public services, and providing affordable, service enriched housing may represent cost savings that could be reinvested in services funding)

In addition, many ELI populations want to work but have experienced barriers related to health, disability, criminal justice background, access to child care, or lack of skills that could put them on a path to family-sustaining work. NHTF developers are encouraged to show evidence of partnerships with workforce development agencies.

Roles, responsibilities and communication strategies should be clearly established among the supportive housing partners, codified in written agreements (MOUs, MOAs, contractual or grant agreements) and revisited regularly.

### **3. Eligible Activities**

Activities to be undertaken include rehabilitation (including acquisition), preservation, and new construction of rental housing, including operating reserves if necessary to ensure the financial feasibility of the Project.

### **4. Eligible Recipients**

- **Nonprofit developers:** A nonprofit developer is a nonprofit housing development organization selected by OHFA, through the competitive Application process described herein, to develop a single HTF Program Project.
- **For-profit developers:** A for-profit developer is a for-profit housing development organization or individual selected by OHFA, through the competitive Application process described herein, to develop a single HTF Program Project.
- **State Recipients:** A State Recipient is a governmental entity within the State of Oklahoma selected by OHFA, through the competitive Application process described herein, to develop a single HTF Program Project. This includes cities, towns, counties and Indian tribes.

## **5. Performance Goals and Benchmarks**

Oklahoma will receive the minimum state grant amount of \$3,000,000 in 2016. All HTF funds received in 2016 will be used to house Extremely Low-Income families, or families at or below the Poverty Line.

OHFA will execute Written Agreements with all eligible recipients that receive an award of HTF funds. Such Written Agreements will contain multiple performance goals and benchmarks, allowing OHFA to ensure that the Projects will be completed successfully and in a timely manner, and that all the requirements of OHFA and the HTF will be met.

These goals and benchmarks include, but are not limited to:

- Quarterly reports during construction, until the Projects have placed in service
- Deadlines for construction commencement and construction completion
- Regular construction inspections by OHFA's inspector
- Deadlines for the submission of required documentation
- Written New Construction Standards or Written Rehabilitation Standards, as applicable
- Documentation of Environment Review
- Performance reports

## **7. Maximum Per-unit Development Subsidy Limits**

For 2016, OHFA will use the 2016 HOME Program Maximum Per-Unit Subsidy Limits for the HTF. In future years OHFA may develop separate per-unit subsidy limits for the HTF when historical data is available.

## **8. Rehabilitation Standards**

Projects awarded HTF funds must comply with all applicable State and local codes, standards and ordinances by project completion. In cases where standards differ, the most restrictive standard will apply. In the absence of a State or local building code, the latest version of the International Residential Code will apply. In addition, all Projects must meet or exceed OHFA's Written New Construction Standards or OHFA's Written Rehabilitation Standards, whichever applicable.

Projects must meet local housing habitability or quality standards throughout the affordability period. Projects must also meet HUD's Uniform Physical Conditions Standards (UPCS), as set forth in 24 CFR 5.705. In addition, Projects proposing rehabilitation of rental housing must follow the federal Lead-Based Paint requirements.

## **9. Resale and Recapture Provisions**

OHFA will not undertake any Homeownership activities with the HTF for 2016, and therefore no Resale and Recapture provisions would apply.

## **10. Affordable Homeownership Limits**

OHFA will not undertake any Homeownership activities with the HTF for 2016, and therefore no Affordable Homeownership Limits would apply.

## **11. Limitation on Beneficiaries or Preferences**

OHFA does not plan to limit the HTF funding to certain beneficiaries. However, preference will be given to certain special populations by way of extra points in the 2016 HTF Application Packet.

## **15. Refinancing Existing Debt**

OHFA will not use HTF to refinance existing debt.