



**OKLAHOMA HOUSING FINANCE AGENCY
2016 HOUSING TRUST FUND
Application Packet**

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P.O. Box 26720
Oklahoma City, OK 73126-0720**

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Introduction

The Oklahoma Housing Finance Agency (OHFA) has been designated by the Governor of the State of Oklahoma as the administering agency for the National Housing Trust Fund (HTF) for the State of Oklahoma.

Title 24 Code of Federal Regulations (CFR), Part 93.100 (HTF Interim Rule), governs this program. Those regulations are incorporated by reference in Application. The primary goal of the HTF is to preserve and increase the supply of decent, safe, and sanitary affordable housing for individuals and families whose incomes do not exceed thirty percent (30%) of Area Median Income, or the Poverty Level, whichever is greater.

OHFA administers the HTF for the entire State of Oklahoma. No entitlement cities receive any of the funding. Therefore, HTF monies will be made available anywhere in the State of Oklahoma. OHFA intends to utilize the HTF in the most geographically diverse manner possible.

HTF Program Description

OHFA's HTF Program description is set forth below. A brief description is also contained in the Substantial Amendment to the 2016 Action Plan and the 2014-2018 Consolidated Plan, available through the Division of Community Development, Oklahoma Department of Commerce (ODOC).

HTF Eligible Entities

The following are eligible to be selected by OHFA through the competitive Application process described herein, to develop a single HTF Program Project:

- **Nonprofit developers:** A nonprofit developer is a nonprofit housing development organization.
- **For-profit developers:** A for-profit developer is a for-profit housing development organization or individual.
- **State Recipients:** A State Recipient is a governmental entity within the State of Oklahoma. This includes cities, towns, counties and Indian tribes.

HTF Eligible Activities

HTF funds must be partnered with another federal, State or local funding program. Applications proposing to use only HTF funds will not be accepted.

1. Rental New Construction

HTF funds may be used by Applicants for new construction of rental housing for income eligible individuals and families.

2. Rental Acquisition and Rehabilitation

HTF funds may be used by Applicants for the acquisition and rehabilitation of rental housing for income eligible individuals and families.

HTF – Prohibited Activities

HTF funds cannot be used to pay for:

- Any costs associated with HTF Application preparation or submittal.
- Costs outside stated contract periods, unless specifically permitted by OHFA and set forth in the Written Agreement.
- Delinquent taxes, fees or charges
- Political activities, advocacy, and/or lobbying
- Any cost not eligible under 24 CFR Parts 93.201 and 93.202.
- Existing indebtedness.
- Tenant-Based Rental Assistance
- Project-based rental assistance
- Supportive services

Mode of HTF Investment

Applicants receiving an award of HTF funds will receive the funds in the form of a no-interest loan. The loan may be forgivable at the end of the term if applicable and necessary for the financial viability of the project. The loan term will be a minimum of thirty (30) years to match the Period of Affordability.

HTF Program Funds Allocation

The total allocation of HTF funds for the State of Oklahoma for Program Year 2016 is **\$3,000,000** as determined by HUD.

Funding awards are subject to the availability of HTF funds and the timing needs of individual developments.

1. Administrative Funds

Ten percent (10%) of the annual allocation shall be used for administration. These funds shall be used by OHFA to support its overall program delivery and monitoring.

2. Rental Development

Ninety percent (90%) of the annual allocation shall be used for Rental Projects, both new construction and acquisition and rehabilitation, as well as operating reserves for those Projects.

Award Amounts

The amount of HTF funds to be allocated to an eligible project will be limited to no more than \$1,000,000. The amount of HTF funds to be allocated to the same project for an operating reserve will be \$350,000. The total awards for operating reserves for all funded Projects cannot exceed \$1 million, which is 1/3 of the State's total HTF Allocation for 2016.

Federal Program Guidance

Applicants may access guidance and information relating to the HTF Program from the HUD Exchange and the OHFA website. Applicants are strongly encouraged to educate themselves on all aspects of HTF Program. OHFA will carefully consider the capacity of the Applicant to utilize the HFT funds properly when making funding decisions.

- OHFA website: www.ohfa.org
- HUD Exchange: www.hudexchange.info

Questions

Questions regarding this Application, the Allocation Plan, the HFT Interim Rule and the HTF regulations, may be directed in writing to:

Oklahoma Housing Finance Agency
Housing Development Team
P.O. Box 26720
Oklahoma City, OK 73126-0720

All Housing Development Team Staff can be contacted by e-mail, fax or phone. The individual fax number for each staff member is 405.419.9 plus the last three digits of the phone number.

darrell.beavers@ohfa.org	HDT Team Leader	405.419.8261
darcy.green@ohfa.org	HDT Program Supervisor	405.419.8145
jody.glaze@ohfa.org	HDT Secretary	405.419.8133
danette.carr@ohfa.org	Housing Financial Analyst	405.419.8136
gerda.elpedes@ohfa.org	Housing Financial Analyst	405.419.8269
pamela.miller@ohfa.org	Housing Financial Analyst	405.419.8134
brandi.muse@ohfa.org	Housing Financial Analyst	405.419.8201
alicia.thomas@ohfa.org	Housing Financial Analyst	405.419.8137
chevelle.galbreath@ohfa.org	Grant Accounting Supervisor	405.419.8130

Questions regarding the Environmental Review process should be directed to Gerda Elpedes or Alicia Thomas.

Application Process

An Application must be from an eligible entity and for an eligible Project. To be considered for funding, a HTF Application must satisfy all threshold requirements. An Applicant applying for HTF funds should thoroughly review the Application prior to submission.

A Project is defined as: a site or sites together with any building or buildings located on the site(s) under common ownership, management and financing, to be assisted with HTF funds as a single undertaking. The "Project" includes all of the activities associated with the site(s) and building(s).

OHFA will begin accepting Applications for 2016 HTF Program Year funds on January 1, 2017.

Applications received after 4:30 p.m. will be considered received on the following day, and will be date stamped for the following day.

The deadline for the first group of Applications is February 15, 2017. Those Applications will be considered at the May 2017 meeting of OHFA's Board of Trustees. As of the date of publication of this Application Packet, the date for the May meeting has not been established. As soon as the date has been determined, OHFA will notify all Applicants. OHFA will establish additional deadlines once the Board meeting dates for 2017 have been established, and will notify the public of said deadlines.

OHFA will conduct a thorough 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 one of their regularly scheduled meetings.

Applications proposing to incorporate the use of HTF funds with OHFA's AHTC Program will, if successful, be given a contingent award pending the outcome of the Tax Credit Application. The HTF Application should reference the Tax Credit Application. The contingency will be based upon satisfaction of the Tax Credit Program Application requirements and Tax Credits awarded. Any discrepancies between the two Applications must be resolved, which may include Staff requesting additional documentation and/or clarification for the HTF Application. **Any contingent award will only be valid for the First or Second Tax Credit Funding Period of 2017.**

Oklahoma Housing Trust Fund Applications proposing to incorporate the use of HTF funds must be contingently approved before the HTF award. A HTF Application will not be contingently approved based upon a future Oklahoma Housing Trust Fund award.

OHFA cannot, under any circumstances, commit HTF funds to a Project without a firm financial commitment from all other funding sources. The definition of a "commitment" of HTF funds is a legally binding Written Agreement with a State recipient, non-profit developer or for-profit developer to use a specific amount of HTF funds to produce affordable housing. Contingent awards as described above do not constitute a commitment of HTF funds.

Application: Board Consideration

All Applications will be considered and acted upon by the OHFA Board of Trustees at one of the regularly scheduled meetings. Unless otherwise posted, the meeting time will be 10:00 a.m. and the meeting place will be 100 NW 63rd Street, Oklahoma City, OK, 73116, in the Will Rogers Conference Room. Interested parties should check the OHFA website periodically for updates on meeting dates, times and locations.

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/or 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 Trustees, and to present evidence and argument in support of approval of the Application, if necessary. The Applicant's representative should be a responsible employee or official of the Applicant. The Applicant may also be represented by legal counsel.

In their deliberations, the Board of Trustees will consider the Application, Staff's recommendations, the presentation of the Applicant, the HTF Interim Rule, the Consolidated Plan, the HTF Application and the HTF Allocation Plan. The procedures set forth in OAC 330:10 and Article II of the Oklahoma Administrative Procedures Act, 75 O.S., Sections 309, *et seq.* (the "OAPA") will be followed. The meeting will be considered an individual proceeding under the OAPA and the decision of the Board of Trustees will constitute a *Final Order* thereunder.

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 Applicant disputes the recommendation of Staff, the 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 forty-eight (48) hours** prior to the commencement of the meeting when the Application will be considered.

In addition to the hard copies, 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 the Staff or the Trustees.

Application: Format

Applications must be:

- Typed; single-spaced, with 12 point font
- On 8 ½ x 11 paper
- All pages are to be tabbed according to the threshold factors and evaluation criteria topics contained in the appropriate Submission Checklist. The pages in the Application must be either sequentially numbered within each tab or throughout the entire Application.

Applicants are required to submit an original of each Application. No copies are required.

Application Submission

Applications that are submitted by electronic means (e-mail or fax) will not be accepted. Hand delivered Applications **should be** submitted to one of the HDT members listed on page 5 of this Application, at the address below. Applications should not be left with the OHFA receptionist unless no HDT Staff member is available. Persons delivering Applications should ensure that the Applications are date-stamped, and obtain a receipt. **Applications sent by the U.S. Postal Service, Federal Express, UPS or other parcel service must be sent to the address directly below, not to OHFA's P.O. Box.**

OKLAHOMA HOUSING FINANCE AGENCY
Attention: Housing Development Team
100 NW 63rd Street, Suite 200
Oklahoma City, OK 73116

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

Threshold Factors

Failure to submit or properly address threshold items will disqualify the Application from being scored and considered for funding. Some factors may not apply to all Applications. Some requirements under a particular factor may not apply to all Applications.

All Applicants will be notified of insufficient documentation or items in need of clarification, and will be given a 14 calendar day period in which to provide additional documentation and/or clarification as needed. OHFA will permit such additional documentation and/or clarification to be provided electronically unless a document with an original signature is required.

1. Application Information Form and Attachments A, B and C

Documentation Requirement:

Applicants must submit a fully completed Application Information Form with Attachments A, B and C. The forms for these can be found on pages 20-25 of this Application Packet.

Applicants receiving HTF funds must comply with all of the Other Federal Requirements as outlined in 24 CFR Part 93. **Applicants must include a signed and notarized Attachment B with their Applications, “Certification of Compliance with Other Federal Requirements.”** No change to the wording of the form is permitted.

Applicants must include a signed and notarized Attachment C with their Applications, “Certification of Financial Management”. No change to the wording of the form is permitted.

2. HTF Application Certification

Documentation Requirement:

A completed, signed and notarized OHFA HTF Application Certification. The certification can be found on page 26 of this Application Packet.

3. Applicant/Recipient Disclosure/Update Report (HUD-2880)

Documentation Requirement:

A fully completed HUD-2880 Form. This form is available on OHFA’s website.

4. Application for Federal Assistance (HUD-424)

Documentation Requirement:

A fully completed HUD-424 Form. This form is on OHFA’s website.

5. Affirmative Fair Housing Marketing Plan

Documentation Requirement:

Applicant must submit a copy of the Applicant’s Affirmative Fair Housing Marketing Plan. Applicants should use HUD Form 935.2A (multi-family).

6. Audit

Documentation Requirements:

- A. A copy of the Applicant’s most recent audit must be included or on file with OHFA. If on file with OHFA, the Applicant must provide details of when it was submitted and to whom.
- B. **If the audit is for a period ending before June 30, 2015,** a statement that the most recent audit available is included or on file, a report on the current status of the new audit, and an expected completion date for the new audit must be provided. Failure to provide all three will disqualify

the Application. The “period ending before June 30, 2015” refers to the Applicant’s Fiscal Year. It has nothing to do with the date of the preparation of the audit.

- C. Applicant must fully explain all audit findings, reportable conditions, or program compliance issues noted in the audit. The explanation must fully detail actions taken to clear the issues. The Applicant must submit the corrective action plan. If any deficiency or reportable conditions have not been stated and/or corrected, the Application may be ineligible for funding.
- D. If the Applicant is not required to have an audit according to OMB circular 2 CFR Part 200, then a balance sheet and income statement reflecting the current financial position of the Applicant must be submitted. The senior Financial Officer or the Executive Director must attest to the documents.
- E. **OHFA is required to certify that the Applicant has the financial capacity to undertake the activity for which it is applying.** OHFA will examine the audit (or balance sheet and income statement) in order to help assess the financial capacity of the Applicant. OHFA must be assured that the Applicant has sufficient financial strength to provide for unforeseen costs and unanticipated delays. **If it does not appear to OHFA Staff that the Applicant has the financial capacity to undertake the Project, the Application will be recommended for denial.**

7. Program and Financial Monitoring

An Application may be denied based upon a review by Program and Financial Compliance Staff (Compliance Staff) of performance issues and previous participation. Compliance Staff will assess the performance of the Applicant, administrators, consultants, or other partners involved in the development. **All monitoring requirements will be judged as of the date of submission of the Application to OHFA.**

There is no documentation requirement for this section. OHFA Staff will review internal records and consult with Compliance Monitoring Staff and Financial Monitoring Staff to determine if the Application meets the necessary requirements for funding. OHFA Staff may request additional information from the Applicant in order to determine that the Application meets all the necessary requirements. Failure to provide any such additional information could cause OHFA Staff to recommend denial of the Application.

Applicants with unresolved monitoring findings in the AHTC or HOME Programs are ineligible to apply for funding. Prospective Applicants should therefore ensure that all monitoring findings have been resolved to the satisfaction of OHFA Compliance Staff before submitting an Application for HTF funds.

Compliance with all HTF Program rules and regulations is essential. Therefore, OHFA reserves the right, in its sole discretion, to deny any Application due to prior monitoring or financial findings or concerns, regardless of the number or perceived severity. OHFA also reserves the right, in its sole discretion, to deny an Application even if there have been no prior monitoring findings or concerns, if OHFA Staff has other legitimate concerns regarding the Applicant’s capacity to undertake the Project or Program.

8. Market Analysis

OHFA must assess the market conditions of the neighborhood or market area in which the housing will be located. This is regardless of the number of HTF units.

For all developments of up to twenty (20) units, a market study must be included with the Application that includes all of the applicable documentation requirements listed below. For a development of up to twenty (20) units, Applicants may perform their own scientifically based housing market analysis. Such studies must fully describe the methodology used and sources of all data and information.

The market study will be utilized by OHFA to determine whether the Project meets housing needs and demands. Effective housing market analyses include a thorough investigation into site, neighborhood, and market area, plus a complete analysis of the housing supply and market conditions. Market analyses will determine appropriate housing quantities, types, features and unit mix and are required to clearly document demand for the type and number of affordable housing units proposed. Demand is defined as the total number of households in a market area that would potentially move into the units following the proposed activity. These households must be of the appropriate age, income and size for a specific proposed Project, and there must be some evidence that these households would have an interest in renting the units.

A Statewide Housing Needs Assessment was recently conducted and is available online at www.oklahomahousingneeds.org. It could be a valuable resource for market analysis.

The market analysis must be prepared no more than twelve (12) months prior to the date the Application is filed with OHFA. Updates are not accepted.

For developments of more than twenty (20) units, Applicants must submit a third party, independent housing market analysis. The analysis must be prepared by a market analyst, unaffiliated with the Applicant, owner or developer, who has experience with single or multi-family rental or single-family homeownership housing, depending on the proposal.

Documentation Requirements for HTF in Conjunction with AHTCs:

Applicants for HTF funds in conjunction with an Affordable Housing Tax Credit Application must submit a third party, independent housing market analysis regardless of the number of units proposed. The analysis must be prepared by a market analyst, unaffiliated with the Applicant, owner or developer, who has experience with single or multi-family rental housing, depending on the proposal. If applying for HTF funds in conjunction with an Affordable Housing Tax Credit Application, the Applicant will only be required to submit one (1) market study between the two (2) (HTF & AHTC) Applications. The single market study should be submitted with the Tax Credit (AHTC) Application. **The study submitted must meet all requirements of both the AHTC and HTF programs.**

Applicants for Rental Activities in Conjunction with AHTCs are required to submit an electronic copy of their full market study along with their regular Application materials. This electronic version may be in the form of a CD, stick/flash drive, or other electronic storage device. E-mail attachments will not be accepted. This is in addition to, and not a substitution for, the regular hard copy of the study.

Documentation Requirements for HTF activities requiring a market study:

- A. All information included with the Market Study must be no more than twelve (12) months old;

- B. A summary of the qualifications of the individual(s) who participated in the 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. A discussion regarding the appropriateness of the location – availability of community facilities and proximity to local schools and parks;
- D. An evaluation of the need for affordable housing within the market area including a review of economic and employment factors such as population growth trends, development and activity, industry, major employers, and labor force;
- E. An assessment of the current housing supply type, quantity, unit mix, location, age, condition, occupancy levels, and housing cost overburden statistics;
- F. An identification of the number of households in the market area which are of the appropriate age, income and size for the proposed activity;
- G. A description of the potential effect on the occupancy rates of other comparable properties in the market area;
- H. A description of rents and vacancy rates of comparable housing;
- I. A calculation of the capture rate by dividing the total number of units in the Project by the total number of age, size and income-qualified renter households in the primary market area;
- J. The expected time of market absorption of the proposed housing (for rental only);
- K. Rent rolls for existing tenants (Acquisition/Rehabilitation only).

9. Description

Applicants must provide a brief summary of the Project that includes all of the following:

- A. Describe the location of the Project (e.g. county, city or town, street address if known, general location, or service area).
- B. Define the number and type of units. This should include bedroom mix. Specify if the units are fixed or floating units.
- C. The Applicant must show the calculation of the number of HTF-assisted units at the HTF Rents established by HUD as set forth in 24 CFR Part 93.302. The number of HTF-assisted units must be equal or greater than a pro rata share of the total units according to the percentage of HTF monies in the Project, compared to the total Project costs.
- D. Describe how the Period of Affordability will be implemented. Include drafts or templates of all documents that will be used for this purpose.
- E. Depict the type of construction codes or standards to be used. Applicants should note that they must follow OHFA's Written Rehabilitation Standards or Written New Construction Standards, as applicable, which were originally developed for the HOME Program, as well as all State and local codes and the most recent version of the International Residential Code.
- F. Address the relocation of tenants or residents if applicable.
- G. For Rental New Construction only, Applicants must provide sufficient documentation to allow OHFA to make the determination that proposed sites for new construction meet the requirements in 24 CFR Part 983.57(e)(2) and (3) (Site and Neighborhood Standards). Applicants for Rental New Construction activities should carefully review the Site and Neighborhood Standards section of the 2016 HOME Program Processes, Procedures and Topical Guidance. **All documentation utilized in making the determination must be included with the Application. OHFA is responsible to maintain records that document the results of the site**

and neighborhood standards review. If the documentation does not support the conclusion that a site meets the requirements, additional documentation will be requested.

10. Affordable Rents

Applicants for HTF funding must use the published rent and income limits for the HTF, as published by HUD. A link to the rent and income limits can be found on OHFA's website, www.ohfa.org

Documentation requirement:

- A. Applicants must use the appropriate rents in all computations required for the Application, including proformas and projections.
- B. The budget submitted for Section 11, Financing, Underwriting and Subsidy Layering must delineate if utilities are included in the rent total and show calculations. Applicants must provide the source of the utility allowance(s) and the amount(s). Applicants must state which utility allowance will be used:

All rents and utility allowances must be approved annually by OHFA.

11. Financing, Underwriting and Subsidy Layering

Applicants must provide a detailed budget that delineates all sources and uses of funds for the total Project. Within the budget, Applicants must detail the exact activities and costs to be paid using HTF funds, including any and all soft costs. Generalizations such as "construction costs" are insufficient.

Some specific items in the Documentation Requirements below do not apply to all types of Projects. **If an item does not apply, the Applicant should so state.** If an item does apply, however, the Applicant should present as detailed and specific information as possible.

OHFA must carefully underwrite all HTF-assisted Projects, and make a determination regarding the long-term viability of the Project as well as the reasonableness of the amount of return to the owner or developer. OHFA must examine the sources and uses for each Project and determine whether the costs are reasonable. OHFA must also assure that there are firm financial commitments for every other funding source for the Project, if applicable.

If OHFA determines that the costs are not reasonable or that any other source of funds does not have a firm commitment, OHFA will advise the Applicant and request an adjustment to the costs and/or documentation of a firm commitment.

OHFA may adjust or deny funding requests based on underwriting, the subsidy layering review, and/or other factors. Applicants should ensure that all schedules, budgets, and worksheets agree and balance.

Documentation Requirements:

- A. Source of all funding with dollar amounts.
- B. Signed and dated commitment letters from all funding sources, including both private and governmental sources. Any terms must be clearly expressed. Commitment letters must contain specific numbers that match those in any and all provided budgets. All commitments must be firm commitments. No contingent commitments are permitted.

- C. Detailed Project Budget, including, but not limited to:
 - a. Acquisition of land and/or buildings.
 - b. All costs for land development, infrastructure and/or site work.
 - c. All costs of construction.
 - d. Professional fees, for example, architect, engineer, attorney, and etc.
 - e. Reserves, e.g. operating and replacement
 - f. Budget should delineate exact activities and costs to be paid with HTF funds as well as all other sources of funds.
 - g. Budget should include all soft costs (if any) and clearly delineate which source(s) of funds will pay for them.
 - h. Developer fees, if applicable. Developer fees to be paid from HTF funds must not exceed fifteen percent (15%) of the total HTF funds (including developer fees.) Budget should clearly delineate which source(s) of funds will pay for developer fees. **For HTF Rental Activities in conjunction with AHTCs, HTF funds cannot pay for developer fees.**
 - i. Total sources of funds must equal total uses of funds.
 - j. Square footage of all units must be provided.
 - k. **All costs paid with HTF funds must be HTF-eligible costs.**
- D. Operating budget illustrating income, expenses, and debt service.
 - a. The budget should be presented over a fifteen (15) year time period.
 - b. Operating expenses must be reasonable.
 - c. The budget must delineate if utilities are included in the rent total and show calculations. Applicants must provide the source of the utility allowance(s) and the amount(s).
 - d. The budget must include achievable rent rates, market vacancies, all fees, and debt coverage ratio.

HTF funding per HTF unit cannot exceed the HOME Program Maximum per Unit Subsidy Limits. HTF must also receive its pro-rata share of units based on the amount of HTF funding.

13. Organizational Structure, Capacity and Experience

Applicants are required to have a clear understanding of the rules and regulations that govern the HTF Program, and must demonstrate capacity to construct and operate a HTF Project in accordance with all applicable regulations. **Applicants for HTF Program funds must have direct experience in the production of housing. Applicants may utilize the services of consultants, but they will be judged based upon the capacity and experience of their own staff and not that of the consultants.**

OHFA must certify to HUD that Awardees of HTF funds have both the financial capacity and housing development expertise and experience to undertake the Project awarded HTF funds. Applicants must document their organizational structure and experience in order to prove that they have the necessary capacity, expertise and experience.

Documentation Requirements:

- A. Narrative describing the experience of the organization and staff persons in **other federally assisted housing activities**, and all other types of housing development activities, including both affordable and market rate housing development.
- B. Proof of staff and organizational experience related to the type of proposed Project, if any. For this item, the experience must be specific to the type of Project proposed. **Applicants are not required to have experience in the specific type of proposed Project.** However, it helps to establish capacity.

- C. Document and delineate the names and job titles of all staff persons responsible for the proposed Project and their areas of responsibility. This should include, but is not limited to, daily oversight for overall Project financing, production, and administration.
- D. Provide a narrative describing how and where all records and materials pertaining to the HTF Written Agreement will be maintained.
- E. Name, address and contact information of consultant if using a consultant to supplement staff capacity and experience.
- F. The procurement procedures utilized in selecting the consultant. Specifics must be provided, so that OHFA can properly determine if all federal requirements were met.
- G. The exact services to be provided by the consultant.

14. Capital Needs Assessment

A capital needs assessment (CNA), prepared no longer than 18 months prior to the date of Application, is required for all multi-family Rental Rehabilitation or Acquisition/Rehabilitation Projects of 26 or more units, and for all Applications in conjunction with Affordable Housing Tax Credits, regardless of the number of units. A CNA may be requested by OHFA for smaller Projects if deemed necessary to properly underwrite the Projects. Capital needs assessments performed for the same Project as a requirement of another funding source will be accepted in lieu of a specific CNA for the HTF Application.

Capital Needs Assessment (CNA) means a qualified professional's opinion of a property's current physical condition determined after a physical inspection of the interior and exterior of the units and structures. The physical inspection should include an interview with the onsite manager and maintenance personnel. This assessment should identify deferred maintenance, physical needs, **remaining useful life**, material building code violations that affect the property use, structural and mechanical integrity, and the future physical and financial needs. The assessment must include the cost of labor and materials identified in detail and the extent of future expenditures contemplated to ensure the costs will be addressed through operating and replacement reserves. Components which should be examined and analyzed in this assessment include but are not limited to:

- Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utility lines;
- Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system and drainage;
- Interiors, including unit and common area finishes (carpeting, vinyl or tile flooring, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors; and
- Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, and elevators.

Evaluation Criteria

Application responses are to be structured and 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. Failure to submit or properly address evaluation criteria items will disqualify the Application from receiving points for those items. Some criteria may not apply to all Applications. Some requirements under a particular criterion may not apply to all Applications.

All Applicants will be notified of insufficient documentation or items in need of clarification, and will be given a 14 calendar day period in which to provide additional documentation and/or clarification as needed. OHFA will permit such additional documentation and/or clarification to be provided electronically unless a document with an original signature is required.

The scores for all Applications will be totaled, and the Application scores will be used to determine the order of funding if there are insufficient funds available to fund all of the Applications for HTF funds. The highest scoring Application will receive an award of funds. **OHFA will not require a minimum score in order for an Application to receive funding.** In the event of a tie on scores between Applications, tiebreakers shall be used. The tiebreakers are set forth in the Tiebreakers criterion at the end of this section.

1. Leveraging - 10 Points

Applicants must fully describe all development leverage resources, inducements and incentives that are present in the proposed Application. All sources of construction or permanent financing, except HTF, paying development budget costs are eligible for leverage points. **If any source of funding provides both construction and permanent financing, it will not be counted twice.**

Public and private resources, such as Rural Housing Incentive Districts, CDBG, AHP, AHTC equity, Historic Tax Credit equity, USDA-RHS, HUD, foundation funds, and private capital will be considered in the leverage analysis.

Documentation Requirements:

- A. Signed commitment letters including amounts, terms and other pertinent information from all sources. **All commitments must be firm commitments.**
- B. Applicant's calculation of the leverage percentage. This is the percentage of the total HTF funds represented by the total eligible leverage resources. The formula for calculating the percentage is the total amount of leverage sources divided by the total amount of HTF funding. That number would then be multiplied by 100 to express it as a percentage.

Leverage points to be awarded:

At least 10% up to 50% of the HTF funds requested	2 points
At least 51% up to 100% of the HTF funds requested	4 points
At least 101% up to 200% of the HTF funds requested	6 points
At least 201% up to 300% of the HTF funds requested	8 points
301% or more of the HTF funds requested	10 points

When determining the leverage percentage, **normal rounding shall apply.** Thus, for example, 50.5% will be rounded up to 51%. 50.4% will be rounded down to 50%.

2. Duration of Affordability - 5 Points

Five (5) points will be awarded for Applicants who promise to extend the affordability period from thirty (30) to forty (40) years.

Documentation Requirement:

The Applicant must provide a signed certification that the affordability period will be forty (40) years. This extended affordability period will be incorporated into the Written Agreement between OHFA and the Recipient of the HTF funds.

3. Readiness to Proceed – 10 Points

Points will be awarded for the Applicant's ability to undertake eligible activities in a timely manner, as evidenced by the following documentation:

Documentation Requirements:

- A. Proof of acceptable form of ownership/site control-ownership, purchase contract or purchase option. For Acquisition and Acquisition/Rehabilitation, explain plan to obtain.
- B. Production and implementation schedule, of no more than twenty-four (24) months, which clearly identifies all major phases of the proposed Project, **including close-out**. This schedule should be thorough and detailed, and should begin on the anticipated date of award. If the Applicant is awarded funds for the Application, this schedule will be incorporated into the Special Conditions of the Written Agreement between OHFA and the Recipient. This schedule will be used for monitoring the progress of all phases of the Project prior to completion. Funded Applicants will be required to provide progress reports at least quarterly. OHFA will utilize these progress reports in order to determine if the Project is proceeding on schedule.
- C. Include preliminary plans and specifications. This documentation is not required for Acquisition/Rehabilitation activities and the property has not been identified.
- D. Document that the zoning required for the Project is in place. This documentation is not required for Acquisition/Rehabilitation activities and the property has not been identified.

Applicants should note that any documentation regarding readiness to proceed that is not provided with the Application will be required before the execution of a Written Agreement for HTF funds.

4. Energy Efficient Building Materials – 7 Points

The following is an **exclusive list** of amenities for which OHFA may award points. One point shall be awarded for each item below, up to a maximum of 7 points.

- Shower heads with a maximum of 2.5 gallons per minute flow rate
- Low-flow kitchen faucets
- Low-flow toilets (must be all toilets in every unit)
- The use of **better than** R-2 insulation on exposed hot water pipes
- Installation of Energy Star qualified appliances
- Energy Star qualified windows with Low E glass
- Energy Star qualified HVAC
- Energy Star qualified Efficiency Water Heaters
- Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (**may not be combined with spray foam insulation**)

- Low or no VOC paint
- Programmable thermostats
- Insulation: R-3 or better insulation installed around the exterior foundation of every Building
- **Applicants may select one (1) of the following:**
- Insulation: Attic insulation **better than** R- 38, wall insulation **better than** R – 13, and floor insulation (if applicable) **better than** R-19
 - **OR**
- Spray foam insulation exceeding code requirements

Documentation Requirements:

The Applicant must provide a signed certification that the amenities for which points are being claimed will be provided. Compliance Staff will monitor for these items on the initial compliance monitoring visit. An independent, qualified construction inspector hired by OHFA will also conduct construction inspections to ensure that the work is being done as specified in the Application. **Failure to provide the items as certified in the Application could result in a termination of the Written Agreement, de-obligation of the remaining funds, and repayment of funds already drawn down.**

5. Priority Housing Needs – 5 Points

Points will be awarded for addressing any of the following priority housing needs as identified in the Consolidated Plan. (Serving Extremely Low Income individuals and families was identified as the highest priority, but that is already a requirement of the HTF for 2016.)

- Families with Children
- Elderly
- Public Housing Residents
- Rural
- Chronic Homelessness
- Mentally Ill
- Chronic Substance Abuse
- Veterans
- Victims of Domestic Violence
- Persons with Mental Disabilities
- Persons with Physical Disabilities
- Persons with Developmental Disabilities
- Persons with Alcohol or Other Addictions
- Victims of Domestic Violence

Documentation Requirements:

The Applicant must provide a signed certification that one of the priority housing needs is being met. The other documentation provided with the Application must confirm this. Compliance Staff will monitor for this on compliance monitoring visits. OHFA Staff may contact the Application for additional information if necessary.

6. Project Based Rental Assistance – 5 Points

Points will be awarded to a Project that will preserve project-based rental assistance from any federal, State or local program, or for Projects with a binding commitment for project-based vouchers.

Documentation Requirements:

The Applicant must provide an executed agreement with the entity providing the project-based rental assistance, or a signed letter promising to provide such assistance. The commitment to provide project-based rental assistance must be a firm commitment.

7. Tenant Special Needs Populations – 10 Points

Points will be awarded to a Project that commits to dedicate at least ten percent (10%) of the total residential units to serve a Special Needs Population, or multiple Special Needs Populations. A minimum of one (1) unit dedicated to a Special Needs Population is required in order to receive the points, regardless of the percentage. Points will be awarded for the following Special Needs Populations. This is an exclusive list:

- Homeless
- Persons with mental or physical disabilities
- Military veterans
- Youth aging out of foster care
- Formerly incarcerated individuals transitioning into society

Documentation Requirements:

The Applicant must provide a signed certification that the unit(s) will be dedicated to serving the selected Special Needs Population(s). **Compliance Staff will monitor for this on all compliance monitoring visits.** Any manager's unit must be included in the calculation of ten percent (10%) of the total residential units. Special Needs Populations cannot be concentrated in a single bedroom size or single building if there are multiple bedroom sizes and/or multiple buildings.

OHFA will require that the units dedicated to Special Needs Populations be held open for at least 90 days before attempting to lease to a household that is not a qualified Special Needs household.

The 90 days will be from the placed in service date for new units, and from the date that the unit is available and ready for a new tenant for units that have previously been occupied. In order to lease a Special Needs unit to a household that is not a qualified Special Needs household, the Owner must obtain OHFA's permission to do so. OHFA will require proof that the Owner made reasonable attempts to lease the unit to a qualified Special Needs household, such as giving notice of the available unit to service providers and/or advocacy groups.

8. Services for Special Populations – 5 Points

OHFA will award points for Applications promising access to high quality supportive services focused on the ELI beneficiaries remaining housed, improving physical and/or mental condition, increasing income and employment, and developing social and community connections. To receive the points, Applications for HTF funding must be tied to funding for services that are appropriate for the population to be served.

Documentation Requirements:

The Applicant must provide an executed agreement with the entity providing the services, or a signed letter promising to provide such services. OHFA must be able to determine that the commitment to provide the services is a firm commitment. OHFA may request additional documentation if necessary to make such a determination.

BONUS POINTS:

8. Geographic Diversity – 5 Points

OHFA will give bonus points to the highest scoring Application from each of 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 available for 2016, OHFA believes that this is the most that can be done to encourage Geographic Diversity. Tiebreakers, as set forth below, will be used if two or more Applications achieve the same score.

There is no documentation required for this section.

9. Tiebreakers

Applications compete only against other Applications for funding being considered at the same Board meeting. If there are sufficient funds to fund all Applications that meet all threshold requirements, then all of the Applications will be funded. If not, Applications will be funded in rank order by score, from highest to lowest. Tie-breakers will be used in the event that there are sufficient funds remaining for only one Application, and the next two or more Applications in rank order have achieved an equal score.

Tiebreakers

1. First, the Application proposing the most HTF units will be awarded ahead of the others. If there is still a tie;
2. Second, the Application utilizing the least amount of HTF funding per HTF-assisted unit will be awarded ahead of the others. If there is still a tie;
3. The third and final tiebreaker will be a random drawing.

OHFA HTF Applicant Information Form

Applicant Name: _____

Mailing Address: _____

City: _____ **County:** _____

State _____ **Zip Code:** _____

Phone #: _____ **Fax #:** _____

E-mail address: _____

Federal Employer Identification Number: _____

DUNS Number: _____

Applicant's Official Authorized Signatory: _____

Name of primary contact person: _____

Mailing Address of primary contact person: _____

City: _____ **State and Zip Code:** _____

Phone #: _____ **Fax #:** _____

E-mail address: _____

This box may be completed by Applicants who are utilizing a person or entity providing assistance, if Applicants would like the person or entity to be included as a contact.

<p>Additional Contact: _____</p> <p>Mailing Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p> <p>Phone #: _____ Fax #: _____</p> <p>E-mail address: _____</p>
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OHFA HTF Application - Attachment A

COMPLIANCE WITH EXISTING FEDERAL AND STATE PROGRAMS

Check the appropriate line and sign and date at the bottom. It must be signed by the Chairman, Executive Director, or highest elected official, and duly notarized.

Monitoring – Program or Financial

_____ There are no monitoring issues with any affordable housing program on any of Applicant’s existing OHFA properties, including Affordable Housing Tax Credits, the HOME Investment Partnerships Program, Housing Opportunities for Persons With Aids, and/or the Oklahoma Housing Trust Fund.

OR

_____ There are some monitoring issues with one or more affordable housing program(s) on one or more existing OHFA properties. The plan(s) to correct the issues were submitted on _____ to the Compliance Staff.

OR

_____ Not Applicable, the Applicant is not currently involved with any Projects governed by a State, local or federal affordable housing program.

Signature _____

Printed name _____

Title _____

Date _____

State of Oklahoma
County of _____

Attest:
Subscribed and sworn to before me _____, _____.

My commission expires _____, _____. _____

Notary Public

OHFA HTF Application - Attachment B

Certification of Compliance with Other Federal Requirements

Affiant: _____

Applicant: _____

(Insert exact legal name of the organization)

Affiant, as the duly authorized representative of the Applicant, does hereby on oath affirm the following:

1. Applicant understands and will comply with the requirements of Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et. seq.); The Fair Housing Act (42 U.S.C. 3601-3620); Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259; and the Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101).
2. Applicant understands and will comply with the Program requirements for Affirmative Marketing on any Project with five or more HTF-assisted units. Applicant certifies that it has an Affirmative Marketing Plan and/or written Affirmative Marketing procedures in place to assure compliance with the all of the requirements of 24 CFR 92.351.
3. Applicant understands and will comply with the requirements of the Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155,201,218, and 225); the Fair Housing Act (42 U.S.C. 3601-19); and Section 504 of the Rehabilitation Act of 1973. Applicant certifies that it has a Fair Housing Plan in place to assure compliance with all of the requirements of the Fair Housing Act.
4. Applicant understands and will comply with the requirements of Equal Employment Opportunity (Executive Order 11246, as Amended); Section 3 of the Housing and Urban Development Act of 1968; and Minority/Women's Business Enterprise (Executive Orders 11625, 12432 and 12138). Applicant certifies that it has a Minority/Women's Business Enterprise Plan in place to assure compliance with all of the requirements of 24 CFR 92.351(b) and the aforementioned Executive Orders. Applicant further certifies that it has a written plan in place to address compliance with Section 3 of the Housing and Urban Development Act of 1968.
5. Applicant understands and will comply with the contracting and procurement requirements of the HTF Program.
6. Applicant affirms that no person who is an employee, agent, consultant, or officer of the Applicant who could exercise any functions or responsibilities with respect to any activity assisted with HTF funds, or who would be in a position to participate in a decision-making process or gain inside information with regard to any HTF-assisted activity, will obtain a financial interest or benefit from any HTF-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereof, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
7. Applicant understands and will comply with the requirements of the Environmental Review process for the HTF Program.
8. Applicant understands and will comply with Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106).
9. For any new construction of rental housing units, the Applicant will provide housing that is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act and Executive

Order 11063, and HUD regulations issued pursuant thereto, as well as ensuring that the proposed sites for new construction meet the requirements in 24 CFR 983.6(b).

- 10. Applicant will ensure that all units in a Project assisted with HTF funds comply with 24 CFR Part 35 regarding the lead-based paint requirements for HUD-assisted housing.
- 11. Applicant understands and will comply with the provisions of the Uniform Relocation Act on all HTF Projects involving rehabilitation, conversion or demolition.

I certify that the above statements are true and correct to the best of my knowledge and belief. I understand that any misstatement or falsification of information shall be grounds for cancellation of the contract and recapture of the HTF award.

Authorized Representative

Date

Typed Name and Title: _____

State of Oklahoma

County of _____

Attest:

Subscribed and sworn to before me _____, _____.

My commission expires _____, _____. _____

Notary Public

OHFA HTF Application - Attachment C

Certification of Financial Management

Affiant: _____

Applicant: _____

(Insert exact legal name of the organization)

Affiant, as the duly authorized representative of the Applicant, on oath affirms the following:

1. Applicant has written policies and procedures in place to provide for the following:
 - A. Tracking expended and unexpended HTF funds
 - B. Tracking and allocation of administrative costs, if applicable
 - C. Tracking of Program Income, if applicable
 - D. Properly maintaining source documentation of expenditures
2. Applicant has written policies and procedures in place to ensure that all expenditures are eligible, reasonable, and properly documented.
3. Applicant has written policies and procedures in place to ensure proper control of records and documents.
4. Applicant has written policies and procedures in place and adequate staff to ensure separation of duties.
5. Applicant has adequate internal controls in place to ensure proper maintenance and disbursement of the HTF funds.
6. Applicant certifies that it will comply with those parts of the OMB Uniform Guidance, 2 CFR Part 200 (the "Super Circular") that are applicable based on the type of Applicant and the type of Project.

I certify that the above statements are true and correct to the best of my knowledge and belief. I understand that any misstatement or falsification of information shall be grounds for cancellation of the contract and recapture of the HTF award.

Authorized Representative

Date

Typed Name and Title: _____

State of Oklahoma

County of _____

Attest:

Subscribed and sworn to before me _____, _____.

My commission expires _____, _____.

Notary Public

